

Buy, Lie and Sell High

Summary and Recommendation

Harvard professor D. Quinn Mills takes a quote from former Securities and Exchange Commission Chairman Arthur Levitt as the title for a book about the great losses investors have suffered the past few years. Despite that, even today a principal of sell-recommended **Kinder Morgan (KMI, KMP, KMR)** appears to fit the meaning of Mr. Levitt's phrase. We have pointed out that Mr. Morgan is cashing in while promoting Kinder Morgan stock. At the same time, he paid us an indirect compliment this past week when he was quoted in the electronic press saying our analysis was "completely out to lunch". Meanwhile, hurricane watch bolsters our usual constructive outlook for selective energy investment. A disruption of natural gas production short term could be a catalyst for better recognition of a potentially tight supply situation for several years. Our natural gas buy recommendations are **San Juan Basin Royalty Trust (SJT)**, **XTO Energy (XTO)**, **Encana (ECA)** and **Burlington Resources (BR)** (see Tables L-1, L-2, M-1, M-2, S-1, and S-2).

Mr. Morgan Sounds Like a Pyramid Operator

Melissa Davis on TheStreet.com calls attention to potential risks that may not be fully understood by investors in master limited partnerships (the text of the articles may be found on www.mcdep.com). In reference to the level of compensation for the general partner, Mr. Morgan is quoted, "'It's a lucrative incentive, but I don't think our (MLP) shareholders, who've earned a 550% return, are worried about it."

That strikes us as the classic response of a pyramid operator. In reality, only early investors at the expense of later investors earn the high returns. For such returns, those investing in Kinder Morgan today need at least the same growth in total enterprise in the future as in the past. That is unrealistic because if Kinder Morgan kept up its growth rate it would own the whole energy infrastructure industry in a decade or so as we calculated earlier.

Moreover, the general partner take of income and principal today is about 40% on average, up from 2%. Considering that high starting point, the general partner will be usurping far more of the cash flow in the future, for no capital outlay, than it did in the past period of favorable returns for limited partners. New investors pay for the performance of early investors just as in a pyramid fraud or Ponzi scheme.

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Kinder Morgan Public Relations Appears Hypocritical

After Ms. Davis' piece came out, Kinder Morgan issued a press release mentioning Mr. Morgan's upcoming scheduled presentation to investors. Among other points the release repeated the oft-mentioned half-truth that Mr. Kinder takes only \$1 a year in salary and has never sold stock. Often overlooked are the partnership units credited to Mr. Kinder that pay him high distributions. Also, executives commonly write undisclosed derivative contracts against large holdings such as Mr. Kinder's share of KMI worth a billion dollars.

We do know that the other man with his name on the door, Mr. Morgan, did sell about \$50 million of stock in 2002. We have also pointed out the coincidental timing of unjustified corporate repurchase that may have had the effect of driving up the price so Mr. Morgan could get more loot. Similarly the announcement of the Chief Financial Officer's purchase of shares looked like manipulation to make the insider transactions read better. The CFO's purchase was financed with a "loan" from his employer that apparently would be illegal under a newly enacted law intended to limit executive chicanery.

Many Reasons to Justify Sale of Kinder Morgan

Otherwise our case to sell Kinder Morgan securities rests on excessive valuation, excessive debt, and a business model facing diminishing returns. We need not even mention that Kinder Morgan is the greediest of high greed partnerships as measured by its extraordinary level of general partner compensation. The fact that management disparages our work seems a sure sign that we are on the right track.

All of our past analysis is archived on www.mcdep.com. Click on the gold box labeled stock ideas, and then click on one of the gold boxes labeled KMI, KMP or KMR for a partial listing.

Hurricane Warnings Drive Natural Gas Pricing

Commodity investors are saying that one-year natural gas is high relative to six-year natural gas at \$4.06 per mmbtu, a 2002 high, relative to \$3.84 per mmbtu. We last saw that pattern, known as backwardation, in May (see Chart). The backwardation is not as great as in crude oil.

