



Income and Small Cap Weekly

Analysis of Oil & Gas Stocks

July 10, 2009

Rounding the Bend at HGT and SJT

Summary and Recommendation

Market prices for natural gas imply that buy-recommended **Hugoton Royalty Trust (HGT)** and hold-rated **San Juan Basin Royalty Trust (SJT)** are rounding the bend now in monthly and quarterly income distributions (see tables, pages 2 to 5, [Monthly Declarations](#) and [Next Twelve Months Operating and Financial Performance](#)). Concentrated entirely on natural gas, HGT and SJT are among the lowest in stock price as measured by McDep Ratio and ratio to 200-day average. The market action appears extreme as it appears to match the decline in short-term (12 month average) natural gas price more than long-term (72-month average) natural gas price (see chart, page 6 [Oil/Natural Gas Futures Ratio](#)). Believing that long-term investors have an opportunity presented by short-term traders, we have maintained our buy recommendation on HGT. As for timing, the maximum physical pressure on spot natural gas may be during the next few months as winter storage fills earlier than usual (see chart, page 6, [EIA Working Gas in Storage](#)). Realizing that short-term price can be volatile and unpredictable we retain the option to upgrade our rating on SJT to buy.

Monthly Distributions Depend on Drilling Deductions and Price

A slight difference in timing of HGT and SJT in rounding the bend in distribution declarations is due in part to the pattern of development expenditures subtracted from cash flow before making the distribution. HGT makes deductions that are more anticipatory and gives guidance on future deductions furnished by the operator of the properties, buy-recommended **XTO Energy (XTO)**. SJT takes deductions when payments for development drilling are made by the operator of the properties, buy-recommended **ConocoPhillips (COP)**.

Index prices are already known for the next three monthly distributions because index prices are set at the beginning of each month and distributions declared in mid-month lag real-time price by two months. Thereafter we take price from the futures market which can change every trading day. Indeed, the recovery is taking longer than futures prices indicated when we last published monthly projections for HGT and SJT (see *ISCW*, April 17, 2009 for HGT and *ISCW*, January 9, 2009 for SJT). Realizing that detailed projections tied to futures prices are continually changing, we update weekly the end result, Distribution for the Next Twelve Months (see column headed Dist. NTM in Table 1, page 7).

Kurt H. Wulff, CFA



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Hugoton Royalty Trust									
Monthly Declarations									
	Jul-08	Aug-08	Sep-08	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09
Distribution (\$/unit)									
Declared	0.36	0.33	0.40	0.03	0.03	0.05			
Projected							0.03	0.03	0.05
Volume									
Natural Gas (bcf)	2.42	2.30	2.38	2.06	2.26	2.14	2.29	2.21	2.27
Natural Gas (mmcf)	78	77	77	74	73	71	74	74	73
Days	31	30	31	28	31	30	31	30	31
Price									
Natural gas industry quotes lagged two months (\$/mmbtu)									
Henry Hub Index/Futures	11.29	11.93	13.11	4.49	4.07	3.63	3.32	3.54	3.96
HGT/Henry Hub	0.85	0.82	0.84	0.73	0.69	0.77	0.72	0.71	0.70
HGT (\$/mcf)	9.61	9.80	11.04	3.28	2.82	2.79	2.40	2.52	2.78
Revenue (\$mm)									
Natural Gas	23.2	22.6	26.3	6.8	6.4	6.0	5.5	5.6	6.3
Other	1.8	1.3	1.5	(0.4)	(0.2)	(0.0)	0.0	(0.0)	(0.0)
Total	25.0	23.9	27.8	6.4	6.2	5.9	5.5	5.5	6.3
Cost (\$mm)									
Production	2.4	2.8	2.7	2.0	1.9	1.7	2.2	2.2	2.1
Overhead	0.9	0.9	0.9	0.8	0.8	0.9	0.9	0.9	0.9
Total	3.3	3.7	3.6	2.8	2.8	2.6	3.0	3.0	3.0
Cash flow (\$mm)	21.7	20.2	24.2	3.5	3.5	3.3	2.5	2.5	3.3
Development	3.8	3.8	4.0	2.0	2.0	1.0	1.0	1.0	1.0
Net proceeds (\$mm)	18.0	16.4	20.2	1.5	1.5	2.3	1.5	1.5	2.3
Royalty income (\$mm)	14.4	13.1	16.2	1.2	1.2	1.9	1.2	1.2	1.9
Royalty/Net proceeds	80%	80%	80%	80%	80%	80%	80%	80%	80%
Distributable income (\$mm)	14.4	13.1	16.2	1.2	1.2	1.9	1.2	1.2	1.9
Units (millions)	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
Distribution (\$/unit)	0.36	0.33	0.40	0.03	0.03	0.05	0.03	0.03	0.05
<i>Latest Twelve Month Average</i>									
Natural Gas (mmcf)	78	78	78	77	76	75	75	75	74
HGT/Henry Hub	0.86	0.86	0.87	0.75	0.73	0.72	0.71	0.70	0.69
Other revenue (\$mm)	0.7	0.8	0.9	0.7	0.6	0.4	0.3	0.2	0.0
Development (\$mm)	3.8	3.8	3.8	3.8	3.6	3.4	3.1	2.9	2.7
Production (\$mm)	2.0	2.1	2.1	2.2	2.2	2.2	2.2	2.1	2.0
Overhead (\$mm)	0.8	0.8	0.8	0.8	0.9	0.9	0.9	0.9	0.9



