

Meter Reader

A Weekly Analysis of Energy Stocks Using the McDep Ratio

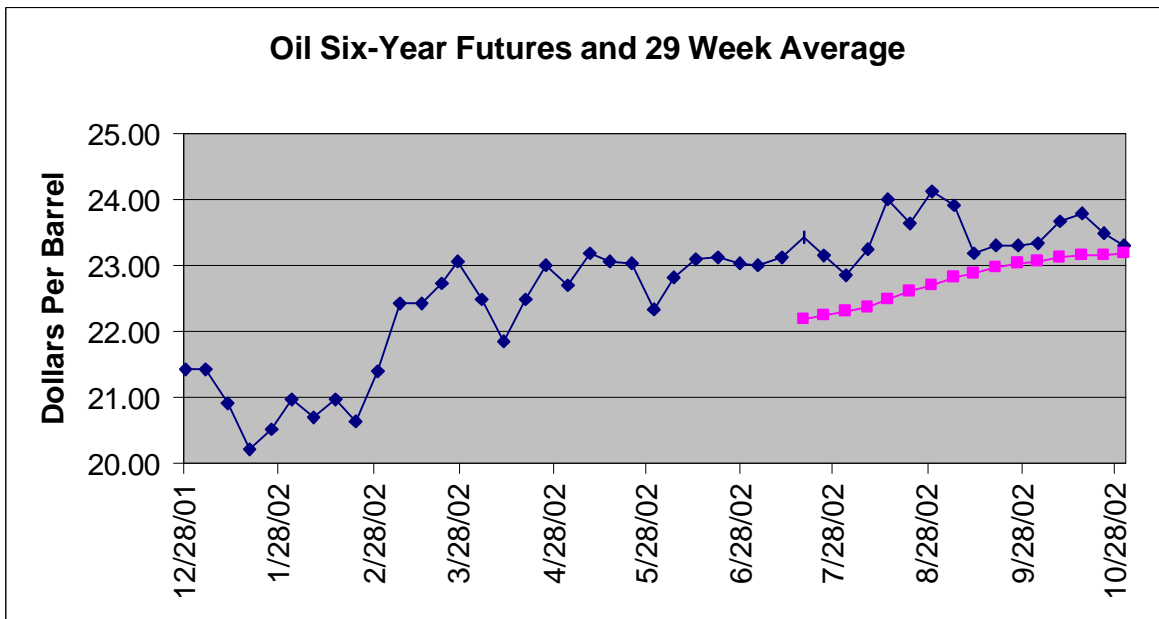
November 4, 2002

Major Oils High Dividend Coverage

Recommendation

Expecting that the lowest stock price for energy buy recommendations is behind us for awhile, we believe investors should now be fully positioned in the McDep Energy Portfolio. This week we emphasize our integrated oil recommendations, **Royal Dutch (RD)**, **ChevronTexaco (CVX)**, **ConocoPhillips (COP)** and **Marathon Oil (MRO)**. The long-term oil price trend appears attractive with the current quote under a modest \$23 a barrel and above the 29-week average. One-year refining margin futures imply better profits than recently experienced. Integrated oil recommendations look particularly solid in a new ranking of equity cash flow coverage of dividends. RD, CVX, COP, and MRO yield a median 4% per year and generate cash free of debt repayment of 4.0 times or more. Sell recommended high greed partnerships distribute more than 8%, but are skimpily clad with equity cash flow less than half the amount distributed in one case. The stark comparison suggests that energy investors can enhance the return of long positions in integrated oil or other buy recommendations with short positions in high greed partnerships. Recommended issues are flagged among 85 stocks ranked by McDep Ratio and cash flow multiple (see Tables L-1, L-2, M-1, M-2, S-1, S-2).

