

## Occidental Petroleum (OXY) Raise NPV to \$120, Spinoff Filed

<i>Symbol</i>	OXY	<i>Ebitda Next Twelve Months ending 6/30/15 (US\$mm)</i>	14,800
<i>Rating</i>		<i>North American Natural Gas/Ebitda (%)</i>	5
<i>Price (US\$/sh)</i>	100.19	<i>Natural Gas and Oil Production/Ebitda (%)</i>	89
<i>Pricing Date</i>	6/9/14	<i>Adjusted Reserves/Production NTM</i>	10.7
<i>Shares (mm)</i>	792	<i>EV/Ebitda</i>	6.0
<i>Market Capitalization (US\$mm)</i>	79,400	<i>PV/Ebitda</i>	7.1
<i>Debt (US\$mm)</i>	9,800	<i>Undeveloped Reserves (%)</i>	30
<i>Enterprise Value (EV) (US\$mm)</i>	89,100	<i>Natural Gas and Oil Ebitda (US\$/boe)</i>	47.70
<i>Present Value (PV) (US\$mm)</i>	104,800	<i>Present Value Proven Reserves(US\$/boe)</i>	26.80
<i>Net Present Value (US\$/share)</i>	120	<i>Present Value Proven Reserves(US\$/mcfe)</i>	4.47
<i>Debt/Present Value</i>	0.09	<i>Earnings Next Twelve Months (US\$/sh)</i>	7.62
<i>McDep Ratio - EV/PV</i>	0.85	<i>Price/Earnings Next Twelve Months</i>	13
<i>Dividend Yield (%/year)</i>	2.9	<i>Indicated Annual Dividend (US\$/sh)</i>	2.88
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 OXY since 2000 see <a href="http://www.mcdep.com/3oxy.htm">www.mcdep.com/3oxy.htm</a>			

### Summary and Recommendation

Growing U.S. oil production justifies an increase in our estimated Net Present Value (NPV) to \$120 from \$108 a share for large cap independent producer **Occidental Petroleum (OXY)**. To better realize the higher value, details were filed on June 5 in a Form 10 with the U.S. Securities and Exchange Commission for a new company **California Resources Corporation (CRC)**. At least 80% of the shares in CRC will be distributed to the shareholders of OXY in the fourth quarter of 2014 according to plan. Approximating the impact of the spinoff we calculate that \$120 a share of OXY NPV will become \$25 a share of CRC NPV and \$95 a share of Pro Forma OXY NPV (see statistical summaries on page 2 and tables Present Value on page 3). In our preliminary estimates we see next twelve months production of 756 thousand barrels equivalent daily for OXY becoming 165 mbd for CRC and 595 mbd for Pro Forma OXY (see tables Operating and Financial Estimates on pages 4-6). Of course, we hope to see both CRC and Pro Forma OXY do much better. The smaller, more focused companies leading the shale revolution have shown the way for the larger, more deliberate, resource-rich giants like OXY to profit more from existing assets. Shale growth is still pre-takeoff in California where CRC is concentrated entirely. Shale growth may be at takeoff in the Permian Basin eventually to exceed the current oil area leaders Bakken and Eagle Ford. OXY's 1.9 million net acres leads the industry in the Permian according to *Bloomberg* among other sources. Meanwhile, major markets are in uptrends with six-year oil, six-year natural gas and OXY stock trading above 40-week or 200-day averages. Finally, stock price value of OXY is attractive at a McDep Ratio of 0.85, debt is low at a ratio of 0.09, and dividend yield is strong at 2.9% a year (see Tables 1-4 on pages 7-10).

