

## Income Payers in Uptrend CRT, PBT, SBR, SJT, DMLP

	Symbol/Rating	22-Jul 2016	Price (US\$/sh)	EV/ Market Cap	Enterprise Value (\$mm)	Present Value by Segment (%)				Dist. Yield NTM (%)	McDep Ratio
						Natural Gas	Natural Gas	Oil Prod'n	Down- stream		
San Juan Basin Royalty Trust	SJT	6.82	1.00	320	100		-		7.5	0.85	
Cross Timbers Royalty Trust	CRT	18.54	1.00	110	57		43		7.6	0.64	
Permian Basin RT	PBT	7.02	1.00	330	23		77		9.2	0.64	
Dorchester Minerals, L.P.	DMLP B	14.83	1.00	460	28		72		7.9	0.62	
Sabine Royalty Trust	SBR B	35.38	1.00	520	38		62		7.2	0.59	
<i>Total or Median</i>			<i>1.00</i>	<i>1,700</i>	<i>38</i>		<i>62</i>		<i>7.6</i>	<i>0.64</i>	

### Summary and Recommendation

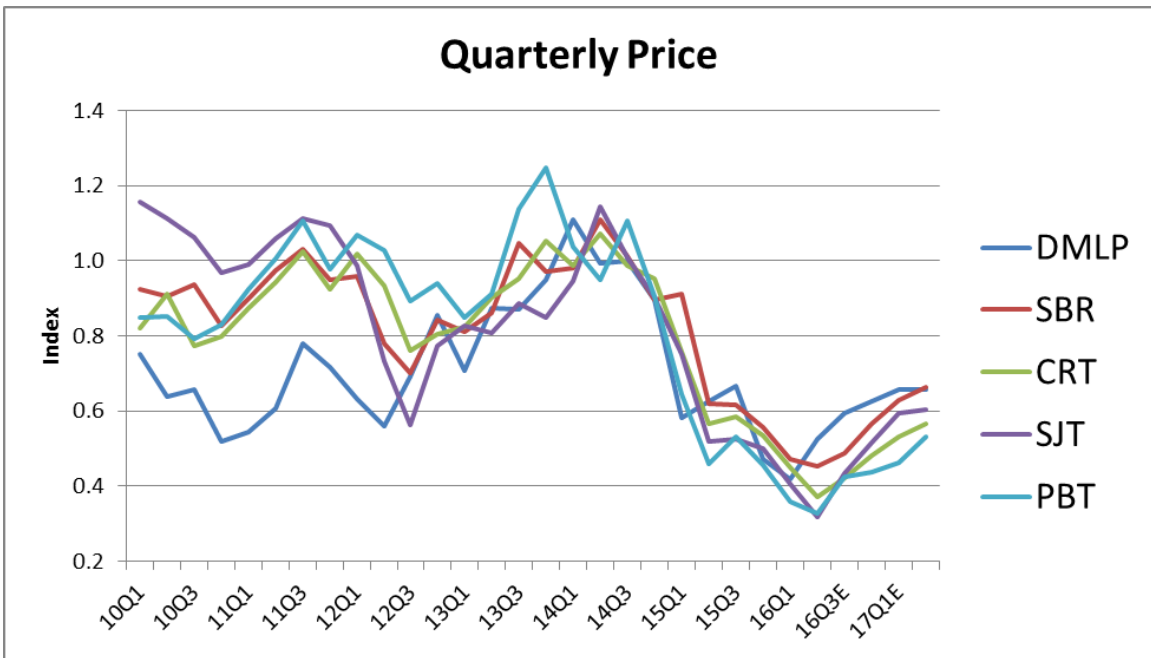
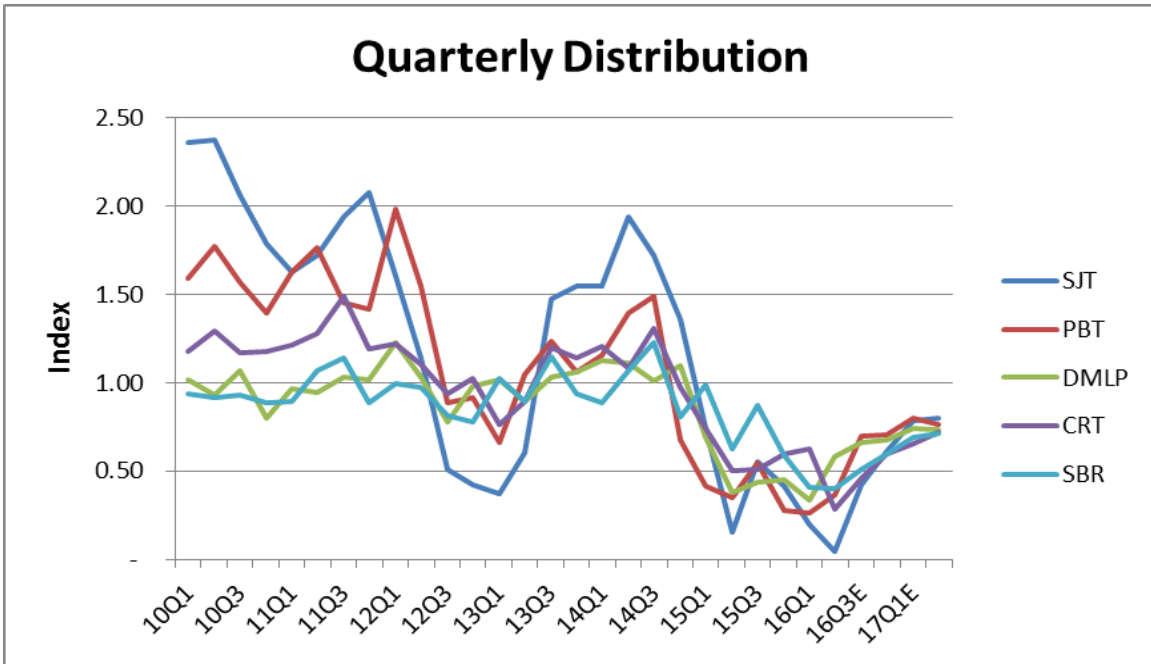
Recent oil and gas prices and stock prices confirm an uptrend we believe can continue for income payers **Cross Timbers Royalty Trust (CRT)**, **Permian Basin Royalty Trust (PBT)**, and **San Juan Basin Royalty Trust (SJT)** along with current buy recommendations **Sabine Royalty Trust (SBR)** and **Dorchester Minerals, L.P. (DMLP)**. Oil and gas price trends as reflected in the futures market translate to rising future distributions (see chart [Distribution](#) on page 2). Top Line percentage of revenue arrangements were the safest in resisting the decline of the past two years. Bottom Line percentage of profits arrangements demonstrated more volatility. SBR is exclusively a Top Line cash payer while SJT is exclusively a Bottom Line cash payer. DMLP, PBT and CRT are largely Top Line cash payers, but also have Bottom Line properties. After diverging in the exaggerated downtrend for oil and gas price, distributions are likely to converge again as oil and gas prices approach more normal levels. Distribution estimates take account of latest monthly declarations for CRT, PBT, SJT and SBR. On a quarterly rather than monthly schedule, DMLP declared on July 21 a second quarter distribution of \$0.26 a unit compared to our estimate of \$0.23 (see tables [Operating and Financial Estimates](#) for five stocks on pages 3-7). Valuation rankings allow comparison of Income Payers to all 24 stocks in our research (see [Tables 1-3](#) on pages 8-10). Income Payers are our top performing group for 2016 with a median unlevered total return of 47% (see [Table 4](#) on page 11).