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Hugoton Royalty Trust									
Next Twelve Months Operating and Financial Performance									
	Q2	Q1	Q2E	Q3E	Q4E	Year	Q1E	Q2E	Next
	6/30/08	3/31/09	6/30/09	9/30/09	12/31/09	2009E	3/31/10	6/30/10	Twelve
									Months
									6/30/10
Highlights									
Revenue (\$mm) (80%)	54.6	24.9	17.5	17.1	18.9	78.5	26.1	27.2	89.3
Cash flow (\$mm) (80%)	42.9	15.4	9.3	8.3	9.9	42.9	16.4	17.4	52.0
Per unit	1.07	0.38	0.23	0.21	0.25	1.07	0.41	0.43	1.30
Distributable Income (\$mm)	33.7	5.5	4.3	4.3	7.3	21.3	11.4	12.4	35.3
Per unit	0.84	0.14	0.11	0.11	0.18	0.53	0.28	0.31	0.88
Units (millions)	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
Volume									
Natural Gas (bcf)	7.1	7.1	6.5	6.8	6.7	27.0	6.6	6.4	26.5
Natural Gas (mmcf)	78.9	77.3	72.6	73.6	72.9	74.1	72.1	71.4	72.5
Days	90	92	89	92	92	365	92	90	366
Oil (mb)	95	65	63	65	64	256	63	61	253
Oil (mbd)	1.1	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Days	90	92	90	92	92	366	92	90	366
Total (bcf)	7.7	7.5	6.8	7.2	7.1	28.6	7.0	6.8	28.1
Price									
Natural Gas (HH lagged two months)									
Henry Hub (\$/mmbtu)	8.83	6.50	4.06	3.61	3.65	4.46	5.16	5.59	4.50
Differential (%)	7	39	27	20	20	30	17	17	20
HGT (\$/mcf)	8.25	3.97	2.96	2.89	2.92	3.12	4.28	4.64	3.59
Oil (\$/bbl) (WTI Cushing lagged two months)									
WTI Cushing	104.49	46.82	45.65	64.27	64.97	55.43	67.42	68.93	66.40
HGT	102.16	44.95	44.69	62.91	63.61	54.07	65.77	67.24	64.85
Total (\$/mcf)	8.90	4.15	3.21	2.99	3.34	3.43	4.65	5.00	3.98
Revenue (\$mm)									
Natural Gas	58.6	28.2	19.1	17.4	19.6	84.3	28.4	29.8	95.2
Oil	9.7	2.9	2.8	4.1	4.1	13.9	4.2	4.1	16.4
Total	68.3	31.1	21.9	21.4	23.7	98.1	32.6	34.0	111.6
Cost (\$mm)									
Tax, transport & other	6.0	3.8	2.1	2.0	2.2	10.2	3.1	3.2	10.6
Production	6.3	5.5	5.6	6.4	6.4	24.0	6.4	6.4	25.8
Overhead	2.4	2.6	2.6	2.6	2.6	10.3	2.6	2.6	10.3
Total	14.6	11.9	10.3	11.1	11.3	44.5	12.1	12.2	46.7
Cash flow (\$mm)									
Development	11.3	12.0	5.0	3.0	3.0	23.0	6.0	6.0	18.0
Excess costs						-			
Net proceeds (\$mm)									
	42.4	7.2	6.7	7.4	9.4	30.7	14.5	15.7	47.0
Royalty income (\$mm)									
Royalty/Net proceeds	33.9	5.8	5.3	5.9	7.5	24.5	11.6	12.6	37.6
Administration	0.3	0.3	1.1	0.2	0.2	1.8	0.2	0.2	0.8
Distributable income (\$mm)									
	33.7	5.5	4.3	4.3	7.3	21.3	11.4	12.4	35.3
Tax and other/revenue	8.8%	12.2%	9.5%	9.5%	9.5%	10.4%	9.5%	9.5%	9.5%
Production cost (\$/mcf)	0.82	0.74	0.82	0.90	0.91	0.84	0.92	0.95	0.92
Overhead cost (\$/mcf)	0.31	0.34	0.38	0.36	0.36	0.36	0.37	0.38	0.37
Development/Cash flow	0.21	0.62	0.43	0.29	0.24	0.43	0.29	0.28	0.28
Production/Revenue	0.09	0.18	0.25	0.30	0.27	0.24	0.20	0.19	0.23
Overhead/Revenue	0.03	0.08	0.12	0.12	0.11	0.11	0.08	0.08	0.09
Distributable Income/Reven	0.49	0.18	0.19	0.20	0.31	0.22	0.35	0.36	0.32