Kurt H. Wulff, CFA



**McDEP**  
LLC

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## California Resources Company

<i>Symbol</i>	CRC	<i>Ebitda Next Twelve Months ending 6/30/15 (US\$m)</i>	2,932
<i>Rating</i>		<i>North American Natural Gas/Ebitda (%)</i>	8
<i>Price (\$/sh)</i>	21.00	<i>Natural Gas and Oil Production/Ebitda (%)</i>	100
<i>Pricing Date</i>		<i>Adjusted Reserves/Production NTM</i>	10.5
<i>Shares (mm)</i>	792	<i>EV/Ebitda</i>	7.7
<i>Market Capitalization (\$mm)</i>	16,600	<i>PV/Ebitda</i>	8.9
<i>Debt (\$mm)</i>	6,000	<i>Undeveloped Reserves (%)</i>	31
<i>Enterprise Value (EV) (\$mm)</i>	22,600	<i>Natural Gas and Oil Ebitda (\$/boe)</i>	48.80
<i>Present Value (PV) (\$mm)</i>	26,000	<i>Present Value Proven Reserves(\$/boe)</i>	34.96
<i>Net Present Value (\$/share)</i>	25	<i>Oil and Gas Ebitda Margin (%)</i>	62
<i>Debt/Present Value</i>	0.23	<i>Earnings Next Twelve Months (US\$/sh)</i>	1.18
<i>McDep Ratio - EV/PV</i>	0.87	<i>Price/Earnings Next Twelve Months</i>	18
<i>Dividend Yield (%/year)</i>		<i>Indicated Annual Dividend (US\$/sh)</i>	
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.			

## Occidental Petroleum Pro Forma

<i>Symbol</i>	OXY	<i>Ebitda Next Twelve Months ending 6/30/15 (US\$m)</i>	11,900
<i>Rating</i>		<i>North American Natural Gas/Ebitda (%)</i>	4
<i>Price (US\$/sh)</i>	80.00	<i>Natural Gas and Oil Production/Ebitda (%)</i>	86
<i>Pricing Date</i>		<i>Adjusted Reserves/Production NTM</i>	10.7
<i>Shares (mm)</i>	792	<i>EV/Ebitda</i>	5.7
<i>Market Capitalization (US\$m)</i>	63,400	<i>PV/Ebitda</i>	6.7
<i>Debt (US\$m)</i>	3,800	<i>Undeveloped Reserves (%)</i>	30
<i>Enterprise Value (EV) (US\$m)</i>	67,100	<i>Natural Gas and Oil Ebitda (US\$/boe)</i>	47.20
<i>Present Value (PV) (US\$m)</i>	79,000	<i>Present Value Proven Reserves(US\$/boe)</i>	24.90
<i>Net Present Value (US\$/share)</i>	95	<i>Present Value Proven Reserves(US\$/mcf)</i>	4.15
<i>Debt/Present Value</i>	0.05	<i>Earnings Next Twelve Months (US\$/sh)</i>	6.40
<i>McDep Ratio - EV/PV</i>	0.85	<i>Price/Earnings Next Twelve Months</i>	13
<i>Dividend Yield (%/year)</i>	3.6	<i>Indicated Annual Dividend (US\$/sh)</i>	2.88
Note: Estimated cash flow and earnings tied to one-year futures prices for oil and natural gas.			
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Estimated present value presumes a long-term price for oil of US\$90 a barrel and natural gas, \$6 a million btu.			



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<b>Occidental Petroleum Corporation</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>	
U.S. Natural Gas	741	9.3	10.8	8,000	8%
Rest of World Natural Gas	103	14.6	6.8	700	1%
Oil	12,329	10.5	7.1	87,100	83%
Downstream	1,622		5.5	9,000	9%
	14,795	10.7	7.1	104,800	100%
Debt (US\$mm)					9,800
Net Present Value (US\$mm)					95,000
Shares (mm)					792
Net Present Value - Standard Estimate (US\$/sh)					120
NPV Approximation by Cash Flow Multiple Depending on Reserve Life (US\$/sh)					121