Kurt H. Wulff, CFA



# Industry Idea

Analysis of Oil and Gas Stocks  
July 22, 2016, Intraday





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Analysis of Oil and Gas Stocks  
July 22, 2016, Intraday

Cross Timbers Royalty Trust										
Next Twelve Months Operating and Financial Performance										
	Q2	Year	Q1	Q2E	Q3E	Q4E	Year	Q1E	Q2E	Next Twelve Months
	6/30/15	2015	3/31/16	6/30/16	9/30/16	12/31/16	2016	3/31/17	6/30/17	6/30/17
<b>Volume</b>										
Natural Gas (bcf)	0.34	<b>1.62</b>	0.71	0.43	0.55	0.55	<b>2.24</b>	0.55	0.55	<b>2.20</b>
Natural Gas (mmcf)	3.8	<b>4.4</b>	7.7	4.7	6.0	6.0	<b>6.1</b>	6.0	6.0	<b>6.0</b>
Oil (mb)	59	<b>233</b>	59	58	58	57	<b>232</b>	57	56	<b>228</b>
Oil (mbd)	0.66	<b>0.64</b>	0.64	0.63	0.63	0.62	<b>0.63</b>	0.62	0.62	<b>0.62</b>
Total (bcf)	0.70	<b>3.02</b>	1.07	0.78	0.89	0.89	<b>3.63</b>	0.89	0.89	<b>3.57</b>
<b>Price</b>										
Natural Gas (HH lagged three months)										
Henry Hub (\$/mmbtu)	2.99	<b>3.11</b>	2.28	2.09	1.95	2.80	<b>2.28</b>	2.98	3.32	<b>2.76</b>
Differential (%)	(31)	<b>(46)</b>	(82)	(35)	(35)	(35)	<b>(50)</b>	(50)	(50)	<b>(44)</b>
CRT (\$/mcf)	3.91	<b>4.53</b>	4.15	2.81	2.63	3.77	<b>3.43</b>	4.48	5.00	<b>3.97</b>
Oil (\$/bbl) (WTI lagged two months)										
WTI Cushing	51.06	<b>53.37</b>	37.35	36.66	47.20	46.61	<b>41.95</b>	48.51	49.85	<b>48.04</b>
CRT	49.87	<b>52.96</b>	36.46	32.35	44.84	44.28	<b>39.44</b>	45.60	46.86	<b>45.39</b>
Total (\$/mcf)	6.14	<b>6.52</b>	4.79	3.96	4.51	5.15	<b>4.63</b>	5.68	6.06	<b>5.35</b>
<b>Revenue (\$mm)</b>										
Natural Gas	1.35	<b>7.33</b>	2.95	1.21	1.43	2.08	<b>7.68</b>	2.47	2.76	<b>8.75</b>
Oil	2.94	<b>12.34</b>	2.15	1.88	2.59	2.51	<b>9.13</b>	2.61	2.64	<b>10.34</b>
Total	4.29	<b>19.67</b>	5.10	3.09	4.02	4.60	<b>16.81</b>	5.08	5.39	<b>19.09</b>
<b>Cost (\$mm)</b>										
Tax, transport & other	0.60	<b>2.71</b>	0.83	0.43	0.56	0.64	<b>2.47</b>	0.71	0.76	<b>2.67</b>
Production	1.53	<b>6.19</b>	1.37	1.00	1.15	1.15	<b>4.67</b>	1.15	1.14	<b>4.59</b>
Total	2.13	<b>8.90</b>	2.20	1.44	1.71	1.79	<b>7.14</b>	1.86	1.90	<b>7.26</b>
<b>Cash flow (\$mm)</b>										
Development	1.15	<b>2.70</b>	0.39	0.39	0.10	0.10	<b>0.98</b>	0.10	0.10	<b>0.40</b>
Excess or other	(1.05)	<b>(1.97)</b>	(0.51)	(0.01)	0.27	0.23	<b>(0.02)</b>	0.42	0.43	<b>1.35</b>
<b>Net proceeds (\$mm)</b>										
	2.06	<b>10.04</b>	3.02	1.28	1.94	2.47	<b>8.72</b>	2.69	2.96	<b>10.07</b>
<b>Royalty income (\$mm)</b>										
Royalty/Net proceeds	1.85	<b>8.88</b>	2.71	1.09	1.71	2.18	<b>7.68</b>	2.37	2.61	<b>8.86</b>
	90%	<b>88%</b>	85%	85%	88%	88%	<b>88%</b>	88%	88%	<b>88%</b>
Administration & reserve	0.11	<b>0.75</b>	0.53	0.11	0.11	0.11	<b>0.86</b>	0.11	0.11	<b>0.44</b>
<b>Distributable income (\$mm)</b>										
	1.74	<b>8.13</b>	2.18	0.98	1.60	2.07	<b>6.82</b>	2.26	2.50	<b>8.42</b>
<b>Units (millions)</b>										
	6.0	<b>6.0</b>	6.0	6.0	6.0	6.0	<b>6.0</b>	6.0	6.0	<b>6.0</b>
<b>Royalty income (\$/unit)</b>										
Natural Gas										
TL TX	0.02	<b>0.16</b>	0.02	0.02	0.02	0.03	<b>0.10</b>	0.03	0.04	<b>0.12</b>
TL OK	0.04	<b>0.19</b>	0.03	0.02	0.02	0.03	<b>0.10</b>	0.03	0.04	<b>0.12</b>
TL NM	0.08	<b>0.48</b>	0.29	0.08	0.09	0.14	<b>0.60</b>	0.16	0.18	<b>0.58</b>
BL TX	-	-	-	-	-	-	-	-	-	-
BL OK	-	<b>0.00</b>	-	-	-	-	-	-	-	-
Oil										
TL TX	0.09	<b>0.35</b>	0.06	0.05	0.07	0.07	<b>0.26</b>	0.07	0.08	<b>0.30</b>
TL OK	0.07	<b>0.22</b>	0.03	0.03	0.05	0.04	<b>0.16</b>	0.05	0.05	<b>0.18</b>
TL NM	0.01	<b>0.04</b>	0.01	0.01	0.01	0.01	<b>0.04</b>	0.01	0.01	<b>0.04</b>
BL TX	-	-	-	-	-	0.01	-	0.01	0.02	-
BL OK	-	<b>0.03</b>	-	-	0.02	0.03	-	0.03	0.03	-
Administration	0.01	<b>0.10</b>	0.04	0.06	0.02	0.02	<b>0.13</b>	0.02	0.02	<b>0.08</b>
<b>Distribution (\$/unit)</b>										
	0.29	<b>1.35</b>	0.36	0.16	0.27	0.34	<b>1.14</b>	0.38	0.42	<b>1.40</b>



