

Encana (ECA) Hidden Value Surfaces

<i>Symbol</i>	ECA	<i>Ebitda Next Twelve Months ending 6/30/15 (US\$mm)</i>	3,200
<i>Rating</i>	Buy	<i>North American Natural Gas/Ebitda (%)</i>	69
<i>Price (US\$/sh)</i>	23.31	<i>Natural Gas and Oil Production/Ebitda (%)</i>	100
<i>Pricing Date</i>	6/2/14	<i>Adjusted Reserves/Production NTM</i>	7.2
<i>Shares (mm)</i>	736	<i>EV/Ebitda</i>	8.0
<i>Market Capitalization (US\$mm)</i>	17,200	<i>PV/Ebitda</i>	9.5
<i>Debt (US\$mm)</i>	8,300	<i>Undeveloped Reserves (%)</i>	34
<i>Enterprise Value (EV) (US\$mm)</i>	25,400	<i>Natural Gas and Oil Ebitda (US\$/boe)</i>	18.14
<i>Present Value (PV) (US\$mm)</i>	30,300	<i>Present Value Proven Reserves(US\$/boe)</i>	19.81
<i>Net Present Value (US\$/share)</i>	30	<i>Ebitda Margin NTM (%)</i>	52
<i>Debt/Present Value</i>	0.27	<i>Earnings Next Twelve Months (US\$/sh)</i>	1.55
<i>McDep Ratio - EV/PV</i>	0.84	<i>Price/Earnings Next Twelve Months</i>	15
<i>Dividend Yield (%/year)</i>	1.2	<i>Indicated Annual Dividend (US\$/sh)</i>	0.28
Note: Estimated cash flow and earnings tied to one-year futures prices for oil and natural gas.			
Reported results may vary widely from estimates. Estimated present value per share revised only infrequently.			
Estimated present value presumes a long-term price for oil of US\$90 a barrel and natural gas, \$6 a million btu.			
For historical analysis of ECA since 2001 see www.mcdep.com/3eca.htm			

Summary and Recommendation

Hidden value in buy-recommended **Encana (ECA)** surfaced last week in an initial public offering of PrairieSky Royalty Ltd (PSK CN) and in the first quarter with unusually high price for natural gas produced offshore Nova Scotia. Our unchanged estimated Net Present Value (NPV) of \$30 a share offers further potential gain (see table Present Value on page 2). Offered at C\$28 a share, PrairieSky jumped to C\$37 on May 29, the first day of trading. After receiving US\$1.7 billion for 46% of the new company, Encana retains 54% of the new shares worth US\$2.3 billion. The \$4 billion of cash and retained shares amounts to 16% of Encana's enterprise value for 4% of oil reserves, 1% of natural gas reserves, 13% of oil production and 2% of natural gas production. A second hidden value surfaced during the cold winter when the U.S. Northeast ran short of natural gas despite abundant new supplies in Pennsylvania. Fortunately Encana produced natural gas in eastern Canada, which did not depend on pipelines in New York where political fringe envirofractivists oppose production and transportation of natural gas. Deep Panuke's \$19 a mcf price accounted for \$1.27 of the increase in Encana's first quarter 2014 price to \$6.37 (see table Operating and Financial Estimates on page 2). Judging by the hopelessness of New York energy politics, Deep Panuke may attract a premium price again next winter. Meanwhile, new chief executive Doug Suttles is rapidly remaking Encana with more deals to be reflected in future performance. At a McDep Ratio of 0.85, Encana stock has advanced from steep undervaluation while still offering long-term upside (see Tables 1-4 on pages 3-6).