<b>California Resources Corporation</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	240	8.2	12.5	3,000	12%
Oil	2,692	11.2	8.5	23,000	88%
	2,932	10.5	8.9	26,000	100%
Debt (US\$mm)					6,000
Net Present Value (US\$mm)					20,000
Shares (mm)					792
Net Present Value - Standard Estimate (US\$/sh)					25
NPV Approximation by Cash Flow Multiple Depending on Reserve Life (US\$/sh)					25

<b>Occidental Petroleum Corporation Pro Forma</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>	
U.S. Natural Gas	491	9.8	10.2	5,000	6%
Rest of World Natural Gas	104	14.6	6.7	700	1%
Oil	9,655	10.3	6.7	64,300	81%
Downstream	1,622		5.5	9,000	11%
	11,873	10.7	6.7	79,000	100%
Debt (US\$mm)					3,800
Net Present Value (US\$mm)					75,200
Shares (mm)					792
Net Present Value - Standard Estimate (US\$/sh)					95
NPV Approximation by Cash Flow Multiple Depending on Reserve Life (US\$/sh)					100



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Occidental Petroleum										
Next Twelve Months Operating and Financial Estimates										
	Q2	Year	Q1	Q2E	Q3E	Q4E	Year	Q1E	Q2E	Next Twelve Months
	6/30/13	2013	3/31/14	6/30/14	9/30/14	12/31/14	2014E	3/31/15	6/30/15	6/30/15
<b>Volume</b>										
Natural Gas (mmcf)										
U.S. (or North America)	792	<b>788</b>	752	744	737	730	<b>741</b>	722	715	<b>733</b>
Overseas (or Int'l)	446	<b>447</b>	414	414	414	414	<b>414</b>	414	414	<b>414</b>
Total	1,238	<b>1,234</b>	1,166	1,158	1,151	1,144	<b>1,155</b>	1,136	1,129	<b>1,147</b>
Days	91	<b>365</b>	90	91	92	92	<b>365</b>	90	91	<b>365</b>
Oil (mmb)	51	<b>203</b>	50	51	52	52	<b>205</b>	51	52	<b>206</b>
Oil (mbd)	566	<b>557</b>	556	560	560	570	<b>561</b>	570	570	<b>565</b>
Total gas & oil (mmb)	70	<b>278</b>	68	69	69	70	<b>275</b>	68	69	<b>276</b>
Total gas & oil (mbd)	772	<b>763</b>	750	753	752	761	<b>754</b>	759	758	<b>756</b>
<b>Price</b>										
Natural gas (\$/mcf)										
Henry Hub (\$/mmbtu)	4.10	<b>3.65</b>	4.95	4.67	4.63	4.66	<b>4.73</b>	4.71	4.13	<b>4.67</b>
U.S. (or North America)	3.82	<b>3.37</b>	4.57	4.31	4.27	4.30	<b>4.36</b>	4.35	3.82	<b>4.31</b>
Overseas (or Int'l)	1.07	<b>1.06</b>	1.06	1.06	1.06	1.06	<b>1.06</b>	1.06	1.06	<b>1.06</b>