# Industry Idea

Analysis of Oil and Gas Stocks  
July 22, 2016, Intraday

Dorchester Minerals, L.P.										
Operating and Financial Performance										
	Q2	Year	Q1	Q2E	Q3E	Q4E	Year	Q1E	Q2E	Next Twelve Months
	6/30/15	2015	3/31/16	6/30/16	9/30/16	12/31/16	2016E	3/31/17	6/30/17	6/30/17
<b>TOP LINE</b>										
<b>Volume</b>										
Natural Gas (mmcf)	8.7	<b>10.1</b>	9.4	9.0	8.6	8.3	<b>8.8</b>	8.3	8.0	<b>8.6</b>
Oil (mbd)	1.36	<b>1.44</b>	1.56	1.59	1.62	1.62	<b>1.60</b>	1.66	1.69	<b>1.62</b>
<b>Price</b>										
Henry Hub (\$/mmbtu)	2.66	<b>2.67</b>	2.09	1.95	2.80	2.98	<b>2.46</b>	3.32	3.05	<b>2.76</b>
WTI Cushing (\$/bbl)	57.94	<b>48.79</b>	33.47	45.66	46.18	47.89	<b>43.30</b>	49.50	50.35	<b>47.31</b>
Natural Gas (\$/mcf)	2.31	<b>2.30</b>	1.80	1.68	2.41	2.57	<b>2.10</b>	2.86	2.63	<b>2.38</b>
Oil (\$/bbl)	50.07	<b>42.23</b>	29.90	40.79	41.26	42.78	<b>38.78</b>	44.55	45.32	<b>42.35</b>
<b>Revenue (\$mm)</b>										
Natural Gas	1.8	<b>8.5</b>	1.5	1.4	1.9	2.0	<b>6.8</b>	2.2	1.9	<b>7.4</b>
Oil	6.2	<b>22.1</b>	4.2	5.9	6.2	6.4	<b>22.7</b>	6.7	7.0	<b>25.2</b>
Total Revenue	8.0	<b>30.6</b>	5.8	7.3	8.1	8.4	<b>29.5</b>	8.9	8.9	<b>32.6</b>
<b>Expense (allocated)</b>										
	1.3	<b>5.2</b>	1.4	1.4	1.4	1.4	<b>5.5</b>	1.4	1.4	<b>5.5</b>
<b>Ebitda</b>	6.7	<b>25.4</b>	4.4	5.9	6.7	7.0	<b>24.0</b>	7.5	7.5	<b>27.1</b>
<b>BOTTOM LINE</b>										
<b>Volume</b>										
Natural Gas (mmcf)	9.4	<b>8.9</b>	9.1	9.0	8.9	8.8	<b>9.0</b>	8.8	8.7	<b>8.9</b>
Oil (mbd)	0.77	<b>1.09</b>	0.98	1.02	1.06	1.06	<b>1.03</b>	1.10	1.14	<b>1.06</b>
<b>Price</b>										
Natural Gas (\$/mcf)	2.56	<b>2.49</b>	2.10	1.96	2.81	2.99	<b>2.47</b>	3.34	3.07	<b>2.78</b>
Oil (\$/bbl)	53.65	<b>49.46</b>	30.83	42.06	42.54	44.11	<b>40.06</b>	44.55	45.32	<b>43.32</b>
<b>Revenue (\$mm)</b>										
Natural Gas	2.2	<b>8.1</b>	1.7	1.6	2.3	2.4	<b>8.1</b>	2.7	2.4	<b>9.0</b>
Oil	3.8	<b>19.7</b>	2.7	3.9	4.1	4.3	<b>15.1</b>	4.5	4.7	<b>16.8</b>
Total Revenue	5.9	<b>27.8</b>	4.5	5.5	6.4	6.7	<b>23.2</b>	7.1	7.2	<b>25.8</b>
<b>Expense (allocated)</b>										
Partnership	1.0	<b>4.1</b>	1.1	1.1	1.1	1.1	<b>4.3</b>	1.1	1.1	<b>4.3</b>
Net Profits Interests	1.7	<b>6.9</b>	2.2	2.3	2.4	2.4	<b>9.2</b>	2.5	2.6	<b>9.5</b>
Total Expense	2.7	<b>11.0</b>	3.3	3.3	3.4	3.4	<b>13.5</b>	3.5	3.6	<b>13.7</b>
<b>Ebitda</b>	3.3	<b>16.8</b>	1.2	2.2	3.0	3.3	<b>9.7</b>	3.6	3.5	<b>12.1</b>
Development	3.1	<b>15.8</b>	1.2	1.3	1.3	1.3	<b>5.1</b>	1.3	1.3	<b>5.2</b>
<b>NET INCOME</b>										
Top Line	6.7	<b>25.4</b>	4.4	5.9	6.7	7.0	<b>24.0</b>	7.5	7.5	<b>27.1</b>
Bottom Line	0.2	<b>1.0</b>	0.0	0.9	1.7	2.0	<b>4.6</b>	2.3	2.2	<b>6.9</b>
Lease Bonus and Other	0.9	<b>3.5</b>	0.7	0.7	0.7	0.7	<b>2.6</b>	0.7	0.7	<b>2.6</b>
Deprec., Deplet., & Amort.	2.3	<b>10.1</b>	2.2	2.2	2.3	2.2	<b>9.0</b>	2.2	2.2	<b>8.9</b>
Total Net Income	3.7	<b>12.9</b>	1.5	5.2	6.8	7.4	<b>20.9</b>	8.2	8.1	<b>27.6</b>
Units (mm)	30.7	<b>30.7</b>	30.7	30.7	30.7	30.7	<b>30.7</b>	30.7	30.7	<b>30.7</b>
Net Income Per Unit (\$)	0.12	<b>0.42</b>	0.05	0.17	0.22	0.24	<b>0.68</b>	0.27	0.27	<b>0.90</b>
<b>DISTRIBUTION</b>										
Top Line Revenue	6.8	<b>30.6</b>	5.8	5.8	7.8	8.0	<b>27.4</b>	8.5	8.5	<b>30.1</b>
Bottom Line Net Revenue	0.4	<b>4.0</b>	0.5	2.3	2.8	3.1	<b>8.6</b>	3.4	3.3	<b>11.5</b>
Lease Bonus and Other	0.0	<b>0.2</b>	0.2	1.5	0.1	0.1	<b>1.9</b>	0.1	0.1	<b>1.8</b>
Cash Expense	(2.1)	<b>(8.2)</b>	(2.0)	(1.7)	(1.7)	(2.0)	<b>(7.4)</b>	(2.0)	(2.0)	<b>(7.4)</b>
Distribution	5.1	<b>26.6</b>	4.5	7.9	9.0	9.2	<b>30.6</b>	10.0	9.9	<b>36.1</b>
Distribution Per Unit (\$)	0.17	<b>0.87</b>	0.15	0.26	0.29	0.30	<b>1.00</b>	0.33	0.32	<b>1.18</b>



