

## Meter Reader

A Weekly Analysis of Energy Stocks Using the McDep Ratio

May 25, 2004

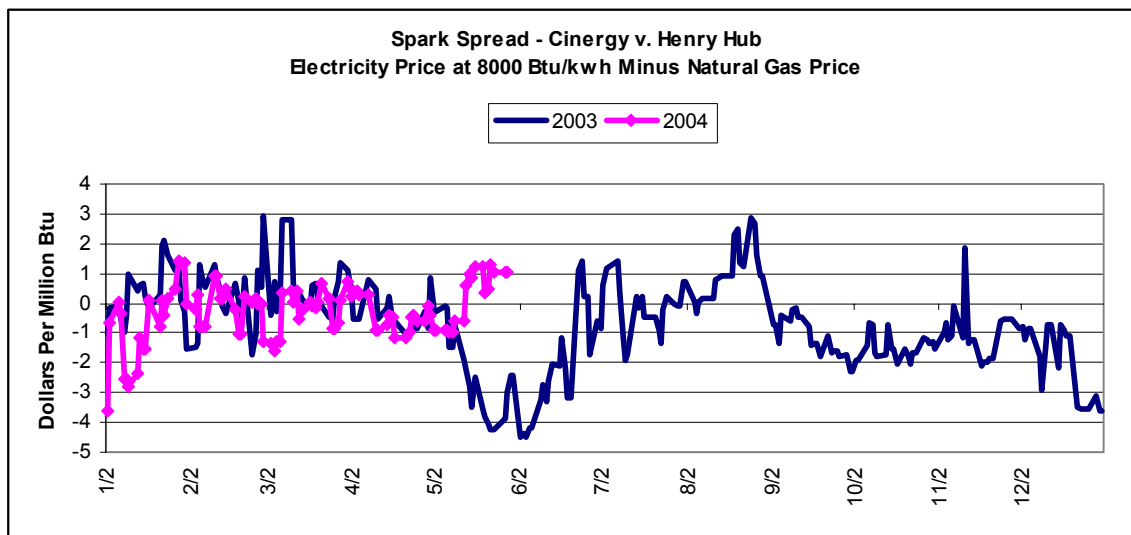
# Sparks Flying

## Summary and Recommendation

Sharply higher electricity quotes compared to a year ago point to possibly surprising strength in natural gas price in the hotter months ahead that would benefit **XTO Energy (XTO)**, **Cimarex Energy (XEC)**, **Burlington Resources (BR)** and **Encana (ECA)**. Apparently electricity generators are in the market to buy natural gas early this year as the spark spread has turned contra seasonally positive (see chart). A strong economy and air conditioning can stimulate a voracious appetite for electricity generated by natural gas. The four stocks are those among our recommended companies that are most concentrated on North American natural gas. Also, four income stocks are especially concentrated on the premium resource (see *McDep Energy Income Producers*).

## Electricity Price Alert

As in oil, one often sees fundamental changes first in price and only after a long lag in supply/demand statistics. With that in mind we look at electricity quotes daily for the East and the West. We have spotted a pattern that has arisen only in the past two weeks that seems worth calling to attention.



Note the positive margin that has appeared in May 2004 compared to the strongly negative margin at the same time in 2003. The gas price at the Henry Hub in Louisiana has not changed that much year to year, but the electricity price at the Cinergy hub in

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Ohio, near the heart of coal country, has risen dramatically. The amount of the rise is enough to make electrical generation from natural gas profitable. In other words coal generation must be stretched. Whether the limiting factor is plant capacity, coal supply, competition for coal from China, or transportation bottlenecks, we cannot say.

### **Strong Demand, Artificially Low Price for Electricity**

Some of the dynamics of the 1960s and the 1980s may be combining to produce natural gas prices that may surprise on the upside. In the 1960s rapidly growing electricity demand translated to so much demand for natural gas that in the 1970s electricity use of natural gas was practically outlawed. Electricity consumption was deemed an inferior use for the superior fuel because heavy fuel oil or coal could be substituted in electricity generation, but not in space heating and other end uses.