Modest Market Expectations for Six-Year Oil



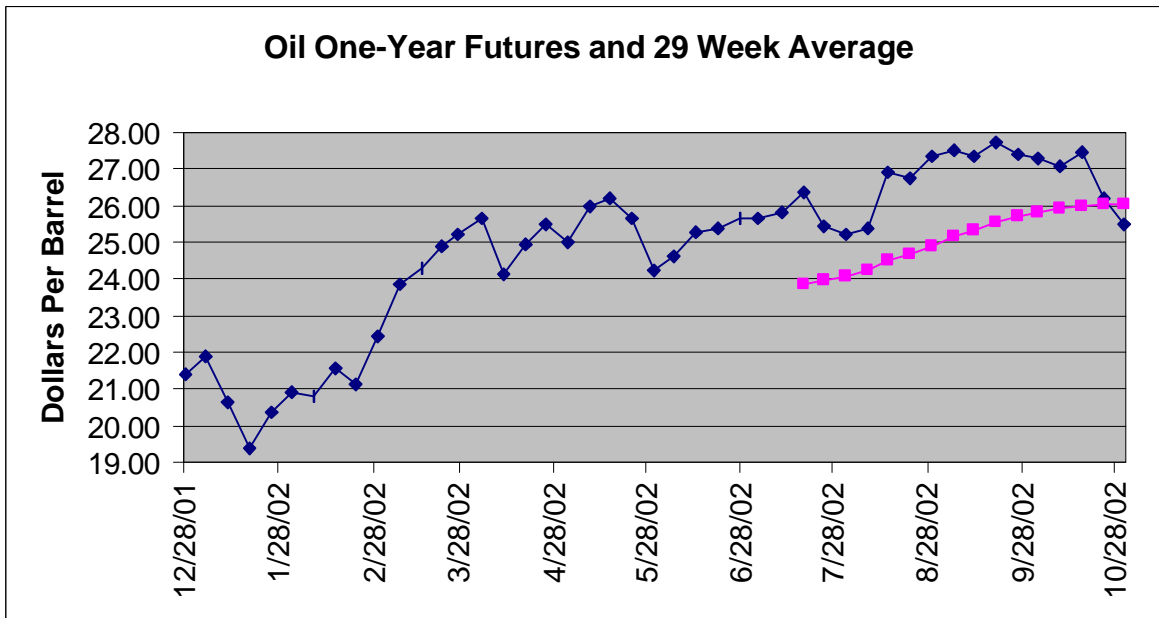
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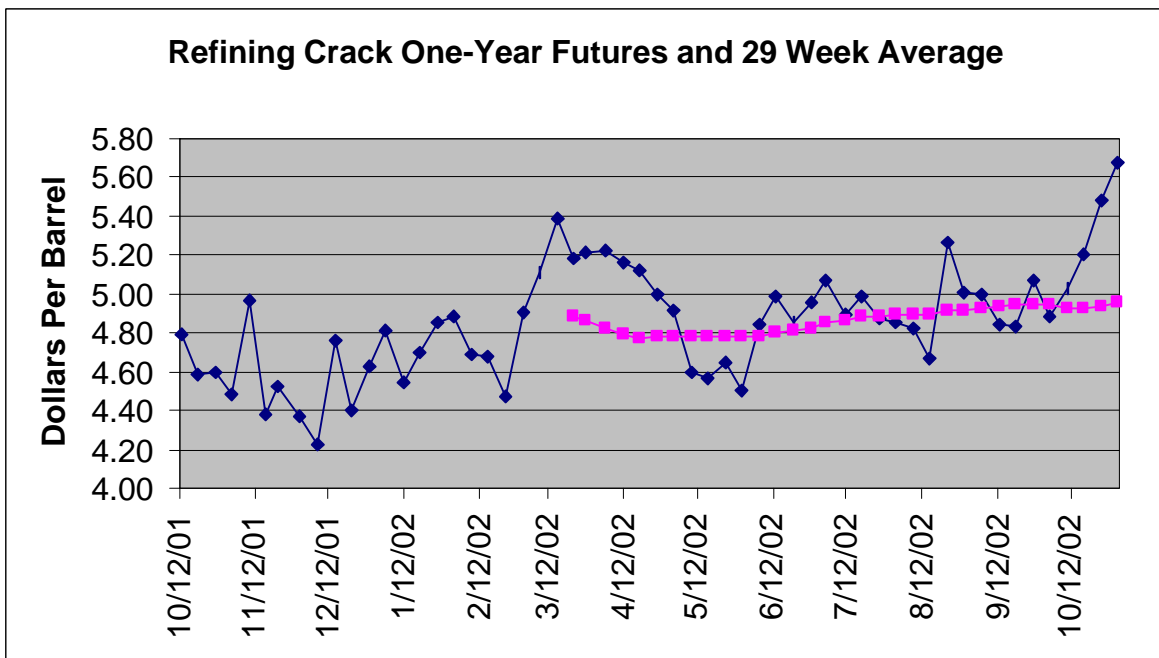
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One-Year Oil Breaks 29 Week Average



