

## Brighter BR

### Summary and Recommendation

Having been critical of the negative attitude **Burlington Resources** seemed to take toward disclosing information on properties operated for the **San Juan Basin Royalty Trust**, we applaud an informative press release by the trustee of SJT as a sign of a brighter day at BR. The positive fundamental disclosures coincide with expectations for announcements on March 20 of particularly strong monthly distributions for three royalty trusts. At the same time, we caution that natural gas price has declined since mid winter when revenues were received to generate the distributions just now being announced. Meanwhile McDep Ratios identify long-term investment value in natural gas producers including **Energy Partners Ltd.**, **Hugoton Royalty Trust**, Burlington Resources, Inc., San Juan Basin Royalty Trust and **Cross Timbers Royalty Trust** (see table below). **BR** has become more attractive in valuation as its price has dropped in the face of steadier performance in the past week for similarly ranked producers.

Rank by McDep Ratio	Symbol	Price	Shares	Market	Net	Debt/	McDep
		(\$/sh)			Cap		
		16-Mar	(mm)	(\$mm)	Value	Value	
		2000			(\$/sh)		
E Exxon Mobil Corporation	XOM	81.70	3,517	287,000	68.50	0.14	1.16
D Dorchester Hugoton, Ltd.	DHULZ	14.13	10.7	152	13.30	-	1.06
C Cross Timbers Royalty Trust	CRT	17.75	6.0	107	19.50	-	0.91
S San Juan Basin Royalty Trust	SJT	14.90	46.6	690	16.30	-	0.91
B Burlington Resources	BR	45.98	215	9,900	54.00	0.17	0.88
H Hugoton RT (42.5%)	HGT	15.16	17.0	258	18.20	-	0.83
E Energy Partners, Ltd.	EPL	10.95	27.1	300	18.90	-	0.59

### Brighter BR Makes More Helpful Disclosures for SJT

Fuller disclosure is usually better than restricted dialog. Sunshine and transparency are hallmarks of healthy democracy and efficient capital markets. Happily we note that BR gave the trustee of SJT enough additional information to provide a more useful description to unitholders of the outlook for San Juan Basin properties. Stripping away accounting factors that distort monthly trends, BR emphasizes that production of 113 million cubic feet per day (MMCFD) in 1999 averaged 116 mmcfd in 2000 and by October 2000 had reached 120 MMCFD. As a result, our projection of 114 MMCFD for 2001 appears too conservative and will be adjusted upward. Having had no such guidance until now we have had to rely on cautious extrapolation of fluctuating monthly reports.

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*A Weekly Analysis*

March 19, 2001

BR expects to spend \$30 million on the trust properties in 2001. Our projection at 25% of cash flow is \$41 million for the year. Apparently BR's year ends two months before the year of disclosed distributions. While our estimate is also conservative here, some cushion seems justified by past trends.

The new attitude by BR makes us feel better about BR stock. . Doggedly hopeful that BR stock will eventually live up to the promise of its properties, we can point to a 10% drop in stock price during the past week and the resulting lower McDep Ratio as further indication of improved current attractiveness.

### **Record Disclosures to be Released Tuesday, March 20**

Apparently each of the three royalty trusts declare distributions on the tenth calendar day before the last business day of the month. On that basis we are expecting announcements

on March 20. The distributions to be declared lag actual operations by about two months for HGT and SJT and about three months for CRT.

Natural gas price is the most volatile factor affecting monthly distributions. Daily prices at the end of the month seem to be most important for distributions the following month. In any event it seems that distributions have not yet fully reflected the highest natural gas prices early in 2001 (see chart on next page).

Subtracting the distributions already declared for January and February from our projections for the first quarter implies that the March distributions will be \$0.30, \$0.27, and \$0.25 for CRT, HGT and SJT respectively. Those levels could be exceeded just as results could be lower than our estimates reflecting reported timing of cash flows.

In any event current futures prices for the rest of 2001 are a little above \$5.00 per million Btu (mmbtu). That implies that distributions for the rest of the year will be less than the monthly rate currently. Yet, we know that commodity futures prices are just as unpredictable as stock prices and interest rates. While weak economic activity may result in lower price, natural gas use will peak again in the summer with demand for electricity for air conditioning, possibly resulting in a higher price.

### **Backup Tables**

Meanwhile for the week that just ended, the denominator of the McDep Ratio, Present Value, declined about 1%. Modest declines in future natural gas and oil prices were offset partly by decline in interest rates. Lower interest rates imply greater present value for the same nominal future value.

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*A Weekly Analysis*

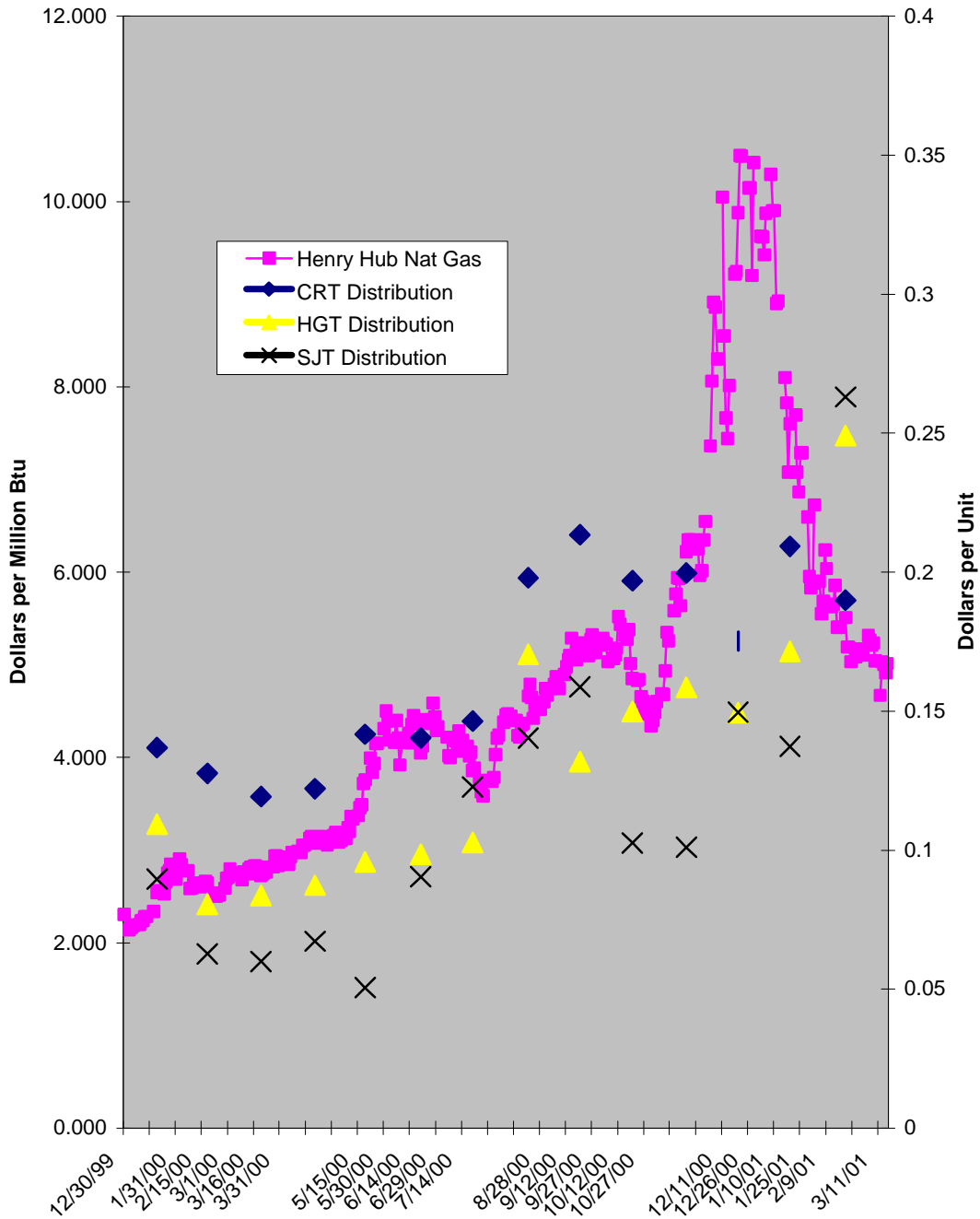
March 19, 2001

Cash flow estimates for 2001 declined a median 2%. Stocks are ranked by the unlevered cash flow multiple, EV/Ebitda, Enterprise Value to Earnings before interest, tax, depletion, amortization and non-operating charges (see table below). Dynamic Distribution Yields for the royalty trusts cluster in a narrow range of 13-14% in cash (see middle table below). If we can be comfortable with the ranking of stocks by PV/EBITDA, then we can be confident that the ranking by McDep Ratio is a reasonable indication of overall relative valuation (see bottom table below).

The tables that follow present details of the latest present value and next twelve months estimates for six stocks in the order CRT, DHULZ, HGT, SJT, BR, and EPL.