The conservative interpretation of backwardation is that one-year price needs to decline to six-year price. It seems that crude oil is chronically in backwardation. When backwardation is chronic, the actual six-year price turns out to be higher than the futures price. The bullish interpretation of backwardation is that six-year price may rise. We

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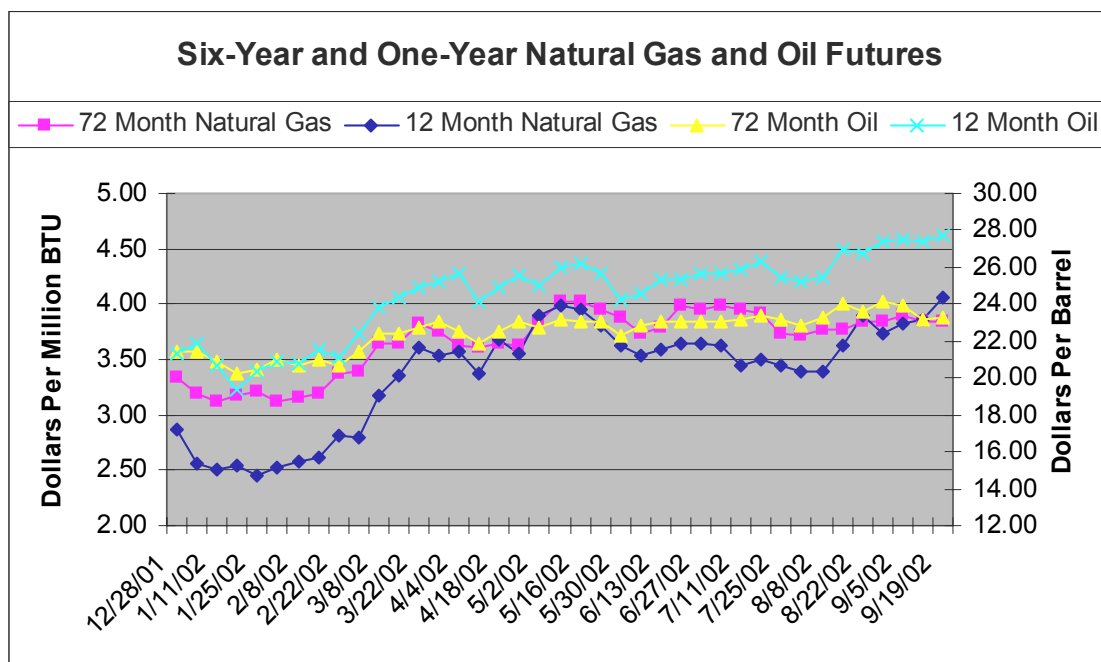
don't know if now is the time, but eventually six-year natural gas price ought to be at a premium rather than just matching oil on a heating equivalent basis.

On a very short-term basis, some of the strength in natural gas seems to be related to forecasts of a hurricane headed for the Gulf of Mexico. That concern bears close watching because there is very little spare producing capacity for natural gas and storage inventories only cover normal seasonal variations. Sometimes a short-term disruption can lead to a surprise change in long-term pricing psychology.

At the same time we acknowledge strong deflationary forces in the stock market. In recent months the manifestation of those forces has been primarily a steep erosion of growth prospects and only a slight erosion of inflation expectations. The outlook for natural gas depends somewhat on growth, but more on the quality of life benefit from displacement of dirtier fuel and on a productivity breakthrough in natural gas generated electric power.

Futures price is one of the most important indicators influencing stock price of natural gas producers. Thus, we are confident about the prospects for our natural gas recommendations --- **San Juan Basin Royalty Trust (SJT)**, **XTO Energy (XTO)**, **Encana (ECA)** and **Burlington Resources (BR)**.

