

## Meter Reader

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

April 20, 2004

## Track Record

### Summary and Recommendation

Twenty-five buy recommendations initiated 2001-2004 appreciated an average 42% normalized for debt. Eight sell recommendations over the same period appreciated an average 3% normalized for debt. The market as measured by the S&P 500 was generally flat for the matched time periods. The typical recommendation lasted just beyond a year. Dividends and distributions were ignored. We made the brief analysis as part of our attempt to qualify as an Independent Research Provider under the terms of the Global Settlement of Conflicts of Interest between Research and Investment Banking.

#### McDep Associates Buy Recommendations, 2001-2004

Initiation Date	Stock	Price	S&P 500	End Date	Price	Percent Gain		Debt-Normalized Percent Gain	
						Abs	Rel	Abs	Annualized
18-Mar-02	XTO Energy	11.73	1166	19-Apr-04	28.50	143	149	161	62
23-Nov-01	CNOOC Limited	18.6	1137	19-Apr-04	41.67	124	124	177	57
11-Jun-01	PetroChina Company Limited	21.6	1265	19-Apr-04	47.82	121	147	147	45
21-Sep-01	San Juan Basin Royalty Trust	10.76	966	19-Apr-04	21.39	99	69	141	32
2-Jul-03	Encore Acquisition Corporation	19.15	982	19-Apr-04	29.52	54	33	63	51
13-Aug-01	Encana Corporation	27.86	1214	19-Apr-04	42.57	53	63	71	27
27-Feb-04	Berry Petroleum Company	21.34	1145	19-Apr-04	29.45	38	39	49	1180
21-May-01	Burlington Resources	49.94	1292	19-Apr-04	68.44	37	56	43	19
26-Apr-01	Energy Partners, Ltd.	10.5	1253	16-Jan-04	14.25	36	50	49	22
13-Oct-03	Cimarex Energy Company	22.35	1038	19-Apr-04	27.92	25	14	36	42
20-Jan-04	Lukoil Oil Company	96.4	1140	19-Apr-04	120.25	25	25	33	198
22-Jul-02	Royal Dutch/Shell	42	848	19-Apr-04	50.10	19	-11	24	-8
14-May-03	Anadarko Petroleum Corporation	46.76	942	19-Apr-04	55.74	19	-1	19	-1
24-Sep-01	Royal Dutch/Shell	44	966	29-Oct-01	52.35	19	4	25	68
5-Jan-04	Norsk Hydro ASA	56.34	1108	19-Apr-04	66.56	18	15	21	74
18-Mar-02	ConocoPhillips	62.72	1166	19-Apr-04	73.05	16	20	16	9
7-Sep-01	Louis Dreyfus Natural Gas	32.89	1106	24-Sep-01	38.10	16	33	18	48000
16-Apr-01	USX-Marathon Group	29.54	1180	19-Feb-04	33.90	15	18	15	6
18-Jun-02	Canadian Oil Sands Trust	27.56	1036	19-Apr-04	31.00	12	3	16	2
29-Oct-01	Forest Oil Corporation	28.58	1105	24-May-02	31.05	9	10	10	21
3-Apr-02	ChevronTexaco	89.6	1129	19-Apr-04	91.87	3	2	3	1
7-May-01	American Electric Power	48.54	1267	11-Feb-02	40.31	-17	-4	-7	-2
16-Nov-01	Purcell Energy Ltd.	1.89	1139	17-Jul-02	1.53	-19	2	-25	5
26-Jun-01	Exelon Corporation	63.64	1217	9-Jul-02	48.25	-24	-3	-17	-2
7-Aug-02	Petroleo Brasileiro	14.25	860	27-Sep-02	10.10	-29	-27	-30	-93
Average						32	33	42	
Median						19	18	24	22

Historical independent energy investment analysis by Kurt Wulff doing business as McDep Associates is posted at [www.mcdep.com](http://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