Kurt H. Wulff, CFA

**Distributions and Natural Gas Price**



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*A Weekly Analysis*  
 March 19, 2001

<b>Rank by Cash Flow Multiple</b>		Price (\$/sh)	<u>Ebitda 2001</u>				EV/ Ebitda	
			N Am	Oil &				
	Symbol	16-Mar 2000	Gas (%)	OS Gas (%)	Other (%)	Total (\$mm)		
	Exxon Mobil Corporation	XOM	81.70	13	50	37	42,600	7.7
	Cross Timbers Royalty Trust	CRT	17.75	86	14	-	16	6.9
	Dorchester Hugoton, Ltd.	DHULZ	14.13	100	-	-	26	5.8
	San Juan Basin Royalty Trust	SJT	14.90	100	-	-	123	5.6
	Hugoton RT (42.5%)	HGT	15.16	100	-	-	49	5.2
	Burlington Resources	BR	45.98	85	15	-	2,500	4.9
	Energy Partners, Ltd.	EPL	10.95	40	60	-	118	2.5

<b>Rank by Distributions</b>		Price (\$/sh)	Price/ CF	<u>Earnings 2001</u>		<u>Distribution 2001</u>		
				16-Mar 2000	P/E	(\$/sh)	(%)	
	Symbol	16-Mar 2000	Price/ CF	<u>Earnings 2001</u> (\$/sh)	P/E	<u>Distribution 2001</u> (\$/sh)	(%)	
	Energy Partners, Ltd.	EPL	10.95	2.6	1.29	8.5	-	-
	Burlington Resources	BR	45.98	4.5	4.94	9.3	0.55	1.2
	Exxon Mobil Corporation	XOM	81.70	8.0	4.77	17.1	1.76	2.2
	Dorchester Hugoton, Ltd.	DHULZ	14.13	5.8	2.24	6.3	1.08	7.6
	San Juan Basin Royalty Trust	SJT	14.90	5.7	1.97	7.6	1.97	13.2
	Cross Timbers Royalty Trust	CRT	17.75	6.9	2.50	7.1	2.50	14.1
	Hugoton RT (42.5%)	HGT	15.16	5.2	2.17	7.0	2.17	14.3

<b>Rank by PV/Ebitda</b>		Reserves/ Prod 2001	Prod 2001/	<u>Ebitda Margin</u>		<u>Present Value</u>		PV/ Ebitda
				(\$/mcfe)	(\$/boe)	(\$/mcfe)	(\$/boe)	
	Cross Timbers Royalty Trust	12	0.95	3.69	22.13	2.40	14	7.5
	Exxon Mobil Corporation	11	1.00	2.86	17.19	1.30	8	6.6
	Hugoton RT (42.5%)	11	1.00	3.70	22.21	2.10	13	6.3
	San Juan Basin Royalty Trust	11	0.99	3.87	23.20	2.20	13	6.2
	Burlington Resources	11	0.95	2.97	17.85	1.50	9	5.6
	Dorchester Hugoton, Ltd.	8	0.94	4.15	24.87	2.80	17	5.5
	Energy Partners, Ltd.	5	1.75	2.99	17.92	2.50	15	4.3

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*A Weekly Analysis*  
 March 19, 2001

**Table CRT-1**  
**Cross Timbers Royalty Trust**  
**Present Value**

Volume Decline (%/yr):	10	Price Escalation post 2007 (%/yr):	2.3
Volume Enhancement (%/yr):	10	Discount Rate (%/yr):	6.2
		U.S. TIPS Inflation (%/yr):	1.5
		U.S. 10 Year Yield (%/yr):	4.8
PV/Volume (\$/mcf):	2.46	PV/EBITDA 2001:	7.8

Year	Natural Gas Volume			Price (\$/mcf)	Revenue (\$mm)	Oil		Distribution (\$/unit)	Tax Credit (\$/unit)	Disc Factor	Present Value (\$/unit)
	Basic (bcf)	Enhanced (bcf)	Total (bcf)			Net (\$mm)	Distribution (\$/unit)				
Total 2001 through 2030											
	25	22	48	4.06	193	3	197	32.76	0.24	0.59	19.50
2001	2.7	0.0	2.7	5.03	13.4	1.6	15.0	2.50	0.12	0.97	2.54
2002	2.4	0.3	2.7	4.62	12.3	1.1	13.4	2.24	0.12	0.91	2.15
2003	2.2	0.5	2.7	4.18	11.1	0.7	11.8	1.97		0.86	1.70
2004	1.9	0.7	2.7	3.94	10.5		10.5	1.74		0.81	1.41
2005	1.7	0.9	2.7	3.60	9.6		9.6	1.59		0.76	1.22
2006	1.6	1.1	2.7	3.31	8.8		8.8	1.47		0.72	1.06
2007	1.4	1.2	2.7	3.39	9.0		9.0	1.50		0.68	1.02
2008	1.3	1.4	2.7	3.46	9.2		9.2	1.54		0.64	0.98
2009	1.1	1.5	2.7	3.54	9.4		9.4	1.57		0.60	0.94
2010	1.0	1.6	2.7	3.62	9.6		9.6	1.61		0.57	0.91
2011	0.9	1.5	2.4	3.71	8.9		8.9	1.48		0.53	0.79
2012	0.8	1.3	2.2	3.79	8.2		8.2	1.36		0.50	0.68
2013	0.8	1.2	1.9	3.88	7.5		7.5	1.25		0.47	0.59
2014	0.7	1.1	1.7	3.96	6.9		6.9	1.15		0.45	0.51
2015	0.6	1.0	1.6	4.05	6.4		6.4	1.06		0.42	0.45
2016	0.5	0.9	1.4	4.15	5.9		5.9	0.98		0.40	0.39
2017	0.5	0.8	1.3	4.24	5.4		5.4	0.90		0.37	0.34
2018	0.4	0.7	1.1	4.34	5.0		5.0	0.83		0.35	0.29
2019	0.4	0.6	1.0	4.43	4.6		4.6	0.76		0.33	0.25
2020	0.4	0.6	0.9	4.54	4.2		4.2	0.70		0.31	0.22
2021	0.3	0.5	0.8	4.64	3.9		3.9	0.65		0.29	0.19
2022	0.3	0.5	0.8	4.74	3.6		3.6	0.59		0.28	0.16
2023	0.3	0.4	0.7	4.85	3.3		3.3	0.55		0.26	0.14
2024	0.2	0.4	0.6	4.96	3.0		3.0	0.50		0.25	0.12
2025	0.2	0.3	0.5	5.07	2.8		2.8	0.46		0.23	0.11
2026	0.2	0.3	0.5	5.19	2.6		2.6	0.43		0.22	0.09
2027	0.2	0.3	0.4	5.31	2.4		2.4	0.39		0.21	0.08
2028	0.2	0.2	0.4	5.43	2.2		2.2	0.36		0.19	0.07
2029	0.1	0.2	0.4	5.55	2.0		2.0	0.33		0.18	0.06
2030	0.1	0.2	0.3	5.68	1.8		1.8	0.31		0.17	0.05

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A Weekly Analysis  
March 19, 2001

