

## ***Meter Reader***

*A Weekly Analysis of Energy Stocks Using the McDep Ratio*

March 26, 2001

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## Small Cap Energy Stocks

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Kurt H. Wulff, CFA

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

Volume Decline (%/yr):	10	Price Escalation post 2007 (%/yr):	2.3
Volume Enhancement (%/yr):	10	Discount Rate (%/yr):	6.2
		U.S. TIPS Inflation (%/yr):	1.5
		U.S. 10 Year Yield (%/yr):	4.8
PV/Volume (\$/mcf):	2.47	PV/EBITDA 2001:	7.7

Year	Natural Gas Volume			Price (\$/mcf)	Revenue (\$mm)	Oil Net (\$mm)	Distribution (\$mm)	Tax Credit (\$/unit)	Disc Factor	Present Value (\$/unit)	
	Basic (bcf)	Enhanced (bcf)	Total (bcf)								
Total 2001 through 2030											
	25	22	48	4.12	196	3	199	33.20	0.24	0.59	19.60
2001	2.7	0.0	2.7	5.15	13.7	1.5	15.2	2.53	0.12	0.97	2.57
2002	2.4	0.3	2.7	4.72	12.6	1.0	13.6	2.26	0.12	0.91	2.18
2003	2.2	0.5	2.7	4.03	10.7	0.6	11.3	1.89		0.86	1.63
2004	1.9	0.7	2.7	3.85	10.2		10.2	1.71		0.81	1.38
2005	1.7	0.9	2.7	3.52	9.4		9.4	1.56		0.76	1.19
2006	1.6	1.1	2.7	3.37	9.0		9.0	1.49		0.72	1.07
2007	1.4	1.2	2.7	3.45	9.2		9.2	1.53		0.68	1.03
2008	1.3	1.4	2.7	3.53	9.4		9.4	1.56		0.64	1.00
2009	1.1	1.5	2.7	3.61	9.6		9.6	1.60		0.60	0.96
2010	1.0	1.6	2.7	3.70	9.8		9.8	1.64		0.56	0.92
2011	0.9	1.5	2.4	3.78	9.1		9.1	1.51		0.53	0.80
2012	0.8	1.3	2.2	3.87	8.3		8.3	1.39		0.50	0.70
2013	0.8	1.2	1.9	3.96	7.7		7.7	1.28		0.47	0.60
2014	0.7	1.1	1.7	4.05	7.1		7.1	1.18		0.44	0.52
2015	0.6	1.0	1.6	4.15	6.5		6.5	1.09		0.42	0.45
2016	0.5	0.9	1.4	4.25	6.0		6.0	1.00		0.39	0.39
2017	0.5	0.8	1.3	4.35	5.5		5.5	0.92		0.37	0.34
2018	0.4	0.7	1.1	4.45	5.1		5.1	0.85		0.35	0.30
2019	0.4	0.6	1.0	4.55	4.7		4.7	0.78		0.33	0.26
2020	0.4	0.6	0.9	4.66	4.3		4.3	0.72		0.31	0.22
2021	0.3	0.5	0.8	4.77	4.0		4.0	0.66		0.29	0.19
2022	0.3	0.5	0.8	4.88	3.7		3.7	0.61		0.27	0.17
2023	0.3	0.4	0.7	4.99	3.4		3.4	0.56		0.26	0.15
2024	0.2	0.4	0.6	5.11	3.1		3.1	0.52		0.24	0.13
2025	0.2	0.3	0.5	5.23	2.9		2.9	0.48		0.23	0.11
2026	0.2	0.3	0.5	5.35	2.6		2.6	0.44		0.22	0.09
2027	0.2	0.3	0.4	5.48	2.4		2.4	0.40		0.20	0.08
2028	0.2	0.2	0.4	5.60	2.2		2.2	0.37		0.19	0.07
2029	0.1	0.2	0.4	5.74	2.1		2.1	0.34		0.18	0.06
2030	0.1	0.2	0.3	5.87	1.9		1.9	0.32		0.17	0.05

