



# Meter Reader

A Weekly Analysis of Large Cap Oil and Gas Stocks

April 19, 2011

## Devon Energy (DVN) Rich Resources, Low McDep, Low Debt

<i>Symbol</i>	DVN	<i>Ebitda Next Twelve Months ending 3/31/12 (US\$m)</i>	5,700
<i>Rating</i>	Buy	<i>North American Natural Gas/Ebitda (%)</i>	42
<i>Price (\$/sh)</i>	86.19	<i>Natural Gas and Oil Production/Ebitda (%)</i>	100
<i>Pricing Date</i>	4/18/11	<i>Adjusted Reserves/Production NTM</i>	10.9
<i>Shares (mm)</i>	434	<i>EV/Ebitda</i>	7.3
<i>Market Capitalization (\$mm)</i>	37,400	<i>PV/Ebitda</i>	9.2
<i>Debt (\$mm)</i>	4,000	<i>Undeveloped Reserves (%)</i>	29
<i>Enterprise Value (EV) (\$mm)</i>	41,400	<i>Natural Gas and Oil Ebitda (\$/boe)</i>	25.20
<i>Present Value (PV) (\$mm)</i>	52,600	<i>Present Value Proven Reserves(\$/boe)</i>	18.30
<i>Net Present Value (\$/share)</i>	112	<i>Present Value Proven Reserves(\$/mcf)</i>	3.10
<i>Debt/Present Value</i>	0.08	<i>Earnings Next Twelve Months (US\$/sh)</i>	6.19
<i>McDep Ratio - EV/PV</i>	0.79	<i>Price/Earnings Next Twelve Months</i>	14
<i>Dividend Yield (%/year)</i>	0.8	<i>Indicated Annual Dividend (US\$/sh)</i>	0.68
<p>Note: Estimated cash flow and earnings tied to one-year futures prices for natural gas and oil.  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\$100 a barrel and natural gas, \$8 a million btu.  For historical research on Devon since 2004 see <a href="http://www.mcdep.com/3dvn.htm">http://www.mcdep.com/3dvn.htm</a></p>			

### Summary and Recommendation

Buy-recommended **Devon Energy (DVN)** offers unlevered appreciation potential of 27% to a McDep Ratio of 1.0 where stock price would equal Net Present Value (NPV) of \$112 a share. Meeting with analysts on April 15, Chief Executive John Richels identified risk-adjusted resources of 46 trillion cubic feet (tcf) and 1.9 billion barrels (bboe) in seven geologic provinces in North America. Believing that those and other resources are worth more than Devon's stock price, Mr. Richels emphasized the company's intention to repurchase another \$1.9 billion of DVN shares in 2011. We believe repurchase creates value per share since Devon's McDep Ratio is the lowest among independent producer peers. On another measure of quality, debt is exceptionally low thereby allowing investors to own more of Devon stock without assuming great risk. Surveying the rich resources, the company's well-established position in the Barnett Shale in Texas with 18 tcf of risked resources has been augmented with newer development in the Cana Woodford Shale of Oklahoma now up to 11 tcf of risked resource. Deep oil sands and heavy oil in Canada add 1.5 bboe to Texas Panhandle and Permian Basin risked resources of 0.4 bboe. Other risked resources include 10 tcf in Canada's Horn River and 7 tcf in the U.S. Haynesville and Bossier Shale. Natural gas and oil contribute a 55/45 balance to NPV (see tables Functional Cash Flow and Present Value on page 2, Production and Reserves on page 2 and Next Twelve Months Operating and Financial Estimates on page 3). Devon's attractive valuation stands out in our regular rankings (see Tables 1-4 on pages 4-7). Finally, oil price trends up with the latest quote for the next six years at \$103 a barrel compared to the 40-week average of \$92 (see table Six-Year and One-Year Natural Gas and Oil Futures on page 9).