Kurt H. Wulff, CFA



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A Weekly Analysis of Oil and Gas Stocks

June 3, 2014

Encana Corporation					
Functional Cash Flow and Present Value					
	NTM	Adjusted	PV/	Present	
	<u>Ebitda</u>	<u>R/P</u>	<u>Ebitda</u>	<u>Value</u>	
North American Natural Gas	2,220	7.4	11.0	24,400	80%
Oil	970	6.1	6.2	6,000	20%
	3,190	7.2	9.5	30,400	100%
Debt					8,300
Net Present Value (\$mm)					22,100
Shares					736
Net Present Value - Standard Estimate (US\$/sh)					30
NPV Approximation by Cash Flow Multiple Depending on Reserve Life (US\$/sh)					28

Encana Corporation										
Next Twelve Months Operating and Financial Estimates										
	Q2	Year	Q1	Q2E	Q3E	Q4E	Year	Q1E	Q2E	Next
	6/30/13	2013	3/31/14	6/30/13	9/30/14	12/31/14	2014E	3/31/15	6/30/15	Twelve
										Months
										6/30/15
Volume										
Natural Gas (mmcf)	2,766	2,777	2,809	2,499	2,474	2,449	2,557	2,425	2,400	2,437
Oil (mbd)	48	54	68	70	72	74	71	76	79	75
Total (bcf)	278	1,132	289	266	267	266	1,089	259	261	1,055
Total (mmcf)	3,052	3,100	3,216	2,919	2,906	2,894	2,983	2,883	2,873	2,889
Price										
Henry Hub (US\$/mmbtu)	4.10	3.65	4.95	4.67	4.58	4.60	4.70	4.67	4.12	4.49
Differential	0.11	0.08	(1.42)	-	-	-	(0.39)	(1.34)	-	(0.33)
EnCana (\$/mcf)	3.99	3.57	6.37	4.67	4.58	4.60	5.09	6.01	4.12	4.82
WTI Cushing (US\$/bbl)	94.22	97.98	98.74	102.09	101.74	98.96	100.38	96.26	94.12	97.77
Differential	27.12	30.68	29.51	30.51	30.41	29.58	30.00	28.77	28.13	29.27
EnCana (\$/bbl)	67.10	67.30	69.23	71.58	71.33	69.38	70.38	67.49	65.99	68.50
Total (\$/bbl)	27.98	26.21	42.15	34.30	34.00	34.03	36.25	41.06	31.51	35.13
Revenue (\$mm)										
Natural Gas	1,004	3,620	1,610	1,063	1,042	1,036	4,752	1,312	900	4,291
Oil	291	1,324	423	456	473	474	1,825	464	473	1,883
Total	1,295	4,944	2,033	1,518	1,515	1,510	6,577	1,776	1,373	6,174
Expense	650	2,702	675	734	732	730	2,871	858	664	2,985
Ebitda (\$mm)	645	2,242	1,359	784	783	780	3,705	917	709	3,189
Deprec., Deplet., & Amor	394	1,565	418	418	418	418	1,672	418	418	1,672
Hedging and other	(223)	(958)	102	(158)	(159)	(160)	(374)	(89)	(197)	(604)
Interest	141	563	147	147	147	147	588	147	147	588
Ebt	334	1,072	692	377	376	375	1,820	441	341	1,533
Income tax	83	268	173	94	94	94	455	110	85	383
Net Income (\$mm)	250	804	519	283	282	281	1,365	331	256	1,150
Per share (\$)	0.34	1.09	0.70	0.38	0.38	0.38	1.84	0.45	0.34	1.55
Shares (millions)	736	737	741	741	741	741	741	741	741	736
Ebitda margin	50%	45%	67%	52%	52%	52%	56%	52%	52%	52%
Tax rate	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%