**Table CRT-2**  
**Cross Timbers Royalty Trust**  
**Distributable Income**

	Q4	Year	Q1	Q2	Q3	Q4E	Year	Q1E	Q2E	Q3E	Q4E	Year
	12/31/99	1999	3/31/00	6/30/00	9/30/00	12/31/00	2000E	3/31/01	6/30/01	9/30/01	12/31/01	2001E
<b>Highlights</b>												
Tax credit (\$mm)												
Per unit	0.03	0.16	0.03	0.03	0.03	0.03	0.13	0.03	0.03	0.03	0.03	0.12
Distributable Income (\$mm)	2.28	6.55	2.30	2.42	3.35	3.43	11.50	4.18	4.02	3.40	3.40	15.01
Per unit	0.38	1.09	0.38	0.40	0.56	0.57	1.92	0.70	0.67	0.57	0.57	2.50
Units (millions)	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
<b>Volume</b>												
Natural Gas (bcf)	0.97	3.64	0.80	0.77	0.83	0.76	3.16	0.76	0.72	0.74	0.73	2.95
Natural Gas (mmcf)	10.6	10.0	8.7	8.5	9.1	8.3	8.6	8.2	8.1	8.1	8.0	8.1
Days	92	365	92	91	91	92	366	92	89	92	92	365
Oil (mb)	94	349	88	81	93	91	353	89	84	85	85	343
Oil (mbd)	1.03	0.96	0.96	0.90	1.01	0.99	0.96	0.97	0.95	0.92	0.92	0.94
Days	92	365	92	90	92	92	366	92	89	92	92	365
Total (bcf)	1.54	5.73	1.33	1.26	1.39	1.31	5.28	1.29	1.23	1.25	1.24	5.01
<b>Price</b>												
Natural Gas (HH lagged three months)												
Henry Hub (\$/mmbtu)	2.52	2.12	2.45	2.62	3.63	4.48	3.29	6.52	6.27	5.06	5.14	5.75
Differential (\$/mmbtu)	0.13	0.13	(0.27)	(0.26)	0.16	-	(0.09)	1.22	0.63	0.51	0.51	0.72
CRT (\$/mcf)	2.39	1.99	2.72	2.88	3.47	4.48	3.38	5.30	5.64	4.56	4.62	5.03
Oil (\$/bbl) (WTI lagged two months)												
WTI Cushing	22.59	17.02	26.07	28.33	30.12	32.73	29.31	30.84	27.87	26.96	26.63	28.08
CRT	20.21	14.89	24.20	26.86	27.91	30.73	27.46	28.84	25.87	24.96	24.63	26.11
Total (\$/mcf)	2.75	2.17	3.25	3.50	3.94	4.75	3.86	5.10	5.10	4.40	4.41	4.75
<b>Revenue (\$mm)</b>												
Natural Gas	2.33	7.26	2.17	2.22	2.88	3.42	10.68	4.01	4.09	3.38	3.39	14.86
Oil	1.91	5.19	2.14	2.18	2.59	2.79	9.70	2.57	2.18	2.12	2.09	8.96
Total	4.23	12.45	4.31	4.40	5.47	6.21	20.38	6.57	6.27	5.49	5.48	23.82
<b>Cost (\$mm)</b>												
Tax, transport & other												
Production	0.50	1.61	0.58	0.61	0.74	0.87	2.80	0.92	0.88	0.77	0.77	3.33
Total	0.60	2.39	0.59	0.65	0.62	0.68	2.54	0.67	0.63	0.64	0.64	2.57
Total	1.09	4.00	1.17	1.26	1.36	1.55	5.34	1.59	1.51	1.40	1.40	5.91
<b>Cash flow (\$mm)</b>												
Development	3.14	8.46	3.13	3.14	4.11	4.66	15.04	4.99	4.76	4.09	4.08	17.91
Excess	0.12	0.74	0.21	0.13	0.16	0.16	0.67	0.16	0.16	0.17	0.17	0.66
Recovery of excess		(0.43)					-					-
Net proceeds	0.40	0.63	0.24	0.15			0.38					-
Net proceeds (\$mm)	2.62	7.52	2.68	2.86	3.95	4.50	13.99	4.83	4.60	3.92	3.91	17.25
<b>Royalty income (\$mm)</b>												
Royalty/Net proceeds	2.30	6.69	2.35	2.48	3.39	3.89	12.11	4.22	4.06	3.44	3.44	15.17
Administration	88%	89%	88%	87%	86%	86%	87%	87%	88%	88%	88%	88%
Distributable income (\$mm)	0.02	0.14	0.05	0.05	0.05	0.46	0.61	0.04	0.04	0.04	0.04	0.16
Distributable income (\$mm)	2.28	6.55	2.30	2.42	3.35	3.43	11.50	4.18	4.02	3.40	3.40	15.01
<b>Modeling ratios</b>												
Tax and other/revenue	0.12	0.13	0.13	0.14	0.13	0.14	0.14	0.14	0.14	0.14	0.14	0.14
Production exp (\$/bbl)	6.31	6.86	6.71	8.00	6.69	7.50	7.20	7.50	7.50	7.50	7.50	7.50
<b>Accounting items</b>												
Interest on excess costs	0.01	0.06										
Cumulative excess costs	0.37	0.37	0.15									

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*A Weekly Analysis*  
 March 19, 2001

**Table DHULZ-1**  
**Dorchester Hugoton, Ltd.**  
**Present Value**

Volume Decline (%/yr):	11	Price Escalation Post 2006 (%/yr):	2.3
Volume Enhancement (%/yr):	7	Discount rate (%/yr):	6.2
Capex/Cash Flow (%):	20	U.S. TIPS Inflation (%/yr):	1.5
Variable Cost (%):	11	U.S. 10 Year Yield (%/yr):	4.8
PV/Volume (\$/mcf):	1.98	PV/EBITDA 2001:	6.3

Year	Basic (bcf)	Volume Enhanced (bcf)	Total (bcf)	Price (\$/mcf)	Revenue (\$mm)	Fixed Cost (\$mm)	Var Cost (\$mm)	Cap Ex (\$mm)	Free Cash Flow (\$mm)	(\$/unit)	Disc Factor	Present Value (\$/unit)
Total 2001 through 2030												
	54	30	84	4.04	339	86	37	30	186	17.13	0.78	13.30
						Other assets, net			20.0	1.84	1.00	1.84
2001	6.3	0.0	6.3	5.32	33.4	3.4	3.7	5.3	21.1	1.94	0.97	1.88
2002	5.6	0.4	6.0	4.70	28.4	3.4	3.1	4.4	17.5	1.61	0.91	1.47
2003	5.0	0.8	5.8	4.18	24.2	3.4	2.7	3.6	14.5	1.34	0.86	1.15
2004	4.4	1.1	5.6	3.94	21.9	3.4	2.4	3.2	12.8	1.18	0.81	0.96
2005	3.9	1.4	5.3	3.60	19.2	3.4	2.1	2.7	10.9	1.01	0.76	0.77
2006	3.5	1.6	5.1	3.31	17.0	3.4	1.9	2.3	9.3	0.86	0.72	0.62
2007	3.1	1.8	4.9	3.39	16.6	3.4	1.8	2.3	9.1	0.84	0.68	0.57
2008	2.8	1.9	4.7	3.46	16.3	3.4	1.8	2.2	8.9	0.82	0.64	0.52
2009	2.5	2.1	4.5	3.54	16.0	3.4	1.8	2.2	8.7	0.80	0.60	0.48
2010	2.2	2.1	4.3	3.62	15.8	3.4	1.7	2.1	8.5	0.78	0.57	0.44
2011	2.0	2.2	4.2	3.71	15.5	3.4	1.7		10.3	0.95	0.53	0.51
2012	1.7	2.0	3.7	3.79	14.1	3.4	1.5		9.1	0.84	0.50	0.42
2013	1.6	1.8	3.3	3.88	12.8	3.4	1.4		8.0	0.74	0.47	0.35
2014	1.4	1.6	2.9	3.96	11.7	3.4	1.3		7.0	0.64	0.45	0.29
2015	1.2	1.4	2.6	4.05	10.6	3.4	1.2		6.0	0.56	0.42	0.23
2016	1.1	1.2	2.3	4.15	9.7	3.4	1.1		5.2	0.48	0.40	0.19
2017	1.0	1.1	2.1	4.24	8.8	3.4	1.0		4.4	0.41	0.37	0.15
2018	0.9	1.0	1.8	4.34	8.0	3.4	0.9		3.7	0.34	0.35	0.12
2019	0.8	0.9	1.6	4.43	7.3	3.4	0.8		3.1	0.28	0.33	0.09
2020	0.7	0.8	1.5	4.54	6.6	3.4	0.7		2.5	0.23	0.31	0.07
2021	0.6	0.7	1.3	4.64	6.0	3.4	0.7		1.9	0.18	0.29	0.05
2022	0.5	0.6	1.2	4.74	5.5	3.4	0.6		1.5	0.14	0.28	0.04
2023	0.5	0.5	1.0	4.85	5.0	3.4	0.6		1.0	0.09	0.26	0.02
2024	0.4	0.5	0.9	4.96	4.6	3.4	0.5		0.6	0.06	0.25	0.01
2025	0.4	0.4	0.8	5.07	4.1	3.4	0.5		0.3	0.02	0.23	0.01



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**A Weekly Analysis**  
**March 19, 2001**

