

## McDep Energy Income Producers

A Weekly Analysis of Royalty Trusts and Master Limited Partnerships

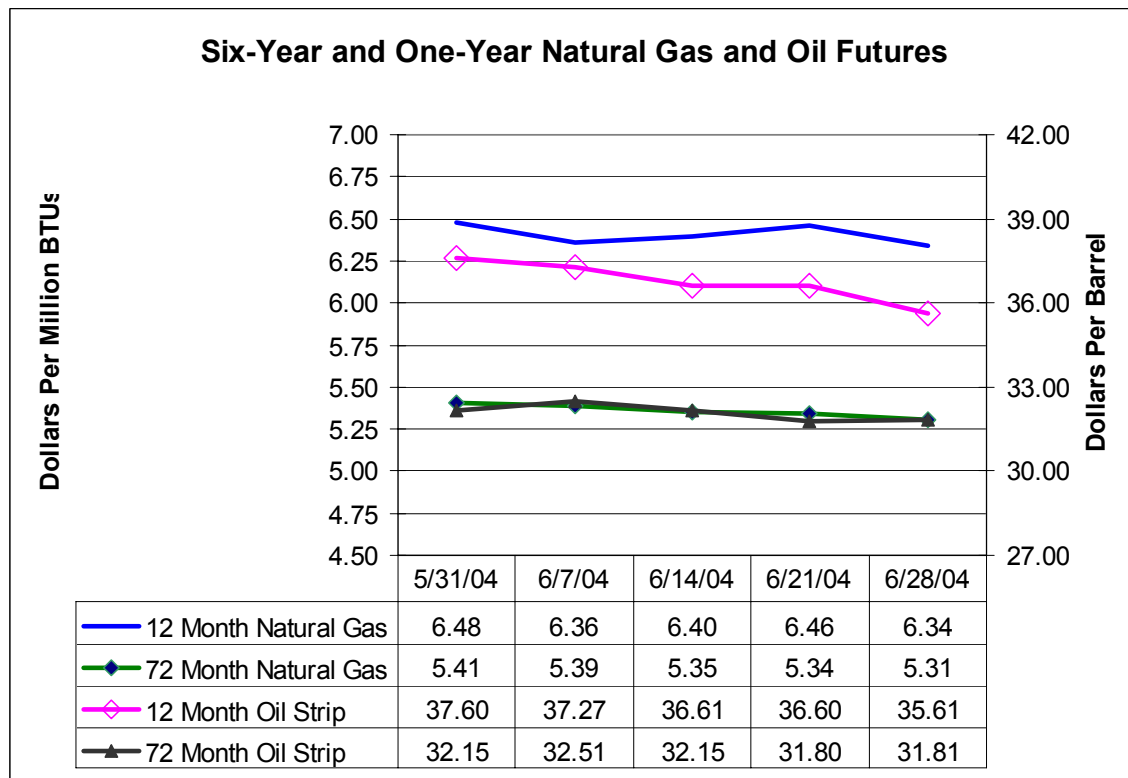
June 29, 2004

# SJT Volumes Steady, Distributions Rising

### Summary and Recommendation

Seeing new highs recently, owners of buy-recommended **San Juan Basin Royalty Trust (SJT)** are enjoying rising distributions as a result of steady volume and increasing commodity price (see charts). Estimated distributions for the next twelve months of \$2.31 per unit, or 9.6% on current unit price would be hard to replace in an alternative investment of comparable quality. The natural gas produced by the trust in New Mexico is likely to be in great demand this summer and thereafter to generate electricity for Californians among other environmentally sensitive applications. Nonetheless, investors who find themselves with over weighted representation and who do not require as much current income might trade some SJT for another recommendation at a lower McDep Ratio.

