

Meter Reader

A Weekly Analysis of Energy Stocks Using the McDep Ratio

July 9, 2001

Meter Reader Tables - Small Cap

| | | | |
|------------------------------|----------------------|--|----|
| Rank by McDep Ratio | | | |
| Small Cap | | | 2 |
| Rank by EV/Ebitda | | | 3 |
| Cross Timbers Royalty Trust | | | |
| Table CRT-1 | Present Value | | 4 |
| Table CRT-2 | Distributable Income | | 5 |
| Dorchester Hugoton, Ltd. | | | |
| Table DHULZ-1 | Present Value | | 6 |
| Table DHULZ-2 | Cash Flow | | 7 |
| Hugoton Royalty Trust | | | |
| Table HGT-1 | Present Value | | 8 |
| Table HGT-2 | Distributable Income | | 9 |
| San Juan Basin Royalty Trust | | | |
| Table SJT-1 | Present Value | | 10 |
| Table SJT-2 | Distributable Income | | 11 |
| Energy Partners, Ltd. | | | |
| Table EPL-1 | Present Value | | 12 |
| Table EPL-2 | Cash Flow | | 13 |

Kurt H. Wulff, CFA

Analyses are prepared from original sources and data believed to be reliable, but no representation is made as to their accuracy or completeness. Independent energy investment research by Kurt Wulff is accessible at <http://www.mcdep.com>. Owning shares in energy stocks, neither Mr. Wulff nor his spouse act contrary to a buy or sell rating. Mr. Wulff is not paid by covered companies.

Meter Reader

A Weekly Analysis of Energy Stocks Using the McDep Ratio

July 9, 2001

Mid Cap and Small Cap Energy Companies Rank by McDep Ratio: Market Cap and Debt to Present Value

| | <i>Symbol/ Rating</i> | <i>Price (\$/sh) 6-Jul 2001</i> | <i>Shares (mm)</i> | <i>Market Cap (\$mm)</i> | <i>Net Present Value (\$/sh)</i> | <i>Debt/ Present Value</i> | <i>McDep Ratio</i> |
|--------------------------------|---------------------------|---|------------------------|----------------------------------|--|------------------------------------|------------------------|
| Power | | | | | | | |
| Consol Energy Inc. | CNX | 25.34 | 79 | 2,000 | 19.70 | 0.65 | 1.10 |
| Constellation Energy Group | CEG | 42.95 | 152 | 6,500 | 37.10 | 0.45 | 1.09 |
| CMS Energy Corporation | CMS | 28.33 | 128 | 3,600 | 19.80 | 0.80 | 1.09 |
| Sempra Energy | SRE | 27.73 | 203 | 5,600 | 23.10 | 0.65 | 1.07 |
| | <i>Total or Median</i> | | | <i>17,700</i> | | <i>0.65</i> | <i>1.09</i> |
| Natural Gas and Oil | | | | | | | |
| TEPPCO Partners, L.P. | TPP | 29.45 | 38 | 1,120 | 13.20 | 0.65 | 1.43 |
| Triton Energy Limited | OIL | 31.70 | 59 | 1,900 | 24.50 | 0.24 | 1.23 |
| Unocal Corporation | UCL | 34.50 | 256 | 8,800 | 51.90 | 0.27 | 0.76 |
| PanCanadian Pete (15%)(US\$) | PCP.TO | 30.27 | 38 | 1,160 | 41.80 | 0.07 | 0.74 |
| USX-Marathon Group | MRO 1 | 29.49 | 309 | 9,100 | 44.80 | 0.23 | 0.74 |
| Valero Energy Corp.(with UDS) | VLO | 37.65 | 112 | 4,200 | 70.70 | 0.42 | 0.73 |
| Devon Energy Corporation | DVN | 52.13 | 135 | 7,000 | 80.10 | 0.16 | 0.71 |
| Petro-Canada | PCZ | 23.65 | 272 | 6,400 | 35.20 | 0.09 | 0.70 |
| Norsk Hydro ASA (49%) | NHY | 42.08 | 128 | 5,400 | 65.90 | 0.15 | 0.69 |
| PetroChina Company Ltd (10%) | PTR 2 | 20.48 | 176 | 3,600 | 32.50 | 0.15 | 0.69 |
| | <i>Total or Median</i> | | | <i>48,700</i> | | <i>0.20</i> | <i>0.73</i> |
| Small Cap | | | | | | | |
| Dorchester Hugoton, Ltd.* | DHULZ | 13.45 | 10.7 | 144 | 12.70 | - | 1.06 |
| Cross Timbers Royalty Tr* | CRT | 15.75 | 6.0 | 95 | 17.30 | - | 0.92 |
| San Juan Basin Royalty Tr* | SJT | 13.76 | 46.6 | 640 | 15.50 | - | 0.89 |
| Encore Acquisition Corporation | EAC | 13.30 | 30.0 | 400 | 16.40 | 0.15 | 0.84 |
| Hugoton RoyaltyTrust* | HGT | 12.95 | 40.0 | 520 | 16.30 | - | 0.79 |
| Penn Virginia Corporation | PVA | 33.35 | 8.8 | 290 | 44.20 | 0.00 | 0.75 |
| Energy Partners Ltd.* | EPL 2 | 13.10 | 27.0 | 350 | 18.90 | 0.04 | 0.70 |
| | <i>Total or Median</i> | | | <i>2,440</i> | | <i>-</i> | <i>0.84</i> |
| Micro Cap | | | | | | | |
| Purcell Energy, Ltd. (US\$) | PEL.TO | 2.63 | 26.0 | 68 | 3.70 | 0.07 | 0.74 |

Buy/Sell rating after symbol: 1 - Strong Buy, 2 - Buy

McDep Ratio = **M**arket cap and **D**ebt to **P**resent value of oil and gas and other businesses

* For small cap stocks marked with asterisk, estimated present value recalculated weekly.

Analyses are prepared from original sources and data believed to be reliable, but no representation is made as to their accuracy or completeness. Independent energy investment research by Kurt Wulff is accessible at <http://www.mcdep.com>. Owning shares in energy stocks, neither Mr. Wulff nor his spouse act contrary to a buy or sell rating. Mr. Wulff is not paid by covered companies.

Meter Reader

A Weekly Analysis of Energy Stocks Using the McDep Ratio

July 9, 2001

Mid Cap and Small Cap Energy Companies

Rank by EV/Ebitda: Enterprise Value to Earnings Before Interest, Tax, Deprec.

| | | Price (\$/sh) | EV/ Sales | EV/ Ebitda | P/E | Dividend or Distribution | PV/ Ebitda |
|--------------------------------|---------------|------------------|--------------|---------------|-----------|-----------------------------|---------------|
| | Symbol | 6-Jul 2001 | 2001E | NTM | NTM | NTM (%) | NTM |
| Power | | | | | | | |
| Consol Energy Inc. | CNX | 25.34 | 2.1 | 7.7 | 8 | 4.4 | 7.0 |
| Constellation Energy Group | CEG | 42.95 | 2.2 | 7.6 | 13 | 1.1 | 7.0 |
| CMS Energy Corporation | CMS | 28.33 | 0.9 | 7.6 | 10 | 5.2 | 7.0 |
| Sempra Energy | SRE | 27.73 | 1.2 | 7.5 | 11 | 3.6 | 7.0 |
| | <i>Median</i> | | <i>1.6</i> | <i>7.6</i> | <i>10</i> | <i>4.0</i> | <i>7.0</i> |
| Natural Gas and Oil | | | | | | | |
| TEPPCO Partners, L.P. | TPP | 29.45 | 0.7 | 11.4 | 15 | 7.1 | 8.0 |
| Triton Energy Limited | OIL | 31.70 | 4.7 | 7.4 | 17 | - | 6.0 |
| Unocal Corporation | UCL | 34.50 | 1.6 | 4.5 | 12 | 2.3 | 6.0 |
| PanCanadian Pete (15%)(US\$) | PCP.TO | 30.27 | 1.3 | 4.1 | 8 | 0.9 | 5.5 |
| Valero Energy Corp.(with UDS) | VLO | 37.65 | 0.3 | 4.0 | 4 | 0.8 | 5.5 |
| Petro-Canada | PCZ | 23.65 | 1.0 | 3.9 | 9 | 1.1 | 5.5 |
| USX-Marathon Group | MRO 1 | 29.49 | 0.4 | 3.7 | 6 | 3.1 | 5.0 |
| Devon Energy Corporation | DVN | 52.13 | 2.7 | 3.5 | 7 | 0.4 | 5.0 |
| Norsk Hydro ASA (49%) | NHY | 42.08 | 0.8 | 2.8 | 7 | 2.5 | 4.0 |
| PetroChina Company Ltd (10%) | PTR 2 | 20.48 | 1.5 | 2.7 | 5 | 8.3 | 4.0 |
| | <i>Median</i> | | <i>1.1</i> | <i>3.9</i> | <i>8</i> | <i>1.7</i> | <i>5.5</i> |
| Small Cap | | | | | | | |
| Dorchester Hugoton, Ltd.* | DHULZ | 13.45 | 6.9 | 9.1 | 10 | 8.0 | 8.6 |
| Cross Timbers Royalty Tr* | CRT | 15.75 | 5.5 | 8.7 | 9 | 10.9 | 9.5 |
| San Juan Basin Royalty Tr* | SJT | 13.76 | 6.3 | 7.9 | 11 | 9.4 | 8.9 |
| Hugoton RoyaltyTrust* | HGT | 12.95 | 5.0 | 7.2 | 10 | 10.3 | 9.1 |
| Encore Acquisition Corporation | EAC | 13.30 | 3.4 | 5.0 | 12 | - | 6.0 |
| Penn Virginia Corporation | PVA | 33.35 | 3.2 | 4.5 | 10 | 2.7 | 6.0 |
| Energy Partners Ltd.* | EPL 2 | 13.10 | 2.1 | 3.3 | 14 | - | 4.7 |
| | <i>Median</i> | | <i>5.0</i> | <i>7.2</i> | <i>10</i> | <i>8.0</i> | <i>8.6</i> |
| Micro Cap | | | | | | | |
| Purcell Energy, Ltd. (US\$) | PEL.TO | 2.63 | 3.4 | 4.4 | 15 | - | 6.0 |

EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended June 30, 2002; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses

* For small cap stocks marked with asterisk, estimated present value recalculated weekly.

Analyses are prepared from original sources and data believed to be reliable, but no representation is made as to their accuracy or completeness. Independent energy investment research by Kurt Wulff is accessible at <http://www.mcdep.com>. Owning shares in energy stocks, neither Mr. Wulff nor his spouse act contrary to a buy or sell rating. Mr. Wulff is not paid by covered companies.

