

ConocoPhillips (COP) Shale Upside, Exploration Promise, Dividend Strength

<i>Symbol</i>	COP	<i>Ebitda Next Twelve Months ending 3/31/15 (US\$mm)</i>	20,900
<i>Rating</i>		<i>North American Natural Gas/Ebitda (%)</i>	10
<i>Price (US\$/sh)</i>	71.51	<i>Natural Gas and Oil Production/Ebitda (%)</i>	100
<i>Pricing Date</i>	4/14/14	<i>Adjusted Reserves/Production NTM</i>	11.5
<i>Shares (mm)</i>	1241	<i>EV/Ebitda</i>	5.9
<i>Market Capitalization (US\$mm)</i>	88,700	<i>PV/Ebitda</i>	7.6
<i>Debt (US\$mm)</i>	34,000	<i>Undeveloped Reserves (%)</i>	37
<i>Enterprise Value (EV) (US\$mm)</i>	123,000	<i>Natural Gas and Oil Ebitda (US\$/boe)</i>	36.70
<i>Present Value (PV) (US\$mm)</i>	158,000	<i>Present Value Proven Reserves(US\$/boe)</i>	17.71
<i>Net Present Value (US\$/share)</i>	100	<i>Present Value Proven Reserves(US\$/mcfe)</i>	2.95
<i>Debt/Present Value</i>	0.21	<i>Earnings Next Twelve Months (US\$/sh)</i>	6.21
<i>McDep Ratio - EV/PV</i>	0.78	<i>Price/Earnings Next Twelve Months</i>	12
<i>Dividend Yield (%/year)</i>	3.9	<i>Indicated Annual Dividend (US\$/sh)</i>	2.76
Note: Estimated cash flow and earnings tied to one-year futures prices for oil and natural gas.			
Reported results may vary widely from estimates. Estimated present value per share revised only infrequently.			
Estimated present value presumes a long-term price for oil of US\$90 a barrel and natural gas, \$6 a million btu.			
For historical analysis of COP since 2002 see www.mcdep.com/2cocp.htm			

Summary and Recommendation

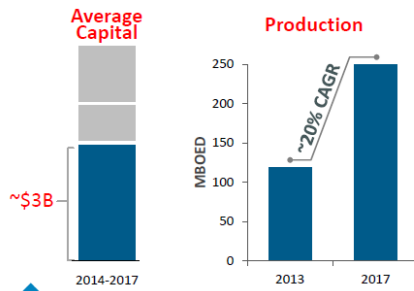
A low McDep Ratio of 0.78 signals sound value in oil and gas producer **ConocoPhillips (COP)** with shale oil upside, deep water exploration promise and 3.9% a year dividend income. At its annual analyst meeting on April 10, the company increased its projection of 2017 volume from the Eagle Ford shale to 250 thousand barrels equivalent daily from 150 mbd previously estimated (see slide [Eagle Ford](#) on page 2). Thousand barrels a day wells in the Delaware Basin Wolfcamp play adds excitement to Permian Basin potential though some capital has been diverted from Permian to Eagle Ford (see slide [Permian](#) on page 2). COP may be expanding more slowly than smaller independents, yet it remains long on valuable resource properties in multiple jurisdictions for future growth. An exceptionally strong appraisal well in the 30% COP Shenandoah discovery in the lower Tertiary trend of the Gulf of Mexico adds credibility to the deep water exploration effort (see slide [Discoveries](#) on page 3). Hopes are high for a deep water well to be started soon offshore West Africa (see slide [Angola](#) on page 3). Meanwhile, COP's Net Present Value (NPV) of \$100 a share is backed 71% by oil and 29% by natural gas (see table [Present Value](#) on page 4). Oil reserve additions in the U.S. and Canada helped strengthen adjusted reserve life, an indicator of present value as a multiple of cash flow (see table [Production and Reserves](#) on page 4). Oil production growth contributes to strong cash in 2014 that further supports NPV (see table [Operating and Financial Estimates](#) on page 5). Balancing the benefits of oil and gas growth, risk is moderated by geographic and commodity diversity as well as an attractive dividend.

Kurt H. Wulff, CFA

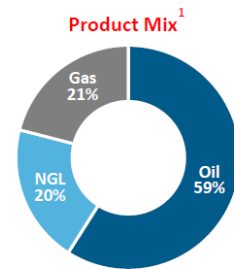
Eagle Ford: Significant Resource Increase



- 221 M net acres; acreage capture complete
- 96% average operated working interest
- 1.8 BBOE to 2.5 BBOE net EUR increase
- >3,000 identified drilling locations
- Outlook based on 12-rig program
- \$20-25/BOE full-cycle F&D cost