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<b>Devon Energy</b>					
<b>Functional Cash Flow and Present Value</b>					
	<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	2,420	10.1	12.0	29,000	55%
Oil	3,280	12.5	7.2	23,600	45%
	5,700	10.9	9.2	52,600	100%
Debt (US\$mm)					4,000
Net Present Value (US\$mm)					48,600
Shares (mm)					434
Net Present Value - Standard Estimate (US\$/sh)					112
NPV Approximation by Cash Flow Multiple Depending on Reserve Life (US\$/sh)					115

<b>Devon Energy</b>								
<b>Production and Reserves, 2010</b>								
				<i>12/31/2010 Proven Reserves</i>			<i>Weighted</i>	<i>Adjusted</i>
		<i>2010 Production</i>	<i>Developed</i>	<i>Undeveloped</i>	<i>Weighted</i>	<i>Life Index</i>	<i>R/P</i>	
		<i>(daily)</i>	<i>(annual)</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								
	U.S. Onshore	1,915	699	7,280	1,785	8,173	11.7	
	Canada	586	214	1,144	74	1,181	5.5	
	Total	2,501	913	8,424	1,859	9,354	10.2	10.1
Oil								
	U.S. Onshore	115	42	484	113	541	12.9	
	Canada	79	29	154	409	359	12.4	
		195	71	638	522	899	12.7	12.5
	Total Oil Equivalent	611	223	2,042	832	2,458	11.0	10.9



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Devon Energy									
Next Twelve Months Operating and Financial Results									
									<i>Next Twelve Months</i>
	<i>Q1</i>	<i>Q4</i>	<i>Year</i>	<i>Q1E</i>	<i>Q2E</i>	<i>Q3E</i>	<i>Q4E</i>	<i>Year</i>	<i>2011E</i>
	<i>3/31/10</i>	<i>12/31/10</i>	<i>2010</i>	<i>3/31/11</i>	<i>6/30/11</i>	<i>9/30/11</i>	<i>12/31/11</i>	<i>2011E</i>	<i>3/31/12</i>
<b>Volume</b>									
Natural Gas (mmcf)									
U.S.	1,952	1,963	<b>1,941</b>	1,963	1,963	1,963	1,963	<b>1,963</b>	<b>1,963</b>
Canada	564	572	<b>587</b>	572	572	572	572	<b>572</b>	<b>572</b>
Overseas			-					-	
Total	2,516	2,535	<b>2,528</b>	2,535	2,535	2,535	2,535	<b>2,535</b>	<b>2,535</b>
Oil (mbd)	201	196	<b>197</b>	196	196	196	196	<b>196</b>	<b>196</b>
Total gas & oil (bcf)	335	341	<b>1,353</b>	334	338	341	341	<b>1,355</b>	<b>1,358</b>
Total gas & oil (mmb)	56	57	<b>226</b>	56	56	57	57	<b>226</b>	<b>226</b>
<b>Price</b>									
Natural gas (\$/mcf)									
Henry Hub (\$/mmbtu)	5.32	3.80	<b>4.40</b>	4.11	4.19	4.29	4.56	<b>4.29</b>	<b>4.32</b>
U.S.	4.71	3.21	<b>3.80</b>	3.47	3.62	3.71	3.94	<b>3.69</b>	<b>3.74</b>
Canada	5.08	3.69	<b>4.11</b>	3.99	4.06	4.17	4.43	<b>4.16</b>	<b>4.20</b>
Overseas									
Total	4.80	3.32	<b>3.87</b>	3.59	3.72	3.81	4.05	<b>3.79</b>	<b>3.84</b>
Oil (\$/bbl)									
WTI Cushing	78.67	85.10	<b>79.43</b>	94.10	107.68	108.41	108.69	<b>104.72</b>	<b>108.23</b>
Worldwide	54.38	52.88	<b>51.40</b>	58.47	66.91	67.36	67.54	<b>65.10</b>	<b>67.25</b>
Total gas & oil (\$/mcf)	6.18	5.06	<b>5.37</b>	5.54	6.07	6.16	6.34	<b>6.03</b>	<b>6.17</b>
<b>Revenue (\$mm)</b>									
Natural Gas									
U.S.	828	580	<b>2,692</b>	613	646	670	712	<b>2,641</b>	<b>2,684</b>
Canada	258	194	<b>880</b>	205	212	219	233	<b>869</b>	<b>879</b>
Overseas			-					-	
Total	1,086	774	<b>3,572</b>	819	858	889	946	<b>3,511</b>	<b>3,562</b>
Oil	983	953	<b>3,690</b>	1,031	1,193	1,215	1,218	<b>4,657</b>	<b>4,824</b>
Total	2,069	1,727	<b>7,262</b>	1,850	2,051	2,103	2,163	<b>8,168</b>	<b>8,386</b>
<b>Expense</b>	520	547	<b>2,272</b>	592	656	673	692	<b>2,614</b>	<b>2,684</b>
<b>Ebitda (\$mm)</b>	1,549	1,180	<b>4,990</b>	1,258	1,395	1,430	1,471	<b>5,554</b>	<b>5,703</b>
Deprec., Deplet., & Amort.	515	510	<b>2,022</b>	510	510	510	510	<b>2,040</b>	<b>2,040</b>
Hedging and other	(327)	(461)	<b>(1,647)</b>	(200)	(200)	(200)	(200)	<b>(800)</b>	<b>(800)</b>
<b>Ebit</b>	1,361	1,131	<b>4,615</b>	948	1,085	1,120	1,161	<b>4,314</b>	<b>4,463</b>
Interest	86	83	<b>363</b>	83	83	83	83	<b>332</b>	<b>332</b>
<b>Ebt</b>	1,275	1,048	<b>4,252</b>	865	1,002	1,037	1,078	<b>3,982</b>	<b>4,131</b>
Income Tax	446	367	<b>1,488</b>	303	351	363	377	<b>1,394</b>	<b>1,446</b>
<b>Net Income (\$mm)</b>	829	681	<b>2,764</b>	562	651	674	701	<b>2,588</b>	<b>2,685</b>
<b>Shares (millions)</b>	448	434	<b>441</b>	434	434	434	434	<b>434</b>	<b>434</b>
Per Share (\$)	1.85	1.57	<b>6.26</b>	1.30	1.50	1.55	1.61	<b>5.96</b>	<b>6.19</b>
Ebitda Margin	75%	68%	<b>69%</b>	68%	68%	68%	68%	<b>68%</b>	<b>68%</b>
Tax Rate	35%	35%	35%	35%	35%	35%	35%	35%	35%