Meter Reader

A Weekly Analysis of Energy Stocks Using the McDep Ratio

July 9, 2001

Table CRT-1
Cross Timbers Royalty Trust
Present Value

| | | | |
|----------------------------|----|------------------------------------|-----|
| Volume Decline (%/yr): | 10 | Price Escalation post 2007 (%/yr): | 2.8 |
| Volume Enhancement (%/yr): | 10 | Discount Rate (%/yr): | 6.8 |
| | | U.S. TIPS Inflation (%/yr): | 2.0 |
| | | U.S. 10 Year Yield (%/yr): | 5.4 |

| | | | |
|---------------------|------|-----------------|------|
| PV/Volume (\$/mcf): | 2.29 | PV/EBITDA 2002: | 10.1 |
|---------------------|------|-----------------|------|

| Year | Natural Gas Volume | | | Price (\$/mcf) | Revenue (\$mm) | Oil | | Tax Credit (\$/unit) | Disc Factor | Present Value (\$/unit) | |
|-------------------------|--------------------|-------------------|----------------|-------------------|-------------------|---------------|---------------------------|----------------------------|----------------|-------------------------------|-------|
| | Basic (bcf) | Enhanced (bcf) | Total (bcf) | | | Net (\$mm) | Distribution (\$/unit) | | | | |
| Total 2001 through 2030 | | | | | | | | | | | |
| | 24 | 21 | 45 | 4.11 | 186 | 4 | 190 | 31.74 | 0.14 | 0.54 | 17.30 |
| 2002 | 2.5 | 0.0 | 2.5 | 3.43 | 8.7 | 1.7 | 10.3 | 1.72 | 0.10 | 0.97 | 1.76 |
| 2003 | 2.3 | 0.3 | 2.5 | 3.60 | 9.1 | 1.5 | 10.6 | 1.76 | 0.05 | 0.91 | 1.64 |
| 2004 | 2.1 | 0.5 | 2.5 | 3.73 | 9.4 | 1.1 | 10.5 | 1.76 | | 0.85 | 1.49 |
| 2005 | 1.8 | 0.7 | 2.5 | 3.74 | 9.5 | | 9.5 | 1.58 | | 0.80 | 1.25 |
| 2006 | 1.7 | 0.9 | 2.5 | 3.58 | 9.1 | | 9.1 | 1.51 | | 0.74 | 1.13 |
| 2007 | 1.5 | 1.0 | 2.5 | 3.44 | 8.7 | | 8.7 | 1.45 | | 0.70 | 1.01 |
| 2008 | 1.3 | 1.2 | 2.5 | 3.54 | 8.9 | | 8.9 | 1.49 | | 0.65 | 0.97 |
| 2009 | 1.2 | 1.3 | 2.5 | 3.63 | 9.2 | | 9.2 | 1.53 | | 0.61 | 0.94 |
| 2010 | 1.1 | 1.4 | 2.5 | 3.73 | 9.5 | | 9.5 | 1.58 | | 0.57 | 0.90 |
| 2011 | 1.0 | 1.6 | 2.5 | 3.84 | 9.7 | | 9.7 | 1.62 | | 0.54 | 0.87 |
| 2012 | 0.9 | 1.4 | 2.3 | 3.94 | 9.0 | | 9.0 | 1.50 | | 0.50 | 0.75 |
| 2013 | 0.8 | 1.3 | 2.1 | 4.05 | 8.3 | | 8.3 | 1.38 | | 0.47 | 0.65 |
| 2014 | 0.7 | 1.1 | 1.8 | 4.16 | 7.7 | | 7.7 | 1.28 | | 0.44 | 0.56 |
| 2015 | 0.6 | 1.0 | 1.7 | 4.28 | 7.1 | | 7.1 | 1.18 | | 0.41 | 0.49 |
| 2016 | 0.6 | 0.9 | 1.5 | 4.40 | 6.6 | | 6.6 | 1.10 | | 0.39 | 0.42 |
| 2017 | 0.5 | 0.8 | 1.3 | 4.52 | 6.1 | | 6.1 | 1.01 | | 0.36 | 0.37 |
| 2018 | 0.5 | 0.7 | 1.2 | 4.64 | 5.6 | | 5.6 | 0.94 | | 0.34 | 0.32 |
| 2019 | 0.4 | 0.7 | 1.1 | 4.77 | 5.2 | | 5.2 | 0.87 | | 0.32 | 0.28 |
| 2020 | 0.4 | 0.6 | 1.0 | 4.90 | 4.8 | | 4.8 | 0.80 | | 0.30 | 0.24 |
| 2021 | 0.3 | 0.5 | 0.9 | 5.04 | 4.4 | | 4.4 | 0.74 | | 0.28 | 0.21 |
| 2022 | 0.3 | 0.5 | 0.8 | 5.18 | 4.1 | | 4.1 | 0.69 | | 0.26 | 0.18 |
| 2023 | 0.3 | 0.4 | 0.7 | 5.32 | 3.8 | | 3.8 | 0.63 | | 0.24 | 0.15 |
| 2024 | 0.2 | 0.4 | 0.6 | 5.47 | 3.5 | | 3.5 | 0.59 | | 0.23 | 0.13 |
| 2025 | 0.2 | 0.4 | 0.6 | 5.62 | 3.3 | | 3.3 | 0.54 | | 0.21 | 0.12 |
| 2026 | 0.2 | 0.3 | 0.5 | 5.77 | 3.0 | | 3.0 | 0.50 | | 0.20 | 0.10 |
| 2027 | 0.2 | 0.3 | 0.5 | 5.93 | 2.8 | | 2.8 | 0.46 | | 0.19 | 0.09 |
| 2028 | 0.2 | 0.3 | 0.4 | 6.09 | 2.6 | | 2.6 | 0.43 | | 0.18 | 0.08 |
| 2029 | 0.1 | 0.2 | 0.4 | 6.26 | 2.4 | | 2.4 | 0.40 | | 0.17 | 0.07 |
| 2030 | 0.1 | 0.2 | 0.3 | 6.44 | 2.2 | | 2.2 | 0.37 | | 0.15 | 0.06 |
| 2031 | 0.1 | 0.2 | 0.3 | 6.61 | 2.0 | | 2.0 | 0.34 | | 0.14 | 0.05 |

Analyses are prepared from original sources and data believed to be reliable, but no representation is made as to their accuracy or completeness. Independent energy investment research by Kurt Wulff is accessible at <http://www.mcdep.com>. Owning shares in energy stocks, neither Mr. Wulff nor his spouse act contrary to a buy or sell rating. Mr. Wulff is not paid by covered companies.

Meter Reader

A Weekly Analysis of Energy Stocks Using the McDep Ratio

July 9, 2001

Table CRT-2
Cross Timbers Royalty Trust
Distributable Income

| | Q2 | Q3 | Q4 | Year | Q1 | Q2E | Q3E | Q4E | Year | Q1E | Q2E | Next Twelve Months |
|--------------------------------------|---------|---------|----------|--------|---------|---------|---------|----------|-------|---------|---------|--------------------------|
| | 6/30/00 | 9/30/00 | 12/31/00 | 2000 | 3/31/01 | 6/30/01 | 9/30/01 | 12/31/01 | 2001E | 3/31/02 | 6/30/02 | 6/30/02 |
| Highlights | | | | | | | | | | | | |
| Tax credit (\$mm) | | | | | | | | | | | | |
| Per unit | 0.03 | 0.03 | 0.03 | 0.12 | 0.02 | 0.02 | 0.02 | 0.02 | 0.10 | 0.02 | 0.02 | 0.10 |
| Distributable Income (\$mm) | 2.42 | 3.35 | 3.43 | 11.50 | 4.05 | 4.18 | 3.01 | 2.34 | 13.58 | 2.49 | 2.49 | 10.32 |
| Per unit | 0.40 | 0.56 | 0.57 | 1.92 | 0.67 | 0.70 | 0.50 | 0.39 | 2.26 | 0.41 | 0.41 | 1.72 |
| 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) | 0.77 | 0.83 | 0.68 | 3.08 | 0.66 | 0.70 | 0.72 | 0.71 | 2.80 | 0.71 | 0.68 | 2.81 |
| Natural Gas (mmcf) | 8.5 | 9.1 | 7.4 | 8.4 | 7.2 | 7.9 | 7.8 | 7.7 | 7.7 | 7.7 | 7.6 | 7.7 |
| Days | 91 | 91 | 92 | 366 | 92 | 89 | 92 | 92 | 365 | 92 | 89 | 365 |
| Oil (mb) | 81 | 93 | 82 | 344 | 83 | 80 | 80 | 78 | 321 | 76 | 72 | 307 |
| Oil (mbd) | 0.90 | 1.01 | 0.89 | 0.94 | 0.90 | 0.88 | 0.87 | 0.85 | 0.88 | 0.83 | 0.81 | 3.36 |
| Days | 90 | 92 | 92 | 366 | 92 | 89 | 92 | 92 | 365 | 92 | 89 | 365 |
| Total (bcf) | 1.26 | 1.39 | 1.17 | 5.14 | 1.16 | 1.18 | 1.20 | 1.18 | 4.72 | 1.16 | 1.11 | 4.65 |
| Price | | | | | | | | | | | | |
| Natural Gas (HH lagged three months) | | | | | | | | | | | | |
| Henry Hub (\$/mmbtu) | 2.62 | 3.63 | 4.48 | 3.29 | 6.52 | 6.31 | 4.36 | 3.16 | 5.09 | 3.70 | 4.01 | 3.81 |
| Differential (\$/mmbtu) | (0.26) | 0.16 | 0.14 | (0.03) | 0.41 | 0.32 | 0.44 | 0.32 | 0.40 | 0.37 | 0.40 | 0.38 |
| CRT (\$/mcf) | 2.88 | 3.47 | 4.33 | 3.32 | 6.11 | 5.99 | 3.92 | 2.85 | 4.69 | 3.33 | 3.61 | 3.43 |
| Oil (\$/bbl) (WTI lagged two months) | | | | | | | | | | | | |
| WTI Cushing | 28.33 | 30.12 | 32.73 | 29.31 | 30.84 | 28.09 | 28.08 | 27.75 | 28.69 | 26.98 | 26.36 | 27.29 |
| CRT | 26.86 | 27.91 | 31.19 | 27.49 | 28.73 | 26.09 | 26.08 | 25.75 | 26.69 | 24.98 | 24.36 | 25.32 |
| Total (\$/mcf) | 3.50 | 3.94 | 4.70 | 3.83 | 5.54 | 5.33 | 4.09 | 3.42 | 4.59 | 3.66 | 3.78 | 3.74 |
| Revenue (\$mm) | | | | | | | | | | | | |
| Natural Gas | 2.22 | 2.88 | 2.96 | 10.23 | 4.05 | 4.21 | 2.82 | 2.03 | 13.12 | 2.35 | 2.44 | 9.64 |
| Oil | 2.18 | 2.59 | 2.55 | 9.46 | 2.38 | 2.09 | 2.08 | 2.01 | 8.55 | 1.91 | 1.77 | 7.76 |
| Total | 4.40 | 5.47 | 5.51 | 19.69 | 6.43 | 6.30 | 4.90 | 4.04 | 21.67 | 4.26 | 4.20 | 17.40 |
| Cost (\$mm) | | | | | | | | | | | | |
| Tax, transport & other | 0.61 | 0.74 | 0.64 | 2.57 | 0.84 | 0.82 | 0.64 | 0.52 | 2.82 | 0.55 | 0.55 | 2.26 |
| Production | 0.65 | 0.62 | 0.66 | 2.52 | 0.71 | 0.60 | 0.60 | 0.59 | 2.49 | 0.57 | 0.54 | 2.30 |
| Total | 1.26 | 1.36 | 1.30 | 5.09 | 1.55 | 1.42 | 1.23 | 1.11 | 5.32 | 1.13 | 1.09 | 4.56 |
| Cash flow (\$mm) | | | | | | | | | | | | |
| Development | 3.14 | 4.11 | 4.22 | 14.60 | 4.88 | 4.88 | 3.67 | 2.93 | 16.35 | 3.13 | 3.11 | 12.84 |
| Excess | 0.13 | 0.16 | 0.23 | 0.74 | 0.16 | 0.16 | 0.16 | 0.16 | 0.65 | 0.23 | 0.23 | 0.79 |
| Recovery of excess | | | | - | | | | | - | | | - |
| | 0.15 | | | 0.38 | | | | | - | | | - |
| Net proceeds (\$mm) | 2.86 | 3.95 | 3.98 | 13.48 | 4.72 | 4.72 | 3.50 | 2.76 | 15.70 | 2.90 | 2.88 | 12.05 |
| Royalty income (\$mm) | | | | | | | | | | | | |
| Royalty/Net proceeds | 2.48 | 3.39 | 3.44 | 11.66 | 4.11 | 4.17 | 3.05 | 2.38 | 13.71 | 2.53 | 2.53 | 10.48 |
| | 87% | 86% | 86% | 87% | 87% | 88% | 87% | 86% | 87% | 87% | 88% | 87% |
| Administration | 0.05 | 0.05 | 0.01 | 0.16 | 0.06 | (0.01) | 0.04 | 0.04 | 0.13 | 0.04 | 0.04 | 0.16 |
| Distributable income (\$mm) | 2.42 | 3.35 | 3.43 | 11.50 | 4.05 | 4.18 | 3.01 | 2.34 | 13.58 | 2.49 | 2.49 | 10.32 |
| Modeling ratios | | | | | | | | | | | | |
| Tax and other/revenue | 0.14 | 0.13 | 0.12 | 0.13 | 0.13 | 0.13 | 0.13 | 0.13 | 0.13 | 0.13 | 0.13 | 0.13 |
| Production exp (\$/bbl) | 8.00 | 6.69 | 8.04 | 7.32 | 8.58 | 7.50 | 7.50 | 7.50 | 7.78 | 7.50 | 7.50 | 7.50 |