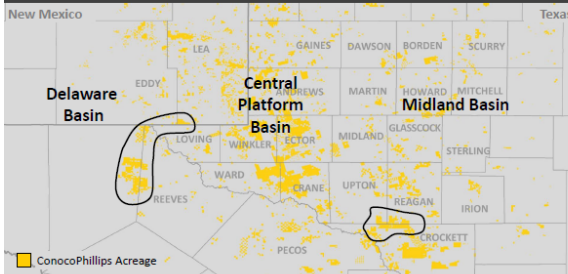


700 MMBOE
RESOURCE
INCREASE



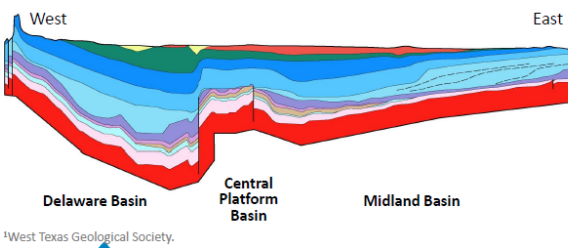
¹2014-2017 average

Permian Unconventional: Early Appraisal Results Encouraging

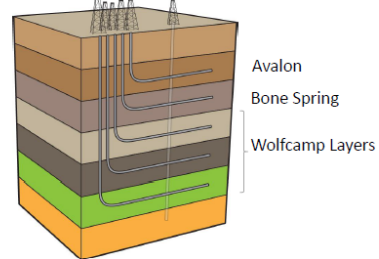


- 150 M net acres in Delaware Basin; 90 M net acres in Midland Basin
- Thick column of both shale and tight rock intervals
- Four rigs running in Delaware Basin
- 24 horizontal wells planned for 2014
- Average early rates >1,000 BOED

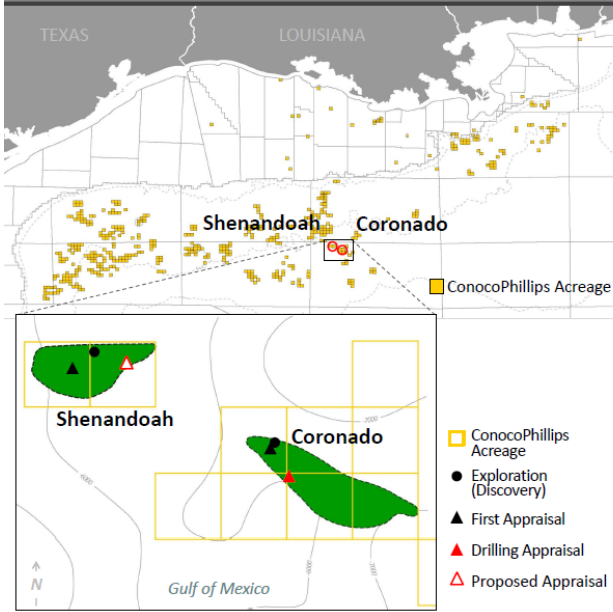
Permian Basin Stratigraphy¹



Permian Appraisal Strategy



Appraising Gulf of Mexico Discoveries: Shenandoah and Coronado



Shenandoah

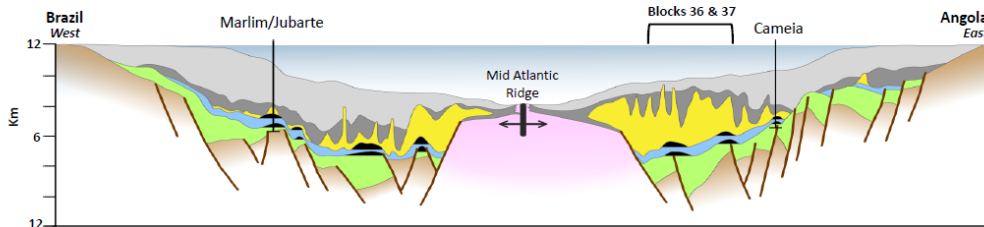
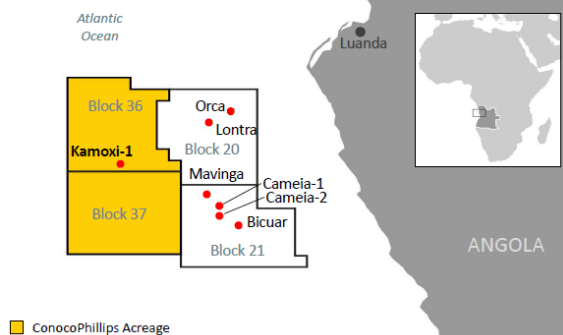
- 30% working interest
- Lower Tertiary oil discovery in 2009
- Discovery well drilled crestal location
- First appraisal well in 2013; >1,000 feet net pay
- Next appraisal well planned for 2014

Coronado

- 35% working interest
- Lower Tertiary oil discovery in 2013
- 3-way trap against salt
- Encountered >400 feet net pay
- Appraisal commenced in 2013; continues in 2014

Angola: Deepwater Exploration

- Block 36: 50% working interest; operator
- Block 37: 30% working interest; operator
- Pre-salt lacustrine carbonate play in Kwanza Basin
- Analogous to Brazilian Santos/Campos Basins and recent discoveries on adjacent blocks
- Kamoxi-1 well planned for Block 36 in 2Q 2014
- First of four-well continuous program





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A Weekly Analysis of Oil and Gas Stocks
April 15, 2014

ConocoPhillips					
Functional Cash Flow and Present Value					
	<i>NTM Ebitda</i>	<i>Adjusted</i>	<i>PV/</i>	<i>Present</i>	
	<i>(US\$mm)</i>	<i>R/P</i>	<i>Ebitda</i>	<i>Value</i>	
				<i>(US\$mm)</i>	
North American Natural Gas	2,040	11.5	11.3	23,000	15%
Rest of World Natural Gas	3,280	10.1	6.7	22,000	14%
Oil	15,600	11.9	7.2	113,000	72%
	20,920	11.5	7.6	158,000	100%
Debt (US\$mm)					34,000
Net Present Value (US\$mm)					124,000
Shares (mm)					1,241
Net Present Value - Standard Estimate (US\$/sh)					100
NPV Approximation by Cash Flow Multiple Depending on Reserve Life (US\$/sh)					106