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						Present Value by Segment (%)					
		Price			North	Rest of				Dist.	
		(US\$/sh)	EV/	Enterprise	Amer.	World				Yield	
Symbol/Rating		2-Jun	Market	Value	Natural	Natural	Oil	Down-	NTM	McDep	
B = Buy, CB (see below)		2014	Cap	(\$mm)	Gas	Gas	Prod'n	stream	(%)	Ratio	
Global Integrated											
E Exxon Mobil Corporation	XOM B	99.94	1.18	509,000	8	19	56	17	2.5	0.98	
Total S.A.	TOT	70.06	1.30	208,000			22	16	4.7	0.90	
Royal Dutch Shell plc	RDS-A	78.72	1.35	333,000	4	22	57	17	4.8	0.87	
Chevron Corporation	CVX	122.21	1.19	277,000	4	11	72	13	3.5	0.84	
Lukoil Oil Company	LUKOY CB	57.85	1.16	52,000			75	25	5.4	0.46	
<i>Total or Median</i>			<i>1.19</i>	<i>1,379,000</i>			<i>62</i>	<i>17</i>	<i>4.7</i>	<i>0.87</i>	
U.S. Independent											
EOG Resources, Inc.	EOG	105.38	1.09	62,900	18	4	78		0.5	0.96	
Occidental Petroleum Corp.	OXY	99.76	1.12	88,800	9	1	78	12	2.9	0.93	
ConocoPhillips	COP	79.48	1.34	132,000	15	14	71		3.5	0.84	
Devon Energy Corporation	DVN B	73.69	1.49	45,000	32		68		1.0	0.81	
Marathon Oil Corporation	MRO B	36.44	1.38	34,900	8	4	89		2.1	0.79	
<i>Total or Median</i>			<i>1.34</i>	<i>364,000</i>	<i>15</i>		<i>78</i>		<i>2.1</i>	<i>0.84</i>	
Canada/Australia											
Woodside Petroleum Ltd.	WOPEY	39.27	1.14	37,000		70	30		5.2	1.08	
Imperial Oil Limited (30%)	IMO	49.25	1.24	15,500	2		79	18	1.0	0.96	
EnCana Corporation	ECA B	23.31	1.48	25,500	80		20		1.2	0.84	
Cenovus Energy Inc.	CVE	29.49	1.32	29,500	9		75	15	3.3	0.76	
Canadian Oil Sands Limited	COSWF B	20.91	1.24	12,600			100		7.5	0.67	
<i>Total or Median</i>			<i>1.24</i>	<i>120,000</i>			<i>75</i>		<i>3.3</i>	<i>0.84</i>	
Small Cap Independent Producers											
Continental Resources (32%)	CLR B	140.07	1.21	10,100	16		84		-	1.03	
Peyto Exploration and Developm	PEYUF	35.70	1.17	6,200	81		19		2.5	0.97	
Range Resources	RRC B	92.70	1.26	18,900	62		38		0.2	0.94	
Halcón Resources	HK	6.10	2.38	6,000	6		94		-	0.94	
Cimarex Energy Company	XEC B	130.06	1.13	12,800	40		60		0.5	0.94	
Birchcliff Energy Ltd.	BIREF B	12.51	1.29	2,500	72		28		-	0.92	
PDC Energy	PDCE	63.50	1.28	2,900	27		73		-	0.88	
Whiting Petroleum Corporation	WLL B	71.99	1.34	11,500	7		93		-	0.84	
WPX Energy Inc.	WPX	20.96	1.63	6,900	70		30		-	0.83	
<i>Total or Median</i>			<i>1.28</i>	<i>78,000</i>	<i>40</i>		<i>60</i>		<i>-</i>	<i>0.94</i>	
RTF Cash Payers											
Freehold Royalties Ltd.	FRHLF	24.34	1.09	1,810	19		81		6.3	1.14	
Mesa Royalty Trust	MTR	31.45	1.00	60	71		29		9.5	1.13	
Dorchester Minerals, L.P.	DMLP B	28.23	1.00	870	45		55		7.4	1.01	
Enduro Royalty Trust	NDRO	12.60	1.00	420	37		63		6.6	0.90	
San Juan Basin Royalty Trust	SJT B	18.85	1.00	880	100		-		7.5	0.90	