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San Juan Basin Royalty Trust									
Monthly Declarations									
	Jul-08	Aug-08	Sep-08	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09
Distribution (\$/unit)									
Declared	0.32	0.35	0.45	0.01	0.03	0.01			
Projected							0.02	0.02	0.04
Volume									
Natural gas (mmbtu)	3.22	2.94	3.23	2.85	3.33	3.02	3.16	3.05	3.16
Heat Content(btu/cf)	1,076	1,076	1,070	1,079	1,081	1,082	1,077	1,078	1,078
Natural gas (bcf)	2.99	2.73	3.01	2.64	3.08	2.79	2.93	2.83	2.93
Natural Gas (mmcf)	96	91	97	94	99	93	95	94	95
Days	31	30	31	28	31	30	31	30	31
Price									
Natural gas industry quotes lagged two months (\$/mmbtu)									
Henry Hub Index/Futures	11.29	11.93	13.11	4.49	4.07	3.63	3.32	3.54	3.96
San Juan Monthly Index	9.43	9.82	11.36	3.12	2.69	2.62	2.50	2.65	2.98
San Juan Index/Henry Hub	0.84	0.82	0.87	0.69	0.66	0.72	0.75	0.75	0.75
SJT/San Juan Index	0.96	0.99	0.96	0.92	0.94	0.93	0.96	0.97	0.96
SJT (\$/mmbtu)	9.05	9.72	10.90	2.88	2.54	2.44	2.41	2.56	2.87
SJT (\$/mcf)	9.73	10.45	11.66	3.10	2.75	2.64	2.60	2.76	3.09
Revenue (\$mm)									
Natural Gas	29.1	28.6	35.1	8.2	8.5	7.4	7.6	7.8	9.1
Other	0.5	0.2	0.5	(0.3)	(0.1)	(0.0)	0.2	(0.1)	0.1
Cost (\$mm)									
Severance tax	2.8	2.7	3.3	0.8	0.9	0.8	0.7	0.8	0.9
Operating	2.9	2.6	2.4	2.8	2.5	2.6	2.8	2.8	2.8
Total	5.7	5.3	5.8	3.6	3.3	3.4	3.6	3.6	3.7
Cash flow (\$mm)									
Development	3.9	1.8	1.9	3.9	3.4	3.6	3.0	2.9	3.0
Net proceeds (\$mm)									
	20.0	21.7	28.0	0.4	1.7	0.4	1.2	1.2	2.5
Royalty income (\$mm)									
Royalty/Net proceeds	75%	75%	75%	75%	75%	75%	75%	75%	75%
One time									
Distributable income (\$mm)									
	15.0	16.3	21.0	0.3	1.2	0.3	0.9	0.9	1.9
Units (millions)									
	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6
Distribution (\$/unit)									
	0.32	0.35	0.45	0.01	0.03	0.01	0.02	0.02	0.04
<i>Latest Twelve Month Average</i>									
Heat Content(btu/cf)	1,079	1,080	1,080	1,078	1,078	1,077	1,078	1,078	1,078
Natural Gas (mmcf)	96	95	95	96	97	96	96	97	96
San Juan Index/Henry Hub	0.87	0.86	0.86	0.75	0.73	0.72	0.71	0.71	0.70
SJT/San Juan Index	1.00	1.00	1.00	0.97	0.97	0.96	0.97	0.96	0.96
Other revenue	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.0
Operating	2.6	2.6	2.6	2.9	2.8	2.8	2.8	2.8	2.9
Development	2.0	2.0	2.1	2.7	2.8	3.0	2.9	3.0	3.1
Severance tax/revenue	9.7%	9.6%	9.6%	9.7%	9.7%	9.7%	9.7%	9.8%	9.8%
Ebitda Margin	78%	79%	79%	77%	76%	75%	73%	71%	67%