Analyses are prepared from original sources and data believed to be reliable, but no representation is made as to their accuracy or completeness. Independent energy investment research by Kurt Wulff is accessible at <http://www.mcdep.com>. Owning shares in energy stocks, neither Mr. Wulff nor his spouse act contrary to a buy or sell rating. Mr. Wulff is not paid by covered companies.

Meter Reader

A Weekly Analysis of Energy Stocks Using the McDep Ratio

July 9, 2001

Table DHULZ-1
Dorchester Hugoton, Ltd.
Present Value

| | | | |
|----------------------------|------|------------------------------------|-----|
| Volume Decline (%/yr): | 11 | Price Escalation Post 2006 (%/yr): | 2.8 |
| Volume Enhancement (%/yr): | 7 | Discount rate (%/yr): | 6.8 |
| Capex/Cash Flow (%): | 20 | U.S. TIPS Inflation (%/yr): | 2.0 |
| Variable Cost (%): | 11 | U.S. 10 Year Yield (%/yr): | 5.4 |
| PV/Volume (\$/mcf): | 1.95 | PV/EBITDA 2002: | 9.9 |

| 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 | | | | | | | | | | | | | |
| | 53 | 29 | 82 | 3.99 | 328 | 79 | 36 | 27 | 186 | 17.18 | 0.74 | 12.70 | |
| | | | | | | | | | Other assets, net | 26.0 | 2.40 | 1.00 | 2.40 |
| 2002 | 6.2 | 0.0 | 6.2 | 3.52 | 21.7 | 3.1 | 2.4 | 3.2 | 12.9 | 1.19 | 0.97 | 1.15 | |
| 2003 | 5.5 | 0.4 | 5.9 | 3.87 | 22.9 | 3.1 | 2.5 | 3.4 | 13.8 | 1.27 | 0.91 | 1.15 | |
| 2004 | 4.9 | 0.8 | 5.7 | 3.73 | 21.2 | 3.1 | 2.3 | 3.1 | 12.6 | 1.16 | 0.85 | 0.98 | |
| 2005 | 4.3 | 1.1 | 5.4 | 3.74 | 20.4 | 3.1 | 2.2 | 3.0 | 12.0 | 1.11 | 0.80 | 0.88 | |
| 2006 | 3.9 | 1.4 | 5.2 | 3.58 | 18.7 | 3.1 | 2.1 | 2.7 | 10.8 | 1.00 | 0.74 | 0.74 | |
| 2007 | 3.4 | 1.6 | 5.0 | 3.44 | 17.3 | 3.1 | 1.9 | 2.4 | 9.8 | 0.90 | 0.70 | 0.63 | |
| 2008 | 3.1 | 1.8 | 4.8 | 3.54 | 17.0 | 3.1 | 1.9 | 2.4 | 9.6 | 0.89 | 0.65 | 0.58 | |
| 2009 | 2.7 | 1.9 | 4.6 | 3.63 | 16.8 | 3.1 | 1.8 | 2.4 | 9.5 | 0.87 | 0.61 | 0.53 | |
| 2010 | 2.4 | 2.0 | 4.4 | 3.73 | 16.6 | 3.1 | 1.8 | 2.3 | 9.3 | 0.86 | 0.57 | 0.49 | |
| 2011 | 2.2 | 2.1 | 4.3 | 3.84 | 16.4 | 3.1 | 1.8 | 2.3 | 9.1 | 0.84 | 0.54 | 0.45 | |
| 2012 | 1.9 | 2.2 | 4.1 | 3.94 | 16.1 | 3.1 | 1.8 | | 11.2 | 1.03 | 0.50 | 0.52 | |
| 2013 | 1.7 | 1.9 | 3.6 | 4.05 | 14.8 | 3.1 | 1.6 | | 10.0 | 0.92 | 0.47 | 0.43 | |
| 2014 | 1.5 | 1.7 | 3.2 | 4.16 | 13.5 | 3.1 | 1.5 | | 8.9 | 0.82 | 0.44 | 0.36 | |
| 2015 | 1.4 | 1.5 | 2.9 | 4.28 | 12.3 | 3.1 | 1.4 | | 7.8 | 0.72 | 0.41 | 0.30 | |
| 2016 | 1.2 | 1.4 | 2.6 | 4.40 | 11.3 | 3.1 | 1.2 | | 6.9 | 0.64 | 0.39 | 0.25 | |
| 2017 | 1.1 | 1.2 | 2.3 | 4.52 | 10.3 | 3.1 | 1.1 | | 6.1 | 0.56 | 0.36 | 0.20 | |
| 2018 | 1.0 | 1.1 | 2.0 | 4.64 | 9.4 | 3.1 | 1.0 | | 5.3 | 0.49 | 0.34 | 0.16 | |
| 2019 | 0.8 | 1.0 | 1.8 | 4.77 | 8.6 | 3.1 | 1.0 | | 4.5 | 0.42 | 0.32 | 0.13 | |
| 2020 | 0.8 | 0.9 | 1.6 | 4.90 | 7.9 | 3.1 | 0.9 | | 3.9 | 0.36 | 0.30 | 0.11 | |
| 2021 | 0.7 | 0.8 | 1.4 | 5.04 | 7.2 | 3.1 | 0.8 | | 3.3 | 0.30 | 0.28 | 0.08 | |
| 2022 | 0.6 | 0.7 | 1.3 | 5.18 | 6.6 | 3.1 | 0.7 | | 2.7 | 0.25 | 0.26 | 0.07 | |
| 2023 | 0.5 | 0.6 | 1.1 | 5.32 | 6.0 | 3.1 | 0.7 | | 2.2 | 0.21 | 0.24 | 0.05 | |
| 2024 | 0.5 | 0.5 | 1.0 | 5.47 | 5.5 | 3.1 | 0.6 | | 1.8 | 0.16 | 0.23 | 0.04 | |
| 2025 | 0.4 | 0.5 | 0.9 | 5.62 | 5.1 | 3.1 | 0.6 | | 1.4 | 0.13 | 0.21 | 0.03 | |
| 2026 | 0.4 | 0.4 | 0.8 | 5.77 | 4.6 | 3.1 | 0.5 | | 1.0 | 0.09 | 0.20 | 0.02 | |

Analyses are prepared from original sources and data believed to be reliable, but no representation is made as to their accuracy or completeness. Independent energy investment research by Kurt Wulff is accessible at <http://www.mcdep.com>. Owning shares in energy stocks, neither Mr. Wulff nor his spouse act contrary to a buy or sell rating. Mr. Wulff is not paid by covered companies.

