

## A Tale of Two Markets

Strengthening natural gas markets point to higher stock prices for natural gas producers, or weakening stock prices for producers point to lower natural gas markets. A declining trend in McDep Ratio illustrates the widening arbitrage between the two markets (see graphic on page 3). Long-life natural gas producers, **Cross Timbers Royalty Trust**, **Hugoton Royalty Trust**, **Burlington Resources Inc.**, and **Dorchester Hugoton, Ltd.**, remain tightly clustered in offering attractive investment value (see table below). Gulf of Mexico oil producer, **Energy Partners Ltd.** and natural gas producer **San Juan Basin Royalty Trust** appear to offer even more appreciation potential. While there is no perfect arbitrage, as wise persons know, our McDep Ratio compares the two markets on a consistent time basis. That is, stock prices represent all future value just as present value of natural gas resources represents all future production, not just near term volumes.

<b>Rank by McDep Ratio</b>		<i>Price</i> (\$/sh)	<i>Market</i>			<i>Net</i> <i>Present</i>	
	<i>Symbol</i>	<i>1-Dec</i> 2000	<i>Shares</i> (mm)	<i>Cap</i> (\$mm)	<i>Debt</i> (\$mm)	<i>Value</i> (\$/sh)	<i>McDep</i> <i>Ratio</i>
Dorchester Hugoton, Ltd.	DHULZ	13.88	10.7	149	-	16.90	0.82
Burlington Resources	BR	42.00	216	9,100	3,200	56.00	0.80
Hugoton RT (42.5%)	HGT	14.00	17.0	238	-	17.80	0.79
Cross Timbers Royalty Trust	CRT	15.38	6.0	92	-	19.90	0.77
Energy Partners, Ltd.	EPL	13.94	27.1	380	-	20.50	0.68
San Juan Basin Royalty Trust	SJT	10.81	46.6	500	-	15.90	0.67

Higher natural gas quotes boost estimates of cash flow for the year 2001 by another 6%. Stocks are ranked on the unlevered basis of Enterprise Value (EV) to Ebitda, earnings before interest, tax, depletion and non-operating charges (see table).

<b>Rank by Cash Flow Multiple</b>		<i>Price</i> (\$/sh)	<i>Ebitda 2001</i>			<i>Cash</i>	
	<i>Symbol</i>	<i>1-Dec</i> 2000	<i>N Am</i> <i>Gas</i>	<i>Oil &amp;</i> <i>OS Gas</i>	<i>Other</i> (\$mm)	<i>Flow</i> (\$/sh)	<i>EV/</i> <i>Ebitda</i>
Dorchester Hugoton, Ltd.	DHULZ	13.88	27	-	-	2.49	5.6
Cross Timbers Royalty Trust	CRT	15.38	15	2	-	2.85	5.4
Hugoton RT (42.5%)	HGT	14.00	51	-	-	2.99	4.7
Burlington Resources	BR	42.00	2,254	398	-	10.19	4.6
San Juan Basin Royalty Trust	SJT	10.81	122	-	-	2.61	4.1
Energy Partners, Ltd.	EPL	13.94	29	114	-	4.21	2.7

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Our computations for the next four quarters point to Dynamic Distribution Yields approaching 21% in cash (see table below).

<b>Rank by Distributions</b>	<i>Symbol</i>	<i>Price</i>	<i>Price/ Sales</i>	<i>Earnings 2001</i>	<i>P/E</i>	<i>Distribution 2001</i>	
		<i>(\$/sh)</i>				<i>1-Dec 2000</i>	<i>(\$/sh)</i>
Energy Partners, Ltd.	EPL	13.94	1.9	1.73	8.1	-	-
Burlington Resources	BR	42.00	3.6	4.71	8.9	0.55	1.3
Dorchester Hugoton, Ltd.	DHULZ	13.88	4.6	2.29	6.1	2.04	14.7
Cross Timbers Royalty Trust	CRT	15.38	3.9	2.76	5.6	2.76	18.0
Hugoton RT (42.5%)	HGT	14.00	3.7	2.64	5.3	2.64	18.9
San Juan Basin Royalty Trust	SJT	10.81	3.4	2.24	4.8	2.24	20.8

All cash flow does not grow or last the same. Prospects for future production and the costs of development are unique for each issue. Reserve life hints at future production, but is not a complete indicator by itself (see table below).

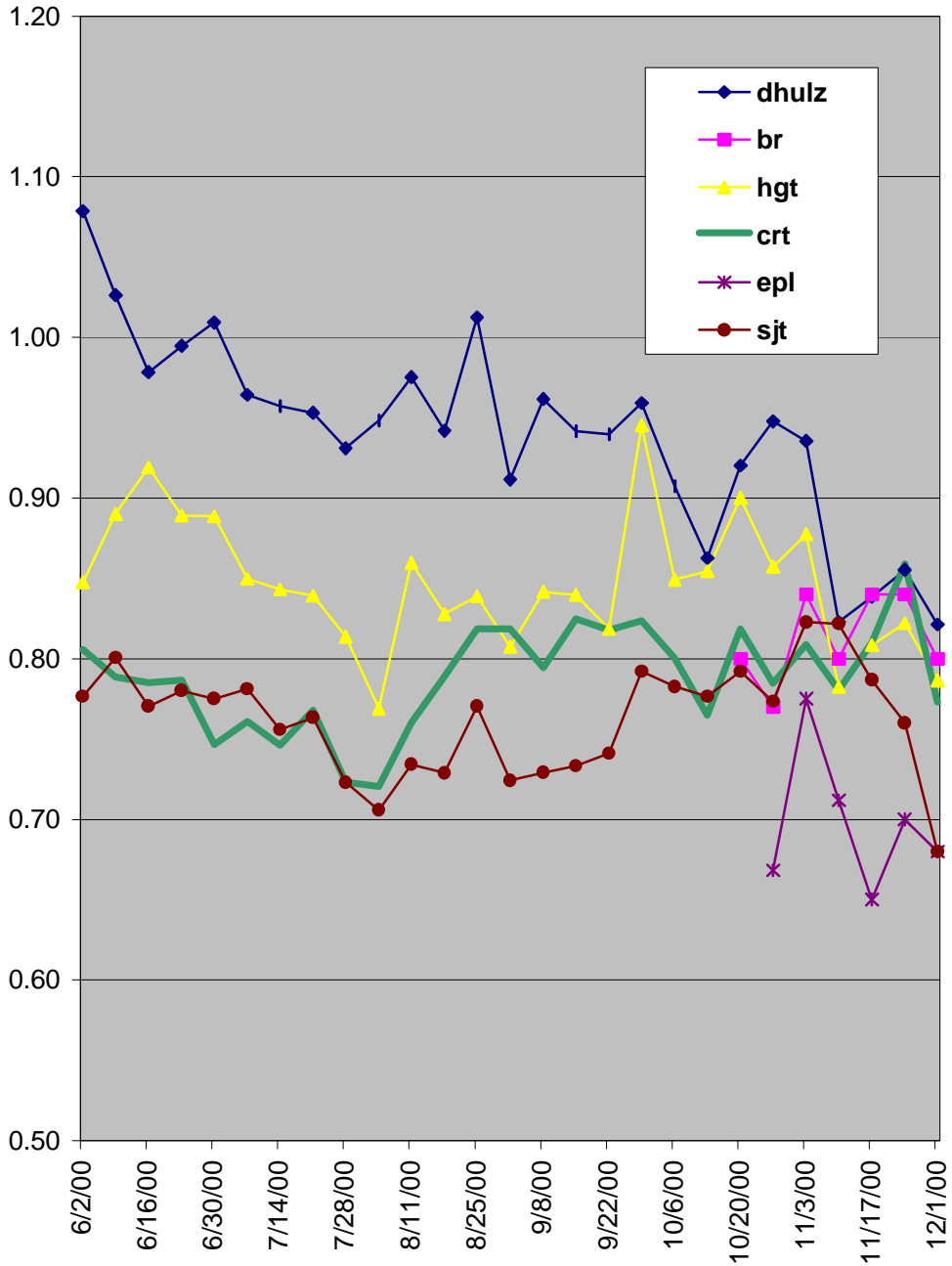
<b>Rank by PV/Ebitda</b>	<i>Reserves/ Prod 2001</i>	<i>Prod</i>	<i>Ebitda Margin</i>	<i>Margin</i>	<i>Present Value</i>		<i>PV/ Ebitda</i>
		<i>2001/ 1999</i>			<i>(\$/mcf)</i>	<i>(\$/boe)</i>	
Cross Timbers Royalty Trust	13	0.87	4.06	24.39	2.20	13	7.0
Dorchester Hugoton, Ltd.	9	0.94	4.11	24.66	3.10	19	6.8
San Juan Basin Royalty Trust	11	1.04	3.88	23.28	2.10	12	6.1
Hugoton RT (42.5%)	12	0.98	3.82	22.91	1.90	11	6.0
Burlington Resources	13	0.88	3.25	19.50	1.40	8	5.8
Energy Partners, Ltd.	4	1.44	3.27	19.60	2.90	17	3.9