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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	3.43	11.50	4.05	4.04	3.55	3.56	15.20
Per unit	0.38	1.09	0.38	0.40	0.56	0.57	1.92	0.67	0.67	0.59	0.59	2.53
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	6.52	6.30	5.31	5.42	5.89
Differential (\$/mmbtu)	0.13	0.13	(0.27)	(0.26)	0.16	-	(0.09)	1.22	0.63	0.53	0.54	0.73
CRT (\$/mcf)	2.39	1.99	2.72	2.88	3.47	4.48	3.38	5.30	5.67	4.78	4.88	5.15
Oil (\$/bbl) (WTI lagged two months)												
WTI Cushing	22.59	17.02	26.07	28.33	30.12	32.73	29.31	30.84	27.93	27.31	26.86	28.24
CRT	20.21	14.89	24.20	26.86	27.91	30.73	27.46	28.84	25.93	25.31	24.86	26.27
Total (\$/mcf)	2.75	2.17	3.25	3.50	3.94	4.75	3.86	5.10	5.11	4.55	4.58	4.84
<b>Revenue (\$mm)</b>												
Natural Gas	2.33	7.26	2.17	2.22	2.88	3.42	10.68	4.01	4.10	3.54	3.58	15.23
Oil	1.91	5.19	2.14	2.18	2.59	2.79	9.70	2.57	2.19	2.15	2.11	9.01
Total	4.23	12.45	4.31	4.40	5.47	6.21	20.38	6.57	6.29	5.68	5.69	24.24
<b>Cost (\$mm)</b>												
Tax, transport & other												
Production	0.50	1.61	0.58	0.61	0.74	0.87	2.80	0.92	0.88	0.80	0.80	3.39
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	1.59	1.51	1.43	1.43	5.97
<b>Cash flow (\$mm)</b>												
Development	3.14	8.46	3.13	3.14	4.11	4.66	15.04	4.99	4.78	4.25	4.25	18.27
Excess	0.12	0.74	0.21	0.13	0.16	0.16	0.67	0.16	0.16	0.17	0.17	0.66
Recovery of excess		(0.43)					-					-
Net proceeds (\$mm)	0.40	0.63	0.24	0.15			0.38					-
Net proceeds (\$mm)	2.62	7.52	2.68	2.86	3.95	4.50	13.99	4.83	4.62	4.08	4.08	17.61
Royalty income (\$mm)	2.30	6.69	2.35	2.48	3.39	3.89	12.11	4.22	4.08	3.59	3.60	15.49
Royalty/Net proceeds	88%	89%	88%	87%	86%	86%	87%	87%	88%	88%	88%	88%
Administration	0.02	0.14	0.05	0.05	0.05	0.46	0.61	0.17	0.04	0.04	0.04	0.29
Distributable income (\$mm)	2.28	6.55	2.30	2.42	3.35	3.43	11.50	4.05	4.04	3.55	3.56	15.20
<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):	2.3
Volume Enhancement (%/yr):	7	Discount rate (%/yr):	6.2
Capex/Cash Flow (%):	20	U.S. TIPS Inflation (%/yr):	1.5
Variable Cost (%):	11	U.S. 10 Year Yield (%/yr):	4.8
PV/Volume (\$/mcf):	2.01	PV/EBITDA 2001:	6.2

Year	Basic (bcf)	Volume Enhanced (bcf)	Total (bcf)	Price (\$/mcf)	Revenue (\$mm)	Fixed Cost (\$mm)	Var Cost (\$mm)	Cap Ex (\$mm)	Free Cash Flow (\$mm)	(\$/unit)	Disc Factor	Present Value (\$/unit)	
Total 2001 through 2030													
	54	30	84	4.09	343	86	38	30	189	17.40	0.77	13.40	
									Other assets, net	20.0	1.84	1.00	1.84
2001	6.3	0.0	6.3	5.53	34.7	3.5	3.8	5.5	21.9	2.02	0.97	1.96	
2002	5.6	0.4	6.0	4.73	28.5	3.5	3.1	4.4	17.5	1.62	0.91	1.48	
2003	5.0	0.8	5.8	4.03	23.3	3.5	2.6	3.5	13.8	1.27	0.86	1.10	
2004	4.4	1.1	5.6	3.85	21.4	3.5	2.4	3.1	12.5	1.15	0.81	0.93	
2005	3.9	1.4	5.3	3.52	18.8	3.5	2.1	2.6	10.6	0.98	0.76	0.74	
2006	3.5	1.6	5.1	3.37	17.3	3.5	1.9	2.4	9.5	0.88	0.72	0.63	
2007	3.1	1.8	4.9	3.45	16.9	3.5	1.9	2.3	9.3	0.86	0.68	0.58	
2008	2.8	1.9	4.7	3.53	16.7	3.5	1.8	2.3	9.1	0.84	0.64	0.53	
2009	2.5	2.1	4.5	3.61	16.4	3.5	1.8	2.2	8.9	0.82	0.60	0.49	
2010	2.2	2.1	4.3	3.70	16.1	3.5	1.8	2.2	8.7	0.80	0.56	0.45	
2011	2.0	2.2	4.2	3.78	15.8	3.5	1.7		10.6	0.98	0.53	0.52	
2012	1.7	2.0	3.7	3.87	14.4	3.5	1.6		9.3	0.86	0.50	0.43	
2013	1.6	1.8	3.3	3.96	13.1	3.5	1.4		8.2	0.76	0.47	0.36	
2014	1.4	1.6	2.9	4.05	11.9	3.5	1.3		7.2	0.66	0.44	0.29	
2015	1.2	1.4	2.6	4.15	10.9	3.5	1.2		6.2	0.57	0.42	0.24	
2016	1.1	1.2	2.3	4.25	9.9	3.5	1.1		5.4	0.49	0.39	0.19	
2017	1.0	1.1	2.1	4.35	9.0	3.5	1.0		4.6	0.42	0.37	0.16	
2018	0.9	1.0	1.8	4.45	8.2	3.5	0.9		3.9	0.35	0.35	0.12	
2019	0.8	0.9	1.6	4.55	7.5	3.5	0.8		3.2	0.29	0.33	0.10	
2020	0.7	0.8	1.5	4.66	6.8	3.5	0.7		2.6	0.24	0.31	0.07	
2021	0.6	0.7	1.3	4.77	6.2	3.5	0.7		2.1	0.19	0.29	0.06	
2022	0.5	0.6	1.2	4.88	5.7	3.5	0.6		1.6	0.14	0.27	0.04	
2023	0.5	0.5	1.0	4.99	5.1	3.5	0.6		1.1	0.10	0.26	0.03	
2024	0.4	0.5	0.9	5.11	4.7	3.5	0.5		0.7	0.07	0.24	0.02	
2025	0.4	0.4	0.8	5.23	4.3	3.5	0.5		0.3	0.03	0.23	0.01	

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Table DHULZ-2  
Dorchester Hugoton, Ltd.  
Cash Flow

