

Natural Gas for Lifetime Investment

Summary and Recommendation

Posting Meter Reader from Beijing, China, after a week of energy meetings and field trips in Southeast Asia, we are struck by the progress and potential of natural gas as a contributor of clean energy. Investors have profited along the way and are likely to continue to profit in the decades ahead. For example China is just now embarking on the conversion from coal to gas that the U.S. undertook in the 1940s, 1950s, and 1960s and that Europe undertook in the 1970s, 1980s and 1990s. Meanwhile in Meter Reader's home market McDep Ratios identify investment value in natural gas producers that include **Energy Partners Ltd.**, **Hugoton Royalty Trust**, **Cross Timbers Royalty Trust**, **San Juan Basin Royalty Trust** and **Burlington Resources, Inc.**, (see table below). There may be some catch-up opportunity in HGT particularly if the distribution to be declared on March 20 meets or beats our estimate.

Rank by McDep Ratio	Symbol	Price	Shares	Market	Net	Debt/	McDep
		(\$/sh)			Cap		
		9-Mar	(mm)	(\$mm)	Value	Value	
		2000			(\$/sh)		
Exxon Mobil Corporation	XOM	85.99	3,517	302,000	71.10	0.14	1.18
Dorchester Hugoton, Ltd.	DHULZ	14.06	10.7	151	13.40	-	1.05
Burlington Resources	BR	51.00	215	11,000	54.90	0.16	0.94
San Juan Basin Royalty Trust	SJT	15.28	46.6	710	16.40	-	0.93
Cross Timbers Royalty Trust	CRT	17.80	6.0	107	19.60	-	0.91
Hugoton RT (42.5%)	HGT	15.24	17.0	259	18.30	-	0.83
Energy Partners, Ltd.	EPL	11.35	27.1	310	19.10	-	0.60

China Plans Pipeline System

As a young American boy growing up during the 1940s, I occasionally shoveled coal into a "stoker" that fed the furnace that heated our home. It was a dirty job. The smoke that went out the chimney was dirty too, but it dissipated rapidly and was not objectionable in a small rural community.

As a young consultant in the 1960s, I worked on a study of the market for natural gas in the U.K. for a company with new North Sea discoveries. The English still relied heavily on coal for residential heating, a sign of an underdeveloped energy economy.

In both cases, enormous investment opportunity unfolded with the displacement of coal by natural gas. Now China, the largest remaining user of coal for heating, is embarking on a conversion program.

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Petrochina, one of the three publicly traded Chinese oil companies, is taking the lead in planning the construction of a national natural gas transportation system. We have initiated our relationship and hope to develop more investment insight.

Liquefied Natural Gas Proves Itself

Another of my projects more than thirty years ago was to co-author a paper on LNG for the U.S. market. The market unfolded, but in Asia rather than in the U.S. That old analysis was brought to mind during the past few days as I had the privilege of touring the world's two largest liquefaction plants at Bontang, Kalimantan, Indonesia and at Bintulu, Sarawak, Malaysia. Appropriately, the airport symbol for the latter is "BTU".

The visit to Bontang also provides an illustration of the power of an idea seized and an idea missed. The story goes that Texas oilman, Roy Huffington, while flying over East Kalimantan exclaimed as he looked down, "That looks like home!" After securing the necessary permit, Mr. Huffington proceeded to drill. Finding more natural gas than oil, he then planned an LNG project. Today the Bontang LNG plant has resources dedicated to it equivalent to more than a third of the proven natural gas reserves in the U.S.

As for the idea missed, I declined more than one opportunity in the 1970s to help Mr. Huffington's partner, Virginia International, finance its share of the initial Bontang plant. Fortunately the project went ahead and has produced untold benefits for investors as well as for the citizens of Indonesia and consuming countries.

Our host at Bontang was Unocal, the company that has discovered the most resources recently. TotalFinaElf supplies about 60% of the input to the plant.

Our host at Bintulu was Royal Dutch/Shell, the world's largest publicly traded natural gas producer. Coincidentally, we were at Bintulu on the day that Royal Dutch announced its bid for Barrett Resources. The offer sparked stock market gains for other natural gas producers as well.

Backup Tables

Meanwhile for the week that just ended, the denominator of the McDep Ratio, Present Value, change little. Cash flow estimates for 2001 were off a little. Stocks are ranked by the unlevered cash flow multiple, EV/Ebitda, Enterprise Value to Earnings before interest, tax, depletion, amortization and non-operating charges (see table below). Dynamic Distribution Yields for the royalty trusts cluster in a narrow range of 13-14% in cash (see middle table below). If we can be comfortable with the ranking of stocks by PV/EBITDA, then we can be confident that the ranking by McDep Ratio is a reasonable indication of overall relative valuation (see bottom table below).

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Rank by Cash Flow Multiple		<i>Price</i> (\$/sh)	<i>Ebitda 2001</i>				<i>EV/ Ebitda</i>
			<i>9-Mar</i> 2000	<i>N Am</i> <i>Gas</i> (%)	<i>Oil &</i> <i>OS Gas</i> (%)	<i>Other</i> (%)	
<i>Symbol</i>							
Exxon Mobil Corporation	XOM	85.99	13	51	36	43,300	7.9
Cross Timbers Royalty Trust	CRT	17.80	86	14	-	16	6.8
Dorchester Hugoton, Ltd.	DHULZ	14.06	100	-	-	26	5.7
San Juan Basin Royalty Trust	SJT	15.28	100	-	-	124	5.7
Hugoton RT (42.5%)	HGT	15.24	100	-	-	50	5.2
Burlington Resources	BR	51.00	85	15	-	2,560	5.2
Energy Partners, Ltd.	EPL	11.35	40	60	-	121	2.6

Rank by Distributions		<i>Price</i> (\$/sh)	<i>9-Mar</i> 2000	<i>Price/ CF</i>	<i>Earnings 2001</i>		<i>Distribution 2001</i>	
					<i>(\$/sh)</i>	<i>P/E</i>	<i>(\$/sh)</i>	<i>(%)</i>
<i>Symbol</i>								
Energy Partners, Ltd.	EPL	11.35	2.6	1.37	8.3	-	-	-
Burlington Resources	BR	51.00	4.8	5.10	10.0	0.55	1.1	1.1
Exxon Mobil Corporation	XOM	85.99	8.3	4.90	17.6	1.76	2.0	2.0
Dorchester Hugoton, Ltd.	DHULZ	14.06	5.7	2.27	6.2	1.08	7.7	7.7
San Juan Basin Royalty Trust	SJT	15.28	5.8	1.99	7.7	1.99	13.0	13.0
Cross Timbers Royalty Trust	CRT	17.80	6.8	2.54	7.0	2.54	14.3	14.3
Hugoton RT (42.5%)	HGT	15.24	5.2	2.20	6.9	2.20	14.4	14.4

Rank by PV/Ebitda		<i>Reserves/ Prod 2001</i>	<i>Prod</i> 2001/ 2000	<i>Ebitda Margin</i>		<i>Present Value</i>		<i>PV/ Ebitda</i>
				<i>(\$/mcf)</i>	<i>(\$/boe)</i>	<i>(\$/mcf)</i>	<i>(\$/boe)</i>	
Cross Timbers Royalty Trust	12	0.95	3.75	22.48	2.40	14	7.5	7.5
Exxon Mobil Corporation	11	1.00	2.94	17.65	1.30	8	6.7	6.7
Hugoton RT (42.5%)	11	1.00	3.75	22.47	2.10	13	6.2	6.2
San Juan Basin Royalty Trust	11	0.99	3.90	23.43	2.20	13	6.2	6.2
Burlington Resources	11	0.95	3.04	18.25	1.60	9	5.5	5.5
Dorchester Hugoton, Ltd.	8	0.94	4.20	25.19	2.80	17	5.5	5.5
Energy Partners, Ltd.	5	1.75	3.07	18.44	2.50	15	4.3	4.3

The tables that follow present details of the latest present value and next twelve months estimates for six stocks in the order CRT, DHULZ, HGT, SJT, BR, and EPL.