**Table DHULZ-2**  
**Dorchester Hugoton, Ltd.**  
**Income Model**

	<i>Q4</i>	<i>Year</i>	<i>Q1</i>	<i>Q2</i>	<i>Q3</i>	<i>Q4</i>	<i>Year</i>	<i>Q1E</i>	<i>Q2E</i>	<i>Q3E</i>	<i>Q4E</i>	<i>Year</i>
	<i>12/31/99</i>	<i>1999</i>	<i>3/31/00</i>	<i>6/30/00</i>	<i>9/30/00</i>	<i>12/31/00</i>	<i>2000</i>	<i>3/31/01</i>	<i>6/30/01</i>	<i>9/30/01</i>	<i>12/31/01</i>	<i>2001E</i>
<b>Highlights</b>												
Revenue (\$mm)	4.39	15.3	4.16	5.57	7.04	8.42	25.2	9.22	7.43	7.55	7.65	31.9
Cash flow (\$mm)	3.25	10.9	3.09	3.87	5.69	7.11	19.8	7.66	6.02	6.13	6.22	26.0
Per unit	0.30	1.01	0.28	0.36	0.52	0.66	1.82	0.71	0.55	0.56	0.57	2.40
Earnings (\$mm)	2.78	9.0	2.64	3.40	5.24	6.69	18.0	7.23	5.60	5.71	5.80	24.3
Per unit	0.26	0.83	0.24	0.32	0.48	0.62	1.66	0.67	0.52	0.53	0.53	2.24
Distribution (\$mm)	1.93	7.7	3.01	1.93	2.36	2.36	9.7	2.90	2.90	2.90	2.90	11.6
Per unit	0.18	0.72	0.28	0.18	0.22	0.22	0.90	0.27	0.27	0.27	0.27	1.08
Units (millions)	10.74	10.7	10.74	10.74	10.74	10.74	10.7	10.74	10.74	10.74	10.74	10.7
<b>Volume</b>												
Natural gas (bcf)												
Oklahoma	1.43	5.6	1.39	1.37	1.43	1.38	5.6	1.34	1.35	1.36	1.35	5.4
Kansas	0.31	1.3	0.29	0.28	0.27	0.24	1.1	0.23	0.22	0.22	0.21	0.9
Total	1.74	6.9	1.68	1.66	1.70	1.62	6.7	1.57	1.57	1.57	1.56	6.3
Natural Gas (mmcf)	18.9	18.9	18.5	18.2	18.4	17.6	18.2	17.5	17.3	17.1	16.9	17.2
Days	92	365	91	91	92	92	366	90	91	92	92	365
<b>Price</b>												
Natural gas												
Henry Hub (\$/mmbtu)	2.45	2.24	2.62	3.63	4.48	6.52	4.31	6.27	5.06	5.14	5.26	5.43
Oklahoma (\$/mcf)	2.60	2.28	2.53	3.50	4.33	5.43	3.95	6.15	4.94	5.02	5.14	5.31
Kansas (\$/mcf)	2.70	2.36	2.72	3.58	4.41	5.54	3.99	6.23	5.02	5.10	5.22	5.40
Total (\$/mcf)	2.62	2.30	2.57	3.51	4.34	5.45	3.96	6.16	4.95	5.03	5.15	5.32
<b>Revenue (\$mm)</b>												
Natural Gas												
Oklahoma	3.73	12.7	3.53	4.81	6.18	7.51	22.0	8.27	6.67	6.80	6.92	28.7
Kansas	0.83	3.1	0.79	1.01	1.19	1.33	4.3	1.42	1.12	1.12	1.11	4.8
Other	0.05	0.2	0.05	0.05	0.06	0.05	0.2	0.05	0.05	0.05	0.05	0.2
Production payment (ORRI)	(0.23)	(0.8)	(0.21)	(0.30)	(0.39)	(0.47)	(1.4)	(0.51)	(0.41)	(0.42)	(0.43)	(1.8)
Total	4.39	15.3	4.16	5.57	7.04	8.42	25.2	9.22	7.43	7.55	7.65	31.9
<b>Cost (\$mm)</b>												
Operating	0.95	3.6	0.92	1.04	1.07	1.35	4.4	1.27	1.15	1.15	1.16	4.7
General and administrative	0.16	0.6	0.14	0.18	0.20	0.28	0.8	0.20	0.18	0.18	0.18	0.7
Management	0.13	0.5	0.13	0.14	0.16	0.17	0.6	0.18	0.16	0.16	0.16	0.7
Other	(0.10)	(0.3)	(0.11)	0.35	(0.07)	(0.49)	(0.3)	(0.08)	(0.08)	(0.08)	(0.08)	(0.3)
Total	1.13	4.4	1.07	1.70	1.35	1.31	5.4	1.57	1.41	1.42	1.43	5.8
Cash flow (\$mm)	3.25	10.9	3.09	3.87	5.69	7.11	19.8	7.66	6.02	6.13	6.22	26.0
Depletion, deprec. & amort.	0.48	1.9	0.45	0.46	0.45	0.42	1.8	0.42	0.42	0.43	0.42	1.7
Earnings (\$mm)	2.78	9.0	2.64	3.40	5.24	6.69	18.0	7.23	5.60	5.71	5.80	24.3
Capital expenditures (\$mm)	0.10	0.4	0.04	0.13	0.23	0.09	0.5	1.15	0.90	0.92	0.93	3.9
<b>Cost ratios</b>												
Prod pay/revenue	5.0%	4.7%	4.8%	5.1%	5.3%	5.3%	5.2%	5.3%	5.3%	5.3%	5.3%	5.3%
Operating cost (\$/mcf)	0.54	0.52	0.54	0.63	0.63	0.83	0.66	0.81	0.73	0.73	0.75	0.75
Depletion (\$/mcf)	0.27	0.28	0.27	0.28	0.27	0.26	0.27	0.27	0.27	0.27	0.27	0.27

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**Meter Reader**  
*A Weekly Analysis*  
 March 19, 2001

**Table HGT-1**  
**Hugoton Royalty Trust**  
**Present Value**

Volume Decline (%/yr):	10	Price Escalation Post 2006 (%/yr):	2.3
Volume Enhancement (%/yr):	10	Discount rate (%/yr):	6.2
Capex/Cash Flow (%):	25	U.S. TIPS Inflation (%/yr):	1.5
Variable Cost (%):	12	U.S. 10 Year Yield (%/yr):	4.8
PV/Volume (\$/mcf):	1.30	PV/EBITDA 2001:	6.3

Year	Basic (bcf)	Volume Enhanced (bcf)	Total (bcf)	Price (\$/mcf)	Revenue (\$mm)	Fixed Cost (\$mm)	Var Cost (\$mm)	Cap Ex (\$mm)	Distribution (\$mm)	(\$/unit)	Tax Credit (\$/unit)	Disc Factor	Present Value (\$/unit)
Total 200 through 2030													
	300	261	560	4.04	2264	575	272	217	1201	30.02	0.04	0.61	18.20
2001	31.3	0.0	31.3	4.90	153.4	19.2	18.4	29.0	86.8	2.17	0.02	0.97	2.13
2002	28.2	3.1	31.3	4.47	139.8	19.2	16.8	26.0	77.9	1.95	0.02	0.91	1.80
2003	25.3	5.9	31.3	4.18	130.8	19.2	15.7	24.0	72.0	1.80		0.86	1.55
2004	22.8	8.5	31.3	3.94	123.1	19.2	14.8	22.3	66.9	1.67		0.81	1.36
2005	20.5	10.8	31.3	3.60	112.5	19.2	13.5	20.0	59.9	1.50		0.76	1.14
2006	18.5	12.8	31.3	3.31	103.6	19.2	12.4	18.0	54.0	1.35		0.72	0.97
2007	16.6	14.7	31.3	3.39	106.0	19.2	12.7	18.5	55.6	1.39		0.68	0.94
2008	15.0	16.3	31.3	3.46	108.4	19.2	13.0	19.1	57.2	1.43		0.64	0.91
2009	13.5	17.8	31.3	3.54	110.9	19.2	13.3	19.6	58.8	1.47		0.60	0.88
2010	12.1	19.2	31.3	3.62	113.4	19.2	13.6	20.2	60.5	1.51		0.57	0.86
2011	10.9	17.2	28.2	3.71	104.3	19.2	12.5		72.7	1.82		0.53	0.97
2012	9.8	15.5	25.3	3.79	96.0	19.2	11.5		65.4	1.63		0.50	0.82
2013	8.8	14.0	22.8	3.88	88.4	19.2	10.6		58.6	1.47		0.47	0.69
2014	8.0	12.6	20.5	3.96	81.4	19.2	9.8		52.5	1.31		0.45	0.59
2015	7.2	11.3	18.5	4.05	74.9	19.2	9.0		46.8	1.17		0.42	0.49
2016	6.4	10.2	16.6	4.15	68.9	19.2	8.3		41.5	1.04		0.40	0.41
2017	5.8	9.2	15.0	4.24	63.4	19.2	7.6		36.7	0.92		0.37	0.34
2018	5.2	8.3	13.5	4.34	58.4	19.2	7.0		32.2	0.81		0.35	0.28
2019	4.7	7.4	12.1	4.43	53.8	19.2	6.5		28.1	0.70		0.33	0.23
2020	4.2	6.7	10.9	4.54	49.5	19.2	5.9		24.4	0.61		0.31	0.19
2021	3.8	6.0	9.8	4.64	45.5	19.2	5.5		20.9	0.52		0.29	0.15
2022	3.4	5.4	8.8	4.74	41.9	19.2	5.0		17.7	0.44		0.28	0.12
2023	3.1	4.9	8.0	4.85	38.6	19.2	4.6		14.8	0.37		0.26	0.10
2024	2.8	4.4	7.2	4.96	35.5	19.2	4.3		12.1	0.30		0.25	0.07
2025	2.5	3.9	6.4	5.07	32.7	19.2	3.9		9.6	0.24		0.23	0.06
2026	2.2	3.6	5.8	5.19	30.1	19.2	3.6		7.3	0.18		0.22	0.04
2027	2.0	3.2	5.2	5.31	27.7	19.2	3.3		5.2	0.13		0.21	0.03
2028	1.8	2.9	4.7	5.43	25.5	19.2	3.1		3.3	0.08		0.19	0.02
2029	1.6	2.6	4.2	5.55	23.5	19.2	2.8		1.5	0.04		0.18	0.01
2030	1.5	2.3	3.8	5.68	21.6	19.2	2.6		-0.2	0.00		0.17	0.00

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**Meter Reader**  
**A Weekly Analysis**  
**March 19, 2001**