	Q4 12/31/99	Year 1999	Q1 3/31/00	Q2 6/30/00	Q3 9/30/00	Q4 12/31/00	Year 2000	Q1E 3/31/01	Q2E 6/30/01	Q3E 9/30/01	Q4E 12/31/01	Year 2001E
<b>Highlights</b>												
Revenue (\$mm)	4.39	15.3	4.16	5.57	7.04	8.42	25.2	9.26	7.80	7.97	8.04	33.1
Cash flow (\$mm)	3.25	10.9	3.09	3.87	5.69	7.11	19.8	7.69	6.35	6.52	6.57	27.1
Per unit	0.30	1.01	0.28	0.36	0.52	0.66	1.82	0.71	0.59	0.60	0.61	2.50
Earnings (\$mm)	2.78	9.0	2.64	3.40	5.24	6.69	18.0	7.26	5.93	6.09	6.15	25.4
Per unit	0.26	0.83	0.24	0.32	0.48	0.62	1.66	0.67	0.55	0.56	0.57	2.34
Distribution (\$mm)	1.93	7.7	3.01	1.93	2.36	2.36	9.7	2.90	2.90	2.90	2.90	11.6
Per unit	0.18	0.72	0.28	0.18	0.22	0.22	0.90	0.27	0.27	0.27	0.27	1.08
Units (millions)	10.74	10.7	10.74	10.74	10.74	10.74	10.7	10.74	10.74	10.74	10.74	10.7
<b>Volume</b>												
Natural gas (bcf)												
Oklahoma	1.43	5.6	1.39	1.37	1.43	1.38	5.6	1.34	1.35	1.36	1.35	5.4
Kansas	0.31	1.3	0.29	0.28	0.27	0.24	1.1	0.23	0.22	0.22	0.21	0.9
Total	1.74	6.9	1.68	1.66	1.70	1.62	6.7	1.57	1.57	1.57	1.56	6.3
Natural Gas (mmcf)	18.9	18.9	18.5	18.2	18.4	17.6	18.2	17.5	17.3	17.1	16.9	17.2
Days	92	365	91	91	92	92	366	90	91	92	92	365
<b>Price</b>												
Natural gas												
Henry Hub (\$/mmbtu)	2.45	2.24	2.62	3.63	4.48	6.52	4.31	6.30	5.31	5.42	5.52	5.64
Oklahoma (\$/mcf)	2.60	2.28	2.53	3.50	4.33	5.43	3.95	6.18	5.19	5.30	5.40	5.52
Kansas (\$/mcf)	2.70	2.36	2.72	3.58	4.41	5.54	3.99	6.26	5.27	5.38	5.48	5.60
Total (\$/mcf)	2.62	2.30	2.57	3.51	4.34	5.45	3.96	6.19	5.20	5.31	5.41	5.53
<b>Revenue (\$mm)</b>												
Natural Gas												
Oklahoma	3.73	12.7	3.53	4.81	6.18	7.51	22.0	8.30	7.00	7.19	7.27	29.8
Kansas	0.83	3.1	0.79	1.01	1.19	1.33	4.3	1.42	1.18	1.18	1.16	4.9
Other	0.05	0.2	0.05	0.05	0.06	0.05	0.2	0.05	0.05	0.05	0.05	0.2
Production payment (ORRI)	(0.23)	(0.8)	(0.21)	(0.30)	(0.39)	(0.47)	(1.4)	(0.52)	(0.43)	(0.44)	(0.45)	(1.8)
Total	4.39	15.3	4.16	5.57	7.04	8.42	25.2	9.26	7.80	7.97	8.04	33.1
<b>Cost (\$mm)</b>												
Operating	0.95	3.6	0.92	1.04	1.07	1.35	4.4	1.27	1.17	1.18	1.19	4.8
General and administrative	0.16	0.6	0.14	0.18	0.20	0.28	0.8	0.20	0.18	0.18	0.18	0.7
Management	0.13	0.5	0.13	0.14	0.16	0.17	0.6	0.18	0.17	0.17	0.17	0.7
Other	(0.10)	(0.3)	(0.11)	0.35	(0.07)	(0.49)	(0.3)	(0.08)	(0.08)	(0.08)	(0.08)	(0.3)
Total	1.13	4.4	1.07	1.70	1.35	1.31	5.4	1.57	1.44	1.46	1.47	5.9
Cash flow (\$mm)	3.25	10.9	3.09	3.87	5.69	7.11	19.8	7.69	6.35	6.52	6.57	27.1
Depletion, deprec. & amort.	0.48	1.9	0.45	0.46	0.45	0.42	1.8	0.42	0.42	0.43	0.42	1.7
Earnings (\$mm)	2.78	9.0	2.64	3.40	5.24	6.69	18.0	7.26	5.93	6.09	6.15	25.4
Capital expenditures (\$mm)	0.10	0.4	0.04	0.13	0.23	0.09	0.5	1.15	0.95	0.98	0.99	4.1
<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	0.83	0.66	0.81	0.74	0.75	0.76	0.77
Depletion (\$/mcf)	0.27	0.28	0.27	0.28	0.27	0.26	0.27	0.27	0.27	0.27	0.27	0.27

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

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Volume Enhancement (%/yr):	10	Discount rate (%/yr):	6.2
Capex/Cash Flow (%):	25	U.S. TIPS Inflation (%/yr):	1.5
Variable Cost (%):	12	U.S. 10 Year Yield (%/yr):	4.8
PV/Volume (\$/mcf):	1.35	PV/EBITDA 2001:	6.2