Kurt H. Wulff, CFA

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Table CRT-1
Cross Timbers Royalty Trust
Present Value

Volume Decline (%/yr):	10	Price Escalation post 2007 (%/yr):	2.4
Volume Enhancement (%/yr):	10	Discount Rate (%/yr):	6.3
		U.S. TIPS Inflation (%/yr):	1.6
		U.S. 10 Year Yield (%/yr):	4.9

PV/Volume (\$/mcf):	2.47	PV/EBITDA 2001:	7.7
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Year	Natural Gas Volume			Price (\$/mcf)	Revenue (\$mm)	Oil Net (\$mm)	Distribution (\$mm)	Tax Credit (\$/unit)	Disc Factor	Present Value (\$/unit)	
	Basic (bcf)	Enhanced (bcf)	Total (bcf)								
Total 2001 through 2030											
	25	22	48	4.13	197	4	200	33.41	0.24	0.58	19.60
2001	2.7	0.0	2.7	5.07	13.5	1.8	15.3	2.54	0.12	0.97	2.58
2002	2.4	0.3	2.7	4.66	12.4	1.2	13.6	2.27	0.12	0.91	2.18
2003	2.2	0.5	2.7	4.25	11.3	0.8	12.1	2.01		0.86	1.73
2004	1.9	0.7	2.7	3.99	10.6		10.6	1.77		0.81	1.43
2005	1.7	0.9	2.7	3.64	9.7		9.7	1.61		0.76	1.22
2006	1.6	1.1	2.7	3.34	8.9		8.9	1.48		0.71	1.06
2007	1.4	1.2	2.7	3.42	9.1		9.1	1.52		0.67	1.02
2008	1.3	1.4	2.7	3.51	9.3		9.3	1.55		0.63	0.98
2009	1.1	1.5	2.7	3.59	9.6		9.6	1.59		0.59	0.94
2010	1.0	1.6	2.7	3.68	9.8		9.8	1.63		0.56	0.91
2011	0.9	1.5	2.4	3.77	9.0		9.0	1.50		0.52	0.79
2012	0.8	1.3	2.2	3.86	8.3		8.3	1.38		0.49	0.68
2013	0.8	1.2	1.9	3.95	7.7		7.7	1.28		0.46	0.59
2014	0.7	1.1	1.7	4.05	7.1		7.1	1.18		0.44	0.51
2015	0.6	1.0	1.6	4.14	6.5		6.5	1.08		0.41	0.45
2016	0.5	0.9	1.4	4.24	6.0		6.0	1.00		0.39	0.39
2017	0.5	0.8	1.3	4.35	5.5		5.5	0.92		0.36	0.33
2018	0.4	0.7	1.1	4.45	5.1		5.1	0.85		0.34	0.29
2019	0.4	0.6	1.0	4.56	4.7		4.7	0.78		0.32	0.25
2020	0.4	0.6	0.9	4.67	4.3		4.3	0.72		0.30	0.22
2021	0.3	0.5	0.8	4.78	4.0		4.0	0.66		0.28	0.19
2022	0.3	0.5	0.8	4.89	3.7		3.7	0.61		0.27	0.16
2023	0.3	0.4	0.7	5.01	3.4		3.4	0.56		0.25	0.14
2024	0.2	0.4	0.6	5.13	3.1		3.1	0.52		0.24	0.12
2025	0.2	0.3	0.5	5.26	2.9		2.9	0.48		0.22	0.11
2026	0.2	0.3	0.5	5.38	2.7		2.7	0.44		0.21	0.09
2027	0.2	0.3	0.4	5.51	2.4		2.4	0.41		0.20	0.08
2028	0.2	0.2	0.4	5.65	2.3		2.3	0.38		0.18	0.07
2029	0.1	0.2	0.4	5.78	2.1		2.1	0.35		0.17	0.06
2030	0.1	0.2	0.3	5.92	1.9		1.9	0.32		0.16	0.05

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Table CRT-2
Cross Timbers Royalty Trust
Distributable Income

	<i>Q4</i>	<i>Year</i>	<i>Q1</i>	<i>Q2</i>	<i>Q3</i>	<i>Q4E</i>	<i>Year</i>	<i>Q1E</i>	<i>Q2E</i>	<i>Q3E</i>	<i>Q4E</i>	<i>Year</i>
	<i>12/31/99</i>	<i>1999</i>	<i>3/31/00</i>	<i>6/30/00</i>	<i>9/30/00</i>	<i>12/31/00</i>	<i>2000E</i>	<i>3/31/01</i>	<i>6/30/01</i>	<i>9/30/01</i>	<i>12/31/01</i>	<i>2001E</i>
Highlights												
Tax credit (\$mm)												
Per unit	0.03	0.16	0.03	0.03	0.03	0.03	0.13	0.03	0.03	0.03	0.03	0.12
Distributable Income (\$mm)	2.28	6.55	2.30	2.42	3.35	3.43	11.50	4.18	4.07	3.51	3.50	15.25
Per unit	0.38	1.09	0.38	0.40	0.56	0.57	1.92	0.70	0.68	0.58	0.58	2.54
Units (millions)	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Volume												
Natural Gas (bcf)	0.97	3.64	0.80	0.77	0.83	0.76	3.16	0.76	0.72	0.74	0.73	2.95
Natural Gas (mmcf/d)	10.6	10.0	8.7	8.5	9.1	8.3	8.6	8.2	8.1	8.1	8.0	8.1
Days	92	365	92	91	91	92	366	92	89	92	92	365
Oil (mb)	94	349	88	81	93	91	353	89	84	85	85	343
Oil (mbd)	1.03	0.96	0.96	0.90	1.01	0.99	0.96	0.97	0.95	0.92	0.92	0.94
Days	92	365	92	90	92	92	366	92	89	92	92	365
Total (bcf)	1.54	5.73	1.33	1.26	1.39	1.31	5.28	1.29	1.23	1.25	1.24	5.01
Price												
Natural Gas (HH lagged three months)												
Henry Hub (\$/mmbtu)	2.52	2.12	2.45	2.62	3.63	4.48	3.29	6.52	6.28	5.13	5.23	5.79
Differential (\$/mmbtu)	0.13	0.13	(0.27)	(0.26)	0.16	-	(0.09)	1.22	0.63	0.51	0.52	0.72
CRT (\$/mcf)	2.39	1.99	2.72	2.88	3.47	4.48	3.38	5.30	5.66	4.62	4.71	5.07
Oil (\$/bbl) (WTI lagged two months)												
WTI Cushing	22.59	17.02	26.07	28.33	30.12	32.73	29.31	30.84	28.57	28.23	27.54	28.79
CRT	20.21	14.89	24.20	26.86	27.91	30.73	27.46	28.84	26.57	26.23	25.54	26.82
Total (\$/mcf)	2.75	2.17	3.25	3.50	3.94	4.75	3.86	5.10	5.15	4.52	4.52	4.82
Revenue (\$mm)												
Natural Gas	2.33	7.26	2.17	2.22	2.88	3.42	10.68	4.01	4.09	3.42	3.45	14.97
Oil	1.91	5.19	2.14	2.18	2.59	2.79	9.70	2.57	2.24	2.22	2.16	9.20
Total	4.23	12.45	4.31	4.40	5.47	6.21	20.38	6.57	6.34	5.64	5.62	24.17
Cost (\$mm)												
Tax, transport & other	0.50	1.61	0.58	0.61	0.74	0.87	2.80	0.92	0.89	0.79	0.79	3.38
Production	0.60	2.39	0.59	0.65	0.62	0.68	2.54	0.67	0.63	0.64	0.64	2.57
Total	1.09	4.00	1.17	1.26	1.36	1.55	5.34	1.59	1.52	1.43	1.42	5.96
Cash flow (\$mm)												
Development	3.14	8.46	3.13	3.14	4.11	4.66	15.04	4.99	4.82	4.22	4.19	18.22
Excess	0.12	0.74	0.21	0.13	0.16	0.16	0.67	0.16	0.16	0.17	0.17	0.66
Recovery of excess		(0.43)					-					-
Net proceeds (\$mm)	0.40	0.63	0.24	0.15			0.38					-
Royalty/Net proceeds	2.62	7.52	2.68	2.86	3.95	4.50	13.99	4.83	4.66	4.05	4.02	17.56
Royalty income (\$mm)												
Royalty/Net proceeds	2.30	6.69	2.35	2.48	3.39	3.89	12.11	4.22	4.11	3.55	3.54	15.41
Administration	0.02	0.14	0.05	0.05	0.05	0.46	0.61	0.04	0.04	0.04	0.04	0.16
Distributable income (\$mm)	2.28	6.55	2.30	2.42	3.35	3.43	11.50	4.18	4.07	3.51	3.50	15.25
Modeling ratios												
Tax and other/revenue	0.12	0.13	0.13	0.14	0.13	0.14	0.14	0.14	0.14	0.14	0.14	0.14
Production exp (\$/bbl)	6.31	6.86	6.71	8.00	6.69	7.50	7.20	7.50	7.50	7.50	7.50	7.50
Accounting items												
Interest on excess costs	0.01	0.06										
Cumulative excess costs	0.37	0.37	0.15									