End use controls for natural gas were necessary in the rationale of regulation because price controls inhibited supply. As the implications became increasingly obvious, one of the early changes allowed was to permit an unregulated price for “deep” gas found in formations below 15,000 feet. During the early 1980s the price of deep gas was bid up to \$10.00 an mcf or more when the numerous regulated categories were still mostly under \$2.00. Because the fuel was worth more than the regulated price, buyers looked at the average of the “high” price and the regulated price.

Now in 2004 we have resurging demand for electricity both for economic recovery and for a normal, or hot summer compared to the cooler temperatures that seemed to prevail last year. That creates incremental demand for natural gas because non-gas fired generating capacity is essentially fixed at less than full requirements.

We would also contend that the price paid for coal-generated electricity is artificially low because it is cost-based. Much of the electricity price is still regulated. The costs can be low because environmental regulations and their apparently lax implementation do not require clean operation. Strong demand and artificially low price both support a high price for incremental supply that would be from natural gas.

More of the dynamics of the electricity market and the interaction with natural gas also became apparent in the California crisis a few years ago. Electricity price went a lot higher than many expected. Also the California situation involved a shortage of generating capacity as well as tight supplies of natural gas. Generating capacity is now more ample around the country while natural gas supply has become even tighter. Perhaps the force of future price change may be transmitted more to natural gas.

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### **Natural Gas Concentration a Desirable Trait**

Concentration on North American natural gas is one of a handful of most important statistical measures for judging energy stocks. We reprint the measure when we include Tables 1-3 and 2-3 occasionally in the weekly compilation.

Three of the stocks featured also are the three most concentrated among large cap stocks in our coverage. XTO flows 87% of estimated cash flow from natural gas; BR, 69%; and Encana, 67% (see Table 1-3). Cimarex flows 77% of cash from North American natural gas as does the median company in its small cap, short life peer group (see Table 2-3). Cimarex's further distinction is that it has no debt, no reported undeveloped reserves and no hedges to limit price upside.

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) 24-May 2004	Shares (mm)	Market Cap (\$mm)	Net Present Value (\$/sh)	Debt/ Present Value	McDep Ratio
<b>Mega Cap</b>							
Exxon Mobil Corporation	XOM B3	42.80	6,582	282,000	43.00	0.09	1.00
BP plc	BP B3	52.47	3,681	193,000	60.00	0.13	0.89
Shell Transport and Trading Co. plc	SC B3	43.10	1,587	68,000	51.30	0.18	0.87
Total S.A.	TOT B3	93.03	1,246	115,900	113.00	0.16	0.85
Royal Dutch Petroleum	RD B1	49.10	2,033	100,000	60.00	0.18	0.85
ChevronTexaco Corporation	CVX B1	90.17	1,066	96,100	125.00	0.14	0.76
	<i>Total or Median</i>			855,000		0.15	0.86
<b>Producer/Refiners - Large Cap and Mid Cap</b>							
Kinder Morgan, Inc.	KMI S2	59.30	124	7,350	14.00	0.80	1.63
Valero Energy Corporation	VLO	65.00	121	7,840	55.00	0.43	1.10
Murphy Oil Corporation	MUR	65.70	93	6,100	62.00	0.20	1.05
Imperial Oil Limited (30%)	IMO B3	44.28	109	4,810	52.00	0.10	0.87
Marathon Oil Corporation	MRO B3	32.76	350	11,470	41.00	0.31	0.86
ConocoPhillips	COP B1	72.55	680	49,400	110.00	0.28	0.76
ENI S.p.A.	E	99.10	755	74,800	150.00	0.12	0.70
Petro-Canada	PCZ B3	44.50	266	11,840	68.00	0.10	0.69
Suncor Energy	SU B3	24.22	465	11,260	38.00	0.14	0.69
Lukoil Oil Company	LUKOY B2	116.50	211	25,000	208.00	0.05	0.58
Norsk Hydro ASA	NHY B1	59.35	256	15,180	120.00	0.12	0.56
PetroChina Company Ltd (10%)	PTR B2	46.08	176	8,100	88.00	0.07	0.56
Petroleo Brasileiro S. A.	PBR	26.00	1,096	28,500	65.00	0.20	0.52
	<i>Total or Median</i>			262,000		0.14	0.70
<b>Independent Natural Gas and Oil</b>							
Unocal Corporation	UCL B3	35.88	276	9,900	54.00	0.26	0.75
Canadian Natural Resources Limited	CNQ	56.40	137	7,730	88.00	0.29	0.75
CNOOC Limited (19%)	CEO B2	40.78	78	3,190	55.00	-	0.74
XTO Energy Inc.	XTO B1	26.24	236	6,190	38.00	0.16	0.74
Encana Corporation	ECA B1	40.64	472	19,200	63.00	0.20	0.72
Pogo Producing Company	PPP	46.77	64	2,990	70.00	0.07	0.69
Apache Corporation	APA	40.80	324	13,200	64.00	0.15	0.69
Occidental Petroleum Corp.	OXY B3	45.45	397	18,000	75.00	0.19	0.68
Anadarko Petroleum Corp.	APC B1	54.83	252	13,800	94.00	0.21	0.67
Devon Energy	DVN B3	61.65	247	15,200	110.00	0.24	0.66
Burlington Resources	BR B1	67.74	198	13,400	115.00	0.15	0.65
Pioneer Natural Resources Company	PXD	31.50	119	3,750	57.00	0.22	0.65
	<i>Total or Median</i>			127,000		0.19	0.69