Will \$6 natural gas become \$12 natural gas this winter? It might, but we rest our confidence on the likelihood that natural gas and oil in future winters will be higher than now quoted in forward markets and reflected in stock prices. The negative threat in our mind is not that current oil price will collapse, but that current oil price will become too strong and induce a worldwide recession, as has been the case in the past.

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

Kurt H. Wulff, CFA

**McDep Ratios, 2000**



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**Table CRT-1**  
**Cross Timbers Royalty Trust**  
**Present Value**

Volume Decline (%/yr):	9	Price Escalation post 2007 (%/yr):	2.6
Volume Enhancement (%/yr):	7	Discount Rate (%/yr):	7.0
		U.S. TIPS Inflation (%/yr):	1.8
		U.S. 10 Year Yield (%/yr):	5.6

Year	Natural Gas Volume			Price (\$/mcf)	Revenue (\$mm)	Oil Net (\$mm)	Distribution (\$/unit)	Tax Credit (\$/unit)	Disc Factor	Present Value (\$/unit)	
	Basic (bcf)	Enhanced (bcf)	Total (bcf)								
Total 2000 through 2029											
	33	23	56	3.97	224	7	230	38.40	0.38	0.51	19.90
1999	3.3		3.3	1.99	6.5	0.0	6.6	1.09	0.16		
2000	2.8	0.0	2.8	3.38	9.6	2.1	11.7	1.95	0.13	0.97	2.01
2001	2.6	0.1	2.7	5.54	14.7	1.9	16.6	2.76	0.13	0.90	2.61
2002	2.4	0.2	2.6	4.58	12.1	0.8	12.9	2.14	0.13	0.84	1.92
2003	2.2	0.4	2.6	4.01	10.5	0.6	11.1	1.85		0.79	1.46
2004	2.0	0.6	2.6	3.47	9.0	0.5	9.5	1.58		0.74	1.16
2005	1.9	0.7	2.6	3.36	8.6	0.3	8.9	1.49		0.69	1.03
2006	1.7	0.8	2.5	3.27	8.3	0.2	8.5	1.41		0.65	0.91
2007	1.6	0.9	2.5	3.18	8.0	0.2	8.1	1.36		0.60	0.82
2008	1.5	1.0	2.5	3.26	8.1	0.1	8.2	1.37		0.56	0.77
2009	1.4	1.1	2.5	3.34	8.2	0.1	8.3	1.38		0.53	0.73
2010	1.2	1.2	2.4	3.43	8.3	0.0	8.4	1.40		0.49	0.69
2011	1.2	1.2	2.4	3.52	8.4	0.0	8.5	1.41		0.46	0.65
2012	1.1	1.3	2.4	3.61	8.6	0.0	8.5	1.42		0.43	0.61
2013	1.0	1.4	2.3	3.70	8.7	-0.1	8.6	1.44		0.40	0.58
2014	0.9	1.4	2.3	3.80	8.8	-0.1	8.7	1.45		0.38	0.55
2015	0.8	1.3	2.1	3.89	8.3		8.3	1.38		0.35	0.48
2016	0.8	1.2	1.9	3.99	7.8		7.8	1.30		0.33	0.43
2017	0.7	1.1	1.8	4.09	7.3		7.3	1.22		0.31	0.38
2018	0.7	1.0	1.6	4.20	6.9		6.9	1.15		0.29	0.33
2019	0.6	0.9	1.5	4.31	6.5		6.5	1.08		0.27	0.29
2020	0.6	0.8	1.4	4.42	6.1		6.1	1.02		0.25	0.26
2021	0.5	0.8	1.3	4.53	5.7		5.7	0.96		0.23	0.22
2022	0.5	0.7	1.2	4.65	5.4		5.4	0.90		0.22	0.20
2023	0.4	0.6	1.1	4.76	5.1		5.1	0.85		0.21	0.17
2024	0.4	0.6	1.0	4.89	4.8		4.8	0.80		0.19	0.15
2025	0.4	0.5	0.9	5.01	4.5		4.5	0.75		0.18	0.13
2026	0.3	0.5	0.8	5.14	4.2		4.2	0.71		0.17	0.12
2027	0.3	0.4	0.8	5.27	4.0		4.0	0.67		0.16	0.10
2028	0.3	0.4	0.7	5.41	3.8		3.8	0.63		0.15	0.09
2029	0.3	0.4	0.6	5.55	3.5		3.5	0.59		0.14	0.08