Sabine Royalty Trust	SBR	57.28	1.00	840	44		56		8.1	0.89	
Cross Timbers Royalty Trust	CRT	35.55	1.00	210	64		36		8.8	0.85	
Hugoton Royalty Trust	HGT	10.68	1.00	430	88		12		9.0	0.82	
Permian Basin RT	PBT	13.96	1.00	650	26		74		7.9	0.78	
<i>Total or Median</i>			<i>1.00</i>	<i>6,200</i>	<i>45</i>		<i>55</i>		<i>7.9</i>	<i>0.90</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) 2-Jun 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>						
Global Integrated								
Exxon Mobil Corporation	XOM	B	99.94	4,328	433,000	102.00	0.15	0.98
Total S.A.	TOT		70.06	2,277	160,000	80.00	0.21	0.90
Royal Dutch Shell plc	RDS-A		78.72	3,145	248,000	95.00	0.22	0.87
Chevron Corporation	CVX		122.21	1,909	233,000	150.00	0.13	0.84
Lukoil Oil Company	LUKOY	CB	57.85	776	44,900	135.00	0.06	0.46
<i>Total or Median</i>					<i>1,119,000</i>		<i>0.15</i>	<i>0.87</i>
U.S. Independent								
EOG Resources, Inc.	EOG		105.38	548	57,800	110.00	0.08	0.96
Occidental Petroleum Corp.	OXY		99.76	792	79,000	108.00	0.10	0.93
ConocoPhillips	COP		79.48	1,243	99,000	100.00	0.21	0.84
Devon Energy Corporation	DVN	B	73.69	408	30,100	100.00	0.27	0.81
Marathon Oil Corporation	MRO	B	36.44	696	25,360	50.00	0.22	0.79
<i>Total or Median</i>					<i>291,300</i>		<i>0.21</i>	<i>0.84</i>
Canada/Australia								
Woodside Petroleum Ltd.	WOPEY		39.27	823	32,300	36.00	0.13	1.08
Imperial Oil Limited (30%)	IMO		49.25	255	12,600	52.00	0.18	0.96
EnCana Corporation	ECA	B	23.31	736	17,200	30.00	0.27	0.84
Cenovus Energy Inc.	CVE		29.49	757	22,300	42.00	0.18	0.76
Canadian Oil Sands Limited	COSWF	B	20.91	485	10,100	34.00	0.13	0.67
<i>Total or Median</i>					<i>95,000</i>		<i>0.18</i>	<i>0.84</i>
Small Cap Independent Producers								
Continental Resources (32%)	CLR	B	140.07	59	8,300	135.00	0.18	1.03
Peyto Exploration and Development Corp.	PEYUF		35.70	149	5,300	37.00	0.14	0.97
Range Resources	RRC	B	92.70	162	15,000	100.00	0.19	0.94
Halcón Resources	HK		6.10	412	2,500	7.00	0.55	0.94
Cimarex Energy Company	XEC	B	130.06	87	11,300	140.00	0.11	0.94
Birchcliff Energy Ltd.	BIREF	B	12.51	156	2,000	14.00	0.21	0.92
PDC Energy	PDCE		63.50	36	2,300	75.00	0.19	0.88
Whiting Petroleum Corporation	WLL	B	71.99	120	8,600	90.00	0.21	0.84
WPX Energy Inc.	WPX		20.96	201	4,200	28.00	0.32	0.83
<i>Total or Median</i>					<i>60,000</i>		<i>0.19</i>	<i>0.94</i>
RTF Cash Payers								
Freehold Royalties Ltd.	FRHLF		24.34	68	1,660	21.00	0.10	1.14
Mesa Royalty Trust	MTR		31.45	2	60	28.00	-	1.13
Dorchester Minerals, L.P.	DMLP	B	28.23	31	870	28.00	-	1.01
Enduro Royalty Trust	NDRO		12.60	33	420	14.00	-	0.90
San Juan Basin Royalty Trust	SJT	B	18.85	47	880	21.00	-	0.90
Sabine Royalty Trust	SBR		57.28	15	840	64.00	-	0.89
