

## Six-Dollar Natural Gas

Long-life natural gas producers, **San Juan Basin Royalty Trust**, **Cross Timbers Royalty Trust**, **Hugoton Royalty Trust**, **Dorchester Hugoton, Ltd.** and **Burlington Resources Inc.**, remain tightly clustered in offering attractive investment value (see table). Commitments to Gulf of Mexico oil producer, **Energy Partners Ltd.**, may be especially timely in this quiet period between the recent initial public offering and the announcement of third quarter financial results on or about November 28. Meanwhile, natural gas futures prices for the next two months broke new weekly closing ground above \$6 per million btu's, two and a half times actual spot prices a year ago. Oil and gas continue to surprise on the upside in price. We believe the underlying demand/supply balance for the commodities implies further investment gains for the stocks in our research coverage.

<b>Rank by McDep Ratio</b>	<i>Symbol</i>	<i>Price</i>	<i>Shares</i>	<i>Market</i>		<i>Net</i>	<i>McDep</i>
		<i>(\$/sh)</i>		<i>Cap</i>	<i>Debt</i>	<i>Present</i>	
		<i>17-Nov</i>	<i>(mm)</i>	<i>(\$mm)</i>	<i>(\$mm)</i>	<i>Value</i>	<i>Ratio</i>
		<i>2000</i>				<i>(\$/sh)</i>	
Burlington Resources	BR	42.13	216	9,100	3,200	52.80	0.84
Dorchester Hugoton, Ltd.	DHULZ	13.50	10.7	145	-	16.10	0.84
Hugoton RT (42.5%)	HGT	13.50	17.0	230	-	16.70	0.81
Cross Timbers Royalty Trust	CRT	15.63	6.0	94	-	19.30	0.81
San Juan Basin Royalty Trust	SJT	11.88	46.6	550	-	15.10	0.78
Energy Partners, Ltd.	EPL	13.56	25.4	340	-	20.70	0.65

Even though the general level is moving up, commodity prices for the fourth quarter of 2001, the new period added to our moving average, are lower than for the fourth quarter of 2000, the period dropped from our next twelve months pattern. Those changes translate directly to revised estimates of cash flow or Ebitda, earnings before interest, tax, depletion and non-operating charges (see table).

<b>Rank by Cash Flow Multiple</b>	<i>Symbol</i>	<i>Price</i>	<i>Ebitda 2001</i>			<i>Cash</i>	<i>EV/</i>
		<i>(\$/sh)</i>	<i>N Am</i>	<i>Oil &amp;</i>	<i>Other</i>	<i>Flow</i>	
		<i>17-Nov</i>	<i>Gas</i>	<i>OS Gas</i>	<i>(\$mm)</i>	<i>(\$/sh)</i>	<i>Ebitda</i>
		<i>2000</i>					
Dorchester Hugoton, Ltd.	DHULZ	13.50	24	-	-	2.20	6.1
Cross Timbers Royalty Trust	CRT	15.63	13	3	-	2.73	5.7
Hugoton RT (42.5%)	HGT	13.50	45	-	-	2.65	5.1
Burlington Resources	BR	42.13	2,055	363	-	9.29	5.1
San Juan Basin Royalty Trust	SJT	11.88	109	-	-	2.35	5.0
Energy Partners, Ltd.	EPL	13.56	28	111	-	4.39	2.4

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Our computations for the next four quarters point to Dynamic Distribution Yields approaching 17% in cash (see table below). Latest monthly disclosures for SJT and HGT reflected more delay than anticipated in realizing higher commodity price. At the same time, higher than expected development spending is having a positive effect on volume for the two trusts.

<b>Rank by Distributions</b>	<i>Symbol</i>	<i>Price (\$/sh)</i>		<i>Earnings 2001</i>		<i>Distribution 2001</i>	
		<i>17-Nov 2000</i>	<i>Price/Sales</i>	<i>(\$/sh)</i>	<i>P/E</i>	<i>(\$/sh)</i>	<i>(%)</i>
Energy Partners, Ltd.	EPL	13.56	1.6	2.15	6.3	-	-
Burlington Resources	BR	42.13	3.9	4.06	10.4	0.55	1.3
Dorchester Hugoton, Ltd.	DHULZ	13.50	5.0	2.01	6.7	1.79	13.2
San Juan Basin Royalty Trust	SJT	11.88	4.1	1.98	6.0	1.98	16.6
Cross Timbers Royalty Trust	CRT	15.63	4.2	2.64	5.9	2.64	16.9
Hugoton RT (42.5%)	HGT	13.50	3.9	2.30	5.9	2.30	17.1

The rank by cash flow multiple reflects primarily our projections of future production and the costs of development. Reserve life hints at future production, but is not a complete indicator by itself (see table below).

<b>Rank by PV/Ebitda</b>	<i>Reserves/ Prod 2001</i>	<i>Prod 2001/</i>		<i>Ebitda Margin</i>		<i>Present Value</i>		<i>PV/Ebitda</i>
		<i>Prod 1999</i>	<i>(\$/mcfe)</i>	<i>(\$/boe)</i>	<i>(\$/mcfe)</i>	<i>(\$/boe)</i>		
Dorchester Hugoton, Ltd.	9	0.94	3.64	21.82	3.00	18	7.3	
Cross Timbers Royalty Trust	13	0.87	3.89	23.35	2.20	13	7.1	
San Juan Basin Royalty Trust	11	1.04	3.48	20.90	2.00	12	6.4	
Hugoton RT (42.5%)	12	0.98	3.38	20.30	1.80	11	6.3	
Burlington Resources	13	0.88	2.96	17.77	1.40	8	6.0	
Energy Partners, Ltd.	4	1.44	3.19	19.12	2.70	16	3.8	

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

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

Volume Decline (%/yr):	9	Price Escalation post 2007 (%/yr):	2.7
Volume Enhancement (%/yr):	7	Discount Rate (%/yr):	7.2
		U.S. TIPS Inflation (%/yr):	1.9
		U.S. 10 Year Yield (%/yr):	5.8