Refinery Margin Futures Strengthen



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Recent strength in the one-year refining crack coincides with recent weakness in one-year crude oil demonstrating again the natural hedge of integrated companies. Our long-term bias is that managers overrate the benefit of that hedge and that investors underrate the value of the companies. In the end it seems that the volatile refining/marketing business disproportionately influences stock prices for the integrated companies. Whatever the reason, integrated oil stocks have underperformed independent producers at the same time the stock market has been weak. As we enter a cyclically better period for the stock market, integrated oil stocks may make up some of the recent lost ground.

Integrated Oil Stocks Have Strong Dividend Coverage

Dividends are part of our rationale as to why we recommend investment in integrated oil stocks at a time when investors don't know whether the Dow Jones Average is first going back up to 10,000 or down to 5,000. The safest investment we know, U.S. Treasury Inflation Indexed Securities, currently pays 2.4% a year for a ten-year issue before adjustment for inflation measured by the Consumer Price Index. Among stocks in our coverage, 47 beat 2.4% initially. RD and MRO are among 33 stocks that meet or beat 4.0% after inflation adjustment.

The next question becomes whether the dividend can increase at least with inflation or whether the underlying return is already higher. One part of the answer might depend on how much cash flow a company generates in excess of the dividend. If business prospects are similar, then the company that has the most cash flow relative to the dividend has the best potential to increase the dividend.

Here is how we derive our comparison. We start with the cash flow measure we label Ebitda. Some of the cash flow has to be used to cover debt service. We take the conservative view that if the company were liquidated all the debt would be due. That is the amount reflected in our ratio of Debt/Present Value. Thus, we set aside the amount of Ebitda that would be generated by the assets needed to service debt. The remainder we call Equity Ebitda. Finally we compare Equity Ebitda to next twelve months dividends or distributions to get a ratio that we call coverage. We rank those stocks paying more than 2.4% per year by coverage (see Table on next page).

The immediate point of the table is that buy recommendations are among the strongest and sell recommendations are among the weakest. Theoretically integrated oil companies could pay out four times as much in dividends. Thus the 4% yields are potentially equivalent to 16% yields. High greed partnerships, most of the stocks at the bottom of the list, would pay out maybe half as much. Thus the 8% yields on the high greed vehicles may only be equivalent to 4%. Of course, there are many qualifying considerations. Yet our buy/sell ratings are firm.

Kurt H. Wulff, CFA

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Payout Coverage McDep Energy Stocks Distributing More Than 2% Per Year