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Table 1										
McDep Large Cap Energy Portfolio										
Geographic Domicile and Business Segments										
Symbol/Rating B = Buy, CB (see below)	Price (US\$/sh)	EV/ Market Cap	Enterprise Value (\$mm)	Present Value by Segment (%)			Oil Prod'n	Down- stream	McDep Ratio	
				North Amer. Natural Gas	Rest of World Natural Gas					
<b>U.S. Integrated</b>										
Marathon Oil Corporation	MRO	B	51.09	1.30	47,500	7	3	69	22	0.80
Exxon Mobil Corporation	XOM	B	83.10	1.16	485,000	10	17	57	16	0.77
ConocoPhillips	COP	B	77.61	1.36	154,000	14	9	64	13	0.72
Chevron Corporation	CVX	B	104.50	1.09	230,000	3	10	77	10	0.70
<i>Total or Median</i>					917,000			66		0.74
<b>Europe</b>										
BG Group	BRGXF		24.19	1.15	94,700		26	46	28	0.97
Royal Dutch Shell plc	RDS-A	B	71.16	1.31	287,000	3	22	53	21	0.79
Statoil ASA (33%)	STO	B	26.93	1.47	41,600		36	64	-	0.70
BP plc	BP		44.47	1.64	232,000	5	9	67	19	0.60
Total S.A.	TOT	B	58.09	1.30	170,000		17	69	14	0.59
<i>Total or Median</i>					825,000			64		0.70
<b>Brazil/Russia/Australia/China</b>										
CNOOC Limited (34%)	CEO		246.62	1.04	39,000		8	92	-	1.12
Woodside Petroleum Ltd.	WOPEY	B	48.70	1.16	44,000		67	33	-	0.99
PetroChina Company Ltd (14%)	PTR	B	147.80	1.25	47,400		14	68	18	0.75
Petrobras	PBR	B	36.33	1.23	293,000		2	83	15	0.64
Gazprom (50%)	OGZPY	B	31.10	1.21	108,000		81	19	-	0.60
Lukoil Oil Company	LUKOY	B	67.00	1.11	58,200			67	33	0.47
<i>Total or Median</i>					590,000			67		0.69
<b>U.S. Independent</b>										
Anadarko Petroleum Corp.	APC		77.38	1.55	59,500	37		60	3	0.99
Chesapeake Energy Corp.	CHK		31.98	1.67	40,000	83		17	-	0.98
Southwestern Energy Company	SWN		39.97	1.10	15,300	100			-	0.96
EOG Resources, Inc.	EOG	B	109.87	1.20	33,200	47	4	49	-	0.87
Occidental Petroleum Corp.	OXY	B	97.06	1.06	84,000	8	1	86	6	0.80
Devon Energy Corporation	DVN	B	86.19	1.11	41,400	55		45	-	0.79
<i>Total or Median</i>					273,000			47		0.91
<b>Canada</b>										
Penn West Exploration	PWE		25.55	1.34	15,400	17		83	-	0.88
Imperial Oil Limited (30%)	IMO	B	50.63	1.09	14,100	3		86	11	0.83
Cenovus Energy Inc.	CVE	B	36.56	1.27	34,900	18		77	5	0.79
Canadian Natural Resources Lin	CNQ		45.11	1.24	61,100	13		87	-	0.72
Suncor Energy	SU	B	42.66	1.24	83,600	4		88	9	0.71
EnCana Corporation	ECA	B	32.51	1.41	33,600	93		7	-	0.71
Canadian Oil Sands Limited	COSWF	B	33.00	1.10	17,500			100	-	0.66
<i>Total or Median</i>					260,000			87		0.72
<b>Composite</b>					2,865,000	9	14	63	13	0.72