Year	Basic (bcf)	Volume Enhanced (bcf)	Total (bcf)	Price (\$/mcf)	Revenue (\$mm)	Fixed Cost (\$mm)	Var Cost (\$mm)	Cap Ex (\$mm)	Distribution (\$mm)	(\$/unit)	Tax Credit (\$/unit)	Disc Factor	Present Value (\$/unit)
Total 200 through 2030													
	297	258	554	4.10	2274	534	273	215	1252	31.31	0.04	0.60	18.70
2001	31.0	0.0	31.0	5.10	157.8	17.8	18.9	26.2	94.9	2.37	0.02	0.97	2.32
2002	27.9	3.1	31.0	4.49	139.2	17.8	16.7	26.2	78.5	1.96	0.02	0.91	1.81
2003	25.1	5.9	31.0	4.03	124.7	17.8	15.0	23.0	69.0	1.72		0.86	1.48
2004	22.6	8.4	31.0	3.85	119.2	17.8	14.3	21.8	65.3	1.63		0.81	1.32
2005	20.3	10.6	31.0	3.52	108.9	17.8	13.1	19.5	58.5	1.46		0.76	1.12
2006	18.3	12.7	31.0	3.37	104.3	17.8	12.5	18.5	55.5	1.39		0.72	1.00
2007	16.5	14.5	31.0	3.45	106.8	17.8	12.8	19.0	57.1	1.43		0.68	0.97
2008	14.8	16.2	31.0	3.53	109.3	17.8	13.1	19.6	58.8	1.47		0.64	0.94
2009	13.3	17.6	31.0	3.61	111.8	17.8	13.4	20.2	60.5	1.51		0.60	0.91
2010	12.0	19.0	31.0	3.70	114.4	17.8	13.7	20.7	62.2	1.55		0.56	0.88
2011	10.8	17.1	27.9	3.78	105.4	17.8	12.6		75.0	1.87		0.53	1.00
2012	9.7	15.4	25.1	3.87	97.1	17.8	11.7		67.6	1.69		0.50	0.85
2013	8.7	13.8	22.6	3.96	89.4	17.8	10.7		60.9	1.52		0.47	0.72
2014	7.9	12.4	20.3	4.05	82.4	17.8	9.9		54.7	1.37		0.44	0.61
2015	7.1	11.2	18.3	4.15	75.9	17.8	9.1		49.0	1.22		0.42	0.51
2016	6.4	10.1	16.5	4.25	69.9	17.8	8.4		43.7	1.09		0.39	0.43
2017	5.7	9.1	14.8	4.35	64.4	17.8	7.7		38.8	0.97		0.37	0.36
2018	5.2	8.2	13.3	4.45	59.3	17.8	7.1		34.4	0.86		0.35	0.30
2019	4.6	7.3	12.0	4.55	54.6	17.8	6.6		30.2	0.76		0.33	0.25
2020	4.2	6.6	10.8	4.66	50.3	17.8	6.0		26.4	0.66		0.31	0.20
2021	3.8	6.0	9.7	4.77	46.3	17.8	5.6		23.0	0.57		0.29	0.17
2022	3.4	5.4	8.7	4.88	42.7	17.8	5.1		19.7	0.49		0.27	0.14
2023	3.0	4.8	7.9	4.99	39.3	17.8	4.7		16.8	0.42		0.26	0.11
2024	2.7	4.3	7.1	5.11	36.2	17.8	4.3		14.0	0.35		0.24	0.09
2025	2.5	3.9	6.4	5.23	33.3	17.8	4.0		11.5	0.29		0.23	0.07
2026	2.2	3.5	5.7	5.35	30.7	17.8	3.7		9.2	0.23		0.22	0.05
2027	2.0	3.2	5.2	5.48	28.3	17.8	3.4		7.1	0.18		0.20	0.04
2028	1.8	2.8	4.6	5.60	26.0	17.8	3.1		5.1	0.13		0.19	0.02
2029	1.6	2.6	4.2	5.74	24.0	17.8	2.9		3.3	0.08		0.18	0.01
2030	1.5	2.3	3.8	5.87	22.1	17.8	2.7		1.6	0.04		0.17	0.01