# Industry Idea

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July 22, 2016, Intraday

Permian Basin Royalty Trust										
Next Twelve Months Operating and Financial Estimates										
	Q2	Year	Q1	Q2E	Q3E	Q4E	Year	Q1E	Q2E	Next Twelve Months
	6/30/15	2015	3/31/16	6/30/16	9/30/16	12/31/16	2016	3/31/17	6/30/17	6/30/17
<b>TOP LINE</b>										
<b>Volume</b>										
Natural Gas (mmcf)	1.2	<b>1.1</b>	1.1	1.0	1.0	1.0	<b>1.0</b>	1.0	1.0	<b>1.0</b>
Oil (mbd)	0.96	<b>0.90</b>	0.82	0.86	0.84	0.83	<b>0.84</b>	0.83	0.81	<b>0.83</b>
<b>Price (cash lagged two months)</b>										
Natural Gas (\$/mcf)	5.17	<b>5.07</b>	3.56	2.99	3.55	4.26	<b>3.59</b>	4.91	5.00	<b>4.42</b>
Oil (\$/bbl)	46.96	<b>51.34</b>	36.39	31.94	41.12	40.61	<b>37.52</b>	42.26	43.43	<b>41.83</b>
<b>Revenue (\$mm)</b>										
Natural Gas	0.5	<b>2.1</b>	0.4	0.3	0.3	0.4	<b>1.4</b>	0.5	0.4	<b>1.6</b>
Oil	4.0	<b>16.9</b>	2.7	2.4	3.2	3.1	<b>11.5</b>	3.2	3.1	<b>12.6</b>
Total Revenue	4.5	<b>19.0</b>	3.1	2.7	3.5	3.5	<b>12.8</b>	3.7	3.6	<b>14.3</b>
<b>Expense</b>										
Operating	0.5	<b>1.0</b>					-			
Production & Property taxes	0.2	<b>1.6</b>	0.2	0.6	0.4	0.4	<b>1.5</b>	0.4	0.4	<b>1.6</b>
Total Expense	0.6	<b>2.6</b>	0.2	0.6	0.4	0.4	<b>1.5</b>	0.4	0.4	<b>1.6</b>
<b>Ebitda</b>	3.9	<b>16.4</b>	2.9	2.2	3.1	3.1	<b>11.3</b>	3.3	3.2	<b>12.7</b>
Ebitda times 95%	3.7	<b>15.6</b>	2.8	2.1	3.0	2.9	<b>10.7</b>	3.1	3.0	<b>12.0</b>
<b>BOTTOM LINE</b>										
<b>Volume</b>										
Natural Gas (mmcf)	15.9	<b>14.2</b>	14.3	13.7	14.0	13.7	<b>13.9</b>	13.7	13.4	<b>13.7</b>
Oil (mbd)	2.52	<b>2.43</b>	2.50	2.53	2.50	2.45	<b>2.49</b>	2.40	2.35	<b>2.43</b>
<b>Price (cash lagged two months)</b>										
Natural Gas (\$/mcf)	2.61	<b>2.85</b>	1.97	1.71	2.04	2.44	<b>2.04</b>	2.82	2.87	<b>2.53</b>
Oil (\$/bbl)	46.31	<b>50.46</b>	33.89	32.97	42.46	41.93	<b>37.82</b>	43.63	44.85	<b>43.18</b>
<b>Revenue (\$mm)</b>										
Natural Gas	3.7	<b>14.7</b>	2.6	2.1	2.6	3.1	<b>10.4</b>	3.6	3.4	<b>12.7</b>
Oil	10.4	<b>44.7</b>	7.8	7.4	9.8	9.5	<b>34.4</b>	9.6	9.4	<b>38.2</b>
Total Revenue	14.0	<b>59.5</b>	10.4	9.5	12.4	12.5	<b>44.8</b>	13.2	12.8	<b>50.9</b>
<b>Expense</b>										
Operating	6.9	<b>25.2</b>	6.4	4.9	5.0	5.0	<b>21.3</b>	5.0	5.0	<b>20.0</b>
Production taxes	0.6	<b>3.7</b>	1.0	1.0	1.0	1.0	<b>4.0</b>	1.0	1.0	<b>4.0</b>
Total Expense	7.5	<b>28.9</b>	7.4	5.9	6.0	6.0	<b>25.3</b>	6.0	6.0	<b>24.0</b>
<b>Ebitda</b>	6.5	<b>30.6</b>	3.0	3.6	6.4	6.5	<b>19.5</b>	7.2	6.8	<b>26.9</b>
Development	2.7	<b>23.7</b>	2.6	(0.1)	-	-	<b>2.4</b>	-	-	-
(Ebitda-Dvlpmnt) times 75%	2.9	<b>3.6</b>	0.3	2.8	4.8	4.9	<b>12.8</b>	5.4	5.1	<b>20.2</b>
Excess Costs	2.5	<b>1.6</b>	0.3	0.5			<b>0.8</b>			-
<b>CASH DISTRIBUTION</b>										
<b>Royalty Income (\$mm)</b>										
Top Line	3.7	<b>15.6</b>	2.8	2.1	3.0	2.9	<b>10.7</b>	3.1	3.0	<b>12.0</b>
Bottom Line	0.4	<b>2.2</b>		2.3	4.8	4.9	<b>12.0</b>	5.4	5.1	<b>20.2</b>
Administration	0.6	<b>1.8</b>	0.5	0.7	0.7	0.7	<b>2.6</b>	0.4	0.4	<b>2.2</b>
<b>Distributable Income (\$mm)</b>	3.5	<b>16.1</b>	2.3	3.7	7.0	7.1	<b>20.1</b>	8.1	7.7	<b>30.0</b>
Units (millions)	47	<b>47</b>	47	47	47	47	<b>47</b>	47	47	<b>47</b>
<b>Distribution (\$/unit)</b>	0.08	<b>0.34</b>	0.06	0.08	0.15	0.15	<b>0.44</b>	0.17	0.17	<b>0.64</b>
Trailing Twelve Months	0.64		0.31	0.60	0.35	0.44		0.56	0.64	
Ebitda Margin - Top	82%	<b>83%</b>	89%	71%	82%	82%	<b>81%</b>	86%	85%	<b>84%</b>
Ebitda Margin - Bottom	44%	<b>49%</b>	26%	33%	48%	48%	<b>40%</b>	52%	51%	<b>50%</b>
Days in Quarter	89	<b>365</b>	92	89	92	92	<b>365</b>	92	89	<b>365</b>
Henry Hub (\$/mmbtu)	2.79	<b>2.98</b>	2.22	1.93	2.29	2.75	<b>2.30</b>	3.17	3.23	<b>2.86</b>
WTI Cushing (\$/bbl)	51.06	<b>53.37</b>	37.35	36.66	47.20	46.61	<b>41.95</b>	48.51	49.85	<b>48.04</b>