Year	Natural Gas Volume			Price (\$/mcf)	Revenue (\$mm)	Oil Net (\$mm)	Distribution (\$mm)	Tax Credit (\$/unit)	Disc Factor	Present Value (\$/unit)	
	Basic (bcf)	Enhanced (bcf)	Total (bcf)								
Total 2000 through 2029											
	33	23	56	3.85	217	9	226	37.72	0.38	0.51	19.30
1999	3.3		3.3	1.99	6.5	0.0	6.6	1.09	0.16		
2000	2.8	0.0	2.8	3.38	9.6	2.1	11.7	1.95	0.13	0.97	2.01
2001	2.6	0.1	2.7	5.05	13.4	2.4	15.9	2.64	0.13	0.90	2.50
2002	2.4	0.2	2.6	4.29	11.3	1.1	12.4	2.06	0.13	0.84	1.84
2003	2.2	0.4	2.6	3.95	10.3	0.8	11.1	1.85		0.79	1.45
2004	2.0	0.6	2.6	3.39	8.8	0.6	9.4	1.56		0.73	1.15
2005	1.9	0.7	2.6	3.26	8.4	0.4	8.8	1.47		0.68	1.00
2006	1.7	0.8	2.5	3.15	8.0	0.3	8.3	1.38		0.64	0.88
2007	1.6	0.9	2.5	3.06	7.7	0.3	8.0	1.33		0.60	0.79
2008	1.5	1.0	2.5	3.15	7.8	0.2	8.1	1.34		0.56	0.75
2009	1.4	1.1	2.5	3.23	7.9	0.2	8.1	1.36		0.52	0.70
2010	1.2	1.2	2.4	3.32	8.1	0.2	8.2	1.37		0.48	0.66
2011	1.2	1.2	2.4	3.41	8.2	0.1	8.3	1.39		0.45	0.63
2012	1.1	1.3	2.4	3.50	8.3	0.1	8.4	1.40		0.42	0.59
2013	1.0	1.4	2.3	3.60	8.4	0.1	8.5	1.42		0.39	0.56
2014	0.9	1.4	2.3	3.69	8.6	0.1	8.6	1.43		0.37	0.53
2015	0.8	1.3	2.1	3.79	8.1		8.1	1.34		0.34	0.46
2016	0.8	1.2	1.9	3.90	7.6		7.6	1.27		0.32	0.40
2017	0.7	1.1	1.8	4.00	7.2		7.2	1.19		0.30	0.36
2018	0.7	1.0	1.6	4.11	6.7		6.7	1.12		0.28	0.31
2019	0.6	0.9	1.5	4.22	6.4		6.4	1.06		0.26	0.28
2020	0.6	0.8	1.4	4.34	6.0		6.0	1.00		0.24	0.24
2021	0.5	0.8	1.3	4.45	5.6		5.6	0.94		0.23	0.21
2022	0.5	0.7	1.2	4.57	5.3		5.3	0.89		0.21	0.19
2023	0.4	0.6	1.1	4.70	5.0		5.0	0.84		0.20	0.16
2024	0.4	0.6	1.0	4.83	4.7		4.7	0.79		0.18	0.14
2025	0.4	0.5	0.9	4.96	4.5		4.5	0.74		0.17	0.13
2026	0.3	0.5	0.8	5.09	4.2		4.2	0.70		0.16	0.11
2027	0.3	0.4	0.8	5.23	4.0		4.0	0.66		0.15	0.10
2028	0.3	0.4	0.7	5.37	3.7		3.7	0.62		0.14	0.09
2029	0.3	0.4	0.6	5.52	3.5		3.5	0.59		0.13	0.08

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**Table CRT-2**  
**Cross Timbers 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>												
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	3.65	11.72	4.52	4.32	3.61	3.41	15.86
Per unit	0.38	1.09	0.38	0.40	0.56	0.61	1.95	0.75	0.72	0.60	0.57	2.64
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	5.48	5.67	4.57	4.47	5.05
Differential (\$/mmbtu)	0.13	0.13	(0.27)	(0.26)	0.16	-	(0.09)	-	-	-	-	(0.00)
CRT (\$/mcf)	2.39	1.99	2.72	2.88	3.47	4.48	3.38	5.48	5.67	4.57	4.47	5.05
Oil (\$/bbl) (WTI lagged two months)												
WTI Cushing	22.59	17.02	26.07	28.33	30.12	32.73	29.31	34.95	33.07	30.51	28.39	31.73
CRT	20.21	14.89	24.20	26.86	27.91	30.73	27.46	32.95	31.07	28.51	26.39	29.77
Total (\$/mcf)	2.75	2.17	3.25	3.50	3.94	4.75	3.86	5.48	5.47	4.65	4.44	5.01
<b>Revenue (\$mm)</b>												
Natural Gas	2.33	7.26	2.17	2.22	2.88	3.42	10.68	4.14	4.11	3.39	3.28	14.92
Oil	1.91	5.19	2.14	2.18	2.59	2.79	9.70	2.94	2.62	2.42	2.24	10.21
Total	4.23	12.45	4.31	4.40	5.47	6.21	20.38	7.07	6.73	5.80	5.52	25.13
<b>Cost (\$mm)</b>												
Tax, transport & other	0.50	1.61	0.58	0.61	0.74	0.87	2.80	0.99	0.94	0.81	0.77	3.52
Production	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	1.66	1.58	1.45	1.41	6.09
<b>Cash flow (\$mm)</b>												
Development	0.12	0.74	0.21	0.13	0.16	0.16	0.67	0.16	0.16	0.17	0.17	0.66
Excess		(0.43)					-					-
Recovery of excess	0.40	0.63	0.24	0.15			0.38					-
<b>Net proceeds (\$mm)</b>	2.62	7.52	2.68	2.86	3.95	4.50	13.99	5.26	5.00	4.19	3.94	18.38
<b>Royalty income (\$mm)</b>												
Royalty/Net proceeds	88%	89%	88%	87%	86%	86%	87%	87%	87%	87%	87%	87%
Administration	0.02	0.14	0.05	0.05	0.05	0.24	0.39	0.04	0.04	0.04	0.04	0.16
<b>Distributable income (\$mm)</b>	2.28	6.55	2.30	2.42	3.35	3.65	11.72	4.52	4.32	3.61	3.41	15.86
<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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**Table DHULZ-1**  
**Dorchester Hugoton, Ltd.**  
**Present Value**

Volume Decline (%/yr):	11	Price Escalation Post 2006 (%/yr):	2.7
Volume Enhancement (%/yr):	8	Discount rate (%/yr):	7.2
Capex/Cash Flow (%):	14	U.S. TIPS Inflation (%/yr):	1.9
Variable Cost (%):	12	U.S. 10 Year Yield (%/yr):	5.8

