



Meter Reader

A Monthly Analysis of Oil and Gas Stocks

March 10, 2015

RTF Income Tracks Oil Price DMLP, SBR, CRT, SJT

		<i>Price</i>		<i>Net</i>					
		(US\$/sh)	<i>Market</i>	<i>Present</i>			<i>Distribution NTM</i>		
		9-Mar	<i>Cap</i>	<i>Value</i>	<i>Natural</i>			<i>Yield</i>	<i>McDep</i>
	<i>Symbol</i>	2015	(US\$mm)	(US\$/sh)	<i>Gas (%)</i>	<i>Oil (%)</i>	<i>US\$/unit</i>	(%)	<i>Ratio</i>
Dorchester Minerals, L.P.	DMLP	23.93	730	32.00	37	63	1.11	4.6	0.75
Sabine Royalty Trust	SBR	42.51	620	68.00	44	56	2.55	6.0	0.63
San Juan Basin Royalty Trust	SJT	12.95	600	21.00	100	-	0.61	4.7	0.62
Cross Timbers Royalty Trust	CRT	21.62	130	42.00	58	42	1.31	6.1	0.52
<i>Total or Median</i>			2,080		51	49		5.3	0.62

Summary and Recommendation

Four RTF (Royalty Trust Fund) stocks look well-suited to a diversified portfolio because they provide median 5.3% current distributions, stable oil and gas production, sensitivity to commodity price and debt-free financial strength. **Dorchester Minerals, L.P. (DMLP), Sabine Royalty Trust (SBR) and Cross Timbers Royalty Trust (CRT)** are in the three major shale oil plays highlighted positively by ExxonMobil last week--- DMLP in the Bakken and Permian, SBR in the Permian and CRT in the Permian and Central Oklahoma. **San Juan Basin Royalty Trust (SJT)** is a pure play on long-life natural gas in the San Juan Basin. Last year, a median 4% decline for the four producers beat the 11% volume decline rate implied by the median 9 times ratio of reserves, estimated by independent engineers, to production. Meanwhile, distributions have adjusted as oil price for 2015 is down more than 40% from 2014 and natural gas price for 2015 is about two-thirds of that for 2014 (see tables Operating and Financial Estimates on pages 2-5). Stock prices are also down a third or so from last summer. Yet, investors need have little concern that financial leverage will contribute to a disadvantageous change in control because the four producers have no borrowings. We gauge median unlevered appreciation potential of more than a half to a McDep Ratio of 1.00 where stock price would equal Net Present Value (NPV). The median McDep Ratio of 0.62 for the RTF group sets the median for five industry groups in monthly *Meter Reader* coverage, all offering long-term value in a diversified portfolio (see Tables 1-4 on pages 6-9).

Kurt H. Wulff, CFA



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Cross Timbers Royalty Trust										
Next Twelve Months Operating and Financial Performance										
	Q4	Year	Q3	Q4	Year	Q1E	Q2E	Q3E	Q4E	Next
	12/31/13	2013	9/30/14	12/31/14	2014	3/31/15	6/30/15	9/30/15	12/31/15	Twelve
										Months
										12/31/15
Volume										
Natural Gas (bcf)	0.41	1.64	0.46	0.37	1.63	0.39	0.38	0.38	0.39	1.54
Natural Gas (mmcf)	4.5	4.5	5.1	4.0	4.5	4.2	4.2	4.2	4.2	4.2
Days	92	365	91	92	366	92	91	91	92	366
Oil (mb)	58	208	57	58	221	62	61	63	63	248
Oil (mbd)	0.64	0.57	0.62	0.64	0.61	0.67	0.68	0.68	0.69	0.68
Days	91	365	92	91	365	92	90	92	91	365
Total (bcf)	0.76	2.89	0.80	0.71	2.96	0.76	0.75	0.76	0.76	3.02
Price										
Natural Gas (HH lagged three months)										
Henry Hub (\$/mmbtu)	3.58	3.60	4.67	4.07	4.32	4.02	2.99	2.87	2.96	3.21
Differential (%)	(85)	(76)	(42)	(52)	(62)	(55)	(55)	(55)	(55)	(55)
CRT (\$/mcf)	6.60	6.33	6.63	6.18	7.00	6.24	4.64	4.46	4.61	4.99
Oil (\$/bbl) (WTI lagged two months)										
WTI Cushing	104.44	96.58	103.10	91.23	97.76	60.83	50.05	52.89	56.30	55.02
CRT	100.65	89.83	95.22	86.62	91.46	61.73	50.79	53.67	57.13	55.84
Total (\$/mcf)	11.27	10.06	10.57	10.21	10.70	8.22	6.51	6.69	7.03	7.11
Revenue (\$mm)										
Natural Gas	2.71	10.40	3.05	2.26	11.40	2.41	1.77	1.70	1.78	7.66
Oil	5.84	18.69	5.43	5.02	20.21	3.80	3.09	3.37	3.59	13.85
Total	8.55	29.08	8.48	7.28	31.61	6.21	4.86	5.08	5.36	21.51
Cost (\$mm)										
Tax, transport & other	1.20	3.74	0.99	0.85	3.89	0.87	0.68	0.71	0.75	3.01
Production	1.30	5.49	1.39	1.57	5.75	1.39	1.07	1.12	1.19	4.76
Total	2.50	9.23	2.38	2.42	9.64	2.26	1.75	1.83	1.94	7.77
Cash flow (\$mm)										
Development	1.36	3.48	0.67	0.89	3.37	0.89	1.00	1.00	1.00	3.89
Excess or other	0.04	(0.01)		(0.28)	(0.54)					
Net proceeds (\$mm)	4.65	16.39	5.43	4.25	19.14	3.06	2.11	2.25	2.43	9.85
Royalty income (\$mm)										
Royalty/Net proceeds	87%	87%	86%	82%	86%	94%	80%	80%	80%	84%
Administration	0.08	0.40	0.14	0.11	0.52	0.11	0.11	0.11	0.11	0.44
Distributable income (\$mm)	3.97	13.89	4.54	3.38	15.88	2.78	1.58	1.69	1.83	7.88
Units (millions)	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Royalty income (\$/unit)										
Natural Gas										
TL TX	0.06	0.26			0.26					
TL OK	0.02	0.12			0.21					
TL NM	0.19	0.75			0.89					
BL TX	0.00	0.00			0.00					
BL OK	0.00	0.01			0.00					
Oil										
TL TX	0.19	0.67			0.64					
TL OK	0.04	0.12			0.19					
TL NM	0.03	0.07			0.08					
BL TX	0.05	0.07			0.14					
BL OK	0.09	0.31			0.34					
Administration	0.02	0.07			0.08					
Distribution (\$/unit)	0.66	2.31	0.76	0.56	2.65	0.46	0.26	0.28	0.31	1.31