**Table HGT-2**  
**Hugoton Royalty Trust**  
**Distributable Income**

	<i>Q4</i>	<i>Year</i>	<i>Q1</i>	<i>Q2</i>	<i>Q3</i>	<i>Q4E</i>	<i>Year</i>	<i>Q1E</i>	<i>Q2E</i>	<i>Q3E</i>	<i>Q4E</i>	<i>Year</i>
	<i>12/31/99</i>	<i>1999</i>	<i>3/31/00</i>	<i>6/30/00</i>	<i>9/30/00</i>	<i>12/31/00</i>	<i>2000E</i>	<i>3/31/01</i>	<i>6/30/01</i>	<i>9/30/01</i>	<i>12/31/01</i>	<i>2001E</i>
<b>Highlights</b>												
Revenue (\$mm) (80%)	20.4	63.1	20.0	19.8	28.2	33.4	101.5	47.4	35.1	35.3	35.6	153.4
Cash flow (\$mm) (80%)	14.4	42.2	14.1	13.9	20.8	25.5	74.3	37.2	26.2	26.3	26.5	116.1
Per unit	0.36	1.06	0.35	0.35	0.52	0.64	1.86	0.93	0.66	0.66	0.66	2.90
Tax credit (\$mm)	0.2	0.8	0.2	0.2	0.2	0.2	0.8	0.2	0.2	0.2	0.2	0.8
Per unit	0.01	0.02	0.01	0.01	0.01	0.01	0.02	0.01	0.01	0.01	0.01	0.02
Distributable Income (\$mm)	12.2	33.1	10.9	11.3	16.2	18.3	56.7	27.8	19.6	19.6	19.8	86.8
Per unit	0.30	0.83	0.27	0.28	0.40	0.46	1.42	0.69	0.49	0.49	0.49	2.17
Units (millions)	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
<b>Volume</b>												
Natural Gas (bcf)	9.6	34.2	9.7	8.6	9.1	9.4	36.8	9.3	9.0	9.3	9.3	36.9
Natural Gas (mmcf)	104.2	102.1	105.5	96.0	98.4	102.7	100.9	101.0	101.0	101.0	101.0	101.0
Days	92	335	92	90	92	92	366	92	89	92	92	365
Oil (mb)	103	388	100	105	98	97	399	96	92	94	93	374
Oil (mmbd)	1.1	1.1	1.1	1.2	1.1	1.1	1.1	1.0	1.0	1.0	1.0	1.0
Days	92	342	92	90	92	92	366	92	89	92	92	365
Total (bcf)	10.2	36.5	10.3	9.3	9.6	10.0	39.2	9.9	9.5	9.9	9.8	39.1
<b>Price</b>												
Natural Gas (HH lagged two months)												
Henry Hub (\$/mmbtu)	2.66	2.18	2.35	2.82	3.94	4.83	3.49	7.57	5.23	5.10	5.14	5.76
Differential (\$/mmbtu)	0.24	0.06	0.04	0.29	0.37	0.72	0.35	1.50	0.63	0.61	0.62	0.84
HGT (\$/mcf)	2.42	2.12	2.32	2.54	3.57	4.11	3.14	6.07	4.60	4.48	4.52	4.92
Oil (\$/bbl) (WTI Cushing lagged two months)												
WTI Cushing	22.59	17.39	26.07	28.33	30.12	31.56	29.02	30.84	27.87	26.96	26.63	28.08
HGT	21.72	16.53	25.19	27.63	29.71	30.56	28.24	30.34	27.37	26.46	26.13	27.59
Total (\$/mcf)	2.49	2.16	2.43	2.68	3.65	4.17	3.23	6.01	4.60	4.48	4.51	4.90
<b>Revenue (\$mm)</b>												
Natural Gas	23.2	72.5	22.5	21.9	32.3	38.9	115.6	56.4	41.3	41.7	42.0	181.4
Oil	2.2	6.4	2.5	2.9	2.9	3.0	11.3	2.9	2.5	2.5	2.4	10.3
Total	25.4	78.9	25.0	24.8	35.2	41.8	126.8	59.3	43.8	44.1	44.5	191.7
<b>Cost (\$mm)</b>												
Tax, transport & other												
Production	3.0	11.0	3.3	3.2	3.9	4.6	15.0	4.9	4.8	4.9	4.9	19.6
Overhead	1.7	6.9	1.7	1.8	1.9	1.8	7.2	2.0	1.9	2.0	2.0	7.8
Total	7.4	26.2	7.4	7.4	9.2	9.9	34.0	12.8	11.1	11.3	11.3	46.5
<b>Cash flow (\$mm)</b>												
Development	2.8	11.3	3.9	3.3	5.8	8.9	21.8	11.6	8.2	8.2	8.3	36.3
<b>Net proceeds (\$mm)</b>												
Royalty/Net proceeds	15.2	41.4	13.7	14.1	20.3	23.0	71.1	34.8	24.6	24.6	24.8	108.9
<b>Royalty income (\$mm)</b>												
Royalty/Net proceeds	12.2	33.2	11.0	11.3	16.2	18.4	56.9	27.9	19.7	19.7	19.9	87.1
Administration	0.0	0.1	0.0	0.0	0.0	0.1	0.2	0.1	0.1	0.1	0.1	0.3
<b>Distributable income (\$mm)</b>												
Royalty/Net proceeds	12.2	33.1	10.9	11.3	16.2	18.3	56.7	27.8	19.6	19.6	19.8	86.8
<b>Cost ratios</b>												
Tax and other/revenue	10%	10%	10%	10%	10%	8%	9%	10%	10%	10%	10%	10%
Production cost (\$/mcf)	0.29	0.30	0.32	0.35	0.40	0.46	0.38	0.50	0.50	0.50	0.50	0.50
Overhead cost (\$/mcf)	0.17	0.19	0.17	0.19	0.20	0.18	0.18	0.20	0.20	0.20	0.20	0.20

Note: The trust was formed on December 1, 1998. Also there is a two month lag between actual and reported production. As a result, the first year of operations includes only eleven months of actual production from December 1998 through October 1999.

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**Meter Reader**  
*A Weekly Analysis*  
 March 19, 2001

**Table SJT-1**  
**San Juan Basin Royalty Trust**  
**Present Value**

Volume Decline (%/yr):	10	Price Escalation Post 2006 (%/yr):	2.3
Volume Enhancement (%/yr):	10	Discount rate (%/yr):	6.2
Capex/Cash Flow (%):	25	U.S. TIPS Inflation (%/yr):	1.5
Variable Cost (%):	9	U.S. 10 Year Yield (%/yr):	4.8
PV/Volume (\$/mcf):	1.34	PV/EBITDA 2001:	6.2

Year	Basic (bcf)	Volume Enhanced (bcf)	Total (bcf)	Price (\$/mcf)	Revenue (\$mm)	Fixed Cost (\$mm)	Var Cost (\$mm)	Cap Ex (\$mm)	Distribution (\$mm)	(\$/unit)	Tax Credit (\$/unit)	Disc Factor	Present Value (\$/unit)
Total 2001 through 2030													
	304	264	568	3.63	2062	389	186	218	1270	27.24	0.32	0.59	16.30
2001	31.7	0.0	31.7	4.70	148.9	13.0	13.4	30.8	91.7	1.97	0.16	0.97	2.07
2002	28.5	3.2	31.7	4.00	126.7	13.0	11.4	25.6	76.8	1.65	0.16	0.91	1.65
2003	25.7	6.0	31.7	3.74	118.6	13.0	10.7	23.7	71.2	1.53		0.86	1.32
2004	23.1	8.6	31.7	3.52	111.6	13.0	10.0	22.2	66.5	1.43		0.81	1.16
2005	20.8	10.9	31.7	3.22	102.0	13.0	9.2	20.0	59.9	1.28		0.76	0.98
2006	18.7	13.0	31.7	2.96	93.9	13.0	8.5	18.1	54.4	1.17		0.72	0.84
2007	16.8	14.9	31.7	3.03	96.1	13.0	8.6	18.6	55.9	1.20		0.68	0.81
2008	15.2	16.5	31.7	3.10	98.2	13.0	8.8	19.1	57.3	1.23		0.64	0.79
2009	13.6	18.1	31.7	3.17	100.5	13.0	9.0	19.6	58.9	1.26		0.60	0.76
2010	12.3	19.4	31.7	3.24	102.8	13.0	9.2	20.1	60.4	1.30		0.57	0.73
2011	11.1	17.5	28.5	3.32	94.6	13.0	8.5		73.1	1.57		0.53	0.84
2012	9.9	15.7	25.7	3.39	87.1	13.0	7.8		66.3	1.42		0.50	0.72
2013	9.0	14.2	23.1	3.47	80.1	13.0	7.2		60.0	1.29		0.47	0.61
2014	8.1	12.7	20.8	3.55	73.8	13.0	6.6		54.2	1.16		0.45	0.52
2015	7.3	11.5	18.7	3.63	67.9	13.0	6.1		48.8	1.05		0.42	0.44
2016	6.5	10.3	16.8	3.71	62.5	13.0	5.6		43.9	0.94		0.40	0.37
2017	5.9	9.3	15.2	3.79	57.5	13.0	5.2		39.4	0.85		0.37	0.32
2018	5.3	8.4	13.6	3.88	52.9	13.0	4.8		35.2	0.76		0.35	0.27
2019	4.8	7.5	12.3	3.97	48.7	13.0	4.4		31.4	0.67		0.33	0.22
2020	4.3	6.8	11.1	4.06	44.8	13.0	4.0		27.9	0.60		0.31	0.19
2021	3.9	6.1	9.9	4.15	41.3	13.0	3.7		24.6	0.53		0.29	0.16
2022	3.5	5.5	9.0	4.24	38.0	13.0	3.4		21.6	0.46		0.28	0.13
2023	3.1	4.9	8.1	4.34	35.0	13.0	3.1		18.9	0.40		0.26	0.11
2024	2.8	4.4	7.3	4.44	32.2	13.0	2.9		16.3	0.35		0.25	0.09
2025	2.5	4.0	6.5	4.54	29.6	13.0	2.7		14.0	0.30		0.23	0.07
2026	2.3	3.6	5.9	4.64	27.3	13.0	2.5		11.9	0.25		0.22	0.06
2027	2.0	3.2	5.3	4.75	25.1	13.0	2.3		9.9	0.21		0.21	0.04
2028	1.8	2.9	4.8	4.86	23.1	13.0	2.1		8.1	0.17		0.19	0.03
2029	1.7	2.6	4.3	4.97	21.3	13.0	1.9		6.4	0.14		0.18	0.02
2030	1.5	2.4	3.9	5.08	19.6	13.0	1.8		4.9	0.10		0.17	0.02