Stock	Symbol	Rating	Equity Ebitda/ Distribution	Next 12 Months
				Distribution/ Stock Price
Massey Energy	MEE		12.6	2.8%
Norsk Hydro ASA (49%)	NHY		10.9	2.8%
Unocal Corporation	UCL		9.1	2.8%
CNOOC Limited (19%)	CEO	B	8.2	2.6%
Penn Virginia Corporation	PVA		7.3	2.8%
Marathon Oil Corporation	MRO	B	6.9	4.4%
ConocoPhillips	COP	B	5.9	3.4%
Occidental Petroleum Corp.	OXY		5.3	3.4%
PetroChina Company Ltd (10%)	PTR	B	4.7	6.7%
Exelon Corporation	EXC	N	4.5	3.7%
Petroleo Brasileiro S. A.	PBR	N	4.4	10.7%
ChevronTexaco Corporation	CVX	B	4.2	3.8%
Halliburton Company	HAL		4.1	3.3%
Royal Dutch/Shell	RD	B	4.0	4.0%
TotalFinaElf S.A.	TOT		3.9	3.8%
Exxon Mobil Corporation	XOM		3.9	2.7%
BP plc	BP		3.8	3.6%
Canadian Oil Sands Trust (US\$)	COS_u.TO	B	3.6	5.3%
ENI S.p.A.	E		3.5	5.0%
Dominion Resources	D		3.3	5.7%
Duke Energy Corporation	DUK		3.1	5.8%
El Paso Corporation	EP	N	2.9	11.4%
Sempra Energy	SRE		2.7	4.9%
Alliance Res. Part, L.P.	ARLP		2.4	8.6%
Constellation Energy Group	CEG		2.3	3.9%
Enel S.p.a. (32%)	EN		2.2	6.5%
Southern Company	SO		2.0	4.5%
Hugoton RoyaltyTrust (46%)	HGT		1.4	11.5%
CMS Energy Corporation	CMS		1.3	9.7%
San Juan Basin Royalty Trust	SJT	B	1.3	11.7%
American Electric Power Co. Inc.	AEP	N	1.3	11.0%
Enerplus Resources Fund	ERF		1.2	12.2%
AmeriGas Partners, L.P.	APU		1.2	9.3%
Dorchester Hugoton, Ltd.	DHULZ		1.2	9.3%
Pengrowth Energy Trust (US\$)	PGH		1.1	16.4%
Cross Timbers Royalty Trust	CRT		1.1	10.8%
Consol Energy Inc.	CNX		0.9	4.4%
TEPPCO Partners, L.P.	TPP		0.8	8.1%
Plains All Amer. Pipeline	PAA		0.8	8.5%
Penn Virginia Res. Part, L.P.	PVR		0.8	9.9%
Provident Energy Trust	PVX		0.7	23.5%
Northern Border Partners	NBP		0.7	8.9%
Enterprise Products Part.	EPD		0.7	6.7%
Kinder Morgan Management, LLC	KMR	S	0.7	8.3%
Kinder Morgan Energy Partners, L	KMP	S	0.7	7.5%
Enbridge Energy Partners,	EEP		0.5	8.8%
El Paso Energy Partners	EPN	S	0.4	8.8%

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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) 31-Oct 2002	Shares (mm)	Market Cap (\$mm)	Net Present Value (\$/sh)	Debt/ Present Value	McDep Ratio
Mega Cap							
Exxon Mobil Corporation	XOM	33.66	6,858	231,000	36.00	0.09	0.94
BP plc	BP	38.45	3,738	144,000	50.00	0.15	0.80
TotalFinaElf S.A.	TOT	68.02	1,346	91,600	90.00	0.14	0.79
Royal Dutch/Shell	RD B	42.78	3,498	150,000	60.00	0.15	0.76
ChevronTexaco Corporation	CVX B	67.63	1,062	71,800	110.00	0.16	0.68
<i>Total or Median</i>				688,000		0.15	0.79
Energy Infrastructure							
Southern Company	SO	29.70	701	20,800	23.90	0.47	1.13
American Electric Power Co. Inc.	AEP N	25.64	326	8,400	27.40	0.74	0.98
Enel S.p.a. (32%)	EN	24.35	388	9,500	32.70	0.39	0.85
Exelon Corporation	EXC N	50.40	323	16,300	70.80	0.45	0.84
Duke Energy Corporation	DUK	20.49	792	16,200	30.40	0.48	0.83
Dominion Resources	D	48.00	269	12,900	76.20	0.45	0.80
El Paso Corporation	EP N	7.75	590	4,600	20.00	0.66	0.79
<i>Total or Median</i>				68,000		0.47	0.84
Natural Gas and Oil							
Devon Energy	DVN	50.50	165	8,300	55.00	0.48	0.96
Occidental Petroleum Corp.	OXY	28.53	376	10,700	32.00	0.38	0.93
OAo Lukoil	LUKOY	64.30	299	19,200	70.00	0.08	0.93
Encana Corporation	ECA B	29.10	470	13,700	35.00	0.28	0.88
Anadarko Petroleum Corp.	APC	44.54	266	11,800	56.00	0.26	0.85
ENI S.p.A.	E	68.82	776	53,400	85.00	0.18	0.84
Burlington Resources	BR B	41.20	202	8,300	57.00	0.28	0.80
Unocal Corporation	UCL	27.64	245	6,800	45.00	0.33	0.74
ConocoPhillips	COP B	48.50	680	33,000	80.00	0.32	0.73
Marathon Oil Corporation	MRO B	20.90	310	6,500	40.00	0.37	0.70
Petroleo Brasileiro S. A.	PBR N	13.23	1,086	14,400	30.00	0.27	0.59
<i>Total or Median</i>				178,000		0.28	0.82
Service							
Baker Hughes Inc.	BHI	29.05	339	9,800	25.00	0.09	1.14
Schlumberger Ltd.	SLB	40.11	581	23,300	44.00	0.22	0.93
Halliburton Company	HAL	16.18	432	7,000	20.00	0.21	0.85