ConocoPhillips								
Production and Reserves, 2013								
	<i>2013 Production</i>		<i>12/31/2013 Proven Reserves</i>			<i>Weighted</i>	<i>Adjusted</i>	
	<i>(mmcfd</i>	<i>(bcf</i>	<i>Developed</i>	<i>Undeveloped</i>	<i>Weighted</i>	<i>Life Index</i>	<i>R/P</i>	
	<i>or mbd)</i>	<i>or mmb)</i>	<i>(bcf or mmb)</i>	<i>(bcf or mmb)</i>	<i>(bcf or mmb)</i>	<i>(years)</i>	<i>(years)</i>	
North American Natural Gas								
Alaska	43	86	2,815	50	2,840	33.0		
Lower 48	1,490	592	5,822	889	6,267	10.6		
Canada	775	283	1,786	92	1,832	6.5		
Total	2,308	961	10,423	1,031	10,939	11.4	11.5	
Rest of World Natural Gas								
Europe	416	171	1,276	533	1,543	9.0		
Asia Pacific/Middle East	1,190	460	4,199	1,976	5,187	11.3		
Africa	25	63	881	69	916	14.5		
Total	1,631	694	6,356	2,578	7,645	11.0	10.1	
Oil								
Alaska	193	70	1,128	103	1,180	16.9		
Lower 48	243	90	630	438	849	9.4		
Canada	38	13	72	6	75	5.8		
Europe	119	44	266	218	375	8.5		
Asia Pacific/Middle East	114	42	270	107	324	7.7		
Africa	26	17	244	7	248	14.6		
Other areas	4	1	4	-	4	4.0		
Bitumen	109	40	197	1,833	1,114	28		
Total	846	317	2,811	2,712	4,167	13.1	11.9	
Total Oil Equivalent	1,503	593	5,608	3,314	7,264	12.3	11.5	

Weighted Life Index counts undeveloped reserves at half stated value and is computed on latest calendar year volume.
NTM Adjusted R/P also counts undeveloped reserves at half and is computed on next twelve months production.
mmcfd = million cubic feet daily, mbd = thousand barrels daily, bcf = billion cubic feet, mmb = million barrels



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ConocoPhillips										
Next Twelve Months Operating and Financial Estimates										
	Q1	Q4	Year	Q1E	Q2E	Q3E	Q4E	Year	Q1E	Next Twelve Months
	3/31/13	12/31/13	2013	3/31/14	6/30/14	9/30/14	12/31/14	2014E	3/31/15	3/31/15
Volume										
Natural Gas (mmcf)										
North America	2,303	2,267	2,308	2,300	2,300	2,200	2,300	2,275	2,300	2,275
Overseas	1,769	1,754	1,760	1,800	1,800	1,700	1,800	1,775	1,800	1,775
Total	4,072	4,021	4,068	4,100	4,100	3,900	4,100	4,050	4,100	4,050
Oil (mbd)	894	829	845	830	830	830	940	858	940	885
Total gas & oil (bcf)	849	828	3,335	817	826	817	896	3,357	877	3,416
Total gas & oil (mbd)	1,573	1,499	1,523	1,513	1,513	1,480	1,623	1,533	1,623	1,560
Price										
Natural gas (\$/mcf)										
Henry Hub (\$/mmbtu)	3.34	3.60	3.65	4.95	4.58	4.61	4.67	4.70	4.76	4.66
North America	3.13	3.41	3.32	4.68	4.33	4.36	4.41	4.44	4.50	4.40
Overseas	9.36	9.08	9.20	9.08	9.08	9.08	9.08	9.08	9.08	9.08
Total	5.84	5.88	5.87	6.61	6.41	6.42	6.46	6.48	6.51	6.45
Oil (\$/bbl)										
WTI Cushing	94.41	97.46	97.98	98.74	103.37	101.24	98.17	100.38	95.30	99.52
Worldwide	86.62	82.17	85.49	86.16	90.19	88.33	85.65	87.52	83.09	86.68
Total gas & oil (\$/mcf)	10.73	10.20	10.52	10.86	11.14	11.07	10.99	11.02	10.76	10.99
Revenue (\$mm)										
Natural Gas										
North America	650	710	2,797	968	906	882	934	3,691	932	3,654
Overseas	1,491	1,465	5,912	1,471	1,487	1,420	1,503	5,881	1,471	5,881
Total	2,140	2,175	8,709	2,439	2,393	2,302	2,438	9,572	2,403	9,535
Oil	6,970	6,267	26,367	6,436	6,812	6,745	7,407	27,401	7,029	27,994
Other	5,541	5,543	23,171	5,543	5,543	5,543	5,543	22,170	5,543	22,170
Total	14,651	13,985	58,248	14,418	14,747	14,590	15,387	59,143	14,975	59,700
Expense	9,737	8,906	38,109	9,471	9,617	9,547	9,900	38,535	9,717	38,781
Ebitda (\$mm)	4,914	5,079	20,139	4,947	5,131	5,043	5,487	20,608	5,257	20,918
Exploration	277	321	1,232	300	200	200	300	1,000	300	1,000
Deprec., Deplet., & Amort.	1,807	1,893	7,434	1,800	1,800	1,800	1,900	7,300	1,800	7,300
Ebit	2,830	2,865	11,473	2,847	3,131	3,043	3,287	12,308	3,157	12,618
Interest	130	192	612	192	192	192	192	768	192	768
Ebt	2,700	2,673	10,861	2,655	2,939	2,851	3,095	11,540	2,965	11,850
Income Tax	945	936	3,801	929	1,029	998	1,083	4,039	1,038	4,148
Net Income (\$mm)	1,755	1,737	7,059	1,726	1,910	1,853	2,012	7,501	1,928	7,703
Shares (millions)	1,236	1,241	1,239	1,241	1,241	1,241	1,241	1,241	1,241	1,241
Per share (\$)	1.42	1.40	5.70	1.39	1.54	1.49	1.62	6.04	1.55	6.21
Ebitda Margin (E&P)	54%	60%	57%	56%	56%	56%	56%	56%	56%	56%
Tax Rate	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%