Kurt H. Wulff, CFA



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Table L-1
Mega Cap and Large Cap Energy Companies
Rank by McDep Ratio: Market Cap and Debt to Present Value

	Symbol/ Rating	Price (\$/sh) 19-Sep 2002	Shares (mm)	Market Cap (\$mm)	Net Present Value (\$/sh)	Debt/ Present Value	McDep Ratio
Mega Cap							
Exxon Mobil Corporation	XOM	32.36	6,858	222,000	36.00	0.09	0.91
BP plc	BP	40.00	3,738	150,000	50.00	0.15	0.83
TotalFinaElf S.A.	TOT	64.50	1,346	86,800	90.00	0.14	0.76
Royal Dutch/Shell	RD B	40.55	3,498	142,000	60.00	0.15	0.72
ChevronTexaco Corporation	CVX B	69.93	1,062	74,300	110.00	0.16	0.70
<i>Total or Median</i>				<i>675,000</i>		<i>0.15</i>	<i>0.76</i>
Energy Infrastructure							
Southern Company	SO	27.72	701	19,400	23.90	0.47	1.08
El Paso Corporation	EP S	13.99	590	8,300	20.00	0.66	0.90
American Electric Power Co. Inc.	AEP N	29.25	322	9,400	42.20	0.63	0.89
Enel S.p.a. (32%)	EN	25.60	388	9,900	32.70	0.39	0.87
Duke Energy Corporation	DUK	21.42	792	17,000	30.40	0.48	0.85
Dominion Resources	D	50.50	269	13,600	76.20	0.45	0.82
Exelon Corporation	EXC N	44.91	323	14,500	70.80	0.45	0.80
<i>Total or Median</i>				<i>73,000</i>		<i>0.47</i>	<i>0.86</i>
Natural Gas and Oil							
Occidental Petroleum Corp.	OXY	28.00	372	10,400	30.00	0.48	0.97
Devon Energy	DVN	47.51	165	7,800	55.00	0.48	0.93
OAO Lukoil	LUKOY	61.50	299	18,400	70.00	0.08	0.89
Encana Corporation	ECA B	28.89	470	13,600	35.00	0.28	0.87
ENI S.p.A.	E	70.70	776	54,900	85.00	0.18	0.86
Anadarko Petroleum Corp.	APC	43.05	266	11,500	56.00	0.26	0.83
Unocal Corporation	UCL	31.11	245	7,600	45.00	0.33	0.79
ConocoPhillips	P B	49.84	680	33,900	80.00	0.32	0.74
Burlington Resources	BR B	36.84	202	7,400	57.00	0.28	0.74
Marathon Oil Corporation	MRO B	23.12	310	7,200	40.00	0.37	0.73
Petroleo Brasileiro S. A.	PBR B	13.79	1,086	15,000	30.00	0.27	0.61
<i>Total or Median</i>				<i>177,000</i>		<i>0.28</i>	<i>0.81</i>
Service							
Baker Hughes Inc.	BHI	27.56	339	9,300	25.00	0.09	1.09
Schlumberger Ltd.	SLB	39.36	581	22,900	44.00	0.22	0.92
Halliburton Company	HAL	13.20	432	5,700	20.00	0.21	0.73

Buy/Sell rating after symbol: B - Buy, N - Neutral, S - Sell

McDep Ratio = Market cap and Debt to present value of oil and gas and other businesses

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Table L-2
Mega Cap and Large Cap Energy Companies
Rank by EV/Ebitda: Enterprise Value to Earnings Before Interest, Tax, Deprec.