April 20, 2004

#### McDep Associates Sell Recommendations, 2001-2004

Initiation Date	Stock	Price	S&P 500	End Date	Price	Percent Gain		Debt-Normalized Percent Gain	
						Abs	Rel	Abs	Annualized
6-Aug-01	Calpine Corporation	36.67	1214	17-Dec-01	13.20	-64	-61	-28	-41
16-Aug-02	El Paso Corporation	15.88	930	11-Oct-02	5.86	-63	-58	-31	-48
20-Feb-02	El Paso Energy Partners, L.P.	34.97	1098	30-Dec-03	42.57	22	21	16	8
12-Dec-01	Kinder Morgan Management, LLC	35.45	1137	19-Apr-04	39.98	13	13	10	4
12-Dec-01	Kinder Morgan Energy Partners, L.P.	35.64	1137	19-Apr-04	42.93	20	21	17	7
12-Dec-01	Kinder Morgan, Inc.	49.40	1137	19-Apr-04	62.49	26	27	5	2
20-Nov-02	Enbridge Energy Partners, L.P.	38.97	914	30-Dec-03	50.02	28	6	15	3
20-Nov-02	Enbridge Energy Management, L.L.C.	34.70	914	30-Dec-03	48.39	39	15	20	7
Average						3	-2	3	-7
Median						21	14	12	3

## Complete Record

The performance analysis includes all of the recommendations initiated for the past three years. That is also the period since we added buy/sell designations in the Wall Street format on top of our McDep Ratio format (see *Meter Reader*, April 9, 2001). The complete historical record is publicly available on [www.mcdep.com](http://www.mcdep.com). All the less successful and unsuccessful recommendations are included along with the successful recommendations.

We simplified the analysis by ignoring distinctions between buys and strong buys and sells and strong sells. Those shades of conviction were useful in comparing our work to Wall Street convention. Today the industry practice, spurred by reform intentions, has been streamlined essentially to buy, sell or neutral.

While the performance analysis is complete in its inclusion of all initiated recommendations, it is rather incomplete as a measure of actual portfolio results. Money managers and investors, active every trading day, are buying and selling at prices that are almost always different from that at the time of initiation. Among other refinements to a basic analysis, we discuss differences between the average and the median, performance relative to a market index, annualizing of the time period, normalizing for financial risk, and weighting for non-financial risk.

## Median May Understate

We often use the median to describe the characteristic of a sample because it ignores the magnitude of extremes. The median buy recommendation is the one that is exceeded by half the recommendations and exceeds the other half. For example, 12 buy recommendations were better than the median, Anadarko, at 19% and 12 were not as good in performance for the time period measured.

Historical independent energy investment analysis by Kurt Wulff doing business as McDep Associates is posted at [www.mcdep.com](http://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*

April 20, 2004

Several recommendations gained more than 100%. As a result the average is realistic partly because it does not depend on a single strong gainer. Average performance is total performance of all stocks divided by the number of stocks. It is typically the case in portfolio performance that the strongest stocks account for a disproportionate share of gains.

#### **Performance Relative to the Market Similar**

A simple average absolute gain of 32% changes only to 33% when it is computed relative to the change in the S&P 500 index of stocks. The market was going down in 2001-2002 and came back in 2003. Overall it was about unchanged during the period of the average recommendation. At least in the past period measured, recommendations provided valuable diversification of risk by performing differently from the market in general.

#### **Normalize for Financial Risk to Enhance Performance**

Debt can magnify gains and losses, but by itself adds no fundamental value. The McDep Ratio measures fundamental value before the application of leverage. Since we use the McDep Ratio in justifying recommendations, it is only consistent that we measure our results on a basis that neutralizes leverage.

In a practical sense we urge investors to own more of low debt stocks and less of high debt stocks in the same portfolio. That neutralizes leverage from a stock selection point of view. An investor desiring more leverage can add it in other ways.

We used the ratio of debt to present value at the time of initiation to normalize the return on a recommendation for financial leverage. For example, presume that a ratio of debt to present value of 0.30 is normal. Conversely a normal ratio of equity to present value would be 0.70. A stock like **San Juan Basin Royalty Trust (SJT)** with no debt would have of ratio of equity to present value of 1.00. The normalized amount of a no-debt stock in a portfolio would be higher than average by a ratio of  $1.00/0.70$ . The debt-normalized return of the no-debt stock would be the actual gain ratio times  $1.00/0.70$  converted to a percentage. In the same vein, stocks with a high ratio of debt would have a normalized return less than the apparent return.