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## Meter Reader

### A Weekly Analysis of Energy Stocks Using the McDep Ratio

March 26, 2001

**Table HGT-2**  
**Hugoton Royalty Trust**  
**Distributable Income**

	Q4 12/31/99	Year 1999	Q1 3/31/00	Q2 6/30/00	Q3 9/30/00	Q4E 12/31/00	Year 2000E	Q1E 3/31/01	Q2E 6/30/01	Q3E 9/30/01	Q4E 12/31/01	Year 2001E
<b>Highlights</b>												
Revenue (\$mm) (80%)	20.4	63.1	20.0	19.8	28.2	33.4	101.5	48.8	35.2	36.8	37.0	157.8
Cash flow (\$mm) (80%)	14.4	42.2	14.1	13.9	20.8	25.5	74.3	38.5	26.4	27.6	27.9	120.4
Per unit	0.36	1.06	0.35	0.35	0.52	0.64	1.86	0.96	0.66	0.69	0.70	3.01
Tax credit (\$mm)	0.2	0.8	0.2	0.2	0.2	0.2	0.8	0.2	0.2	0.2	0.2	0.8
Per unit	0.01	0.02	0.01	0.01	0.01	0.01	0.02	0.01	0.01	0.01	0.01	0.02
Distributable Income (\$mm)	12.2	33.1	10.9	11.3	16.2	18.3	56.7	33.7	19.7	20.7	20.8	94.9
Per unit	0.30	0.83	0.27	0.28	0.40	0.46	1.42	0.84	0.49	0.52	0.52	2.37
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	9.4	36.8	9.2	8.9	9.2	9.2	36.5
Natural Gas (mmcf)	104.2	102.1	105.5	96.0	98.4	102.7	100.9	99.9	99.9	99.9	99.9	99.9
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 (mmbd)	1.1	1.1	1.1	1.2	1.1	1.1	1.1	1.0	1.0	1.0	1.0	1.0
Days	92	342	92	90	92	92	366	92	89	92	92	365
Total (bcf)	10.2	36.5	10.3	9.3	9.6	10.0	39.2	9.8	9.4	9.8	9.7	38.7
<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	7.57	5.31	5.37	5.42	5.92
Differential (\$/mmbtu)	0.24	0.06	0.04	0.29	0.37	0.72	0.35	1.25	0.64	0.64	0.65	0.79
HGT (\$/mcf)	2.42	2.12	2.32	2.54	3.57	4.11	3.14	6.31	4.67	4.73	4.77	5.13
Oil (\$/bbl) (WTI Cushing lagged two months)												
WTI Cushing	22.59	17.39	26.07	28.33	30.12	31.56	29.02	30.84	27.93	27.31	26.86	28.24
HGT	21.72	16.53	25.19	27.63	29.71	30.56	28.24	30.34	27.43	26.81	26.36	27.75
Total (\$/mcf)	2.49	2.16	2.43	2.68	3.65	4.17	3.23	6.24	4.67	4.71	4.75	5.10
<b>Revenue (\$mm)</b>												
Natural Gas	23.2	72.5	22.5	21.9	32.3	38.9	115.6	58.0	41.5	43.5	43.8	186.9
Oil	2.2	6.4	2.5	2.9	2.9	3.0	11.3	2.9	2.5	2.5	2.4	10.4
Total	25.4	78.9	25.0	24.8	35.2	41.8	126.8	60.9	44.1	46.0	46.3	197.3
<b>Cost (\$mm)</b>												
Tax, transport & other	2.6	8.3	2.4	2.4	3.4	3.5	11.7	6.1	4.4	4.6	4.6	19.7
Production	3.0	11.0	3.3	3.2	3.9	4.6	15.0	4.9	4.7	4.9	4.9	19.4
Overhead	1.7	6.9	1.7	1.8	1.9	1.8	7.2	1.8	1.9	2.0	1.9	7.6
Total	7.4	26.2	7.4	7.4	9.2	9.9	34.0	12.8	11.0	11.4	11.5	46.7
<b>Cash flow (\$mm)</b>	18.1	52.8	17.6	17.4	26.0	31.9	92.9	48.1	33.0	34.6	34.8	150.5
Development	2.8	11.3	3.9	3.3	5.8	8.9	21.8	7.1	8.3	8.6	8.7	32.7
<b>Net proceeds (\$mm)</b>	15.2	41.4	13.7	14.1	20.3	23.0	71.1	41.0	24.8	25.9	26.1	117.8
<b>Royalty income (\$mm)</b>	12.2	33.2	11.0	11.3	16.2	18.4	56.9	32.8	19.8	20.7	20.9	94.2
Royalty/Net proceeds	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%
Administration	0.0	0.1	0.0	0.0	0.0	0.1	0.2	(0.9)	0.1	0.1	0.1	(0.6)
<b>Distributable income (\$mm)</b>	12.2	33.1	10.9	11.3	16.2	18.3	56.7	33.7	19.7	20.7	20.8	94.9
<b>Cost ratios</b>												
Tax and other/revenue	10%	10%	10%	10%	10%	8%	9%	10%	10%	10%	10%	10%
Production cost (\$/mcf)	0.29	0.30	0.32	0.35	0.40	0.46	0.38	0.50	0.50	0.50	0.50	0.50
Overhead cost (\$/mcf)	0.17	0.19	0.17	0.19	0.20	0.18	0.18	0.19	0.20	0.20	0.20	0.20

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

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## Meter Reader

### A Weekly Analysis of Energy Stocks Using the McDep Ratio

March 26, 2001

**Table SJT-1**  
**San Juan Basin Royalty Trust**  
**Present Value**

Volume Decline (%/yr):	10	Price Escalation Post 2006 (%/yr):	2.3
Volume Enhancement (%/yr):	10	Discount rate (%/yr):	6.2
Capex/Cash Flow (%):	25	U.S. TIPS Inflation (%/yr):	1.5
Variable Cost (%):	9	U.S. 10 Year Yield (%/yr):	4.8
PV/Volume (\$/mcf):	1.37	PV/EBITDA 2001:	6.2