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						Present Value by Segment (%)							
		Price		EV/	Enterprise	North	Rest of			Dist.			
		(US\$/sh)		Market	Value	Amer.	World			Yield			
Symbol/Rating		14-Apr		Cap		Natural	Natural	Oil	Down-	NTM	McDep		
B = Buy, CB (see below)		2014			(\$mm)	Gas	Gas	Prod'n	stream	(%)	Ratio		
Global Integrated													
E Exxon Mobil Corporation	XOM	B	97.86	1.20	513,000	8	19	57	17	2.6	0.97		
Total S.A.	TOT		67.73	1.34	206,000			21	62	16	5.0	0.88	
Royal Dutch Shell plc	RDS-A		74.09	1.34	312,000	4	22	57	17	4.9	0.83		
Chevron Corporation	CVX		118.70	1.18	269,000	4	11	72	13	3.4	0.82		
Lukoil Oil Company	LUKOY	CB	51.81	1.18	47,500			75	25	5.4	0.42		
<i>Total or Median</i>				1.20	1,348,000			62	17	4.9	0.83		
U.S. Independent													
EOG Resources, Inc.	EOG		99.96	1.11	60,900	18	4	78		0.5	0.92		
Occidental Petroleum Corp.	OXY		94.32	1.13	85,300	9	1	79	11	3.1	0.89		
Marathon Oil Corporation	MRO	B	35.54	1.44	35,800	7	4	89		2.1	0.78		
ConocoPhillips	COP		71.51	1.38	123,000	15	14	72		3.9	0.78		
Devon Energy Corporation	DVN	B	67.79	1.39	38,300	45		55		1.4	0.75		
<i>Total or Median</i>				1.38	343,000	15		78		2.1	0.78		
Canada/Australia													
Woodside Petroleum Ltd.	WOPEY		36.96	1.15	35,000		70	30		5.6	1.02		
Imperial Oil Limited (30%)	IMO		47.27	1.24	15,000	2		79	19	1.0	0.93		
EnCana Corporation	ECA	B	22.64	1.52	25,400	81		19		1.2	0.82		
Cenovus Energy Inc.	CVE		29.12	1.31	29,000	9		75	16	3.3	0.75		
Canadian Oil Sands Limited	COSWF	B	20.73	1.25	12,500			100		6.2	0.66		
<i>Total or Median</i>				1.25	117,000			75		3.3	0.82		
Small Cap Independent Producers													
Peyto Exploration and Develop	PEYUF		36.30	1.17	6,300	81		19		1.8	0.98		
Range Resources	RRC	B	87.92	1.27	17,900	63		37		0.2	0.98		
Continental Resources (32%)	CLR	B	128.85	1.21	9,300	16		84		-	0.96		
Cimarex Energy Company	XEC	B	115.25	1.13	11,400	41		59		0.6	0.93		
Birchcliff Energy Ltd.	BIREF	B	10.80	1.33	2,300	69		31		-	0.92		
Halcón Resources	HK		4.99	2.68	5,500	6		94		-	0.87		
PDC Energy	PDCE		60.91	1.30	2,800	27		73		-	0.85		
Whiting Petroleum Corporation	WLL	B	72.15	1.32	11,300	7		93		-	0.84		
WPX Energy Inc.	WPX		18.90	1.70	6,500	70		30		-	0.78		
<i>Total or Median</i>				1.30	73,000	41		59		-	0.92		
RTF Cash Payers													
Freehold Royalties Ltd.	FRHLF		21.72	1.04	1,520	21		79		7.1	1.03		
Dorchester Minerals, L.P.	DMLP	B	27.29	1.00	840	50		50		7.6	0.97		
Mesa Royalty Trust	MTR		25.96	1.00	50	74		26		10.2	0.95		
Enduro Royalty Trust	NDRO		12.47	1.00	410	37		63		8.8	0.89		
San Juan Basin Royalty Trust	SJT	B	17.90	1.00	830	100		-		8.8	0.85		
Sabine Royalty Trust	SBR		51.07	1.00	750	44		56		9.2	0.80		
Cross Timbers Royalty Trust	CRT		31.18	1.00	190	64		36		11.3	0.74		
Permian Basin RT	PBT		13.20	1.00	620	26		74		8.4	0.73		
Hugoton Royalty Trust	HGT		7.86	1.00	310	88		13		13.5	0.65		
<i>Total or Median</i>				1.00	5,500	50		50		8.8	0.85		