# Industry Idea

Analysis of Oil and Gas Stocks  
July 22, 2016, Intraday

Sabine Royalty Trust										
Next Twelve Months Operating and Financial Performance										
	Q2	Year	Q1	Q2E	Q3E	Q4E	Year	Q1E	Q2E	Next Twelve Months
	6/30/15	2015	3/31/16	6/30/16	9/30/16	12/31/16	2016E	3/31/17	6/30/17	6/30/17
<b>Volume</b>										
Natural Gas (bcf)	1.74	<b>7.66</b>	1.48	1.71	1.71	1.73	<b>6.64</b>	1.73	1.71	<b>6.89</b>
Natural Gas (mmcf)	19.3	<b>21.0</b>	16.1	18.8	18.8	18.8	<b>18.1</b>	18.8	18.8	<b>18.8</b>
Days	90	<b>365</b>	92	91	91	92	<b>366</b>	92	91	<b>366</b>
Oil (mmb)	0.119	<b>0.551</b>	0.124	0.137	0.137	0.138	<b>0.535</b>	0.138	0.137	<b>0.549</b>
Oil (mbd)	1.34	<b>1.51</b>	1.35	1.50	1.50	1.50	<b>1.47</b>	1.50	1.50	<b>1.50</b>
Days	89	<b>365</b>	92	89	92	92	<b>365</b>	92	89	<b>365</b>
Total (bcfe)	2.45	<b>10.97</b>	2.22	2.53	2.53	2.56	<b>9.85</b>	2.56	2.53	<b>10.19</b>
Total (mmcf)	27.4	<b>30.0</b>	24.2	27.8	27.8	27.8	<b>26.9</b>	27.8	27.8	<b>27.9</b>
<b>Price</b> (Henry Hub natural gas lagged three months; WTI Cushing oil, two months)										
Henry Hub (\$/mmbtu)	2.99	<b>3.11</b>	2.28	2.09	1.95	2.80	<b>2.28</b>	2.98	3.32	<b>2.76</b>
Differential (%)	(9)	<b>(3)</b>	4	(12)	-	-	<b>(2)</b>	-	0	<b>(0)</b>
Trust (\$/mcf)	3.26	<b>3.21</b>	2.18	2.33	1.95	2.80	<b>2.32</b>	2.98	3.32	<b>2.77</b>
WTI Cushing (\$/bbl)	51.06	<b>53.37</b>	37.35	36.66	47.20	46.61	<b>41.95</b>	48.51	49.85	<b>48.04</b>
Differential	2.21	<b>(0.64)</b>	1.14	3.41	4.39	4.33	<b>3.25</b>	-	-	<b>2.18</b>
Trust (\$/bbl)	48.85	<b>54.01</b>	36.21	33.25	42.81	42.28	<b>38.70</b>	48.51	49.85	<b>45.86</b>
Total (\$/bcfe)	4.68	<b>4.96</b>	3.47	3.37	3.63	4.17	<b>3.67</b>	4.63	4.94	<b>4.34</b>
<b>Revenue</b> (\$mm)										
Natural Gas	5.7	<b>24.6</b>	3.2	4.0	3.3	4.9	<b>15.4</b>	5.2	5.7	<b>19.1</b>
Oil	5.8	<b>29.8</b>	4.5	4.5	5.8	5.8	<b>20.7</b>	6.7	6.8	<b>25.2</b>
Total	11.5	<b>54.3</b>	7.7	8.5	9.2	10.7	<b>36.1</b>	11.9	12.5	<b>44.2</b>
<b>Expense</b>										
Tax and other	1.5	<b>6.7</b>	0.9	1.0	1.1	1.3	<b>4.4</b>	1.1	1.5	<b>5.0</b>
General and administrative	0.8	<b>2.4</b>	0.8	0.5	0.6	0.6	<b>2.5</b>	0.6	0.5	<b>2.3</b>
Total	2.3	<b>9.1</b>	1.7	1.5	1.7	1.9	<b>6.9</b>	1.7	2.0	<b>7.3</b>
<b>Ebitda</b>	9.2	<b>45.2</b>	6.0	7.0	7.5	8.8	<b>29.3</b>	10.2	10.5	<b>36.9</b>
<b>Ebit</b>	9.2	<b>45.2</b>	6.0	7.0	7.5	8.8	<b>29.3</b>	10.2	10.5	<b>36.9</b>
<b>Ebt</b>	9.2	<b>45.2</b>	6.0	7.0	7.5	8.8	<b>29.3</b>	10.2	10.5	<b>36.9</b>
<b>Distributable Income (\$mm)</b>	9.2	<b>45.2</b>	6.0	7.0	7.5	8.8	<b>29.3</b>	10.2	10.5	<b>36.9</b>
<b>Units</b> (millions)	14.6	<b>14.6</b>	14.6	14.6	14.6	14.6	<b>14.6</b>	14.6	14.6	<b>14.6</b>
Per Unit (\$)	0.63	<b>3.10</b>	0.41	0.40	0.51	0.60	<b>1.93</b>	0.70	0.72	<b>2.53</b>