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**Table CRT-2**  
**Cross Timbers 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
<b>Highlights</b>												
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	3.65	11.72	4.55	4.60	3.80	3.63	16.59
Per unit	0.38	1.09	0.38	0.40	0.56	0.61	1.95	0.76	0.77	0.63	0.61	2.76
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
<b>Volume</b>												
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)	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
<b>Price</b>												
Natural Gas (HH lagged three months)												
Henry Hub (\$/mmbtu)	2.52	2.12	2.45	2.62	3.63	4.48	3.29	5.72	6.42	5.10	4.94	5.54
Differential (\$/mmbtu)	0.13	0.13	(0.27)	(0.26)	0.16	-	(0.09)	-	-	-	-	0.00
CRT (\$/mcf)	2.39	1.99	2.72	2.88	3.47	4.48	3.38	5.72	6.42	5.10	4.94	5.54
Oil (\$/bbl) (WTI lagged two months)												
WTI Cushing	22.59	17.02	26.07	28.33	30.12	32.73	29.31	32.83	30.38	28.39	27.61	29.80
CRT	20.21	14.89	24.20	26.86	27.91	30.73	27.46	30.83	28.38	26.39	25.61	27.84
Total (\$/mcf)	2.75	2.17	3.25	3.50	3.94	4.75	3.86	5.48	5.72	4.82	4.66	5.17
<b>Revenue (\$mm)</b>												
Natural Gas	2.33	7.26	2.17	2.22	2.88	3.42	10.68	4.32	4.65	3.78	3.62	16.37
Oil	1.91	5.19	2.14	2.18	2.59	2.79	9.70	2.75	2.40	2.24	2.17	9.55
Total	4.23	12.45	4.31	4.40	5.47	6.21	20.38	7.07	7.04	6.02	5.79	25.92
<b>Cost (\$mm)</b>												
Tax, transport & other												
Production	0.50	1.61	0.58	0.61	0.74	0.87	2.80	0.99	0.99	0.84	0.81	3.63
Total	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	1.66	1.62	1.48	1.45	6.20
<b>Cash flow (\$mm)</b>												
Development	3.14	8.46	3.13	3.14	4.11	4.66	15.04	5.41	5.42	4.54	4.35	19.72
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	0.40	0.63	0.24	0.15			0.38					-
Net proceeds (\$mm)	2.62	7.52	2.68	2.86	3.95	4.50	13.99	5.25	5.26	4.37	4.18	19.06
<b>Royalty income (\$mm)</b>												
Royalty/Net proceeds	2.30	6.69	2.35	2.48	3.39	3.89	12.11	4.59	4.64	3.84	3.67	16.75
Administration	88%	89%	88%	87%	86%	86%	87%	87%	88%	88%	88%	88%
Distributable income (\$mm)	0.02	0.14	0.05	0.05	0.05	0.24	0.39	0.04	0.04	0.04	0.04	0.16
Distributable income (\$mm)	2.28	6.55	2.30	2.42	3.35	3.65	11.72	4.55	4.60	3.80	3.63	16.59
<b>Modeling ratios</b>												
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
<b>Accounting items</b>												
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):	2.6
Volume Enhancement (%/yr):	8	Discount rate (%/yr):	7.0
Capex/Cash Flow (%):	14	U.S. TIPS Inflation (%/yr):	1.8
Variable Cost (%):	12	U.S. 10 Year Yield (%/yr):	5.6

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 2000 through 2029												
	61	57	118	4.24	499	91	60	30	318	29.32	0.58	16.90
1999	6.9		6.9	2.30	15.8	2.6	1.9	0.4	10.9	1.01		
						Other assets, net			10.4	0.96	1.00	0.96
2000	6.4	0.3	6.7	4.01	26.9	3.3	3.2	0.6	19.9	1.83	0.97	1.77
2001	5.7	0.8	6.5	5.25	34.1	3.0	4.1	0.6	26.4	2.43	0.90	2.20
2002	5.1	1.2	6.4	4.33	27.5	3.0	3.3	3.0	18.2	1.68	0.84	1.42
2003	4.6	1.6	6.2	3.85	24.0	3.0	2.9	2.5	15.5	1.43	0.79	1.13
2004	4.2	1.9	6.1	3.67	22.3	3.0	2.7	2.3	14.3	1.32	0.74	0.97
2005	3.7	2.2	6.0	3.56	21.2	3.0	2.5	2.2	13.4	1.24	0.69	0.86
2006	3.4	2.4	5.8	3.47	20.2	3.0	2.4	2.1	12.7	1.17	0.65	0.75
2007	3.0	2.6	5.7	3.56	20.2	3.0	2.4	2.1	12.7	1.17	0.60	0.70
2008	2.7	2.8	5.5	3.65	20.2	3.0	2.4	2.1	12.7	1.17	0.56	0.66
2009	2.5	2.9	5.4	3.74	20.2	3.0	2.4	2.1	12.7	1.17	0.53	0.62
2010	2.2	3.0	5.3	3.84	20.2	3.0	2.4	2.1	12.7	1.17	0.49	0.58
2011	2.0	3.1	5.1	3.93	20.2	3.0	2.4	2.1	12.7	1.17	0.46	0.54
2012	1.8	3.2	5.0	4.03	20.2	3.0	2.4	2.1	12.7	1.17	0.43	0.50
2013	1.6	3.2	4.9	4.14	20.2	3.0	2.4	2.1	12.7	1.17	0.40	0.47
2014	1.5	3.3	4.7	4.24	20.1	3.0	2.4	2.1	12.6	1.16	0.38	0.44
2015	1.3	2.9	4.2	4.35	18.4	3.0	2.2		13.2	1.22	0.35	0.43
2016	1.2	2.6	3.8	4.46	16.9	3.0	2.0		11.8	1.09	0.33	0.36
2017	1.1	2.3	3.4	4.58	15.5	3.0	1.9		10.6	0.98	0.31	0.30
2018	1.0	2.1	3.0	4.70	14.2	3.0	1.7		9.5	0.87	0.29	0.25
2019	0.9	1.8	2.7	4.82	13.0	3.0	1.6		8.4	0.78	0.27	0.21
2020	0.8	1.6	2.4	4.94	11.9	3.0	1.4		7.5	0.69	0.25	0.17
2021	0.7	1.5	2.2	5.07	10.9	3.0	1.3		6.6	0.61	0.23	0.14
2022	0.6	1.3	1.9	5.19	10.0	3.0	1.2		5.8	0.53	0.22	0.12
2023	0.6	1.1	1.7	5.33	9.2	3.0	1.1		5.0	0.46	0.21	0.10
2024	0.5	1.0	1.5	5.46	8.4	3.0	1.0		4.4	0.40	0.19	0.08
2025	0.5	0.9	1.4	5.60	7.7	3.0	0.9		3.8	0.35	0.18	0.06
2026	0.4	0.8	1.2	5.75	7.1	3.0	0.8		3.2	0.29	0.17	0.05
2027	0.4	0.7	1.1	5.89	6.5	3.0	0.8		2.7	0.25	0.16	0.04
2028	0.3	0.6	1.0	6.05	5.9	3.0	0.7		2.2	0.20	0.15	0.03
2029	0.3	0.6	0.9	6.20	5.4	3.0	0.7		1.8	0.16	0.14	0.02