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Dorchester Minerals, L.P.										
Operating and Financial Performance										
										Next
	Q4	Year	Q3	Q4	Year	Q1E	Q2E	Q3E	Q4E	Months
	12/31/13	2013	9/30/14	12/31/14	2014	3/31/15	6/30/15	9/30/15	12/31/15	12/31/15
Volume										
Nat Gas (mmcf) - Top Line	13.5	13.8	9.3	9.5	9.7	9.7	9.6	9.5	9.4	9.6
Nat Gas (mmcf) - Btm Line	11.5	11.3	9.3	8.4	9.2	9.4	9.4	9.3	9.3	9.3
Oil (mbd) - Top Line	1.05	1.04	1.42	1.32	1.37	1.34	1.37	1.40	1.42	1.38
Oil (mbd) - Bottom Line	0.51	0.38	0.72	0.64	0.60	0.67	0.69	0.72	0.75	0.71
Days	92	365	92	92	367	90	91	92	92	365
Total (bcfe)	3.2	12.3	2.9	2.7	11.2	2.8	2.9	2.9	2.9	11.5
Total (mmcf)	34	34	31	30	31	31	31	32	32	31
Price										
Henry Hub (\$/mmbtu)	3.60	3.65	4.07	4.02	4.43	2.99	2.87	2.96	3.10	2.98
Top Line (\$/mcf)	3.57	3.44	3.59	3.54	4.20	2.63	2.53	2.61	2.73	2.63
Bottom Line (\$/mcf)	5.83	4.15	3.84	3.79	4.46	2.82	2.71	2.80	2.92	2.81
WTI Cushing (\$/bbl)	97.46	97.98	97.24	73.18	93.04	49.28	51.34	55.35	57.73	53.43
Top Line (\$/bbl)	90.84	94.15	81.06	61.00	78.20	41.08	42.80	46.14	48.12	44.53
Bottom Line (\$/bbl)	89.44	91.85	88.06	66.27	81.46	44.63	46.49	50.12	52.28	48.38
Total (\$/mcf)	7.47	6.76	7.88	6.35	7.77	4.40	4.48	4.81	5.06	4.69
Revenue (\$mm)										
Natural Gas - Top Line	4.4	17.4	3.1	3.1	15.0	2.3	2.2	2.3	2.4	9.2
Oil - Top Line	8.8	35.7	10.6	7.4	39.3	5.0	5.3	5.9	6.3	22.5
Total - Top Line	13.2	53.1	13.7	10.5	54.3	7.3	7.5	8.2	8.7	31.7
Natural Gas - Bottom Line	6.1	17.1	3.3	2.9	15.1	2.4	2.3	2.4	2.5	9.6
Oil - Bottom Line	4.2	12.9	5.8	3.9	17.8	2.7	2.9	3.3	3.6	12.5
Total - Bottom Line	10.3	29.9	9.1	6.8	32.9	5.1	5.2	5.7	6.1	22.1
Total	23.6	83.0	22.8	17.3	87.2	12.3	12.8	13.9	14.8	53.8
Expense										
BL Uplift (estimated)	1.2	3.6	1.5	1.3	5.1	1.3	1.3	1.3	1.3	5.1
Operating, incl. Prod Tax	1.3	5.1	1.3	1.2	5.5	0.9	0.9	1.0	1.0	3.8
General and Administrative	1.5	4.2	0.8	1.0	4.0	1.0	1.0	1.0	1.0	4.0
General Partner	0.4	1.5	0.4	0.3	1.6	0.2	0.2	0.2	0.3	0.9
Total	4.4	14.4	4.0	3.8	16.2	3.3	3.4	3.5	3.6	13.8
Ebitda										
Top Line	11.4	46.1	12.2	9.0	47.3	6.0	6.3	6.9	7.3	26.6
Bottom Line	7.8	22.4	6.6	4.5	23.7	2.9	3.1	3.5	3.9	13.5
Total Ebitda	19.2	68.5	18.7	13.5	71.0	9.0	9.4	10.4	11.2	40.0
Deprec., Deplet., & Amort.	2.9	13.1	2.6	3.3	11.2	3.4	3.4	3.5	3.5	13.8
BL Capital (estimated)	5.8	16.1	10.2	3.0	23.8	2.5	2.5	2.5	2.5	10.0
Lease Bonus and Other	(2.2)	(2.7)	(4.8)	(1.0)	(7.4)	(1.0)	(1.0)	(1.0)	(1.0)	(4.0)
Ebit	12.6	42.0	10.7	8.2	43.5	4.1	4.5	5.5	6.2	20.3
Ebt	12.6	42.0	10.7	8.2	43.5	4.1	4.5	5.5	6.2	20.3
Net Income (\$mm)	12.6	42.0	10.7	8.2	43.5	4.1	4.5	5.5	6.2	20.3
Units (millions)	30.7	30.7	30.7	30.7	30.7	30.7	30.7	30.7	30.7	30.7
Net Income Per Unit (\$)	0.41	1.37	0.35	0.27	1.42	0.13	0.15	0.18	0.20	0.66
Ebitda Margin - Top Line	86%	87%	89%	85%	87%	83%	83%	84%	84%	84%
Ebitda Margin - Bottom Line	75%	75%	72%	66%	72%	58%	59%	62%	64%	61%
Distribution - Cash Accounting (\$mm)										
Top Line Revenue	13.1	49.3	13.6	11.4	52.5					
Bottom Line Net Revenue	1.2	10.3	1.8	5.3	13.1					
Lease Bonus	2.1	2.4	0.5	0.6	2.7					
Cash Expense	(2.0)	(7.8)	(2.2)	(2.4)	(9.4)					
Distribution	14.4	54.2	13.7	14.9	58.9	7.5	7.9	8.9	9.7	34.0
Distribution Per Unit (\$)	0.47	1.77	0.45	0.49	1.92	0.24	0.26	0.29	0.32	1.11