# Industry Idea

Analysis of Oil and Gas Stocks  
July 22, 2016, Intraday

San Juan Basin Royalty Trust										
Next Twelve Months Operating and Financial Estimates										
										<i>Next Twelve Months</i>
	<i>Q2</i>	<i>Year</i>	<i>Q1</i>	<i>Q2E</i>	<i>Q3E</i>	<i>Q4E</i>	<i>Year</i>	<i>Q1E</i>	<i>Q2E</i>	<i>Months</i>
	<i>6/30/15</i>	<i>2015</i>	<i>3/31/16</i>	<i>6/30/16</i>	<i>9/30/16</i>	<i>12/31/16</i>	<i>2016E</i>	<i>3/31/17</i>	<i>6/30/17</i>	<i>6/30/17</i>
<b>Volume</b>										
Natural gas (mmbtu)	8.0	<b>32.0</b>	7.8	7.7	7.8	7.7	<b>31.0</b>	7.7	7.7	<b>30.9</b>
Heat Content(btu/cf)	1,100	<b>1,099</b>	1,103	1,107	1,107	1,107	<b>1,106</b>	1,107	1,107	<b>1,107</b>
Natural gas (bcf)	7.2	<b>29.1</b>	7.1	6.9	7.0	7.0	<b>28.0</b>	7.0	6.9	<b>27.9</b>
Natural Gas (mmcf/d)	81.3	<b>79.8</b>	77.0	76.8	76.4	76.1	<b>76.6</b>	75.7	75.3	<b>75.9</b>
Days	89	<b>365</b>	92	90	92	92	<b>366</b>	92	92	<b>368</b>
Oil (mb)	0.02	<b>0.0636</b>	0.02	0.02	0.02	0.02	<b>0.0649</b>	0.02	0.02	<b>0.06</b>
Oil (mbd)	0.19	<b>0.17</b>	0.18	0.18	0.18	0.17	<b>0.18</b>	0.17	0.17	<b>0.17</b>
Total gas & oil (bcf)	7.3	<b>29.5</b>	7.2	7.0	7.1	7.1	<b>28.4</b>	7.1	7.0	<b>28.3</b>
<b>Price</b>										
Natural gas (\$/mmbtu) (Henry Hub lagged two months)										
Henry Hub (\$/mmbtu)	2.79	<b>2.98</b>	2.22	1.93	2.29	2.75	<b>2.30</b>	3.17	3.23	<b>2.86</b>
Differential (%)	23	<b>22</b>	27	33	25	25	<b>27</b>	25	25	<b>25</b>
Net to SJT (\$/mmbtu)	2.16	<b>2.32</b>	1.63	1.29	1.72	2.06	<b>1.68</b>	2.38	2.42	<b>2.14</b>
Natural gas (\$/mcf)	2.38	<b>2.54</b>	1.80	1.43	1.90	2.28	<b>1.85</b>	2.63	2.68	<b>2.37</b>
Oil (\$/bbl) (WTI Cushing lagged two months)										
WTI Cushing	51.06	<b>53.37</b>	37.35	36.66	47.20	46.61	<b>41.95</b>	48.51	49.85	<b>48.04</b>
SJT	37.20	<b>47.00</b>	27.54	27.03	34.80	34.37	<b>30.92</b>	35.75	36.74	<b>35.41</b>
Total gas & oil (\$/mcf)	2.43	<b>2.61</b>	1.83	1.47	1.96	2.33	<b>1.90</b>	2.68	2.73	<b>2.42</b>
<b>Revenue (\$mm)</b>										
Natural Gas	17.2	<b>74.1</b>	12.7	9.9	13.4	16.0	<b>52.0</b>	18.3	18.6	<b>66.3</b>
Oil	0.6	<b>3.0</b>	0.5	0.4	0.6	0.6	<b>2.0</b>	0.6	0.6	<b>2.3</b>
Total	17.8	<b>77.1</b>	13.2	10.3	14.0	16.5	<b>54.0</b>	18.9	19.1	<b>68.5</b>
<b>Cost (\$mm)</b>										
Severance tax	1.9	<b>8.1</b>	1.6	1.2	1.7	2.0	<b>6.5</b>	2.3	2.3	<b>8.2</b>
Operating	7.9	<b>30.1</b>	7.0	6.4	6.4	6.4	<b>26.3</b>	6.4	6.4	<b>25.8</b>
Total	9.8	<b>38.2</b>	8.6	7.7	8.1	8.4	<b>32.8</b>	8.7	8.7	<b>33.9</b>
<b>Cash flow (\$mm)</b>										
Development	5.0	<b>12.8</b>	0.6	0.3	0.3	0.3	<b>1.4</b>	0.3	0.3	<b>1.1</b>
<b>Net proceeds (\$mm)</b>	3.0	<b>26.1</b>	4.0	2.4	5.6	7.9	<b>19.8</b>	9.9	10.1	<b>33.5</b>
<b>Royalty income (\$mm)</b>	2.3	<b>19.6</b>	3.0	1.8	4.2	5.9	<b>14.9</b>	7.4	7.6	<b>25.1</b>
Royalty/Net proceeds	75%	<b>75%</b>	75%	75%	75%	75%	<b>75%</b>	75%	75%	<b>75%</b>
Administration	0.8	<b>2.6</b>	1.2	1.3	0.3	0.3	<b>3.2</b>	0.3	0.3	<b>1.2</b>
<b>Distributable income (\$mm)</b>	1.4	<b>17.0</b>	1.8	0.4	3.9	5.6	<b>11.7</b>	7.1	7.3	<b>23.9</b>
<b>Units (millions)</b>	46.6	<b>46.6</b>	46.6	46.6	46.6	46.6	<b>46.6</b>	46.6	46.6	<b>46.6</b>
Per unit	0.03	<b>0.36</b>	0.04	0.01	0.08	0.12	<b>0.25</b>	0.15	0.16	<b>0.51</b>