Meter Reader

A Weekly Analysis of Energy Stocks Using the McDep Ratio

July 9, 2001

Table DHULZ-2
Dorchester Hugoton, Ltd.
Cash Flow

| | Q2 | Q3 | Q4 | Year | Q1 | Q2E | Q3E | Q4E | Year | Q1E | Q2E | Next Twelve Months |
|-----------------------------|---------|---------|----------|-------|---------|---------|---------|----------|-------|---------|---------|--------------------------|
| | 6/30/00 | 9/30/00 | 12/31/00 | 2000 | 3/31/01 | 6/30/01 | 9/30/01 | 12/31/01 | 2001E | 3/31/02 | 6/30/02 | 6/30/02 |
| Highlights | | | | | | | | | | | | |
| Revenue (\$mm) | 5.57 | 7.04 | 8.42 | 25.2 | 11.38 | 6.92 | 4.61 | 5.36 | 28.3 | 5.63 | 5.15 | 20.7 |
| Cash flow (\$mm) | 3.87 | 5.69 | 7.11 | 19.8 | 9.63 | 5.56 | 3.45 | 4.13 | 22.8 | 4.36 | 3.92 | 15.9 |
| Per unit | 0.36 | 0.52 | 0.66 | 1.82 | 0.89 | 0.51 | 0.32 | 0.38 | 2.10 | 0.40 | 0.36 | 1.46 |
| Earnings (\$mm) | 3.40 | 5.24 | 6.69 | 18.0 | 9.22 | 5.15 | 3.04 | 3.72 | 21.1 | 3.97 | 3.53 | 14.3 |
| Per unit | 0.32 | 0.48 | 0.62 | 1.66 | 0.85 | 0.47 | 0.28 | 0.34 | 1.95 | 0.37 | 0.33 | 1.31 |
| Distribution (\$mm) | 1.93 | 2.36 | 2.36 | 9.7 | 2.90 | 4.51 | 2.90 | 2.90 | 13.2 | 2.90 | 2.90 | 11.6 |
| Per unit | 0.18 | 0.22 | 0.22 | 0.90 | 0.27 | 0.42 | 0.27 | 0.27 | 1.23 | 0.27 | 0.27 | 1.08 |
| Units (millions) | 10.74 | 10.74 | 10.74 | 10.7 | 10.74 | 10.74 | 10.74 | 10.74 | 10.7 | 10.74 | 10.74 | 10.7 |
| Volume | | | | | | | | | | | | |
| Natural gas (bcf) | | | | | | | | | | | | |
| Oklahoma | 1.37 | 1.43 | 1.38 | 5.6 | 1.35 | 1.33 | 1.34 | 1.33 | 5.3 | 1.28 | 1.28 | 5.2 |
| Kansas | 0.28 | 0.27 | 0.24 | 1.1 | 0.25 | 0.25 | 0.24 | 0.23 | 1.0 | 0.23 | 0.23 | 0.9 |
| Total | 1.66 | 1.70 | 1.62 | 6.7 | 1.60 | 1.57 | 1.58 | 1.56 | 6.3 | 1.51 | 1.51 | 6.2 |
| Natural Gas (mmcf) | 18.2 | 18.4 | 17.6 | 18.2 | 17.8 | 17.3 | 17.1 | 17.0 | 17.3 | 16.8 | 16.6 | 16.9 |
| Days | 91 | 92 | 92 | 366 | 90 | 91 | 92 | 92 | 365 | 90 | 91 | 365 |
| Price | | | | | | | | | | | | |
| Natural gas | | | | | | | | | | | | |
| Henry Hub (\$/mmbtu) | 3.63 | 4.48 | 6.52 | 4.31 | 6.31 | 4.36 | 3.16 | 3.70 | 4.38 | 4.01 | 3.67 | 3.63 |
| Oklahoma (\$/mcf) | 3.50 | 4.33 | 5.43 | 3.95 | 7.49 | 4.59 | 3.04 | 3.58 | 4.69 | 3.89 | 3.55 | 3.51 |
| Kansas (\$/mcf) | 3.58 | 4.41 | 5.54 | 3.99 | 7.60 | 4.72 | 3.12 | 3.66 | 4.81 | 3.97 | 3.63 | 3.59 |
| Total (\$/mcf) | 3.51 | 4.34 | 5.45 | 3.96 | 7.51 | 4.61 | 3.06 | 3.59 | 4.71 | 3.90 | 3.56 | 3.52 |
| Revenue (\$mm) | | | | | | | | | | | | |
| Natural Gas | | | | | | | | | | | | |
| Oklahoma | 4.81 | 6.18 | 7.51 | 22.0 | 10.13 | 6.10 | 4.07 | 4.75 | 25.0 | 4.97 | 4.56 | 18.3 |
| Kansas | 1.01 | 1.19 | 1.33 | 4.3 | 1.90 | 1.16 | 0.75 | 0.85 | 4.7 | 0.92 | 0.82 | 3.3 |
| Other | 0.05 | 0.06 | 0.05 | 0.2 | 0.06 | 0.05 | 0.05 | 0.05 | 0.2 | 0.05 | 0.05 | 0.2 |
| Production payment (ORRI) | (0.30) | (0.39) | (0.47) | (1.4) | (0.72) | (0.38) | (0.26) | (0.30) | (1.7) | (0.31) | (0.29) | (1.1) |
| Total | 5.57 | 7.04 | 8.42 | 25.2 | 11.38 | 6.92 | 4.61 | 5.36 | 28.3 | 5.63 | 5.15 | 20.7 |
| Cost (\$mm) | | | | | | | | | | | | |
| Operating | 1.04 | 1.07 | 1.35 | 4.4 | 1.43 | 1.11 | 0.96 | 1.01 | 4.5 | 1.04 | 1.01 | 4.0 |
| General and administrative | 0.18 | 0.20 | 0.28 | 0.8 | 0.23 | 0.17 | 0.15 | 0.16 | 0.7 | 0.16 | 0.15 | 0.6 |
| Management | 0.14 | 0.16 | 0.17 | 0.6 | 0.20 | 0.16 | 0.13 | 0.14 | 0.6 | 0.14 | 0.14 | 0.6 |
| Other | 0.35 | (0.07) | (0.49) | (0.3) | (0.10) | (0.08) | (0.08) | (0.08) | (0.3) | (0.08) | (0.08) | (0.3) |
| Total | 1.70 | 1.35 | 1.31 | 5.4 | 1.75 | 1.36 | 1.16 | 1.23 | 5.5 | 1.27 | 1.22 | 4.9 |
| Cash flow (\$mm) | 3.87 | 5.69 | 7.11 | 19.8 | 9.63 | 5.56 | 3.45 | 4.13 | 22.8 | 4.36 | 3.92 | 15.9 |
| Depletion, deprec. & amort. | 0.46 | 0.45 | 0.42 | 1.8 | 0.41 | 0.41 | 0.41 | 0.41 | 1.6 | 0.39 | 0.39 | 1.6 |
| Earnings (\$mm) | 3.40 | 5.24 | 6.69 | 18.0 | 9.22 | 5.15 | 3.04 | 3.72 | 21.1 | 3.97 | 3.53 | 14.3 |
| Capital expenditures (\$mm) | 0.13 | 0.23 | 0.09 | 0.5 | 0.05 | 0.83 | 0.52 | 0.62 | 2.0 | 0.65 | 0.59 | 2.4 |
| Cost ratios | | | | | | | | | | | | |
| Prod pay/revenue | 5.1% | 5.3% | 5.3% | 5.2% | 5.9% | 5.3% | 5.3% | 5.3% | 5.6% | 5.3% | 5.3% | 5.3% |
| Operating cost (\$/mcf) | 0.63 | 0.63 | 0.83 | 0.66 | 0.89 | 0.71 | 0.61 | 0.65 | 0.71 | 0.69 | 0.67 | 0.65 |
| Depletion (\$/mcf) | 0.28 | 0.27 | 0.26 | 0.27 | 0.25 | 0.26 | 0.26 | 0.26 | 0.26 | 0.26 | 0.26 | 0.26 |

Analyses are prepared from original sources and data believed to be reliable, but no representation is made as to their accuracy or completeness. Independent energy investment research by Kurt Wulff is accessible at <http://www.mcdep.com>. Owning shares in energy stocks, neither Mr. Wulff nor his spouse act contrary to a buy or sell rating. Mr. Wulff is not paid by covered companies.

Meter Reader

A Weekly Analysis of Energy Stocks Using the McDep Ratio

July 9, 2001

Table HGT-1
Hugoton Royalty Trust
Present Value

| | | | |
|----------------------------|------|------------------------------------|-----|
| Volume Decline (%/yr): | 10 | Price Escalation Post 2006 (%/yr): | 2.8 |
| Volume Enhancement (%/yr): | 10 | Discount rate (%/yr): | 6.8 |
| Capex/Cash Flow (%): | 25 | U.S. TIPS Inflation (%/yr): | 2.0 |
| Variable Cost (%): | 12 | U.S. 10 Year Yield (%/yr): | 5.4 |
| PV/Volume (\$/mcf): | 1.19 | PV/EBITDA 2002: | 9.1 |

| 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 | 293 | 255 | 547 | 4.11 | 2249 | 589 | 270 | 195 | 1195 | 29.88 | 0.03 | 0.55 | 16.30 |
| 2002 | 30.6 | 0.0 | 30.6 | 3.38 | 103.3 | 19.6 | 12.4 | 17.9 | 53.4 | 1.33 | 0.01 | 0.97 | 1.31 |
| 2003 | 27.5 | 3.1 | 30.6 | 3.68 | 112.3 | 19.6 | 13.5 | 19.8 | 59.4 | 1.48 | 0.01 | 0.91 | 1.36 |
| 2004 | 24.8 | 5.8 | 30.6 | 3.73 | 114.0 | 19.6 | 13.7 | 20.2 | 60.5 | 1.51 | | 0.85 | 1.28 |
| 2005 | 22.3 | 8.3 | 30.6 | 3.74 | 114.2 | 19.6 | 13.7 | 20.2 | 60.7 | 1.52 | | 0.80 | 1.21 |
| 2006 | 20.1 | 10.5 | 30.6 | 3.58 | 109.5 | 19.6 | 13.1 | 19.2 | 57.5 | 1.44 | | 0.74 | 1.07 |
| 2007 | 18.0 | 12.5 | 30.6 | 3.44 | 105.2 | 19.6 | 12.6 | 18.2 | 54.7 | 1.37 | | 0.70 | 0.95 |
| 2008 | 16.2 | 14.3 | 30.6 | 3.54 | 108.1 | 19.6 | 13.0 | 18.9 | 56.6 | 1.41 | | 0.65 | 0.92 |
| 2009 | 14.6 | 15.9 | 30.6 | 3.63 | 111.0 | 19.6 | 13.3 | 19.5 | 58.5 | 1.46 | | 0.61 | 0.90 |
| 2010 | 13.2 | 17.4 | 30.6 | 3.73 | 114.1 | 19.6 | 13.7 | 20.2 | 60.6 | 1.51 | | 0.57 | 0.87 |
| 2011 | 11.8 | 18.7 | 30.6 | 3.84 | 117.3 | 19.6 | 14.1 | 20.9 | 62.7 | 1.57 | | 0.54 | 0.84 |
| 2012 | 10.7 | 16.8 | 27.5 | 3.94 | 108.4 | 19.6 | 13.0 | | 75.8 | 1.89 | | 0.50 | 0.95 |
| 2013 | 9.6 | 15.2 | 24.8 | 4.05 | 100.3 | 19.6 | 12.0 | | 68.6 | 1.72 | | 0.47 | 0.81 |
| 2014 | 8.6 | 13.6 | 22.3 | 4.16 | 92.8 | 19.6 | 11.1 | | 62.0 | 1.55 | | 0.44 | 0.68 |
| 2015 | 7.8 | 12.3 | 20.1 | 4.28 | 85.8 | 19.6 | 10.3 | | 55.8 | 1.40 | | 0.41 | 0.58 |
| 2016 | 7.0 | 11.1 | 18.0 | 4.40 | 79.3 | 19.6 | 9.5 | | 50.2 | 1.25 | | 0.39 | 0.49 |
| 2017 | 6.3 | 9.9 | 16.2 | 4.52 | 73.4 | 19.6 | 8.8 | | 44.9 | 1.12 | | 0.36 | 0.41 |
| 2018 | 5.7 | 9.0 | 14.6 | 4.64 | 67.9 | 19.6 | 8.1 | | 40.1 | 1.00 | | 0.34 | 0.34 |
| 2019 | 5.1 | 8.1 | 13.2 | 4.77 | 62.8 | 19.6 | 7.5 | | 35.6 | 0.89 | | 0.32 | 0.28 |
| 2020 | 4.6 | 7.3 | 11.8 | 4.90 | 58.0 | 19.6 | 7.0 | | 31.4 | 0.79 | | 0.30 | 0.23 |
| 2021 | 4.1 | 6.5 | 10.7 | 5.04 | 53.7 | 19.6 | 6.4 | | 27.6 | 0.69 | | 0.28 | 0.19 |
| 2022 | 3.7 | 5.9 | 9.6 | 5.18 | 49.6 | 19.6 | 6.0 | | 24.0 | 0.60 | | 0.26 | 0.16 |
| 2023 | 3.3 | 5.3 | 8.6 | 5.32 | 45.9 | 19.6 | 5.5 | | 20.8 | 0.52 | | 0.24 | 0.13 |
| 2024 | 3.0 | 4.8 | 7.8 | 5.47 | 42.5 | 19.6 | 5.1 | | 17.7 | 0.44 | | 0.23 | 0.10 |
| 2025 | 2.7 | 4.3 | 7.0 | 5.62 | 39.3 | 19.6 | 4.7 | | 14.9 | 0.37 | | 0.21 | 0.08 |
| 2026 | 2.4 | 3.9 | 6.3 | 5.77 | 36.3 | 19.6 | 4.4 | | 12.3 | 0.31 | | 0.20 | 0.06 |
| 2027 | 2.2 | 3.5 | 5.7 | 5.93 | 33.6 | 19.6 | 4.0 | | 9.9 | 0.25 | | 0.19 | 0.05 |
| 2028 | 2.0 | 3.1 | 5.1 | 6.09 | 31.1 | 19.6 | 3.7 | | 7.7 | 0.19 | | 0.18 | 0.03 |
| 2029 | 1.8 | 2.8 | 4.6 | 6.26 | 28.7 | 19.6 | 3.4 | | 5.6 | 0.14 | | 0.17 | 0.02 |
| 2030 | 1.6 | 2.5 | 4.1 | 6.44 | 26.6 | 19.6 | 3.2 | | 3.7 | 0.09 | | 0.15 | 0.01 |
| 2031 | 1.4 | 2.3 | 3.7 | 6.61 | 24.6 | 19.6 | 2.9 | | 2.0 | 0.05 | | 0.14 | 0.01 |