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San Juan Basin Royalty Trust									
Next Twelve Months Operating and Financial Estimates									
									<i>Next</i>
	<i>Q2</i>	<i>Q1</i>	<i>Q2E</i>	<i>Q3E</i>	<i>Q4E</i>	<i>Year</i>	<i>Q1E</i>	<i>Q2E</i>	<i>Twelve</i>
	<i>6/30/08</i>	<i>3/31/09</i>	<i>6/30/09</i>	<i>9/30/09</i>	<i>12/31/09</i>	<i>2008E</i>	<i>3/31/10</i>	<i>6/30/10</i>	<i>Months</i>
									<i>6/30/10</i>
Highlights									
Revenue (\$mm) (75%)	50.8	26.3	18.3	18.8	19.8	83.2	27.5	28.5	94.7
Cash flow (\$mm) (75%)	40.2	17.0	10.6	10.7	11.5	49.7	18.4	19.4	59.9
Per unit	0.86	0.36	0.23	0.23	0.25	1.07	0.40	0.42	1.29
Distributable Income (\$mm)	35.0	9.0	1.8	3.7	7.0	21.5	14.8	15.6	41.1
Per unit	0.75	0.19	0.04	0.08	0.15	0.46	0.32	0.33	0.88
Units (millions)	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6
Volume									
Natural gas (mmbtu)	8.6	9.3	9.2	9.4	9.3	37.1	9.2	8.8	36.7
Heat Content(btu/cf)	1,094	1,081	1,081	1,078	1,079	1,080	1,080	1,079	1,079
Natural gas (bcf)	7.8	8.6	8.5	8.7	8.6	34.4	8.5	8.2	34.0
Natural Gas (mmcf)	87.1	93.0	95.6	94.5	93.5	94.2	92.6	91.7	93.1
Days	90	92	89	92	92	365	92	89	365
Oil (mb)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Oil (mbd)	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Days	90	92	89	92	92	365	92	89	365
Total gas & oil (bcf)	7.9	8.6	8.6	8.8	8.7	34.6	8.6	8.2	34.2
Price									
Natural gas (\$/mmbtu) (Henry Hub lagged two months)									
Henry Hub (\$/mmbtu)	8.83	6.50	4.06	3.61	3.65	4.46	5.16	5.59	4.50
Differential (%)	12	42	36	28	24	34	24	24	25
Net to SJT (\$/mmbtu)	7.78	3.74	2.61	2.61	2.78	2.94	3.92	4.25	3.38
Natural gas (\$/mcf)	8.51	4.04	2.82	2.82	3.00	3.17	4.23	4.59	3.64
Oil (\$/bbl) (WTI Cushing lagged two months)									
WTI Cushing	104.49	46.82	45.65	64.27	64.97	55.43	67.42	68.93	66.40
SJT	94.81	40.50	39.48	55.59	56.20	47.95	58.33	59.63	57.40
Total gas & oil (\$/mcf)	8.57	4.06	2.85	2.87	3.04	3.20	4.28	4.63	3.69
Revenue (\$mm)									
Natural Gas	66.7	34.6	24.0	24.5	25.8	108.9	36.1	37.4	123.8
Oil	1.0	0.4	0.4	0.6	0.6	2.1	0.6	0.6	2.4
Total	67.7	35.0	24.4	25.1	26.4	111.0	36.7	38.0	126.2
Cost (\$mm)									
Severance tax	6.4	3.4	2.4	2.4	2.6	10.9	3.7	3.7	12.4
Operating	7.7	9.0	7.8	8.5	8.5	33.7	8.5	8.5	33.9
Total	14.1	12.4	10.3	10.9	11.1	44.7	12.1	12.2	46.3
Cash flow (\$mm)									
Development	6.1	9.9	11.0	8.8	5.6	35.3	4.4	4.7	23.5
Net proceeds (\$mm)									
	47.5	12.7	3.2	5.4	9.7	31.0	20.1	21.2	56.4
Royalty income (\$mm)									
Royalty/Net proceeds	35.6	9.6	2.4	4.1	7.3	23.3	15.1	15.9	42.3
Administration	0.6	0.6	0.6	0.3	0.3	1.8	0.3	0.3	1.2
One-time						-			-
Distributable income (\$mm)									
	35.0	9.0	1.8	3.7	7.0	21.5	14.8	15.6	41.1
Severance tax/revenue	9.5%	9.8%	10.0%	9.5%	10.0%	9.8%	10.0%	9.8%	9.8%
Operating cost (\$/mcf)	0.98	1.04	0.91	0.97	0.98	0.97	0.99	1.03	0.99
Development/Cash flow	11%	44%	78%	62%	37%	53%	18%	18%	29%