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 2000 through 2029												
	61	57	118	4.13	486	90	58	29	310	28.53	0.56	16.10
1999	6.9		6.9	2.30	15.8	2.6	1.9	0.4	10.9	1.01		
						Other assets, net			10.4	0.96	1.00	0.96
2000	6.4	0.3	6.7	3.95	26.5	3.3	3.2	0.6	19.5	1.80	0.97	1.74
2001	5.7	0.8	6.5	4.71	30.6	3.0	3.7	0.6	23.3	2.15	0.90	1.94
2002	5.1	1.2	6.4	4.09	26.0	3.0	3.1	2.8	17.1	1.58	0.84	1.33
2003	4.6	1.6	6.2	3.78	23.5	3.0	2.8	2.5	15.2	1.40	0.79	1.10
2004	4.2	1.9	6.1	3.59	21.9	3.0	2.6	2.3	14.0	1.29	0.73	0.94
2005	3.7	2.2	6.0	3.46	20.6	3.0	2.5	2.1	13.0	1.20	0.68	0.82
2006	3.4	2.4	5.8	3.37	19.6	3.0	2.4	2.0	12.3	1.13	0.64	0.72
2007	3.0	2.6	5.7	3.46	19.6	3.0	2.4	2.0	12.3	1.13	0.60	0.68
2008	2.7	2.8	5.5	3.55	19.7	3.0	2.4	2.0	12.3	1.14	0.56	0.63
2009	2.5	2.9	5.4	3.65	19.7	3.0	2.4	2.0	12.4	1.14	0.52	0.59
2010	2.2	3.0	5.3	3.75	19.8	3.0	2.4	2.0	12.4	1.14	0.48	0.55
2011	2.0	3.1	5.1	3.85	19.8	3.0	2.4	2.0	12.4	1.14	0.45	0.52
2012	1.8	3.2	5.0	3.95	19.8	3.0	2.4	2.0	12.4	1.14	0.42	0.48
2013	1.6	3.2	4.9	4.06	19.8	3.0	2.4	2.0	12.4	1.14	0.39	0.45
2014	1.5	3.3	4.7	4.17	19.8	3.0	2.4	2.0	12.4	1.14	0.37	0.42
2015	1.3	2.9	4.2	4.28	18.2	3.0	2.2		13.0	1.20	0.34	0.41
2016	1.2	2.6	3.8	4.40	16.7	3.0	2.0		11.7	1.08	0.32	0.34
2017	1.1	2.3	3.4	4.52	15.3	3.0	1.8		10.5	0.97	0.30	0.29
2018	1.0	2.1	3.0	4.64	14.0	3.0	1.7		9.4	0.86	0.28	0.24
2019	0.9	1.8	2.7	4.77	12.9	3.0	1.5		8.4	0.77	0.26	0.20
2020	0.8	1.6	2.4	4.90	11.8	3.0	1.4		7.4	0.68	0.24	0.17
2021	0.7	1.5	2.2	5.03	10.8	3.0	1.3		6.6	0.61	0.23	0.14
2022	0.6	1.3	1.9	5.17	10.0	3.0	1.2		5.8	0.53	0.21	0.11
2023	0.6	1.1	1.7	5.31	9.1	3.0	1.1		5.1	0.47	0.20	0.09
2024	0.5	1.0	1.5	5.45	8.4	3.0	1.0		4.4	0.41	0.18	0.07
2025	0.5	0.9	1.4	5.60	7.7	3.0	0.9		3.8	0.35	0.17	0.06
2026	0.4	0.8	1.2	5.75	7.1	3.0	0.8		3.2	0.30	0.16	0.05
2027	0.4	0.7	1.1	5.91	6.5	3.0	0.8		2.7	0.25	0.15	0.04
2028	0.3	0.6	1.0	6.07	6.0	3.0	0.7		2.3	0.21	0.14	0.03
2029	0.3	0.6	0.9	6.23	5.5	3.0	0.7		1.8	0.17	0.13	0.02

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

	<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)	4.39	15.3	4.16	5.57	7.04	8.58	25.4	8.62	6.93	6.78	6.81	29.1
Cash flow (\$mm)	3.25	10.9	3.09	3.87	5.69	7.11	19.8	7.12	5.58	5.45	5.47	23.6
Per unit	0.30	1.01	0.28	0.36	0.52	0.65	1.82	0.66	0.51	0.50	0.50	2.18
Earnings (\$mm)	2.78	9.0	2.64	3.40	5.24	6.64	17.9	6.67	5.13	4.99	5.02	21.8
Per unit	0.26	0.83	0.24	0.32	0.48	0.61	1.65	0.61	0.47	0.46	0.46	2.01
Distribution (\$mm)	1.93	7.7	3.01	1.93	2.36	5.84	13.1	5.87	4.51	4.39	4.41	19.2
Per unit	0.18	0.72	0.28	0.18	0.22	0.54	1.22	0.55	0.42	0.41	0.41	1.79
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	1.42	5.6	1.38	1.38	1.39	1.38	5.5
Kansas	0.31	1.3	0.29	0.28	0.27	0.26	1.1	0.25	0.24	0.24	0.23	1.0
Total	1.74	6.9	1.68	1.66	1.70	1.68	6.7	1.63	1.63	1.63	1.61	6.5
Natural Gas (mmcf)	18.9	18.9	18.5	18.2	18.4	18.3	18.3	18.1	17.9	17.7	17.5	17.8
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	5.48	4.05	5.67	4.57	4.47	4.54	4.81
Oklahoma (\$/mcf)	2.60	2.28	2.53	3.50	4.33	5.35	3.94	5.55	4.45	4.35	4.42	4.69
Kansas (\$/mcf)	2.70	2.36	2.72	3.58	4.41	5.48	4.00	5.63	4.53	4.43	4.50	4.78
Total (\$/mcf)	2.62	2.30	2.57	3.51	4.34	5.37	3.95	5.56	4.47	4.36	4.43	4.71
<b>Revenue (\$mm)</b>												
Natural Gas												
Oklahoma	3.73	12.7	3.53	4.81	6.18	7.58	22.1	7.65	6.17	6.05	6.10	26.0
Kansas	0.83	3.1	0.79	1.01	1.19	1.43	4.4	1.39	1.10	1.06	1.04	4.6
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)	(0.48)	(1.4)	(0.48)	(0.39)	(0.38)	(0.38)	(1.6)
Total	4.39	15.3	4.16	5.57	7.04	8.58	25.4	8.62	6.93	6.78	6.81	29.1
<b>Cost (\$mm)</b>												
Operating	0.95	3.6	0.92	1.04	1.07	1.19	4.2	1.21	1.10	1.09	1.09	4.5
General and administrative	0.16	0.6	0.14	0.18	0.20	0.19	0.7	0.19	0.17	0.17	0.17	0.7
Management	0.13	0.5	0.13	0.14	0.16	0.17	0.6	0.17	0.16	0.16	0.16	0.6
Other	(0.10)	(0.3)	(0.11)	0.35	(0.07)	(0.08)	0.1	(0.08)	(0.08)	(0.08)	(0.08)	(0.3)
Total	1.13	4.4	1.07	1.70	1.35	1.47	5.6	1.50	1.35	1.34	1.34	5.5
<b>Cash flow (\$mm)</b>	3.25	10.9	3.09	3.87	5.69	7.11	19.8	7.12	5.58	5.45	5.47	23.6
Depletion, deprec. & amort.	0.48	1.9	0.45	0.46	0.45	0.47	1.8	0.46	0.46	0.46	0.45	1.8
<b>Earnings (\$mm)</b>	2.78	9.0	2.64	3.40	5.24	6.64	17.9	6.67	5.13	4.99	5.02	21.8
Capital expenditures (\$mm)	0.10	0.4	0.04	0.13	0.23	0.15	0.6	0.15	0.15	0.15	0.15	0.6
<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	0.71	0.63	0.74	0.67	0.67	0.68	0.69
Depletion (\$/mcf)	0.27	0.28	0.27	0.28	0.27	0.28	0.27	0.28	0.28	0.28	0.28	0.28