#### **Time Outstanding Has Little Effect on Median Performance**

To compare a recommendation that is outstanding for a short period with one outstanding for a longer period, returns can be converted to the equivalent return for same time period of a year. As it turns out the median recommendation was outstanding for a few days more than a year. The composite performance does not change much on an annualized basis with some exceptions.

Historical independent energy investment analysis by Kurt Wulff doing business as McDep Associates is posted at [www.mcdep.com](http://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*

April 20, 2004

Recommendations that moved sharply in a short period of time compound to unrealistic levels on an annual basis. Usually there are not enough different short time period ideas to string together to compound at the same rate for a whole year. Average annualized performance is not shown for that reason.

### **Control Non-Financial Risk**

It would be more thorough to measure the performance of recommendations in the combination of the McDep Energy Portfolio we have emphasized from time to time. One of the features of the portfolio is that we recommend smaller positions in small cap and emerging market stocks as a way of containing greater exposure to non-financial risks of size and politic domain respectively. Those adjustments continue to be justified in our mind though such refinements would not have had much effect on the combined performance of recommendations as we have presented here.

### **Sell Recommendation Paradox**

Two sell recommendations were unequivocal successes while the remainder actually appreciated rather than depreciated. Presumably investors who sold on our sell recommendations reinvested the proceeds in our buy recommendations. On that basis the gain would have been positive. Similarly investors who sold short would have had proceeds from the short sale to invest in buy recommendations. Those investors would also have reduced overall portfolio volatility.

Another feature of the sell recommendations that went up is that they continue to have high financial risk. Moreover those risks are masked in accounting that we believe misleads. On that basis, some investors may see value in our analysis regardless of recent stock price action. Finally past performance is no assurance of future results.

Kurt H. Wulff, CFA

## Meter Reader

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

April 20, 2004

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

	Symbol/ Rating	Price (\$/sh) 19-Apr 2004	Shares (mm)	Market Cap (\$mm)	Net Present Value (\$/sh)	Debt/ Present Value	McDep Ratio
<b>Mega Cap</b>							
Exxon Mobil Corporation	XOM	43.73	6,612	289,000	43.00	0.09	1.02
BP plc	BP	53.93	3,684	199,000	60.00	0.13	0.91
Total S.A.	TOT	97.15	1,251	121,600	113.00	0.16	0.88
Royal Dutch/Shell	RD B	50.10	3,389	170,000	60.00	0.18	0.87
ChevronTexaco Corporation	CVX B	91.87	1,064	97,700	125.00	0.14	0.77
<i>Total or Median</i>				877,000		0.14	0.88
<b>Producer/Refiners - Large Cap and Mid Cap</b>							
Kinder Morgan, Inc.	KMI s	62.49	124	7,750	14.00	0.80	1.68
Murphy Oil Corporation	MUR	65.25	93	6,060	62.00	0.20	1.04
Valero Energy Corporation	VLO	58.71	121	7,080	55.00	0.43	1.04
Imperial Oil Limited (30%)	IMO	44.95	110	4,940	44.00	0.12	1.02
Marathon Oil Corporation	MRO	34.30	350	12,010	41.00	0.31	0.89
ConocoPhillips	COP B	73.05	680	49,700	110.00	0.28	0.76
ENI S.p.A.	E	104.71	755	79,100	150.00	0.12	0.74
Petro-Canada	PCZ	45.28	265	12,000	68.00	0.10	0.70
Norsk Hydro ASA	NHY B	66.56	257	17,090	120.00	0.12	0.61
Petroleo Brasileiro S. A.	PBR	32.84	1,096	36,000	65.00	0.20	0.60
Lukoil Oil Company	LUKOY b	120.25	211	25,000	208.00	0.05	0.60
Suncor Energy	SU	26.86	475	12,760	48.00	0.08	0.60
PetroChina Company Ltd (10%)	PTR b	47.82	176	8,410	88.00	0.07	0.57
<i>Total or Median</i>				278,000		0.12	0.74
<b>Independent Natural Gas and Oil</b>							
XTO Energy Inc.	XTO B	28.50	225	6,430	38.00	0.15	0.79
Canadian Natural Resources Limited	CNQ	59.78	137	8,190	88.00	0.29	0.77
CNOOC Limited (19%)	CEO b	41.67	78	3,250	55.00	-	0.76
Apache Corporation	APA	45.03	324	14,600	64.00	0.15	0.75
Encana Corporation	ECA B	42.57	472	20,100	63.00	0.18	0.73
Unocal Corporation	UCL	38.45	274	10,500	60.00	0.22	0.72
Occidental Petroleum Corp.	OXY	49.00	396	19,400	75.00	0.19	0.72
Pogo Producing Company	PPP	48.14	64	3,080	70.00	0.07	0.71
Pioneer Natural Resources Company	PXD	34.35	119	4,090	57.00	0.22	0.69
Anadarko Petroleum Corp.	APC B	55.74	252	14,000	94.00	0.21	0.68
Burlington Resources	BR B	68.44	198	13,600	115.00	0.15	0.66
Devon Energy	DVN	62.85	242	15,200	120.00	0.24	0.64
<i>Total or Median</i>				132,000		0.18	0.72
<b>Service</b>							
Baker Hughes Inc.	BHI	36.76	336	12,400	30.00	0.07	1.21
Halliburton Company	HAL	30.50	435	13,300	28.00	0.28	1.07
Schlumberger Ltd.	SLB	63.55	585	37,200	60.00	0.17	1.05
<i>Total or Median</i>				63,000		0.17	1.07