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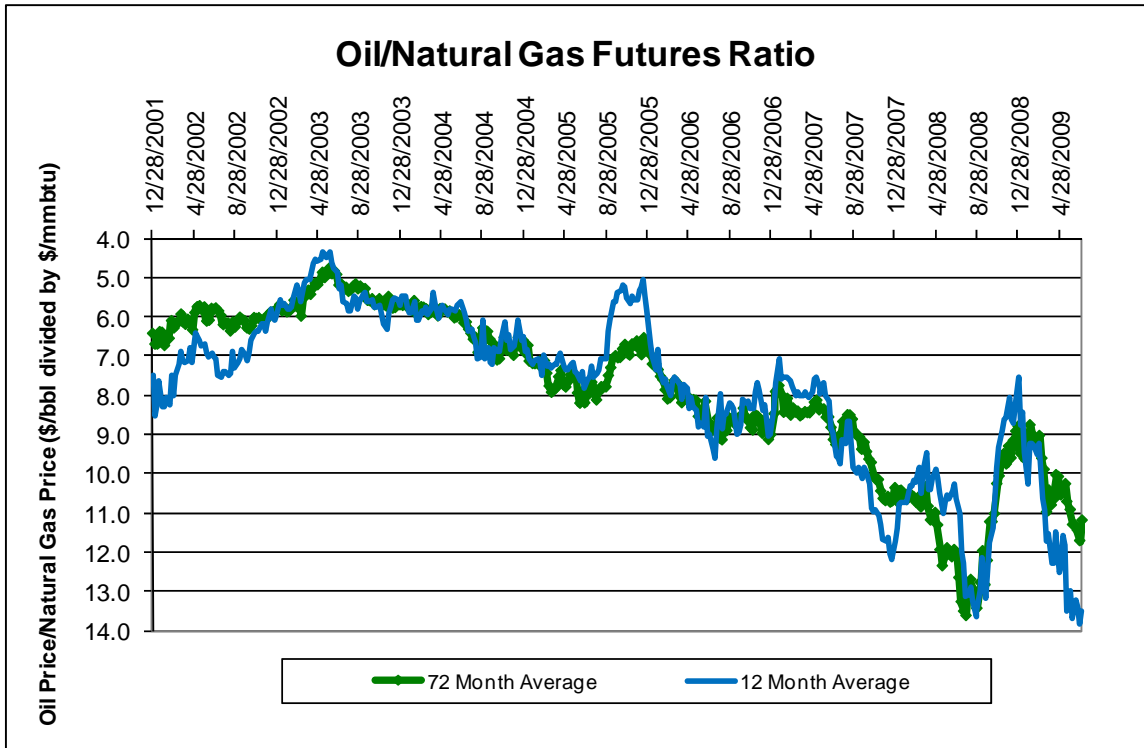
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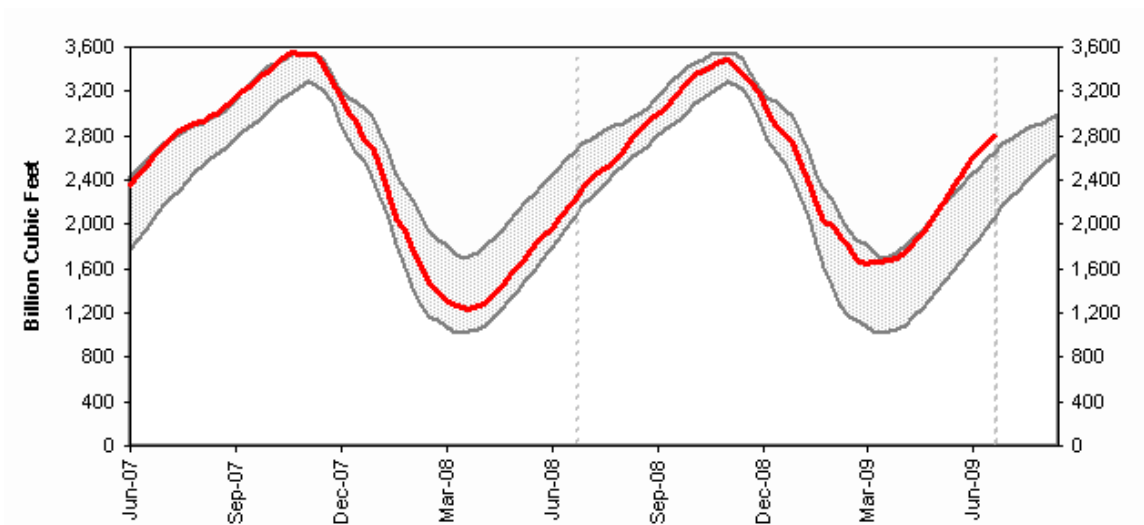
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Working Gas in Underground Storage Compared with 5-Year Range