B1 = Buy full unlevered position, B2 = Buy half unlevered position, B3 = Alternative buy

S2 = Short half unlevered position

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) 24-May 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 B3	42.80	1.1	6.5	11	2.3	6.5
Total S.A.	TOT B3	93.03	1.0	5.4	9	4.4	6.3
BP plc	BP B3	52.47	0.8	5.2	10	3.1	5.8
Shell Transport and Trading Co. plc	SC B3	43.10	0.9	4.9	9	4.2	5.7
Royal Dutch Petroleum	RD B1	49.10	0.9	4.8	8	4.3	5.7
ChevronTexaco Corporation	CVX B1	90.17	0.9	4.7	7	3.2	6.1
	<i>Median</i>		<i>0.9</i>	<i>5.1</i>	<i>9</i>	<i>3.7</i>	<i>6.0</i>
<b>Producer/Refiners - Large Cap and Mid Cap</b>							
Kinder Morgan, Inc.	KMI S2	59.30	2.9	12.8	18	2.7	7.8
Suncor Energy	SU B3	24.22	2.5	7.3	13	0.7	10.6
Murphy Oil Corporation	MUR	65.70	1.3	6.2	12	1.2	5.9
Imperial Oil Limited (30%)	IMO B3	44.28	1.2	5.4	9	1.4	6.2
Valero Energy Corporation	VLO	65.00	0.3	5.3	7	0.7	4.8
Marathon Oil Corporation	MRO B3	32.76	0.4	5.0	9	3.1	5.8
ConocoPhillips	COP B1	72.55	0.7	4.9	7	2.4	6.5
ENI S.p.A.	E	99.10	1.5	4.2	7	4.6	6.0
PetroChina Company Ltd (10%)	PTR B2	46.08	2.1	3.8	7	4.7	6.9
Norsk Hydro ASA	NHY B1	59.35	0.9	3.3	7	2.7	5.9
Petro-Canada	PCZ B3	44.50	1.3	3.2	6	1.0	4.7
Petroleo Brasileiro S. A.	PBR	26.00	1.3	2.8	3	3.9	5.4
Lukoil Oil Company	LUKOY B2	116.50	0.9	2.7	4	2.2	4.7
	<i>Median</i>		<i>1.3</i>	<i>4.9</i>	<i>7</i>	<i>2.4</i>	<i>5.9</i>
<b>Independent Natural Gas and Oil</b>							
XTO Energy Inc.	XTO B1	26.24	4.2	5.6	10	0.2	7.6
CNOOC Limited (19%)	CEO B2	40.78	4.2	5.4	11	3.9	7.3
Anadarko Petroleum Corp.	APC B1	54.83	3.4	4.8	8	1.0	7.2
Pioneer Natural Resources Company	PXD	31.50	3.2	4.6	13	-	7.1
Occidental Petroleum Corp.	OXY B3	45.45	2.2	4.5	7	2.4	6.6
Unocal Corporation	UCL B3	35.88	1.8	4.4	8	2.2	5.9
Apache Corporation	APA	40.80	2.9	3.9	7	0.6	5.7
Burlington Resources	BR B1	67.74	2.9	3.9	7	0.9	6.0
Canadian Natural Resources Limited	CNQ	56.40	2.8	3.9	7	0.8	5.2
Encana Corporation	ECA B1	40.64	2.1	3.9	7	1.0	5.4
Devon Energy	DVN B3	61.65	2.7	3.3	5	0.6	4.9
Pogo Producing Company	PPP	46.77	2.3	3.2	6	0.4	4.6
	<i>Median</i>		<i>2.8</i>	<i>4.2</i>	<i>7</i>	<i>0.8</i>	<i>5.9</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

