

Meter Reader

A Weekly Analysis of Energy Stocks Using the McDep Ratio

October 16, 2003

In Futures We Trust

Summary and Recommendation

In six-year and one-year futures we see an investment case for natural gas and oil royalty trusts. The four measures chart a normal relationship for the times. One-year is slightly above six-year, gas is slightly above oil and all are rising. Royalty trusts are the purest stock market equivalent of long-term futures and they deliver high, tax-advantaged income. We expand our coverage in our separate weekly analysis, *Natural Gas Royalty Trusts*. Here below we discuss recommended **Canadian Oil Sands Trust (COSWF)** where operating news has been slightly negative while commodity price strength continues.

Canadian Oil Sands Trust Encounters Unplanned Maintenance

Current production of Syncrude Sweet Blend, the upgraded crude oil that accounts for all of the revenue of Canadian Oil Sands Trust is running below projected levels. A processing unit, Coker 8-1, has been shut down unexpectedly for 30 days of maintenance work. We don't plan any changes yet to projected volume for the next twelve months. Nor do we expect to change our estimated present value of US\$ 45 a share as a result of the temporary production change announced October 9. The conclusion remains that Canadian Oil Sands units offer some of the strongest appreciation potential among our recommendations.

Similarly, actual production volume for the quarter just ended averaged about 243 thousand barrels daily (mbd) instead of 260 mbd, a level that was sustained in July. When the third quarter is reported on October 23, the results will still be much improved over the second quarter, but not as strong as we projected in late July (see *Independent Stock Idea*, Canadian Oil Sands Trust, July 29, 2003).

Volume shortfalls from time to time are to be expected. Oil production is not an easy business. That is one of the factors likely to contribute to higher-than-expected price.

Oil sands development has a history of operating difficulties, cost overruns and unexpected downtime. Fortunately, the trend is toward improving reliability. Owners of the trust can take comfort that the Syncrude oil sands project commands the attention of smart engineers at ExxonMobil, ConocoPhillips, Petro-Canada and other owner-partners.

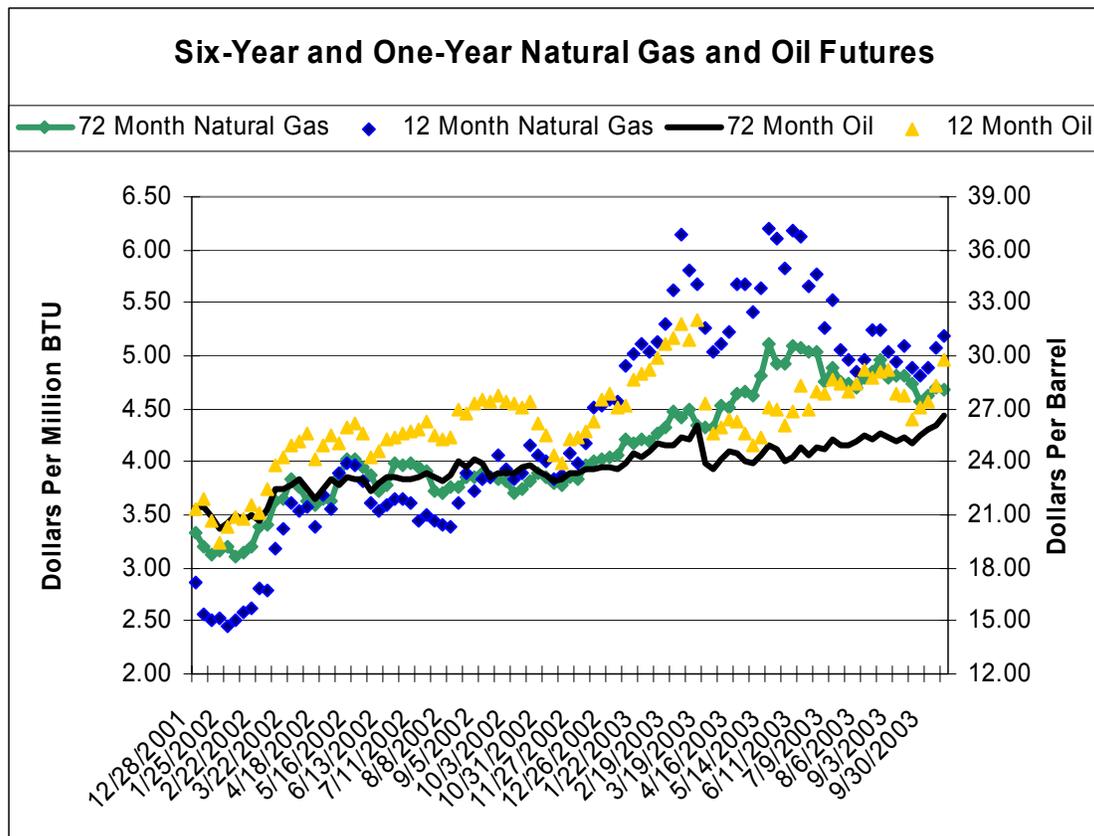
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Natural Gas and Oil Price Strength Continues