Analyses are prepared from original sources and data believed to be reliable, but no representation is made as to their accuracy or completeness. Independent energy investment research by Kurt Wulff is accessible at <http://www.mcdep.com>. Owning shares in energy stocks, neither Mr. Wulff nor his spouse act contrary to a buy or sell rating. Mr. Wulff is not paid by covered companies.

Meter Reader

A Weekly Analysis of Energy Stocks Using the McDep Ratio

July 9, 2001

Table HGT-2
Hugoton Royalty Trust
Distributable Income

| | Q2 | Q3 | Q4 | Year | Q1 | Q2E | Q3E | Q4E | Year | Q1E | Q2E | Next Twelve Months |
|--|---------|---------|----------|-------|---------|---------|---------|----------|-------|---------|---------|--------------------------|
| | 6/30/00 | 9/30/00 | 12/31/00 | 2000 | 3/31/01 | 6/30/01 | 9/30/01 | 12/31/01 | 2001E | 3/31/02 | 6/30/02 | 6/30/02 |
| Highlights | | | | | | | | | | | | |
| Revenue (\$mm) (80%) | 19.8 | 28.2 | 33.6 | 101.6 | 48.8 | 39.2 | 25.6 | 23.4 | 137.0 | 27.5 | 26.8 | 103.3 |
| Cash flow (\$mm) (80%) | 13.9 | 20.8 | 25.4 | 74.2 | 39.4 | 29.8 | 17.7 | 15.7 | 102.6 | 19.4 | 18.8 | 71.6 |
| Per unit | 0.35 | 0.52 | 0.64 | 1.86 | 0.98 | 0.75 | 0.44 | 0.39 | 2.57 | 0.49 | 0.47 | 1.79 |
| Tax credit (\$mm) | 0.1 | 0.1 | 0.1 | 0.6 | 0.1 | 0.1 | 0.1 | 0.1 | 0.6 | 0.1 | 0.1 | 0.6 |
| Per unit | 0.00 | 0.00 | 0.00 | 0.01 | 0.00 | 0.00 | 0.00 | 0.00 | 0.01 | 0.00 | 0.00 | 0.01 |
| Distributable Income (\$mm) | 11.3 | 16.2 | 18.3 | 56.7 | 33.7 | 21.7 | 13.2 | 11.7 | 80.3 | 14.5 | 14.0 | 53.4 |
| Per unit | 0.28 | 0.40 | 0.46 | 1.42 | 0.84 | 0.54 | 0.33 | 0.29 | 2.01 | 0.36 | 0.35 | 1.33 |
| 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) | 8.6 | 9.1 | 9.4 | 36.8 | 9.2 | 8.7 | 9.0 | 9.0 | 35.9 | 9.0 | 9.0 | 36.0 |
| Natural Gas (mmcf) | 96.0 | 98.4 | 102.7 | 100.9 | 99.9 | 97.8 | 97.8 | 97.8 | 98.3 | 97.8 | 97.8 | 98.6 |
| Days | 90 | 92 | 92 | 366 | 92 | 89 | 92 | 92 | 365 | 92 | 89 | 365 |
| Oil (mb) | 105 | 98 | 98 | 400 | 96 | 92 | 94 | 93 | 376 | 92 | 88 | 368 |
| Oil (mbd) | 1.2 | 1.1 | 1.1 | 1.1 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Days | 90 | 92 | 92 | 366 | 92 | 89 | 92 | 92 | 365 | 92 | 89 | 365 |
| Total (bcf) | 9.3 | 9.6 | 10.0 | 39.2 | 9.8 | 9.3 | 9.6 | 9.6 | 38.1 | 9.6 | 9.5 | 38.2 |
| Price | | | | | | | | | | | | |
| Natural Gas (HH lagged two months) | | | | | | | | | | | | |
| Henry Hub (\$/mmbtu) | 2.82 | 3.94 | 4.83 | 3.49 | 7.57 | 5.30 | 3.63 | 3.30 | 4.95 | 3.95 | 3.85 | 3.68 |
| Differential (\$/mmbtu) | 0.29 | 0.37 | 0.72 | 0.35 | 1.25 | (0.03) | 0.36 | 0.33 | 0.48 | 0.39 | 0.38 | 0.37 |
| HGT (\$/mcf) | 2.54 | 3.57 | 4.11 | 3.14 | 6.31 | 5.34 | 3.27 | 2.97 | 4.47 | 3.55 | 3.46 | 3.31 |
| Oil (\$/bbl) (WTI Cushing lagged two months) | | | | | | | | | | | | |
| WTI Cushing | 28.33 | 30.12 | 31.56 | 29.02 | 30.84 | 28.09 | 28.08 | 27.75 | 28.69 | 26.98 | 26.36 | 27.29 |
| HGT | 27.63 | 29.71 | 32.31 | 28.67 | 30.43 | 27.59 | 27.58 | 27.25 | 28.23 | 26.48 | 25.86 | 26.81 |
| Total (\$/mcf) | 2.68 | 3.65 | 4.19 | 3.24 | 6.24 | 5.29 | 3.35 | 3.06 | 4.49 | 3.60 | 3.51 | 3.38 |
| Revenue (\$mm) | | | | | | | | | | | | |
| Natural Gas | 21.9 | 32.3 | 38.9 | 115.6 | 58.0 | 46.4 | 29.4 | 26.7 | 160.6 | 32.0 | 31.2 | 119.3 |
| Oil | 2.9 | 2.9 | 3.2 | 11.5 | 2.9 | 2.5 | 2.6 | 2.5 | 10.6 | 2.4 | 2.3 | 9.9 |
| Total | 24.8 | 35.2 | 42.0 | 127.0 | 61.0 | 49.0 | 32.0 | 29.2 | 171.2 | 34.4 | 33.5 | 129.1 |
| Cost (\$mm) | | | | | | | | | | | | |
| Tax, transport & other | | | | | | | | | | | | |
| Production | 2.4 | 3.4 | 3.8 | 12.0 | 5.0 | 4.6 | 3.2 | 2.9 | 15.7 | 3.4 | 3.3 | 12.9 |
| Overhead | 3.2 | 3.9 | 4.6 | 15.0 | 4.9 | 5.2 | 4.8 | 4.8 | 19.7 | 4.8 | 4.8 | 19.1 |
| Total | 1.8 | 1.9 | 1.8 | 7.2 | 1.8 | 1.9 | 1.9 | 1.9 | 7.6 | 1.9 | 1.9 | 7.6 |
| Cash flow (\$mm) | 7.4 | 9.2 | 10.3 | 34.3 | 11.7 | 11.7 | 9.9 | 9.6 | 42.9 | 10.1 | 10.0 | 39.7 |
| Development | 17.4 | 26.0 | 31.8 | 92.8 | 49.2 | 37.3 | 22.1 | 19.6 | 128.3 | 24.3 | 23.4 | 89.5 |
| Net proceeds (\$mm) | 3.3 | 5.8 | 8.9 | 21.8 | 7.1 | 10.0 | 5.5 | 4.9 | 27.6 | 6.1 | 5.9 | 22.4 |
| Royalty income (\$mm) | 14.1 | 20.3 | 22.9 | 71.0 | 42.1 | 27.2 | 16.6 | 14.7 | 100.7 | 18.2 | 17.6 | 67.1 |
| Royalty/Net proceeds | 11.3 | 16.2 | 18.3 | 56.8 | 33.7 | 21.8 | 13.3 | 11.8 | 80.5 | 14.6 | 14.1 | 53.7 |
| Administration | 80% | 80% | 80% | 80% | 80% | 80% | 80% | 80% | 80% | 80% | 80% | 80% |
| Distributable income (\$mm) | 0.0 | 0.0 | (0.0) | 0.1 | 0.0 | 0.1 | 0.1 | 0.1 | 0.3 | 0.1 | 0.1 | 0.3 |
| Cost ratios | 11.3 | 16.2 | 18.3 | 56.7 | 33.7 | 21.7 | 13.2 | 11.7 | 80.3 | 14.5 | 14.0 | 53.4 |
| Tax and other/revenue | 10% | 10% | 9% | 9% | 8% | 9% | 10% | 10% | 9% | 10% | 10% | 10% |
| Production cost (\$/mcf) | 0.35 | 0.40 | 0.46 | 0.38 | 0.50 | 0.56 | 0.50 | 0.50 | 0.52 | 0.50 | 0.50 | 0.50 |
| Overhead cost (\$/mcf) | 0.19 | 0.20 | 0.18 | 0.18 | 0.19 | 0.21 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 |
| Development/Cash flow | 0.19 | 0.22 | 0.28 | 0.23 | 0.14 | 0.27 | 0.25 | 0.25 | 0.22 | 0.25 | 0.25 | 0.25 |

Analyses are prepared from original sources and data believed to be reliable, but no representation is made as to their accuracy or completeness. Independent energy investment research by Kurt Wulff is accessible at <http://www.mcdep.com>. Owning shares in energy stocks, neither Mr. Wulff nor his spouse act contrary to a buy or sell rating. Mr. Wulff is not paid by covered companies.