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

Volume Decline (%/yr):	11	Price Escalation Post 2006 (%/yr):	2.7
Volume Enhancement (%/yr):	9	Discount rate (%/yr):	7.2
Capex/Cash Flow (%):	24	U.S. TIPS Inflation (%/yr):	1.9
Variable Cost (%):	12	U.S. 10 Year Yield (%/yr):	5.8

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 2000 through 2029													
	279	331	609	3.78	2303	453	276	249	1324	33.11	0.06	0.50	<b>16.70</b>
1999	29.2		29.2	2.16	63.1	13.3	7.6	9.1	33.1	0.83	0.02		
2000	29.2	2.1	31.3	3.19	99.7	15.0	12.0	14.6	58.1	1.45	0.02	0.97	1.42
2001	26.0	5.3	31.3	4.39	137.5	15.1	16.5	13.8	92.1	2.30	0.02	0.90	2.09
2002	23.4	7.5	30.9	3.74	115.6	15.1	13.9	20.8	65.8	1.65	0.02	0.84	1.40
2003	21.1	9.5	30.6	3.44	105.0	15.1	12.6	18.6	58.8	1.47		0.79	1.15
2004	19.0	11.2	30.2	3.29	99.3	15.1	11.9	17.4	54.9	1.37		0.73	1.01
2005	17.1	12.7	29.8	3.17	94.6	15.1	11.4	16.4	51.8	1.29		0.68	0.89
2006	15.4	14.0	29.4	3.09	90.7	15.1	10.9	15.5	49.2	1.23		0.64	0.78
2007	13.9	15.1	29.0	3.17	91.9	15.1	11.0	15.8	50.0	1.25		0.60	0.74
2008	12.5	16.0	28.5	3.26	93.0	15.1	11.2	16.0	50.7	1.27		0.56	0.70
2009	11.3	16.8	28.1	3.34	94.0	15.1	11.3	16.2	51.4	1.29		0.52	0.67
2010	10.2	17.5	27.7	3.44	95.1	15.1	11.4	16.5	52.1	1.30		0.48	0.63
2011	9.2	18.1	27.2	3.53	96.1	15.1	11.5	16.7	52.8	1.32		0.45	0.60
2012	8.2	18.5	26.8	3.62	97.1	15.1	11.6	16.9	53.4	1.34		0.42	0.56
2013	7.4	18.9	26.3	3.72	98.0	15.1	11.8	17.1	54.1	1.35		0.39	0.53
2014	6.7	19.2	25.9	3.82	99.0	15.1	11.9	17.3	54.7	1.37		0.37	0.50
2015	6.0	17.1	23.1	3.93	90.8	15.1	10.9		64.8	1.62		0.34	0.55
2016	5.4	15.2	20.6	4.03	83.2	15.1	10.0		58.2	1.45		0.32	0.46
2017	4.9	13.5	18.4	4.14	76.3	15.1	9.2		52.1	1.30		0.30	0.39
2018	4.4	12.0	16.5	4.25	70.0	15.1	8.4		46.5	1.16		0.28	0.32
2019	4.0	10.7	14.7	4.37	64.2	15.1	7.7		41.4	1.04		0.26	0.27
2020	3.6	9.5	13.1	4.49	58.9	15.1	7.1		36.7	0.92		0.24	0.22
2021	3.2	8.5	11.7	4.61	54.0	15.1	6.5		32.4	0.81		0.23	0.18
2022	2.9	7.6	10.5	4.73	49.5	15.1	5.9		28.5	0.71		0.21	0.15
2023	2.6	6.7	9.3	4.86	45.4	15.1	5.5		24.9	0.62		0.20	0.12
2024	2.4	6.0	8.3	4.99	41.7	15.1	5.0		21.6	0.54		0.18	0.10
2025	2.1	5.3	7.5	5.13	38.2	15.1	4.6		18.6	0.46		0.17	0.08
2026	1.9	4.7	6.7	5.27	35.1	15.1	4.2		15.8	0.39		0.16	0.06
2027	1.7	4.2	5.9	5.41	32.2	15.1	3.9		13.2	0.33		0.15	0.05
2028	1.6	3.8	5.3	5.56	29.5	15.1	3.5		10.9	0.27		0.14	0.04
2029	1.4	3.3	4.7	5.71	27.1	15.1	3.2		8.7	0.22		0.13	0.03

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

	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) (80%)	20.4	63.1	20.0	19.8	28.2	31.7	99.7	40.0	34.8	31.2	31.5	137.5
Cash flow (\$mm) (80%)	14.4	42.2	14.1	13.9	20.8	24.1	72.9	31.6	27.1	23.6	23.9	106.2
Per unit	0.36	1.06	0.35	0.35	0.52	0.60	1.82	0.79	0.68	0.59	0.60	2.65
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	19.7	58.1	28.0	23.6	20.1	20.4	92.1
Per unit	0.30	0.83	0.27	0.28	0.40	0.49	1.45	0.70	0.59	0.50	0.51	2.30
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	9.3	36.7	9.3	9.0	9.3	9.3	36.9
Natural Gas (mmcf)	104.2	102.1	105.5	96.0	98.4	101.0	100.5	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 (mbd)	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	9.9	39.1	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	5.83	5.22	4.50	4.46	5.00
Differential (\$/mmbtu)	0.24	0.06	0.04	0.29	0.37	0.90	0.40	0.80	0.70	0.60	0.50	0.65
HGT (\$/mcf)	2.42	2.12	2.32	2.54	3.57	3.93	3.09	5.03	4.52	3.90	3.96	4.35
Oil (\$/bbl) (WTI Cushing lagged two months)												
WTI Cushing	22.59	17.39	26.07	28.33	30.12	33.38	29.47	34.95	33.07	30.51	28.39	31.73
HGT	21.72	16.53	25.19	27.63	29.71	32.38	28.68	33.95	32.07	29.51	27.39	30.75
Total (\$/mcf)	2.49	2.16	2.43	2.68	3.65	4.02	3.19	5.07	4.56	3.95	3.99	4.39
<b>Revenue (\$mm)</b>												
Natural Gas	23.2	72.5	22.5	21.9	32.3	36.5	113.2	46.7	40.6	36.2	36.8	160.3
Oil	2.2	6.4	2.5	2.9	2.9	3.1	11.4	3.2	2.9	2.8	2.5	11.5
Total	25.4	78.9	25.0	24.8	35.2	39.7	124.7	50.0	43.5	39.0	39.3	171.8
<b>Cost (\$mm)</b>												
Tax, transport & other	2.6	8.3	2.4	2.4	3.4	4.0	12.2	5.0	4.4	3.9	3.9	17.2
Production	3.0	11.0	3.3	3.2	3.9	3.7	14.0	3.7	3.5	3.6	3.6	14.5
Overhead	1.7	6.9	1.7	1.8	1.9	1.9	7.3	1.9	1.8	1.9	1.9	7.4
Total	7.4	26.2	7.4	7.4	9.2	9.5	33.5	10.5	9.7	9.4	9.4	39.1
<b>Cash flow (\$mm)</b>												
Development	2.8	11.3	3.9	3.3	5.8	5.4	18.3	4.3	4.3	4.3	4.3	17.2
Net proceeds (\$mm)	15.2	41.4	13.7	14.1	20.3	24.8	72.9	35.2	29.5	25.2	25.6	115.5
<b>Royalty income (\$mm)</b>												
Royalty/Net proceeds	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%
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>												
	12.2	33.1	10.9	11.3	16.2	19.7	58.1	28.0	23.6	20.1	20.4	92.1
<b>Cost ratios</b>												
Tax and other/revenue	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Production cost (\$/mcf)	0.29	0.30	0.32	0.35	0.40	0.37	0.36	0.37	0.37	0.37	0.37	0.37
Overhead cost (\$/mcf)	0.17	0.19	0.17	0.19	0.20	0.19	0.19	0.19	0.19	0.19	0.19	0.19