We have changed the colors on our long-term futures chart and have tried to make the lines more readable. Oil is black and gold, natural gas is green and blue. Not satisfied that the chart is clear enough we print a blowup of the latest several weeks along with a data table in *Natural Gas Royalty Trusts*. Here we would like to dwell on the longer term trends.

The most important quotes are on the six-year oil futures line, solid black, starting at about \$21 on the left and ending at about \$27 on the right. That line describes a long uptrend that we expect to continue. Up \$6 in two years, it is rising at 10% per year. The current level, \$27, is below where we think it should be. Compared to the thirty-five year average adjusted to 2006 dollars that number ought to be \$33 a barrel, for example.

Sticking with oil, the one-year oil futures, the gold triangles, have been higher than the six-year futures for the past two years. That “backwardation” seems to be normal in energy futures. The explanation we like is that the shape provides a built-in profit for traders who provide insurance to hedgers. In other words, actual prices are expected to

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be higher than the futures quotes. Thus, when we use futures prices in our financial projections we are being conservative at least on that factor.

Backwardation tends to “lift” longer term futures higher as time goes on. Alternatively when one-year futures get too far from six-year the gap narrows eventually.

Shifting to natural gas, six-year futures, the green line with diamonds, have advanced from slightly below six-year oil two years ago to slightly above now. That is a continuation of the multi-decade trend of natural gas appreciating more than oil. The premium was especially wide in June 2003 and has narrowed from that peak. The narrowing occurred with oil moving up as well as gas moving down.

One-year natural gas, blue diamonds, were below six-year futures at a depressed time two years ago. Last winter, one-year futures were well above six-year futures before dropping back.

The current relationships are what we consider as normal for the times. One-year is slightly above six-year, gas is slightly above oil and all are rising.

Might we see weakness or strength this winter? The weather will be an important factor and we will not attempt to predict it. On the economic front, we lean to the idea that there is so much monetary and fiscal stimulus in place that the next few quarters are likely to be quite strong. If that is the case, it seems likely that oil would be strong also.

We can't rule out that one-year natural gas won't dip below six-year as it did two years ago. If we are surprised, we think that producers are likely to take a longer term point of view and be quicker to shut in production if the price looks too far out of line with what it could be in another season. Moreover a dip in one-year natural gas would likely be much moderated in the six-year trend.

