

## San Juan Basin Royalty Trust (SJT) Strategic Resource in a Cold Winter

<i>Symbol</i>	SJT	<i>Ebitda Next Twelve Months ending 12/31/14 (US\$mm)</i>	76
<i>Rating</i>	Buy	<i>North American Natural Gas/Ebitda (%)</i>	97
<i>Price (US\$/sh)</i>	17.09	<i>Natural Gas and Oil Production/Ebitda (%)</i>	100
<i>Pricing Date</i>	2/8/14	<i>Adjusted Reserves/Production NTM</i>	10.0
<i>Shares (mm)</i>	47	<i>EV/Ebitda</i>	10.4
<i>Market Capitalization (US\$mm)</i>	800	<i>PV/Ebitda</i>	12.8
<i>Debt (US\$mm)</i>	0	<i>Undeveloped Reserves (%)</i>	3
<i>Enterprise Value (EV) (US\$mm)</i>	800	<i>Natural Gas and Oil Ebitda (US\$/mcf)</i>	3.11
<i>Present Value (PV) (US\$mm)</i>	980	<i>Present Value Proven Reserves(US\$/boe)</i>	23.56
<i>Net Present Value (US\$/unit)</i>	21	<i>Oil and Gas Ebitda Margin (%)</i>	66
<i>Debt/Present Value</i>	0.00	<i>Earnings Next Twelve Months (US\$/un)</i>	1.52
<i>McDep Ratio - EV/PV</i>	0.81	<i>Price/Earnings Next Twelve Months</i>	11
<i>Distribution Yield (%/year)</i>	8.9	<i>Distribution Next Twelve Months (US\$/sh)</i>	1.52
Note: Estimated cash flow and earnings tied to one-year futures prices for 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 SJT since 2000 see <a href="http://www.mcdep.com/4sjt.htm">www.mcdep.com/4sjt.htm</a>			

### Summary and Recommendation

A cold winter reminds us once again of the long-life natural gas resource value in buy-recommended **San Juan Basin Royalty Trust (SJT)**. Strong seasonal price helps boost estimated distribution yield for the next year to 8.9% from 4.8% six months ago (see table Operating and Financial Estimates on page 2 and Monthly Distributions on page 3). Volume trends are stable at 3% a year decline despite minimal reinvestment currently (see chart Production on page 4). Price may benefit for the rest of the year from the effect of a cold winter as record inventory drawdown needs to be restored (see chart Storage on page 4). Lower development spending according to the budget announced for the year last month will also raise distribution in the near term. Spending may increase again and volume could gain with further pricing strength and technological progress. Operations by Encana and WPX are developing rapidly increasing oil production approaching a combined 10,000 barrels daily as reported to the New Mexico Oil Conservation Division. The oil prospects about SJT acreage (see map on page 5). We are optimistic that the unfolding volume, price and cost factors will support our estimate of Net Present Value (NPV) of \$21 a unit (see table Present Value on page 5). The quality of the resource may contribute further gains beyond today's NPV and the financial risk is low because the trust has no debt. We believe SJT is a promising long-term investment in the attractive RTF Cash Payer group (see Tables 1-4 on pages 6-9).

Kurt H. Wulff, CFA



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A Weekly Analysis of Large Cap Oil and Gas Stocks