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**Table 1-3**  
**Energy Producers**  
**Determinants of Present Value**

	Symbol/ Rating		NG & O Prod/ Ebitda (%)	N. Am. Gas/ Ebitda (%)	Adjusted Reserves/ Prod NTM	PV/ Ebitda NTM	NG&O Ebitda/ mcf	McDep Ratio 24-May 2004
<b>Mega Cap</b>								
Royal Dutch Petroleum	RD	B1	63	5	8.4	5.7	3.28	0.85
Shell Transport and Trading Co. plc	SC	B3	63	5	8.4	5.7	3.28	0.87
Total S.A.	TOT	B3	77	1	9.0	6.3	3.63	0.85
BP plc	BP	B3	75	10	9.6	5.8	3.75	0.89
ChevronTexaco Corporation	CVX	B1	75	12	10.9	6.1	3.38	0.76
Exxon Mobil Corporation	XOM	B3	71	10	10.9	6.5	3.57	1.00
		<i>Median</i>	73	7	9.3	6.0	3.47	0.86
<b>Producer/Refiners - Large Cap and Mid Cap</b>								
Kinder Morgan, Inc.	KMI	S2	6	-		7.8		1.63
Valero Energy Corporation	VLO		-	-		4.8		1.10
Petro-Canada	PCZ	B3	85	20	6.5	4.7	4.82	0.69
Marathon Oil Corporation	MRO	B3	74	24	6.9	5.8	3.45	0.86
Murphy Oil Corporation	MUR		93	29	7.3	5.9	4.35	1.05
Norsk Hydro ASA	NHY	B1	72	-	9.1	5.9	3.38	0.56
Petroleo Brasileiro S. A.	PBR		93	-	9.9	5.4	3.28	0.52
ENI S.p.A.	E		53	-	9.9	6.0	3.34	0.70
Imperial Oil Limited (30%)	IMO	B3	73	19	10.7	6.2	3.61	0.87
ConocoPhillips	COP	B3	70	14	11.1	6.5	3.15	0.76
PetroChina Company Ltd (10%)	PTR	B2	78	-	16.2	6.9	3.52	0.56
Suncor Energy	SU	B3	92	11	18.4	10.6	3.24	0.69
Lukoil Oil Company	LUKOY	B2	65	-	20.0	4.7	1.78	0.58
		<i>Median</i>	73	-	9.9	5.9	3.38	0.70
<b>Independent Natural Gas and Oil</b>								
Pogo Producing Company	PPP		100	35	5.8	4.6	4.31	0.69
Devon Energy	DVN	B3	100	61	6.4	4.9	4.68	0.66
Canadian Natural Resources Limited	CNQ		100	50	7.2	5.2	3.13	0.75
Encana Corporation	ECA	B1	97	68	7.2	5.4	4.37	0.72
Apache Corporation	APA		100	45	8.1	5.7	4.43	0.69
Unocal Corporation	UCL	B3	100	30	8.8	5.9	3.82	0.75
Burlington Resources	BR	B1	100	69	10.0	6.0	4.35	0.65
Pioneer Natural Resources Company	PXD		100	57	10.6	7.1	3.33	0.65
Anadarko Petroleum Corp.	APC	B1	100	56	10.9	7.2	3.59	0.67
Occidental Petroleum Corp.	OXY	B3	92	15	11.2	6.6	4.25	0.68
XTO Energy Inc.	XTO	B1	100	87	11.2	7.6	4.36	0.74
CNOOC Limited (19%)	CEO	B2	100	-	11.8	7.3	4.01	0.74
		<i>Median</i>	100	53	9.4	5.9	4.28	0.69