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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>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>
<b>Highlights</b>												
Revenue (\$mm)	4.39	15.3	4.16	5.57	7.04	8.96	25.7	9.76	7.75	7.50	7.51	32.5
Cash flow (\$mm)	3.25	10.9	3.09	3.87	5.69	7.46	20.1	8.17	6.33	6.10	6.10	26.7
Per unit	0.30	1.01	0.28	0.36	0.52	0.69	1.85	0.75	0.58	0.56	0.56	2.46
Earnings (\$mm)	2.78	9.0	2.64	3.40	5.24	6.99	18.3	7.72	5.87	5.65	5.65	24.9
Per unit	0.26	0.83	0.24	0.32	0.48	0.64	1.68	0.71	0.54	0.52	0.52	2.29
Distribution (\$mm)	1.93	7.7	3.01	1.93	2.36	6.15	13.5	6.79	5.17	4.97	4.97	21.9
Per unit	0.18	0.72	0.28	0.18	0.22	0.57	1.25	0.63	0.48	0.46	0.46	2.04
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
<b>Volume</b>												
Natural gas (bcf)												
Oklahoma	1.43	5.6	1.39	1.37	1.43	1.42	5.6	1.38	1.38	1.39	1.38	5.5
Kansas	0.31	1.3	0.29	0.28	0.27	0.26	1.1	0.25	0.24	0.24	0.23	1.0
Total	1.74	6.9	1.68	1.66	1.70	1.68	6.7	1.63	1.63	1.63	1.61	6.5
Natural Gas (mmcf)	18.9	18.9	18.5	18.2	18.4	18.3	18.3	18.1	17.9	17.7	17.5	17.8
Days	92	365	91	91	92	92	366	90	91	92	92	365
<b>Price</b>												
Natural gas												
Henry Hub (\$/mmbtu)	2.45	2.24	2.62	3.63	4.48	5.72	4.11	6.42	5.10	4.94	4.99	5.36
Oklahoma (\$/mcf)	2.60	2.28	2.53	3.50	4.33	5.59	4.00	6.30	4.98	4.82	4.87	5.24
Kansas (\$/mcf)	2.70	2.36	2.72	3.58	4.41	5.72	4.06	6.38	5.06	4.90	4.95	5.33
Total (\$/mcf)	2.62	2.30	2.57	3.51	4.34	5.61	4.01	6.31	4.99	4.83	4.88	5.25
<b>Revenue (\$mm)</b>												
Natural Gas												
Oklahoma	3.73	12.7	3.53	4.81	6.18	7.92	22.4	8.68	6.90	6.70	6.73	29.0
Kansas	0.83	3.1	0.79	1.01	1.19	1.49	4.5	1.58	1.23	1.17	1.14	5.1
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)	(0.50)	(1.4)	(0.54)	(0.43)	(0.42)	(0.42)	(1.8)
Total	4.39	15.3	4.16	5.57	7.04	8.96	25.7	9.76	7.75	7.50	7.51	32.5
<b>Cost (\$mm)</b>												
Operating	0.95	3.6	0.92	1.04	1.07	1.21	4.2	1.28	1.15	1.13	1.14	4.7
General and administrative	0.16	0.6	0.14	0.18	0.20	0.19	0.7	0.20	0.18	0.18	0.18	0.7
Management	0.13	0.5	0.13	0.14	0.16	0.18	0.6	0.19	0.16	0.16	0.16	0.7
Other	(0.10)	(0.3)	(0.11)	0.35	(0.07)	(0.08)	0.1	(0.08)	(0.08)	(0.08)	(0.08)	(0.3)
Total	1.13	4.4	1.07	1.70	1.35	1.51	5.6	1.59	1.42	1.40	1.40	5.8
Cash flow (\$mm)	3.25	10.9	3.09	3.87	5.69	7.46	20.1	8.17	6.33	6.10	6.10	26.7
Depletion, deprec. & amort.	0.48	1.9	0.45	0.46	0.45	0.47	1.8	0.46	0.46	0.46	0.45	1.8
Earnings (\$mm)	2.78	9.0	2.64	3.40	5.24	6.99	18.3	7.72	5.87	5.65	5.65	24.9
Capital expenditures (\$mm)	0.10	0.4	0.04	0.13	0.23	0.15	0.6	0.15	0.15	0.15	0.15	0.6
<b>Cost ratios</b>												
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	0.72	0.63	0.79	0.71	0.70	0.71	0.72
Depletion (\$/mcf)	0.27	0.28	0.27	0.28	0.27	0.28	0.27	0.28	0.28	0.28	0.28	0.28

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**Table HGT-1**  
**Hugoton Royalty Trust**  
**Present Value**

Volume Decline (%/yr):	11	Price Escalation Post 2006 (%/yr):	2.6
Volume Enhancement (%/yr):	9	Discount rate (%/yr):	7.0
Capex/Cash Flow (%):	24	U.S. TIPS Inflation (%/yr):	1.8
Variable Cost (%):	12	U.S. 10 Year Yield (%/yr):	5.6

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 2000 through 2029													
	279	331	609	3.88	2362	444	283	258	1377	34.42	0.06	0.52	17.80
1999	29.2		29.2	2.16	63.1	13.3	7.6	9.1	33.1	0.83	0.02		
2000	29.2	2.1	31.3	3.19	99.7	15.0	12.0	14.6	58.1	1.45	0.02	0.97	1.42
2001	26.0	5.3	31.3	4.88	152.5	14.8	18.3	13.8	105.7	2.64	0.02	0.90	2.41
2002	23.4	7.5	30.9	3.99	123.3	14.8	14.8	22.5	71.2	1.78	0.02	0.84	1.52
2003	21.1	9.5	30.6	3.52	107.7	14.8	12.9	19.2	60.8	1.52		0.79	1.20
2004	19.0	11.2	30.2	3.37	101.6	14.8	12.2	17.9	56.7	1.42		0.74	1.05
2005	17.1	12.7	29.8	3.27	97.5	14.8	11.7	17.0	53.9	1.35		0.69	0.93
2006	15.4	14.0	29.4	3.18	93.6	14.8	11.2	16.2	51.3	1.28		0.65	0.83
2007	13.9	15.1	29.0	3.26	94.6	14.8	11.3	16.4	52.0	1.30		0.60	0.78
2008	12.5	16.0	28.5	3.35	95.6	14.8	11.5	16.6	52.7	1.32		0.56	0.74
2009	11.3	16.8	28.1	3.43	96.5	14.8	11.6	16.8	53.3	1.33		0.53	0.70
2010	10.2	17.5	27.7	3.52	97.4	14.8	11.7	17.0	53.9	1.35		0.49	0.66
2011	9.2	18.1	27.2	3.61	98.3	14.8	11.8	17.2	54.5	1.36		0.46	0.63
2012	8.2	18.5	26.8	3.70	99.2	14.8	11.9	17.4	55.1	1.38		0.43	0.59
2013	7.4	18.9	26.3	3.80	100.1	14.8	12.0	17.6	55.7	1.39		0.40	0.56
2014	6.7	19.2	25.9	3.90	100.9	14.8	12.1	17.8	56.2	1.41		0.38	0.53
2015	6.0	17.1	23.1	4.00	92.4	14.8	11.1		66.5	1.66		0.35	0.59
2016	5.4	15.2	20.6	4.10	84.6	14.8	10.2		59.7	1.49		0.33	0.49
2017	4.9	13.5	18.4	4.20	77.5	14.8	9.3		53.4	1.33		0.31	0.41
2018	4.4	12.0	16.5	4.31	70.9	14.8	8.5		47.6	1.19		0.29	0.34
2019	4.0	10.7	14.7	4.42	65.0	14.8	7.8		42.4	1.06		0.27	0.28
2020	3.6	9.5	13.1	4.53	59.5	14.8	7.1		37.6	0.94		0.25	0.24
2021	3.2	8.5	11.7	4.65	54.5	14.8	6.5		33.2	0.83		0.23	0.19
2022	2.9	7.6	10.5	4.77	49.9	14.8	6.0		29.1	0.73		0.22	0.16
2023	2.6	6.7	9.3	4.89	45.7	14.8	5.5		25.4	0.64		0.21	0.13
2024	2.4	6.0	8.3	5.02	41.9	14.8	5.0		22.0	0.55		0.19	0.11
2025	2.1	5.3	7.5	5.15	38.3	14.8	4.6		19.0	0.47		0.18	0.08
2026	1.9	4.7	6.7	5.28	35.1	14.8	4.2		16.1	0.40		0.17	0.07
2027	1.7	4.2	5.9	5.41	32.2	14.8	3.9		13.5	0.34		0.16	0.05
2028	1.6	3.8	5.3	5.55	29.5	14.8	3.5		11.1	0.28		0.15	0.04
2029	1.4	3.3	4.7	5.69	27.0	14.8	3.2		9.0	0.22		0.14	0.03