CB=Contrarian Buy, Stock Price may be in downtrend compared to 200-day average.
Estimated present value presumes a long-term price for oil of US\$90 a barrel and natural gas, \$6 a million btu.
McDep Ratio = Market cap and Debt to present value of oil and gas and other businesses



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			<i>Price (US\$/sh) 14-Apr 2014</i>	<i>Shares (mm)</i>	<i>Market Cap (US\$mm)</i>	<i>Net Present Value (US\$/sh)</i>	<i>Debt/ Present Value</i>	<i>McDep Ratio</i>
		<i>Symbol/Rating</i>						
		<i>B = Buy, CB (see below)</i>						
Global Integrated								
Exxon Mobil Corporation		XOM B	97.86	4,361	427,000	102.00	0.16	0.97
Total S.A.		TOT	67.73	2,276	154,000	80.00	0.22	0.88
Royal Dutch Shell plc		RDS-A	74.09	3,138	233,000	95.00	0.21	0.83
Chevron Corporation		CVX	118.70	1,919	228,000	150.00	0.13	0.82
Lukoil Oil Company		LUKOY CB	51.81	776	40,200	135.00	0.07	0.42
		<i>Total or Median</i>			<i>1,082,000</i>		<i>0.16</i>	<i>0.83</i>
U.S. Independent								
EOG Resources, Inc.		EOG	99.96	548	54,800	110.00	0.09	0.92
Occidental Petroleum Corp.		OXY	94.32	802	75,600	108.00	0.10	0.89
Marathon Oil Corporation		MRO B	35.54	701	24,910	50.00	0.24	0.78
ConocoPhillips		COP	71.51	1,241	89,000	100.00	0.21	0.78
Devon Energy Corporation		DVN B	67.79	407	27,600	100.00	0.21	0.75
		<i>Total or Median</i>			<i>271,900</i>		<i>0.21</i>	<i>0.78</i>
Canada/Australia								
Woodside Petroleum Ltd.		WOPEY	36.96	823	30,400	36.00	0.13	1.02
Imperial Oil Limited (30%)		IMO	47.27	255	12,100	52.00	0.18	0.93
EnCana Corporation		ECA B	22.64	736	16,700	30.00	0.28	0.82
Cenovus Energy Inc.		CVE	29.12	757	22,000	42.00	0.18	0.75
Canadian Oil Sands Limited		COSWF B	20.73	485	10,100	34.00	0.13	0.66
		<i>Total or Median</i>			<i>91,000</i>		<i>0.18</i>	<i>0.82</i>
Small Cap Independent Producers								
Peyto Exploration and Development Corp.		PEYUF	36.30	149	5,400	37.00	0.14	0.98
Range Resources		RRC B	87.92	161	14,200	90.00	0.21	0.98
Continental Resources (32%)		CLR B	128.85	59	7,600	135.00	0.17	0.96
Cimarex Energy Company		XEC B	115.25	87	10,100	125.00	0.11	0.93
Birchcliff Energy Ltd.		BIREF B	10.80	163	1,800	12.00	0.23	0.92
Halcón Resources		HK	4.99	412	2,100	7.00	0.55	0.87
PDC Energy		PDCE	60.91	36	2,200	75.00	0.19	0.85
Whiting Petroleum Corporation		WLL B	72.15	119	8,600	90.00	0.20	0.84
WPX Energy Inc.		WPX	18.90	201	3,800	28.00	0.32	0.78
		<i>Total or Median</i>			<i>56,000</i>		<i>0.20</i>	<i>0.92</i>
RTF Cash Payers								
Freehold Royalties Ltd.		FRHLF	21.72	68	1,470	21.00	0.04	1.03
Dorchester Minerals, L.P.		DMLP B	27.29	31	840	28.00	-	0.97
Mesa Royalty Trust		MTR	25.96	2	50	27.00	-	0.95
Enduro Royalty Trust		NDRO	12.47	33	410	14.00	-	0.89
San Juan Basin Royalty Trust		SJT B	17.90	47	830	21.00	-	0.85
Sabine Royalty Trust		SBR	51.07	15	750	64.00	-	0.80
Cross Timbers Royalty Trust		CRT	31.18	6	190	42.00	-	0.74
Permian Basin RT		PBT	13.20	47	620	18.00	-	0.73
Hugoton Royalty Trust		HGT	7.86	40	310	12.00	-	0.65
		<i>Total or Median</i>			<i>5,500</i>		<i>-</i>	<i>0.85</i>

CB=Contrarian Buy, Stock Price may be in downtrend compared to 200-day average.
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McDep Ratio = Market cap and Debt to present value of oil and gas and other businesses