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Table DHULZ-1
Dorchester Hugoton, Ltd.
Present Value

Volume Decline (%/yr):	11	Price Escalation Post 2006 (%/yr):	2.4
Volume Enhancement (%/yr):	7	Discount rate (%/yr):	6.3
Capex/Cash Flow (%):	20	U.S. TIPS Inflation (%/yr):	1.6
Variable Cost (%):	11	U.S. 10 Year Yield (%/yr):	4.9
PV/Volume (\$/mcf):	2.03	PV/EBITDA 2001:	6.4

Year	Basic (bcf)	Volume Enhanced (bcf)	Total (bcf)	Price (\$/mcf)	Revenue (\$mm)	Fixed Cost (\$mm)	Var Cost (\$mm)	Cap Ex (\$mm)	Free Cash Flow (\$mm)	(\$/unit)	Disc Factor	Present Value (\$/unit)
Total 2001 through 2030												
	54	30	84	4.11	345	86	38	31	190	17.53	0.76	13.40
						Other assets, net			20.0	1.84	1.00	1.84
2001	6.3	0.0	6.3	5.38	33.8	3.4	3.7	5.3	21.3	1.97	0.97	1.91
2002	5.6	0.4	6.0	4.74	28.6	3.4	3.1	4.4	17.6	1.62	0.91	1.48
2003	5.0	0.8	5.8	4.25	24.6	3.4	2.7	3.7	14.8	1.36	0.86	1.17
2004	4.4	1.1	5.6	3.99	22.2	3.4	2.4	3.3	13.0	1.20	0.81	0.97
2005	3.9	1.4	5.3	3.64	19.4	3.4	2.1	2.8	11.1	1.02	0.76	0.77
2006	3.5	1.6	5.1	3.34	17.1	3.4	1.9	2.4	9.4	0.87	0.71	0.62
2007	3.1	1.8	4.9	3.42	16.8	3.4	1.9	2.3	9.2	0.85	0.67	0.57
2008	2.8	1.9	4.7	3.51	16.5	3.4	1.8	2.3	9.0	0.83	0.63	0.53
2009	2.5	2.1	4.5	3.59	16.3	3.4	1.8	2.2	8.8	0.81	0.59	0.48
2010	2.2	2.1	4.3	3.68	16.0	3.4	1.8	2.2	8.6	0.80	0.56	0.44
2011	2.0	2.2	4.2	3.77	15.7	3.4	1.7		10.6	0.97	0.52	0.51
2012	1.7	2.0	3.7	3.86	14.3	3.4	1.6		9.3	0.86	0.49	0.42
2013	1.6	1.8	3.3	3.95	13.1	3.4	1.4		8.2	0.76	0.46	0.35
2014	1.4	1.6	2.9	4.05	11.9	3.4	1.3		7.2	0.66	0.44	0.29
2015	1.2	1.4	2.6	4.14	10.9	3.4	1.2		6.2	0.57	0.41	0.24
2016	1.1	1.2	2.3	4.24	9.9	3.4	1.1		5.4	0.49	0.39	0.19
2017	1.0	1.1	2.1	4.35	9.0	3.4	1.0		4.6	0.42	0.36	0.15
2018	0.9	1.0	1.8	4.45	8.2	3.4	0.9		3.9	0.36	0.34	0.12
2019	0.8	0.9	1.6	4.56	7.5	3.4	0.8		3.2	0.30	0.32	0.10
2020	0.7	0.8	1.5	4.67	6.8	3.4	0.8		2.6	0.24	0.30	0.07
2021	0.6	0.7	1.3	4.78	6.2	3.4	0.7		2.1	0.19	0.28	0.06
2022	0.5	0.6	1.2	4.89	5.7	3.4	0.6		1.6	0.15	0.27	0.04
2023	0.5	0.5	1.0	5.01	5.2	3.4	0.6		1.2	0.11	0.25	0.03
2024	0.4	0.5	0.9	5.13	4.7	3.4	0.5		0.8	0.07	0.24	0.02
2025	0.4	0.4	0.8	5.26	4.3	3.4	0.5		0.4	0.04	0.22	0.01

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Table DHULZ-2
Dorchester Hugoton, Ltd.
Income Model