Kurt H. Wulff, CFA

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

	Symbol/ Rating	Price (\$/sh) 15-Oct 2003	Shares (mm)	Market Cap (\$mm)	Net Present Value (\$/sh)	Debt/ Present Value	McDep Ratio	
Mega Cap								
Exxon Mobil Corporation	XOM	38.49	6,687	257,000	35.00	0.10	1.09	
Total S.A.	TOT	80.05	1,276	102,100	85.00	0.19	0.95	
BP plc	BP	43.90	3,694	162,000	50.00	0.15	0.90	
Royal Dutch/Shell	RD	B	46.48	3,473	161,000	55.00	0.18	0.87
ChevronTexaco Corporation	CVX	B	74.00	1,064	78,700	95.00	0.22	0.83
<i>Total or Median</i>				<i>761,000</i>		<i>0.18</i>	<i>0.90</i>	
Producer/Refiners - Large Cap and Mid Cap								
Murphy Oil Corporation	MUR	59.82	92	5,530	41.00	0.26	1.34	
Imperial Oil Limited (30%)	IMO	40.12	113	4,550	36.00	0.12	1.10	
OAo Lukoil	LUKOY	91.50	210	19,000	90.00	0.11	1.01	
Norsk Hydro ASA (49%)	NHY	54.75	126	6,920	60.00	0.27	0.94	
Petro-Canada	PCZ	41.01	265	10,870	45.00	0.19	0.93	
ENI S.p.A.	E	80.89	750	60,700	90.00	0.14	0.91	
Valero Energy Corporation	VLO	39.74	114	4,530	50.00	0.50	0.90	
ConocoPhillips	COP	B	57.58	681	39,200	70.00	0.38	0.89
Petroleo Brasileiro S. A.	PBR	25.20	1,096	27,600	30.00	0.25	0.88	
Suncor Energy	SU	20.13	474	9,540	25.00	0.14	0.83	
Marathon Oil Corporation	MRO	B	30.12	310	9,340	40.00	0.31	0.83
PetroChina Company Ltd (10%)	PTR	B	36.50	176	6,420	50.00	0.11	0.76
<i>Total or Median</i>				<i>199,000</i>		<i>0.19</i>	<i>0.90</i>	
Independent Natural Gas and Oil								
Pogo Producing Company	PPP	45.19	65	2,920	38.00	0.22	1.15	
Occidental Petroleum Corp.	OXY	36.30	383	13,900	35.00	0.38	1.02	
Apache Corporation	APA	69.63	159	11,100	70.00	0.20	1.00	
Encana Corporation	ECA	B	37.78	472	17,800	40.00	0.20	0.95
XTO Energy Inc.	XTO	B	22.16	184	4,080	24.00	0.25	0.94
CNOOC Limited (19%)	CEO	B	37.00	78	2,890	40.00	-	0.93
Unocal Corporation	UCL	31.21	255	8,000	40.00	0.35	0.86	
Canadian Natural Resources Limited	CNQ	44.00	139	6,120	55.00	0.29	0.86	
Burlington Resources	BR	B	47.82	202	9,700	60.00	0.27	0.85
Devon Energy	DVN	46.45	163	7,600	65.00	0.42	0.84	
Pioneer Natural Resources Company	PXD	25.45	119	3,030	35.00	0.33	0.82	
Anadarko Petroleum Corp.	APC	B	41.56	252	10,500	60.00	0.32	0.79
<i>Total or Median</i>				<i>98,000</i>		<i>0.28</i>	<i>0.89</i>	
Service								
Baker Hughes Inc.	BHI	30.15	339	10,200	25.00	0.09	1.19	
Schlumberger Ltd.	SLB	49.26	581	28,600	44.00	0.22	1.09	
Halliburton Company	HAL	24.03	434	10,400	22.00	0.25	1.07	

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

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

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Table 1-2
Energy Producers
Rank by EV/Ebitda: Enterprise Value to Earnings Before Interest, Tax, Deprec.