	Symbol/ Rating	Price (\$/sh) 19-Sep 2002	EV/ Sales NTM	EV/ Ebitda NTM	P/E NTM	Dividend or Distribution NTM (%)	PV/ Ebitda NTM	
Mega Cap								
Exxon Mobil Corporation	XOM	32.36	1.4	9.2	19	2.8	10.1	
BP plc	BP	40.00	1.0	7.6	16	3.6	9.1	
TotalFinaElf S.A.	TOT	64.50	1.1	6.8	14	4.0	9.0	
Royal Dutch/Shell	RD	B	40.55	1.0	6.6	13	4.2	9.1
ChevronTexaco Corporation	CVX	B	69.93	1.1	6.4	12	4.0	9.2
	<i>Median</i>		<i>1.1</i>	<i>6.8</i>	<i>14</i>	<i>4.0</i>	<i>9.1</i>	
Energy Infrastructure								
Southern Company	SO		27.72	3.4	9.8	16	4.8	9.0
American Electric Power Co. Inc.	AEP	N	29.25	0.5	8.0	8	8.2	9.0
Enel S.p.a. (32%)	EN		25.60	2.1	7.8	31	6.3	9.0
Duke Energy Corporation	DUK		21.42	0.7	7.6	8	5.1	9.0
Dominion Resources	D		50.50	3.1	7.3	10	5.1	9.0
Exelon Corporation	EXC	N	44.91	2.2	7.2	10	3.9	9.0
El Paso Corporation	EP	S	13.99	2.6	7.1	8	6.2	7.9
	<i>Median</i>		<i>2.2</i>	<i>7.6</i>	<i>10</i>	<i>5.1</i>	<i>9.0</i>	
Natural Gas and Oil								
Occidental Petroleum Corp.	OXY		28.00	1.5	7.8	13	3.6	8.1
ConocoPhillips	P	B	49.84	0.8	6.9	15	2.9	9.3
Devon Energy	DVN		47.51	3.1	6.8	48	0.4	7.4
Anadarko Petroleum Corp.	APC		43.05	2.7	6.7	14	0.7	8.1
ENI S.p.A.	E		70.70	1.5	6.3	14	4.8	7.3
Burlington Resources	BR	B	36.84	4.5	6.0	14	1.5	8.0
Encana Corporation	ECA	B	28.89	2.5	5.5	11	0.9	6.3
Unocal Corporation	UCL		31.11	2.2	4.9	11	2.6	6.2
Marathon Oil Corporation	MRO	B	23.12	0.4	4.6	8	4.0	6.3
OAO Lukoil	LUKOY		61.50	1.6	4.3	9	1.8	4.9
Petroleo Brasileiro S. A.	PBR	B	13.79	1.3	3.4	4	9.8	5.6
	<i>Median</i>		<i>1.6</i>	<i>6.0</i>	<i>13</i>	<i>2.6</i>	<i>7.3</i>	
Service								
Baker Hughes Inc.	BHI		27.56	1.9	11.7	33	1.7	10.8
Schlumberger Ltd.	SLB		39.36	2.2	8.2	29	1.9	8.9
Halliburton Company	HAL		13.20	0.6	7.2	18	3.8	9.8

EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended September 30, 2003; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses

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Table M-1
Mid Cap Energy Companies
Rank by McDep Ratio: Market Cap and Debt to Present Value