Source: U.S. Energy Information Administration, July 9, 2009





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	Symbol/Rating	Price (US\$/sh)	EV/ Market Cap	Enterprise Value (\$mm)	Present Value by Segment (%)			Dist. NTM (\$/un)	Dist. Yield (%)	McDep Ratio
					NAmer. Natural Gas	Oil Prod'n				
Canadian Income Trusts (US\$)										
Pengrowth Energy Trust	PGH		6.99	1.98	3,600	39	61	1.03	14.8	0.61
Penn West Energy Trust	PWE	H	11.44	1.82	8,500	32	68	1.55	13.5	0.61
Peyto Energy Trust	PEYUF		7.09	1.53	1,150	79	21	1.24	17.5	0.55
Canadian Oil Sands Trust	COSWF	B	21.61	1.12	11,700		100	1.98	9.2	0.54
Enerplus Resources Fund	ERF		19.09	1.26	4,000	50	50	1.86	9.7	0.53
<i>Total or Median</i>					29,000					0.55
Small Cap Independent Producers										
Encore Acquisition Company	EAC	B	27.37	2.12	3,100	26	74	-	-	0.74
Berry Petroleum Company	BRY	H	16.22	2.34	1,690	38	62	0.30	1.8	0.61
Cimarex Energy Company	XEC	B	26.63	1.40	3,050	67	33	0.24	0.9	0.57
Birchcliff Energy Ltd. (US\$)	BIREF		4.75	1.40	810	72	28	-	-	0.56
<i>Total or Median</i>					8,650					0.59
Top Line Cash Payers										
Cross Timbers Royalty Trust	CRT		24.35	1.00	150	69	31	1.57	6.4	0.76
Sabine Royalty Trust	SBR		45.25	1.00	660	43	57	2.98	6.6	0.75
Freehold Royalty Trust (US\$)	FRHLF		11.82	1.24	720	29	31	1.03	8.7	0.70
Dorchester Minerals, L.P.	DMLP	B	22.14	1.00	630	69	31	1.50	6.8	0.69
Permian Basin RT	PBT		9.65	1.00	450	33	67	0.85	8.8	0.51
<i>Total or Median</i>					2,610					0.70
Bottom Line Cash Payers										
Linn Energy, LLC	LINE		19.22	1.64	3,600	53	47	2.52	13.1	1.20
Encore Energy Partners, L.P. (52%)	ENP		14.14	1.35	450	23	77	2.15	15.2	0.83
San Juan Basin Royalty Trust	SJT	H	12.88	1.00	600	100	-	0.88	6.8	0.50
Hugoton Royalty Trust	HGT	B	12.27	1.00	490	91	9	0.88	7.2	0.44
Mesa Royalty Trust	MTR		24.55	1.00	50	75	25	2.41	9.8	0.37
<i>Total or Median</i>					5,190					0.50
Composite (excl COSWF)										
<i>Enterprise Value Weighting</i>					33,700	46	54			0.63
<i>Equal Weighting</i>						55	45			0.64
<i>Equal Weighted Buys</i>						51	49			0.61

* Percentages in Symbol column refer to current market Enterprise Value weightings; Rating column, equal weightings.