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Sabine Royalty Trust										
Next Twelve Months Operating and Financial Performance										
										<i>Next</i>
	<i>Q4</i>	<i>Year</i>	<i>Q3</i>	<i>Q4</i>	<i>Year</i>	<i>Q1E</i>	<i>Q2E</i>	<i>Q3E</i>	<i>Q4E</i>	<i>Months</i>
	<i>12/31/13</i>	<i>2013</i>	<i>9/30/14</i>	<i>12/31/14</i>	<i>2014</i>	<i>3/31/15</i>	<i>6/30/15</i>	<i>9/30/15</i>	<i>12/31/15</i>	<i>12/31/15</i>
Volume										
Natural Gas (bcf)	1.68	7.02	1.92	1.74	6.41	1.74	1.70	1.72	1.75	6.92
Natural Gas (mmcf)	18.3	19.2	21.1	18.9	17.6	18.9	18.9	18.9	19.0	19.0
Days	92	365	91	92	365	92	90	91	92	365
Oil (mmb)	0.124	0.474	0.118	0.105	0.466	0.106	0.105	0.107	0.109	0.427
Oil (mbd)	1.35	1.30	1.28	1.14	1.28	1.15	1.16	1.18	1.19	1.17
Days	92	365	92	92	365	92	89	92	92	365
Total (bcfe)	2.43	9.86	2.63	2.37	9.21	2.38	2.33	2.37	2.40	9.48
Total (mmcf)	26.4	27.0	28.8	25.8	25.2	25.9	25.9	26.0	26.1	26.0
Price (Henry Hub natural gas lagged three months; WTI Cushing oil, two months)										
Henry Hub (\$/mmbtu)	3.58	3.60	4.67	4.07	4.32	4.02	2.99	2.87	2.96	3.21
Differential (%)	(7)	(3)	6	2	0	2	2	2	2	2
Trust (\$/mcf)	3.82	3.72	4.40	4.00	4.31	3.94	2.93	2.82	2.91	3.15
WTI Cushing (\$/bbl)	104.44	96.58	103.10	91.23	97.76	60.83	50.05	52.89	56.30	55.02
Differential	16.02	9.74	7.08	8.49	10.53	5.66	4.66	4.92	5.24	5.10
Trust (\$/bbl)	88.43	86.84	96.02	82.74	87.23	55.17	45.39	47.96	51.06	49.92
Total (\$/bcfe)	7.17	6.82	7.53	6.60	7.42	5.35	4.18	4.22	4.44	4.55
Revenue (\$mm)										
Natural Gas	6.4	26.1	8.4	7.0	27.6	6.9	5.0	4.9	5.1	21.8
Oil	11.0	41.2	11.3	8.7	40.6	5.9	4.8	5.1	5.6	21.3
Total	17.4	67.3	19.8	15.6	68.3	12.7	9.8	10.0	10.7	43.1
Expense										
Tax and other	2.8	6.0	1.3	2.5	6.5	0.9	0.6	0.7	1.7	3.9
General and administrative	0.4	2.1	0.5	0.5	2.4	0.5	0.5	0.6	0.5	2.1
Total	3.2	8.1	1.7	3.0	8.9	1.4	1.1	1.3	2.2	6.0
Ebitda	14.2	59.2	18.0	12.6	59.4	11.3	8.7	8.7	8.5	37.1
Ebit	14.2	59.2	18.0	12.6	59.4	11.3	8.7	8.7	8.5	37.1
Ebt	14.2	59.2	18.0	12.6	59.4	11.3	8.7	8.7	8.5	37.1
Distributable Income (\$mm)	14.2	59.2	18.0	12.6	59.4	11.3	8.7	8.7	8.5	37.1
Units (millions)	14.6	14.6	14.6	14.6	14.6	14.6	14.6	14.6	14.6	14.6
Per Unit (\$)	0.95	4.03	1.24	0.81	4.02	0.78	0.59	0.59	0.58	2.55