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**Meter Reader**  
**A Weekly Analysis**  
**March 19, 2001**

**Table SJT-2**  
**San Juan Basin Royalty Trust**  
**Distributable Income Model**

	Q4 12/31/99	Year 1999	Q1 3/31/00	Q2 6/30/00	Q3 9/30/00	Q4E 12/31/00	Year 2000E	Q1E 3/31/01	Q2E 6/30/01	Q3E 9/30/01	Q4E 12/31/01	Year 2001E
<b>Highlights</b>												
Revenue (\$mm) (75%)	17.4	53.2	17.3	19.3	29.0	29.8	95.3	48.5	33.8	33.4	33.2	148.9
Cash flow (\$mm) (75%)	13.4	39.6	13.3	13.7	23.6	24.7	75.2	40.9	27.8	27.4	27.3	123.4
Per unit	0.29	0.85	0.28	0.29	0.51	0.53	1.61	0.88	0.60	0.59	0.59	2.65
Tax credit (\$mm)	2.5	7.6	1.9	1.9	1.9	1.9	7.5	1.9	1.9	1.9	1.9	7.5
Per unit	0.05	0.16	0.04	0.04	0.04	0.04	0.16	0.04	0.04	0.04	0.04	0.16
Distributable Income (\$mm)	11.3	31.8	9.9	13.2	19.7	16.5	59.2	30.5	20.7	20.3	20.3	91.7
Per unit	0.24	0.68	0.21	0.28	0.42	0.35	1.27	0.65	0.44	0.44	0.43	1.97
Units (millions)	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6
<b>Volume</b>												
Natural gas (mmbtu)												
Conventional	6.7	26.9	7.0	7.1	8.4							
Coal Seam	3.5	14.4	3.6	3.9	4.0							
Total	10.3	41.3	10.6	11.0	12.4	11.2	45.1	11.3	11.0	11.1	11.0	44.4
Heat Content(btu/cf)	1,045	1,035	1,053	1,028	1,104	1,084	1,068	1,061	1,061	1,061	1,061	1,061
Natural gas (bcf)												
Conventional	5.8	23.5	5.9	6.3	6.7							
Coal Seam	4.0	16.4	4.1	4.4	4.5							
Total	9.8	39.9	10.1	10.7	11.2	10.3	42.2	10.7	10.3	10.5	10.4	41.8
Natural Gas (mmcf)	106.7	109.4	109.6	118.5	121.6	111.8	115.4	116.0	114.8	113.7	112.6	114.3
Days	92	365	92	90	92	92	366	92	90	92	92	366
Oil (mb)	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1
Oil (mbd)	0.2	0.2	0.3	0.2	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Days	92	365	92	90	92	92	366	92	90	92	92	366
Total gas & oil (bcf)	9.9	40.4	10.2	10.8	11.4	10.4	42.8	10.8	10.4	10.6	10.5	42.3
<b>Price</b>												
Natural gas (\$/mmbtu) (Henry Hub lagged two months)												
Henry Hub (\$/mmbtu)	2.66	2.17	2.35	2.82	3.94	4.83	3.49	7.57	5.23	5.10	5.14	5.76
Differential (\$/mmbtu)	0.44	0.48	0.23	0.52	0.87	1.31	0.72	1.90	1.15	1.12	1.13	1.32
SJT Conventional	2.27	1.75	2.17	2.36	3.14							
SJT Coal Seam	2.13	1.58	2.03	2.20	2.92							
Total	2.22	1.69	2.12	2.30	3.07	3.52	2.77	5.67	4.08	3.97	4.01	4.44
Natural gas (\$/mcf)												
Conventional	2.63	2.00	2.54	2.67	3.95							
Coal Seam	1.88	1.39	1.79	1.94	2.56							
Total	2.32	1.75	2.23	2.37	3.39	3.81	2.96	5.34	3.84	3.75	3.78	4.71
Oil (\$/bbl) (WTI Cushing lagged two months)												
WTI Cushing	22.59	17.02	26.07	28.33	30.12	32.73	29.31	28.79	27.87	26.96	17.99	25.40
SJT	20.66	14.25	22.48	21.66	25.58	28.73	24.49	24.79	23.87	22.96	13.99	21.39
Total gas & oil (\$/mcf)	2.33	1.76	2.25	2.38	3.40	3.82	2.97	5.99	4.32	4.21	4.23	4.70
<b>Revenue (\$mm)</b>												
Natural Gas - Conventional												
Coal Seam	7.6	22.8	7.4	8.5	11.6							
Total	22.8	69.9	22.5	25.2	37.9	39.2	124.9	64.2	44.7	44.1	44.0	197.0
Oil												
Total	0.4	1.0	0.5	0.5	0.7	0.5	2.2	0.5	0.4	0.4	0.3	1.6
Total	23.2	71.0	23.0	25.7	38.6	39.8	127.1	64.6	45.1	44.5	44.3	198.6
<b>Cost (\$mm)</b>												
Severance tax												
Operating	2.9	10.8	3.1	5.2	3.1	3.2	14.5	3.6	3.5	3.6	3.5	14.2
Total	5.3	18.1	5.4	7.5	7.2	6.9	26.9	10.1	8.0	8.0	8.0	34.1
<b>Cash flow (\$mm)</b>												
Development												
Net proceeds (\$mm)	15.3	42.3	13.1	13.5	26.4	21.7	74.6	40.9	27.8	27.4	27.3	123.4
<b>Royalty income (\$mm)</b>												
Royalty/Net proceeds												
Administration	0.2	0.8	0.2	0.4	0.2	(0.2)	0.5	0.2	0.2	0.2	0.2	0.8
One-time		0.9	0.3	3.5			3.7					-
<b>Distributable income (\$mm)</b>												
Modeling ratios												
Severance tax/revenue	10.3%	10.3%	9.8%	9.0%	10.8%	9.2%	9.7%	10.0%	10.0%	10.0%	10.0%	10.0%
Operating cost (\$/mcf)	0.29	0.27	0.30	0.48	0.27	0.31	0.34	0.34	0.34	0.34	0.34	0.34

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***Meter Reader***  
*A Weekly Analysis*  
 March 19, 2001

**Table BR-1**  
**Burlington Resources**  
**Present Value**

Volume Decline (%/yr):	11	Price Escalation Post 2006 (%/yr):	2.3
Volume Enhancement (%/yr):	11	Discount rate (%/yr):	6.2
Capex/Cash Flow (%):	50	U.S. TIPS Inflation (%/yr):	1.5
Variable Cost (%):	14	U.S. 10 Year Yield (%/yr):	4.8
PV/Volume (\$/mcf):	0.76	PV/EBITDA 2001:	5.6
PV/Share (\$):	53.70		

Year	Basic (bcf)	Volume Enhanced (bcf)	Total (bcf)	Price (\$/mcf)	Revenue (\$mm)	Fixed Cost (\$mm)	Var Cost (\$mm)	Cap Ex (\$mm)	Cash Flow (\$mm)	Disc Factor	Present Value (\$mm)
Total 2001 through 2030											
	7417	10827	18244	3.80	69334	17079	9707	14893	27655	0.50	13900
2001	841	0	841	4.25	3573	569	500	1252	1252	0.97	1215
2002	749	93	841	4.21	3543	569	496	1239	1239	0.91	1133
2003	666	175	841	3.30	2774	569	388	908	908	0.86	782
2004	593	248	841	3.24	2726	569	382	888	888	0.81	720
2005	528	313	841	3.18	2678	569	375	867	867	0.76	663
2006	470	372	841	3.14	2640	569	370	851	851	0.72	612
2007	418	423	841	3.21	2700	569	378	876	876	0.68	594
2008	372	469	841	3.28	2762	569	387	903	903	0.64	577
2009	331	510	841	3.36	2824	569	395	930	930	0.60	559
2010	295	547	841	3.43	2888	569	404	957	957	0.57	543
2011	262	579	841	3.51	2954	569	414	986	986	0.53	526
2012	234	608	841	3.59	3021	569	423	1014	1014	0.50	510
2013	208	634	841	3.67	3090	569	433	1044	1044	0.47	494
2014	185	656	841	3.76	3160	569	442	1074	1074	0.45	479
2015	165	677	841	3.84	3232	569	452	1105	1105	0.42	464
2016	147	602	749	3.93	2941	569	412		1960	0.40	776
2017	130	536	666	4.02	2677	569	375		1733	0.37	646
2018	116	477	593	4.11	2437	569	341		1526	0.35	536
2019	103	425	528	4.20	2218	569	311		1338	0.33	443
2020	92	378	470	4.30	2019	569	283		1167	0.31	364
2021	82	336	418	4.39	1838	569	257		1011	0.29	297
2022	73	299	372	4.49	1673	569	234		869	0.28	240
2023	65	266	331	4.60	1522	569	213		740	0.26	193
2024	58	237	295	4.70	1386	569	194		622	0.25	153
2025	51	211	262	4.81	1261	569	177		515	0.23	119
2026	46	188	234	4.92	1148	569	161		418	0.22	91
2027	41	167	208	5.03	1045	569	146		329	0.21	68
2028	36	149	185	5.14	951	569	133		249	0.19	48
2029	32	132	165	5.26	866	569	121		175	0.18	32
2030	29	118	147	5.38	788	569	110		108	0.17	19