	Symbol/ Rating	Price (\$/sh) 19-Sep 2002	Shares (mm)	Market Cap (\$mm)	Net Present Value (\$/sh)	Debt/ Present Value	McDep Ratio
Energy Infrastructure							
Enterprise Products Part.	EPD	21.95	175	3,800	9.50	0.43	1.75
Kinder Morgan Energy Partners, L.P.	KMP S	32.23	136	4,400	14.00	0.49	1.66
Kinder Morgan Management, LLC	KMR S	30.77	30	900	14.00	0.49	1.61
Kinder Morgan, Inc.	KMI S	36.95	123	4,500	8.10	0.87	1.46
Constellation Energy Group	CEG	24.63	164	4,000	20.00	0.69	1.07
Calpine Corporation	CPN N	3.47	375	1,300	1.00	0.97	1.07
AES Corporation	AES	2.75	543	1,500	1.00	0.98	1.04
Williams Companies	WMB	2.30	521	1,200	1.00	0.97	1.04
Dynegy Inc.	DYN	1.37	418	600	1.00	0.94	1.02
CMS Energy Corporation	CMS	8.89	137	1,200	8.70	0.90	1.00
Mirant Corporation	MIR	2.51	413	1,000	4.00	0.86	0.95
Sempra Energy	SRE	20.12	207	4,200	24.30	0.64	0.94
Valero Energy Corporation	VLO	29.33	115	3,400	40.00	0.60	0.89
<i>Total or Median</i>				<i>32,000</i>		<i>0.86</i>	<i>1.04</i>
Natural Gas and Oil							
Murphy Oil Corporation	MUR	83.66	46	3,800	82.00	0.18	1.02
Suncor Energy	SU	16.46	454	7,500	17.00	0.25	0.98
Ocean Energy, Inc.	OEI	18.71	178	3,300	20.00	0.30	0.95
Petro-Canada	PCZ	29.33	262	7,700	31.00	0.11	0.95
Imperial Oil Limited (30%)	IMO	28.00	114	3,200	30.00	0.14	0.94
CNOOC Limited (19%)	CEO B	27.00	78	2,100	33.00	-	0.82
XTO Energy Inc.	XTO B	19.52	124	2,400	26.00	0.25	0.81
Norsk Hydro ASA (49%)	NHY	37.62	126	4,700	54.00	0.18	0.75
PetroChina Company Ltd (10%)	PTR B	20.23	176	3,600	30.00	0.17	0.73
<i>Total or Median</i>				<i>38,300</i>		<i>0.18</i>	<i>0.94</i>
Coal Producers (Small Cap)							
Penn Virginia Res. Part, L.P.	PVR	21.11	15	300	17.00	-	1.23
Consol Energy Inc.	CNX	12.86	79	1,000	5.00	0.88	1.19
Peabody Energy	BTU	24.19	55	1,300	18.00	0.75	1.09
Arch Coal	ACI	16.25	48	800	18.00	0.61	0.96
Alliance Res. Part, L.P.	ARLP	24.32	16	400	29.00	0.36	0.90
Fording Coal (US\$)	FDG	14.57	52	800	23.00	0.04	0.65
Massey Energy	MEE	6.95	75	500	18.00	0.37	0.61
				<i>5,100</i>		<i>0.37</i>	<i>0.96</i>

Buy/Sell rating after symbol: B - Buy, N - Neutral, S - Sell

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

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Table M-2
Mid 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/ Rating		19-Sep 2002	NTM	NTM	NTM	NTM (%)	NTM
Energy Infrastructure								
	EPD		21.95	1.9	19.2	48	5.7	11.0
	KMP	S	32.23	3.2	15.0	17	7.6	9.0
	KMR	S	30.77	3.1	14.5	16	7.9	9.0
	KMI	S	36.95	3.4	13.2	16	0.5	9.0
	CPN	N	3.47	1.9	10.9			10.2
	CEG		24.63	2.8	9.8	9	3.9	9.2
	AES		2.75	2.8	9.4			9.0
	WMB		2.30	1.9	9.3		-	9.0
	DYN		1.37	0.2	9.2		-	9.0
	CMS		8.89	1.3	9.0	5	8.1	9.0
	MIR		2.51	0.4	8.5	2	-	9.0
	SRE		20.12	2.4	8.4	7	5.0	9.0
	VLO		29.33	0.4	7.0	7	1.4	7.8
		<i>Median</i>		<i>1.9</i>	<i>9.4</i>	<i>9</i>	<i>3.9</i>	<i>9.0</i>
Natural Gas and Oil								
	SU		16.46	3.5	10.6	23	1.3	10.8
	IMO		28.00	1.3	9.7	22	1.9	10.3
	MUR		83.66	1.0	8.1	39	1.8	8.0
	OEI		18.71	4.4	7.5	32	0.9	7.8
	PCZ		29.33	1.8	7.0	18	0.9	7.4
	XTO	B	19.52	4.1	5.9	11	0.2	7.3
	CEO	B	27.00	4.0	5.3	11	2.3	6.4
	PTR	B	20.23	1.6	3.7	7	6.3	5.1
	NHY		37.62	0.7	3.6	10	2.8	4.8
		<i>Median</i>		<i>1.8</i>	<i>7.0</i>	<i>18</i>	<i>1.8</i>	<i>7.4</i>
Coal Producers (Small Cap)								
	PVR		21.11	9.8	13.6	15	9.5	11.0
	CNX		12.86	1.9	11.5	29	4.4	9.7
	BTU		24.19	1.5	9.7	20	1.7	9.0
	ACI		16.25	1.4	8.7	91	1.4	9.0
	FDG		14.57	1.3	5.8	13	2.6	9.0
	MEE		6.95	0.9	5.5	174	2.3	8.9
	ARLP		24.32	1.3	5.4	7	8.2	6.0
				<i>1.4</i>	<i>8.7</i>	<i>20</i>	<i>2.6</i>	<i>9.0</i>

EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended September 30, 2003; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses

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Rank by McDep Ratio: Market Cap and Debt to Present Value

	<i>Symbol/</i>		<i>Price</i>		<i>Market</i>	<i>Net</i>	<i>Debt/</i>		
	<i>Rating</i>		<i>(\$/sh)</i>	<i>Shares</i>	<i>Cap</i>	<i>Present</i>	<i>Present</i>	<i>McDep</i>	
			<i>19-Sep</i>	<i>(mm)</i>	<i>(\$mm)</i>	<i>Value</i>	<i>Value</i>	<i>Ratio</i>	
			<i>2002</i>			<i>(\$/sh)</i>			
Energy Infrastructure									
El Paso Energy Partners	EPN	S	33.22	42.8	1,420	10.20	0.64	1.82	
Enbridge Energy Partners,	EEP		43.65	31.0	1,350	16.60	0.58	1.68	
TEPPCO Partners, L.P.	TPP		29.17	46.5	1,360	12.90	0.61	1.50	
Plains All Amer. Pipeline	PAA		23.71	41.6	990	14.90	0.39	1.37	
Northern Border Partners	NBP		36.35	42.0	1,530	20.10	0.57	1.35	
AmeriGas Partners, L.P.	APU		22.83	49.0	1,120	23.50	0.47	0.99	
Penn Virginia Corporation	PVA		32.50	9.0	290	38.00	0.09	0.87	
	<i>Total or Median</i>					<i>8,100</i>		<i>0.57</i>	<i>1.37</i>
Natural Gas and Oil									
Provident Energy Trust	PVX		6.80	36.0	250	5.00	0.46	1.20	
Dorchester Hugoton, Ltd.	DHULZ		13.25	10.7	142	11.60	(0.17)	1.16	
Pogo Producing Company	PPP		32.59	60.5	1,970	32.00	0.27	1.01	
Newfield Exploration Company	NFX		31.65	48.6	1,540	33.00	0.25	0.97	
Quicksilver Resources Inc.	KWK		17.25	19.4	340	19.00	0.44	0.95	
Enerplus Resources Fund	ERF		17.66	69.6	1,230	20.00	0.19	0.91	
Southwestern Energy Company	SWN		12.65	25.6	320	17.00	0.44	0.86	
Encore Acquisition Corp. (25%)	EAC		16.45	7.5	123	20.00	0.18	0.85	
Spinnaker Exploration Company	SKE		29.29	28.5	840	35.00	0.03	0.84	
Unit Corporation	UNT		17.30	36.2	630	21.00	0.03	0.83	
Stone Energy Company	SGY		31.50	26.4	830	42.00	0.29	0.82	
Forest Oil Corporation	FST	N	25.50	46.8	1,190	35.00	0.30	0.81	
Magnum Hunter Resources, Inc.	MHR		4.98	71.5	360	11.00	0.46	0.70	
Swift Energy Company	SFY		11.23	24.8	280	22.00	0.32	0.67	
Canadian Oil Sands Trust (US\$)	COS_u.TO	B	23.58	56.9	1,340	40.00	0.12	0.64	
	<i>Total or Median</i>					<i>11,400</i>		<i>0.27</i>	<i>0.85</i>
Natural Gas Royalty Trusts									
Cross Timbers Royalty Trust	CRT		17.55	6.0	105	20.00	-	0.88	
San Juan Basin Royalty Trust	SJT	B	11.44	46.6	530	16.10	-	0.71	
Hugoton RoyaltyTrust (46%)	HGT		11.47	18.4	210	16.30	-	0.70	
Micro Cap									
Abraxas Petroleum Corporation	ABP		0.78	27.0	21	2.00	0.84	0.90	
Energy Partners Ltd.(30%)	EPL	B	8.05	8.2	66	10.00	0.38	0.88	
Purcell Energy, Ltd. (US\$)	PEL.TO	N	1.40	27.3	38	3.00	0.22	0.58	