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

Volume Decline (%/yr):	9	Price Escalation Post 2006 (%/yr):	2.7
Volume Enhancement (%/yr):	7	Discount rate (%/yr):	7.2
Capex/Cash Flow (%):	24	U.S. TIPS Inflation (%/yr):	1.9
Variable Cost (%):	10	U.S. 10 Year Yield (%/yr):	5.8

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 2000 through 2029													
	296	300	596	3.63	2160	293	216	254	1400	30.04	0.48	0.49	<b>15.10</b>
1999	30.3		30.3	1.76	53.2	8.3	5.3	7.9	31.8	0.68	0.16		
2000	27.7	4.7	32.4	2.93	94.8	11.0	9.5	17.1	60.0	1.29	0.16	0.97	1.40
2001	25.0	6.4	31.4	4.24	133.1	9.7	13.3	17.2	92.9	1.99	0.16	0.90	1.94
2002	22.9	7.9	30.8	3.61	111.0	9.7	11.1	21.6	68.5	1.47	0.16	0.84	1.37
2003	20.9	9.3	30.2	3.32	100.1	9.7	10.0	19.3	61.1	1.31		0.79	1.03
2004	19.1	10.5	29.6	3.14	92.8	9.7	9.3	17.7	56.1	1.20		0.73	0.88
2005	17.4	11.5	28.9	3.03	87.7	9.7	8.8	16.6	52.6	1.13		0.68	0.77
2006	15.9	12.4	28.3	2.95	83.5	9.7	8.3	15.7	49.7	1.07		0.64	0.68
2007	14.5	13.2	27.7	3.03	83.9	9.7	8.4	15.8	50.0	1.07		0.60	0.64
2008	13.3	13.9	27.1	3.11	84.3	9.7	8.4	15.9	50.3	1.08		0.56	0.60
2009	12.1	14.4	26.5	3.19	84.7	9.7	8.5	16.0	50.6	1.09		0.52	0.56
2010	11.1	14.9	26.0	3.28	85.1	9.7	8.5	16.1	50.8	1.09		0.48	0.53
2011	10.1	15.3	25.4	3.37	85.5	9.7	8.5	16.1	51.1	1.10		0.45	0.49
2012	9.2	15.6	24.8	3.46	85.8	9.7	8.6	16.2	51.3	1.10		0.42	0.46
2013	8.4	15.8	24.2	3.55	86.1	9.7	8.6	16.3	51.5	1.11		0.39	0.43
2014	7.7	16.0	23.7	3.65	86.4	9.7	8.6	16.3	51.7	1.11		0.37	0.41
2015	7.0	14.5	21.5	3.75	80.5	9.7	8.1		62.8	1.35		0.34	0.46
2016	6.4	13.1	19.5	3.85	75.1	9.7	7.5		57.9	1.24		0.32	0.40
2017	5.9	11.8	17.7	3.95	70.0	9.7	7.0		53.3	1.14		0.30	0.34
2018	5.4	10.7	16.1	4.06	65.3	9.7	6.5		49.0	1.05		0.28	0.29
2019	4.9	9.7	14.6	4.17	60.9	9.7	6.1		45.1	0.97		0.26	0.25
2020	4.5	8.8	13.3	4.28	56.8	9.7	5.7		41.4	0.89		0.24	0.22
2021	4.1	7.9	12.0	4.40	52.9	9.7	5.3		37.9	0.81		0.23	0.18
2022	3.7	7.2	10.9	4.52	49.4	9.7	4.9		34.7	0.74		0.21	0.16
2023	3.4	6.5	9.9	4.64	46.0	9.7	4.6		31.7	0.68		0.20	0.13
2024	3.1	5.9	9.0	4.77	42.9	9.7	4.3		28.9	0.62		0.18	0.11
2025	2.8	5.3	8.2	4.90	40.0	9.7	4.0		26.3	0.56		0.17	0.10
2026	2.6	4.8	7.4	5.03	37.3	9.7	3.7		23.9	0.51		0.16	0.08
2027	2.4	4.4	6.7	5.17	34.8	9.7	3.5		21.6	0.46		0.15	0.07
2028	2.2	4.0	6.1	5.31	32.5	9.7	3.2		19.5	0.42		0.14	0.06
2029	2.0	3.6	5.6	5.45	30.3	9.7	3.0		17.5	0.38		0.13	0.05