* Percentages in Price column refer to equal weighted buys.



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Table 2								
Oil and Gas Income and Small Cap Stocks								
Net Present Value and McDep Ratio								
			Price (\$/sh)	Shares	Market Cap (\$mm)	Net Present Value (\$/un)	Debt/ Present Value	McDep Ratio
	Symbol/ Rating		9-Jul 2009	(mm)				
Canadian Income Trusts (US\$)								
Pengrowth Energy Trust	PGH		6.99	257.0	1,800	16.00	0.30	0.61
Penn West Energy Trust	PWE	H	11.44	410.0	4,690	25.00	0.27	0.61
Peyto Energy Trust	PEYUF		7.09	105.9	750	16.00	0.19	0.55
Canadian Oil Sands Trust	COSWF	B	21.61	482.2	10,420	42.00	0.06	0.54
Enerplus Resources Fund	ERF		19.09	165.7	3,160	40.00	0.11	0.53
<i>Total or Median</i>					20,800		0.19	0.55
Small Cap Independent Producers								
Encore Acquisition Company	EAC	B	27.37	53.3	1,460	48.00	0.39	0.74
Berry Petroleum Company	BRY	H	16.22	44.6	720	40.00	0.35	0.61
Cimarex Energy Company	XEC	B	26.63	81.7	2,180	55.00	0.16	0.57
Birchcliff Energy Ltd. (US\$)	BIREF		4.75	122.0	580	10.00	0.16	0.56
<i>Total or Median</i>					4,940		0.26	0.59
Top Line Cash Payers								
Cross Timbers Royalty Trust	CRT		24.35	6.0	150	32.00	-	0.76
Sabine Royalty Trust	SBR		45.25	14.6	660	60.00	-	0.75
Freehold Royalty Trust (US\$)	FRHLF		11.82	49.5	590	18.00	0.13	0.70
Dorchester Minerals, L.P.	DMLP	B	22.14	28.2	630	32.00	-	0.69
Permian Basin RT	PBT		9.65	46.6	450	19.00	-	0.51
<i>Total or Median</i>					2,480			0.70
Bottom Line Cash Payers								
Linn Energy, LLC	LINE		19.22	114.0	2,190	14.00	0.47	1.20
Encore Energy Partners, L.P. (52%)	ENP		14.14	23.4	330	18.00	0.22	0.83
San Juan Basin Royalty Trust	SJT	H	12.88	46.6	600	26.00	-	0.50
Hugoton Royalty Trust	HGT	B	12.27	40.0	490	28.00	-	0.44
Mesa Royalty Trust	MTR		24.55	1.9	50	67.00	-	0.37
<i>Total or Median</i>					3,660			0.50
B = Buy, H = Hold								
McDep Ratio = Market cap and Debt to present value of oil and gas and other businesses								
Present Value presumes long-term prices of \$75 a barrel for oil and \$10 a million btu for natural gas.								