Buy/Sell rating after symbol: B - Buy, N - Neutral, S - Sell

McDep Ratio = Market cap and Debt to present value of oil and gas and other businesses

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Meter Reader

A Weekly Analysis of Energy Stocks Using the McDep Ratio

September 23, 2002

Table S-2
Small Cap Energy Companies
Rank by EV/Ebitda: Enterprise Value to Earnings Before Interest, Tax, Deprec.

	Symbol/ Rating	Price (\$/sh) 19-Sep 2002	EV/ Sales NTM	EV/ Ebitda NTM	P/E NTM	Dividend or Distribution NTM (%)	PV/ Ebitda NTM	
Energy Infrastructure								
El Paso Energy Partners	EPN	S	33.22	9.2	16.4	25	8.1	9.0
Enbridge Energy Partners,	EEP		43.65	6.8	15.1	84	8.0	9.0
TEPPCO Partners, L.P.	TPP		29.17	1.1	13.5	19	7.9	9.0
Plains All Amer. Pipeline	PAA		23.71	0.2	12.3	17	8.6	9.0
Northern Border Partners	NBP		36.35	7.6	12.2	16	8.8	9.0
AmeriGas Partners, L.P.	APU		22.83	1.5	8.9	13	9.6	9.0
Penn Virginia Corporation	PVA		32.50	3.1	5.0	21	2.8	5.8
	<i>Median</i>			<i>3.1</i>	<i>12.3</i>	<i>19</i>	<i>8.1</i>	<i>9.0</i>
Natural Gas and Oil								
Dorchester Hugoton, Ltd.	DHULZ		13.25	6.3	9.4	13	9.1	8.1
Quicksilver Resources Inc.	KWK		17.25	4.2	7.9	19	-	8.3
Pogo Producing Company	PPP		32.59	4.3	7.4	46	0.4	7.3
Provident Energy Trust	PVX		6.80	3.6	7.3	88	16.3	6.1
Enerplus Resources Fund	ERF		17.66	4.7	6.7	16	12.4	7.4
Canadian Oil Sands Trust (US\$)	COS_u.TO	B	23.58	3.5	6.6	7	5.4	10.3
Forest Oil Corporation	FST	N	25.50	3.7	6.3	21	-	7.8
Encore Acquisition Corp. (25%)	EAC		16.45	4.2	6.3	14	-	7.4
Magnum Hunter Resources, Inc.	MHR		4.98	2.8	5.8	14	-	8.3
Unit Corporation	UNT		17.30	3.0	5.5	12	-	6.6
Swift Energy Company	SFY		11.23	3.6	5.4	23	-	8.1
Southwestern Energy Company	SWN		12.65	2.3	5.4	12	-	6.3
Newfield Exploration Company	NFX		31.65	3.2	4.5	18	-	4.7
Stone Energy Company	SGY		31.50	3.1	4.1	9	-	5.0
Spinnaker Exploration Company	SKE		29.29	3.5	4.1	13	-	4.8
	<i>Median</i>			<i>3.6</i>	<i>6.3</i>	<i>14</i>	<i>-</i>	<i>7.4</i>
Natural Gas Royalty Trusts								
Cross Timbers Royalty Trust	CRT		17.55	6.0	8.4	9	11.1	9.6
San Juan Basin Royalty Trust	SJT	B	11.44	5.1	6.5	9	11.4	9.2
Hugoton RoyaltyTrust (46%)	HGT		11.47	4.4	6.4	9	11.7	9.0
Micro Cap								
Abraxas Petroleum Corporation	ABP		0.78	4.3	6.3		-	6.9
Energy Partners Ltd.(30%)	EPL	B	8.05	2.6	5.5		-	6.3
Purcell Energy, Ltd. (US\$)	PEL.TO	N	1.40	3.3	5.0	11	-	8.5

EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended September 30, 2003; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses

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