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



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Table 2								
McDep Large Cap Energy Portfolio								
Net Present Value and McDep Ratio								
			Price (US\$/sh)	Shares	Market Cap (US\$mm)	Net Present Value (US\$/sh)	Debt/ Present Value	McDep Ratio
	Symbol/Rating		18-Apr 2011	(mm)				
	B = Buy, CB (see below)							
<b>U.S. Integrated</b>								
Marathon Oil Corporation	MRO	B	51.09	713	36,430	68.00	0.19	0.80
Exxon Mobil Corporation	XOM	B	83.10	5,031	418,000	112.00	0.11	0.77
ConocoPhillips	COP	B	77.61	1,454	113,000	119.00	0.19	0.72
Chevron Corporation	CVX	B	104.50	2,009	210,000	154.00	0.06	0.70
	<i>Total or Median</i>				777,000		0.15	0.74
<b>Europe</b>								
BG Group plc	BRGXF		24.19	3,407	82,400	25.00	0.13	0.97
Royal Dutch Shell plc	RDS-A	B	71.16	3,074	219,000	96.00	0.19	0.79
Statoil ASA (33%)	STO	B	26.93	1,050	28,300	44.00	0.22	0.70
BP plc	BP		44.47	3,168	141,000	93.00	0.24	0.60
Total S.A.	TOT	B	58.09	2,248	131,000	111.00	0.13	0.59
	<i>Total or Median</i>				602,000		0.19	0.70
<b>Brazil/Russia/Australia/China</b>								
CNOOC Limited (34%)	CEO		246.62	152	37,600	220.00	0.04	1.12
Woodside Petroleum Ltd.	WOPEY	B	48.70	774	37,700	49.00	0.14	0.99
PetroChina Company Ltd (14%)	PTR	B	147.80	256	37,900	210.00	0.15	0.75
Petrobras	PBR	B	36.33	6,544	237,800	62.00	0.12	0.64
Gazprom (50%)	OGZPY	B	31.10	2,875	89,400	56.00	0.10	0.60
Lukoil Oil Company	LUKOY	B	67.00	781	52,300	150.00	0.05	0.47
	<i>Total or Median</i>				493,000		0.11	0.69
<b>U.S. Independent</b>								
Anadarko Petroleum Corp.	APC		77.38	498	38,500	78.00	0.35	0.99
Chesapeake Energy Corp.	CHK		31.98	746	23,900	33.00	0.40	0.98
Southwestern Energy Company	SWN		39.97	349	14,000	42.00	0.09	0.96
EOG Resources, Inc.	EOG	B	109.87	251	27,600	130.00	0.15	0.87
Occidental Petroleum Corp.	OXY	B	97.06	814	79,000	123.00	0.05	0.80
Devon Energy Corporation	DVN	B	86.19	434	37,400	112.00	0.08	0.79
	<i>Total or Median</i>				220,400		0.12	0.91
<b>Canada</b>								
Penn West Exploration	PWE		25.55	440	11,500	31.00	0.22	0.88
Imperial Oil Limited (30%)	IMO	B	50.63	256	13,000	62.00	0.07	0.83
Cenovus Energy Inc.	CVE	B	36.56	753	27,500	49.00	0.17	0.79
Canadian Natural Resources Limited	CNQ		45.11	1,089	49,100	67.00	0.14	0.72
Suncor Energy	SU	B	42.66	1,575	67,200	64.00	0.14	0.71
EnCana Corporation	ECA	B	32.51	736	23,900	51.00	0.21	0.71
Canadian Oil Sands Limited	COSWF	B	33.00	484	16,000	52.00	0.06	0.66
	<i>Total or Median</i>				208,000		0.14	0.72
CB=Contrarian Buy, Stock Price may in downtrend compared to 200-day average.								
McDep Ratio = Market cap and Debt to present value of oil and gas and other businesses								
Estimated present value presumes a long-term price for oil of US\$100 a barrel and natural gas, \$8 a million btu.								