	<i>Q4</i>	<i>Year</i>	<i>Q1</i>	<i>Q2</i>	<i>Q3</i>	<i>Q4</i>	<i>Year</i>	<i>Q1E</i>	<i>Q2E</i>	<i>Q3E</i>	<i>Q4E</i>	<i>Year</i>
	<i>12/31/99</i>	<i>1999</i>	<i>3/31/00</i>	<i>6/30/00</i>	<i>9/30/00</i>	<i>12/31/00</i>	<i>2000</i>	<i>3/31/01</i>	<i>6/30/01</i>	<i>9/30/01</i>	<i>12/31/01</i>	<i>2001E</i>
Highlights												
Revenue (\$mm)	4.39	15.3	4.16	5.57	7.04	8.42	25.2	9.24	7.53	7.69	7.76	32.2
Cash flow (\$mm)	3.25	10.9	3.09	3.87	5.69	7.11	19.8	7.67	6.11	6.26	6.32	26.4
Per unit	0.30	1.01	0.28	0.36	0.52	0.66	1.82	0.71	0.56	0.58	0.58	2.43
Earnings (\$mm)	2.78	9.0	2.64	3.40	5.24	6.69	18.0	7.25	5.69	5.83	5.90	24.7
Per unit	0.26	0.83	0.24	0.32	0.48	0.62	1.66	0.67	0.52	0.54	0.54	2.27
Distribution (\$mm)	1.93	7.7	3.01	1.93	2.36	2.36	9.7	2.90	2.90	2.90	2.90	11.6
Per unit	0.18	0.72	0.28	0.18	0.22	0.22	0.90	0.27	0.27	0.27	0.27	1.08
Units (millions)	10.74	10.7	10.74	10.74	10.74	10.74	10.7	10.74	10.74	10.74	10.74	10.7
Volume												
Natural gas (bcf)												
Oklahoma	1.43	5.6	1.39	1.37	1.43	1.38	5.6	1.34	1.35	1.36	1.35	5.4
Kansas	0.31	1.3	0.29	0.28	0.27	0.24	1.1	0.23	0.22	0.22	0.21	0.9
Total	1.74	6.9	1.68	1.66	1.70	1.62	6.7	1.57	1.57	1.57	1.56	6.3
Natural Gas (mmcf)	18.9	18.9	18.5	18.2	18.4	17.6	18.2	17.5	17.3	17.1	16.9	17.2
Days	92	365	91	91	92	92	366	90	91	92	92	365
Price												
Natural gas												
Henry Hub (\$/mmbtu)	2.45	2.24	2.62	3.63	4.48	6.52	4.31	6.28	5.13	5.23	5.33	5.49
Oklahoma (\$/mcf)	2.60	2.28	2.53	3.50	4.33	5.43	3.95	6.16	5.01	5.11	5.21	5.37
Kansas (\$/mcf)	2.70	2.36	2.72	3.58	4.41	5.54	3.99	6.24	5.09	5.19	5.29	5.46
Total (\$/mcf)	2.62	2.30	2.57	3.51	4.34	5.45	3.96	6.18	5.02	5.12	5.22	5.38
Revenue (\$mm)												
Natural Gas												
Oklahoma	3.73	12.7	3.53	4.81	6.18	7.51	22.0	8.28	6.76	6.93	7.02	29.0
Kansas	0.83	3.1	0.79	1.01	1.19	1.33	4.3	1.42	1.14	1.14	1.12	4.8
Other	0.05	0.2	0.05	0.05	0.06	0.05	0.2	0.05	0.05	0.05	0.05	0.2
Production payment (ORRI)	(0.23)	(0.8)	(0.21)	(0.30)	(0.39)	(0.47)	(1.4)	(0.51)	(0.42)	(0.43)	(0.43)	(1.8)
Total	4.39	15.3	4.16	5.57	7.04	8.42	25.2	9.24	7.53	7.69	7.76	32.2
Cost (\$mm)												
Operating	0.95	3.6	0.92	1.04	1.07	1.35	4.4	1.27	1.15	1.16	1.17	4.8
General and administrative	0.16	0.6	0.14	0.18	0.20	0.28	0.8	0.20	0.18	0.18	0.18	0.7
Management	0.13	0.5	0.13	0.14	0.16	0.17	0.6	0.18	0.16	0.16	0.17	0.7
Other	(0.10)	(0.3)	(0.11)	0.35	(0.07)	(0.49)	(0.3)	(0.08)	(0.08)	(0.08)	(0.08)	(0.3)
Total	1.13	4.4	1.07	1.70	1.35	1.31	5.4	1.57	1.42	1.43	1.44	5.9
Cash flow (\$mm)	3.25	10.9	3.09	3.87	5.69	7.11	19.8	7.67	6.11	6.26	6.32	26.4
Depletion, deprec. & amort.	0.48	1.9	0.45	0.46	0.45	0.42	1.8	0.42	0.42	0.43	0.42	1.7
Earnings (\$mm)	2.78	9.0	2.64	3.40	5.24	6.69	18.0	7.25	5.69	5.83	5.90	24.7
Capital expenditures (\$mm)	0.10	0.4	0.04	0.13	0.23	0.09	0.5	1.15	0.92	0.94	0.95	4.0
Cost ratios												
Prod pay/revenue	5.0%	4.7%	4.8%	5.1%	5.3%	5.3%	5.2%	5.3%	5.3%	5.3%	5.3%	5.3%
Operating cost (\$/mcf)	0.54	0.52	0.54	0.63	0.63	0.83	0.66	0.81	0.73	0.74	0.75	0.76
Depletion (\$/mcf)	0.27	0.28	0.27	0.28	0.27	0.26	0.27	0.27	0.27	0.27	0.27	0.27

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Table HGT-1
Hugoton Royalty Trust
Present Value

Volume Decline (%/yr):	10	Price Escalation Post 2006 (%/yr):	2.4
Volume Enhancement (%/yr):	10	Discount rate (%/yr):	6.3
Capex/Cash Flow (%):	25	U.S. TIPS Inflation (%/yr):	1.6
Variable Cost (%):	12	U.S. 10 Year Yield (%/yr):	4.9
PV/Volume (\$/mcf):	1.31	PV/EBITDA 2001:	6.2

Year	Basic (bcf)	Volume Enhanced (bcf)	Total (bcf)	Price (\$/mcf)	Revenue (\$mm)	Fixed Cost (\$mm)	Var Cost (\$mm)	Cap Ex (\$mm)	Distribution (\$mm)	(\$/unit)	Tax Credit (\$/unit)	Disc Factor	Present Value (\$/unit)
Total 200 through 2030													
	300	261	560	4.12	2306	574	277	220	1235	30.89	0.04	0.59	18.30
2001	31.3	0.0	31.3	4.95	154.9	19.1	18.6	29.4	87.8	2.20	0.02	0.97	2.15
2002	28.2	3.1	31.3	4.50	140.8	19.1	16.9	26.2	78.6	1.97	0.02	0.91	1.81
2003	25.3	5.9	31.3	4.25	133.0	19.1	16.0	24.5	73.4	1.84		0.86	1.57
2004	22.8	8.5	31.3	3.99	124.9	19.1	15.0	22.7	68.1	1.70		0.81	1.37
2005	20.5	10.8	31.3	3.64	113.9	19.1	13.7	20.3	60.8	1.52		0.76	1.15
2006	18.5	12.8	31.3	3.34	104.6	19.1	12.6	18.2	54.7	1.37		0.71	0.98
2007	16.6	14.7	31.3	3.42	107.1	19.1	12.9	18.8	56.4	1.41		0.67	0.95
2008	15.0	16.3	31.3	3.51	109.7	19.1	13.2	19.4	58.1	1.45		0.63	0.92
2009	13.5	17.8	31.3	3.59	112.4	19.1	13.5	19.9	59.8	1.50		0.59	0.89
2010	12.1	19.2	31.3	3.68	115.1	19.1	13.8	20.5	61.6	1.54		0.56	0.86
2011	10.9	17.2	28.2	3.77	106.1	19.1	12.7		74.2	1.86		0.52	0.97
2012	9.8	15.5	25.3	3.86	97.8	19.1	11.7		66.9	1.67		0.49	0.83
2013	8.8	14.0	22.8	3.95	90.1	19.1	10.8		60.2	1.50		0.46	0.70
2014	8.0	12.6	20.5	4.05	83.0	19.1	10.0		54.0	1.35		0.44	0.59
2015	7.2	11.3	18.5	4.14	76.5	19.1	9.2		48.2	1.21		0.41	0.50
2016	6.4	10.2	16.6	4.24	70.6	19.1	8.5		43.0	1.07		0.39	0.41
2017	5.8	9.2	15.0	4.35	65.0	19.1	7.8		38.1	0.95		0.36	0.35
2018	5.2	8.3	13.5	4.45	59.9	19.1	7.2		33.6	0.84		0.34	0.29
2019	4.7	7.4	12.1	4.56	55.2	19.1	6.6		29.5	0.74		0.32	0.24
2020	4.2	6.7	10.9	4.67	50.9	19.1	6.1		25.7	0.64		0.30	0.19
2021	3.8	6.0	9.8	4.78	46.9	19.1	5.6		22.2	0.55		0.28	0.16
2022	3.4	5.4	8.8	4.89	43.3	19.1	5.2		18.9	0.47		0.27	0.13
2023	3.1	4.9	8.0	5.01	39.9	19.1	4.8		16.0	0.40		0.25	0.10
2024	2.8	4.4	7.2	5.13	36.7	19.1	4.4		13.2	0.33		0.24	0.08
2025	2.5	3.9	6.4	5.26	33.9	19.1	4.1		10.7	0.27		0.22	0.06
2026	2.2	3.6	5.8	5.38	31.2	19.1	3.7		8.3	0.21		0.21	0.04
2027	2.0	3.2	5.2	5.51	28.8	19.1	3.5		6.2	0.15		0.20	0.03
2028	1.8	2.9	4.7	5.65	26.5	19.1	3.2		4.2	0.11		0.18	0.02
2029	1.6	2.6	4.2	5.78	24.4	19.1	2.9		2.4	0.06		0.17	0.01
2030	1.5	2.3	3.8	5.92	22.5	19.1	2.7		0.7	0.02		0.16	0.00