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Table 3									
McDep Energy Stocks									
Value Multiples and Dividend									
Ranked by EV/Ebitda									
			Price (US\$/sh)	Adjustd Resrvs/ Prod	PV/ Ebitda	EV/ Ebitda	P/E	Dividend	
	Symbol/Rating		14-Apr 2014	NTM	NTM	NTM	NTM	NTM	
	B = Buy, CB (see below)							(\$/sh)	
Global Integrated									
	Exxon Mobil Corporation	XOM	B	97.86	13.5	7.1	6.9	12	2.52
	Royal Dutch Shell plc	RDS-A		74.09	9.9	6.7	5.5	14	3.60
	Total S.A.	TOT		67.73	9.9	6.3	5.5	10	3.37
	Chevron Corporation	CVX		118.70	9.1	6.5	5.3	11	4.00
	Lukoil Oil Company	LUKOY	CB	51.81	15.4	5.5	2.3	4	2.78
	<i>Median</i>				9.9	6.5	5.5	11	
U.S. Independent									
	EOG Resources, Inc.	EOG		99.96	7.8	6.8	6.2	20	2.88
	Occidental Petroleum Corp.	OXY		94.32	10.4	6.7	5.9	14	2.76
	ConocoPhillips	COP		71.51	11.5	7.6	5.9	12	0.50
	Devon Energy Corporation	DVN	B	67.79	10.3	7.9	5.9	14	0.96
	Marathon Oil Corporation	MRO	B	35.54	10.6	7.1	5.5	12	0.76
	<i>Median</i>				10.4	7.1	5.9	14	
Canada/Australia									
	Imperial Oil Limited (30%)	IMO		47.27	23.9	10.0	9.3	12	0.47
	EnCana Corporation	ECA	B	22.64	6.8	10.9	9.0	15	0.28
	Woodside Petroleum Ltd.	WOPEY		36.96	9.5	8.2	8.4	18	2.06
	Canadian Oil Sands Limited	COSWF	B	20.73	20.8	10.1	6.7	12	1.28
	Cenovus Energy Inc.	CVE		29.12	13.8	8.6	6.5	14	0.97
	<i>Median</i>				13.8	10.0	8.4	14	
Small Cap Independent Producers									
	Range Resources	RRC	B	87.92	14.4	11.5	11.3	39	0.16
	Peyto Exploration and Development Corp.	PEYUF		36.30	8.5	9.5	9.4	17	0.66
	Birchcliff Energy Ltd.	BIREF	B	10.80	15.2	8.9	8.2	21	-
	PDC Energy	PDCE		60.91	17.3	9.5	8.1	25	-
	WPX Energy Inc.	WPX		18.90	8.6	9.4	7.3		-
	Continental Resources (32%)	CLR	B	128.85	11.4	7.5	7.2	17	-
	Halcón Resources	HK		4.99	6.1	7.7	6.7	11	-
	Cimarex Energy Company	XEC	B	115.25	7.8	7.0	6.5	15	0.64
	Whiting Petroleum Corporation	WLL	B	72.15	8.2	5.8	4.8	21	-
	<i>Median</i>				8.6	8.9	7.3	19	
RTF Cash Payers									
	Sabine Royalty Trust	SBR		51.07	10.0	13.7	10.9	11	4.68
	San Juan Basin Royalty Trust	SJT	B	17.90	10.7	12.5	10.6	11	1.57
	Dorchester Minerals, L.P.	DMLP	B	27.29	7.2	10.7	10.4	16	2.06
	Freehold Royalties Ltd.	FRHLF		21.72	5.4	9.6	10.0	21	1.53
	Mesa RoyaltyTrust	MTR		25.96	6.4	8.8	8.4	10	2.65
	Cross Timbers Royalty Trust	CRT		31.18	12.2	11.1	8.3	9	3.53
	Permian Basin RT	PBT		13.20	9.7	9.9	7.2	12	1.11
	Enduro Royalty Trust	NDRO		12.47	7.3	7.9	7.0	11	1.09
	Hugoton RoyaltyTrust	HGT		7.86	13.5	10.0	6.6	7	1.06
	<i>Median</i>				9.7	10.0	8.4	11	
CB=Contrarian Buy, Stock Price may be in downtrend compared to 200-day average.									
EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended March 31, 2015; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses									