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Table 3								
McDep Large Cap Energy Portfolio								
Value Multiples and Distribution Yield								
			Price (US\$/sh)	Adjustd Resrvs/ Prod	PV/ Ebitda	EV/ Ebitda	P/E	Divd or Distrib NTM
	Symbol/Rating	18-Apr 2011	NTM	NTM	NTM	NTM	NTM	(%)
B = Buy, CB (see below)								
<b>U.S. Integrated</b>								
Exxon Mobil Corporation	XOM	B	83.10	13.5	7.1	5.5	9	2.1
ConocoPhillips	COP	B	77.61	11.6	7.4	5.3	10	3.4
Marathon Oil Corporation	MRO	B	51.09	8.6	5.8	4.7	9	2.0
Chevron Corporation	CVX	B	104.50	8.3	5.8	4.1	8	2.8
	<i>Total or Median</i>			10.1	6.5	5.0	9	2.4
<b>Europe</b>								
BG Group plc	BRGXF		24.19	13.8	8.7	8.4	15	0.9
Royal Dutch Shell plc	RDS-A	B	71.16	8.4	6.2	4.9	8	4.7
BP plc	BP		44.47	10.4	6.9	4.1	5	3.8
Statoil ASA (33%)	STO	B	26.93	6.7	5.7	4.0	7	4.3
Total S.A.	TOT	B	58.09	9.4	6.4	3.8	8	5.7
	<i>Total or Median</i>			9.4	6.4	4.1	8	4.3
<b>Brazil/Russia/Australia/China</b>								
Woodside Petroleum Ltd.	WOPEY	B	48.70	15.1	10.2	10.1	17	2.2
Petrobras	PBR	B	36.33	13.3	10.0	6.4	11	3.2
CNOOC Limited (34%)	CEO		246.62	5.6	4.9	5.5	10	2.2
PetroChina Company Ltd (14%)	PTR	B	147.80	13.6	7.3	5.5	9	3.6
Gazprom (50%)	OGZPY	B	31.10	30.2	6.9	4.2	5	1.1
Lukoil Oil Company	LUKOY	B	67.00	15.9	5.9	2.8	4	2.8
	<i>Total or Median</i>			14.3	7.1	5.5	9	2.5
<b>U.S. Independent</b>								
Chesapeake Energy Corp.	CHK		31.98	12.3	11.9	11.7	22	0.9
Southwestern Energy Company	SWN		39.97	8.3	12.0	11.5	25	-
Anadarko Petroleum Corp.	APC		77.38	8.8	7.8	7.8		0.5
Devon Energy Corporation	DVN	B	86.19	10.9	9.2	7.3	14	0.8
EOG Resources, Inc.	EOG	B	109.87	8.7	7.6	6.6	21	0.6
Occidental Petroleum Corp.	OXY	B	97.06	10.9	7.5	6.0	12	1.9
	<i>Total or Median</i>			9.8	8.5	7.5	21	0.7
<b>Canada</b>								
EnCana Corporation	ECA	B	32.51	12.5	14.1	10.0	29	2.5
Cenovus Energy Inc.	CVE	B	36.56	21.0	11.7	9.2	24	2.3
Imperial Oil Limited (30%)	IMO	B	50.63	21.0	10.9	9.1	15	0.9
Penn West Exploration	PWE		25.55	8.8	9.6	8.4	29	4.4
Canadian Natural Resources Limited	CNQ		45.11	21.0	10.8	7.8	18	0.8
Suncor Energy	SU	B	42.66	21.1	9.6	6.9	14	1.0
Canadian Oil Sands Limited	COSWF	B	33.00	29.0	9.4	6.2	10	2.5
	<i>Total or Median</i>			21.0	10.8	8.4	18	2.3
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, 2012; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses								