February 11, 2014

San Juan Basin Royalty Trust									
Next Twelve Months Operating and Financial Estimates									
									<i>Next Twelve Months</i>
	<i>Year</i>	<i>Q3</i>	<i>Q4E</i>	<i>Year</i>	<i>Q1E</i>	<i>Q2E</i>	<i>Q3E</i>	<i>Q4E</i>	
	<i>2012</i>	<i>9/30/13</i>	<i>12/31/13</i>	<i>2013E</i>	<i>3/31/14</i>	<i>6/30/14</i>	<i>9/30/14</i>	<i>12/31/14</i>	<i>12/31/14</i>
<b>Highlights</b>									
Revenue (\$mm) (75%)	<b>85.3</b>	25.1	24.0	<b>92.2</b>	25.8	31.2	29.5	29.3	<b>115.8</b>
Cash flow (\$mm) (75%)	<b>51.1</b>	15.0	14.7	<b>54.1</b>	16.4	21.2	19.5	19.3	<b>76.4</b>
Per unit	<b>1.10</b>	0.32	0.32	<b>1.16</b>	0.35	0.46	0.42	0.41	<b>1.64</b>
Distributable Income (\$mm)	<b>33.5</b>	13.5	14.1	<b>36.5</b>	15.2	19.8	18.0	17.9	<b>70.8</b>
Per unit	<b>0.72</b>	0.29	0.30	<b>0.78</b>	0.33	0.42	0.39	0.38	<b>1.52</b>
Units (millions)	<b>46.6</b>	46.6	46.6	<b>46.6</b>	46.6	46.6	46.6	46.6	<b>46.6</b>
<b>Volume</b>									
Natural gas (mmbtu)	<b>35.6</b>	9.0	9.1	<b>34.7</b>	8.9	8.7	8.9	8.9	<b>35.5</b>
Heat Content(btu/cf)	<b>1,093</b>	1,093	1,089	<b>1,093</b>	1,093	1,093	1,093	1,093	<b>1,093</b>
Natural gas (bcf)	<b>32.6</b>	8.3	8.3	<b>31.7</b>	8.2	7.9	8.2	8.2	<b>32.5</b>
Natural Gas (mmcf)	<b>89.0</b>	89.7	90.4	<b>86.9</b>	89.0	89.0	89.0	89.0	<b>89.0</b>
Days	<b>366</b>	92	92	<b>365</b>	92	89	92	92	<b>365</b>
Oil (mb)	<b>0.1</b>	0.0	0.0	<b>0.1</b>	0.0	0.0	0.0	0.0	<b>0.1</b>
Oil (mbd)	<b>0.1</b>	0.2	0.1	<b>0.1</b>	0.1	0.2	0.2	0.1	<b>0.1</b>
Days	<b>366</b>	92	92	<b>365</b>	92	89	92	92	<b>365</b>
Total gas & oil (bcf)	<b>32.9</b>	8.3	8.4	<b>32.0</b>	8.3	8.0	8.3	8.3	<b>32.8</b>
<b>Price</b>									
Natural gas (\$/mmbtu) (Henry Hub lagged two months)									
Henry Hub (\$/mmbtu)	<b>2.76</b>	4.01	3.51	<b>3.64</b>	3.91	4.86	4.44	4.45	<b>4.41</b>
Differential (%)	<b>(11)</b>	11	3	<b>6</b>	4	4	4	4	<b>4</b>
Net to SJT (\$/mmbtu)	<b>3.08</b>	3.56	3.41	<b>3.41</b>	3.74	4.66	4.25	4.26	<b>4.22</b>
Natural gas (\$/mcf)	<b>3.36</b>	3.89	3.72	<b>3.73</b>	4.09	5.09	4.64	4.66	<b>4.62</b>
Oil (\$/bbl) (WTI Cushing lagged two months)									
WTI Cushing	<b>95.89</b>	98.43	104.44	<b>96.58</b>	95.56	99.68	97.81	95.24	<b>97.07</b>
SJT	<b>82.80</b>	86.48	91.76	<b>84.32</b>	83.43	87.03	85.39	83.15	<b>84.92</b>
Total gas & oil (\$/mcf)	<b>3.46</b>	4.01	3.81	<b>3.84</b>	4.17	5.19	4.75	4.73	<b>4.71</b>
<b>Revenue (\$mm)</b>									
Natural Gas	<b>109.6</b>	32.1	30.9	<b>118.3</b>	33.5	40.3	38.0	38.1	<b>149.9</b>
Oil	<b>4.2</b>	1.3	1.1	<b>4.6</b>	1.0	1.3	1.3	1.0	<b>4.5</b>
Total	<b>113.8</b>	33.4	32.0	<b>122.9</b>	34.4	41.6	39.3	39.1	<b>154.4</b>
<b>Cost (\$mm)</b>									
Severance tax	<b>10.8</b>	3.5	3.3	<b>13.0</b>	3.7	4.5	4.2	4.2	<b>16.6</b>
Operating	<b>34.8</b>	10.0	9.0	<b>37.8</b>	8.8	8.8	9.1	9.1	<b>35.8</b>
Total	<b>45.6</b>	13.5	12.4	<b>50.8</b>	12.5	13.3	13.3	13.3	<b>52.5</b>
<b>Cash flow (\$mm)</b>	<b>68.2</b>	20.0	19.6	<b>72.1</b>	21.9	28.3	25.9	25.8	<b>101.9</b>
Development	<b>22.2</b>	1.6	0.6	<b>21.5</b>	1.6	1.6	1.6	1.6	<b>6.2</b>
<b>Net proceeds (\$mm)</b>	<b>46.0</b>	18.3	19.1	<b>50.6</b>	20.3	26.7	24.4	24.2	<b>95.7</b>
<b>Royalty income (\$mm)</b>	<b>34.5</b>	13.7	14.3	<b>38.0</b>	15.3	20.1	18.3	18.2	<b>71.8</b>
Royalty/Net proceeds	<b>75%</b>	75%	75%	<b>75%</b>	75%	75%	75%	75%	<b>75%</b>
Administration	<b>0.8</b>	0.3	0.2	<b>1.6</b>	0.1	0.3	0.3	0.3	<b>1.0</b>
One-time	<b>0.2</b>			<b>(0.1)</b>					<b>-</b>
<b>Distributable income (\$mm)</b>	<b>33.5</b>	13.5	14.1	<b>36.5</b>	15.2	19.8	18.0	17.9	<b>70.8</b>