Meter Reader

A Weekly Analysis of Energy Stocks Using the McDep Ratio

July 9, 2001

Table SJT-1
San Juan Basin Royalty Trust
Present Value

| | | | |
|----------------------------|------|------------------------------------|-----|
| Volume Decline (%/yr): | 10 | Price Escalation Post 2006 (%/yr): | 2.8 |
| Volume Enhancement (%/yr): | 10 | Discount rate (%/yr): | 6.8 |
| Capex/Cash Flow (%): | 25 | U.S. TIPS Inflation (%/yr): | 2.0 |
| Variable Cost (%): | 9 | U.S. 10 Year Yield (%/yr): | 5.4 |
| PV/Volume (\$/mcf): | 1.25 | PV/EBITDA 2002: | 9.0 |

| 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 | | | | | | | | | | | | | |
| | 308 | 268 | 576 | 3.69 | 2124 | 380 | 191 | 207 | 1346 | 28.89 | 0.24 | 0.53 | 15.50 |
| 2002 | 32.2 | 0.0 | 32.2 | 3.18 | 102.4 | 12.7 | 9.2 | 20.3 | 60.2 | 1.29 | 0.16 | 0.97 | 1.40 |
| 2003 | 29.0 | 3.2 | 32.2 | 3.29 | 105.8 | 12.7 | 9.5 | 20.9 | 62.7 | 1.35 | 0.08 | 0.91 | 1.29 |
| 2004 | 26.1 | 6.1 | 32.2 | 3.34 | 107.4 | 12.7 | 9.7 | 21.3 | 63.8 | 1.37 | | 0.85 | 1.16 |
| 2005 | 23.5 | 8.7 | 32.2 | 3.34 | 107.6 | 12.7 | 9.7 | 21.3 | 64.0 | 1.37 | | 0.80 | 1.09 |
| 2006 | 21.1 | 11.1 | 32.2 | 3.21 | 103.1 | 12.7 | 9.3 | 20.3 | 60.9 | 1.31 | | 0.74 | 0.97 |
| 2007 | 19.0 | 13.2 | 32.2 | 3.08 | 99.1 | 12.7 | 8.9 | 19.4 | 58.1 | 1.25 | | 0.70 | 0.87 |
| 2008 | 17.1 | 15.1 | 32.2 | 3.16 | 101.8 | 12.7 | 9.2 | 20.0 | 60.0 | 1.29 | | 0.65 | 0.84 |
| 2009 | 15.4 | 16.8 | 32.2 | 3.25 | 104.6 | 12.7 | 9.4 | 20.6 | 61.9 | 1.33 | | 0.61 | 0.81 |
| 2010 | 13.9 | 18.3 | 32.2 | 3.34 | 107.5 | 12.7 | 9.7 | 21.3 | 63.9 | 1.37 | | 0.57 | 0.79 |
| 2011 | 12.5 | 19.7 | 32.2 | 3.43 | 110.5 | 12.7 | 9.9 | 22.0 | 65.9 | 1.41 | | 0.54 | 0.76 |
| 2012 | 11.2 | 17.7 | 29.0 | 3.53 | 102.2 | 12.7 | 9.2 | | 80.3 | 1.72 | | 0.50 | 0.87 |
| 2013 | 10.1 | 16.0 | 26.1 | 3.62 | 94.5 | 12.7 | 8.5 | | 73.3 | 1.57 | | 0.47 | 0.74 |
| 2014 | 9.1 | 14.4 | 23.5 | 3.72 | 87.4 | 12.7 | 7.9 | | 66.9 | 1.43 | | 0.44 | 0.63 |
| 2015 | 8.2 | 12.9 | 21.1 | 3.83 | 80.8 | 12.7 | 7.3 | | 60.9 | 1.31 | | 0.41 | 0.54 |
| 2016 | 7.4 | 11.6 | 19.0 | 3.93 | 74.7 | 12.7 | 6.7 | | 55.4 | 1.19 | | 0.39 | 0.46 |
| 2017 | 6.6 | 10.5 | 17.1 | 4.04 | 69.1 | 12.7 | 6.2 | | 50.2 | 1.08 | | 0.36 | 0.39 |
| 2018 | 6.0 | 9.4 | 15.4 | 4.15 | 63.9 | 12.7 | 5.8 | | 45.5 | 0.98 | | 0.34 | 0.33 |
| 2019 | 5.4 | 8.5 | 13.9 | 4.27 | 59.1 | 12.7 | 5.3 | | 41.1 | 0.88 | | 0.32 | 0.28 |
| 2020 | 4.8 | 7.6 | 12.5 | 4.39 | 54.7 | 12.7 | 4.9 | | 37.1 | 0.80 | | 0.30 | 0.24 |
| 2021 | 4.3 | 6.9 | 11.2 | 4.51 | 50.6 | 12.7 | 4.6 | | 33.4 | 0.72 | | 0.28 | 0.20 |
| 2022 | 3.9 | 6.2 | 10.1 | 4.63 | 46.8 | 12.7 | 4.2 | | 29.9 | 0.64 | | 0.26 | 0.17 |
| 2023 | 3.5 | 5.6 | 9.1 | 4.76 | 43.3 | 12.7 | 3.9 | | 26.7 | 0.57 | | 0.24 | 0.14 |
| 2024 | 3.2 | 5.0 | 8.2 | 4.89 | 40.0 | 12.7 | 3.6 | | 23.7 | 0.51 | | 0.23 | 0.12 |
| 2025 | 2.9 | 4.5 | 7.4 | 5.03 | 37.0 | 12.7 | 3.3 | | 21.0 | 0.45 | | 0.21 | 0.10 |
| 2026 | 2.6 | 4.1 | 6.6 | 5.16 | 34.2 | 12.7 | 3.1 | | 18.5 | 0.40 | | 0.20 | 0.08 |
| 2027 | 2.3 | 3.7 | 6.0 | 5.31 | 31.6 | 12.7 | 2.8 | | 16.1 | 0.35 | | 0.19 | 0.07 |
| 2028 | 2.1 | 3.3 | 5.4 | 5.45 | 29.3 | 12.7 | 2.6 | | 14.0 | 0.30 | | 0.18 | 0.05 |
| 2029 | 1.9 | 3.0 | 4.8 | 5.60 | 27.1 | 12.7 | 2.4 | | 12.0 | 0.26 | | 0.17 | 0.04 |
| 2030 | 1.7 | 2.7 | 4.3 | 5.76 | 25.0 | 12.7 | 2.3 | | 10.1 | 0.22 | | 0.15 | 0.03 |
| 2031 | 1.5 | 2.4 | 3.9 | 5.92 | 23.2 | 12.7 | 2.1 | | 8.4 | 0.18 | | 0.14 | 0.03 |

Analyses are prepared from original sources and data believed to be reliable, but no representation is made as to their accuracy or completeness. Independent energy investment research by Kurt Wulff is accessible at <http://www.mcdep.com>. Owning shares in energy stocks, neither Mr. Wulff nor his spouse act contrary to a buy or sell rating. Mr. Wulff is not paid by covered companies.