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**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	29.3	94.8	39.5	34.3	30.0	29.3	133.1
Cash flow (\$mm) (75%)	13.4	39.6	13.3	13.7	23.6	23.8	74.3	33.1	28.5	24.6	24.0	110.1
Per unit	0.29	0.85	0.28	0.29	0.51	0.51	1.59	0.71	0.61	0.53	0.51	2.36
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	17.3	60.0	26.5	24.3	20.9	20.4	92.1
Per unit	0.24	0.68	0.21	0.28	0.42	0.37	1.29	0.57	0.52	0.45	0.44	1.98
<b>Units (millions)</b>	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	11.3	45.2	11.2	10.8	11.0	10.9	43.9
Heat Content(btu/cf)	1,045	1,035	1,053	1,028	1,104	1,060	1,062	1,060	1,060	1,060	1,060	1,060
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	10.7	42.6	10.6	10.2	10.4	10.3	41.4
Natural Gas (mmcf)	106.7	109.4	109.6	118.5	121.6	116.0	116.4	114.8	113.7	112.6	111.4	113.1
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	10.8	43.2	10.7	10.3	10.5	10.4	41.8
<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	5.83	5.22	4.50	4.46	5.00
Differential (\$/mmbtu)	0.44	0.48	0.23	0.52	0.87	1.43	0.74	1.17	1.04	0.90	0.89	1.00
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	3.40	2.74	4.66	4.17	3.60	3.57	4.00
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	3.21	2.91	4.40	3.94	3.39	3.37	4.24
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	33.07	30.51	20.10	28.12
SJT	20.66	14.25	22.48	21.66	25.58	28.73	24.49	24.79	29.07	26.51	16.10	24.09
Total gas & oil (\$/mcf)	2.33	1.76	2.25	2.38	3.40	3.62	2.93	4.94	4.43	3.82	3.77	4.24
<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	38.5	124.1	52.2	45.3	39.5	38.8	175.7
Oil	0.4	1.0	0.5	0.5	0.7	0.5	2.2	0.5	0.5	0.5	0.3	1.8
Total	23.2	71.0	23.0	25.7	38.6	39.0	126.4	52.7	45.8	40.0	39.1	177.5
<b>Cost (\$mm)</b>												
Severance tax												
Operating	2.9	10.8	3.1	5.2	3.1	3.2	14.5	3.2	3.1	3.1	3.1	12.4
Total	5.3	18.1	5.4	7.5	7.2	7.2	27.3	8.6	7.8	7.2	7.1	30.7
<b>Cash flow (\$mm)</b>												
Development	2.6	10.6	4.6	4.8	5.0	8.5	22.8	8.5	5.3	4.6	4.6	22.9
<b>Net proceeds (\$mm)</b>	15.3	42.3	13.1	13.5	26.4	23.3	76.3	35.6	32.7	28.2	27.4	123.9
<b>Royalty income (\$mm)</b>												
Royalty/Net proceeds	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Administration	0.2	0.8	0.2	0.4	0.2	0.2	0.9	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>	11.3	31.8	9.9	13.2	19.7	17.3	60.0	26.5	24.3	20.9	20.4	92.1
<b>Modeling ratios</b>												
Severance tax/revenue	10.3%	10.3%	9.8%	9.0%	10.8%	10.3%	10.1%	10.3%	10.3%	10.3%	10.3%	10.3%
Operating cost (\$/mcf)	0.29	0.27	0.30	0.48	0.27	0.30	0.34	0.30	0.30	0.30	0.30	0.30

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

Volume Decline (%/yr):	11	Price Escalation Post 2006 (%/yr):	2.7
Volume Enhancement (%/yr):	11	Discount rate (%/yr):	7.2
Capex/Cash Flow (%):	50	U.S. TIPS Inflation (%/yr):	1.9
Variable Cost (%):	12	U.S. 10 Year Yield (%/yr):	5.8

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 2000 through 2029											
	7983	10355	18338	3.83	70213	11289	8426	16491	34007	0.43	14600
1999	928		928	2.18	2023	437	243		1343		
2000	836	50	887	3.22	2853	422	342	1044	1044	0.97	1009
2001	744	72	816	3.89	3173	375	381	1209	1209	0.90	1089
2002	671	151	822	3.78	3104	375	372	1178	1178	0.84	991
2003	604	223	827	3.41	2822	375	339	1054	1054	0.79	828
2004	544	287	831	3.34	2774	375	333	1033	1033	0.73	757
2005	490	344	834	3.22	2688	375	323	995	995	0.68	680
2006	442	395	837	3.13	2623	375	315	967	967	0.64	617
2007	398	441	839	3.22	2702	375	324	1001	1001	0.60	596
2008	359	483	841	3.31	2781	375	334	1036	1036	0.56	576
2009	323	520	843	3.40	2861	375	343	1071	1071	0.52	555
2010	291	553	844	3.49	2942	375	353	1107	1107	0.48	536
2011	262	582	844	3.58	3024	375	363	1143	1143	0.45	516
2012	236	608	845	3.68	3107	375	373	1180	1180	0.42	497
2013	213	632	845	3.78	3192	375	383	1217	1217	0.39	478
2014	192	653	844	3.88	3277	375	393	1255	1255	0.37	460
2015	173	581	754	3.99	3004	375	360		2269	0.34	777
2016	156	517	673	4.09	2754	375	330		2049	0.32	655
2017	140	460	600	4.21	2524	375	303		1847	0.30	551
2018	126	410	536	4.32	2314	375	278		1662	0.28	462
2019	114	364	478	4.44	2122	375	255		1492	0.26	387
2020	102	324	427	4.56	1945	375	233		1337	0.24	324
2021	92	289	381	4.68	1783	375	214		1194	0.23	270
2022	83	257	340	4.81	1635	375	196		1064	0.21	224
2023	75	229	304	4.94	1499	375	180		944	0.20	186
2024	68	204	271	5.07	1374	375	165		835	0.18	153
2025	61	181	242	5.21	1260	375	151		734	0.17	126
2026	55	161	216	5.35	1155	375	139		642	0.16	103
2027	49	143	193	5.49	1060	375	127		558	0.15	83
2028	44	128	172	5.64	972	375	117		480	0.14	67
2029	40	114	154	5.80	891	375	107		409	0.13	53