Cross Timbers Royalty Trust	CRT		35.55	6	210	42.00	-	0.85
Hugoton Royalty Trust	HGT		10.68	40	430	13.00	-	0.82
Permian Basin RT	PBT		13.96	47	650	18.00	-	0.78
<i>Total or Median</i>					<i>6,000</i>		<i>-</i>	<i>0.90</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	EV/ Ebitda	P/E	Dividend	
	Symbol/Rating		2-Jun 2014	NTM	NTM	NTM	NTM	NTM	
	B = Buy, CB (see below)							(\$/sh)	
Global Integrated									
	Exxon Mobil Corporation	XOM	B	99.94	14.0	7.1	7.0	12	2.52
	Total S.A.	TOT		70.06	10.3	6.6	5.9	12	3.32
	Royal Dutch Shell plc	RDS-A		78.72	10.3	6.7	5.8	11	3.76
	Chevron Corporation	CVX		122.21	9.1	6.7	5.7	12	4.28
	Lukoil Oil Company	LUKOY	CB	57.85	15.5	5.6	2.6	5	3.15
	<i>Median</i>				10.3	6.7	5.8	12	
U.S. Independent									
	Devon Energy Corporation	DVN	B	73.69	10.3	8.6	6.9	16	0.72
	EOG Resources, Inc.	EOG		105.38	7.8	6.5	6.2	20	2.88
	Occidental Petroleum Corp.	OXY		99.76	10.7	6.5	6.1	13	2.76
	ConocoPhillips	COP		79.48	11.3	6.9	5.8	11	0.50
	Marathon Oil Corporation	MRO	B	36.44	10.6	6.4	5.1	11	0.76
	<i>Median</i>				10.6	6.5	6.1	13	
Canada/Australia									
	Imperial Oil Limited (30%)	IMO		49.25	24.7	9.9	9.5	13	0.48
	Woodside Petroleum Ltd.	WOPEY		39.27	9.5	8.2	8.8	19	2.06
	EnCana Corporation	ECA	B	23.31	7.2	9.5	8.0	15	0.28
	Canadian Oil Sands Limited	COSWF	B	20.91	20.4	10.2	6.8	11	1.56
	Cenovus Energy Inc.	CVE		29.49	13.7	8.4	6.4	14	0.98
	<i>Median</i>				13.7	9.5	8.0	14	
Small Cap Independent Producers									
	Range Resources	RRC	B	92.70	13.6	11.7	11.0	71	0.16
	Peyto Exploration and Development Corp.	PEYUF		35.70	8.1	9.4	9.1	17	0.88
	Birchcliff Energy Ltd.	BIREF	B	12.51	14.5	9.2	8.4	22	-
	PDC Energy	PDCE		63.50	16.9	9.4	8.3	25	-
	WPX Energy Inc.	WPX		20.96	8.5	9.5	7.9	-	-
	Continental Resources (32%)	CLR	B	140.07	11.4	7.3	7.5	17	-
	Halcón Resources	HK		6.10	5.6	7.3	6.9	12	-
	Cimarex Energy Company	XEC	B	130.06	7.0	7.0	6.6	16	0.64
	Whiting Petroleum Corporation	WLL	B	71.99	8.1	5.6	4.7	11	-
	<i>Median</i>				8.5	9.2	7.9	17	
RTF Cash Payers									
	Sabine Royalty Trust	SBR		57.28	10.0	13.8	12.3	12	4.64
	San Juan Basin Royalty Trust	SJT	B	18.85	10.7	13.6	12.2	13	1.42
	Dorchester Minerals, L.P.	DMLP	B	28.23	8.3	11.2	11.2	16	2.09
	Freehold Royalties Ltd.	FRHLF		24.34	5.7	9.5	10.8	20	1.54
	Mesa RoyaltyTrust	MTR		31.45	6.4	9.4	10.6	10	3.00
	Hugoton RoyaltyTrust	HGT		10.68	13.9	11.9	9.8	11	0.96
	Cross Timbers Royalty Trust	CRT		35.55	12.2	11.6	9.8	11	3.13
	Permian Basin RT	PBT		13.96	9.7	10.0	7.7	13	1.10
	Enduro Royalty Trust	NDRO		12.60	7.4	7.8	7.0	15	0.83
	<i>Median</i>				9.7	11.2	10.6	13	
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 June 30, 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 and Enterprise Value Momentum									