	Symbol/ Rating	Price (\$/sh) 15-Oct 2003	EV/ Sales NTM	EV/ Ebitda NTM	P/E NTM	Dividend or Distribution NTM (%)	PV/ Ebitda NTM	
Mega Cap								
Exxon Mobil Corporation	XOM	38.49	1.2	8.0	15	2.6	7.3	
Total S.A.	TOT	80.05	1.1	7.0	13	4.4	7.3	
BP plc	BP	43.90	0.9	6.9	15	3.9	7.7	
ChevronTexaco Corporation	CVX	B	74.00	0.9	6.8	13	3.9	8.2
Royal Dutch/Shell	RD	B	46.48	1.1	6.4	13	4.3	7.4
	<i>Median</i>		<i>1.1</i>	<i>6.9</i>	<i>13</i>	<i>3.9</i>	<i>7.4</i>	
Producer/Refiners - Large Cap and Mid Cap								
Murphy Oil Corporation	MUR	59.82	1.7	10.8	39	1.3	8.1	
Imperial Oil Limited (30%)	IMO	40.12	1.2	8.1	15	1.4	7.4	
Suncor Energy	SU	20.13	2.8	7.7	16	0.7	9.3	
OAo Lukoil	LUKOY	91.50	1.1	6.9	14	2.8	6.8	
ConocoPhillips	COP	B	57.58	0.7	6.0	9	3.0	6.8
Marathon Oil Corporation	MRO	B	30.12	0.4	5.6	14	3.3	6.8
Valero Energy Corporation	VLO	39.74	0.3	4.9	5	1.0	5.5	
Petro-Canada	PCZ	41.01	1.4	4.6	11	0.7	4.9	
ENI S.p.A.	E	80.89	1.7	4.2	9	5.3	4.7	
PetroChina Company Ltd (10%)	PTR	B	36.50	2.4	4.2	9	5.6	5.5
Petroleo Brasileiro S. A.	PBR	25.20	1.5	4.1	6	3.4	4.6	
Norsk Hydro ASA (49%)	NHY	54.75	0.9	3.7	10	2.7	4.0	
	<i>Median</i>		<i>1.3</i>	<i>5.3</i>	<i>11</i>	<i>2.8</i>	<i>6.2</i>	
Independent Natural Gas and Oil								
XTO Energy Inc.	XTO	B	22.16	5.5	8.9	21	0.2	9.4
Pioneer Natural Resources Company	PXD	25.45	5.2	7.0	23	-	8.6	
Occidental Petroleum Corp.	OXY	36.30	2.6	6.9	12	2.9	6.7	
Apache Corporation	APA	69.63	4.6	6.5	15	0.5	6.5	
CNOOC Limited (19%)	CEO	B	37.00	4.9	6.4	13	4.3	6.9
Pogo Producing Company	PPP	45.19	3.9	6.0	17	0.3	5.2	
Burlington Resources	BR	B	47.82	3.8	5.7	13	1.3	6.6
Unocal Corporation	UCL	31.21	2.1	5.5	15	2.6	6.4	
Anadarko Petroleum Corp.	APC	B	41.56	3.6	5.4	10	1.0	6.8
Encana Corporation	ECA	B	37.78	2.4	5.1	13	0.8	5.3
Devon Energy	DVN	46.45	2.9	4.5	7	-	5.3	
Canadian Natural Resources Limited	CNQ	44.00	2.4	3.9	8	0.9	4.5	
	<i>Median</i>		<i>3.7</i>	<i>5.8</i>	<i>13</i>	<i>0.9</i>	<i>6.6</i>	
Service								
Baker Hughes Inc.	BHI	30.15	2.1	12.8	36	1.5	10.8	
Schlumberger Ltd.	SLB	49.26	2.6	9.7	36	1.5	8.9	
Halliburton Company	HAL	24.03	1.1	9.6	21	2.1	9.0	

EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended September 30, 2004; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses

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Table 2-1
Energy Pipeline and Power Companies
Rank by McDep Ratio: Market Cap and Debt to Present Value