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**Table 2-1**  
**Independent Natural Gas and Oil Producers - Small Cap**  
**Rank by McDep Ratio: Market Cap and Debt to Present Value**

	Symbol/ Rating	Price (\$/sh) 24-May 2004	Shares (mm)	Market Cap (\$mm)	Net Present Value (\$/sh)	Debt/ Present Value	McDep Ratio	
<b>Short Life</b>								
Spinnaker Exploration Company	SKE	32.83	34.2	1,120	28.00	0.11	1.15	
Western Gas Resources	WGR	54.76	37.0	2,030	50.00	0.17	1.08	
Southwestern Energy Company	SWN	25.51	36.0	920	29.00	0.22	0.91	
The Houston Exploraton Company	THX	45.69	31.0	1,420	55.00	0.20	0.86	
Denbury Resources Inc.	DNR	17.94	55.7	1,000	25.00	0.21	0.78	
Newfield Exploration Company	NFX	49.21	56.6	2,790	73.00	0.17	0.73	
Cimarex Energy Company	XEC	B2	27.69	42.7	1,180	38.00	0.00	0.73
Stone Energy Company	SGY		45.25	26.6	1,200	72.00	0.20	0.70
St. Mary Land and Exploration Company	SM		33.09	29.0	960	50.00	0.10	0.70
Chesapeake Energy Corporation	CHK		13.51	220	2,970	24.00	0.29	0.69
Westport Resources Corporation	WRC		35.06	68.0	2,380	57.00	0.17	0.68
PetroKazakhstan Inc.	PKZ		27.21	81.0	2,200	42.00	0.03	0.66
Energy Partners Ltd.	EPL	B3	13.19	37.7	497	22.00	0.14	0.66
Range Resources Corporation	RRC		11.81	57.0	670	24.00	0.26	0.62
Forest Oil Corporation	FST		24.53	53.5	1,310	53.00	0.25	0.59
			<i>Total or Median</i>		<i>22,600</i>	<i>0.17</i>	<i>0.70</i>	
<b>Long Life</b>								
Ultra Petroleum Corp.	UPL		30.62	78.0	2,390	25.00	0.06	1.21
Unit Corporation	UNT		27.99	44.1	1,230	25.00	0.01	1.12
Quicksilver Resources Inc.	KWK		48.00	25.2	1,210	50.00	0.19	0.97
Penn Virginia Corporation	PVA		62.75	9.1	570	72.00	0.14	0.89
Swift Energy Company	SFY		20.40	27.4	560	32.00	0.29	0.74
Evergreen Resources, Inc.	EVG		38.33	44.0	1,690	59.00	0.10	0.68
Magnum Hunter Resources, Inc.	MHR		10.33	68.0	700	20.00	0.32	0.67
Encore Acquisition Corp.	EAC	B2	27.80	30.6	850	47.00	0.18	0.67
Berry Petroleum Company	BRY	B2	27.68	22.3	617	43.00	0.07	0.67
Whiting Petroleum Corporation	WLL		22.78	18.8	430	40.00	0.21	0.66
Vintage Petroleum, Inc.	VPI		15.06	63.0	950	33.00	0.28	0.61
			<i>Total or Median</i>		<i>11,200</i>	<i>0.18</i>	<i>0.68</i>	
<b>Micro Cap</b>								
Abraxas Petroleum Corporation	ABP		1.89	35.8	68	1.50	0.77	1.06
Purcell Energy, Ltd. (US\$)	PEL.TO		2.00	48.0	96	2.80	0.27	0.79