Ranked by EV/200-Day Average									
			Price	Equity					
			(\$/sh)	Total					
	Symbol		2-Jun	Return	Enterprise Value/				McDep
	Rating		2014	YTD	52Wk	52Wk	50 Day	200 Day	Ratio
				(%)	High	Low	Avg.	Avg.	
Global Integrated									
Total S.A.	TOT		70.06	17	0.96	1.34	1.02	1.10	0.90
Royal Dutch Shell plc	RDS-A		78.72	13	0.98	1.18	1.02	1.09	0.87
Exxon Mobil Corporation	XOM	B	99.94	0	0.97	1.15	1.00	1.05	0.98
Chevron Corporation	CVX		122.21	(0)	0.96	1.10	1.00	1.02	0.84
Lukoil Oil Company	LUKOY	CB	57.85	(8)	0.88	1.15	1.06	0.99	0.46
	<i>Median</i>			0	0.96	1.15	1.02	1.05	0.87
U.S. Independent									
EOG Resources, Inc.	EOG		105.38	26	0.99	1.60	1.04	1.16	0.96
Devon Energy Corporation	DVN	B	73.69	20	0.99	1.25	1.04	1.11	0.81
ConocoPhillips	COP		79.48	15	0.99	1.24	1.05	1.09	0.84
Occidental Petroleum Corp.	OXY		99.76	6	0.99	1.15	1.04	1.05	0.93
Marathon Oil Corporation	MRO	B	36.44	4	0.97	1.11	1.01	1.03	0.79
	<i>Median</i>			15	0.99	1.24	1.04	1.09	0.84
Canada/Australia									
EnCana Corporation	ECA	B	23.31	30	0.98	1.25	1.03	1.13	0.84
Woodside Petroleum Ltd.	WOPEY		39.27	17	1.00	1.22	1.04	1.09	1.08
Imperial Oil Limited (30%)	IMO		49.25	12	0.99	1.25	1.02	1.09	0.96
Canadian Oil Sands Limited	COSWF	B	20.91	15	0.95	1.14	1.00	1.05	0.67
Cenovus Energy Inc.	CVE		29.49	4	0.95	1.11	1.01	1.03	0.76
	<i>Median</i>			15	0.98	1.22	1.02	1.09	0.84
Small Cap Independent Producers									
Birchcliff Energy Ltd.	BIREF	B	12.51	83	1.00	1.57	1.11	1.35	0.92
Cimarex Energy Company	XEC	B	130.06	24	0.94	1.84	1.06	1.20	0.94
Continental Resources (32%)	CLR	B	140.07	24	0.99	1.54	1.05	1.17	1.03
Halcón Resources	HK		6.10	58	0.98	1.25	1.07	1.13	0.94
Peyto Exploration and Development	PEYUF		35.70	18	0.96	1.28	1.02	1.12	0.97
Whiting Petroleum Corporation	WLL	B	71.99	16	0.96	1.41	1.00	1.10	0.84
Range Resources	RRC	B	92.70	10	0.98	1.21	1.03	1.10	0.94
PDC Energy	PDCE		63.50	19	0.89	1.30	1.03	1.06	0.88
WPX Energy Inc.	WPX		20.96	3	0.93	1.14	1.02	1.04	0.83
	<i>Median</i>			19	0.96	1.30	1.03	1.12	0.94
RTF Cash Payers									
Mesa RoyaltyTrust	MTR		31.45	58	0.96	1.58	1.14	1.34	1.13
Hugoton RoyaltyTrust	HGT		10.68	50	0.89	1.53	1.14	1.30	0.82
Cross Timbers Royalty Trust	CRT		35.55	25	0.97	1.41	1.10	1.17	0.85
Dorchester Minerals, L.P.	DMLP	B	28.23	13	0.97	1.21	1.04	1.12	1.01
Sabine Royalty Trust	SBR		57.28	17	1.00	1.20	1.10	1.11	0.89
Freehold Royalties Ltd.	FRHLF		24.34	21	0.99	1.23	1.09	1.11	1.14
San Juan Basin Royalty Trust	SJT	B	18.85	16	0.96	1.23	1.03	1.10	0.90
Permian Basin RT	PBT		13.96	12	0.86	1.16	1.04	1.03	0.78
Enduro Royalty Trust	NDRO		12.60	8	0.77	1.11	1.02	0.96	0.90
	<i>Median</i>			17	0.96	1.23	1.09	1.11	0.90