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Table 4								
McDep Large Cap Energy Portfolio								
Rank by Enterprise Value to 200 Day Average								
			Price					
	Symbol		(\$/sh)	Enterprise Value/				
			18-Apr	52Wk	52Wk	50 Day	200 Day	McDep
		Ratin,	2011	High	Low	Avg.	Avg.	Ratio
<b>U.S. Integrated</b>								
Marathon Oil Corporation	MRO	B	51.09	0.96	1.50	1.01	1.23	0.80
Chevron Corporation	CVX	B	104.50	0.95	1.49	1.01	1.17	0.70
ConocoPhillips	COP	B	77.61	0.96	1.39	1.00	1.14	0.72
Exxon Mobil Corporation	XOM	B	83.10	0.95	1.39	0.99	1.14	0.77
	<i>Median</i>			<i>0.96</i>	<i>1.44</i>	<i>1.01</i>	<i>1.16</i>	<i>0.74</i>
<b>Europe</b>								
BG Group plc	BRGXF		120.94	0.95	1.58	1.00	1.17	0.97
Statoil ASA (33%)	STO	B	26.93	0.94	1.28	1.01	1.11	0.70
Royal Dutch Shell plc	RDS-A	B	71.16	0.96	1.31	1.00	1.08	0.79
Total S.A.	TOT	B	58.09	0.95	1.25	0.98	1.05	0.59
BP plc	BP		44.47	0.82	1.32	0.97	1.03	0.60
	<i>Median</i>			<i>0.95</i>	<i>1.31</i>	<i>1.00</i>	<i>1.10</i>	<i>0.72</i>
<b>Brazil/Russia/Australia/China</b>								
Gazprom (50%)	OGZPY	B	31.10	0.91	1.53	1.01	1.20	0.60
CNOOC Limited (34%)	CEO		246.62	0.91	1.63	1.05	1.16	1.12
Woodside Petroleum Ltd.	WOPEY	B	48.70	0.96	1.39	1.06	1.13	0.99
PetroChina Company Ltd (14%)	PTR	B	147.80	0.94	1.36	1.03	1.13	0.75
Lukoil Oil Company	LUKOY	B	67.00	0.89	1.44	0.96	1.10	0.47
Petrobras	PBR	B	36.33	0.85	1.13	0.94	1.00	0.64
	<i>Median</i>			<i>0.91</i>	<i>1.41</i>	<i>1.02</i>	<i>1.13</i>	<i>0.69</i>
<b>U.S. Independent</b>								
Devon Energy Corporation	DVN	B	86.19	0.93	1.41	0.97	1.14	0.79
Chesapeake Energy Corp.	CHK		31.98	0.93	1.30	0.98	1.14	0.98
Anadarko Petroleum Corp.	APC		77.38	0.94	1.56	0.98	1.11	0.99
EOG Resources, Inc.	EOG	B	109.87	0.92	1.23	1.00	1.09	0.87
Occidental Petroleum Corp.	OXY	B	97.06	0.91	1.32	0.96	1.09	0.80
Southwestern Energy Company	SWN		48.06	0.89	1.27	1.01	1.08	0.96
	<i>Median</i>			<i>0.92</i>	<i>1.31</i>	<i>0.98</i>	<i>1.10</i>	<i>0.91</i>
<b>Canada</b>								
Imperial Oil Limited (30%)	IMO	B	50.63	0.92	1.37	1.00	1.19	0.83
Canadian Oil Sands Limited	COSWF	B	33.01	0.94	1.40	1.04	1.18	0.66
Suncor Energy	SU	B	42.66	0.90	1.39	0.97	1.13	0.71
Cenovus Energy Inc.	CVE	B	36.56	0.92	1.38	0.98	1.12	0.79
Canadian Natural Resources	CNQ		45.11	0.89	1.37	0.96	1.10	0.72
Penn West Exploration	PWE		25.55	0.92	1.41	0.97	1.09	0.88
EnCana Corporation	ECA	B	32.51	0.94	1.16	0.99	1.05	0.71
	<i>Median</i>			<i>0.92</i>	<i>1.38</i>	<i>0.98</i>	<i>1.12</i>	<i>0.72</i>
CB=Contrarian Buy, Stock Price may be in downtrend compared to 200-day average.								