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Table 3									
Oil and Gas Income and Small Cap Stocks									
Value Multiples - Rank by EV/Ebitda									
			Price (\$/sh)	Revenue	Dist/ Equity	Adjstd Resrvs/ Prod	PV/ Ebitda	EV/ Ebitda	
	Symbol/ Rating		9-Jul 2009	Royalty (%)	Ebitda	NTM	NTM	NTM	
Canadian Income Trusts (US\$)									
	Canadian Oil Sands Trust	COSWF	B	21.61		0.68	21.5	14.4	7.8
	Peyto Energy Trust	PEYUF		7.09		1.05	17.1	13.5	7.4
	Penn West Energy Trust	PWE	H	11.44		0.67	8.3	10.8	6.5
	Pengrowth Energy Trust	PGH		6.99		0.70	8.1	10.8	6.5
	Enerplus Resources Fund	ERF		19.09		0.57	9.3	12.2	6.5
	<i>Median</i>						9.3	12.2	6.5
Small Cap Independent Producers									
	Birchcliff Energy Ltd. (US\$)	BIREF		4.75		-	9.9	25.3	14.2
	Encore Acquisition Company	EAC	B	27.37		-	11.4	10.8	8.0
	Berry Petroleum Company	BRY	H	16.22		-	11.7	13.0	7.9
	Cimarex Energy Company	XEC	B	26.63		-	7.2	8.4	4.8
	<i>Median</i>						10.7	11.9	8.0
Top Line Cash Payers									
	Sabine Royalty Trust	SBR		45.25	100	1.00	10.0	20.1	15.2
	Cross Timbers Royalty Trust	CRT		24.35	84	0.91	13.0	18.7	14.2
	Dorchester Minerals, L.P.	DMLP	B	22.14	64	0.93	8.1	19.7	13.6
	Permian Basin RT	PBT		9.65	32	0.86	10.9	19.1	9.7
	Freehold Royalty Trust (US\$)	FRHLF		11.82	71	0.62	6.3	10.9	7.6
	<i>Median</i>						10.0	19.1	13.6
Bottom Line Cash Payers									
	Linn Energy, LLC	LINE		19.22		3.95	18.3	21.9	26.3
	San Juan Basin Royalty Trust	SJT	H	12.88		0.69	9.2	20.2	10.0
	Encore Energy Partners, L.P.	ENP		14.14		1.39	12.9	11.7	9.7
	Mesa Royalty Trust	MTR		24.55		0.91	14.4	25.3	9.3
	Hugoton Royalty Trust	HGT	B	12.27		0.68	13.0	21.6	9.4
	<i>Median</i>						13.0	21.6	9.7
EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended June 30, 2010; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses									



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