Kurt H. Wulff, CFA

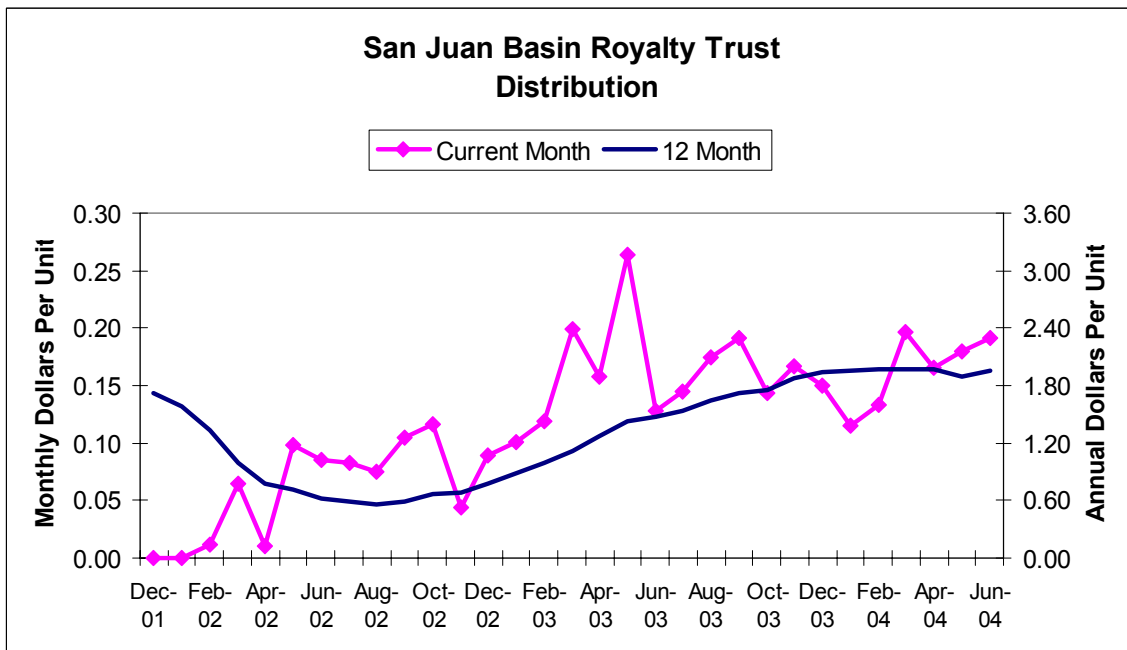
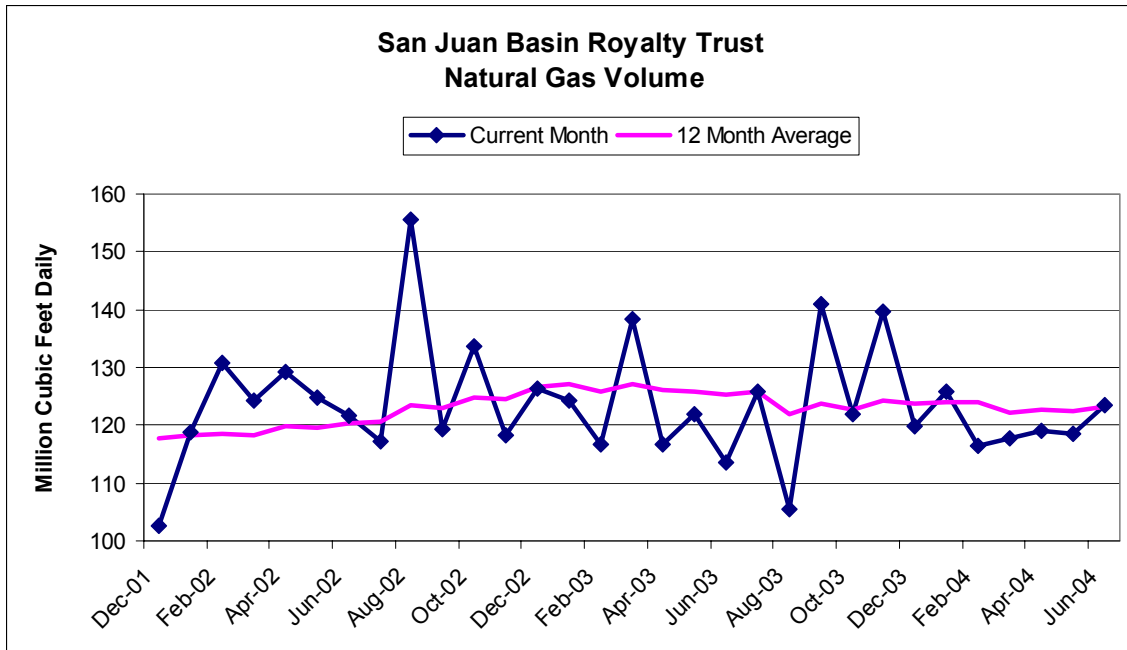


Historical independent energy investment analysis by Kurt Wulff doing business as McDep Associates is posted at [www.mcdep.com](http://www.mcdep.com). Analyses are prepared from sources and data believed to be reliable, but no representation is made as to their accuracy or completeness. Mr. Wulff is not paid by covered companies. Neither he nor his spouse trade a subject stock within a week before or after a change in rating.