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San Juan Basin Royalty Trust										
Next Twelve Months Operating and Financial Estimates										
										<i>Next</i>
	<i>Q4</i>	<i>Year</i>	<i>Q3</i>	<i>Q4</i>	<i>Year</i>	<i>Q1E</i>	<i>Q2E</i>	<i>Q3E</i>	<i>Q4E</i>	<i>Months</i>
	<i>12/31/13</i>	<i>2013</i>	<i>9/30/14</i>	<i>12/31/14</i>	<i>2014</i>	<i>3/31/15</i>	<i>6/30/15</i>	<i>9/30/15</i>	<i>12/31/15</i>	<i>12/31/15</i>
Highlights										
Revenue (\$mm) (75%)	24.1	92.3	27.3	23.6	106.8	19.9	16.1	16.9	17.3	70.3
Cash flow (\$mm) (75%)	14.5	52.5	16.6	14.1	64.9	11.9	8.5	9.2	9.5	39.1
Per unit	0.31	1.13	0.36	0.30	1.39	0.26	0.18	0.20	0.20	0.84
Distributable Income (\$mm)	14.1	36.5	15.7	12.4	59.9	7.8	6.2	7.0	7.3	28.3
Per unit	0.30	0.78	0.34	0.27	1.28	0.17	0.13	0.15	0.16	0.61
Units (millions)	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6
Volume										
Natural gas (mmbtu)	9.1	34.7	8.7	8.4	34.0	8.1	8.1	8.4	8.4	33.0
Heat Content(btu/cf)	1,089	1,093	1,101	1,105	1,099	1,098	1,098	1,098	1,098	1,098
Natural gas (bcf)	8.3	31.7	7.9	7.6	30.9	7.4	7.4	7.6	7.6	30.0
Natural Gas (mmcf)	90.4	86.9	86.0	82.9	84.7	80.0	83.0	83.0	83.0	82.2
Days	92	365	92	92	365	92	89	92	92	365
Oil (mb)	0.01	0.06	0.01	0.01	0.06	0.01	0.01	0.01	0.01	0.06
Oil (mbd)	0.15	0.15	0.13	0.16	0.16	0.16	0.15	0.15	0.14	0.15
Days	92	365	92	92	365	92	89	92	92	365
Total gas & oil (bcf)	8.4	32.0	8.0	7.7	31.3	7.4	7.5	7.7	7.7	30.3
Price										
Natural gas (\$/mmbtu) (Henry Hub lagged two months)										
Henry Hub (\$/mmbtu)	3.51	3.64	4.61	3.94	4.37	3.74	2.87	2.91	2.97	3.12
Differential (%)	3	6	12	9	7	14	10	10	10	11
Net to SJT (\$/mmbtu)	3.41	3.41	4.06	3.59	4.05	3.20	2.58	2.62	2.68	2.77
Natural gas (\$/mcf)	3.72	3.73	4.47	3.97	4.45	3.51	2.84	2.88	2.94	3.04
Oil (\$/bbl) (WTI Cushing lagged two months)										
WTI Cushing	104.44	96.58	103.10	91.23	97.76	60.83	50.05	52.89	56.30	55.02
SJT	91.76	84.56	87.58	76.85	82.99	51.64	42.49	44.90	47.80	46.78
Total gas & oil (\$/mcf)	3.83	3.84	4.56	4.07	4.56	3.57	2.88	2.93	2.99	3.09
Revenue (\$mm)										
Natural Gas	30.9	118.3	35.3	30.3	137.5	25.8	20.9	22.0	22.4	91.2
Oil	1.3	4.7	1.0	1.1	5.0	0.8	0.6	0.6	0.6	2.6
Total	32.2	123.1	36.4	31.4	142.4	26.6	21.5	22.6	23.1	93.8
Cost (\$mm)										
Severance tax	3.3	13.0	5.2	4.3	19.2	2.9	2.4	2.5	2.6	10.4
Operating	9.0	37.8	8.3	8.0	34.6	7.4	7.4	7.4	7.4	29.7
Total	12.4	50.8	13.5	12.1	53.6	10.3	9.8	9.9	10.0	40.0
Cash flow (\$mm)	19.8	72.3	22.8	19.3	88.8	16.3	11.7	12.7	13.1	53.8
Development	0.6	21.5	1.2	2.2	6.5	4.6	3.0	3.0	3.0	13.6
Net proceeds (\$mm)	19.2	50.8	21.6	17.1	82.3	11.7	8.7	9.7	10.1	40.2
Royalty income (\$mm)	14.4	38.1	16.2	12.9	61.7	8.7	6.5	7.3	7.6	30.1
Royalty/Net proceeds	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Administration	0.3	1.7	0.5	0.4	1.7	0.3	0.3	0.3	0.3	1.2
One-time		(0.1)			-					-
Distributable income (\$mm)	14.1	36.5	15.7	12.4	59.9	7.8	6.2	7.0	7.3	28.3