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) 31-Oct 2002	EV/ Sales NTM	EV/ Ebitda NTM	P/E NTM	Dividend or Distribution NTM (%)	PV/ Ebitda NTM	
Mega Cap								
Exxon Mobil Corporation	XOM	33.66	1.4	9.5	20	2.7	10.1	
BP plc	BP	38.45	1.0	7.3	15	3.7	9.1	
TotalFinaElf S.A.	TOT	68.02	1.2	7.2	14	3.8	9.0	
Royal Dutch/Shell	RD	B	42.78	1.0	6.7	14	4.0	8.9
ChevronTexaco Corporation	CVX	B	67.63	1.1	6.3	12	4.1	9.2
	<i>Median</i>		<i>1.1</i>	<i>7.2</i>	<i>14</i>	<i>3.8</i>	<i>9.1</i>	
Energy Infrastructure								
Southern Company	SO	29.70	3.5	10.2	17	4.5	9.0	
American Electric Power Co. Inc.	AEP	N	25.64	0.5	8.9	9	9.4	9.0
Enel S.p.a. (32%)	EN	24.35	2.1	7.6	29	6.7	9.0	
Exelon Corporation	EXC	N	50.40	2.3	7.6	11	3.5	9.0
Duke Energy Corporation	DUK	20.49	0.7	7.5	8	5.4	9.0	
Dominion Resources	D	48.00	3.0	7.2	10	5.4	9.0	
El Paso Corporation	EP	N	7.75	2.2	6.1	4	11.2	7.7
	<i>Median</i>		<i>2.2</i>	<i>7.6</i>	<i>10</i>	<i>5.4</i>	<i>9.0</i>	
Natural Gas and Oil								
Devon Energy	DVN	50.50	3.2	7.1	51	0.4	7.4	
ConocoPhillips	COP	B	48.50	0.8	6.7	14	3.3	9.1
ENI S.p.A.	E	68.82	1.5	6.2	13	4.9	7.3	
Occidental Petroleum Corp.	OXY	28.53	1.4	5.6	10	3.5	6.0	
Anadarko Petroleum Corp.	APC	44.54	2.4	5.6	10	0.9	6.7	
Burlington Resources	BR	B	41.20	4.3	5.5	11	1.3	6.9
Encana Corporation	ECA	B	29.10	2.5	5.3	11	0.9	6.1
Marathon Oil Corporation	MRO	B	20.90	0.4	4.9	8	4.4	7.0
Unocal Corporation	UCL	27.64	2.1	4.6	10	2.9	6.2	
OAOLukoil	LUKOY	64.30	1.6	4.5	9	1.7	4.9	
Petroleo Brasileiro S. A.	PBR	N	13.23	1.2	3.0	3	10.2	5.0
	<i>Median</i>		<i>1.6</i>	<i>5.5</i>	<i>10</i>	<i>2.9</i>	<i>6.7</i>	
Service								
Baker Hughes Inc.	BHI	29.05	2.0	12.3	35	1.6	10.8	
Halliburton Company	HAL	16.18	0.7	8.3	22	3.1	9.8	
Schlumberger Ltd.	SLB	40.11	2.2	8.3	29	1.9	8.9	