Meter Reader

A Weekly Analysis of Oil and Gas Stocks

April 15, 2014

Table 4									
McDep Energy Stocks									
Total Return and Enterprise Value Momentum									
Ranked by EV/200-Day Average									
			Price	Equity					
			(\$/sh)	Total					
	Symbol		14-Apr	Return	Enterprise Value/				McDep
	Rating		2014	(%)	52Wk	52Wk	50 Day	200 Day	Ratio
					High	Low	Avg.	Avg.	
Global Integrated									
Total S.A.	TOT		67.73	12	1.00	1.32	1.05	1.11	0.88
Royal Dutch Shell plc	RDS-A		74.09	5	1.00	1.13	1.02	1.06	0.83
Exxon Mobil Corporation	XOM	B	97.86	(3)	0.97	1.13	1.03	1.05	0.97
Chevron Corporation	CVX		118.70	(4)	0.94	1.07	1.03	0.99	0.82
Lukoil Oil Company	LUKOY	CB	51.81	(18)	0.80	1.05	0.96	0.89	0.42
	<i>Median</i>			(3)	0.97	1.13	1.03	1.05	0.83
U.S. Independent									
EOG Resources, Inc.	EOG		99.96	19	0.97	1.65	1.07	1.16	0.92
Devon Energy Corporation	DVN	B	67.79	10	0.98	1.22	1.04	1.09	0.75
ConocoPhillips	COP		71.51	2	0.97	1.18	1.05	1.03	0.78
Occidental Petroleum Corp.	OXY		94.32	(0)	0.95	1.17	1.00	1.01	0.89
Marathon Oil Corporation	MRO	B	35.54	1	0.95	1.13	1.03	1.01	0.78
	<i>Median</i>			2	0.97	1.18	1.04	1.03	0.78
Canada/Australia									
EnCana Corporation	ECA	B	22.64	26	1.00	1.22	1.09	1.14	0.82
Imperial Oil Limited (30%)	IMO		47.27	7	0.99	1.21	1.04	1.08	0.93
Canadian Oil Sands Limited	COSWF	B	20.73	12	0.97	1.13	1.05	1.06	0.66
Woodside Petroleum Ltd.	WOPEY		36.96	10	0.94	1.16	1.05	1.05	1.02
Cenovus Energy Inc.	CVE		29.12	3	0.94	1.10	1.06	1.02	0.75
	<i>Median</i>			10	0.97	1.16	1.05	1.06	0.82
Small Cap Independent Producers									
Birchcliff Energy Ltd.	BIREF	B	10.80	58	0.99	1.41	1.13	1.28	0.92
Peyto Exploration and Development	PEYUF		36.30	19	1.00	1.31	1.11	1.17	0.98
Cimarex Energy Company	XEC	B	115.25	10	0.95	1.67	1.03	1.16	0.93
Continental Resources (32%)	CLR	B	128.85	15	0.98	1.57	1.07	1.16	0.96
Whiting Petroleum Corporation	WLL	B	72.15	17	0.98	1.45	1.07	1.15	0.84
Range Resources	RRC	B	87.92	4	0.98	1.18	1.02	1.07	0.98
PDC Energy	PDCE		60.91	14	0.86	1.41	1.03	1.04	0.85
Halcón Resources	HK		4.99	29	0.84	1.16	1.09	1.04	0.87
WPX Energy Inc.	WPX		18.90	(7)	0.87	1.13	1.02	0.99	0.78
	<i>Median</i>			15	0.98	1.41	1.07	1.15	0.92
RTF Cash Payers									
Mesa RoyaltyTrust	MTR		25.96	26	0.93	1.28	1.07	1.14	0.95
Dorchester Minerals, L.P.	DMLP	B	27.29	7	0.99	1.20	1.07	1.10	0.97
San Juan Basin Royalty Trust	SJT	B	17.90	9	0.98	1.23	1.02	1.07	0.85
Cross Timbers Royalty Trust	CRT		31.18	8	0.95	1.24	1.02	1.06	0.74
Sabine Royalty Trust	SBR		51.07	4	0.93	1.09	1.01	1.00	0.80
Freehold Royalties Ltd.	FRHLF		21.72	6	0.90	1.11	1.06	1.00	1.03
Hugoton RoyaltyTrust	HGT		7.86	7	0.79	1.12	0.96	0.98	0.65
Permian Basin RT	PBT		13.20	5	0.81	1.09	1.02	0.97	0.73
Enduro Royalty Trust	NDRO		12.47	5	0.74	1.06	0.95	0.92	0.89
	<i>Median</i>			7	0.93	1.12	1.02	1.00	0.85

CB=Contrarian Buy, Stock Price may be in downtrend compared to 200-day average.

Source: Bloomberg, Yahoo, McDep LLC



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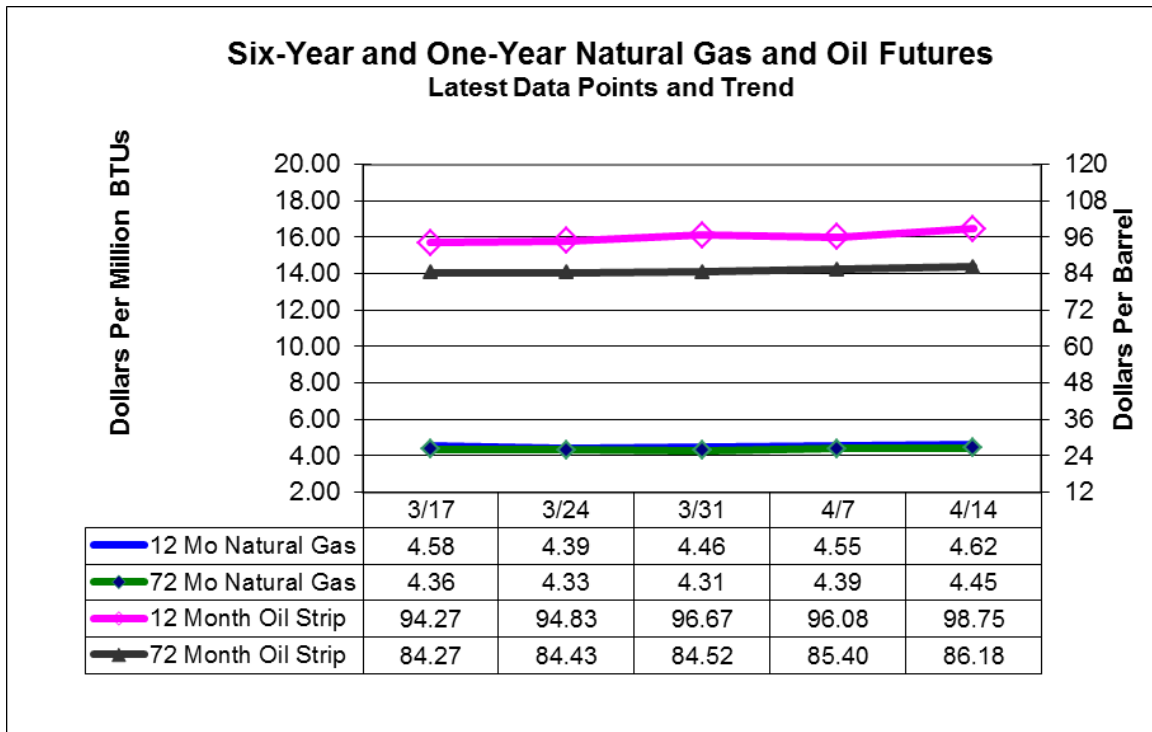
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April 15, 2014