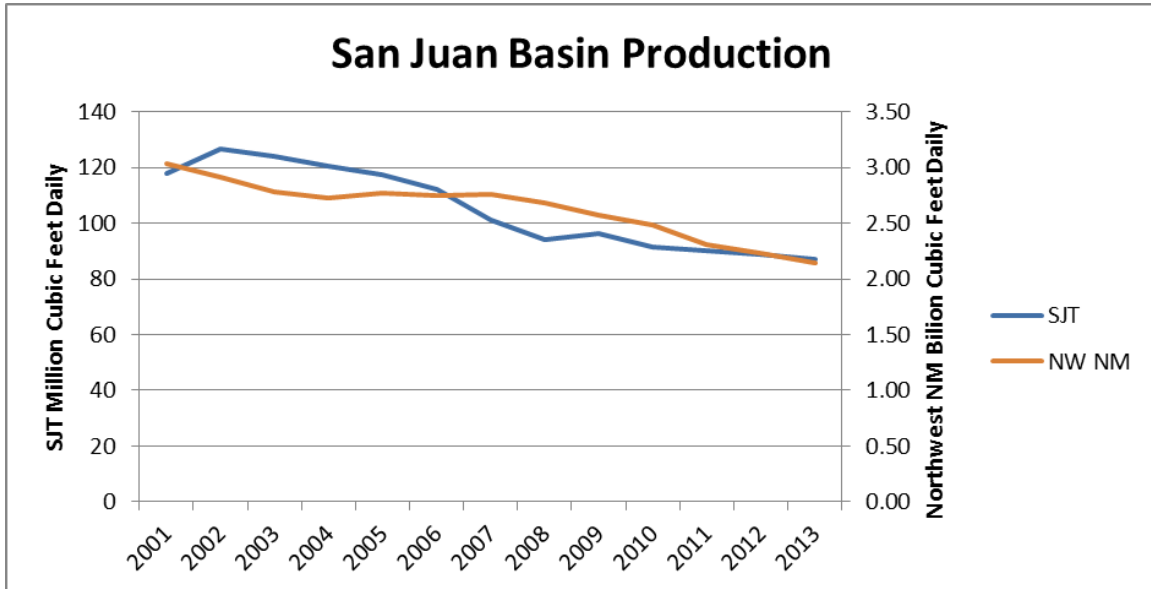


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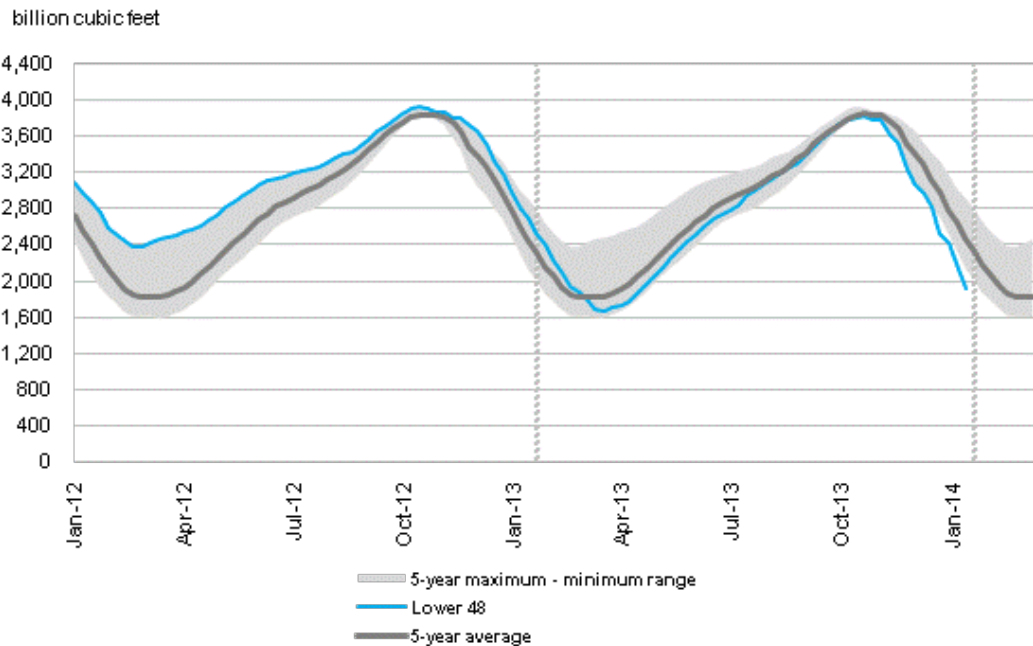
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San Juan Basin Royalty Trust									
Monthly Declarations									
							Estimated		
	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14
<b>Volume</b>									
Natural gas (mmbtu)	2.95	3.01	3.02	2.91	3.13	2.92	3.01	3.01	2.72
Heat Content(btu/cf)	1,093	1,095	1,092	1,094	1,082	1,094	1,093	1,093	1,092
Natural gas (bcf)	2.70	2.75	2.76	2.66	2.89	2.67	2.76	2.76	2.49
Natural Gas (mmcf)	90	89	89	89	93	89	89	89	89
Days	30	31	31	30	31	30	31	31	28
<b>Price</b>									
Natural gas industry quotes lagged two months (\$/mmbtu)									
Henry Hub Index/Futures	4.15	3.71	3.45	3.57	3.50	3.49	3.82	4.41	5.58
San Juan Monthly Index	3.95	3.52	3.42	3.36	3.33	3.33	3.59	4.33	4.87
San Juan Index/Henry Hub	0.95	0.95	0.99	0.94	0.95	0.95	0.94	0.98	0.87
SJT/San Juan Index	0.92	0.96	0.99	1.05	0.99	1.04	0.98	0.98	0.98
SJT (\$/mmbtu)	3.64	3.37	3.40	3.54	3.31	3.45	3.52	4.26	4.79
SJT (\$/mcf)	3.98	3.70	3.71	3.87	3.58	3.76	3.85	4.65	5.23
<b>Revenue (\$mm)</b>									
Natural Gas	10.7	10.2	10.3	10.3	10.4	10.0	10.6	12.8	13.0
Other	0.2	0.4	0.3	0.3	0.2	0.5	0.2	0.2	0.2
<b>Cost (\$mm)</b>									
Severance tax	1.2	1.1	1.1	1.1	1.1	1.1	1.2	1.4	1.4
Operating	3.4	3.3	3.3	2.8	3.0	2.8	3.0	3.0	3.0
Total	4.6	4.5	4.4	3.9	4.1	4.0	4.2	4.4	4.4
<b>Cash flow (\$mm)</b>									
Development	0.8	0.2	0.2	(0.2)	0.5	0.6	0.5	0.5	0.5
<b>Net proceeds (\$mm)</b>									
	5.6	5.9	6.0	6.8	6.0	6.0	6.2	8.1	8.3
<b>Royalty income (\$mm)</b>									
Royalty/Net proceeds	4.2	4.4	4.5	5.1	4.5	4.5	4.6	6.1	6.2
One time									
<b>Distributable income (\$mm)</b>									
	4.2	4.4	4.5	5.1	4.5	4.5	4.6	6.1	6.2
<b>Units (millions)</b>									
	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6
<b>Distribution (\$/unit)</b>									
	0.09	0.09	0.10	0.11	0.10	0.10	0.10	0.13	0.13