Meter Reader

A Weekly Analysis of Energy Stocks Using the McDep Ratio

July 9, 2001

Table SJT-2
San Juan Basin Royalty Trust
Distributable Income

| | Q2 | Q3 | Q4 | Year | Q1 | Q2E | Q3E | Q4E | Year | Q1E | Q2E | Next Twelve Months |
|--|---------|---------|----------|-------|---------|---------|---------|----------|-------|---------|---------|--------------------------|
| | 6/30/00 | 9/30/00 | 12/31/00 | 2000 | 3/31/01 | 6/30/01 | 9/30/01 | 12/31/01 | 2001E | 3/31/02 | 6/30/02 | 6/30/02 |
| Highlights | | | | | | | | | | | | |
| Revenue (\$mm) (75%) | 19.3 | 29.0 | 29.9 | 95.5 | 49.6 | 38.5 | 25.2 | 23.2 | 136.6 | 27.7 | 26.2 | 102.4 |
| Cash flow (\$mm) (75%) | 13.7 | 23.6 | 25.2 | 75.7 | 42.2 | 31.8 | 20.0 | 18.2 | 112.2 | 22.2 | 20.9 | 81.3 |
| Per unit | 0.29 | 0.51 | 0.54 | 1.62 | 0.91 | 0.68 | 0.43 | 0.39 | 2.41 | 0.48 | 0.45 | 1.74 |
| Tax credit (\$mm) | 1.9 | 1.9 | 1.9 | 7.5 | 1.9 | 1.9 | 1.9 | 1.9 | 7.5 | 1.9 | 1.9 | 7.5 |
| Per unit | 0.04 | 0.04 | 0.04 | 0.16 | 0.04 | 0.04 | 0.04 | 0.04 | 0.16 | 0.04 | 0.04 | 0.16 |
| Distributable Income (\$mm) | 13.2 | 19.7 | 16.5 | 59.2 | 37.3 | 26.3 | 14.8 | 13.4 | 91.7 | 16.5 | 15.5 | 60.2 |
| Per unit | 0.28 | 0.42 | 0.35 | 1.27 | 0.80 | 0.56 | 0.32 | 0.29 | 1.97 | 0.35 | 0.33 | 1.29 |
| 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 | 7.1 | 8.4 | | | | | | | | | | |
| Coal Seam | 3.9 | 4.0 | | | | | | | | | | |
| Total | 11.0 | 12.4 | 11.2 | 45.1 | 11.8 | 11.3 | 11.7 | 11.7 | 46.6 | 11.7 | 11.3 | 46.5 |
| Heat Content(btu/cf) | 1,028 | 1,104 | 1,084 | 1,068 | 1,052 | 1,095 | 1,095 | 1,095 | 1,084 | 1,095 | 1,095 | 1,095 |
| Natural gas (bcf) | | | | | | | | | | | | |
| Conventional | 6.3 | 6.7 | | | | | | | | | | |
| Coal Seam | 4.4 | 4.5 | | | | | | | | | | |
| Total | 10.7 | 11.2 | 10.3 | 42.2 | 11.3 | 10.4 | 10.7 | 10.7 | 43.0 | 10.7 | 10.4 | 42.5 |
| Natural Gas (mmcf) | 118.5 | 121.6 | 111.8 | 115.4 | 122.4 | 116.4 | 116.4 | 116.4 | 117.9 | 116.4 | 116.4 | 116.4 |
| Days | 90 | 92 | 92 | 366 | 92 | 89 | 92 | 92 | 365 | 92 | 89 | 365 |
| Oil (mb) | 0.0 | 0.0 | 0.0 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.0 | 0.0 | 0.1 |
| Oil (mbd) | 0.2 | 0.3 | 0.3 | 0.3 | 0.3 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| Days | 90 | 92 | 92 | 366 | 92 | 90 | 92 | 92 | 366 | 91 | 92 | 367 |
| Total gas & oil (bcf) | 10.8 | 11.4 | 10.4 | 42.8 | 11.4 | 10.5 | 10.8 | 10.8 | 43.5 | 10.8 | 10.5 | 42.9 |
| Price | | | | | | | | | | | | |
| Natural gas (\$/mmbtu) (Henry Hub lagged two months) | | | | | | | | | | | | |
| Henry Hub (\$/mmbtu) | 2.82 | 3.94 | 4.83 | 3.49 | 7.57 | 5.30 | 3.63 | 3.30 | 4.95 | 3.95 | 3.85 | 3.68 |
| Differential (\$/mmbtu) | 0.52 | 0.87 | 1.31 | 0.72 | 2.04 | 0.81 | 0.80 | 0.69 | 1.09 | 0.83 | 0.81 | 0.78 |
| SJT Conventional | 2.36 | 3.14 | | | | | | | | | | |
| SJT Coal Seam | 2.20 | 2.92 | | | | | | | | | | |
| Total | 2.30 | 3.07 | 3.52 | 2.77 | 5.53 | 4.49 | 2.83 | 2.60 | 3.86 | 3.12 | 3.04 | 2.90 |
| Natural gas (\$/mcf) | | | | | | | | | | | | |
| Conventional | 2.67 | 3.95 | | | | | | | | | | |
| Coal Seam | 1.94 | 2.56 | | | | | | | | | | |
| Total | 2.37 | 3.39 | 3.81 | 2.96 | 5.81 | 4.10 | 2.59 | 2.38 | 4.19 | 2.85 | 2.78 | 3.17 |
| Oil (\$/bbl) (WTI Cushing lagged two months) | | | | | | | | | | | | |
| WTI Cushing | 28.33 | 30.12 | 32.73 | 29.31 | 28.79 | 28.09 | 28.08 | 27.75 | 28.18 | 26.98 | 26.36 | 27.29 |
| SJT | 21.66 | 25.58 | 28.37 | 24.66 | 26.90 | 24.09 | 24.08 | 23.75 | 24.89 | 22.98 | 22.36 | 23.29 |
| Total gas & oil (\$/mcf) | 2.38 | 3.40 | 3.83 | 2.97 | 5.79 | 4.91 | 3.11 | 2.86 | 4.19 | 3.42 | 3.33 | 3.18 |
| Revenue (\$mm) | | | | | | | | | | | | |
| Natural Gas - Conventional | | | | | | | | | | | | |
| Coal Seam | 16.8 | 26.3 | | | | | | | | | | |
| Total | 25.2 | 37.9 | 39.2 | 124.9 | 65.5 | 50.9 | 33.2 | 30.5 | 180.2 | 36.5 | 34.5 | 134.8 |
| Oil | 0.5 | 0.7 | 0.7 | 2.4 | 0.7 | 0.4 | 0.4 | 0.4 | 2.0 | 0.4 | 0.4 | 1.7 |
| Total | 25.7 | 38.6 | 39.9 | 127.3 | 66.1 | 51.4 | 33.7 | 31.0 | 182.1 | 37.0 | 34.9 | 136.5 |
| Cost (\$mm) | | | | | | | | | | | | |
| Severance tax | 2.3 | 4.2 | 3.6 | 12.3 | 6.5 | 5.2 | 3.4 | 3.1 | 18.2 | 3.7 | 3.5 | 13.6 |
| Operating | 5.2 | 3.1 | 2.7 | 14.0 | 3.3 | 3.8 | 3.6 | 3.6 | 14.4 | 3.6 | 3.5 | 14.4 |
| Total | 7.5 | 7.2 | 6.3 | 26.3 | 9.8 | 9.0 | 7.0 | 6.7 | 32.5 | 7.3 | 7.0 | 28.1 |
| Cash flow (\$mm) | | | | | | | | | | | | |
| Development | 18.2 | 31.4 | 33.6 | 101.0 | 56.3 | 42.4 | 26.7 | 24.2 | 149.6 | 29.6 | 27.9 | 108.4 |
| Total | 4.8 | 5.0 | 11.2 | 25.6 | 6.3 | 7.1 | 6.7 | 6.1 | 26.1 | 7.4 | 7.0 | 27.1 |
| Net proceeds (\$mm) | | | | | | | | | | | | |
| Royalty/Net proceeds | 13.5 | 26.4 | 22.4 | 75.4 | 50.0 | 35.3 | 20.0 | 18.2 | 123.5 | 22.2 | 20.9 | 81.3 |
| Royalty income (\$mm) | | | | | | | | | | | | |
| Royalty/Net proceeds | 10.1 | 19.8 | 16.8 | 56.5 | 37.5 | 26.5 | 15.0 | 13.6 | 92.6 | 16.7 | 15.7 | 61.0 |
| Administration | 75% | 75% | 75% | 75% | 75% | 75% | 75% | 75% | 75% | 75% | 75% | 3.0 |
| One-time | 0.4 | 0.2 | 0.3 | 1.1 | 0.2 | 0.2 | 0.2 | 0.2 | 0.9 | 0.2 | 0.2 | 0.8 |
| Total | 3.5 | | | 3.7 | | | | | - | | | - |
| Distributable income (\$mm) | | | | | | | | | | | | |
| Total | 13.2 | 19.7 | 16.5 | 59.2 | 37.3 | 26.3 | 14.8 | 13.4 | 91.7 | 16.5 | 15.5 | 60.2 |
| Modeling ratios | | | | | | | | | | | | |
| Severance tax/revenue | 9.0% | 10.8% | 9.0% | 9.7% | 9.9% | 10.1% | 10.0% | 10.0% | 10.0% | 10.0% | 10.0% | 10.0% |
| Operating cost (\$/mcf) | 0.48 | 0.27 | 0.26 | 0.33 | 0.29 | 0.36 | 0.34 | 0.34 | 0.33 | 0.34 | 0.34 | 0.34 |

Analyses are prepared from original sources and data believed to be reliable, but no representation is made as to their accuracy or completeness. Independent energy investment research by Kurt Wulff is accessible at <http://www.mcdep.com>. Owning shares in energy stocks, neither Mr. Wulff nor his spouse act contrary to a buy or sell rating. Mr. Wulff is not paid by covered companies.

Meter Reader

A Weekly Analysis of Energy Stocks Using the McDep Ratio

July 9, 2001

Table EPL-1
Energy Partners, Ltd.
Present Value

| | | | |
|----------------------------|-------|------------------------------------|-----|
| Volume Decline (%/yr): | 16 | Price Escalation post 2006 (%/yr): | 2.0 |
| Volume Enhancement (%/yr): | 34 | Discount rate (%/yr): | 6.8 |
| Capex/Cash Flow (%): | 100 | U.S. TIPS Inflation (%/yr): | 2.0 |
| Variable Cost (%): | 16 | U.S. 10 Year Yield (%/yr): | 5.4 |
| PV/Volume (\$/bbl): | 3.40 | PV/EBITDA 2002: | 4.8 |
| PV/Share (\$): | 18.90 | | |

| 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 2020 | | | | | | | | | | | | | |
| | 46300 | 109100 | 155400 | 23.02 | 3578 | 729 | 572 | 1138 | 1139 | 163 | 976 | 0.47 | 530 |
| 2002 | 7688 | 0 | 7688 | 23.04 | 177 | 38 | 28 | 110 | 0 | 0 | 0 | 0.97 | 0 |
| 2003 | 6458 | 2614 | 9072 | 23.80 | 216 | 38 | 35 | 143 | 0 | 0 | 0 | 0.91 | 0 |
| 2004 | 5425 | 5280 | 10705 | 23.04 | 247 | 38 | 39 | 169 | 0 | 0 | 0 | 0.85 | 0 |
| 2005 | 4557 | 8075 | 12631 | 22.53 | 285 | 38 | 46 | 201 | 0 | 0 | 0 | 0.80 | 0 |
| 2006 | 3828 | 11078 | 14905 | 21.98 | 328 | 38 | 52 | 237 | 0 | 0 | 0 | 0.74 | 0 |
| 2007 | 3215 | 14373 | 17588 | 21.43 | 377 | 38 | 60 | 278 | 0 | 0 | 0 | 0.70 | 0 |
| 2008 | 2701 | 12073 | 14774 | 21.85 | 323 | 38 | 52 | | 233 | 33 | 200 | 0.65 | 130 |
| 2009 | 2269 | 10141 | 12410 | 22.28 | 276 | 38 | 44 | | 194 | 28 | 166 | 0.61 | 102 |
| 2010 | 1906 | 8519 | 10424 | 22.71 | 237 | 38 | 38 | | 161 | 23 | 138 | 0.57 | 79 |
| 2011 | 1601 | 7156 | 8757 | 23.16 | 203 | 38 | 32 | | 132 | 19 | 113 | 0.54 | 61 |
| 2012 | 1345 | 6011 | 7356 | 23.61 | 174 | 38 | 28 | | 108 | 15 | 92 | 0.50 | 46 |
| 2013 | 1129 | 5049 | 6179 | 24.08 | 149 | 38 | 24 | | 87 | 12 | 74 | 0.47 | 35 |
| 2014 | 949 | 4241 | 5190 | 24.55 | 127 | 38 | 20 | | 69 | 10 | 59 | 0.44 | 26 |
| 2015 | 797 | 3563 | 4360 | 25.03 | 109 | 38 | 17 | | 53 | 8 | 46 | 0.41 | 19 |
| 2016 | 669 | 2993 | 3662 | 25.52 | 93 | 38 | 15 | | 40 | 6 | 34 | 0.39 | 13 |
| 2017 | 562 | 2514 | 3076 | 26.02 | 80 | 38 | 13 | | 29 | 4 | 25 | 0.36 | 9 |
| 2018 | 472 | 2112 | 2584 | 26.53 | 69 | 38 | 11 | | 19 | 3 | 16 | 0.34 | 6 |
| 2019 | 397 | 1774 | 2171 | 27.05 | 59 | 38 | 9 | | 11 | 2 | 9 | 0.32 | 3 |
| 2020 | 333 | 1490 | 1823 | 27.58 | 50 | 38 | 8 | | 4 | 1 | 3 | 0.30 | 1 |

Analyses are prepared from original sources and data believed to be reliable, but no representation is made as to their accuracy or completeness. Independent energy investment research by Kurt Wulff is accessible at <http://www.mcdep.com>. Owning shares in energy stocks, neither Mr. Wulff nor his spouse act contrary to a buy or sell rating. Mr. Wulff is not paid by covered companies.