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Table HGT-2
Hugoton Royalty Trust
Distributable Income

	Q4 12/31/99	Year 1999	Q1 3/31/00	Q2 6/30/00	Q3 9/30/00	Q4E 12/31/00	Year 2000E	Q1E 3/31/01	Q2E 6/30/01	Q3E 9/30/01	Q4E 12/31/01	Year 2001E
Highlights												
Revenue (\$mm) (80%)	20.4	63.1	20.0	19.8	28.2	33.4	101.5	47.4	35.3	36.0	36.2	154.9
Cash flow (\$mm) (80%)	14.4	42.2	14.1	13.9	20.8	25.5	74.3	37.2	26.4	26.8	27.1	117.5
Per unit	0.36	1.06	0.35	0.35	0.52	0.64	1.86	0.93	0.66	0.67	0.68	2.94
Tax credit (\$mm)	0.2	0.8	0.2	0.2	0.2	0.2	0.8	0.2	0.2	0.2	0.2	0.8
Per unit	0.01	0.02	0.01	0.01	0.01	0.01	0.02	0.01	0.01	0.01	0.01	0.02
Distributable Income (\$mm)	12.2	33.1	10.9	11.3	16.2	18.3	56.7	27.8	19.7	20.0	20.2	87.8
Per unit	0.30	0.83	0.27	0.28	0.40	0.46	1.42	0.69	0.49	0.50	0.51	2.20
Units (millions)	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
Volume												
Natural Gas (bcf)	9.6	34.2	9.7	8.6	9.1	9.4	36.8	9.3	9.0	9.3	9.3	36.9
Natural Gas (mmcf)	104.2	102.1	105.5	96.0	98.4	102.7	100.9	101.0	101.0	101.0	101.0	101.0
Days	92	335	92	90	92	92	366	92	89	92	92	365
Oil (mb)	103	388	100	105	98	97	399	96	92	94	93	374
Oil (mbd)	1.1	1.1	1.1	1.2	1.1	1.1	1.1	1.0	1.0	1.0	1.0	1.0
Days	92	342	92	90	92	92	366	92	89	92	92	365
Total (bcf)	10.2	36.5	10.3	9.3	9.6	10.0	39.2	9.9	9.5	9.9	9.8	39.1
Price												
Natural Gas (HH lagged two months)												
Henry Hub (\$/mmbtu)	2.66	2.18	2.35	2.82	3.94	4.83	3.49	7.57	5.25	5.18	5.23	5.81
Differential (\$/mmbtu)	0.24	0.06	0.04	0.29	0.37	0.72	0.35	1.50	0.63	0.62	0.63	0.84
HGT (\$/mcf)	2.42	2.12	2.32	2.54	3.57	4.11	3.14	6.07	4.62	4.56	4.60	4.96
Oil (\$/bbl) (WTI Cushing lagged two months)												
WTI Cushing	22.59	17.39	26.07	28.33	30.12	31.56	29.02	30.84	28.57	28.23	27.54	28.79
HGT	21.72	16.53	25.19	27.63	29.71	30.56	28.24	30.34	28.07	27.73	27.04	28.31
Total (\$/mcf)	2.49	2.16	2.43	2.68	3.65	4.17	3.23	6.01	4.62	4.56	4.60	4.95
Revenue (\$mm)												
Natural Gas	23.2	72.5	22.5	21.9	32.3	38.9	115.6	56.4	41.5	42.3	42.8	183.0
Oil	2.2	6.4	2.5	2.9	2.9	3.0	11.3	2.9	2.6	2.6	2.5	10.6
Total	25.4	78.9	25.0	24.8	35.2	41.8	126.8	59.3	44.1	44.9	45.3	193.6
Cost (\$mm)												
Tax, transport & other												
Production	3.0	11.0	3.3	3.2	3.9	4.6	15.0	4.9	4.8	4.9	4.9	19.6
Overhead	1.7	6.9	1.7	1.8	1.9	1.8	7.2	2.0	1.9	2.0	2.0	7.8
Total	7.4	26.2	7.4	7.4	9.2	9.9	34.0	12.8	11.1	11.4	11.4	46.7
Cash flow (\$mm)												
Development	2.8	11.3	3.9	3.3	5.8	8.9	21.8	11.6	8.3	8.4	8.5	36.7
Net proceeds (\$mm)												
Royalty/Net proceeds	15.2	41.4	13.7	14.1	20.3	23.0	71.1	34.8	24.8	25.2	25.4	110.2
Royalty income (\$mm)												
Royalty/Net proceeds	12.2	33.2	11.0	11.3	16.2	18.4	56.9	27.9	19.8	20.1	20.3	88.1
Administration	0.0	0.1	0.0	0.0	0.0	0.1	0.2	0.1	0.1	0.1	0.1	0.3
Distributable income (\$mm)												
Royalty/Net proceeds	12.2	33.1	10.9	11.3	16.2	18.3	56.7	27.8	19.7	20.0	20.2	87.8
Cost ratios												
Tax and other/revenue	10%	10%	10%	10%	10%	8%	9%	10%	10%	10%	10%	10%
Production cost (\$/mcf)	0.29	0.30	0.32	0.35	0.40	0.46	0.38	0.50	0.50	0.50	0.50	0.50
Overhead cost (\$/mcf)	0.17	0.19	0.17	0.19	0.20	0.18	0.18	0.20	0.20	0.20	0.20	0.20

Note: The trust was formed on December 1, 1998. Also there is a two month lag between actual and reported production. As a result, the first year of operations includes only eleven months of actual production from December 1998 through October 1999.