Working gas in underground storage compared with the 5-year maximum and minimum



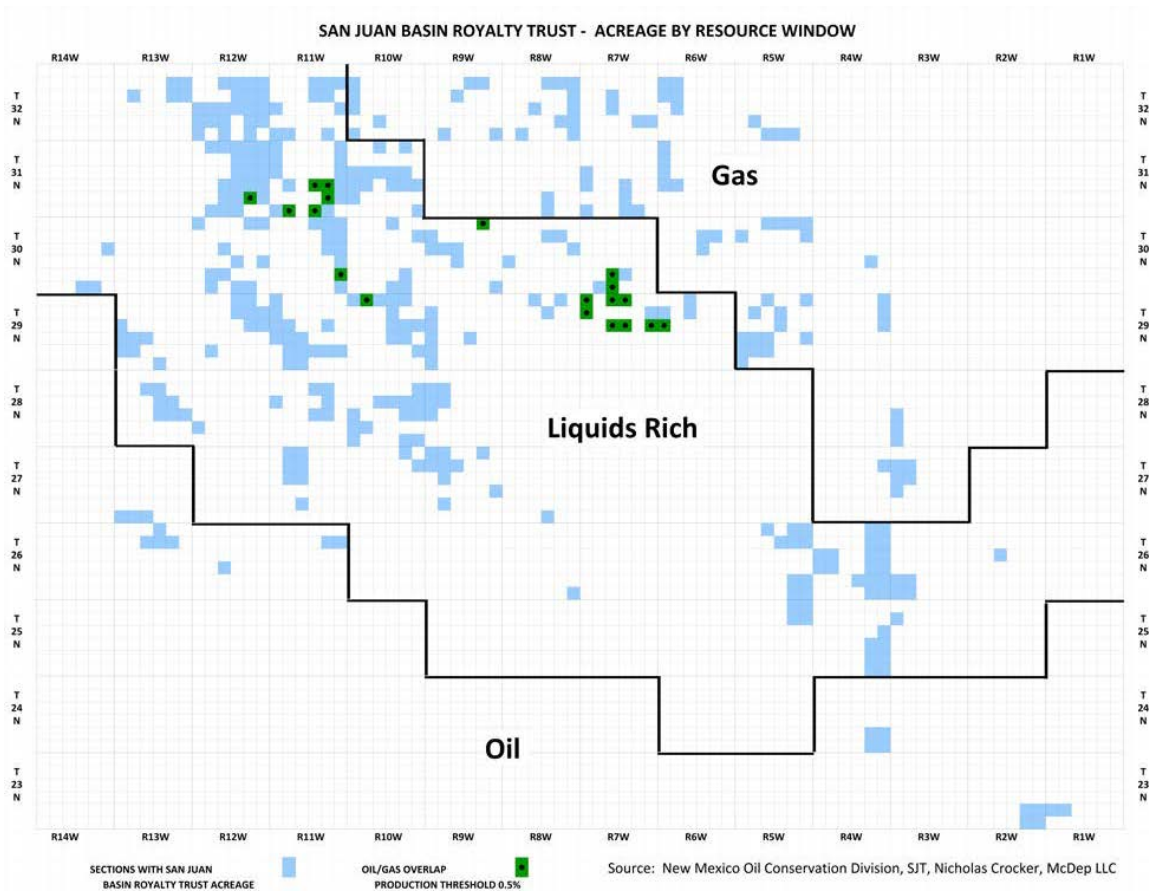
 Source: U.S. Energy Information Administration



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<b>San Juan Basin Royalty Trust</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	76	10.0	12.9	980	100%
	76	10.0	12.9	980	100%
Debt (US\$mm)					-
Net Present Value (US\$mm)					980
Shares (mm)					47
Net Present Value - Standard Estimate (US\$/sh)					21
NPV Approximation by Cash Flow Multiple Depending on Reserve Life (US\$/sh)					19