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**Meter Reader**  
**A Weekly Analysis**  
**March 19, 2001**

**Table BR-2**  
**Burlington Resources**  
**Income Model**

	<i>Q4</i>	<i>Year</i>	<i>Q1</i>	<i>Q2</i>	<i>Q3</i>	<i>Q4</i>	<i>Year</i>	<i>Q1E</i>	<i>Q2E</i>	<i>Q3E</i>	<i>Q4E</i>	<i>Year</i>
	<i>12/31/99</i>	<i>1999</i>	<i>3/31/00</i>	<i>6/30/00</i>	<i>9/30/00</i>	<i>12/31/00</i>	<i>2000</i>	<i>3/31/01</i>	<i>6/30/01</i>	<i>9/30/01</i>	<i>12/31/01</i>	<i>2001E</i>
<b>Highlights</b>												
Revenue (\$mm)	690	<b>2,313</b>	708	680	760	999	<b>3,147</b>	937	824	892	920	<b>3,573</b>
Ebitda (\$mm)	390	<b>1,319</b>	466	413	519	711	<b>2,109</b>	667	560	624	653	<b>2,503</b>
Cash Flow (\$mm)	347	<b>1,099</b>	411	335	440	653	<b>1,839</b>	594	492	553	581	<b>2,219</b>
Per share (\$)	1.61	<b>5.09</b>	1.90	1.55	2.04	3.04	<b>8.51</b>	2.76	2.29	2.57	2.70	<b>10.32</b>
Net Income (\$mm)	(84)	<b>1</b>	77	94	200	304	<b>675</b>	309	218	258	276	<b>1,061</b>
Per share (\$)	(0.38)	<b>0.01</b>	0.36	0.43	0.93	1.41	<b>3.13</b>	1.44	1.01	1.20	1.28	<b>4.94</b>
Shares (millions)	216	<b>216</b>	216	216	216	215	<b>216</b>	215	215	215	215	<b>215</b>
<b>Volume</b>												
Natural gas (bcf)												
U.S.	141	<b>543</b>	140	134	127	127	<b>528</b>	124	126	127	127	<b>504</b>
Canada	38	<b>157</b>	38	34	36	37	<b>145</b>	40	40	40	40	<b>161</b>
Overseas	13	<b>32</b>	15	10	7	12	<b>45</b>	13	13	13	13	<b>51</b>
Total	192	<b>731</b>	193	179	170	176	<b>718</b>	176	178	180	180	<b>715</b>
Natural Gas (mmcf)												
U.S.	1,536	<b>1,487</b>	1,535	1,470	1,382	1,380	<b>1,441</b>	1,380	1,380	1,380	1,380	<b>1,376</b>
Canada	417	<b>429</b>	419	379	387	403	<b>397</b>	440	440	440	440	<b>439</b>
Overseas	137	<b>88</b>	167	114	80	128	<b>122</b>	140	140	140	140	<b>140</b>
Total	2,090	<b>2,004</b>	2,121	1,963	1,849	1,911	<b>1,961</b>	1,960	1,960	1,960	1,960	<b>1,955</b>
Days	92	<b>365</b>	91	91	92	92	<b>366</b>	90	91	92	92	<b>365</b>
Oil (mb)	8	<b>33</b>	8	7	7	6	<b>29</b>	6	5	5	5	<b>21</b>
Oil (mcb)	89	<b>90</b>	91	79	73	70	<b>78</b>	64	60	55	51	<b>58</b>
Total gas & oil (bcf)	241	<b>928</b>	242	222	211	214	<b>889</b>	211	211	211	209	<b>841</b>
<b>Price</b>												
Natural gas (\$/mcf)												
Henry Hub (\$/mmbtu)	2.45	<b>2.24</b>	2.62	3.63	4.48	6.52	<b>4.31</b>	6.27	5.06	5.14	5.26	<b>5.43</b>
U.S.	2.78	<b>2.49</b>	2.64	2.70	3.26	4.47	<b>3.25</b>	4.38	3.97	4.48	4.76	<b>4.40</b>
Canada	2.04	<b>1.76</b>	2.63	3.09	4.05	6.04	<b>3.96</b>	5.27	4.06	4.14	4.26	<b>4.43</b>
Overseas	1.68	<b>1.93</b>	1.90	2.17	2.31	2.58	<b>2.21</b>	2.48	2.29	2.28	2.22	<b>2.32</b>
Total	2.56	<b>2.31</b>	2.58	2.74	3.38	4.67	<b>3.32</b>	4.44	3.87	4.24	4.46	<b>4.26</b>
Oil (\$/bbl)												
WTI Cushing	24.52	<b>19.24</b>	28.84	28.79	31.61	32.00	<b>30.31</b>	28.82	26.88	26.82	26.20	<b>27.18</b>
Worldwide	22.52	<b>16.85</b>	23.36	24.38	26.81	26.39	<b>25.11</b>	24.82	22.88	22.82	22.20	<b>23.24</b>
Total gas & oil (\$/mcf)	2.86	<b>2.49</b>	2.92	3.06	3.61	4.66	<b>3.54</b>	4.44	3.91	4.23	4.41	<b>4.25</b>
<b>Revenue (\$mm)</b>												
Natural Gas												
U.S.	393	<b>1,351</b>	369	361	414	568	<b>1,712</b>	544	499	568	604	<b>2,215</b>
Canada	78	<b>276</b>	100	107	144	224	<b>575</b>	209	163	168	172	<b>711</b>
Overseas	21	<b>62</b>	29	23	17	30	<b>99</b>	31	29	29	29	<b>118</b>
Total	492	<b>1,689</b>	498	490	576	822	<b>2,386</b>	784	691	765	805	<b>3,044</b>
Oil	184	<b>553</b>	193	176	181	169	<b>719</b>	143	124	116	105	<b>488</b>
Other	14	<b>71</b>	17	14	3	8	<b>43</b>	10	10	10	10	<b>40</b>
Total	690	<b>2,313</b>	708	680	760	999	<b>3,147</b>	937	824	892	920	<b>3,573</b>
<b>Cost (\$mm)</b>												
Production Taxes	34	<b>109</b>	33	38	31	45	<b>147</b>	44	39	42	43	<b>168</b>
Operating	178	<b>703</b>	171	183	175	174	<b>703</b>	171	171	171	169	<b>682</b>
Administrative	33	<b>141</b>	39	39	37	50	<b>165</b>	50	50	50	50	<b>200</b>
Other	55	<b>41</b>	(1)	7	(2)	19	<b>23</b>	5	5	5	5	<b>20</b>
Total	300	<b>994</b>	242	267	241	288	<b>1,038</b>	270	265	268	267	<b>1,069</b>
<b>Ebitda (\$mm)</b>	390	<b>1,319</b>	466	413	519	711	<b>2,109</b>	667	560	624	653	<b>2,503</b>
Interest	49	<b>211</b>	50	53	48	46	<b>197</b>	46	46	46	46	<b>184</b>
Current income tax	(6)	<b>9</b>	5	25	31	12	<b>73</b>	27	22	25	26	<b>100</b>
<b>Cash flow (\$mm)</b>	347	<b>1,099</b>	411	335	440	653	<b>1,839</b>	594	492	553	581	<b>2,219</b>
Exploration	76	<b>225</b>	98	48	28	63	<b>237</b>	120	50	50	50	<b>270</b>
Deprec., Deplet., & Amort.	166	<b>631</b>	180	171	171	182	<b>704</b>	182	182	182	182	<b>728</b>
Other non cash	221	<b>229</b>	1	3	(1)	1	<b>4</b>	1	1	1	1	<b>4</b>
Income before deferred tax	(116)	<b>14</b>	132	113	242	407	<b>894</b>	291	259	320	348	<b>1,487</b>
Deferred income tax	(32)	<b>13</b>	55	19	42	103	<b>219</b>	102	90	112	122	<b>426</b>
<b>Net Income (\$mm)</b>	(84)	<b>1</b>	77	94	200	304	<b>675</b>	309	218	258	276	<b>1,061</b>
Production Tax/Revenue	4.9%	<b>4.7%</b>	4.7%	5.6%	4.1%	4.5%	<b>4.7%</b>	4.7%	4.7%	4.7%	4.7%	<b>4.7%</b>
Operating Cost (\$/mcf)	0.74	<b>0.76</b>	0.71	0.82	0.83	0.81	<b>0.79</b>	0.81	0.81	0.81	0.81	<b>0.81</b>
Margin - relative	50%	<b>48%</b>	58%	49%	58%	65%	<b>58%</b>	63%	60%	62%	63%	<b>62%</b>
Margin - absolute (\$/mcf)	1.44	<b>1.18</b>	1.69	1.51	2.09	3.05	<b>2.07</b>	2.82	2.33	2.62	2.78	<b>2.64</b>
Tax rate	31%	<b>96%</b>	44%	32%	27%	27%	<b>30%</b>	29%	34%	35%	35%	<b>33%</b>