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Table SJT-1
San Juan Basin Royalty Trust
Present Value

Volume Decline (%/yr):	10	Price Escalation Post 2006 (%/yr):	2.4
Volume Enhancement (%/yr):	10	Discount rate (%/yr):	6.3
Capex/Cash Flow (%):	25	U.S. TIPS Inflation (%/yr):	1.6
Variable Cost (%):	9	U.S. 10 Year Yield (%/yr):	4.9
PV/Volume (\$/mcf):	1.35	PV/EBITDA 2001:	6.2

Year	Basic (bcf)	Volume Enhanced (bcf)	Total (bcf)	Price (\$/mcf)	Revenue (\$mm)	Fixed Cost (\$mm)	Var Cost (\$mm)	Cap Ex (\$mm)	Distribution (\$mm)	(\$/unit)	Tax Credit (\$/unit)	Disc Factor	Present Value (\$/unit)
Total 2001 through 2030													
	304	264	568	3.70	2100	389	189	221	1301	27.92	0.32	0.58	16.40
2001	31.7	0.0	31.7	4.74	150.3	13.0	13.5	31.1	92.6	1.99	0.16	0.97	2.08
2002	28.5	3.2	31.7	4.03	127.6	13.0	11.5	25.8	77.4	1.66	0.16	0.91	1.66
2003	25.7	6.0	31.7	3.80	120.5	13.0	10.8	24.2	72.5	1.56		0.86	1.34
2004	23.1	8.6	31.7	3.57	113.2	13.0	10.2	22.5	67.5	1.45		0.81	1.17
2005	20.8	10.9	31.7	3.26	103.2	13.0	9.3	20.2	60.7	1.30		0.76	0.99
2006	18.7	13.0	31.7	2.99	94.8	13.0	8.5	18.3	55.0	1.18		0.71	0.84
2007	16.8	14.9	31.7	3.06	97.1	13.0	8.7	18.9	56.6	1.21		0.67	0.81
2008	15.2	16.5	31.7	3.14	99.5	13.0	9.0	19.4	58.2	1.25		0.63	0.79
2009	13.6	18.1	31.7	3.21	101.9	13.0	9.2	19.9	59.8	1.28		0.59	0.76
2010	12.3	19.4	31.7	3.29	104.3	13.0	9.4	20.5	61.5	1.32		0.56	0.74
2011	11.1	17.5	28.5	3.37	96.1	13.0	8.7		74.5	1.60		0.52	0.84
2012	9.9	15.7	25.7	3.45	88.6	13.0	8.0		67.7	1.45		0.49	0.72
2013	9.0	14.2	23.1	3.53	81.7	13.0	7.4		61.4	1.32		0.46	0.61
2014	8.1	12.7	20.8	3.62	75.3	13.0	6.8		55.5	1.19		0.44	0.52
2015	7.3	11.5	18.7	3.71	69.4	13.0	6.2		50.2	1.08		0.41	0.44
2016	6.5	10.3	16.8	3.80	63.9	13.0	5.8		45.2	0.97		0.39	0.37
2017	5.9	9.3	15.2	3.89	58.9	13.0	5.3		40.7	0.87		0.36	0.32
2018	5.3	8.4	13.6	3.98	54.3	13.0	4.9		36.5	0.78		0.34	0.27
2019	4.8	7.5	12.3	4.08	50.1	13.0	4.5		32.6	0.70		0.32	0.22
2020	4.3	6.8	11.1	4.18	46.2	13.0	4.2		29.0	0.62		0.30	0.19
2021	3.9	6.1	9.9	4.28	42.5	13.0	3.8		25.7	0.55		0.28	0.16
2022	3.5	5.5	9.0	4.38	39.2	13.0	3.5		22.7	0.49		0.27	0.13
2023	3.1	4.9	8.1	4.49	36.1	13.0	3.3		19.9	0.43		0.25	0.11
2024	2.8	4.4	7.3	4.59	33.3	13.0	3.0		17.3	0.37		0.24	0.09
2025	2.5	4.0	6.5	4.70	30.7	13.0	2.8		15.0	0.32		0.22	0.07
2026	2.3	3.6	5.9	4.82	28.3	13.0	2.5		12.8	0.27		0.21	0.06
2027	2.0	3.2	5.3	4.93	26.1	13.0	2.3		10.8	0.23		0.20	0.05
2028	1.8	2.9	4.8	5.05	24.0	13.0	2.2		8.9	0.19		0.18	0.04
2029	1.7	2.6	4.3	5.17	22.2	13.0	2.0		7.2	0.15		0.17	0.03
2030	1.5	2.4	3.9	5.30	20.4	13.0	1.8		5.6	0.12		0.16	0.02

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Table SJT-2
San Juan Basin Royalty Trust
Distributable Income Model