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						<i>Present Value by Segment (%)</i>					
		<i>Price</i>		<i>EV/</i>	<i>Enterprise</i>	<i>North</i>	<i>Rest of</i>			<i>Dist.</i>	
		<i>(US\$/sh)</i>		<i>Market</i>	<i>Value</i>	<i>Amer.</i>	<i>World</i>			<i>Yield</i>	
<i>Symbol/Rating</i>	<i>8-Feb</i>	<i>2014</i>	<i>Cap</i>	<i>(\$mm)</i>	<i>Natural</i>	<i>Natural</i>	<i>Oil</i>	<i>Down-</i>	<i>NTM</i>	<i>McDep</i>	
<i>B = Buy, CB (see below)</i>					<i>Gas</i>	<i>Gas</i>	<i>Prod'n</i>	<i>stream</i>	<i>(%)</i>	<i>Ratio</i>	
<b>Global Integrated</b>											
Exxon Mobil Corporation	XOM	CB	89.52	1.22	476,000	8	19	57	17	2.8	0.90
Royal Dutch Shell plc	RDS-A		69.12	1.37	297,000	4	22	57	17	5.2	0.79
Total S.A.	TOT		58.43	1.34	179,000		22	61	17	5.5	0.78
Chevron Corporation	CVX		111.69	1.18	254,000	4	11	72	13	3.6	0.78
Lukoil Oil Company	LUKOY	CB	57.05	1.05	46,600			74	26	5.0	0.43
<i>Total or Median</i>				<i>1.22</i>	<i>1,253,000</i>			<i>61</i>	<i>17</i>	<i>5.0</i>	<i>0.78</i>
<b>U.S. Independent</b>											
EOG Resources, Inc.	EOG		174.20	1.14	54,200	22	4	75		0.4	0.97
Occidental Petroleum Corp.	OXY		90.69	1.13	82,400	9	1	79	11	2.8	0.86
Marathon Oil Corporation	MRO	CB	32.27	1.49	33,600	7	3	90		2.4	0.73
ConocoPhillips	COP		64.58	1.43	114,000	15	15	71		4.3	0.72
Devon Energy Corporation	DVN	B	60.80	1.41	34,900	45		55		1.4	0.69
<i>Total or Median</i>				<i>1.41</i>	<i>319,000</i>	<i>15</i>		<i>75</i>		<i>2.4</i>	<i>0.73</i>
<b>Canada/Australia</b>											
Woodside Petroleum Ltd.	WOPEY		33.77	1.18	33,000		69	31		4.9	0.95
Imperial Oil Limited (30%)	IMO		41.46	1.29	13,700	2		79	18	1.1	0.84
EnCana Corporation	ECA	B	18.24	1.64	22,000	80		20		1.5	0.72
Cenovus Energy Inc.	CVE		26.41	1.34	26,800	9		75	16	3.3	0.69
Canadian Oil Sands Limited	COSWF	CB	18.66	1.27	11,500			100		6.8	0.61
<i>Total or Median</i>				<i>1.29</i>	<i>107,000</i>			<i>75</i>		<i>3.3</i>	<i>0.72</i>
<b>Small Cap Independent Producers</b>											
Range Resources	RRC	B	84.39	1.26	17,200	72		28		0.2	0.95
PDC Energy	PDCE		49.75	1.33	2,400	27		73		-	0.93
Continental Resources (32%)	CLR	B	107.76	1.24	7,900	16		84		-	0.92
Peyto Exploration and Developm	PEYUF		30.06	1.18	5,300	82		18		2.2	0.90
Cimarex Energy Company	XEC	B	102.72	1.16	10,400	41		59		0.5	0.84
WPX Energy Inc.	WPX		18.92	1.64	6,200	68		32		-	0.81
Whiting Petroleum Corporation	WLL	B	56.74	1.40	9,500	8		92		-	0.81
Halcón Resources	HK		3.49	3.09	5,000	8		92		-	0.76
Birchcliff Energy Ltd.	BIREF	B	7.55	1.43	1,800	69		31		-	0.71
<i>Total or Median</i>				<i>1.33</i>	<i>66,000</i>	<i>41</i>		<i>59</i>		<i>-</i>	<i>0.84</i>
<b>RTF Cash Payers</b>											
Enduro Royalty Trust	NDRO		13.79	1.00	460	37		63		9.2	0.98
Freehold Royalties Ltd.	FRHLF		19.92	1.04	1,390	18		82		7.6	0.95
Dorchester Minerals, L.P.	DMLP	B	24.56	1.00	750	51		49		8.7	0.94
Mesa Royalty Trust	MTR		22.41	1.00	40	79		21		8.7	0.90
San Juan Basin Royalty Trust	SJT	B	17.09	1.00	800	100		-		8.9	0.81
Sabine Royalty Trust	SBR		50.80	1.00	740	52		48		8.7	0.79
Cross Timbers Royalty Trust	CRT		30.19	1.00	180	70		30		10.8	0.72
Hugoton Royalty Trust	HGT		8.44	1.00	340	90		10		13.1	0.70
Permian Basin RT	PBT		12.38	1.00	580	19		81		8.4	0.69
<i>Total or Median</i>				<i>1.00</i>	<i>5,300</i>	<i>52</i>		<i>48</i>		<i>8.7</i>	<i>0.81</i>