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		Price (US\$/sh) 9-Mar 2015	EV/ Market Cap	Enterprise Value (\$mm)	Present Value by Segment (%)				Dist. Yield NTM (%)	McDep Ratio
					North Amer.	Rest of World	Oil Prod'n	Down- stream		
					Natural Gas	Natural Gas				
Global Integrated										
Exxon Mobil Corporation	XOM	85.16	1.23	444,000	7	16	61	17	3.2	0.86
Chevron Corporation	CVX	103.95	1.27	249,000	3	10	72	15	4.1	0.74
Royal Dutch Shell plc	RDS-A	61.15	1.44	278,000	4	22	56	18	6.1	0.72
Total S.A.	TOT	50.42	1.52	175,000		22	60	18	5.2	0.72
Lukoil Oil Company	LUKOY	45.29	1.23	43,200			76	24	4.4	0.38
<i>Total or Median</i>			<i>1.27</i>	<i>1,189,000</i>			<i>61</i>	<i>18</i>	<i>4.4</i>	<i>0.72</i>
U.S. Independent										
EOG Resources, Inc.	EOG	87.72	1.12	53,800	14	4	83		0.8	0.81
Occidental Petroleum Corp.	OXY	74.80	1.09	63,000	6	1	81	12	3.9	0.76
ConocoPhillips	COP	61.97	1.47	113,000	13	14	73		4.7	0.70
Devon Energy Corporation	DVN	58.04	1.71	40,500	28		64	8	1.7	0.70
Marathon Oil Corporation	MRO	26.30	1.47	26,200	8	2	89		3.2	0.62
<i>Total or Median</i>			<i>1.47</i>	<i>297,000</i>	<i>13</i>		<i>81</i>		<i>3.2</i>	<i>0.70</i>
Canada										
Imperial Oil Limited (30%)	IMO	36.87	1.26	11,800	2		78	19	1.1	0.75
EnCana Corporation	ECA	11.43	2.43	20,400	53		47		2.4	0.60
Canadian Oil Sands Limited	COSWF	7.84	1.72	6,500			100		2.0	0.53
Cenovus Energy Inc.	CVE	17.41	1.45	19,100	8		84	8	4.8	0.51
<i>Total or Median</i>			<i>1.59</i>	<i>58,000</i>			<i>81</i>		<i>2.2</i>	<i>0.56</i>
Small Cap Independent Producers										
Cimarex Energy Company	XEC	108.20	1.17	11,100	41		59		0.6	0.80
Continental Resources (32%)	CLR	43.31	1.41	7,200	21		79		-	0.59
Whiting Petroleum Corporation	WLL	37.71	1.95	12,500	7		93		-	0.58
Range Resources	RRC	46.61	1.51	11,700	68		32		0.3	0.57
Birchcliff Energy Ltd.	BIREF	5.05	1.66	1,300	75		25		-	0.43
California Resources	CRC	7.16	3.30	9,000	13		87		0.6	0.42
<i>Total or Median</i>			<i>1.58</i>	<i>53,000</i>	<i>31</i>		<i>69</i>		<i>0.2</i>	<i>0.58</i>
RTF Cash Payers										
Dorchester Minerals, L.P.	DMLP	23.93	1.00	730	37		63		4.6	0.75
Sabine Royalty Trust	SBR	42.51	1.00	620	44		56		6.0	0.63
Hugoton Royalty Trust	HGT	7.43	1.00	300	85		15		6.1	0.62
San Juan Basin Royalty Trust	SJT	12.95	1.00	600	100		-		4.7	0.62
Permian Basin RT	PBT	9.25	1.00	430	23		77		5.4	0.58
Cross Timbers Royalty Trust	CRT	21.62	1.00	130	58		42		6.1	0.52
Enduro Royalty Trust	NDRO	4.62	1.00	150	31		69		4.3	0.42
<i>Total or Median</i>			<i>1.00</i>	<i>3,000</i>	<i>44</i>		<i>56</i>		<i>5.4</i>	<i>0.62</i>