Buy (B) and Sell (S) rated stocks scheduled for quarterly single stock analyses.

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

Numeral after B or S signifies half position recommended(2) or alternative idea(3).

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

		<i>Price</i> <i>(\$/sh)</i>	<i>EV/</i>	<i>EV/</i>	<i>Divd or</i>	<i>PV/</i>	
<i>Symbol/</i>		<i>24-May</i>	<i>Sales</i>	<i>Ebitda</i>	<i>P/E</i>	<i>Ebitda</i>	
<i>Rating</i>		<i>2004</i>	<i>NTM</i>	<i>NTM</i>	<i>NTM</i>	<i>NTM</i>	
					<i>Distrib</i>		
					<i>NTM</i>	<i>(%)</i>	
<b>Short Life</b>							
Western Gas Resources	WGR	54.76	0.9	9.2	18	-	8.5
Southwestern Energy Company	SWN	25.51	3.2	5.3	9	-	5.9
Spinnaker Exploration Company	SKE	32.83	4.1	4.6	11	-	4.0
Denbury Resources Inc.	DNR	17.94	3.0	4.4	8	-	5.6
Range Resources Corporation	RRC	11.81	3.2	4.1	6	0.3	6.6
Chesapeake Energy Corporation	CHK	13.51	2.8	4.0	7	0.9	5.9
Westport Resources Corporation	WRC	35.06	2.9	3.8	8	-	5.6
Stone Energy Company	SGY	45.25	2.7	3.6	7	-	5.1
Cimarex Energy Company	XEC	B2 27.69	2.8	3.6	8	-	4.9
St. Mary Land and Exploration Company	SM	33.09	2.4	3.5	8	0.3	5.0
The Houston Exploraton Company	THX	45.69	2.7	3.4	7	-	3.9
Forest Oil Corporation	FST	24.53	2.5	3.4	11	-	5.6
Newfield Exploration Company	NFX	49.21	2.5	3.2	6	-	4.3
Energy Partners Ltd.	EPL	B3 13.19	2.1	2.8	8	-	4.3
PetroKazakhstan Inc.	PKZ	27.21	1.7	2.8	4	-	4.2
	<i>Median</i>		2.7	3.6	8	-	5.1
<b>Long Life</b>							
Ultra Petroleum Corp.	UPL	30.62	9.7	12.5	20	-	10.3
Quicksilver Resources Inc.	KWK	48.00	6.6	9.7	18	-	10.0
Unit Corporation	UNT	27.99	3.4	7.7	18	-	6.9
Evergreen Resources, Inc.	EVG	38.33	5.0	7.0	11	-	10.3
Penn Virginia Corporation	PVA	62.75	3.3	5.6	11	1.4	6.3
Encore Acquisition Corp.	EAC	B2 27.80	4.0	5.6	10	-	8.4
Swift Energy Company	SFY	20.40	3.5	5.1	10	-	6.9
Berry Petroleum Company	BRY	B2 27.68	3.1	4.8	9	1.6	7.3
Whiting Petroleum Corporation	WLL	22.78	2.9	4.4	8	-	6.6
Magnum Hunter Resources, Inc.	MHR	10.33	2.8	4.1	6	-	6.1
Vintage Petroleum, Inc.	VPI	15.06	2.1	3.4	6	1.2	5.6
	<i>Median</i>		3.4	5.6	10	-	6.9
<b>Micro Cap</b>							
Abraxas Petroleum Corporation	ABP	1.89	6.3	9.0		-	8.5
Purcell Energy, Ltd. (US\$)	PEL.TO	2.00	3.0	3.9	6	-	4.9