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) 8-Feb 2014</i>	<i>Shares (mm)</i>	<i>Market Cap (US\$m)</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>								
<b>Global Integrated</b>								
Exxon Mobil Corporation	XOM	CB	89.52	4,361	390,000	102.00	0.16	0.90
Royal Dutch Shell plc	RDS-A		69.12	3,138	217,000	95.00	0.21	0.79
Total S.A.	TOT		58.43	2,275	133,000	80.00	0.20	0.78
Chevron Corporation	CVX		111.69	1,919	214,000	150.00	0.12	0.78
Lukoil Oil Company	LUKOY	CB	57.05	776	44,300	135.00	0.02	0.43
<i>Total or Median</i>					<i>998,000</i>		<i>0.16</i>	<i>0.78</i>
<b>U.S. Independent</b>								
EOG Resources, Inc.	EOG		174.20	274	47,700	180.00	0.12	0.97
Occidental Petroleum Corp.	OXY		90.69	802	72,700	108.00	0.10	0.86
Marathon Oil Corporation	MRO	CB	32.27	701	22,620	50.00	0.24	0.73
ConocoPhillips	COP		64.58	1,241	80,000	100.00	0.22	0.72
Devon Energy Corporation	DVN	B	60.80	407	24,700	100.00	0.20	0.69
<i>Total or Median</i>					<i>247,700</i>		<i>0.20</i>	<i>0.73</i>
<b>Canada/Australia</b>								
Woodside Petroleum Ltd.	WOPEY		33.77	823	27,800	36.00	0.14	0.95
Imperial Oil Limited (30%)	IMO		41.46	255	10,600	52.00	0.19	0.84
EnCana Corporation	ECA	B	18.24	736	13,400	30.00	0.28	0.72
Cenovus Energy Inc.	CVE		26.41	757	20,000	42.00	0.18	0.69
Canadian Oil Sands Limited	COSWF	CB	18.66	485	9,100	34.00	0.13	0.61
<i>Total or Median</i>					<i>81,000</i>		<i>0.18</i>	<i>0.72</i>
<b>Small Cap Independent Producers</b>								
Range Resources	RRC	B	84.39	161	13,600	90.00	0.20	0.95
PDC Energy	PDCE		49.75	36	1,800	55.00	0.23	0.93
Continental Resources (32%)	CLR	B	107.76	59	6,400	120.00	0.18	0.92
Peyto Exploration and Development Corp.	PEYUF		30.06	149	4,500	34.00	0.14	0.90
Cimarex Energy Company	XEC	B	102.72	87	8,900	125.00	0.12	0.84
WPX Energy Inc.	WPX		18.92	201	3,800	26.00	0.32	0.81
Whiting Petroleum Corporation	WLL	B	56.74	120	6,800	75.00	0.23	0.81
Halcón Resources	HK		3.49	463	1,600	7.00	0.51	0.76
Birchcliff Energy Ltd.	BIREF	B	7.55	163	1,200	12.00	0.21	0.71
<i>Total or Median</i>					<i>49,000</i>		<i>0.21</i>	<i>0.84</i>
<b>RTF Cash Payers</b>								
Enduro Royalty Trust	NDRO		13.79	33	460	14.00	-	0.98
Freehold Royalties Ltd.	FRHLF		19.92	67	1,340	21.00	0.04	0.95
Dorchester Minerals, L.P.	DMLP	B	24.56	31	750	26.00	-	0.94
Mesa Royalty Trust	MTR		22.41	2	40	25.00	-	0.90
San Juan Basin Royalty Trust	SJT	B	17.09	47	800	21.00	-	0.81
Sabine Royalty Trust	SBR		50.80	15	740	64.00	-	0.79
Cross Timbers Royalty Trust	CRT		30.19	6	180	42.00	-	0.72
Hugoton Royalty Trust	HGT		8.44	40	340	12.00	-	0.70
Permian Basin RT	PBT		12.38	47	580	18.00	-	0.69
<i>Total or Median</i>					<i>5,200</i>		<i>-</i>	<i>0.81</i>