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

			Price (\$/sh)	Shares	Market	Net	Debt/	McDep
	Symbol/ Rating		31-Oct 2002	(mm)	Cap (\$mm)	Present Value (\$/sh)	Present Value	Ratio
Energy Infrastructure								
Kinder Morgan Energy Partners, L.P.	KMP	S	32.65	135	4,400	14.00	0.47	1.70
Kinder Morgan Management, LLC	KMR	S	29.67	40	1,200	14.00	0.47	1.59
Enterprise Products Part.	EPD		18.62	175	3,300	9.50	0.43	1.55
Kinder Morgan, Inc.	KMI	S	36.61	123	4,500	8.10	0.87	1.44
Constellation Energy Group	CEG		25.58	164	4,200	20.00	0.69	1.09
Calpine Corporation	CPN	N	2.00	375	800	1.00	0.97	1.03
Williams Companies	WMB		1.88	521	1,000	1.00	0.97	1.02
AES Corporation	AES		1.77	543	1,000	1.00	0.98	1.02
CMS Energy Corporation	CMS		7.83	137	1,100	8.70	0.90	0.99
Dynegy Inc.	DYN		0.68	418	300	1.00	0.94	0.98
Sempra Energy	SRE		22.14	207	4,600	24.30	0.64	0.97
Valero Energy Corporation	VLO		35.21	115	4,100	40.00	0.60	0.95
Mirant Corporation	MIR		2.14	413	900	4.00	0.86	0.93
		<i>Total or Median</i>			<i>31,400</i>		<i>0.86</i>	<i>1.02</i>
Natural Gas and Oil								
Murphy Oil Corporation	MUR		83.83	46	3,800	82.00	0.18	1.02
Ocean Energy, Inc.	OEI		18.63	178	3,300	20.00	0.30	0.95
XTO Energy Inc.	XTO	B	24.05	124	3,000	26.00	0.25	0.94
Petro-Canada	PCZ		28.17	262	7,400	31.00	0.11	0.92
Imperial Oil Limited (30%)	IMO		27.05	114	3,100	30.00	0.14	0.92
Suncor Energy	SU		14.70	454	6,700	17.00	0.25	0.90
Norsk Hydro ASA (49%)	NHY		38.02	126	4,800	54.00	0.18	0.76
CNOOC Limited (19%)	CEO	B	24.98	78	1,950	33.00	-	0.76
PetroChina Company Ltd (10%)	PTR	B	18.78	176	3,300	30.00	0.17	0.69
		<i>Total or Median</i>			<i>37,400</i>		<i>0.18</i>	<i>0.92</i>
Coal Producers (Small Cap)								
Consol Energy Inc.	CNX		12.90	79	1,000	5.00	0.88	1.19
Penn Virginia Res. Part, L.P.	PVR		19.54	15	300	17.00	-	1.15
Peabody Energy	BTU		25.75	55	1,400	18.00	0.75	1.11
Arch Coal	ACI		17.36	48	800	18.00	0.61	0.99
Fording Coal (US\$)	FDG		20.77	52	1,100	23.00	0.04	0.91
Alliance Res. Part, L.P.	ARLP		23.80	16	400	29.00	0.36	0.88
Massey Energy	MEE		7.65	75	600	18.00	0.37	0.64
					<i>5,600</i>		<i>0.37</i>	<i>0.99</i>