	Symbol/ Rating	Price (\$/sh) 15-Oct 2003	Shares (mm)	Market Cap (\$mm)	Net Present Value (\$/sh)	Debt/ Present Value	McDep Ratio
Large Cap Power							
Duke Energy Corporation	DUK	18.46	832	15,400	16.00	0.69	1.05
Southern Company	SO	29.23	696	20,400	28.00	0.43	1.03
Exelon Corporation	EXC	64.36	325	20,900	65.00	0.51	0.99
American Electric Power Co. Inc.	AEP	29.50	348	10,300	35.00	0.60	0.94
Enel S.p.a. (32%)	EN	31.58	388	12,300	37.00	0.40	0.91
Dominion Resources	D	62.10	294	18,200	76.00	0.44	0.90
<i>Total or Median</i>				97,500		0.47	0.97
Mid Cap Pipeline and Power							
Kinder Morgan Energy Partners, L.P.	KMP S	43.85	138	6,030	14.00	0.47	2.13
Kinder Morgan Management, LLC	KMR S	39.49	46	1,820	14.00	0.47	1.97
Kinder Morgan, Inc.	KMI S	57.15	123	7,030	14.00	0.80	1.61
Williams Companies	WMB	10.08	518	5,220	1.00	0.97	1.28
Constellation Energy Group	CEG	35.72	164	5,860	25.00	0.61	1.17
AES Corporation	AES	7.90	558	4,410	1.00	0.98	1.13
Calpine Corporation	CPN	5.10	381	1,940	1.00	0.98	1.10
Dynegy Inc.	DYN	3.75	418	1,570	1.00	0.97	1.09
CMS Energy Corporation	CMS	7.78	139	1,080	5.00	0.93	1.04
Sempra Energy	SRE	28.44	206	5,860	30.00	0.59	0.98
El Paso Corporation	EP	7.25	589	4,300	10.00	0.79	0.94
<i>Total or Median</i>				45,120		0.80	1.13
Small Cap Pipeline							
Enterprise Products Part (44%)	EPD	21.40	96	2,050	8.50	0.49	1.78
Enbridge Energy Partners, L.P.	EEP S	51.55	39	2,010	19.00	0.57	1.74
Gulfterra Energy Partners	GTM S	40.60	55	2,230	15.70	0.56	1.69
Enbridge Energy Management, L.L.C	EEQ S	46.59	9	440	19.00	0.57	1.63
Plains All Amer. Pipeline, L.P.	PAA	30.84	50	1,540	15.00	0.44	1.59
TEPPCO Partners, L.P.	TPP	36.85	58	2,140	18.00	0.52	1.51
Northern Border Partners	NBP	42.88	47	1,990	20.00	0.62	1.43
Magellan Midstream Partners, L.P.	MMP	48.32	27	1,320	29.00	0.38	1.41
AmeriGas Partners, L.P.	APU	26.42	52	1,380	20.00	0.46	1.17
Western Gas Resources	WGR	41.10	37	1,520	40.00	0.27	1.02
<i>Total or Median</i>				16,620		0.50	1.55

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Table 3-1
Independent Natural Gas and Oil Producers - Small Cap
Rank by McDep Ratio: Market Cap and Debt to Present Value