# Industry Idea

Analysis of Oil and Gas Stocks  
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						Present Value by Segment (%)					
		Price	EV/	Enterprise	North	Rest of			Dist.		
		(US\$/sh)	Market	Value	Amer.	World			Yield		
Symbol/Rating		22-Jul	Cap	(\$mm)	Natural	Natural	Oil	Down-	NTM	McDep	
		2016			Gas	Gas	Prod'n	stream	(%)	Ratio	
<b>Global Integrated</b>											
Exxon Mobil Corporation	XOM	93.84	1.24	486,000	7	15	55	23	3.2	0.95	
Chevron Corporation	CVX	105.44	1.33	263,000	2	11	68	19	4.1	0.83	
Royal Dutch Shell	RDS-A B	54.85	1.65	335,000	1	17	44	37	6.9	0.78	
Total S.A.	TOT B	47.27	1.54	171,000		22	55	23	5.7	0.63	
<i>Total or Median</i>			<i>1.44</i>	<i>1,255,000</i>			<i>55</i>	<i>23</i>	<i>4.9</i>	<i>0.80</i>	
<b>Large Independent</b>											
Devon Energy Corporation	DVN	37.41	1.61	29,700	25		65	9	0.6	1.08	
EOG Resources, Inc.	EOG	80.43	1.17	51,300	10	2	88		0.8	1.06	
Occidental Petroleum Corp.	OXY	75.37	1.17	67,100	3	2	85	10	4.0	1.00	
Marathon Oil Corporation	MRO B	14.29	1.56	18,900	9	2	89		1.4	0.80	
ConocoPhillips	COP B	40.72	1.78	90,000	11	15	74		2.5	0.71	
<i>Total or Median</i>			<i>1.56</i>	<i>257,000</i>	<i>10</i>		<i>85</i>		<i>1.4</i>	<i>1.00</i>	
<b>Small Independent</b>											
Cimarex Energy Company	XEC	117.71	1.11	12,200	32		68		0.3	1.27	
Range Resources	RRC	41.35	1.44	9,900	70		30		0.2	0.99	
Continental Resources (32%)	CLR B	45.01	1.43	7,600	20		80		-	0.85	
California Resources	CRC	11.65	16.33	7,400	10		90		-	0.83	
Whiting Petroleum Corporation	WLL B	8.13	2.01	6,200	6		94		-	0.49	
<i>Total or Median</i>			<i>1.44</i>	<i>43,000</i>	<i>20</i>		<i>80</i>		<i>-</i>	<i>0.85</i>	
<b>Income</b>											
San Juan Basin Royalty Trust	SJT	6.82	1.00	320	100		-		7.5	0.85	
Cross Timbers Royalty Trust	CRT	18.54	1.00	110	57		43		7.6	0.64	
Permian Basin RT	PBT	7.02	1.00	330	23		77		9.2	0.64	
Dorchester Minerals, L.P.	DMLP B	14.83	1.00	460	28		72		7.9	0.62	
Sabine Royalty Trust	SBR B	35.38	1.00	520	38		62		7.2	0.59	
<i>Total or Median</i>			<i>1.00</i>	<i>1,700</i>	<i>38</i>		<i>62</i>		<i>7.6</i>	<i>0.64</i>	
<b>Canada</b>											
EnCana Corporation	ECA	8.12	2.24	15,400	43		57		0.7	1.13	
Imperial Oil Limited (30%)	IMO	31.62	1.35	10,900	1		70	29	1.4	0.87	
Suncor Energy	SU	27.11	1.36	61,200	-		84	16	3.3	0.82	
Cenovus Energy Inc.	CVE	13.97	1.33	15,300	10		82	8	1.1	0.75	
Birchcliff Energy Ltd.	BIREF B	6.71	1.60	1,700	74		26		-	0.72	
<i>Total or Median</i>			<i>1.36</i>	<i>105,000</i>			<i>70</i>		<i>1.1</i>	<i>0.82</i>	
Estimated present value presumes a long-term price for oil of US\$70 a barrel and natural gas, \$4.00 a million btu.											
Estimated present value capped by unlevered cash flow multiple (EV/Ebitda)											
McDep Ratio = Market cap and Debt to present value of oil and gas and other businesses											
For historical research see www.mcdep.com											





# Industry Idea

Analysis of Oil and Gas Stocks  
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Table 2								
McDep Energy Stocks								
Net Present Value and McDep Ratio								
			Price (US\$/sh)	Shares	Market Cap (US\$m)	Net Present Value (US\$/sh)	Debt/ Present Value	McDep Ratio
	Symbol/Rating		22-Jul 2016	(mm)				
	B = Buy							
<b>Global Integrated</b>								
Exxon Mobil Corporation	XOM		93.84	4,178	392,000	100.00	0.18	0.95
Chevron Corporation	CVX		105.44	1,870	197,000	135.00	0.21	0.83
Royal Dutch Shell	RDS-A	B	54.85	3,701	203,000	80.00	0.31	0.78
Total S.A.	TOT	B	47.27	2,350	111,000	90.00	0.22	0.63
	<i>Total or Median</i>				<i>903,000</i>		<i>0.21</i>	<i>0.80</i>
<b>Large Independent</b>								
Devon Energy Corporation	DVN		37.41	492	18,400	33.00	0.41	1.08
EOG Resources, Inc.	EOG		80.43	547	44,000	75.00	0.15	1.06
Occidental Petroleum Corp.	OXY		75.37	763	57,500	75.00	0.14	1.00
Marathon Oil Corporation	MRO	B	14.29	845	12,080	20.00	0.29	0.80
ConocoPhillips	COP	B	40.72	1,245	51,000	70.00	0.31	0.71
	<i>Total or Median</i>				<i>183,000</i>		<i>0.29</i>	<i>1.00</i>
<b>Small Independent</b>								
Cimarex Energy Company	XEC		117.71	93	11,000	90.00	0.13	1.27
Range Resources	RRC		41.35	167	6,900	42.00	0.30	0.99
Continental Resources (32%)	CLR	B	45.01	118	5,300	56.00	0.26	0.85
California Resources	CRC		11.65	38	500	50.00	0.78	0.83
Whiting Petroleum Corporation	WLL	B	8.13	380	3,100	25.00	0.25	0.49
	<i>Total or Median</i>				<i>27,000</i>		<i>0.26</i>	<i>0.85</i>
<b>Income</b>								
San Juan Basin Royalty Trust	SJT		6.82	47	320	8.00	-	0.85
Cross Timbers Royalty Trust	CRT		18.54	6	110	29.00	-	0.64
Permian Basin RT	PBT		7.02	47	330	11.00	-	0.64
Dorchester Minerals, L.P.	DMLP	B	14.83	31	460	24.00	-	0.62
Sabine Royalty Trust	SBR	B	35.38	15	520	60.00	-	0.59
	<i>Total or Median</i>				<i>1,700</i>		<i>-</i>	<i>0.64</i>
<b>Canada</b>								
EnCana Corporation	ECA		8.12	850	6,900	6.00	0.63	1.13
Imperial Oil Limited (30%)	IMO		31.62	255	8,100	38.00	0.22	0.87
Suncor Energy	SU		27.11	1,665	45,100	35.00	0.22	0.82
Cenovus Energy Inc.	CVE		13.97	825	11,500	20.00	0.19	0.75
Birchcliff Energy Ltd.	BIREF	B	6.71	153	1,000	11.00	0.27	0.72
	<i>Total or Median</i>				<i>73,000</i>		<i>0.22</i>	<i>0.82</i>
Estimated present value presumes a long-term price for oil of US\$70 a barrel and natural gas, \$4.00 a million btu.								
Estimated present value capped by unlevered cash flow multiple (EV/Ebitda)								
McDep Ratio = Market cap and Debt to present value of oil and gas and other businesses								
For historical research see <a href="http://www.mcdep.com">www.mcdep.com</a>								