Buy/Sell rating after symbol: B - Buy full position, b - buy half position, s - short half position

McDep Ratio = Market cap and Debt to 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](http://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

April 20, 2004

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

	Symbol/ Rating	Price (\$/sh) 19-Apr 2004	EV/ Sales NTM	EV/ Ebitda NTM	P/E NTM	Divd or Distrib NTM (%)	PV/ Ebitda NTM	
<b>Mega Cap</b>								
Exxon Mobil Corporation	XOM	43.73	1.2	7.9	15	2.3	7.7	
Total S.A.	TOT	97.15	1.1	6.6	12	4.5	7.4	
BP plc	BP	53.93	1.0	6.5	14	3.0	7.1	
ChevronTexaco Corporation	CVX	B	91.87	1.0	5.7	10	3.2	7.4
Royal Dutch/Shell	RD	B	50.10	1.0	5.7	12	4.4	6.6
	<i>Median</i>		<i>1.0</i>	<i>6.5</i>	<i>12</i>	<i>3.2</i>	<i>7.4</i>	
<b>Producer/Refiners - Large Cap and Mid Cap</b>								
Kinder Morgan, Inc.	KMI	s	62.49	3.0	13.1	19	2.6	7.8
Imperial Oil Limited (30%)	IMO		44.95	1.3	7.6	15	1.5	7.4
Murphy Oil Corporation	MUR		65.25	1.5	6.9	15	1.2	6.7
Suncor Energy	SU		26.86	2.7	6.6	12	0.6	11.1
Valero Energy Corporation	VLO		58.71	0.3	5.9	8	0.8	5.7
ConocoPhillips	COP	B	73.05	0.7	5.7	9	2.4	7.5
Marathon Oil Corporation	MRO		34.30	0.4	5.2	10	2.9	5.9
ENI S.p.A.	E		104.71	1.6	5.2	10	4.4	7.1
PetroChina Company Ltd (10%)	PTR	b	47.82	2.3	4.3	8	4.5	7.5
Norsk Hydro ASA	NHY	B	66.56	0.9	4.2	12	2.4	6.9
Petro-Canada	PCZ		45.28	1.4	4.1	10	1.0	5.9
Petroleo Brasileiro S. A.	PBR		32.84	1.6	3.7	5	3.1	6.1
Lukoil Oil Company	LUKOY	b	120.25	1.0	3.6	5	2.1	6.0
	<i>Median</i>		<i>1.4</i>	<i>5.2</i>	<i>10</i>	<i>2.4</i>	<i>6.9</i>	
<b>Independent Natural Gas and Oil</b>								
CNOOC Limited (19%)	CEO	b	41.67	4.8	6.3	13	3.8	8.3
XTO Energy Inc.	XTO	B	28.50	4.6	6.2	11	0.1	7.9
Occidental Petroleum Corp.	OXY		49.00	2.6	5.5	10	2.2	7.7
Pioneer Natural Resources Company	PXD		34.35	3.7	5.3	18	-	7.6
Anadarko Petroleum Corp.	APC	B	55.74	3.6	5.2	10	1.0	7.7
Burlington Resources	BR	B	68.44	3.5	4.8	10	0.9	7.3
Apache Corporation	APA		45.03	3.4	4.7	9	0.5	6.3
Unocal Corporation	UCL		38.45	2.2	4.7	10	2.1	6.5
Canadian Natural Resources Limited	CNQ		59.78	3.1	4.5	9	0.8	5.8
Encana Corporation	ECA	B	42.57	2.1	4.3	10	0.9	5.8
Pogo Producing Company	PPP		48.14	2.6	3.6	8	0.4	5.1
Devon Energy	DVN		62.85	3.0	3.5	7	0.3	5.5
	<i>Median</i>		<i>3.3</i>	<i>4.8</i>	<i>10</i>	<i>0.8</i>	<i>6.9</i>	
<b>Service</b>								
Baker Hughes Inc.	BHI		36.76	2.5	13.3	34	1.3	11.0
Halliburton Company	HAL		30.50	1.1	12.9	28	1.6	12.1
Schlumberger Ltd.	SLB		63.55	3.2	11.2	39	1.2	10.7
	<i>Median</i>		<i>2.5</i>	<i>12.9</i>	<i>34</i>	<i>1.3</i>	<i>11.0</i>	

EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended March 31, 2005; 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](http://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

April 20, 2004

**Table 2-1**  
**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) 19-Apr 2004</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>	
<b>Short Life</b>								
Spinnaker Exploration Company	SKE	37.60	34.2	1,290	28.00	0.11	1.30	
Western Gas Resources	WGR	56.46	37.0	2,090	50.00	0.17	1.11	
Southwestern Energy Company	SWN	25.39	36.0	910	29.00	0.22	0.90	
The Houston Exploraton Company	THX	46.55	31.0	1,440	55.00	0.20	0.88	
Newfield Exploration Company	NFX	52.14	56.0	2,920	67.00	0.20	0.82	
Denbury Resources Inc.	DNR	18.90	55.7	1,050	25.00	0.21	0.81	
Stone Energy Company	SGY	50.28	26.6	1,340	72.00	0.20	0.76	
St. Mary Land and Exploration Company	SM	35.40	29.0	1,030	50.00	0.10	0.74	
Cimarex Energy Company	XEC	b	27.92	42.7	1,190	38.00	0.00	0.73
PetroKazakhstan Inc.	PKZ		29.98	81.0	2,430	42.00	0.03	0.72
Chesapeake Energy Corporation	CHK		14.10	220	3,100	24.00	0.29	0.71
Westport Resources Corporation	WRC		35.38	68.0	2,410	57.00	0.17	0.69
Energy Partners Ltd.	EPL		13.82	37.4	517	22.00	0.14	0.68
Range Resources Corporation	RRC		12.88	57.0	730	24.00	0.26	0.66
Forest Oil Corporation	FST		26.82	53.5	1,440	53.00	0.25	0.63
			<i>Total or Median</i>		<i>23,900</i>	<i>0.20</i>	<i>0.74</i>	
<b>Long Life</b>								
Ultra Petroleum Corp.	UPL		34.41	78.0	2,680	25.00	0.06	1.35
Unit Corporation	UNT		28.31	44.1	1,250	25.00	0.01	1.13
Quicksilver Resources Inc.	KWK		47.33	25.2	1,190	50.00	0.19	0.96
Penn Virginia Corporation	PVA		66.30	9.1	600	72.00	0.14	0.93
Swift Energy Company	SFY		21.54	27.4	590	32.00	0.29	0.77
Whiting Petroleum Corporation	WLL		27.19	18.8	510	40.00	0.21	0.75
Evergreen Resources, Inc.	EVG		41.70	44.0	1,840	59.00	0.10	0.74
Berry Petroleum Company	BRY	b	29.45	22.1	651	43.00	0.07	0.71
Encore Acquisition Corp.	EAC	b	29.52	30.5	900	47.00	0.18	0.70
Magnum Hunter Resources, Inc.	MHR		11.10	68.0	760	20.00	0.32	0.70
Vintage Petroleum, Inc.	VPI		15.36	63.0	970	33.00	0.28	0.61
			<i>Total or Median</i>		<i>11,900</i>	<i>0.18</i>	<i>0.75</i>	
<b>Micro Cap</b>								
Abraxas Petroleum Corporation	ABP		2.73	35.8	98	1.50	0.77	1.19
Purcell Energy, Ltd. (US\$)	PEL.TO		1.92	48.0	92	2.80	0.27	0.77