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</i>			<i>Net</i>		
		<i>(US\$/sh)</i>		<i>Market</i>	<i>Present</i>	<i>Debt/</i>	
		<i>9-Mar</i>	<i>Shares</i>	<i>Cap</i>	<i>Value</i>	<i>Present</i>	<i>McDep</i>
		<i>2015</i>	<i>(mm)</i>	<i>(US\$mm)</i>	<i>(US\$/sh)</i>	<i>Value</i>	<i>Ratio</i>
Global Integrated							
Exxon Mobil Corporation	XOM	85.16	4,235	361,000	102.00	0.16	0.86
Chevron Corporation	CVX	103.95	1,884	196,000	150.00	0.16	0.74
Royal Dutch Shell plc	RDS-A	61.15	3,151	193,000	95.00	0.22	0.72
Total S.A.	TOT	50.42	2,287	115,000	80.00	0.25	0.72
Lukoil Oil Company	LUKOY	45.29	776	35,200	135.00	0.07	0.38
	<i>Total or Median</i>			<i>900,000</i>		<i>0.16</i>	<i>0.72</i>
U.S. Independent							
EOG Resources, Inc.	EOG	87.72	549	48,200	110.00	0.09	0.81
Occidental Petroleum Corp.	OXY	74.80	773	57,800	100.00	0.06	0.76
ConocoPhillips	COP	61.97	1,240	77,000	100.00	0.22	0.70
Devon Energy Corporation	DVN	58.04	409	23,700	100.00	0.29	0.70
Marathon Oil Corporation	MRO	26.30	677	17,810	50.00	0.20	0.62
	<i>Total or Median</i>			<i>224,500</i>		<i>0.20</i>	<i>0.70</i>
Canada							
Imperial Oil Limited (30%)	IMO	36.87	255	9,400	52.00	0.15	0.75
EnCana Corporation	ECA	11.43	736	8,400	30.00	0.35	0.60
Canadian Oil Sands Limited	COSWF	7.84	485	3,800	20.00	0.22	0.53
Cenovus Energy Inc.	CVE	17.41	757	13,200	42.00	0.16	0.51
	<i>Total or Median</i>			<i>35,000</i>		<i>0.19</i>	<i>0.56</i>
Small Cap Independent Producers							
Cimarex Energy Company	XEC	108.20	88	9,500	140.00	0.12	0.80
Continental Resources (32%)	CLR	43.31	119	5,100	85.00	0.17	0.59
Whiting Petroleum Corporation	WLL	37.71	170	6,400	90.00	0.29	0.58
Range Resources	RRC	46.61	166	7,700	100.00	0.19	0.57
Birchcliff Energy Ltd.	BIREF	5.05	155	800	16.00	0.17	0.43
California Resources	CRC	7.16	382	2,700	40.00	0.29	0.42
	<i>Total or Median</i>			<i>32,000</i>		<i>0.18</i>	<i>0.58</i>
RTF Cash Payers							
Dorchester Minerals, L.P.	DMLP	23.93	31	730	32.00	-	0.75
Sabine Royalty Trust	SBR	42.51	15	620	68.00	-	0.63
Hugoton Royalty Trust	HGT	7.43	40	300	12.00	-	0.62
San Juan Basin Royalty Trust	SJT	12.95	47	600	21.00	-	0.62
Permian Basin RT	PBT	9.25	47	430	16.00	-	0.58
Cross Timbers Royalty Trust	CRT	21.62	6	130	42.00	-	0.52
Enduro Royalty Trust	NDRO	4.62	33	150	11.00	-	0.42
	<i>Total or Median</i>			<i>3,000</i>		<i>-</i>	<i>0.62</i>
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) 9-Mar 2015</i>	<i>Adjustd Resrvs/ Prod NTM</i>	<i>PV/ Ebitda NTM</i>	<i>EV/ Ebitda NTM</i>	<i>P/E NTM</i>	<i>Dividend NTM (\$/sh)</i>
Global Integrated							
Exxon Mobil Corporation	XOM	85.16	14.1	11.6	10.0	23	2.76
Chevron Corporation	CVX	103.95	9.1	11.5	8.5	29	4.28
Total S.A.	TOT	50.42	10.4	10.6	7.7	23	2.65
Royal Dutch Shell plc	RDS-A	61.15	10.2	9.6	7.0	21	3.76
Lukoil Oil Company	LUKOY	45.29	14.4	8.0	3.1	26	1.99
	<i>Median</i>		<i>10.4</i>	<i>10.6</i>	<i>7.7</i>	<i>23</i>	
U.S. Independent							
EOG Resources, Inc.	EOG	87.72	9.2	16.3	13.3	30	0.67
Occidental Petroleum Corp.	OXY	74.80	10.1	14.2	10.9	55	2.88
Devon Energy Corporation	DVN	58.04	10.2	15.1	10.6	79	0.96
ConocoPhillips	COP	61.97	11.3	14.2	10.0		2.92
Marathon Oil Corporation	MRO	26.30	12.2	15.0	9.3		0.84
	<i>Median</i>		<i>10.2</i>	<i>15.0</i>	<i>10.6</i>	<i>55</i>	
Canada							
EnCana Corporation	ECA	11.43	6.7	22.1	13.3	114	0.28
Imperial Oil Limited (30%)	IMO	36.87	25.7	17.4	13.1	20	0.41
Canadian Oil Sands Limited	COSWF	7.84	19.4	19.2	10.1		0.16
Cenovus Energy Inc.	CVE	17.41	14.6	19.2	9.7		0.84
	<i>Median</i>		<i>17.0</i>	<i>19.2</i>	<i>11.6</i>	<i>67</i>	
Small Cap Independent Producers							
Range Resources	RRC	46.61	15.4	34.5	19.6		0.16
Cimarex Energy Company	XEC	108.20	8.3	18.1	14.5		0.64
Continental Resources (32%)	CLR	43.31	11.4	19.2	11.4	161	-
Whiting Petroleum Corporation	WLL	37.71	10.2	15.9	9.3		-
California Resources	CRC	7.16	10.8	22.1	9.3		0.04
Birchcliff Energy Ltd.	BIREF	5.05	13.5	17.9	7.8	145	-
	<i>Median</i>		<i>11.1</i>	<i>18.6</i>	<i>10.4</i>	<i>153</i>	
RTF Cash Payers							
Dorchester Minerals, L.P.	DMLP	23.93	7.9	24.5	18.3	36	1.11
Sabine Royalty Trust	SBR	42.51	9.4	26.7	16.7	17	2.55
San Juan Basin Royalty Trust	SJT	12.95	8.1	25.0	15.4	21	0.61
Hugoton Royalty Trust	HGT	7.43	13.9	22.0	13.6	16	0.46
Cross Timbers Royalty Trust	CRT	21.62	12.1	23.3	12.0	16	1.31
Permian Basin RT	PBT	9.25	9.8	20.8	12.0	19	0.49
Enduro Royalty Trust	NDRO	4.62	8.2	17.5	7.3	23	0.20
	<i>Median</i>		<i>9.4</i>	<i>23.3</i>	<i>13.6</i>	<i>19</i>	
EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended December 31, 2015; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses							