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### Rank by McDep Ratio: Market Cap and Debt to Present Value

	Symbol/ Rating	Price (\$/sh) 28-Jun 2004	Shares (mm)	Market Cap (\$mm)	Net Present Value (\$/sh)	Debt/ Present Value	McDep Ratio	
<b>Master Limited Partnerships and Canadian Royalty Trusts</b>								
Kinder Morgan Energy Partners, L.P.	KMP	S2	39.89	145.0	5,780	15.00	0.49	1.85
Kinder Morgan Management, LLC	KMR	S2	36.36	52.7	1,920	15.00	0.49	1.73
Provident Energy Trust	PVX		7.68	88.0	680	6.20	0.33	1.16
Dorchester Minerals, L.P.	DMLP		19.14	27.0	520	17.00	-	1.13
NAV Energy Trust (US\$)	NVG.UN		7.58	19.0	140	7.00	0.18	1.07
Enerplus Resources Fund	ERF		28.34	90.4	2,560	28.00	0.13	1.01
Pengrowth Energy Trust	PGH		13.74	125.0	1,720	14.00	0.13	0.98
PrimeWest Energy Trust	PWI		17.30	50.5	870	19.00	0.21	0.93
Canadian Oil Sands Trust (US\$)	COSWF	B1	33.34	86.9	2,900	62.00	0.20	0.63
	<i>Total or Median</i>				17,100		0.20	1.07
<b>U.S. Royalty Trusts</b>								
Sabine Royalty Trust	SBR		34.10	14.6	500	27.00	-	1.26
Permian Basin RT (41%)	PBT		9.10	19.1	170	7.70	-	1.18
San Juan Basin Royalty Trust	SJT	B1	23.99	46.6	1,120	22.00	-	1.09
Hugoton RoyaltyTrust (46%)	HGT		23.25	18.4	430	22.00	-	1.06
Cross Timbers Royalty Trust	CRT		27.85	6.0	170	30.00	-	0.93
	<i>Total or Median</i>				2,400		-	1.09

Buy/Sell rating after symbol: B1 - Buy full unlevered position, S2 - short quarter unlevered position

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

### Rank by EV/Ebitda: Enterprise Value to Earnings Before Interest, Tax, Deprec.

	Symbol/ Rating	Price (\$/sh) 28-Jun 2004	EV/ Sales NTM	EV/ Ebitda NTM	Divd or Distrib P/E NTM	PV/ Ebitda NTM		
<b>Master Limited Partnerships and Canadian Royalty Trusts</b>								
Kinder Morgan Energy Partners, L.P.	KMP	S2	39.89	2.7	14.8	20	6.9	8.0
Kinder Morgan Management, LLC	KMR	S2	36.36	2.5	13.9	19	7.6	8.0
Dorchester Minerals, L.P.	DMLP		19.14	9.2	10.0	18	10.0	8.9
Enerplus Resources Fund	ERF		28.34	4.7	6.7	13	11.0	6.7
Canadian Oil Sands Trust (US\$)	COSWF	B1	33.34	3.9	6.6	10	4.5	10.5
Provident Energy Trust	PVX		7.68	4.5	5.7	17	13.6	4.9
Pengrowth Energy Trust	PGH		13.74	4.0	5.3	10	13.3	5.4
PrimeWest Energy Trust	PWI		17.30	3.6	4.9	10	13.8	5.3
NAV Energy Trust (US\$)	NVG.UN		7.58	2.5	4.1	11	17.6	3.9
	<i>Median</i>			3.9	6.6	13	11.0	6.7
<b>U.S. Royalty Trusts</b>								
Sabine Royalty Trust	SBR		34.10	11.2	11.7	12	8.5	9.3
Cross Timbers Royalty Trust	CRT		27.85	7.8	10.8	11	9.1	11.6
Permian Basin RT (41%)	PBT		9.10	6.5	8.9	10	8.2	7.5
San Juan Basin Royalty Trust	SJT	B1	23.99	7.1	8.7	10	9.6	7.9
Hugoton RoyaltyTrust (46%)	HGT		23.25	6.3	8.3	10	10.3	7.8
	<i>Median</i>			7.1	8.9	10	9.1	7.9

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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