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**Table HGT-2**  
**Hugoton 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>
<b>Highlights</b>												
Revenue (\$mm) (80%)	20.4	63.1	20.0	19.8	28.2	31.6	99.7	43.1	40.0	34.6	34.8	152.5
Cash flow (\$mm) (80%)	14.4	42.2	14.1	13.9	20.8	24.1	72.9	34.3	31.7	26.7	26.9	119.8
Per unit	0.36	1.06	0.35	0.35	0.52	0.60	1.82	0.86	0.79	0.67	0.67	2.99
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	19.7	58.1	30.8	28.2	23.2	23.4	105.7
Per unit	0.30	0.83	0.27	0.28	0.40	0.49	1.45	0.77	0.71	0.58	0.59	2.64
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
<b>Volume</b>												
Natural Gas (bcf)	9.6	34.2	9.7	8.6	9.1	9.3	36.7	9.3	9.0	9.3	9.3	36.9
Natural Gas (mmcf)	104.2	102.1	105.5	96.0	98.4	101.0	100.5	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	9.9	39.1	9.9	9.5	9.9	9.8	39.1
<b>Price</b>												
Natural Gas (HH lagged two months)												
Henry Hub (\$/mmbtu)	2.66	2.18	2.35	2.82	3.94	4.83	3.49	6.27	5.97	4.98	4.92	5.53
Differential (\$/mmbtu)	0.24	0.06	0.04	0.29	0.37	0.90	0.40	0.80	0.70	0.60	0.50	0.65
HGT (\$/mcf)	2.42	2.12	2.32	2.54	3.57	3.93	3.09	5.47	5.27	4.38	4.42	4.88
Oil (\$/bbl) (WTI Cushing lagged two months)												
WTI Cushing	22.59	17.39	26.07	28.33	30.12	32.37	29.22	32.83	30.38	28.39	27.61	29.80
HGT	21.72	16.53	25.19	27.63	29.71	31.37	28.43	31.83	29.38	27.39	26.61	28.82
Total (\$/mcf)	2.49	2.16	2.43	2.68	3.65	4.01	3.19	5.46	5.25	4.39	4.42	4.88
<b>Revenue (\$mm)</b>												
Natural Gas	23.2	72.5	22.5	21.9	32.3	36.5	113.2	50.8	47.3	40.7	41.1	179.9
Oil	2.2	6.4	2.5	2.9	2.9	3.0	11.3	3.0	2.7	2.6	2.5	10.8
Total	25.4	78.9	25.0	24.8	35.2	39.6	124.6	53.8	50.0	43.3	43.6	190.7
<b>Cost (\$mm)</b>												
Tax, transport & other												
Production	3.0	11.0	3.3	3.2	3.9	3.7	14.0	3.7	3.5	3.6	3.6	14.5
Overhead	1.7	6.9	1.7	1.8	1.9	1.9	7.3	1.9	1.8	1.9	1.9	7.4
Total	7.4	26.2	7.4	7.4	9.2	9.5	33.5	10.9	10.3	9.8	9.9	41.0
<b>Cash flow (\$mm)</b>												
Development	2.8	11.3	3.9	3.3	5.8	5.4	18.3	4.3	4.3	4.3	4.3	17.2
<b>Net proceeds (\$mm)</b>												
Royalty/Net proceeds	15.2	41.4	13.7	14.1	20.3	24.7	72.8	38.6	35.4	29.1	29.4	132.5
<b>Royalty income (\$mm)</b>												
Royalty/Net proceeds	12.2	33.2	11.0	11.3	16.2	19.7	58.2	30.9	28.3	23.3	23.5	106.0
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
<b>Distributable income (\$mm)</b>												
Royalty/Net proceeds	12.2	33.1	10.9	11.3	16.2	19.7	58.1	30.8	28.2	23.2	23.4	105.7
<b>Cost ratios</b>												
Tax and other/revenue	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Production cost (\$/mcf)	0.29	0.30	0.32	0.35	0.40	0.37	0.36	0.37	0.37	0.37	0.37	0.37
Overhead cost (\$/mcf)	0.17	0.19	0.17	0.19	0.20	0.19	0.19	0.19	0.19	0.19	0.19	0.19

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):	9	Price Escalation Post 2006 (%/yr):	2.6
Volume Enhancement (%/yr):	7	Discount rate (%/yr):	7.0
Capex/Cash Flow (%):	24	U.S. TIPS Inflation (%/yr):	1.8
Variable Cost (%):	10	U.S. 10 Year Yield (%/yr):	5.6

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 2000 through 2029													
	296	300	596	3.72	2215	294	222	261	1442	30.94	0.48	0.51	15.90
1999	30.3		30.3	1.76	53.2	8.3	5.3	7.9	31.8	0.68	0.16		
2000	27.7	4.7	32.4	2.93	94.8	11.0	9.5	17.1	60.0	1.29	0.16	0.97	1.40
2001	25.0	6.4	31.4	4.69	147.0	9.8	14.7	17.2	105.4	2.26	0.16	0.90	2.19
2002	22.9	7.9	30.8	3.83	117.9	9.8	11.8	23.1	73.2	1.57	0.16	0.84	1.46
2003	20.9	9.3	30.2	3.38	102.1	9.8	10.2	19.7	62.4	1.34		0.79	1.06
2004	19.1	10.5	29.6	3.22	95.0	9.8	9.5	18.2	57.6	1.24		0.74	0.91
2005	17.4	11.5	28.9	3.12	90.4	9.8	9.0	17.2	54.4	1.17		0.69	0.81
2006	15.9	12.4	28.3	3.04	86.2	9.8	8.6	16.3	51.5	1.11		0.65	0.71
2007	14.5	13.2	27.7	3.12	86.5	9.8	8.7	16.3	51.8	1.11		0.60	0.67
2008	13.3	13.9	27.1	3.20	86.8	9.8	8.7	16.4	52.0	1.12		0.56	0.63
2009	12.1	14.4	26.5	3.28	87.1	9.8	8.7	16.5	52.2	1.12		0.53	0.59
2010	11.1	14.9	26.0	3.36	87.3	9.8	8.7	16.5	52.3	1.12		0.49	0.55
2011	10.1	15.3	25.4	3.45	87.6	9.8	8.8	16.6	52.5	1.13		0.46	0.52
2012	9.2	15.6	24.8	3.54	87.8	9.8	8.8	16.6	52.6	1.13		0.43	0.49
2013	8.4	15.8	24.2	3.63	88.0	9.8	8.8	16.7	52.8	1.13		0.40	0.46
2014	7.7	16.0	23.7	3.72	88.1	9.8	8.8	16.7	52.9	1.13		0.38	0.43
2015	7.0	14.5	21.5	3.82	82.1	9.8	8.2		64.1	1.38		0.35	0.48
2016	6.4	13.1	19.5	3.92	76.4	9.8	7.6		59.0	1.27		0.33	0.42
2017	5.9	11.8	17.7	4.02	71.1	9.8	7.1		54.3	1.16		0.31	0.36
2018	5.4	10.7	16.1	4.12	66.2	9.8	6.6		49.8	1.07		0.29	0.31
2019	4.9	9.7	14.6	4.22	61.7	9.8	6.2		45.7	0.98		0.27	0.26
2020	4.5	8.8	13.3	4.33	57.4	9.8	5.7		41.9	0.90		0.25	0.23
2021	4.1	7.9	12.0	4.44	53.5	9.8	5.3		38.4	0.82		0.23	0.19
2022	3.7	7.2	10.9	4.56	49.8	9.8	5.0		35.0	0.75		0.22	0.17
2023	3.4	6.5	9.9	4.67	46.4	9.8	4.6		32.0	0.69		0.21	0.14
2024	3.1	5.9	9.0	4.79	43.2	9.8	4.3		29.1	0.62		0.19	0.12
2025	2.8	5.3	8.2	4.92	40.2	9.8	4.0		26.4	0.57		0.18	0.10
2026	2.6	4.8	7.4	5.04	37.4	9.8	3.7		23.9	0.51		0.17	0.09
2027	2.4	4.4	6.7	5.17	34.9	9.8	3.5		21.6	0.46		0.16	0.07
2028	2.2	4.0	6.1	5.30	32.5	9.8	3.2		19.5	0.42		0.15	0.06
2029	2.0	3.6	5.6	5.44	30.2	9.8	3.0		17.4	0.37		0.14	0.05