Year	Basic (bcf)	Volume Enhanced (bcf)	Total (bcf)	Price (\$/mcf)	Revenue (\$mm)	Fixed Cost (\$mm)	Var Cost (\$mm)	Cap Ex (\$mm)	Distribution (\$mm)	Distribution (\$/unit)	Tax Credit (\$/unit)	Disc Factor	Present Value (\$/unit)
Total 2001 through 2030													
	320	279	599	3.68	2203	392	198	226	1387	29.76	0.32	0.59	17.60
2001	33.4	0.0	33.4	4.75	158.9	13.1	14.3	27.3	104.2	2.24	0.16	0.97	2.33
2002	30.1	3.3	33.4	4.02	134.5	13.1	12.1	27.3	82.0	1.76	0.16	0.91	1.75
2003	27.1	6.4	33.4	3.60	120.5	13.1	10.8	24.2	72.5	1.55		0.86	1.34
2004	24.4	9.1	33.4	3.44	115.1	13.1	10.4	22.9	68.8	1.48		0.81	1.20
2005	21.9	11.5	33.4	3.15	105.2	13.1	9.5	20.7	62.0	1.33		0.76	1.02
2006	19.7	13.7	33.4	3.01	100.8	13.1	9.1	19.7	59.0	1.27		0.72	0.91
2007	17.8	15.7	33.4	3.09	103.2	13.1	9.3	20.2	60.6	1.30		0.68	0.88
2008	16.0	17.4	33.4	3.16	105.6	13.1	9.5	20.8	62.3	1.34		0.64	0.85
2009	14.4	19.0	33.4	3.23	108.0	13.1	9.7	21.3	63.9	1.37		0.60	0.82
2010	13.0	20.5	33.4	3.31	110.6	13.1	10.0	21.9	65.7	1.41		0.56	0.80
2011	11.7	18.4	30.1	3.38	101.8	13.1	9.2		79.6	1.71		0.53	0.91
2012	10.5	16.6	27.1	3.46	93.8	13.1	8.4		72.3	1.55		0.50	0.78
2013	9.4	14.9	24.4	3.54	86.4	13.1	7.8		65.6	1.41		0.47	0.66
2014	8.5	13.4	21.9	3.63	79.6	13.1	7.2		59.4	1.27		0.44	0.57
2015	7.6	12.1	19.7	3.71	73.3	13.1	6.6		53.6	1.15		0.42	0.48
2016	6.9	10.9	17.8	3.80	67.5	13.1	6.1		48.4	1.04		0.39	0.41
2017	6.2	9.8	16.0	3.89	62.2	13.1	5.6		43.5	0.93		0.37	0.35
2018	5.6	8.8	14.4	3.98	57.3	13.1	5.2		39.1	0.84		0.35	0.29
2019	5.0	7.9	13.0	4.07	52.8	13.1	4.7		34.9	0.75		0.33	0.25
2020	4.5	7.1	11.7	4.17	48.6	13.1	4.4		31.2	0.67		0.31	0.21
2021	4.1	6.4	10.5	4.27	44.8	13.1	4.0		27.7	0.59		0.29	0.17
2022	3.7	5.8	9.4	4.36	41.2	13.1	3.7		24.4	0.52		0.27	0.14
2023	3.3	5.2	8.5	4.47	38.0	13.1	3.4		21.5	0.46		0.26	0.12
2024	3.0	4.7	7.6	4.57	35.0	13.1	3.1		18.8	0.40		0.24	0.10
2025	2.7	4.2	6.9	4.68	32.2	13.1	2.9		16.2	0.35		0.23	0.08
2026	2.4	3.8	6.2	4.79	29.7	13.1	2.7		13.9	0.30		0.22	0.06
2027	2.2	3.4	5.6	4.90	27.3	13.1	2.5		11.8	0.25		0.20	0.05
2028	1.9	3.1	5.0	5.01	25.2	13.1	2.3		9.8	0.21		0.19	0.04
2029	1.7	2.8	4.5	5.13	23.2	13.1	2.1		8.0	0.17		0.18	0.03
2030	1.6	2.5	4.1	5.25	21.4	13.1	1.9		6.4	0.14		0.17	0.02