Meter Reader

A Weekly Analysis of Energy Stocks Using the McDep Ratio

July 9, 2001

Table EPL-2
Energy Partners, Ltd.
Cash Flow

| | H1 6/30/00 | Q3 9/30/00 | Q4 12/31/00 | Year 2000 | Q1 3/31/01 | Q2E 6/30/01 | Q3E 9/30/01 | Q4E 12/31/01 | Year 2001E | Q1E 3/31/02 | Q2E 6/30/02 | Next Twelve Months 6/30/02 |
|----------------------------|---------------|---------------|----------------|--------------|---------------|----------------|----------------|-----------------|---------------|----------------|----------------|-------------------------------------|
| Highlights | | | | | | | | | | | | |
| Revenue (\$mm) | 30.4 | 30.7 | 42.0 | 103.1 | 49.9 | 38.6 | 38.5 | 44.6 | 171.6 | 46.8 | 47.2 | 177.1 |
| EBITDAX (\$mm) | 18.0 | 19.5 | 24.1 | 61.6 | 35.2 | 22.9 | 22.8 | 28.2 | 109.1 | 30.6 | 30.4 | 112.0 |
| Cash Flow (\$mm) | 15.4 | 17.2 | 23.1 | 55.7 | 35.1 | 22.5 | 22.4 | 27.8 | 107.8 | 30.2 | 30.0 | 110.4 |
| Per share (\$) | | 0.95 | 1.21 | | 1.30 | 0.84 | 0.83 | 1.03 | 4.00 | 1.12 | 1.11 | 4.10 |
| Net Income (\$mm) | 2.3 | 5.2 | (32.9) | (25.4) | 14.0 | 4.5 | 3.8 | 6.3 | 28.7 | 7.6 | 6.9 | 24.6 |
| Per share | | 0.29 | (1.73) | | 0.52 | 0.17 | 0.14 | 0.23 | 1.06 | 0.28 | 0.26 | 0.91 |
| Shares (millions) | | 18.1 | 19.0 | | 27.0 | 27.0 | 27.0 | 27.0 | 27.0 | 27.0 | 27.0 | 27.0 |
| Volume | | | | | | | | | | | | |
| Natural Gas (bcf) | 1.48 | 1.49 | 2.81 | 5.78 | 3.01 | 3.65 | 4.14 | 4.60 | 15.41 | 4.68 | 4.91 | 18.33 |
| Natural Gas (mmcf) | 8.1 | 16.1 | 30.6 | 15.8 | 33.5 | 40.2 | 45.0 | 50.0 | 42.2 | 52.0 | 54.0 | 50.2 |
| Days | 182 | 92 | 92 | 366 | 90 | 91 | 92 | 92 | 365 | 90 | 91 | 365 |
| Oil (mb) | 965 | 899 | 925 | 2,790 | 964 | 975 | 1,012 | 1,146 | 4,098 | 1,200 | 1,274 | 4,632 |
| Oil (mbd) | 5.30 | 9.78 | 10.05 | 7.62 | 10.72 | 10.72 | 11.00 | 12.46 | 11.23 | 13.33 | 14.00 | 12.69 |
| Total (mb) | 1,212 | 1,147 | 1,394 | 3,752 | 1,466 | 1,584 | 1,702 | 1,913 | 6,666 | 1,980 | 2,093 | 7,688 |
| Total (mbd) | 6.7 | 12.5 | 15.1 | 10.3 | 16.3 | 17.4 | 18.5 | 20.8 | 18.3 | 22.0 | 23.0 | 21.1 |
| Price | | | | | | | | | | | | |
| Natural Gas | | | | | | | | | | | | |
| Henry Hub (\$/mmbtu) | 3.13 | 4.48 | 6.52 | 4.31 | 6.31 | 4.36 | 3.16 | 3.70 | 4.38 | 4.01 | 3.67 | 3.63 |
| Differential (\$/mmbtu) | (0.40) | (0.29) | 0.67 | (0.66) | (1.24) | 0.44 | 0.32 | 0.37 | 0.22 | 0.40 | 0.37 | 0.35 |
| EPL (\$/mcf) | 3.52 | 4.77 | 5.85 | 4.98 | 7.55 | 3.92 | 2.85 | 3.33 | 4.17 | 3.61 | 3.30 | 3.28 |
| Oil (\$/bbl) | | | | | | | | | | | | |
| WTI Cushing | 28.81 | 31.61 | 32.00 | 30.31 | 28.81 | 27.90 | 27.96 | 27.17 | 27.96 | 26.58 | 25.92 | 26.90 |
| Differential | 3.12 | 5.43 | 6.46 | 4.51 | 4.52 | 3.00 | 1.60 | 1.60 | 2.65 | 1.60 | 1.60 | 1.66 |
| EPL | 25.69 | 26.18 | 25.54 | 25.80 | 24.29 | 24.90 | 26.36 | 25.57 | 25.30 | 24.98 | 24.32 | 25.24 |
| Total (\$/bbl) | 25.05 | 26.79 | 30.13 | 27.47 | 31.48 | 24.38 | 22.60 | 23.33 | 25.75 | 23.66 | 22.55 | 23.04 |
| Revenue (\$mm) | | | | | | | | | | | | |
| Natural Gas | 5.2 | 7.1 | 16.4 | 28.7 | 22.7 | 14.3 | 11.8 | 15.3 | 64.2 | 16.9 | 16.2 | 60.2 |
| Oil | 24.8 | 23.5 | 23.6 | 72.0 | 23.4 | 24.3 | 26.7 | 29.3 | 103.7 | 30.0 | 31.0 | 116.9 |
| Other | 0.3 | 0.1 | 1.9 | 2.4 | 3.8 | | | | 3.8 | | | - |
| Total | 30.4 | 30.7 | 42.0 | 103.1 | 49.9 | 38.6 | 38.5 | 44.6 | 171.6 | 46.8 | 47.2 | 177.1 |
| Cost (\$mm) | | | | | | | | | | | | |
| Lease operating | 6.1 | 6.4 | 11.5 | 24.1 | 9.0 | 9.5 | 9.5 | 9.9 | 38.0 | 9.6 | 10.2 | 39.2 |
| Production taxes | 1.9 | 1.7 | 2.7 | 6.3 | 1.8 | 1.9 | 1.9 | 2.2 | 7.9 | 2.3 | 2.4 | 8.9 |
| General and administrative | 4.3 | 3.0 | 3.7 | 11.1 | 3.9 | 4.3 | 4.3 | 4.3 | 16.7 | 4.3 | 4.3 | 17.0 |
| Total | 12.3 | 11.2 | 17.9 | 41.5 | 14.7 | 15.7 | 15.7 | 16.4 | 62.6 | 16.2 | 16.8 | 65.1 |
| EBITDAX (\$mm) | 18.0 | 19.5 | 24.1 | 61.6 | 35.2 | 22.9 | 22.8 | 28.2 | 109.1 | 30.6 | 30.4 | 112.0 |
| Other cash incl. int. tax | 2.6 | 2.4 | 1.0 | 5.9 | 0.1 | 0.4 | 0.4 | 0.4 | 1.3 | 0.4 | 0.4 | 1.6 |
| Cash Flow (\$mm) | 15.4 | 17.2 | 23.1 | 55.7 | 35.1 | 22.5 | 22.4 | 27.8 | 107.8 | 30.2 | 30.0 | 110.4 |
| Exploration | 0.8 | 0.3 | 0.6 | 1.7 | 1.4 | 3.0 | 3.0 | 3.0 | 10.4 | 3.0 | 3.0 | 12.0 |
| Deprec., Deplet. & Amort. | 8.3 | 7.5 | 9.8 | 25.6 | 10.7 | 11.7 | 12.6 | 14.2 | 49.2 | 14.7 | 15.5 | 56.9 |
| Amort. Financing Cost | 0.3 | 0.3 | 0.5 | 1.1 | 0.2 | 0.3 | 0.3 | 0.3 | 1.1 | 0.3 | 0.3 | 1.2 |
| Other non cash | (0.7) | 0.7 | 41.7 | 41.7 | 0.7 | 0.3 | 0.3 | 0.3 | 1.6 | 0.3 | 0.3 | 1.2 |
| Income before income tax | 6.8 | 8.4 | (29.6) | (14.5) | 22.1 | 7.2 | 6.2 | 10.0 | 45.5 | 12.0 | 11.0 | 39.2 |
| Deferred income tax | 4.5 | 3.2 | 3.3 | 10.9 | 8.0 | 2.7 | 2.3 | 3.7 | 16.8 | 4.4 | 4.1 | 14.5 |
| Net income (\$mm) | 2.3 | 5.2 | (32.9) | (25.4) | 14.0 | 4.5 | 3.8 | 6.3 | 28.7 | 7.6 | 6.9 | 24.6 |
| Costs (\$/bbl) | | | | | | | | | | | | |
| Lease operating | 5.03 | 5.61 | 8.28 | 6.41 | 6.13 | 6.00 | 5.60 | 5.20 | 5.70 | 4.85 | 4.85 | 5.10 |
| Production taxes | 1.57 | 1.52 | 1.94 | 1.69 | 1.23 | 1.22 | 1.13 | 1.17 | 1.18 | 1.18 | 1.13 | 1.15 |
| General and administrative | 3.57 | 2.65 | 2.65 | 2.95 | 2.68 | 2.68 | 2.50 | 2.22 | 2.50 | 2.15 | 2.03 | 2.21 |
| Deprec., Deplet. & Amort. | 6.84 | 6.54 | 7.04 | 6.82 | 7.33 | 7.40 | 7.40 | 7.40 | 7.38 | 7.40 | 7.40 | 7.40 |
| Tax rate | | 38% | | | 36% | 37% | 38% | 37% | 37% | 37% | 37% | 37% |

Analyses are prepared from original sources and data believed to be reliable, but no representation is made as to their accuracy or completeness. Independent energy investment research by Kurt Wulff is accessible at <http://www.mcdep.com>. Owning shares in energy stocks, neither Mr. Wulff nor his spouse act contrary to a buy or sell rating. Mr. Wulff is not paid by covered companies.