# Industry Idea

Analysis of Oil and Gas Stocks  
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			<i>Price (US\$/sh)</i>	<i>Adjustd Resrvs/ Prod</i>	<i>PV/ Ebitda</i>	<i>EV/ Ebitda</i>	<i>P/E</i>	<i>Dividend NTM</i>
	<i>Symbol/Rating</i>		<i>22-Jul 2016</i>	<i>NTM</i>	<i>NTM</i>	<i>NTM</i>	<i>NTM</i>	<i>(\$/sh)</i>
		B = Buy						
<b>Global Integrated</b>								
Exxon Mobil Corporation	XOM		93.84	13.7	12.4	11.8	29	3.00
Chevron Corporation	CVX		105.44	9.3	11.6	9.6	37	4.28
Royal Dutch Shell	RDS-A	B	54.85	8.9	8.6	6.7	15	3.76
Total S.A.	TOT	B	47.27	9.8	10.5	6.6	13	2.70
	<i>Median</i>			<i>9.6</i>	<i>11.1</i>	<i>8.2</i>	<i>22</i>	
<b>Large Independent</b>								
Devon Energy Corporation	DVN		37.41	9.2	15.9	17.1		0.24
EOG Resources, Inc.	EOG		80.43	8.1	14.5	15.3		0.67
Occidental Petroleum Corp.	OXY		75.37	8.2	13.8	13.8		3.00
Marathon Oil Corporation	MRO	B	14.29	13.2	16.0	12.7		0.20
ConocoPhillips	COP	B	40.72	11.4	14.9	10.6		1.00
	<i>Median</i>			<i>9.2</i>	<i>14.9</i>	<i>13.8</i>		
<b>Small Independent</b>								
Range Resources	RRC		41.35	14.4	20.1	19.9		0.08
Cimarex Energy Company	XEC		117.71	7.4	13.7	17.4		0.32
Continental Resources (32%)	CLR	B	45.01	11.4	17.7	15.1		-
California Resources	CRC		11.65	11.4	13.1	10.9		-
Whiting Petroleum Corporation	WLL	B	8.13	13.5	14.2	7.0		-
	<i>Median</i>			<i>11.4</i>	<i>14.2</i>	<i>15.1</i>		
<b>Income</b>								
Sabine Royalty Trust	SBR	B	35.38	9.5	23.7	14.0	14	2.53
San Juan Basin Royalty Trust	SJT		6.82	9.9	15.1	12.9	13	0.51
Dorchester Minerals, L.P.	DMLP	B	14.83	6.8	18.8	11.6	16	1.18
Cross Timbers Royalty Trust	CRT		18.54	6.6	17.9	11.4	13	1.40
Permian Basin RT	PBT		7.02	8.6	17.1	10.9	11	0.64
	<i>Median</i>			<i>8.6</i>	<i>17.9</i>	<i>11.6</i>	<i>13</i>	
<b>Canada</b>								
EnCana Corporation	ECA		8.12	5.4	11.5	13.1		0.06
Birchcliff Energy Ltd.	BIREF	B	6.71	15.1	15.3	11.0		-
Cenovus Energy Inc.	CVE		13.97	16.9	13.6	10.3		0.15
Imperial Oil Limited (30%)	IMO		31.62	27.7	11.5	10.0		0.43
Suncor Energy	SU		27.11	22.3	11.8	9.7		0.90
	<i>Median</i>			<i>16.9</i>	<i>11.8</i>	<i>10.3</i>		
	<i>Grand Median</i>			<i>11</i>	<i>14</i>	<i>12</i>		

EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended June 30, 2017; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses For historical research see [www.mcdep.com](http://www.mcdep.com)



# Industry Idea

Analysis of Oil and Gas Stocks  
July 22, 2016, Intraday

Table 4										
McDep Energy Stocks										
Total Return Year-to-Date 2016										
Ranked by Unlevered Total Return										
			Price	Price			Equity	Unlevered		
			(\$/sh)	(\$/sh)	Price	Cash	Total	Total		
	Symbol/Rat		22-Jul	31-Dec	Change	Distrib.	Return	Debt	Return	
			2016	2015	(%)	(%)	(%)	(\$/sh)	(%)	
									McDep	
									Ratio	
<b>Global Integrated</b>										
	XOM		93.84	77.95	20	2	22	23	17	0.95
	CVX		105.44	89.96	17	2	20	35	14	0.83
	RDS-A	B	54.85	45.79	20	4	24	36	13	0.78
	TOT	B	47.27	44.95	5	3	8	26	5	0.63
	<i>Median</i>				18		21		14	0.80
<b>Large Independent</b>										
	EOG		80.43	70.79	14	0	14	13	12	1.06
	OXY		75.37	67.61	11	2	14	13	12	1.00
	DVN		37.41	32.00	17	1	18	23	10	1.08
	MRO	B	14.29	12.58	14	1	14	8	9	0.80
	COP	B	40.72	46.69	(13)	1	(12)	32	(7)	0.71
	<i>Median</i>				14		14		10	1.00
<b>Small Independent</b>										
	CLR	B	45.01	22.98	96	-	96	19	52	0.85
	RRC		41.35	24.62	68	0	68	18	39	0.99
	XEC		117.71	89.38	32	0	32	13	28	1.27
	CRC		11.65	23.30	(50)	-	(50)	181	(6)	0.83
	WLL	B	8.13	9.44	(14)	-	(14)	8	(7)	0.49
	<i>Median</i>				32		32		28	0.85
<b>Income</b>										
	SJT		6.82	4.14	65	2	67	-	67	0.85
	DMLP	B	14.83	9.89	50	4	53	-	53	0.62
	CRT		18.54	13.01	43	4	47	-	47	0.64
	PBT		7.02	5.06	39	2	41	-	41	0.64
	SBR	B	35.38	26.26	35	3	38	-	38	0.59
	<i>Median</i>				43		47		47	0.64
<b>Canada</b>										
	BIREF	B	6.71	2.93	129	-	129	4	54	0.72
	ECA		8.12	5.09	60	1	60	10	20	1.13
	CVE		13.97	12.62	11	1	11	5	8	0.75
	SU		27.11	25.80	5	2	7	10	5	0.82
	IMO		31.62	32.52	(3)	1	(2)	11	(2)	0.87
	<i>Median</i>				11		11		8	0.82
	<i>Grand Median</i>				18		21		14	0.82
	<b>Natural Gas (\$/mmbtu)</b>		2.77	2.33	19					
	<b>Oil - West Texas Intermediate (\$/bbl)</b>		43.96	37.06	19					
	<b>S&amp;P 500</b>		2,172	2,044	6					

Source: McDep LLC, Yahoo, CME Group, Bloomberg

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