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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		31-Oct 2002	NTM	NTM	NTM	NTM (%)	NTM
Energy Infrastructure								
	EPD		18.62	1.7	17.0	40	6.7	11.0
	KMP	S	32.65	3.2	14.3	16	7.5	8.4
	KMR	S	29.67	3.0	13.4	15	8.2	8.4
	KMI	S	36.61	3.4	12.7	14	0.5	8.8
	CPN	N	2.00	1.8	10.5			10.2
	CEG		25.58	2.8	10.0	10	3.8	9.2
	WMB		1.88	1.9	9.2		-	9.0
	AES		1.77	2.7	9.2			9.0
	CMS		7.83	1.3	8.9	4	9.2	9.0
	DYN		0.68	0.2	8.8		-	9.0
	SRE		22.14	2.5	8.7	8	4.5	9.0
	MIR		2.14	0.4	8.4	1	-	9.0
	VLO		35.21	0.4	7.4	9	1.1	7.8
		<i>Median</i>		<i>1.9</i>	<i>9.2</i>	<i>10</i>	<i>3.8</i>	<i>9.0</i>
Natural Gas and Oil								
	SU		14.70	3.2	9.7	21	1.5	10.8
	IMO		27.05	1.3	9.4	21	2.0	10.3
	MUR		83.83	1.0	8.1	40	1.8	8.0
	OEI		18.63	4.4	7.4	32	0.9	7.8
	PCZ		28.17	1.7	6.8	17	0.9	7.4
	XTO	B	24.05	4.5	6.3	12	0.2	6.6
	CEO	B	24.98	3.4	4.3	9	2.5	5.7
	NHY		38.02	0.7	3.6	10	2.7	4.8
	PTR	B	18.78	1.5	3.5	7	6.8	5.1
		<i>Median</i>		<i>1.7</i>	<i>6.8</i>	<i>17</i>	<i>1.8</i>	<i>7.4</i>
Coal Producers (Small Cap)								
	PVR		19.54	9.2	12.7	14	10.2	11.0
	CNX		12.90	1.9	11.5	29	4.3	9.7
	BTU		25.75	1.6	9.9	22	1.6	9.0
	ACI		17.36	1.5	8.9	97	1.3	9.0
	FDG		20.77	1.9	8.1	19	1.8	9.0
	MEE		7.65	1.0	5.7	191	2.1	8.9
	ARLP		23.80	1.3	5.3	7	8.4	6.0
				<i>1.6</i>	<i>8.9</i>	<i>22</i>	<i>2.1</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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Small Cap Energy Companies
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>31-Oct</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	29.90	44.1	1,320	10.20	0.60	1.78
Enbridge Energy Partners,	EEP		40.70	31.0	1,260	16.60	0.58	1.61
Plains All Amer. Pipeline	PAA		23.30	41.6	970	14.90	0.39	1.35
Northern Border Partners	NBP		35.25	42.0	1,480	20.10	0.57	1.33
TEPPCO Partners, L.P.	TPP		29.48	50.0	1,470	17.70	0.56	1.29
AmeriGas Partners, L.P.	APU		24.00	49.0	1,180	23.50	0.47	1.01
Western Gas Resources	WGR		33.11	33.8	1,120	37.60	0.28	0.91
		<i>Total or Median</i>			<i>8,800</i>		<i>0.56</i>	<i>1.33</i>
Natural Gas and Oil								
Dorchester Hugoton, Ltd.	DHULZ		13.15	10.7	141	11.60	(0.17)	1.15
Provident Energy Trust	PVX		6.84	36.0	250	6.00	0.33	1.09
Quicksilver Resources Inc.	KWK		22.00	19.4	430	19.00	0.44	1.09
Pogo Producing Company	PPP		36.05	64.5	2,330	35.00	0.23	1.02
Newfield Exploration Company	NFX		34.99	48.9	1,710	35.00	0.24	1.00
Enerplus Resources Fund	ERF		18.10	69.6	1,260	20.00	0.19	0.92
Unit Corporation	UNT		19.30	36.2	700	21.00	0.03	0.92
Penn Virginia Corporation	PVA		32.10	9.0	290	38.00	0.09	0.86
Pengrowth Energy Trust	PGH		8.90	84.6	750	11.00	0.16	0.84
Stone Energy Company	SGY		32.16	26.4	850	42.00	0.29	0.83
Encore Acquisition Corp. (25%)	EAC		16.31	7.0	114	21.00	0.20	0.82
Southwestern Energy Company	SWN		11.24	25.6	290	17.00	0.44	0.81
Forest Oil Corporation	FST	N	24.95	46.8	1,170	35.00	0.30	0.80
Magnum Hunter Resources, Inc.	MHR		5.20	71.5	370	11.00	0.46	0.71
Canadian Oil Sands Trust (US\$)	COS_u.TO	B	23.43	57.3	1,340	40.00	0.12	0.64
Spinnaker Exploration Company	SKE		19.25	34.2	660	33.00	-	0.58
Swift Energy Company	SFY		7.20	24.8	180	22.00	0.32	0.54
		<i>Total or Median</i>			<i>12,800</i>		<i>0.23</i>	<i>0.84</i>
Natural Gas Royalty Trusts								
Cross Timbers Royalty Trust	CRT		17.60	6.0	106	19.70	-	0.90
San Juan Basin Royalty Trust	SJT	B	12.66	46.6	590	16.10	-	0.79
Hugoton RoyaltyTrust (46%)	HGT		11.22	18.4	210	15.60	-	0.72
Micro Cap								
Abraxas Petroleum Corporation	ABP		0.69	27.0	19	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	1.60	27.3	44	3.00	0.22	0.64