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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
<b>Highlights</b>												
Revenue (\$mm) (75%)	17.4	53.2	17.3	19.3	29.0	29.3	94.8	42.4	39.2	33.1	32.3	147.0
Cash flow (\$mm) (75%)	13.4	39.6	13.3	13.7	23.6	23.8	74.3	35.7	32.8	27.4	26.7	122.6
Per unit	0.29	0.85	0.28	0.29	0.51	0.51	1.59	0.77	0.70	0.59	0.57	2.63
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	17.3	60.0	29.1	28.7	23.8	23.0	104.6
Per unit	0.24	0.68	0.21	0.28	0.42	0.37	1.29	0.63	0.62	0.51	0.49	2.24
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
<b>Volume</b>												
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	11.3	45.2	11.2	10.8	11.0	10.9	43.9
Heat Content(btu/cf)	1,045	1,035	1,053	1,028	1,104	1,060	1,062	1,060	1,060	1,060	1,060	1,060
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	10.7	42.6	10.6	10.2	10.4	10.3	41.4
Natural Gas (mmcf)	106.7	109.4	109.6	118.5	121.6	116.0	116.4	114.8	113.7	112.6	111.4	113.1
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	10.8	43.2	10.7	10.3	10.5	10.4	41.8
<b>Price</b>												
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	6.27	5.97	4.98	4.92	5.53
Differential (\$/mmbtu)	0.44	0.48	0.23	0.52	0.87	1.43	0.74	1.25	1.19	1.00	0.98	1.10
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	3.40	2.74	5.01	4.77	3.98	3.94	4.43
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	3.21	2.91	4.73	4.50	3.76	3.71	4.70
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	30.38	28.39	18.75	26.58
SJT	20.66	14.25	22.48	21.66	25.58	28.73	24.49	24.79	26.38	24.39	14.75	22.56
Total gas & oil (\$/mcf)	2.33	1.76	2.25	2.38	3.40	3.62	2.93	5.30	5.05	4.22	4.16	4.69
<b>Revenue (\$mm)</b>												
Natural Gas - Conventional												
Coal Seam	7.6	22.8	7.4	8.5	11.6							
Total	22.8	69.9	22.5	25.2	37.9	38.5	124.1	56.1	51.8	43.7	42.8	194.4
Oil	0.4	1.0	0.5	0.5	0.7	0.5	2.2	0.5	0.5	0.4	0.3	1.7
Total	23.2	71.0	23.0	25.7	38.6	39.0	126.4	56.6	52.2	44.2	43.1	196.1
<b>Cost (\$mm)</b>												
Severance tax	2.4	7.3	2.2	2.3	4.2	4.0	12.7	5.8	5.4	4.5	4.4	20.2
Operating	2.9	10.8	3.1	5.2	3.1	3.2	14.5	3.2	3.1	3.1	3.1	12.4
Total	5.3	18.1	5.4	7.5	7.2	7.2	27.3	9.0	8.5	7.7	7.5	32.6
<b>Cash flow (\$mm)</b>												
Development	2.6	10.6	4.6	4.8	5.0	8.5	22.8	8.5	5.3	4.6	4.6	22.9
<b>Net proceeds (\$mm)</b>	15.3	42.3	13.1	13.5	26.4	23.3	76.3	39.1	38.5	31.9	31.0	140.5
<b>Royalty income (\$mm)</b>												
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	0.9	0.2	0.2	0.2	0.2	0.8
One-time		0.9	0.3	3.5			3.7					-
<b>Distributable income (\$mm)</b>	11.3	31.8	9.9	13.2	19.7	17.3	60.0	29.1	28.7	23.8	23.0	104.6
<b>Modeling ratios</b>												
Severance tax/revenue	10.3%	10.3%	9.8%	9.0%	10.8%	10.3%	10.1%	10.3%	10.3%	10.3%	10.3%	10.3%
Operating cost (\$/mcf)	0.29	0.27	0.30	0.48	0.27	0.30	0.34	0.30	0.30	0.30	0.30	0.30

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**Table BR-1**  
**Burlington Resources**  
**Present Value**

Volume Decline (%/yr):	11	Price Escalation Post 2006 (%/yr):	2.6
Volume Enhancement (%/yr):	11	Discount rate (%/yr):	7.0
Capex/Cash Flow (%):	50	U.S. TIPS Inflation (%/yr):	1.8
Variable Cost (%):	12	U.S. 10 Year Yield (%/yr):	5.6

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 2000 through 2029											
	7983	10355	18338	3.89	71424	10853	8571	17022	34979	0.44	15300
1999	928		928	2.18	2023	437	243		1343		
2000	836	50	887	3.24	2874	421	345	1054	1054	0.97	1019
2001	744	72	816	4.19	3423	360	411	1326	1326	0.90	1199
2002	671	151	822	3.64	2989	360	359	1135	1135	0.84	959
2003	604	223	827	3.43	2837	360	340	1068	1068	0.79	844
2004	544	287	831	3.42	2837	360	340	1069	1069	0.74	789
2005	490	344	834	3.32	2769	360	332	1038	1038	0.69	717
2006	442	395	837	3.23	2704	360	324	1010	1010	0.65	652
2007	398	441	839	3.31	2781	360	334	1044	1044	0.60	630
2008	359	483	841	3.40	2858	360	343	1078	1078	0.56	608
2009	323	520	843	3.48	2936	360	352	1112	1112	0.53	586
2010	291	553	844	3.57	3015	360	362	1147	1147	0.49	565
2011	262	582	844	3.67	3094	360	371	1182	1182	0.46	544
2012	236	608	845	3.76	3175	360	381	1217	1217	0.43	524
2013	213	632	845	3.86	3256	360	391	1253	1253	0.40	505
2014	192	653	844	3.95	3339	360	401	1289	1289	0.38	485
2015	173	581	754	4.06	3056	360	367		2330	0.35	820
2016	156	517	673	4.16	2797	360	336		2102	0.33	692
2017	140	460	600	4.27	2561	360	307		1894	0.31	582
2018	126	410	536	4.37	2344	360	281		1703	0.29	490
2019	114	364	478	4.49	2146	360	257		1529	0.27	411
2020	102	324	427	4.60	1964	360	236		1369	0.25	344
2021	92	289	381	4.72	1798	360	216		1223	0.23	287
2022	83	257	340	4.84	1646	360	198		1089	0.22	239
2023	75	229	304	4.96	1507	360	181		967	0.21	198
2024	68	204	271	5.09	1380	360	166		855	0.19	164
2025	61	181	242	5.22	1263	360	152		752	0.18	135
2026	55	161	216	5.36	1157	360	139		658	0.17	110
2027	49	143	193	5.49	1059	360	127		572	0.16	90
2028	44	128	172	5.63	970	360	116		494	0.15	72
2029	40	114	154	5.78	888	360	107		422	0.14	58