# Meter Reader

A Weekly Analysis of Large Cap Oil and Gas Stocks

April 19, 2011

<b>Index of Recent Research</b>			
<b>Stock Ideas</b>			
<i>Date</i>	<i>Symbol</i>	<i>Subject</i>	<i>Theme</i>
15-Apr	WLL	Whiting Petroleum	New Buy on Chairman Volker's Prudhoe Bay (ISCW)
12-Apr	COP	ConocoPhillips	Bad Government Actions Good for Oil Profits (Meter Reader)
8-Apr	RRC	Range Resources	Raise NPV to \$60 from \$50 a Share (Income and Small Cap)
5-Apr	CVX	Chevron	Raise NPV to \$154 a Share from \$146 (Meter Reader)
4-Apr	COSWF	Canadian Oil Sands Limited	Outperforming 10% on Oil Volume, 50% on Price
1-Apr	SJT	San Juan Basin Royalty Trust	Remove Buy at McDep Ratio of 1.10 (ISCW)
29-Mar	XOM	Exxon Mobil	Natural Gas Enhanced by Nuclear (Meter Reader)
22-Mar	PTR	PetroChina	Overlooked Oil in PTR Stock (Meter Reader)
18-Mar	BIREF	Birchcliff Energy Ltd.	Long-Term Natural Gas Resource for Asia
15-Mar	LUKOY	Lukoil	Lukoil and Russia Ride the Rise of Oil (Meter Reader)
11-Mar	HGT	Hugoton Royalty Trust	Contrarian Commodity Income (Income and SC Weekly)
8-Mar	CNQ	Canadian Natural Resources	End Buy (Meter Reader)
1-Mar	CVE	Cenovus Energy	High Growth in Deep Oil Sands (Meter Reader)
25-Feb	DMLP	Dorchester Minerals, L.P.	Profitable Production amid Unstable Politics (ISCW)
23-Feb	WOPEY	Woodside Petroleum Ltd.	Double LNG Late 2011
22-Feb	OGZPY	Gazprom	Nearer Accord on Natural Gas to China (Meter Reader)
18-Feb	PEYUF	Peyto Exploration	Raise NPV to \$24 a Share from \$20 (Income and Small Cap)
16-Feb	XEC	Cimarex Energy	Raise NPV to \$120 on Oil Reserves
10-Feb	ECA	Encana	\$C5.4 Billion Joint Venture Highlights Undervaluation
4-Feb	HK	Petrohawk	Raise NPV to \$24 a Share from \$20 (Income and Small Cap)
26-Jan	OXY	Occidental Petroleum	Growing U.S. Oil Production
18-Jan	MRO	Marathon Oil	Refining/Marketing Spinoff May Boost Value 27% (MR)
11-Jan	IMO	Imperial Oil	Accelerating Growth (Meter Reader)
4-Jan	PBR	Petrobras	Restore Buy on Oil Growth (Meter Reader)
21-Dec	CHK	Chesapeake Energy	Carl Icahn Owns 5.8% (Meter Reader)
26-Nov	SBR	Sabine Royalty Trust	Raise NPV on Proven Performance (Income and SC Weekly)
For historical research by stock, go to <a href="http://mcdep.com">mcdep.com</a> , click on <b>Stock Ideas</b> , click on stock by name.			
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<b>Income and Small Cap Weekly</b>			
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25-Mar			On Course to \$200 a Barrel by November 2012
For earlier editions, go to <a href="http://mcdep.com">mcdep.com</a> , click on <b>Energy Income</b> .			