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Table 4									
McDep Energy Stocks									
Total Return Year-to-Date 2015									
Ranked by Unlevered Total Return									
		Price	Price			Equity	Unlevered		
		(\$/sh)	(\$/sh)	Price	Cash	Total	Debt	Return	McDep
	Symbol	9-Mar	29-Dec	Change	Distrib.	Return	(\$/sh)	(%)	Ratio
		2015	2014	(%)	(%)	(%)			
Global Integrated									
	LUKOY	45.29	38.75	17	-	17	10	13	0.38
	TOT	50.42	52.74	(4)	-	(4)	26	(3)	0.72
	CVX	103.95	113.32	(8)	-	(8)	28	(7)	0.74
	XOM	85.16	93.07	(8)	-	(8)	20	(7)	0.86
	RDS-A	61.15	68.31	(10)	-	(10)	27	(7)	0.72
	<i>Median</i>			(8)		(8)		(7)	0.72
U.S. Independent									
	DVN	58.04	61.15	(5)	-	(5)	41	(3)	0.70
	MRO	26.30	28.58	(8)	-	(8)	12	(6)	0.62
	EOG	87.72	94.33	(7)	0	(7)	10	(6)	0.81
	OXY	74.80	81.71	(8)	-	(8)	7	(8)	0.76
	COP	61.97	70.11	(12)	-	(12)	29	(8)	0.70
	<i>Median</i>			(8)		(8)		(6)	0.70
Canada									
	ECA	11.43	13.94	(18)	-	(18)	16	(8)	0.60
	COSWF	7.84	9.20	(15)	-	(15)	6	(9)	0.53
	CVE	17.41	20.95	(17)	-	(17)	8	(12)	0.51
	IMO	36.87	43.49	(15)	-	(15)	10	(12)	0.75
	<i>Median</i>			(16)		(16)		(11)	0.56
Small Cap Independent Producers									
	CLR	43.31	38.26	13	-	13	18	9	0.59
	CRC	7.16	5.77	24	-	24	16	6	0.42
	WLL	37.71	34.09	11	-	11	36	5	0.58
	XEC	108.20	110.27	(2)	-	(2)	19	(2)	0.80
	RRC	46.61	56.00	(17)	-	(17)	24	(12)	0.57
	BIREF	5.05	6.75	(25)	-	(25)	3	(17)	0.43
	<i>Median</i>			4		4		2	0.58
RTF Cash Payers									
	CRT	21.62	18.07	20	1	21	-	21	0.52
	SBR	42.51	36.68	16	1	17	-	17	0.63
	PBT	9.25	9.12	1	0	2	-	2	0.58
	NDRO	4.62	4.58	1	0	1	-	1	0.42
	HGT	7.43	7.63	(3)	1	(2)	-	(2)	0.62
	DMLP	23.93	25.16	(5)	2	(3)	-	(3)	0.75
	SJT	12.95	13.97	(7)	0	(7)	-	(7)	0.62
	<i>Median</i>			1		1		1	0.62
	<i>Grand Median</i>			(7)		(7)		(6)	0.62
	Natural Gas (\$/mmbtu)	2.69	3.19	(16)					
	Oil - West Texas Intermediate (\$/bbl)	50.10	53.69	(7)					