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

Source: Bloomberg, Yahoo, McDep LLC



Meter Reader

A Weekly Analysis of Oil and Gas Stocks

June 3, 2014

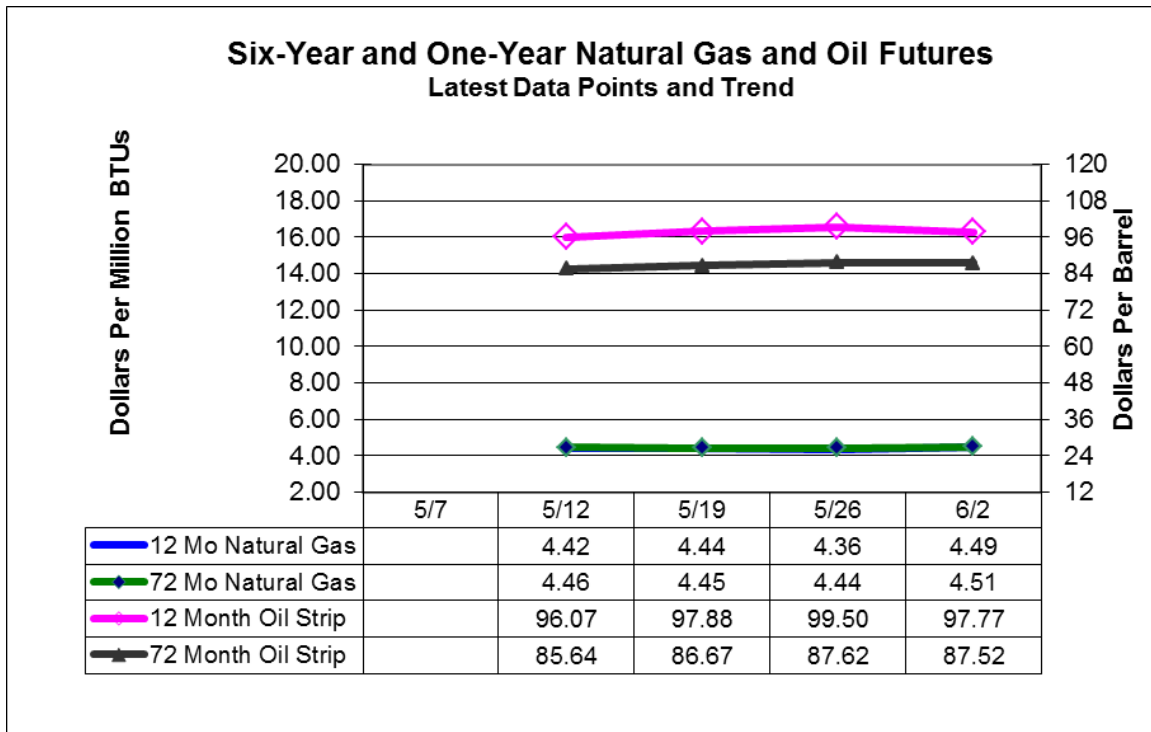
Index of Recent Research			
<u>Date</u>	<u>Symbol</u>	<u>Subject</u>	<u>Theme</u>
Stock Ideas			
27-May	CVX	Chevron	Oil Price Turns Up (Meter Reader)
20-May	BIREF	Birchcliff Energy	Raise NPV to \$14 on Accelerating Volume (Meter Reader)
13-May	XEC	Cimarex Energy	Raise NPV to \$140 on Cana Double (Meter Reader)
23-Apr	HGT	Hugoton Royalty Trust	Positive Arbitration Ruling
22-Apr	RRC	Range Resources	Testing Utica (Meter Reader)
21-Apr	MTR	Mesa Royalty Trust	Underpayment Uncovered, Upside Commodity Leverage
15-Apr	COP	ConocoPhillips	Shale Upside, Exploration Promise, Dividend Strength (Meter Reader)
8-Apr	WLL	Whiting Petroleum	Fracking by the Nanometer (Meter Reader)
1-Apr	FRHLF	Freehold Royalties Ltd	Model for Upcoming Encana Spinoff (Meter Reader)
25-Mar	CVE	Cenovus Energy	Oil Growth Slowed by Transit States (Meter Reader)
18-Mar	PBT	Permian Basin Royalty Trust	Rising Oil Production, Understated Income (Meter Reader)
11-Mar	LUKOY	Lukoil	Economic Opportunity in Political Risk (Meter Reader)
4-Mar	EOG	EOG Resources	Raise NPV to \$220 on Shale Oil Leadership (Meter Reader)
25-Feb	XEC	Cimarex Energy	More Upside Ahead (Meter Reader)
21-Feb	DMLP	Dorchester Minerals, L.P.	Raise NPV to \$28 on Shale Oil
21-Feb	PDCE	PDC Energy	Raise NPV to \$75 on More Shale Oil
18-Feb	ECA	Encana Corporation	Leveraged to Natural Gas Price (Meter Reader)