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**Table BR-2**  
**Burlington Resources**  
**Income Model**

	<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>
<b>Highlights</b>												
Revenue (\$mm)	627	<b>2,065</b>	652	620	696	926	<b>2,894</b>	933	811	834	844	<b>3,423</b>
Ebitda (\$mm)	438	<b>1,343</b>	462	418	512	716	<b>2,108</b>	736	621	643	653	<b>2,652</b>
Cash Flow (\$mm)	347	<b>1,099</b>	411	335	440	594	<b>1,780</b>	611	515	533	542	<b>2,201</b>
Per share (\$)	1.61	<b>5.09</b>	1.90	1.55	2.04	2.75	<b>8.24</b>	2.83	2.38	2.47	2.51	<b>10.19</b>
Net Income (\$mm)	(84)	<b>1</b>	77	94	200	286	<b>657</b>	298	229	242	249	<b>1,018</b>
Per share (\$)	(0.39)	<b>0.01</b>	0.36	0.43	0.93	1.32	<b>3.04</b>	1.38	1.06	1.12	1.15	<b>4.71</b>
Shares (millions)	216	<b>216</b>	216	216	216	216	<b>216</b>	216	216	216	216	<b>216</b>
<b>Volume</b>												
Natural gas (bcf)												
U.S.	141	<b>543</b>	140	134	127	124	<b>525</b>	122	123	124	124	<b>493</b>
Canada	38	<b>157</b>	38	34	36	40	<b>148</b>	39	39	40	40	<b>157</b>
Overseas	13	<b>32</b>	15	10	7	11	<b>44</b>	11	11	11	11	<b>44</b>
Total	192	<b>731</b>	193	179	170	175	<b>717</b>	171	173	175	175	<b>694</b>
Natural Gas (mmcf)												
U.S.	1,536	<b>1,487</b>	1,535	1,470	1,382	1,350	<b>1,434</b>	1,350	1,350	1,350	1,350	<b>1,346</b>
Canada	417	<b>429</b>	419	379	387	430	<b>404</b>	430	430	430	430	<b>429</b>
Overseas	137	<b>88</b>	167	114	80	120	<b>120</b>	120	120	120	120	<b>120</b>
Total	2,090	<b>2,004</b>	2,121	1,963	1,849	1,900	<b>1,958</b>	1,900	1,900	1,900	1,900	<b>1,895</b>
Days	92	<b>365</b>	91	91	92	92	<b>366</b>	90	91	92	92	<b>365</b>
Oil (mb)	8	<b>33</b>	8	7	7	6	<b>28</b>	6	5	5	5	<b>20</b>
Oil (mbd)	89	<b>90</b>	91	79	73	67	<b>78</b>	62	58	54	50	<b>56</b>
Total gas & oil (bcf)	241	<b>928</b>	242	222	211	212	<b>887</b>	205	205	205	202	<b>816</b>
<b>Price</b>												
Natural gas (\$/mcf)												
Henry Hub (\$/mmbtu)	2.45	<b>2.24</b>	2.62	3.63	4.48	5.72	<b>4.11</b>	6.42	5.10	4.94	4.99	<b>5.36</b>
U.S.	2.33	<b>2.08</b>	2.39	2.40	2.89	4.25	<b>2.95</b>	4.46	4.00	4.29	4.49	<b>4.31</b>
Canada	2.04	<b>1.76</b>	2.21	2.66	3.65	4.72	<b>3.33</b>	5.42	4.10	3.94	3.99	<b>4.36</b>
Overseas	1.68	<b>1.93</b>	1.90	2.17	2.33	2.92	<b>2.29</b>	2.72	2.50	2.40	2.25	<b>2.47</b>
Total	2.23	<b>2.01</b>	2.32	2.44	3.02	4.27	<b>2.99</b>	4.57	3.93	4.09	4.24	<b>4.20</b>
Oil (\$/bbl)												
WTI Cushing	24.52	<b>19.24</b>	28.84	28.79	31.61	33.19	<b>30.61</b>	31.18	28.97	28.02	26.54	<b>28.68</b>
Worldwide	22.52	<b>16.85</b>	23.36	24.38	26.81	29.19	<b>25.71</b>	27.18	24.97	24.02	22.54	<b>24.80</b>
Total gas & oil (\$/mcf)	2.54	<b>2.18</b>	2.64	2.75	3.30	4.37	<b>3.24</b>	4.56	3.96	4.08	4.17	<b>4.19</b>
<b>Revenue (\$mm)</b>												
Natural Gas												
U.S.	329	<b>1,129</b>	334	321	367	528	<b>1,550</b>	542	491	533	558	<b>2,124</b>
Canada	78	<b>276</b>	84	92	130	187	<b>493</b>	210	160	156	158	<b>684</b>
Overseas	21	<b>62</b>	29	23	17	32	<b>101</b>	29	27	27	25	<b>108</b>
Total	429	<b>1,470</b>	448	435	515	746	<b>2,144</b>	781	679	715	740	<b>2,915</b>
Oil	184	<b>553</b>	193	176	181	180	<b>729</b>	152	132	119	104	<b>507</b>
Total	612	<b>2,023</b>	640	611	696	926	<b>2,874</b>	933	811	834	844	<b>3,423</b>
<b>Cost (\$mm)</b>												
Production Taxes	38	<b>109</b>	33	38	31	56	<b>158</b>	56	49	50	51	<b>205</b>
Operating	125	<b>472</b>	118	125	116	119	<b>478</b>	115	115	115	113	<b>457</b>
Administrative	11	<b>99</b>	27	30	37	37	<b>131</b>	27	27	27	27	<b>108</b>
Total	174	<b>680</b>	178	193	184	211	<b>766</b>	198	190	192	191	<b>770</b>
<b>Cash flow (\$mm)</b>	438	<b>1,343</b>	462	418	512	716	<b>2,108</b>	736	621	643	653	<b>2,652</b>
Non cash or non operating	237	<b>1,107</b>	275	217	194	194	<b>880</b>	194	194	194	194	<b>776</b>
Interest	63	<b>213</b>	50	63	45	45	<b>203</b>	45	45	45	45	<b>180</b>
Income Tax	44	<b>22</b>	60	44	73	191	<b>368</b>	199	153	161	166	<b>678</b>
<b>Net Income (\$mm)</b>	94	<b>1</b>	77	94	200	286	<b>657</b>	298	229	242	249	<b>1,018</b>
<b>Modeling ratios</b>												
Production Tax/Revenue	6.2%	<b>5.4%</b>	5.2%	6.2%	4.5%	6.0%	<b>5.5%</b>	6.0%	6.0%	6.0%	6.0%	<b>6.0%</b>
Operating Cost (\$/mcf)	0.52	<b>0.51</b>	0.49	0.56	0.55	0.56	<b>0.54</b>	0.56	0.56	0.56	0.56	<b>0.56</b>
Margin - relative	72%	<b>66%</b>	72%	68%	74%	77%	<b>73%</b>	79%	77%	77%	77%	<b>77%</b>
Margin - absolute (\$/mcf)	1.82	<b>1.45</b>	1.91	1.88	2.43	3.38	<b>2.38</b>	3.60	3.03	3.14	3.23	<b>3.25</b>

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**Table EPL-1**  
**Energy Partners, Ltd.**  
**Present Value**

Volume Decline (%/yr):	15	Price Escalation post 2006 (%/yr):	3.8
Volume Enhancement (%/yr):	30	Discount rate (%/yr):	7.0
Capex/Cash Flow (%):	98	U.S. TIPS Inflation (%/yr):	3.8
Variable Cost (%):	18	U.S. 10 Year Yield (%/yr):	5.6