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

	<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)	627	<b>2,065</b>	652	620	696	906	<b>2,873</b>	871	756	769	776	<b>3,173</b>
Ebitda (\$mm)	438	<b>1,343</b>	462	418	512	696	<b>2,088</b>	678	570	581	589	<b>2,417</b>
Cash Flow (\$mm)	347	<b>1,099</b>	411	335	440	578	<b>1,764</b>	562	473	482	489	<b>2,006</b>
Per share (\$)	1.61	<b>5.09</b>	1.90	1.55	2.04	2.68	<b>8.17</b>	2.60	2.19	2.23	2.26	<b>9.29</b>
Net Income (\$mm)	(84)	<b>1</b>	77	94	200	274	<b>645</b>	263	198	205	210	<b>877</b>
Per share (\$)	(0.39)	<b>0.01</b>	0.36	0.43	0.93	1.27	<b>2.99</b>	1.22	0.92	0.95	0.97	<b>4.06</b>
Shares (millions)	216	<b>216</b>	216	216	216	216	<b>216</b>	216	216	216	216	<b>216</b>
<b>Volume</b>												
Natural gas (bcf)												
U.S.	141	<b>543</b>	140	134	127	124	<b>525</b>	122	123	124	124	<b>493</b>
Canada	38	<b>157</b>	38	34	36	40	<b>148</b>	39	39	40	40	<b>157</b>
Overseas	13	<b>32</b>	15	10	7	11	<b>44</b>	11	11	11	11	<b>44</b>
Total	192	<b>731</b>	193	179	170	175	<b>717</b>	171	173	175	175	<b>694</b>
Natural Gas (mmcf)												
U.S.	1,536	<b>1,487</b>	1,535	1,470	1,382	1,350	<b>1,434</b>	1,350	1,350	1,350	1,350	<b>1,346</b>
Canada	417	<b>429</b>	419	379	387	430	<b>404</b>	430	430	430	430	<b>429</b>
Overseas	137	<b>88</b>	167	114	80	120	<b>120</b>	120	120	120	120	<b>120</b>
Total	2,090	<b>2,004</b>	2,121	1,963	1,849	1,900	<b>1,958</b>	1,900	1,900	1,900	1,900	<b>1,895</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>28</b>	6	5	5	5	<b>20</b>
Oil (mbd)	89	<b>90</b>	91	79	73	67	<b>78</b>	62	58	54	50	<b>56</b>
Total gas & oil (bcf)	241	<b>928</b>	242	222	211	212	<b>887</b>	205	205	205	202	<b>816</b>
<b>Price</b>												
Natural gas (\$/mcf)												
Henry Hub (\$/mmbtu)	2.45	<b>2.24</b>	2.62	3.63	4.48	5.48	<b>4.05</b>	5.67	4.57	4.47	4.54	<b>4.81</b>
U.S.	2.33	<b>2.08</b>	2.39	2.40	2.89	4.09	<b>2.92</b>	4.03	3.61	3.86	4.04	<b>3.88</b>
Canada	2.04	<b>1.76</b>	2.21	2.66	3.65	4.48	<b>3.27</b>	4.67	3.57	3.47	3.54	<b>3.81</b>
Overseas	1.68	<b>1.93</b>	1.90	2.17	2.33	3.03	<b>2.32</b>	3.01	2.73	2.51	2.36	<b>2.65</b>
Total	2.23	<b>2.01</b>	2.32	2.44	3.02	4.11	<b>2.95</b>	4.11	3.54	3.69	3.82	<b>3.79</b>
Oil (\$/bbl)												
WTI Cushing	24.52	<b>19.24</b>	28.84	28.79	31.61	34.30	<b>30.88</b>	34.07	31.25	29.09	27.61	<b>30.50</b>
Worldwide	22.52	<b>16.85</b>	23.36	24.38	26.81	30.30	<b>25.95</b>	30.07	27.25	25.09	23.61	<b>26.68</b>
Total gas & oil (\$/mcf)	2.54	<b>2.18</b>	2.64	2.75	3.30	4.28	<b>3.22</b>	4.26	3.70	3.76	3.83	<b>3.89</b>
<b>Revenue (\$mm)</b>												
Natural Gas												
U.S.	329	<b>1,129</b>	334	321	367	508	<b>1,531</b>	490	443	479	501	<b>1,913</b>
Canada	78	<b>276</b>	84	92	130	177	<b>483</b>	181	140	137	140	<b>598</b>
Overseas	21	<b>62</b>	29	23	17	33	<b>102</b>	32	30	28	26	<b>116</b>
Total	429	<b>1,470</b>	448	435	515	719	<b>2,117</b>	703	613	644	667	<b>2,627</b>
Oil	184	<b>553</b>	193	176	181	187	<b>736</b>	169	144	124	109	<b>546</b>
Total	612	<b>2,023</b>	640	611	696	906	<b>2,853</b>	871	756	769	776	<b>3,173</b>
<b>Cost (\$mm)</b>												
Production Taxes												
Operating	38	<b>109</b>	33	38	31	54	<b>156</b>	52	45	46	47	<b>190</b>
Administrative	11	<b>99</b>	27	30	37	37	<b>131</b>	27	27	27	27	<b>108</b>
Total	174	<b>680</b>	178	193	184	210	<b>765</b>	174	187	188	187	<b>755</b>
<b>Cash flow (\$mm)</b>												
Non cash or non operating	438	<b>1,343</b>	462	418	512	696	<b>2,088</b>	678	570	581	589	<b>2,417</b>
Interest	237	<b>1,107</b>	275	217	194	194	<b>880</b>	194	194	194	194	<b>776</b>
Income Tax	63	<b>213</b>	50	63	45	45	<b>203</b>	45	45	45	45	<b>180</b>
Net Income (\$mm)	94	<b>1</b>	77	94	200	274	<b>645</b>	263	198	205	210	<b>877</b>
<b>Modeling ratios</b>												
Production Tax/Revenue	6.2%	<b>5.4%</b>	5.2%	6.2%	4.5%	6.0%	<b>5.5%</b>	6.0%	6.0%	6.0%	6.0%	<b>6.0%</b>
Operating Cost (\$/mcf)	0.52	<b>0.51</b>	0.49	0.56	0.55	0.56	<b>0.54</b>	0.56	0.56	0.56	0.56	<b>0.56</b>
Margin - relative	72%	<b>66%</b>	72%	68%	74%	77%	<b>73%</b>	78%	75%	76%	76%	<b>76%</b>
Margin - absolute (\$/mcf)	1.82	<b>1.45</b>	1.91	1.88	2.43	3.29	<b>2.35</b>	3.31	2.78	2.84	2.91	<b>2.96</b>

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

Volume Decline (%/yr):	15	Price Escalation post 2006 (%/yr):	3.9
Volume Enhancement (%/yr):	30	Discount rate (%/yr):	7.2
Capex/Cash Flow (%):	98	U.S. TIPS Inflation (%/yr):	3.9
Variable Cost (%):	18	U.S. 10 Year Yield (%/yr):	5.8