Total	2.83	<b>2.54</b>	3.32	3.15	3.12	3.13	<b>3.18</b>	3.15	2.81	<b>3.14</b>
Oil (\$/bbl)										
WTI Cushing	94.22	<b>97.98</b>	98.74	102.55	103.49	100.43	<b>101.30</b>	97.57	95.21	<b>101.01</b>
Worldwide	89.13	<b>90.99</b>	91.00	94.50	95.37	92.55	<b>93.37</b>	89.92	87.74	<b>93.08</b>
Total gas & oil (\$/bbl)	69.85	<b>70.56</b>	72.59	75.12	75.81	74.06	<b>74.40</b>	72.21	70.14	<b>74.30</b>
<b>Revenue (\$mm)</b>										
Natural Gas										
U.S. (or North America)	275	<b>970</b>	309	292	290	289	<b>1,180</b>	283	248	<b>1,154</b>
Overseas (or Int'l)	44	<b>172</b>	40	40	40	40	<b>160</b>	40	40	<b>160</b>
Total	319	<b>1,142</b>	349	332	330	329	<b>1,340</b>	322	288	<b>1,314</b>
Oil	4,588	<b>18,507</b>	4,551	4,816	4,914	4,854	<b>19,134</b>	4,613	4,551	<b>19,196</b>
<b>Ebitda (\$mm)</b>										
Exploration and Production	3,044	<b>12,638</b>	3,040	3,307	3,368	3,329	<b>13,043</b>	3,170	3,108	<b>13,173</b>
Other	322	<b>1,690</b>	433	322	526	341	<b>1,622</b>	433	322	<b>1,622</b>
Total Ebitda	3,367	<b>14,328</b>	3,472	3,629	3,894	3,670	<b>14,665</b>	3,602	3,431	<b>14,795</b>
Exploration	78	<b>256</b>	55	85	85	100	<b>325</b>	100	85	<b>370</b>
Deprec., Deplet., & Amort.	1,303	<b>5,347</b>	1,266	1,266	1,266	1,266	<b>5,064</b>	1,266	1,266	<b>5,064</b>
<b>Ebit</b>	1,986	<b>8,725</b>	2,151	2,278	2,543	2,304	<b>9,276</b>	2,236	2,080	<b>9,361</b>
Interest	29	<b>110</b>	19	19	19	19	<b>76</b>	19	19	<b>76</b>
<b>Ebt</b>	1,957	<b>8,615</b>	2,132	2,259	2,524	2,285	<b>9,200</b>	2,217	2,061	<b>9,285</b>
Income Tax	685	<b>3,015</b>	746	791	884	800	<b>3,220</b>	776	721	<b>3,250</b>
<b>Net Income (\$mm)</b>										
Exploration and Production	2,100	<b>8,501</b>	2,104							
Other	192	<b>1,155</b>	306							
Unallocated	(1,020)	<b>(4,056)</b>	(1,024)							
Total	1,272	<b>5,600</b>	1,386	1,468	1,641	1,485	<b>5,980</b>	1,441	1,339	<b>6,035</b>
<b>Shares (millions)</b>	805	<b>805</b>	792	792	792	792	<b>792</b>	792	792	<b>792</b>
Per share (\$)	1.58	<b>6.96</b>	1.75	1.85	2.07	1.88	<b>7.55</b>	1.82	1.69	<b>7.62</b>
Ebitda Margin (E&P)	62%	<b>64%</b>	62%	64%	64%	64%	<b>64%</b>	64%	64%	<b>64%</b>
Tax Rate	35%	<b>35%</b>	35%	35%	35%	35%	<b>35%</b>	35%	35%	<b>35%</b>