Index of Recent Research			
Stock Ideas			
<u>Date</u>	<u>Symbol</u>	<u>Subject</u>	<u>Theme</u>
8-Apr	WLL	Whiting Petroleum	Fracking by the Nanometer (Meter Reader)
1-Apr	FRHLF	Freehold Royalties Ltd	Model for Upcoming Encana Spinoff (Meter Reader)
25-Mar	CVE	Cenovus Energy	Oil Growth Slowed by Transit States (Meter Reader)
18-Mar	PBT	Permian Basin Royalty Trust	Rising Oil Production, Understated Income (Meter Reader)
11-Mar	LUKOY	Lukoil	Economic Opportunity in Political Risk (Meter Reader)
4-Mar	EOG	EOG Resources	Raise NPV to \$220 on Shale Oil Leadership (Meter Reader)
25-Feb	XEC	Cimarex Energy	More Upside Ahead (Meter Reader)
21-Feb	DMLP	Dorchester Minerals, L.P.	Raise NPV to \$28 on Shale Oil
21-Feb	PDCE	PDC Energy	Raise NPV to \$75 on More Shale Oil
18-Feb	ECA	Encana Corporation	Leveraged to Natural Gas Price (Meter Reader)
13-Feb	BIREF	Birchcliff Energy	Cash Flow Estimate Up 30%
11-Feb	SJT	San Juan Basin Royalty Trust	Strategic Resource in a Cold Winter (Meter Reader)
4-Feb	XOM	Exxon Mobil	Largest and Strongest Oil and Gas Producer (Meter Reader)
21-Jan	RDSA	Royal Dutch Shell plc	Lower NPV to \$95 on Profit Warning (Meter Reader)
17-Dec	MRO	Marathon Oil	New CEO Accelerates Shale Growth (Meter Reader)
26-Nov	DVN	Devon Energy	Acquires \$6 Billion Eagle Ford Position (Meter Reader)
19-Nov	CLR	Continental Resources	High Density "Ears Back" Drilling Pace (Meter Reader)
5-Nov	COSWF	Canadian Oil Sands Ltd.	Time to Explore New Options (Meter Reader)
31-Oct	RRC	Range Resources	Core Owner in Largest Producing Field
4-Oct	NDRO	Enduro Royalty Trust	Worth Another Look after Stock Price Decline
27-Sep	WPX	WPX Energy	San Juan Basin Innovator (Income and Small Cap Weekly)
17-Sep	COP	ConocoPhillips	Fracking Upside in Eagle Ford, Bakken and Permian (Meter Reader)
13-Sep	CRT	Cross Timbers Royalty Trust	Fracking Upside in Permian and Scoop (Income and Small Cap Weekly)
10-Sep	OXY	Occidental Petroleum	Permian Late Bloomer (Meter Reader)
23-Jul	WOPEY	Woodside Petroleum, Ltd.	Distributing LNG Cash (Meter Reader)
31-May	HGT	Hugoton Royalty Trust	Beating the Bear (Income and Small Cap Weekly)
21-May	IMO	Imperial Oil	Timely on Bitumen Price (Meter Reader)
30-Apr	TOT	Total	Recovery Potential (Meter Reader)
19-Apr	HK	Halcón Resources	Fourth Core Area - El Halcón ("The Hawk") (Inc. and Small Cap Wkly)
16-Apr	CVX	Chevron	Deflation Resistance (Meter Reader)
12-Apr	MTR	Mesa Royalty Trust	RTF Stealth Play on Long-Life Natural Gas (Income and Small Cap Wkly)
5-Apr	SBR	Sabine Royalty Trust	Accelerating Volume Growth (Income and Small Cap Weekly)
28-Mar	PEYUF	Peyto Exploration and Development	Raise NPV to \$32 for Fracking Winner (Income and Small Cap Weekly)
For historical research by stock, go to mcdep.com , click on Stock Ideas , click on stock by name.			
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8-Apr	WLL	Whiting Petroleum	Fracking by the Nanometer (Meter Reader)
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10-Dec			Fracking Investment Strategy
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Industry Ideas			
28-Jan			Arctic Cold Strengthens Natural Gas Price (Meter Reader)
9-Jan		RTF Cash Payers	Trustee Change Proposed
7-Jan			Six-Year Futures Up in 2014 (Meter Reader)
24-Dec		RTF Cash Payers	Rising RTF Cash in 2014 (Meter Reader)



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