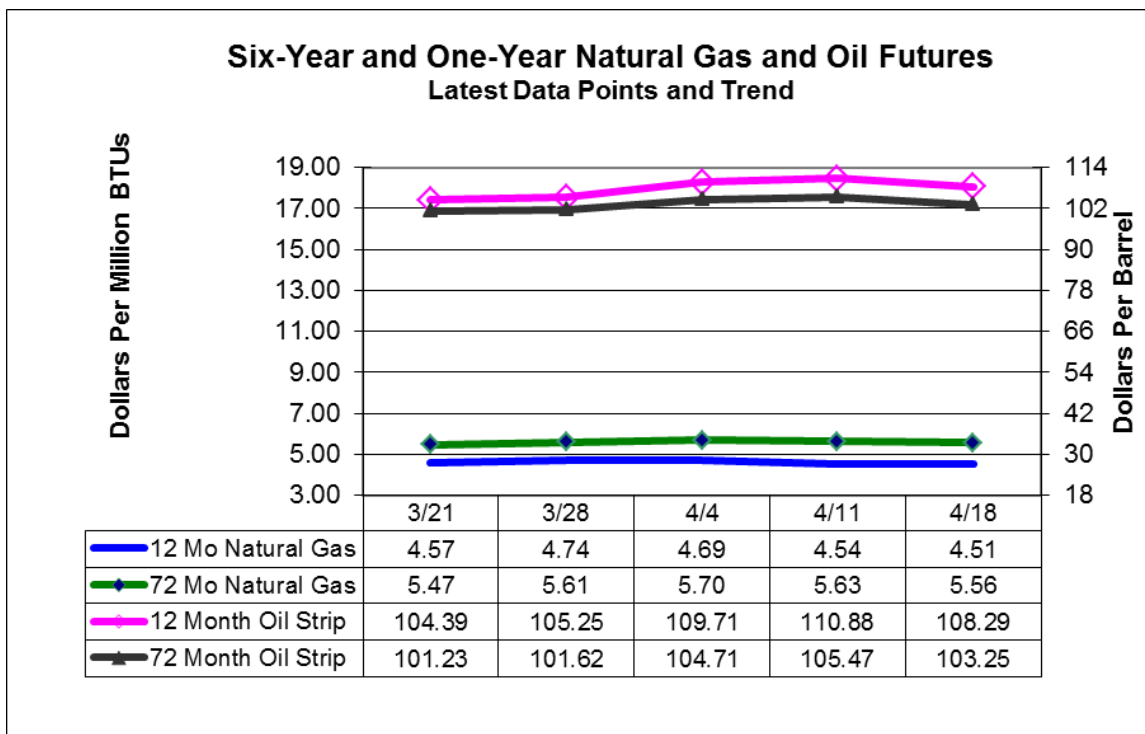




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