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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Table 3									
McDep Energy Stocks									
Value Multiples and Dividend									
Ranked by EV/Ebitda									
			Price (US\$/sh)	Adjustd Resrvs/ Prod	PV/ Ebitda NTM	EV/ Ebitda NTM	P/E NTM	Dividend NTM (\$/sh)	
	Symbol/Rating		8-Feb 2014	NTM	NTM	NTM	NTM		
	B = Buy, CB (see below)								
<b>Global Integrated</b>									
	Exxon Mobil Corporation	XOM	CB	89.52	13.1	7.3	6.5	11	2.52
	Royal Dutch Shell plc	RDS-A		69.12	9.9	6.8	5.3	14	3.60
	Chevron Corporation	CVX		111.69	9.2	6.6	5.1	10	4.00
	Total S.A.	TOT		58.43	9.8	6.0	4.7	9	3.22
	Lukoil Oil Company	LUKOY	CB	57.05	15.7	5.6	2.4	5	2.88
	<i>Median</i>				9.9	6.6	5.1	10	
<b>U.S. Independent</b>									
	EOG Resources, Inc.	EOG		174.20	7.1	6.5	6.3	19	2.56
	Occidental Petroleum Corp.	OXY		90.69	10.4	6.9	5.9	14	2.76
	ConocoPhillips	COP		64.58	11.5	8.0	5.8	11	0.75
	Devon Energy Corporation	DVN	B	60.80	10.1	8.0	5.5	14	0.76
	Marathon Oil Corporation	MRO	CB	32.27	10.2	7.5	5.5	12	0.88
	<i>Median</i>				10.2	7.5	5.8	14	
<b>Canada/Australia</b>									
	Imperial Oil Limited (30%)	IMO		41.46	20.1	10.5	8.7	11	0.47
	EnCana Corporation	ECA	B	18.24	7.2	11.5	8.2	12	0.88
	Woodside Petroleum Ltd.	WOPEY		33.77	9.5	8.3	7.9	17	1.66
	Canadian Oil Sands Limited	COSWF	CB	18.66	20.8	10.3	6.3	11	1.27
	Cenovus Energy Inc.	CVE		26.41	12.3	7.7	5.3	13	0.28
	<i>Median</i>				12.3	10.3	7.9	12	
<b>Small Cap Independent Producers</b>									
	Range Resources	RRC	B	84.39	15.3	13.3	12.7	51	0.16
	Peyto Exploration and Development Corp.	PEYUF		30.06	8.5	9.7	8.7	16	0.65
	PDC Energy	PDCE		49.75	25.1	9.0	8.4	26	-
	Birchcliff Energy Ltd.	BIREF	B	7.55	17.8	10.9	7.7	16	-
	WPX Energy Inc.	WPX		18.92	8.0	9.2	7.5		-
	Continental Resources (32%)	CLR	B	107.76	11.4	7.7	7.1	16	-
	Halcón Resources	HK		3.49	5.3	9.1	6.9	8	-
	Cimarex Energy Company	XEC	B	102.72	7.2	7.4	6.2	14	0.56
	Whiting Petroleum Corporation	WLL	B	56.74	8.1	5.6	4.6	12	-
	<i>Median</i>				8.5	9.1	7.5	16	
<b>RTF Cash Payers</b>									
	Sabine Royalty Trust	SBR		50.80	9.2	14.4	11.5	11	4.43
	San Juan Basin Royalty Trust	SJT	B	17.09	10.0	12.8	10.4	11	1.52
	Mesa RoyaltyTrust	MTR		22.41	5.2	10.5	9.5	12	1.94
	Dorchester Minerals, L.P.	DMLP	B	24.56	6.5	9.9	9.4	14	2.13
	Freehold Royalties Ltd.	FRHLF		19.92	4.7	9.8	9.3	20	1.52
	Cross Timbers Royalty Trust	CRT		30.19	12.5	12.0	8.6	9	3.26
	Enduro Royalty Trust	NDRO		13.79	6.4	8.2	8.1	11	1.27
	Permian Basin RT	PBT		12.38	12.7	10.7	7.4	12	1.04
	Hugoton RoyaltyTrust	HGT		8.44	12.8	9.5	6.7	8	1.11
	<i>Median</i>				9.2	10.5	9.3	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 December 31, 2014; 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 and Enterprise Value Momentum									
Ranked by EV/200-Day Average									
			Price	Equity					
			(\$/sh)	Total					
	Symbol		8-Feb	Return	Enterprise Value/				McDep
	Rating		2014	YTD	52Wk	52Wk	50 Day	200 Day	Ratio
				(%)	High	Low	Avg.	Avg.	
<b>Global Integrated</b>									
Total S.A.	TOT		58.43	(5)	0.95	1.19	0.99	1.04	0.78
Royal Dutch Shell plc	RDS-A		69.12	(3)	0.96	1.07	1.00	1.02	0.79
Exxon Mobil Corporation	XOM	CB	89.52	(11)	0.90	1.05	0.94	0.98	0.90
Lukoil Oil Company	LUKOY	CB	57.05	(10)	0.85	1.05	0.96	0.93	0.43
Chevron Corporation	CVX		111.69	(11)	0.89	1.02	0.94	0.93	0.78
	<i>Median</i>			(10)	0.90	1.05	0.96	0.98	0.78
<b>U.S. Independent</b>									
EOG Resources, Inc.	EOG		174.20	4	0.93	1.46	1.04	1.10	0.97
Devon Energy Corporation	DVN	B	60.80	(2)	0.93	1.13	1.01	1.02	0.69
Occidental Petroleum Corp.	OXY		90.69	(5)	0.92	1.15	0.99	0.99	0.86
ConocoPhillips	COP		64.58	(9)	0.90	1.10	0.96	0.97	0.72
Marathon Oil Corporation	MRO	CB	32.27	(9)	0.89	1.06	0.95	0.94	0.73
	<i>Median</i>			(5)	0.92	1.13	0.99	0.99	0.73
<b>Canada/Australia</b>									
EnCana Corporation	ECA	B	18.24	1	0.93	1.06	1.00	1.01	0.72
Imperial Oil Limited (30%)	IMO		41.46	(6)	0.93	1.09	0.98	0.99	0.84
Canadian Oil Sands Limited	COSWF	CB	18.66	(1)	0.88	1.04	1.01	0.97	0.61
Woodside Petroleum Ltd.	WOPEY		33.77	(3)	0.87	1.07	1.00	0.97	0.95
Cenovus Energy Inc.	CVE		26.41	(8)	0.84	1.02	0.97	0.93	0.69
	<i>Median</i>			(3)	0.88	1.06	1.00	0.97	0.72
<b>Small Cap Independent Producers</b>									
Cimarex Energy Company	XEC	B	102.72	(2)	0.92	1.50	1.03	1.15	0.84
Continental Resources (32%)	CLR	B	107.76	(4)	0.91	1.36	1.00	1.06	0.92
Range Resources	RRC	B	84.39	0	0.96	1.17	1.02	1.06	0.95
Whiting Petroleum Corporation	WLL	B	56.74	(8)	0.85	1.22	0.97	1.02	0.81
Peyto Exploration and Development	PEYUF		30.06	(2)	0.95	1.24	0.99	1.02	0.90
Birchcliff Energy Ltd.	BIREF	B	7.55	10	0.89	1.09	1.03	1.01	0.71
WPX Energy Inc.	WPX		18.92	(7)	0.87	1.19	0.99	0.99	0.81
PDC Energy	PDCE		49.75	(7)	0.73	1.21	0.96	0.92	0.93
Halcón Resources	HK		3.49	(10)	0.70	1.03	0.99	0.88	0.76
	<i>Median</i>			(4)	0.89	1.21	0.99	1.02	0.84
<b>RTF Cash Payers</b>									
San Juan Basin Royalty Trust	SJT	B	17.09	3	0.94	1.22	1.00	1.05	0.81
Cross Timbers Royalty Trust	CRT		30.19	3	0.95	1.20	1.01	1.04	0.72
Hugoton Royalty Trust	HGT		8.44	13	0.85	1.21	1.05	1.03	0.70
Mesa Royalty Trust	MTR		22.41	6	0.87	1.12	1.05	1.01	0.90
Dorchester Minerals, L.P.	DMLP	B	24.56	(4)	0.93	1.09	0.98	1.00	0.94
Sabine Royalty Trust	SBR		50.80	1	0.92	1.15	1.00	0.99	0.79
Enduro Royalty Trust	NDRO		13.79	15	0.81	1.17	1.08	0.96	0.98
Permian Basin RT	PBT		12.38	(3)	0.76	1.04	0.94	0.91	0.69
Freehold Royalties Ltd.	FRHLF		19.92	(4)	0.82	1.02	0.97	0.89	0.95
	<i>Median</i>			3	0.87	1.15	1.00	1.00	0.81