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

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## Meter Reader

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

May 25, 2004

**Table 2-3**  
**Independent Natural Gas and Oil Producers - Small Cap**  
**Determinants of Present Value**

			<i>NG &amp; O</i>	<i>N. Am.</i>	<i>Adjusted</i>			<i>McDep</i>
	<i>Symbol/</i>		<i>Prod/</i>	<i>Gas/</i>	<i>Reserves/</i>	<i>PV/</i>	<i>NG&amp;O</i>	<i>Ratio</i>
	<i>Rating</i>		<i>Ebitda</i>	<i>Ebitda</i>	<i>Prod</i>	<i>Ebitda</i>	<i>Ebitda/</i>	<i>24-May</i>
			<i>(%)</i>	<i>(%)</i>	<i>NTM</i>	<i>NTM</i>	<i>mcfe</i>	<i>2004</i>
<b>Short Life</b>								
Spinnaker Exploration Company	SKE		100	81	4.5	4.0	5.93	1.15
Energy Partners Ltd.	EPL	B3	100	64	5.5	4.3	4.88	0.66
PetroKazakhstan Inc.	PKZ		62	-	5.1	4.2	1.52	0.66
Newfield Exploration Company	NFX		100	85	5.4	4.3	5.04	0.73
The Houston Exploraton Company	THX		100	92	5.6	3.9	4.80	0.86
Cimarex Energy Company	XEC	B2	100	78	5.9	4.9	4.60	0.73
St. Mary Land and Exploration Company	SM		100	66	6.8	5.0	4.21	0.70
Stone Energy Company	SGY		100	67	7.1	5.1	4.99	0.70
Chesapeake Energy Corporation	CHK		100	90	7.8	5.9	4.47	0.69
Westport Resources Corporation	WRC		100	72	7.8	5.6	4.99	0.68
Western Gas Resources	WGR		66	66	7.9	8.5	3.15	1.08
Forest Oil Corporation	FST		100	81	7.1	5.6	4.15	0.59
Denbury Resources Inc.	DNR		100	48	8.2	5.6	4.15	0.78
Southwestern Energy Company	SWN		91	77	8.4	5.9	4.75	0.91
Range Resources Corporation	RRC		100	78	9.8	6.6	4.68	0.62
	<i>Median</i>			77	7.1	5.1	4.68	0.70
<b>Long Life</b>								
Penn Virginia Corporation	PVA		81	67	9.4	6.3	3.14	0.89
Unit Corporation	UNT		71	62	9.6	6.9	4.49	1.12
Whiting Petroleum Corporation	WLL		100	56	10.0	6.6	3.73	0.66
Magnum Hunter Resources, Inc.	MHR		100	70	10.0	6.1	4.36	0.67
Swift Energy Company	SFY		100	31	11.1	6.9	3.32	0.74
Encore Acquisition Corp.	EAC	B2	100	25	12.6	8.4	3.96	0.67
Vintage Petroleum, Inc.	VPI		100	29	13.9	5.6	3.18	0.61
Berry Petroleum Company	BRY	B2	100	-	13.4	7.3	3.33	0.67
Ultra Petroleum Corp.	UPL		100	96	16.9	10.3	4.68	1.21
Quicksilver Resources Inc.	KWK		100	87	18.9	10.0	3.68	0.97
Evergreen Resources, Inc.	EVG		100	100	19.2	10.3	4.46	0.68
	<i>Median</i>			62	12.6	6.9	3.73	0.68
<b>Micro Cap</b>								
Purcell Energy, Ltd. (US\$)	PEL.TO		100	78	6.4	4.9	2.43	0.79
Abraxas Petroleum Corporation	ABP		100	79	13.0	8.5	3.87	1.06

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