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

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 analysis by Kurt Wulff doing business as McDep Associates is posted at www.mcdep.com. Mr. Wulff is not paid by covered companies. He and his spouse do not sell short nor act contrary to a buy or sell rating except for tax loss purposes. 9

Meter Reader

A Weekly Analysis of Energy Stocks Using the McDep Ratio

November 4, 2002

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

	Symbol/ Rating	Price (\$/sh) 31-Oct 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	29.90	8.7	16.5	36	9.0
Enbridge Energy Partners,	EEP		40.70	6.5	14.5	78	8.6
Plains All Amer. Pipeline	PAA		23.30	0.2	12.1	17	8.8
Northern Border Partners	NBP		35.25	7.5	11.9	15	9.1
TEPPCO Partners, L.P.	TPP		29.48	1.0	11.6	15	8.1
AmeriGas Partners, L.P.	APU		24.00	1.6	9.1	13	9.2
Western Gas Resources	WGR		33.11	0.6	8.2	18	0.6
	<i>Median</i>			<i>1.6</i>	<i>11.9</i>	<i>17</i>	<i>8.8</i>
Natural Gas and Oil							
Dorchester Hugoton, Ltd.	DHULZ		13.15	6.3	9.4	13	9.2
Quicksilver Resources Inc.	KWK		22.00	4.9	9.0	24	-
Enerplus Resources Fund	ERF		18.10	4.8	6.8	16	12.1
Forest Oil Corporation	FST	N	24.95	3.7	6.3	20	-
Unit Corporation	UNT		19.30	3.3	6.1	13	-
Magnum Hunter Resources, Inc.	MHR		5.20	2.9	5.9	15	-
Provident Energy Trust	PVX		6.84	3.3	5.7	40	23.4
Pogo Producing Company	PPP		36.05	3.5	5.6	18	0.3
Pengrowth Energy Trust	PGH		8.90	3.5	5.6	16	16.9
Encore Acquisition Corp. (25%)	EAC		16.31	3.7	5.3	11	-
Southwestern Energy Company	SWN		11.24	2.1	5.1	11	-
Canadian Oil Sands Trust (US\$)	COS_u.TO	B	23.43	3.2	5.0	5	5.4
Penn Virginia Corporation	PVA		32.10	3.1	5.0	21	2.8
Swift Energy Company	SFY		7.20	3.0	4.4	15	-
Newfield Exploration Company	NFX		34.99	3.1	4.4	14	-
Stone Energy Company	SGY		32.16	3.2	4.2	10	-
Spinnaker Exploration Company	SKE		19.25	2.8	3.2	12	-
	<i>Median</i>			<i>3.3</i>	<i>5.6</i>	<i>15</i>	<i>-</i>
Natural Gas Royalty Trusts							
Cross Timbers Royalty Trust	CRT		17.60	6.2	8.7	9	10.7
San Juan Basin Royalty Trust	SJT	B	12.66	5.3	6.7	9	11.3
Hugoton RoyaltyTrust (46%)	HGT		11.22	4.5	6.5	9	11.2
Micro Cap							
Abraxas Petroleum Corporation	ABP		0.69	4.3	6.2		-
Purcell Energy, Ltd. (US\$)	PEL.TO	N	1.60	3.6	5.4	13	-
Energy Partners Ltd.(30%)	EPL	B	8.05	2.3	4.2		-

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

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 analysis by Kurt Wulff doing business as McDep Associates is posted at www.mcdep.com. Mr. Wulff is not paid by covered companies. He and his spouse do not sell short nor act contrary to a buy or sell rating except for tax loss purposes.