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

Source: Bloomberg, Yahoo, McDep LLC



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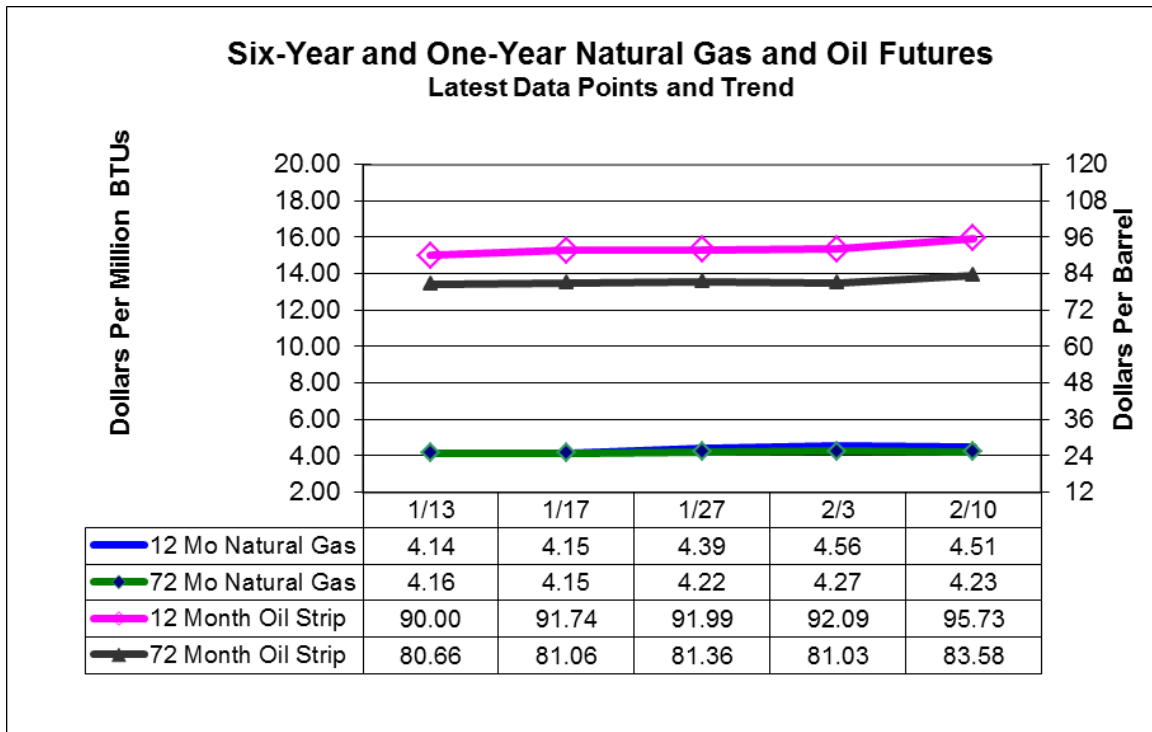
Index of Recent Research			
<b>Stock Ideas</b>			
<u>Date</u>	<u>Symbol</u>	<u>Subject</u>	<u>Theme</u>
4-Feb	XOM	Exxon Mobil	Largest and Strongest Oil and Gas Producer (Meter Reader)
21-Jan	RDSA	Royal Dutch Shell plc	Lower NPV to \$95 on Profit Warning (Meter Reader)
14-Jan	PDCE	PDC Energy	Raise NPV to \$55 on Colorado Shale Oil (Meter Reader)
17-Dec	MRO	Marathon Oil	New CEO Accelerates Shale Growth (Meter Reader)
3-Dec	LUKOY	Lukoil	Low McDep Ratio Emerging Market Stock (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)
15-Nov	BIREF	Birchcliff Energy	15% a Year Growth to 2018
12-Nov	XEC	Cimarex Energy	Raise NPV to \$125 on Permian Productivity (Meter Reader)
8-Nov	DMLP	Dorchester Minerals, L.P.	Oil up 6% a Quarter
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
29-Oct	WLL	Whiting Petroleum	Fracking Productivity Leaps 50% (Meter Reader)
25-Oct	ECA	Encana Corporation	San Juan Oil Upgraded to Commercial from Emerging
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)
19-Jul	SJT	San Juan Basin Royalty Trust	Acreage 75% in Liquids-Rich Shale Zone (Income and Small Cap Weekly)
12-Jul	PBT	Permian Basin Royalty Trust	Stock Price Recovering from Short-Term Overreaction
5-Jul	LINE	Linn Energy	Stock Undervalued while SEC Probes (Income and Small Stock Weekly)
31-May	HGT	Hugoton Royalty Trust	Beating the Bear (Income and Small Cap Weekly)
14-May	EOG	EOG Resources	Raise NPV to \$180 on More Big Wells (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 <a href="http://mcdep.com">mcdep.com</a> , click on <a href="#">Stock Ideas</a> , click on stock by name.			
<b>Meter Reader</b>			
4-Feb	XOM	Exxon Mobil	Largest and Strongest Oil and Gas Producer
28-Jan	SJT, HGT, MTR, BIREF		Arctic Cold Strengthens Natural Gas Price
21-Jan	RDSA	Royal Dutch Shell plc	Lower NPV to \$95 on Profit Warning
14-Jan	PDCE	PDC Energy	Raise NPV to \$55 on Colorado Shale Oil
7-Jan			Six-Year Futures Up in 2014
31-Dec			Catch up for Canada
24-Dec			Rising RTF Cash in 2014
17-Dec	MRO	Marathon Oil	New CEO Accelerates Shale Growth
10-Dec			Fracking Investment Strategy
For earlier editions, go to <a href="http://mcdep.com">mcdep.com</a> , click on <a href="#">Meter Reader</a> .			
<b>Industry Ideas</b>			
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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