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## Meter Reader

### A Weekly Analysis of Energy Stocks Using the McDep Ratio

March 26, 2001

Table SJT-2  
San Juan Basin 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>												
Revenue (\$mm) (75%)	17.4	53.2	17.3	19.3	29.0	29.8	95.3	49.4	36.0	36.8	36.6	158.9
Cash flow (\$mm) (75%)	13.4	39.6	13.3	13.7	23.6	24.7	75.2	42.1	29.6	30.3	30.2	132.2
Per unit	0.29	0.85	0.28	0.29	0.51	0.53	1.61	0.90	0.63	0.65	0.65	2.84
Tax credit (\$mm)	2.5	7.6	1.9	1.9	1.9	1.9	7.5	1.9	1.9	1.9	1.9	7.5
Per unit	0.05	0.16	0.04	0.04	0.04	0.04	0.16	0.04	0.04	0.04	0.04	0.16
Distributable Income (\$mm)	11.3	31.8	9.9	13.2	19.7	16.5	59.2	37.3	22.0	22.5	22.4	104.2
Per unit	0.24	0.68	0.21	0.28	0.42	0.35	1.27	0.80	0.47	0.48	0.48	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	11.2	45.1	11.8	11.5	11.6	11.5	46.4
Heat Content(btu/cf)	1,045	1,035	1,053	1,028	1,104	1,084	1,068	1,052	1,052	1,052	1,052	1,052
Natural gas (bcf)												
Conventional	5.8	23.5	5.9	6.3	6.7							
Coal Seam	4.0	16.4	4.1	4.4	4.5							
Total	9.8	39.9	10.1	10.7	11.2	10.3	42.2	11.3	10.9	11.0	10.9	44.1
Natural Gas (mmcf)	106.7	109.4	109.6	118.5	121.6	111.8	115.4	122.4	121.2	120.0	118.8	120.6
Days	92	365	92	90	92	92	366	92	90	92	92	366
Oil (mb)	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1
Oil (mbd)	0.2	0.2	0.3	0.2	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Days	92	365	92	90	92	92	366	92	90	92	92	366
Total gas & oil (bcf)	9.9	40.4	10.2	10.8	11.4	10.4	42.8	11.4	11.0	11.2	11.0	44.6
<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	7.57	5.31	5.37	5.42	5.92
Differential (\$/mmbtu)	0.44	0.48	0.23	0.52	0.87	1.31	0.72	1.90	1.17	1.18	1.19	1.39
SJT Conventional	2.27	1.75	2.17	2.36	3.14							
SJT Coal Seam	2.13	1.58	2.03	2.20	2.92							
Total	2.22	1.69	2.12	2.30	3.07	3.52	2.77	5.53	4.14	4.19	4.23	4.53
Natural gas (\$/mcf)												
Conventional	2.63	2.00	2.54	2.67	3.95							
Coal Seam	1.88	1.39	1.79	1.94	2.56							
Total	2.32	1.75	2.23	2.37	3.39	3.81	2.96	5.81	3.94	3.99	4.02	4.76
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	27.93	27.31	18.21	25.56
SJT	20.66	14.25	22.48	21.66	25.58	28.73	24.49	24.79	23.93	23.31	14.21	21.55
Total gas & oil (\$/mcf)	2.33	1.76	2.25	2.38	3.40	3.82	2.97	5.80	4.35	4.40	4.43	4.75
<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	39.2	124.9	65.5	47.5	48.7	48.6	210.2
Oil	0.4	1.0	0.5	0.5	0.7	0.5	2.2	0.5	0.4	0.4	0.3	1.6
Total	23.2	71.0	23.0	25.7	38.6	39.8	127.1	65.9	47.9	49.1	48.9	211.8
<b>Cost (\$mm)</b>												
Severance tax	2.4	7.3	2.2	2.3	4.2	3.7	12.4	6.5	4.8	4.9	4.9	21.1
Operating	2.9	10.8	3.1	5.2	3.1	3.2	14.5	3.3	3.7	3.8	3.7	14.5
Total	5.3	18.1	5.4	7.5	7.2	6.9	26.9	9.8	8.5	8.7	8.6	35.6
<b>Cash flow (\$mm)</b>												
Development	2.6	10.6	4.6	4.8	5.0	11.2	25.6	6.3	9.9	10.1	10.1	36.4
<b>Net proceeds (\$mm)</b>	15.3	42.3	13.1	13.5	26.4	21.7	74.6	49.8	29.6	30.3	30.2	139.9
<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)	0.5	0.1	0.2	0.2	0.2	0.7
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	16.5	59.2	37.3	22.0	22.5	22.4	104.2
<b>Modeling ratios</b>												
Severance tax/revenue	10.3%	10.3%	9.8%	9.0%	10.8%	9.2%	9.7%	9.9%	10.0%	10.0%	10.0%	10.0%
Operating cost (\$/mcf)	0.29	0.27	0.30	0.48	0.27	0.31	0.34	0.29	0.34	0.34	0.34	0.32

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## Meter Reader

### A Weekly Analysis of Energy Stocks Using the McDep Ratio

March 26, 2001

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

Volume Decline (%/yr):	15	Price Escalation post 2006 (%/yr):	1.5
Volume Enhancement (%/yr):	34	Discount rate (%/yr):	6.2
Capex/Cash Flow (%):	100	U.S. TIPS Inflation (%/yr):	1.5
Variable Cost (%):	16	U.S. 10 Year Yield (%/yr):	4.8
PV/Volume (\$/bbl):	3.70	PV/EBITDA 2001:	4.4
PV/Share (\$):	19.40		

Year	Basic (mb)	Volume Enhanced (mb)	Total (mb)	Price (\$/bbl)	Revenue (\$mm)	Fixed Cost (\$mm)	Var Cost (\$mm)	Cap Ex (\$mm)	Pre- Tax (\$mm)	Income Tax (\$mm)	Cash Flow (\$mm)	Disc Factor	Present Value (\$mm)
Total 2001 through 2015													
	42100	101200	143300	22.81	3269	609	523	1043	1094	156	938	0.48	526
2001	6570	0	6570	27.17	178	30	29	119	0	0	0	0.97	0
2002	5584	2234	7818	25.87	202	30	32	139	0	0	0	0.91	0
2003	4747	4557	9303	23.55	219	30	35	154	0	0	0	0.86	0
2004	4035	7036	11071	22.59	250	30	40	180	0	0	0	0.81	0
2005	3429	9745	13174	21.26	280	30	45	205	0	0	0	0.76	0
2006	2915	12763	15678	20.98	329	30	53	246	0	0	0	0.72	0
2007	2478	10848	13326	21.30	284	30	45		208	30	178	0.68	121
2008	2106	9221	11327	21.63	245	30	39		175	25	150	0.64	96
2009	1790	7838	9628	21.96	211	30	34		147	21	126	0.60	76
2010	1522	6662	8184	22.30	183	30	29		123	18	105	0.56	59
2011	1293	5663	6956	22.65	158	30	25		102	15	87	0.53	46
2012	1099	4813	5913	22.99	136	30	22		84	12	72	0.50	36
2013	934	4091	5026	23.35	117	30	19		68	10	58	0.47	28
2014	794	3478	4272	23.71	101	30	16		55	8	47	0.44	21
2015	675	2956	3631	24.07	87	30	14		43	6	37	0.42	15
2016	574	2513	3087	24.44	75	30	12		33	5	28	0.39	11
2017	488	2136	2624	24.82	65	30	10		24	3	21	0.37	8
2018	415	1815	2230	25.20	56	30	9		17	2	14	0.35	5
2019	352	1543	1896	25.59	49	30	8		10	1	9	0.33	3
2020	300	1312	1611	25.99	42	30	7		5	1	4	0.31	1