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 2000 through 2014													
	30100	129100	159200	24.05	3829	355	689	1442	1342	223	1119	0.39	525
1999	5055		5055	15.51	78.4	17.0	14.1		47.4	0.0	47.4		
2000	4396	390	4786	27.00	129.2	22.2	23.3	82.1	1.7	0.0	1.7	0.97	1.6
2001	3823	3461	7284	28.63	208.5	22.2	37.5	145.8	3.0	0.5	2.5	0.90	2.2
2002	3324	5127	8451	25.46	215.2	22.2	38.7	151.2	3.1	0.5	2.6	0.84	2.2
2003	2890	6893	9784	23.19	226.9	22.2	40.8	160.6	3.3	0.5	2.7	0.79	2.1
2004	2513	8794	11308	22.41	253.4	22.2	45.6	181.9	3.7	0.6	3.1	0.73	2.3
2005	2186	10867	13053	21.63	282.4	22.2	50.8	205.1	4.2	0.7	3.5	0.68	2.4
2006	1900	13153	15054	21.04	316.7	22.2	57.0	232.7	4.7	0.8	4.0	0.64	2.5
2007	1653	15696	17349	21.85	379.0	22.2	68.2	282.8	5.8	1.0	4.8	0.60	2.9
2008	1437	13342	14779	22.69	335.3	22.2	60.4		252.8	42.1	210.6	0.56	117.0
2009	1250	11341	12590	23.56	296.7	22.2	53.4		221.1	36.8	184.2	0.52	95.5
2010	1087	9640	10726	24.47	262.5	22.2	47.2		193.0	32.2	160.8	0.48	77.8
2011	945	8194	9138	25.41	232.2	22.2	41.8		168.2	28.0	140.2	0.45	63.3
2012	822	6965	7786	26.39	205.5	22.2	37.0		146.3	24.4	121.9	0.42	51.4
2013	714	5920	6634	27.41	181.8	22.2	32.7		126.9	21.1	105.7	0.39	41.6
2014	621	5032	5653	28.46	160.9	22.2	29.0		109.7	18.3	91.4	0.37	33.5
2015	540	4277	4817	29.56	142.4	22.2	25.6		94.5	15.8	78.8	0.34	27.0

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

	<i>Year</i>	<i>H1</i>	<i>Q3E</i>	<i>Q4E</i>	<i>Year</i>	<i>Q1E</i>	<i>Q2E</i>	<i>Q3E</i>	<i>Q4E</i>	<i>Year</i>
	<i>1999</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)	78.7	56.4	28.4	44.4	129.3	48.0	48.8	54.6	57.2	208.5
EBITDAX (\$mm)	47.4	35.0	18.3	30.4	83.7	33.0	32.3	36.5	37.4	139.3
Cash Flow (\$mm)	47.4	35.0	18.3	30.4	83.7	33.0	32.3	36.5	37.4	139.3
Per share (\$)	1.68	1.38	0.72	1.20	3.30	1.30	1.27	1.44	1.48	5.49
Net Income (\$mm)	(19.9)	20.6	(21.7)	12.2	11.1	13.4	12.4	14.3	14.3	54.5
Per share	(0.70)	0.81	(0.85)	0.48	0.44	0.53	0.49	0.56	0.56	2.15
Shares (millions)	28.2	25.4	25.4	25.4	25.4	25.4	25.4	25.4	25.4	25.4
<b>Volume</b>										
Natural Gas (bcf)	7.43	2.88	1.33	1.77	5.98	1.88	2.08	2.29	2.49	8.74
Natural Gas (mmcf)	20.4	15.8	14.5	19.2	16.3	20.9	22.8	24.9	27.1	23.9
Days	365	182	92	92	366	90	91	92	92	365
Oil (mb)	3,817	1,770	842	1,178	3,789	1,256	1,384	1,525	1,662	5,827
Oil (mbd)	10.46	9.73	9.15	12.80	10.35	13.95	15.21	16.58	18.07	15.96
Total (mb)	5,055	2,250	1,064	1,472	4,786	1,570	1,730	1,906	2,078	7,284
Total (mbd)	13.9	12.4	11.6	16.0	13.1	17.4	19.0	20.7	22.6	20.0
<b>Price</b>										
Natural Gas										
Henry Hub (\$/mmbtu)	2.24	3.13	4.48	5.48	4.05	5.67	4.57	4.47	4.54	4.05
Differential (\$/mmbtu)	0.31	(0.08)			(0.11)					(0.72)
EPL (\$/mcf)	1.93	3.21	4.48	5.48	4.16	5.67	4.57	4.47	4.54	4.77
Oil (\$/bbl)										
WTI Cushing	19.24	28.81	31.61	34.30	30.88	34.07	31.25	29.09	27.61	30.88
Differential	2.45	2.20	4.95	4.77	3.36	4.37	2.87	-	-	2.26
EPL	16.79	26.61	26.66	29.53	27.53	29.69	28.38	29.09	27.61	28.63
Total (\$/bbl)	15.51	25.04	26.70	30.20	27.00	30.56	28.19	28.64	27.53	28.63
<b>Revenue (\$mm)</b>										
Natural Gas	14.3	9.2	6.0	9.7	24.9	10.7	9.5	10.2	11.3	41.7
Oil	64.1	47.1	22.4	34.8	104.3	37.3	39.3	44.4	45.9	166.8
Total	78.4	56.3	28.4	44.4	129.2	48.0	48.8	54.6	57.2	208.5
<b>Cost (\$mm)</b>										
Lease operating	27.3	15.9	7.5	10.4	33.8	11.1	12.2	13.4	14.7	51.4
General and administrative	4.1	5.5	2.6	3.6	11.8	3.9	4.3	4.7	5.1	17.9
Other	(0.3)	(0.1)								
Total	31.1	21.3	10.1	14.0	45.5	14.9	16.5	18.1	19.8	69.3
<b>EBITDAX (\$mm)</b>										
EBITDAX (\$mm)	47.4	35.0	18.3	30.4	83.7	33.0	32.3	36.5	37.4	139.3
Exploration	1.6	0.8	0.7	1.2	2.8	1.3	1.3	1.5	1.5	5.6
Deprec., Deplet., & Amort.	23.3	12.5	5.9	8.2	26.7	8.7	9.6	10.6	11.6	40.6
Net interest										
Other non cash	53.5	(10.5)	45.5	2.0	37.0	2.0	2.0	2.0	2.0	8.0
Income before income tax	(31.0)	32.2	(33.9)	19.0	17.4	21.0	19.4	22.4	22.4	85.1
Income tax	(11.2)	11.6	(12.2)	6.9	6.2	7.6	7.0	8.1	8.1	30.6
<b>Net income (\$mm)</b>	<b>(19.9)</b>	<b>20.6</b>	<b>(21.7)</b>	<b>12.2</b>	<b>11.1</b>	<b>13.4</b>	<b>12.4</b>	<b>14.3</b>	<b>14.3</b>	<b>54.5</b>
<b>Costs (\$/bbl)</b>										
Lease operating	5.40	7.05	7.05	7.05	7.05	7.05	7.05	7.05	7.05	7.05
General and administrative	0.81	2.46	2.46	2.46	2.46	2.46	2.46	2.46	2.46	2.46
Deprec., Deplet., & Amort.	4.61	5.57	5.57	5.57	5.57	5.57	5.57	5.57	5.57	5.57
<i>EBITDAX margin</i>	60%	62%	64%	69%	65%	69%	66%	67%	65%	67%
<i>Tax rate</i>	36%	36%	36%	36%	36%	36%	36%	36%	36%	36%

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