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California Resources Corporation									
Next Twelve Months Operating and Financial Estimates									
									<i>Next Twelve Months</i>
	<i>Year</i>	<i>Q1</i>	<i>Q2E</i>	<i>Q3E</i>	<i>Q4E</i>	<i>Year</i>	<i>Q1E</i>	<i>Q2E</i>	
	<i>2013</i>	<i>3/31/14</i>	<i>6/30/14</i>	<i>9/30/13</i>	<i>12/31/14</i>	<i>2014E</i>	<i>3/31/15</i>	<i>6/30/15</i>	<i>6/30/15</i>
<b>Volume</b>									
Natural Gas (bcf)	<b>94.9</b>	21.8	22.0	22.3	22.3	<b>88</b>	21.8	22.0	<b>88.3</b>
Natural Gas (mmcf)	<b>260</b>	242	242	242	242	<b>242</b>	242	242	<b>242</b>
Days	<b>365</b>	90	91	92	92	<b>365</b>	90	91	<b>365</b>
Oil (mmb)	<b>40.2</b>	10.3	10.6	11.0	11.3	<b>43</b>	11.3	11.7	<b>45</b>
Oil (mbd)	<b>110</b>	114	117	120	123	<b>118</b>	126	129	<b>124</b>
Total (mb)	<b>56.0</b>	13.9	14.3	14.7	15.0	<b>57.9</b>	15.0	15.4	<b>60.1</b>
Total (mbd)	<b>153</b>	154	157	160	163	<b>159</b>	166	169	<b>165</b>
<b>Price</b>									
Henry Hub (\$/mmbtu)	<b>3.65</b>	4.95	4.67	4.63	4.66	<b>4.73</b>	4.71	4.13	<b>4.53</b>
Differential (\$/mmbtu)	<b>(0.08)</b>	0.17	0.16	0.16	0.16	<b>0.16</b>	0.16	0.14	<b>0.16</b>
Company (\$/mcf)	<b>3.73</b>	4.78	4.51	4.47	4.50	<b>4.56</b>	4.55	3.99	<b>4.38</b>
WTI Cushing (\$/bbl)	<b>97.98</b>	98.74	102.55	103.49	100.43	<b>101.30</b>	97.57	95.21	<b>99.18</b>
Differential	<b>3.59</b>	3.41	3.54	3.58	3.47	<b>3.47</b>	3.37	3.29	<b>3.49</b>
Company (\$/bbl)	<b>94.39</b>	95.33	99.00	99.92	96.96	<b>97.83</b>	94.20	91.92	<b>95.69</b>
Total (\$/bbl)	<b>74.04</b>	77.91	80.55	81.50	79.65	<b>79.93</b>	77.96	75.73	<b>78.68</b>
<b>Revenue (\$mm)</b>									
Natural Gas	<b>354</b>	104	99	100	100	<b>403</b>	99	88	<b>387</b>
Oil	<b>3,790</b>	978	1,053	1,101	1,095	<b>4,227</b>	1,067	1,079	<b>4,342</b>
Total	<b>4,144</b>	1,082	1,152	1,200	1,195	<b>4,630</b>	1,166	1,167	<b>4,728</b>
<b>Expense</b>									
Production	<b>1,066</b>	289							
Production taxes	<b>185</b>	52							
General and administrative	<b>326</b>	86							
Total	<b>1,577</b>	427	438	456	454	<b>1,775</b>	443	443	<b>1,797</b>
<b>Ebitda</b>	<b>2,567</b>	655	714	744	741	<b>2,855</b>	723	723	<b>2,932</b>
Exploration	<b>116</b>	31	31	31	31	<b>124</b>	20	20	<b>102</b>
Deprec., Deplet., & Amort.	<b>1,144</b>	289	289	289	289	<b>1,156</b>	289	289	<b>1,156</b>
Other	<b>14</b>	53				<b>53</b>			<b>-</b>
<b>Ebit</b>	<b>1,447</b>	343	394	424	421	<b>1,583</b>	414	414	<b>1,674</b>
Interest				60	60	<b>120</b>	60	60	<b>240</b>
<b>Ebt</b>	<b>1,447</b>	343	394	364	361	<b>1,463</b>	354	354	<b>1,434</b>
Income Tax	<b>578</b>	120	138	128	126	<b>512</b>	124	124	<b>502</b>
<b>Net Income (\$mm)</b>	<b>869</b>	223	256	237	235	<b>951</b>	230	230	<b>932</b>
Per Share (\$)	<b>1.10</b>	0.28	0.32	0.30	0.30	<b>1.20</b>	0.29	0.29	<b>1.18</b>
<b>Shares (millions)</b>	<b>792</b>	792	792	792	792	<b>792</b>	792	792	<b>792</b>
Ebitda Margin	<b>62%</b>	61%	62%	62%	62%	<b>62%</b>	62%	62%	<b>62%</b>
Tax rate	<b>40%</b>	35%	35%	35%	35%	<b>35%</b>	35%	35%	<b>35%</b>