	<i>Symbol/ Rating</i>	<i>Price (\$/sh) 15-Oct 2003</i>	<i>Shares (mm)</i>	<i>Market Cap (\$mm)</i>	<i>Net Present Value (\$/sh)</i>	<i>Debt/ Present Value</i>	<i>McDep Ratio</i>	
Short Life								
Dorchester Minerals, L.P.	DMLP	17.75	27.0	480	13.00	-	1.36	
Southwestern Energy Company	SWN	19.87	36.0	720	17.00	0.30	1.12	
Energy Partners Ltd.	EPL	B	12.15	37.3	453	12.00	0.26	1.01
Newfield Exploration Company	NFX	40.01	51.7	2,070	40.00	0.31	1.00	
Spinnaker Exploration Company	SKE	24.73	33.8	840	25.00	-	0.99	
Denbury Resources Inc.	DNR	13.13	55.0	720	15.00	0.29	0.91	
Chesapeake Energy Corporation	CHK	11.13	220	2,450	14.00	0.38	0.87	
Wesport Resources Corporation	WRC	24.51	68.0	1,670	30.00	0.29	0.87	
Stone Energy Company	SGY	36.10	26.5	960	46.00	0.27	0.84	
The Houston Exploraton Company	THX	35.99	31.0	1,120	45.00	0.16	0.83	
St. Mary Land and Exploration Company	SM	26.90	29.0	780	35.00	0.11	0.79	
Forest Oil Corporation	FST	23.88	48.2	1,150	35.00	0.33	0.79	
Cimarex Energy Company	XEC	B	21.17	42.0	890	27.00	0.00	0.78
<i>Total or Median</i>				<i>14,300</i>		<i>0.27</i>	<i>0.87</i>	
Long Life								
Ultra Petroleum Corp.	UPL	17.25	78.0	1,350	7.00	0.15	2.25	
Unit Corporation	UNT	19.67	43.6	860	18.00	0.04	1.09	
Penn Virginia Corporation	PVA	46.10	9.0	420	45.00	0.06	1.02	
Quicksilver Resources Inc.	KWK	25.10	20.4	510	25.00	0.35	1.00	
Encore Acquisition Corp. (40%)	EAC	B	22.30	11.2	250	24.00	0.18	0.94
Evergreen Resources, Inc.	EVG	27.86	44.0	1,230	30.00	0.10	0.94	
Swift Energy Company	SFY	14.19	27.2	390	16.00	0.43	0.94	
Magnum Hunter Resources, Inc.	MHR	8.63	69.0	600	11.00	0.45	0.88	
Vintage Petroleum, Inc.	VPI	11.80	63.0	740	20.00	0.40	0.76	
<i>Total or Median</i>				<i>6,400</i>		<i>0.18</i>	<i>0.94</i>	
Canadian Royalty Trusts								
Enerplus Resources Fund	ERF	27.86	83.7	2,330	20.00	0.16	1.33	
Provident Energy Trust	PVX	8.43	68.8	580	6.00	0.25	1.30	
Pengrowth Energy Trust	PGH	13.04	112.0	1,460	11.00	0.20	1.15	
Canadian Oil Sands Trust (US\$)	COSWF	B	29.30	86.3	2,530	45.00	0.19	0.72
<i>Total or Median</i>				<i>6,900</i>		<i>0.19</i>	<i>1.23</i>	
Natural Gas Royalty Trusts								
Hugoton Royalty Trust (46%)	HGT	19.60	18.4	360	14.90	-	1.32	
Sabine Royalty Trust	SBR	27.65	14.6	400	22.00	-	1.26	
Cross Timbers Royalty Trust	CRT	22.95	6.0	138	18.80	-	1.22	
Permian Basin RT (41%)	PBT	8.28	19.1	160	7.00	-	1.18	
San Juan Basin Royalty Trust	SJT	B	18.76	46.6	870	17.40	-	1.08
<i>Total or Median</i>				<i>1,900</i>		<i>-</i>	<i>1.22</i>	
Micro Cap								
Abraxas Petroleum Corporation	ABP	1.05	30.0	32	1.00	0.85	1.01	
Purcell Energy, Ltd. (US\$)	PEL.TO	2.04	27.9	57	2.80	0.32	0.82	

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

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Table 3-2
Independent Natural Gas and Oil Producers - Small Cap
Rank by EV/Ebitda: Enterprise Value to Earnings Before Interest, Tax, Deprec.