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## Meter Reader

### A Weekly Analysis of Energy Stocks Using the McDep Ratio

March 26, 2001

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

	<i>H1</i>	<i>Q3</i>	<i>Q4</i>	<i>Year</i>	<i>Q1E</i>	<i>Q2E</i>	<i>Q3E</i>	<i>Q4E</i>	<i>Year</i>
	<i>6/30/00</i>	<i>9/30/00</i>	<i>12/31/00</i>	<i>2000</i>	<i>3/31/01</i>	<i>6/30/01</i>	<i>9/30/01</i>	<i>12/31/01</i>	<i>2001E</i>
<b>Highlights</b>									
Revenue (\$mm)	30.4	30.7	42.0	103.1	43.7	41.1	44.2	49.6	178.5
EBITDAX (\$mm)	18.0	19.5	24.1	61.6	29.4	26.9	30.3	34.6	121.1
Cash Flow (\$mm)	15.4	17.2	23.1	55.7	29.0	26.5	29.9	34.2	119.5
Per share (\$)		0.95	1.21		1.07	0.98	1.10	1.26	4.41
Net Income (\$mm)	2.3	5.2	(32.9)	(25.4)	9.1	7.5	9.4	11.2	37.1
Per share		0.29	(1.73)		0.33	0.28	0.35	0.41	1.37
Shares (millions)		18.1	19.0		27.1	27.1	27.1	27.1	27.1
<b>Volume</b>									
Natural Gas (bcf)	1.48	1.49	2.81	5.78	3.60	3.71	3.77	4.25	15.34
Natural Gas (mmcf)	8.1	16.1	30.6	15.8	40.0	40.8	41.0	46.2	42.0
Days	182	92	92	366	90	91	92	92	365
Oil (mb)	965	899	925	2,790	900	956	1,012	1,146	4,014
Oil (mbd)	5.30	9.78	10.05	7.62	10.00	10.50	11.00	12.46	11.00
Total (mb)	1,212	1,147	1,394	3,752	1,500	1,574	1,641	1,855	6,570
Total (mbd)	6.7	12.5	15.1	10.3	16.7	17.3	17.8	20.2	18.0
<b>Price</b>									
Natural Gas									
Henry Hub (\$/mmbtu)	3.13	4.48	6.52	4.31	6.30	5.31	5.42	5.52	5.64
Differential (\$/mmbtu)	(0.40)	(0.29)	0.67	(0.66)	0.63	0.53	0.54	0.55	0.57
EPL (\$/mcf)	3.52	4.77	5.85	4.98	5.67	4.78	4.88	4.97	5.06
Oil (\$/bbl)									
WTI Cushing	28.81	31.61	32.00	30.31	28.82	27.20	27.07	26.41	27.37
Differential	3.12	5.43	6.46	4.51	4.08	2.76	1.60	1.60	2.50
EPL	25.69	26.18	25.54	25.80	24.74	24.44	25.47	24.81	24.87
Total (\$/bbl)	25.05	26.79	30.13	27.47	29.11	26.10	26.93	26.72	27.17
<b>Revenue (\$mm)</b>									
Natural Gas	5.2	7.1	16.4	28.7	20.4	17.7	18.4	21.1	77.7
Oil	24.8	23.5	23.6	72.0	22.3	23.4	25.8	28.4	99.8
Other	0.3	0.1	1.9	2.4	1.0				1.0
Total	30.4	30.7	42.0	103.1	43.7	41.1	44.2	49.6	178.5
<b>Cost (\$mm)</b>									
Lease operating	6.1	6.4	11.5	24.1	8.6	8.7	8.2	9.0	34.5
Production taxes	1.9	1.7	2.7	6.3	2.2	2.1	2.2	2.5	8.9
General and administrative	4.3	3.0	3.7	11.1	3.5	3.5	3.5	3.5	14.0
Total	12.3	11.2	17.9	41.5	14.3	14.2	13.9	15.0	57.4
<b>EBITDAX (\$mm)</b>	18.0	19.5	24.1	61.6	29.4	26.9	30.3	34.6	121.1
Net cash interest and tax	2.6	2.4	1.0	5.9	0.4	0.4	0.4	0.4	1.6
<b>Cash Flow (\$mm)</b>	15.4	17.2	23.1	55.7	29.0	26.5	29.9	34.2	119.5
Exploration	0.8	0.3	0.6	1.7	3.0	3.0	3.0	3.0	12.0
Deprec., Deplet., & Amort.	8.3	7.5	9.8	25.6	10.5	11.0	11.5	13.0	46.0
Amort. Financing Cost	0.3	0.3	0.5	1.1	0.3	0.3	0.3	0.3	1.2
Other non cash	(0.7)	0.7	41.7	41.7	0.8	0.3	0.3	0.3	1.7
Income before income tax	6.8	8.4	(29.6)	(14.5)	14.4	11.9	14.8	17.6	58.6
Deferred income tax	4.5	3.2	3.3	10.9	5.3	4.4	5.4	6.4	21.5
<b>Net income (\$mm)</b>	2.3	5.2	(32.9)	(25.4)	9.1	7.5	9.4	11.2	37.1
<i>Costs (\$/bbl)</i>									
Lease operating	5.03	5.61	8.28	6.41	5.75	5.50	5.00	4.85	5.25
Production taxes	1.57	1.52	1.94	1.69	1.46	1.30	1.35	1.34	1.36
General and administrative	3.57	2.65	2.65	2.95	2.33	2.22	2.13	1.89	2.13
Deprec., Deplet., & Amort.	6.84	6.54	7.04	6.82	7.00	7.00	7.00	7.00	7.00
<i>Tax rate</i>		38%			37%	37%	37%	37%	37%

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