	Q4 12/31/99	Year 1999	Q1 3/31/00	Q2 6/30/00	Q3 9/30/00	Q4E 12/31/00	Year 2000E	Q1E 3/31/01	Q2E 6/30/01	Q3E 9/30/01	Q4E 12/31/01	Year 2001E
Highlights												
Revenue (\$mm) (75%)	17.4	53.2	17.3	19.3	29.0	29.8	95.3	48.5	34.0	33.9	33.8	150.3
Cash flow (\$mm) (75%)	13.4	39.6	13.3	13.7	23.6	24.7	75.2	40.9	28.0	27.9	27.8	124.6
Per unit	0.29	0.85	0.28	0.29	0.51	0.53	1.61	0.88	0.60	0.60	0.60	2.67
Tax credit (\$mm)	2.5	7.6	1.9	1.9	1.9	1.9	7.5	1.9	1.9	1.9	1.9	7.5
Per unit	0.05	0.16	0.04	0.04	0.04	0.04	0.16	0.04	0.04	0.04	0.04	0.16
Distributable Income (\$mm)	11.3	31.8	9.9	13.2	19.7	16.5	59.2	30.5	20.8	20.7	20.7	92.6
Per unit	0.24	0.68	0.21	0.28	0.42	0.35	1.27	0.65	0.45	0.44	0.44	1.99
Units (millions)	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6
Volume												
Natural gas (mmbtu)												
Conventional	6.7	26.9	7.0	7.1	8.4							
Coal Seam	3.5	14.4	3.6	3.9	4.0							
Total	10.3	41.3	10.6	11.0	12.4	11.2	45.1	11.3	11.0	11.1	11.0	44.4
Heat Content(btu/cf)	1,045	1,035	1,053	1,028	1,104	1,084	1,068	1,061	1,061	1,061	1,061	1,061
Natural gas (bcf)												
Conventional	5.8	23.5	5.9	6.3	6.7							
Coal Seam	4.0	16.4	4.1	4.4	4.5							
Total	9.8	39.9	10.1	10.7	11.2	10.3	42.2	10.7	10.3	10.5	10.4	41.8
Natural Gas (mmcf)	106.7	109.4	109.6	118.5	121.6	111.8	115.4	116.0	114.8	113.7	112.6	114.3
Days	92	365	92	90	92	92	366	92	90	92	92	366
Oil (mb)	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1
Oil (mbd)	0.2	0.2	0.3	0.2	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Days	92	365	92	90	92	92	366	92	90	92	92	366
Total gas & oil (bcf)	9.9	40.4	10.2	10.8	11.4	10.4	42.8	10.8	10.4	10.6	10.5	42.3
Price												
Natural gas (\$/mmbtu) (Henry Hub lagged two months)												
Henry Hub (\$/mmbtu)	2.66	2.17	2.35	2.82	3.94	4.83	3.49	7.57	5.25	5.18	5.23	5.81
Differential (\$/mmbtu)	0.44	0.48	0.23	0.52	0.87	1.31	0.72	1.90	1.15	1.14	1.15	1.33
SJT Conventional	2.27	1.75	2.17	2.36	3.14							
SJT Coal Seam	2.13	1.58	2.03	2.20	2.92							
Total	2.22	1.69	2.12	2.30	3.07	3.52	2.77	5.67	4.09	4.04	4.08	4.48
Natural gas (\$/mcf)												
Conventional	2.63	2.00	2.54	2.67	3.95							
Coal Seam	1.88	1.39	1.79	1.94	2.56							
Total	2.32	1.75	2.23	2.37	3.39	3.81	2.96	5.34	3.86	3.81	3.85	4.75
Oil (\$/bbl) (WTI Cushing lagged two months)												
WTI Cushing	22.59	17.02	26.07	28.33	30.12	32.73	29.31	28.79	28.57	28.23	18.80	26.10
SJT	20.66	14.25	22.48	21.66	25.58	28.73	24.49	24.79	24.57	24.23	14.80	22.08
Total gas & oil (\$/mcf)	2.33	1.76	2.25	2.38	3.40	3.82	2.97	5.99	4.34	4.28	4.31	4.74
Revenue (\$mm)												
Natural Gas - Conventional	15.2	47.1	15.1	16.8	26.3							
Coal Seam	7.6	22.8	7.4	8.5	11.6							
Total	22.8	69.9	22.5	25.2	37.9	39.2	124.9	64.2	44.9	44.8	44.8	198.7
Oil	0.4	1.0	0.5	0.5	0.7	0.5	2.2	0.5	0.4	0.4	0.3	1.6
Total	23.2	71.0	23.0	25.7	38.6	39.8	127.1	64.6	45.3	45.3	45.1	200.3
Cost (\$mm)												
Severance tax	2.4	7.3	2.2	2.3	4.2	3.7	12.4	6.5	4.5	4.5	4.5	20.0
Operating	2.9	10.8	3.1	5.2	3.1	3.2	14.5	3.6	3.5	3.6	3.5	14.2
Total	5.3	18.1	5.4	7.5	7.2	6.9	26.9	10.1	8.0	8.1	8.0	34.3
Cash flow (\$mm)												
Development	2.6	10.6	4.6	4.8	5.0	11.2	25.6	13.6	9.3	9.3	9.3	41.5
Net proceeds (\$mm)												
	15.3	42.3	13.1	13.5	26.4	21.7	74.6	40.9	28.0	27.9	27.8	124.6
Royalty income (\$mm)												
Royalty/Net proceeds	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Administration	0.2	0.8	0.2	0.4	0.2	(0.2)	0.5	0.2	0.2	0.2	0.2	0.8
One-time		0.9	0.3	3.5			3.7					-
Distributable income (\$mm)												
	11.3	31.8	9.9	13.2	19.7	16.5	59.2	30.5	20.8	20.7	20.7	92.6
Modeling ratios												
Severance tax/revenue	10.3%	10.3%	9.8%	9.0%	10.8%	9.2%	9.7%	10.0%	10.0%	10.0%	10.0%	10.0%
Operating cost (\$/mcf)	0.29	0.27	0.30	0.48	0.27	0.31	0.34	0.34	0.34	0.34	0.34	0.34

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Table BR-1
Burlington Resources
Present Value

Volume Decline (%/yr):	11	Price Escalation Post 2006 (%/yr):	2.4
Volume Enhancement (%/yr):	11	Discount rate (%/yr):	6.3
Capex/Cash Flow (%):	50	U.S. TIPS Inflation (%/yr):	1.6
Variable Cost (%):	14	U.S. 10 Year Yield (%/yr):	4.9
PV/Volume (\$/mcf):	0.77	PV/EBITDA 2001:	5.5
PV/Share (\$):	54.60		

Year	Basic (bcf)	Volume Enhanced (bcf)	Total (bcf)	Price (\$/mcf)	Revenue (\$mm)	Fixed Cost (\$mm)	Var Cost (\$mm)	Cap Ex (\$mm)	Cash Flow (\$mm)	Disc Factor	Present Value (\$mm)
Total 2001 through 2030											
	7417	10827	18244	3.88	70740	16915	9904	15209	28712	0.49	14100
2001	841	0	841	4.32	3631	564	508	1280	1280	0.97	1241
2002	749	93	841	4.25	3577	564	501	1256	1256	0.91	1146
2003	666	175	841	3.33	2803	564	392	923	923	0.86	792
2004	593	248	841	3.27	2749	564	385	900	900	0.81	726
2005	528	313	841	3.21	2704	564	378	881	881	0.76	668
2006	470	372	841	3.17	2666	564	373	864	864	0.71	617
2007	418	423	841	3.24	2730	564	382	892	892	0.67	599
2008	372	469	841	3.32	2796	564	391	920	920	0.63	581
2009	331	510	841	3.40	2863	564	401	949	949	0.59	563
2010	295	547	841	3.48	2932	564	410	979	979	0.56	546
2011	262	579	841	3.57	3003	564	420	1009	1009	0.52	530
2012	234	608	841	3.65	3075	564	431	1040	1040	0.49	514
2013	208	634	841	3.74	3149	564	441	1072	1072	0.46	498
2014	185	656	841	3.83	3225	564	452	1105	1105	0.44	482
2015	165	677	841	3.93	3303	564	462	1138	1138	0.41	467
2016	147	602	749	4.02	3010	564	421		2025	0.39	782
2017	130	536	666	4.12	2744	564	384		1796	0.36	652
2018	116	477	593	4.22	2501	564	350		1587	0.34	542
2019	103	425	528	4.32	2279	564	319		1396	0.32	449
2020	92	378	470	4.42	2078	564	291		1223	0.30	369
2021	82	336	418	4.53	1894	564	265		1065	0.28	303
2022	73	299	372	4.64	1726	564	242		920	0.27	246
2023	65	266	331	4.75	1573	564	220		789	0.25	198
2024	58	237	295	4.86	1434	564	201		669	0.24	158
2025	51	211	262	4.98	1307	564	183		560	0.22	124
2026	46	188	234	5.10	1191	564	167		460	0.21	96
2027	41	167	208	5.22	1086	564	152		370	0.20	73
2028	36	149	185	5.35	989	564	139		287	0.18	53
2029	32	132	165	5.48	902	564	126		212	0.17	37
2030	29	118	147	5.61	822	564	115		143	0.16	23

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Table EPL-1
Energy Partners, Ltd.
Present Value

Volume Decline (%/yr):	15	Price Escalation post 2006 (%/yr):	1.6
Volume Enhancement (%/yr):	34	Discount rate (%/yr):	6.3
Capex/Cash Flow (%):	100	U.S. TIPS Inflation (%/yr):	1.6
Variable Cost (%):	16	U.S. 10 Year Yield (%/yr):	4.9
PV/Volume (\$/bbl):	3.60	PV/EBITDA 2001:	4.3
PV/Share (\$):	19.10		