	Symbol/ Rating	Price (\$/sh) 15-Oct 2003	EV/ Sales NTM	EV/ Ebitda NTM	P/E NTM	Dividend or Distribution NTM (%)	PV/ Ebitda NTM	
Short Life								
Dorchester Minerals, L.P.	DMLP	17.75	11.6	13.4	48	7.5	9.8	
Southwestern Energy Company	SWN	19.87	3.2	6.7	14	-	6.0	
Chesapeake Energy Corporation	CHK	11.13	3.9	5.7	13	1.1	6.5	
Forest Oil Corporation	FST	23.88	3.5	5.7	18	-	7.2	
Energy Partners Ltd.	EPL	B	12.15	3.3	5.4	26	-	5.4
Wesport Resources Corporation	WRC	24.51	3.7	5.2	16	-	6.0	
St. Mary Land and Exploration Company	SM	26.90	2.9	4.5	13	0.4	5.7	
Denbury Resources Inc.	DNR	13.13	3.1	4.3	9	-	4.8	
Cimarex Energy Company	XEC	B	21.17	3.2	4.3	12	-	5.5
Stone Energy Company	SGY	36.10	2.8	3.8	8	-	4.5	
Newfield Exploration Company	NFX	40.01	2.9	3.8	8	-	3.8	
Spinnaker Exploration Company	SKE	24.73	3.3	3.7	13	-	3.7	
The Houston Exploraton Company	THX	35.99	2.9	3.6	9	-	4.3	
	<i>Median</i>		3.2	4.5	13	-	5.5	
Long Life								
Ultra Petroleum Corp.	UPL	17.25	14.8	23.9	47	-	10.6	
Evergreen Resources, Inc.	EVG	27.86	7.1	10.1	17	-	10.8	
Unit Corporation	UNT	19.67	3.6	8.3	21	-	7.6	
Quicksilver Resources Inc.	KWK	25.10	4.7	7.1	13	-	7.0	
Swift Energy Company	SFY	14.19	4.2	6.4	22	-	6.9	
Magnum Hunter Resources, Inc.	MHR	8.63	3.4	5.8	15	-	6.6	
Penn Virginia Corporation	PVA	46.10	3.1	5.7	15	2.0	5.6	
Encore Acquisition Corp. (40%)	EAC	B	22.30	3.9	5.6	12	-	6.0
Vintage Petroleum, Inc.	VPI	11.80	2.4	4.4	29	1.4	5.9	
	<i>Median</i>		3.9	6.4	17	-	6.9	
Canadian Royalty Trusts								
Enerplus Resources Fund	ERF	27.86	7.2	9.7	15	11.5	7.3	
Pengrowth Energy Trust	PGH	13.04	4.6	6.8	13	13.7	5.9	
Canadian Oil Sands Trust (US\$)	COSWF	B	29.30	3.5	6.4	7	4.9	8.9
Provident Energy Trust	PVX	8.43	4.3	6.1	13	15.4	4.7	
Natural Gas Royalty Trusts								
Cross Timbers Royalty Trust	CRT	22.95	7.4	10.6	11	9.3	8.6	
Sabine Royalty Trust	SBR	27.65	9.4	9.9	10	10.1	7.8	
Permian Basin RT (41%)	PBT	8.28	6.0	9.5	13	9.1	8.0	
Hugoton RoyaltyTrust (46%)	HGT	19.60	6.5	8.8	10	9.9	6.7	
San Juan Basin Royalty Trust	SJT	B	18.76	6.4	7.8	9	11.0	7.3
Micro Cap								
Abraxas Petroleum Corporation	ABP	1.05	6.8	12.8		-	12.6	
Purcell Energy, Ltd. (US\$)	PEL.TO	2.04	3.6	5.5	18	-	6.7	

EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended September 30, 2004; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses

Historical independent energy investment analysis by Kurt Wulff doing business as McDep Associates is posted at www.mcdep.com. Analyses are prepared from sources and data believed to be reliable, but no representation is made as to their accuracy or completeness. Mr. Wulff is not paid by covered companies. Neither he nor his spouse act contrary to a buy or sell rating.