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**Meter Reader**  
*A Weekly Analysis*  
 March 19, 2001

**Table EPL-1**  
**Energy Partners, Ltd.**  
**Present Value**

Volume Decline (%/yr):	15	Price Escalation post 2006 (%/yr):	1.5
Volume Enhancement (%/yr):	34	Discount rate (%/yr):	6.2
Capex/Cash Flow (%):	100	U.S. TIPS Inflation (%/yr):	1.5
Variable Cost (%):	16	U.S. 10 Year Yield (%/yr):	4.8
PV/Volume (\$/bbl):	3.60	PV/EBITDA 2001:	4.4
PV/Share (\$):	18.90		

Year	Basic (mb)	Volume Enhanced (mb)	Total (mb)	Price (\$/bbl)	Revenue (\$mm)	Fixed Cost (\$mm)	Var Cost (\$mm)	Cap Ex (\$mm)	Pre- Tax (\$mm)	Income Tax (\$mm)	Cash Flow (\$mm)	Disc Factor	Present Value (\$mm)
Total 2001 through 2015													
	42100	101200	143300	22.51	3226	617	516	1036	1057	151	906	0.48	511
2001	6570	0	6570	26.63	175	31	28	116	0	0	0	0.97	0
2002	5584	2234	7818	25.68	201	31	32	138	0	0	0	0.91	0
2003	4747	4557	9303	23.78	221	31	35	155	0	0	0	0.86	0
2004	4035	7036	11071	22.60	250	31	40	179	0	0	0	0.81	0
2005	3429	9745	13174	21.52	283	31	45	207	0	0	0	0.76	0
2006	2915	12763	15678	20.62	323	31	52	241	0	0	0	0.72	0
2007	2478	10848	13326	20.92	279	31	45		203	29	174	0.68	118
2008	2106	9221	11327	21.23	240	31	38		171	24	147	0.64	94
2009	1790	7838	9628	21.54	207	31	33		143	20	123	0.60	74
2010	1522	6662	8184	21.86	179	31	29		119	17	102	0.57	58
2011	1293	5663	6956	22.18	154	31	25		99	14	85	0.53	45
2012	1099	4813	5913	22.51	133	31	21		81	12	69	0.50	35
2013	934	4091	5026	22.84	115	31	18		66	9	56	0.47	27
2014	794	3478	4272	23.17	99	31	16		52	7	45	0.45	20
2015	675	2956	3631	23.51	85	31	14		41	6	35	0.42	15
2016	574	2513	3087	23.86	74	31	12		31	4	27	0.40	11
2017	488	2136	2624	24.21	64	31	10		23	3	19	0.37	7
2018	415	1815	2230	24.57	55	31	9		15	2	13	0.35	5
2019	352	1543	1896	24.93	47	31	8		9	1	8	0.33	3
2020	300	1312	1611	25.29	41	31	7		3	0	3	0.31	1

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**Meter Reader**  
**A Weekly Analysis**  
 March 19, 2001

**Table EPL-2**  
**Energy Partners, Ltd.**  
**Cash Flow**

	<i>H1</i>	<i>Q3</i>	<i>Q4</i>	<i>Year</i>	<i>Q1E</i>	<i>Q2E</i>	<i>Q3E</i>	<i>Q4E</i>	<i>Year</i>
	<i>6/30/00</i>	<i>9/30/00</i>	<i>12/31/00</i>	<i>2000</i>	<i>3/31/01</i>	<i>6/30/01</i>	<i>9/30/01</i>	<i>12/31/01</i>	<i>2001E</i>
<b>Highlights</b>									
Revenue (\$mm)	30.4	30.7	42.0	103.1	43.6	40.1	43.0	48.3	174.9
EBITDAX (\$mm)	18.0	19.5	24.1	61.6	29.3	25.9	29.1	33.4	117.7
Cash Flow (\$mm)	15.4	17.2	23.1	55.7	28.9	25.5	28.7	33.0	116.1
Per share (\$)		0.95	1.21		1.07	0.94	1.06	1.22	4.28
Net Income (\$mm)	2.3	5.2	(32.9)	(25.4)	9.0	6.9	8.6	10.4	34.9
Per share		0.29	(1.73)		0.33	0.25	0.32	0.38	1.29
Shares (millions)		18.1	19.0		27.1	27.1	27.1	27.1	27.1
<b>Volume</b>									
Natural Gas (bcf)	1.48	1.49	2.81	5.78	3.60	3.71	3.77	4.25	15.34
Natural Gas (mmcf)	8.1	16.1	30.6	15.8	40.0	40.8	41.0	46.2	42.0
Days	182	92	92	366	90	91	92	92	365
Oil (mb)	965	899	925	2,790	900	956	1,012	1,146	4,014
Oil (mbd)	5.30	9.78	10.05	7.62	10.00	10.50	11.00	12.46	11.00
Total (mb)	1,212	1,147	1,394	3,752	1,500	1,574	1,641	1,855	6,570
Total (mbd)	6.7	12.5	15.1	10.3	16.7	17.3	17.8	20.2	18.0
<b>Price</b>									
Natural Gas									
Henry Hub (\$/mmbtu)	3.13	4.48	6.52	4.31	6.27	5.06	5.14	5.26	5.43
Differential (\$/mmbtu)	(0.40)	(0.29)	0.67	(0.66)	0.63	0.51	0.51	0.53	0.56
EPL (\$/mcf)	3.52	4.77	5.85	4.98	5.64	4.56	4.62	4.73	4.88
Oil (\$/bbl)									
WTI Cushing	28.81	31.61	32.00	30.31	28.82	26.88	26.82	26.20	27.18
Differential	3.12	5.43	6.46	4.51	4.08	2.64	1.60	1.60	2.48
EPL	25.69	26.18	25.54	25.80	24.74	24.24	25.22	24.60	24.70
Total (\$/bbl)	25.05	26.79	30.13	27.47	29.06	25.46	26.19	26.04	26.63
<b>Revenue (\$mm)</b>									
Natural Gas	5.2	7.1	16.4	28.7	20.3	16.9	17.4	20.1	74.8
Oil	24.8	23.5	23.6	72.0	22.3	23.2	25.5	28.2	99.1
Other	0.3	0.1	1.9	2.4	1.0				1.0
Total	30.4	30.7	42.0	103.1	43.6	40.1	43.0	48.3	174.9
<b>Cost (\$mm)</b>									
Lease operating	6.1	6.4	11.5	24.1	8.6	8.7	8.2	9.0	34.5
Production taxes	1.9	1.7	2.7	6.3	2.2	2.0	2.1	2.4	8.7
General and administrative	4.3	3.0	3.7	11.1	3.5	3.5	3.5	3.5	14.0
Total	12.3	11.2	17.9	41.5	14.3	14.2	13.9	14.9	57.2
<b>EBITDAX (\$mm)</b>	18.0	19.5	24.1	61.6	29.3	25.9	29.1	33.4	117.7
Net cash interest and tax	2.6	2.4	1.0	5.9	0.4	0.4	0.4	0.4	1.6
<b>Cash Flow (\$mm)</b>	15.4	17.2	23.1	55.7	28.9	25.5	28.7	33.0	116.1
Exploration	0.8	0.3	0.6	1.7	3.0	3.0	3.0	3.0	12.0
Deprec., Deplet., & Amort.	8.3	7.5	9.8	25.6	10.5	11.0	11.5	13.0	46.0
Amort. Financing Cost	0.3	0.3	0.5	1.1	0.3	0.3	0.3	0.3	1.2
Other non cash	(0.7)	0.7	41.7	41.7	0.8	0.3	0.3	0.3	1.7
Income before income tax	6.8	8.4	(29.6)	(14.5)	14.3	10.9	13.6	16.4	55.2
Deferred income tax	4.5	3.2	3.3	10.9	5.2	4.0	5.0	6.0	20.3
<b>Net income (\$mm)</b>	2.3	5.2	(32.9)	(25.4)	9.0	6.9	8.6	10.4	34.9
<i>Costs (\$/bbl)</i>									
Lease operating	5.03	5.61	8.28	6.41	5.75	5.50	5.00	4.85	5.25
Production taxes	1.57	1.52	1.94	1.69	1.45	1.27	1.31	1.30	1.33
General and administrative	3.57	2.65	2.65	2.95	2.33	2.22	2.13	1.89	2.13
Deprec., Deplet., & Amort.	6.84	6.54	7.04	6.82	7.00	7.00	7.00	7.00	7.00
<i>Tax rate</i>		38%			37%	37%	37%	37%	37%

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