Buy/Sell rating after symbol: b - buy half unlevered position in diversified energy portfolio  
 McDep Ratio = Market cap and Debt to 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](http://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

April 20, 2004

Table 2-2

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

		Price (\$/sh)	EV/ Sales	EV/ Ebitda	P/E	Divd or Distrib NTM (%)	PV/ Ebitda NTM
Symbol/ Rating		19-Apr 2004	NTM	NTM	NTM		
<b>Short Life</b>							
Western Gas Resources	WGR	56.46	0.9	9.9	20	-	9.0
Southwestern Energy Company	SWN	25.39	3.4	5.8	11	-	6.4
Spinnaker Exploration Company	SKE	37.60	5.0	5.7	15	-	4.4
Denbury Resources Inc.	DNR	18.90	3.4	5.1	10	-	6.3
Range Resources Corporation	RRC	12.88	3.7	4.9	9	0.3	7.4
Chesapeake Energy Corporation	CHK	14.10	3.2	4.4	8	0.9	6.2
Stone Energy Company	SGY	50.28	3.2	4.3	9	-	5.7
Cimarex Energy Company	XEC	b 27.92	3.2	4.2	11	-	5.8
Westport Resources Corporation	WRC	35.38	3.2	4.2	10	-	6.1
St. Mary Land and Exploration Company	SM	35.40	2.8	4.1	10	0.3	5.6
Newfield Exploration Company	NFX	52.14	2.9	4.0	8	-	4.8
Forest Oil Corporation	FST	26.82	2.9	3.9	20	-	6.3
The Houston Exploraton Company	THX	46.55	2.9	3.7	8	-	4.2
PetroKazakhstan Inc.	PKZ	29.98	2.0	3.5	5	-	4.8
Energy Partners Ltd.	EPL	13.82	2.2	3.2	11	-	4.7
	<i>Median</i>		3.2	4.2	10	-	5.8
<b>Long Life</b>							
Ultra Petroleum Corp.	UPL	34.41	11.8	15.2	25	-	11.3
Quicksilver Resources Inc.	KWK	47.33	7.1	10.7	20	-	11.2
Unit Corporation	UNT	28.31	3.5	8.3	20	-	7.4
Evergreen Resources, Inc.	EVG	41.70	5.9	8.3	13	-	11.2
Berry Petroleum Company	BRY	b 29.45	3.8	6.5	11	1.5	9.2
Penn Virginia Corporation	PVA	66.30	3.7	6.4	14	1.4	6.9
Swift Energy Company	SFY	21.54	4.0	5.9	13	-	7.7
Encore Acquisition Corp.	EAC	b 29.52	4.2	5.8	10	-	8.3
Whiting Petroleum Corporation	WLL	27.19	3.6	5.7	12	-	7.6
Magnum Hunter Resources, Inc.	MHR	11.10	3.2	4.8	9	-	6.9
Vintage Petroleum, Inc.	VPI	15.36	2.3	3.9	8	1.2	6.4
	<i>Median</i>		3.8	6.4	13	-	7.7
<b>Micro Cap</b>							
Abraxas Petroleum Corporation	ABP	2.73	7.8	11.7		-	9.9
Purcell Energy, Ltd. (USS)	PEL.TO	1.92	3.2	4.2	7	-	5.5

EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended March 31, 2005; 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](http://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.