Year	Basic (mb)	Volume Enhanced (mb)	Total (mb)	Price (\$/bbl)	Revenue (\$mm)	Fixed Cost (\$mm)	Var Cost (\$mm)	Cap Ex (\$mm)	Pre- Tax (\$mm)	Income Tax (\$mm)	Cash Flow (\$mm)	Disc Factor	Present Value (\$mm)
Total 2001 through 2015													
	42100	101200	143300	22.86	3276	609	524	1055	1088	155	932	0.47	517
2001	6570	0	6570	27.18	179	30	29	120	0	0	0	0.97	0
2002	5584	2234	7818	26.11	204	30	33	141	0	0	0	0.91	0
2003	4747	4557	9303	24.17	225	30	36	158	0	0	0	0.86	0
2004	4035	7036	11071	22.85	253	30	40	182	0	0	0	0.81	0
2005	3429	9745	13174	21.75	286	30	46	210	0	0	0	0.76	0
2006	2915	12763	15678	20.82	326	30	52	244	0	0	0	0.71	0
2007	2478	10848	13326	21.16	282	30	45		206	29	177	0.67	119
2008	2106	9221	11327	21.50	243	30	39		174	25	149	0.63	94
2009	1790	7838	9628	21.84	210	30	34		146	21	125	0.59	74
2010	1522	6662	8184	22.19	182	30	29		122	17	105	0.56	58
2011	1293	5663	6956	22.55	157	30	25		101	14	87	0.52	46
2012	1099	4813	5913	22.91	135	30	22		83	12	71	0.49	35
2013	934	4091	5026	23.28	117	30	19		68	10	58	0.46	27
2014	794	3478	4272	23.66	101	30	16		54	8	47	0.44	20
2015	675	2956	3631	24.04	87	30	14		43	6	37	0.41	15
2016	574	2513	3087	24.43	75	30	12		33	5	28	0.39	11
2017	488	2136	2624	24.82	65	30	10		24	3	21	0.36	8
2018	415	1815	2230	25.22	56	30	9		17	2	14	0.34	5
2019	352	1543	1896	25.62	49	30	8		10	1	9	0.32	3
2020	300	1312	1611	26.04	42	30	7		5	1	4	0.30	1

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Table EPL-2
Energy Partners, Ltd.
Cash Flow

	<i>H1</i>	<i>Q3</i>	<i>Q4</i>	<i>Year</i>	<i>Q1E</i>	<i>Q2E</i>	<i>Q3E</i>	<i>Q4E</i>	<i>Year</i>
	<i>6/30/00</i>	<i>9/30/00</i>	<i>12/31/00</i>	<i>2000</i>	<i>3/31/01</i>	<i>6/30/01</i>	<i>9/30/01</i>	<i>12/31/01</i>	<i>2001E</i>
Highlights									
Revenue (\$mm)	30.4	30.7	42.0	103.1	43.7	41.1	44.3	49.5	178.6
EBITDAX (\$mm)	18.0	19.5	24.1	61.6	29.4	26.9	30.4	34.5	121.2
Cash Flow (\$mm)	15.4	17.2	23.1	55.7	29.0	26.5	30.0	34.1	119.6
Per share (\$)		0.95	1.21		1.07	0.98	1.11	1.26	4.41
Net Income (\$mm)	2.3	5.2	(32.9)	(25.4)	9.1	7.5	9.4	11.1	37.1
Per share		0.29	(1.73)		0.34	0.28	0.35	0.41	1.37
Shares (millions)		18.1	19.0		27.1	27.1	27.1	27.1	27.1
Volume									
Natural Gas (bcf)	1.48	1.49	2.81	5.78	3.60	3.71	3.77	4.25	15.34
Natural Gas (mmcf)	8.1	16.1	30.6	15.8	40.0	40.8	41.0	46.2	42.0
Days	182	92	92	366	90	91	92	92	365
Oil (mb)	965	899	925	2,790	900	956	1,012	1,146	4,014
Oil (mbd)	5.30	9.78	10.05	7.62	10.00	10.50	11.00	12.46	11.00
Total (mb)	1,212	1,147	1,394	3,752	1,500	1,574	1,641	1,855	6,570
Total (mbd)	6.7	12.5	15.1	10.3	16.7	17.3	17.8	20.2	18.0
Price									
Natural Gas									
Henry Hub (\$/mmbtu)	3.13	4.48	6.52	4.31	6.28	5.13	5.23	5.33	5.49
Differential (\$/mmbtu)	(0.40)	(0.29)	0.67	(0.66)	0.63	0.51	0.52	0.53	0.56
EPL (\$/mcf)	3.52	4.77	5.85	4.98	5.66	4.62	4.71	4.80	4.93
Oil (\$/bbl)									
WTI Cushing	28.81	31.61	32.00	30.31	29.09	28.20	27.82	26.98	28.02
Differential	3.12	5.43	6.46	4.51	4.25	3.14	1.60	1.60	2.63
EPL	25.69	26.18	25.54	25.80	24.84	25.05	26.22	25.38	25.40
Total (\$/bbl)	25.05	26.79	30.13	27.47	29.14	26.09	27.00	26.68	27.18
Revenue (\$mm)									
Natural Gas	5.2	7.1	16.4	28.7	20.4	17.1	17.8	20.4	75.6
Oil	24.8	23.5	23.6	72.0	22.4	23.9	26.5	29.1	101.9
Other	0.3	0.1	1.9	2.4	1.0				1.0
Total	30.4	30.7	42.0	103.1	43.7	41.1	44.3	49.5	178.6
Cost (\$mm)									
Lease operating	6.1	6.4	11.5	24.1	8.6	8.7	8.2	9.0	34.5
Production taxes	1.9	1.7	2.7	6.3	2.2	2.1	2.2	2.5	8.9
General and administrative	4.3	3.0	3.7	11.1	3.5	3.5	3.5	3.5	14.0
Total	12.3	11.2	17.9	41.5	14.3	14.2	13.9	15.0	57.4
EBITDAX (\$mm)	18.0	19.5	24.1	61.6	29.4	26.9	30.4	34.5	121.2
Net cash interest and tax	2.6	2.4	1.0	5.9	0.4	0.4	0.4	0.4	1.6
Cash Flow (\$mm)	15.4	17.2	23.1	55.7	29.0	26.5	30.0	34.1	119.6
Exploration	0.8	0.3	0.6	1.7	3.0	3.0	3.0	3.0	12.0
Deprec., Deplet., & Amort.	8.3	7.5	9.8	25.6	10.5	11.0	11.5	13.0	46.0
Amort. Financing Cost	0.3	0.3	0.5	1.1	0.3	0.3	0.3	0.3	1.2
Other non cash	(0.7)	0.7	41.7	41.7	0.8	0.3	0.3	0.3	1.7
Income before income tax	6.8	8.4	(29.6)	(14.5)	14.4	11.8	14.9	17.5	58.7
Deferred income tax	4.5	3.2	3.3	10.9	5.3	4.4	5.5	6.4	21.6
Net income (\$mm)	2.3	5.2	(32.9)	(25.4)	9.1	7.5	9.4	11.1	37.1
Costs (\$/bbl)									
Lease operating	5.03	5.61	8.28	6.41	5.75	5.50	5.00	4.85	5.25
Production taxes	1.57	1.52	1.94	1.69	1.46	1.30	1.35	1.33	1.36
General and administrative	3.57	2.65	2.65	2.95	2.33	2.22	2.13	1.89	2.13
Deprec., Deplet., & Amort.	6.84	6.54	7.04	6.82	7.00	7.00	7.00	7.00	7.00
<i>Tax rate</i>		38%			37%	37%	37%	37%	37%

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