Meter Reader

A Weekly Analysis of Energy Stocks Using the McDep Ratio

October 16, 2003

Table 3-3
Independent Natural Gas and Oil Producers - Small Cap
Determinants of Present Value

	Symbol/ Rating	NG & O Prod/ Ebitda (%)	N. Am. Gas/ Ebitda (%)	Adjusted Reserves/ Production NTM	PV/ Ebitda NTM	10/15/03 EV/ Mcf	McDep Ratio
Short Life							
Newfield Exploration Company	NFX	100	79	3.8	3.8	3.57	1.00
Spinnaker Exploration Company	SKE	100	84	3.8	3.7	4.21	0.99
The Houston Exploraton Company	THX	100	94	5.3	4.3	2.52	0.83
Energy Partners Ltd.	EPL	B	100	61	6.2	5.4	2.55
St. Mary Land and Exploration Company	SM	100	66	6.2	5.7	1.96	0.79
Cimarex Energy Company	XEC	B	100	77	6.4	5.5	2.18
Stone Energy Company	SGY	100	66	6.4	4.5	2.12	0.84
Denbury Resources Inc.	DNR	100	46	8.3	4.8	1.63	0.91
Wesport Resources Corporation	WRC	100	69	8.3	6.0	1.90	0.87
Southwestern Energy Company	SWN	86	69	9.1	6.0	2.31	1.12
Chesapeake Energy Corporation	CHK	100	92	9.2	6.5	1.98	0.87
Forest Oil Corporation	FST	100	75	9.6	7.2	1.47	0.79
Dorchester Minerals, L.P.	DMLP	100	82	10.3	9.8	4.47	1.36
	<i>Median</i>		75	6.4	5.5	2.18	0.87
Long Life							
Penn Virginia Corporation	PVA	85	77	10.6	5.6	1.37	1.02
Unit Corporation	UNT	68	60	10.7	7.6	2.65	1.09
Magnum Hunter Resources, Inc.	MHR	100	69	11.0	6.6	1.50	0.88
Swift Energy Company	SFY	100	36	12.0	6.9	1.19	0.94
Encore Acquisition Corp. (40%)	EAC	B	100	19	12.9	6.0	1.28
Quicksilver Resources Inc.	KWK	100	85	14.7	7.0	1.35	1.00
Ultra Petroleum Corp.	UPL	100	94	14.9	10.6	3.08	2.25
Vintage Petroleum, Inc.	VPI	100	34	15.0	5.9	0.61	0.76
Evergreen Resources, Inc.	EVG	100	100	20.0	10.8	1.53	0.94
	<i>Median</i>		69	12.9	6.9	1.37	0.94
Canadian Royalty Trusts							
Provident Energy Trust	PVX	100	53	5.1	4.7	3.44	1.30
Pengrowth Energy Trust	PGH	100	39	10.2	5.9	1.60	1.15
Enerplus Resources Fund	ERF	100	59	10.2	7.3	1.79	1.33
Canadian Oil Sands Trust (US\$)	COSWF	B	100	(10)	20.0	8.9	0.85
Natural Gas Royalty Trusts							
Sabine Royalty Trust	SBR	100	68	6.3	7.6	6.07	1.26
Permian Basin RT (41%)	PBT	100	46	9.0	8.0	3.13	1.18
Cross Timbers Royalty Trust	CRT	100	75	11.3	8.6	3.21	1.22
Hugoton RoyaltyTrust (46%)	HGT	100	93	11.9	6.7	2.43	1.32
San Juan Basin Royalty Trust	SJT	B	100	99	12.1	7.3	2.11
Micro Cap							
Purcell Energy, Ltd. (US\$)	PEL.TO	100	79	6.6	6.7	1.36	0.82
Abraxas Petroleum Corporation	ABP	100	74	11.7	12.6	2.39	1.01

EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended June 30, 2004; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses

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