Source: McDep LLC, Yahoo, CME Group, Bloomberg



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Index of Recent Research			
Stock Ideas			
<u>Date</u>	<u>Symbol</u>	<u>Subject</u>	<u>Theme</u>
9-Mar	XOM	Exxon Mobil	Safe at Any Likely Oil Price
27-Feb	EOG	EOG Resources	Top Value Creator
30-Jan	COSWF	Canadian Oil Sands Ltd.	Syncrude Lowers Breakeven to \$US32 a Barrel
23-Dec	RRC	Range Resources	Record Appalachian Well (Meter Reader)
9-Dec	WLL	Whiting Petroleum	Kodiak Acquisition Completed (Meter Reader)
25-Nov	COP	ConocoPhillips	Strong 4% Dividend Independent Producer
13-Nov	BIREF	Birchcliff Energy	Raise NPV to US\$16 on Alberta Natural Gas
4-Nov	CRC	California Resources Corporation	Pure Play Largest California Producer (Meter Reader)
28-Oct	CVE	Cenovus Energy	Same Stock Price, Twice the Production (Meter Reader)
21-Oct	TOT	Total	Chief Executive Dies
21-Oct	XEC	Cimarex Energy	Strong Independent Producer (Meter Reader)
14-Oct	DVN	Devon Energy	Rebalance Candidate (Meter Reader)
7-Oct	ECA	Encana Corporation	Suttles' Stamp (Meter Reader)
23-Sep	CLR	Continental Resources	Raise NPV to \$85 on 29% Growth (Meter Reader)
16-Sep	RDSA	Royal Dutch Shell plc	Ben's Growth Strategy (Meter Reader)
2-Sep	LUKOY	Lukoil	Oil under Uncertainty (Meter Reader)
26-Aug	SJT	San Juan Basin Royalty Trust	Income and Shale (Meter Reader)
8-Aug	DMLP	Dorchester Minerals, L.P.	Robust Bakken and Permian Oil Growth
22-Jul	MRO	Marathon Oil	Frac Shale Oil, Sell Norway (Meter Reader)
10-Jun	OXY	Occidental Petroleum	Raise NPV to \$120, Spinoff Filed (Meter Reader)
27-May	CVX	Chevron	Oil Price Turns Up (Meter Reader)
23-Apr	HGT	Hugoton Royalty Trust	Positive Arbitration Ruling
18-Mar	PBT	Permian Basin Royalty Trust	Rising Oil Production, Understated Income (Meter Reader)
For historical research by stock, go to mcdep.com , click on Stock Ideas , click on stock by name.			
Meter Reader			
10-Mar			
10-Feb		CRT, CRC, COP, CVX	Oil Price Cycle Advances
13-Jan		SBR, XEC, COSWF, DVN, XOM	Oil and Gas Stocks on Sale
30-Dec		Book Review	The Moral Case for Fossil Fuels by Alex Epstein
23-Dec	RRC	Range Resources	Record Appalachian Well
16-Dec			Oil and Gas Stocks for 2015 - For Contrarians and Rebalancers
9-Dec	WLL	Whiting Petroleum	Kodiak Acquisition Completed (Meter Reader)
2-Dec			Rebuild Oil and Gas Positions
25-Nov	COP	ConocoPhillips	Strong 4% Dividend Independent Producer
18-Nov	DMLP, SJT	RTF (Royalty Trust Fund)	DMLP, SJT and the RTF - High Income without Debt
11-Nov	COSWF	Canadian Oil Sands Ltd.	Record Monthly Production
4-Nov	CRC	California Resources Corporation	Pure Play Largest California Producer
28-Oct	CVE	Cenovus Energy	Same Stock Price, Twice the Production
21-Oct	XEC	Cimarex Energy	Strong Independent Producer
14-Oct	DVN	Devon Energy	Rebalance Candidate
7-Oct	ECA	Encana Corporation	Suttles' Stamp
30-Sep		RTF (Royalty Trust Fund)	Current Income and Future Fracching
23-Sep	CLL	Continental Resources	Raise NPV to \$85 on 29% Growth
For earlier editions, go to mcdep.com , click on Meter Reader .			
Industry Ideas			
30-Dec		Book Review	The Moral Case for Fossil Fuels by Alex Epstein (Meter Reader)
18-Nov	DMLP, SJT	RTF (Royalty Trust Fund)	DMLP, SJT and the RTF - High Income without Debt (Meter Reader)
30-Sep		RTF (Royalty Trust Fund)	Current Income and Future Fracching



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Research Methodology/Ratings Description: McDep LLC is an independent research originator focused on oil and gas stocks exclusively. The firm applies the forty years of experience of its analyst to estimate a present value of the oil and gas resources and other businesses of covered companies. That value is compared with a company's stock market capitalization and debt. Stocks with low market cap and debt relative to present value tend to outperform stocks with high market cap and debt relative to present value. Buy recommendations are expected to deliver a total return better than 7% per year above inflation.