11-Feb	SJT	San Juan Basin Royalty Trust	Strategic Resource in a Cold Winter (Meter Reader)
4-Feb	XOM	Exxon Mobil	Largest and Strongest Oil and Gas Producer (Meter Reader)
21-Jan	RDSA	Royal Dutch Shell plc	Lower NPV to \$95 on Profit Warning (Meter Reader)
17-Dec	MRO	Marathon Oil	New CEO Accelerates Shale Growth (Meter Reader)
26-Nov	DVN	Devon Energy	Acquires \$6 Billion Eagle Ford Position (Meter Reader)
19-Nov	CLR	Continental Resources	High Density "Ears Back" Drilling Pace (Meter Reader)
5-Nov	COSWF	Canadian Oil Sands Ltd.	Time to Explore New Options (Meter Reader)
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)
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)
21-May	IMO	Imperial Oil	Timely on Bitumen Price (Meter Reader)
30-Apr	TOT	Total	Recovery Potential (Meter Reader)
19-Apr	HK	Halcón Resources	Fourth Core Area - El Halcón ("The Hawk") (Inc. and Small Cap Wkly)
5-Apr	SBR	Sabine Royalty Trust	Accelerating Volume Growth (Income and Small Cap Weekly)
28-Mar	PEYUF	Peyto Exploration and Development	Raise NPV to \$32 for Fracking Winner (Income and Small Cap Weekly)
For historical research by stock, go to mcdep.com , click on Stock Ideas , click on stock by name.			
Meter Reader			
27-May	CVX	Chevron	Oil Price Turns Up
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Industry Ideas			
17-Apr	PBT, SBR, CRT, HGT		Proxy Voting Underway
9-Jan		RTF Cash Payers	Trustee Change Proposed
24-Dec		RTF Cash Payers	Rising RTF Cash in 2014 (Meter Reader)



Meter Reader

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June 3, 2014



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