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 2000 through 2014													
	30100	129100	159200	24.70	3932	355	708	1473	1396	232	1164	0.40	557
1999	5055		5055	15.51	78.4	16.9	14.1		47.4	0.0	47.4		
2000	4396	390	4786	27.25	130.4	22.2	23.5	83.1	1.7	0.0	1.7	0.97	1.6
2001	3823	3461	7283	27.93	203.4	22.2	36.6	141.7	2.9	0.5	2.4	0.90	2.2
2002	3324	5126	8450	24.80	209.6	22.2	37.7	146.7	3.0	0.5	2.5	0.84	2.1
2003	2890	6893	9783	23.51	230.0	22.2	41.4	163.1	3.3	0.6	2.8	0.79	2.2
2004	2513	8794	11307	23.09	261.1	22.2	47.0	188.1	3.8	0.6	3.2	0.74	2.4
2005	2186	10867	13052	22.44	292.9	22.2	52.7	213.6	4.4	0.7	3.6	0.69	2.5
2006	1900	13152	15053	21.84	328.8	22.2	59.2	242.4	4.9	0.8	4.1	0.65	2.7
2007	1653	15695	17348	22.67	393.3	22.2	70.8	294.3	6.0	1.0	5.0	0.60	3.0
2008	1437	13341	14778	23.54	347.8	22.2	62.6		263.0	43.8	219.2	0.56	123.6
2009	1250	11340	12590	24.43	307.6	22.2	55.4		230.0	38.3	191.7	0.53	101.1
2010	1087	9639	10726	25.36	272.0	22.2	49.0		200.9	33.5	167.4	0.49	82.5
2011	945	8193	9138	26.33	240.6	22.2	43.3		175.1	29.2	145.9	0.46	67.2
2012	822	6964	7786	27.33	212.8	22.2	38.3		152.3	25.4	126.9	0.43	54.7
2013	714	5920	6634	28.38	188.2	22.2	33.9		132.2	22.0	110.1	0.40	44.3
2014	621	5032	5653	29.46	166.5	22.2	30.0		114.3	19.1	95.3	0.38	35.9
2015	540	4277	4817	30.58	147.3	22.2	26.5		98.6	16.4	82.2	0.35	28.9

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**Meter Reader**  
**A Weekly Analysis**  
 December 4, 2000

**Table EPL-2**  
**Energy Partners, Ltd.**  
**Cash Flow**

	<i>H1</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>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>
<b>Highlights</b>									
Revenue (\$mm)	30.4	30.7	43.4	104.5	47.4	47.1	53.0	56.0	203.4
EBITDAX (\$mm)	18.0	19.5	30.6	68.1	32.4	32.1	37.7	40.6	142.8
Cash Flow (\$mm)	15.4	17.2	29.6	62.2	32.4	32.1	37.7	40.6	142.8
Per share (\$)			1.55		1.20	1.18	1.39	1.50	5.27
Net Income (\$mm)	8.3	5.2	(15.0)	(1.5)	8.4	10.6	13.4	14.4	46.8
Per share	0.46	0.29	(0.78)		0.31	0.39	0.49	0.53	1.73
Shares (millions)		18.1	19.1		27.1	27.1	27.1	27.1	27.1
<b>Volume</b>									
Natural Gas (bcf)	1.48	1.49	2.67	5.63	2.93	3.28	3.68	3.68	13.56
Natural Gas (mmcf)	8.1	16.1	29.0	15.4	32.5	36.0	40.0	40.0	37.2
Days	182	92	92	366	90	91	92	92	365
Oil (mb)	965	899	1,030	2,895	1,080	1,183	1,288	1,472	5,023
Oil (mbd)	5.30	9.78	11.20	7.91	12.00	13.00	14.00	16.00	13.76
Total (mb)	1,212	1,147	1,475	3,834	1,568	1,729	1,901	2,085	7,283
Total (mbd)	6.7	12.5	16.0	10.5	17.4	19.0	20.7	22.7	20.0
<b>Price</b>									
Natural Gas									
Henry Hub (\$/mmbtu)	3.13	4.48	5.72	4.11	6.42	5.10	4.94	4.99	5.36
Differential (\$/mmbtu)	(0.40)	(0.29)		(0.78)					0.05
EPL (\$/mcf)	3.52	4.77	5.72	4.89	6.42	5.10	4.94	4.99	5.31
Oil (\$/bbl)									
WTI Cushing	28.81	31.61	33.19	30.61	31.18	28.97	28.02	26.54	28.68
Differential	3.12	5.43	5.87	4.18	4.65	3.33	1.00	1.00	2.52
EPL	25.69	26.18	27.32	26.42	26.54	25.65	27.02	25.54	26.16
Total (\$/bbl)	25.05	26.79	29.42	27.25	30.26	27.21	27.86	26.83	27.93
<b>Revenue (\$mm)</b>									
Natural Gas	5.2	7.1	15.3	27.5	18.8	16.7	18.2	18.4	72.0
Oil	24.8	23.5	28.1	76.5	28.7	30.3	34.8	37.6	131.4
Other	0.3	0.1							
Total	30.4	30.7	43.4	104.5	47.4	47.1	53.0	56.0	203.4
<b>Cost (\$mm)</b>									
Lease operating	6.4	6.4	8.0	20.9	9.0	9.0	9.0	9.0	36.0
Production taxes	1.5	1.7	1.8	5.1	2.0	2.0	2.3	2.4	8.6
General and administrative	4.3	3.0	3.0	10.4	4.0	4.0	4.0	4.0	16.0
Total	12.3	11.2	12.8	36.4	15.0	15.0	15.3	15.4	60.6
<b>EBITDAX (\$mm)</b>	18.0	19.5	30.6	68.1	32.4	32.1	37.7	40.6	142.8
Net interest	2.6	2.4	1.0	6.0					-
<b>Cash Flow (\$mm)</b>	15.4	17.2	29.6	62.2	32.4	32.1	37.7	40.6	142.8
Exploration	0.8	0.3	2.0	3.1	3.5	1.5	1.5	1.5	8.0
Deprec., Deplet., & Amort.	8.3	7.5	9.6	25.4	10.4	11.5	12.6	13.8	48.3
Other non cash	(5.6)	1.3	42.0	37.7	2.0	2.0	2.0	2.0	8.0
Income before income tax	12.7	8.4	(24.1)	(3.0)	16.5	17.1	21.6	23.2	78.5
Income tax	4.5	3.2	(9.1)	(1.5)	8.1	6.5	8.2	8.8	31.7
<b>Net income (\$mm)</b>	8.3	5.2	(15.0)	(1.5)	8.4	10.6	13.4	14.4	46.8
<b>Costs (\$/bbl)</b>									
Lease operating	5.32	5.61	5.42	5.45	5.74	5.21	4.73	4.32	4.94
Production taxes	1.27	1.52	1.25	1.34	1.29	1.16	1.18	1.14	1.19
General and administrative	3.57	2.65	2.03	2.70	2.55	2.31	2.10	1.92	2.20
Deprec., Deplet., & Amort.	6.84	6.54	6.54	6.63	6.63	6.63	6.63	6.63	6.63
<b>EBITDAX margin</b>	59%	64%	70%	65%	68%	68%	71%	73%	70%
<b>Tax rate</b>	35%	38%	38%	49%	38%	38%	38%	38%	40%

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