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Occidental Petroleum Pro Forma										
Next Twelve Months Operating and Financial Estimates										
	Q2	Year	Q1	Q2E	Q3E	Q4E	Year	Q1E	Q2E	Next Twelve Months
	6/30/13	2013	3/31/14	6/30/14	9/30/14	12/31/14	2014E	3/31/15	6/30/15	6/30/15
<b>Volume</b>										
Natural gas (bcf)										
U.S. (or North America)	72	288	46	46	46	45	182	43	43	179
Overseas (or Int'l)	41	163	37	38	38	38	151	37	38	151
Total	113	451	83	83	84	83	333	80	81	330
Natural Gas (mmcf)										
U.S. (or North America)	792	788	510	502	495	488	499	480	473	491
Overseas (or Int'l)	446	447	414	414	414	414	414	414	414	414
Total	1,238	1,234	924	916	909	902	913	894	887	905
Days	91	365	90	91	92	92	365	90	91	365
Oil (mmb)	51	203	40	40	41	41	162	40	40	162
Oil (mbd)	566	557	442	443	440	447	443	444	441	444
Total gas & oil (mmb)	70	278	54	54	54	55	217	53	54	217
Total gas & oil (mbd)	772	763	596	596	592	598	595	593	589	595
<b>Price</b>										
Natural gas (\$/mcf)										
Henry Hub (\$/mmbtu)	4.10	3.65	4.95	4.67	4.63	4.66	4.73	4.71	4.13	4.67
U.S. (or North America)	3.82	3.37	4.47	4.22	4.18	4.20	4.27	4.25	3.73	4.21
Overseas (or Int'l)	1.07	1.06	1.06	1.06	1.06	1.06	1.06	1.06	1.06	1.06
Total	2.83	2.54	2.94	2.79	2.76	2.76	2.81	2.77	2.48	2.77
Oil (\$/bbl)										
WTI Cushing	94.22	97.98	98.74	102.55	103.49	100.43	101.30	97.57	95.21	101.01
Worldwide	89.13	90.99	89.88	93.32	94.14	91.34	92.18	88.70	86.52	91.88
Total gas & oil (\$/bbl)	69.85	70.56	71.21	73.69	74.27	72.53	72.93	70.60	68.54	72.78
<b>Revenue (\$mm)</b>										
Natural Gas										
U.S. (or North America)	275	970	205	193	190	188	777	184	160	755
Overseas (or Int'l)	44	172	40	40	40	40	160	40	40	160
Total	319	1,142	245	233	231	229	937	223	200	916
Oil	4,588	18,507	3,573	3,763	3,813	3,758	14,907	3,546	3,472	14,880
<b>Ebitda (\$mm)</b>										
Exploration and Production	3,044	12,638	2,384	2,592	2,624	2,588	10,188	2,447	2,385	10,250
Other	322	1,690	433	322	526	341	1,622	433	322	1,622
Total Ebitda	3,367	14,328	2,817	2,915	3,150	2,929	11,810	2,879	2,707	11,873
Exploration	78	256	24	24	24	24	96	24	24	96
Deprec., Deplet., & Amort.	1,303	5,347	977	977	977	977	3,908	977	977	3,908
<b>Ebit</b>	1,986	8,725	1,816	1,914	2,149	1,928	7,806	1,878	1,706	7,869
Interest	29	110	19	19	19	19	76	19	19	76
<b>Ebt</b>	1,957	8,615	1,797	1,895	2,130	1,909	7,730	1,859	1,687	7,793
Income Tax	685	3,015	634	663	746	668	2,711	651	591	2,727
<b>Net Income (\$mm)</b>										
Exploration and Production	2,100	8,501	2,104							
Other	192	1,155	306							
Unallocated	(1,020)	(4,056)	(1,247)							
Total	1,272	5,600	1,163	1,231	1,385	1,241	5,020	1,209	1,097	5,065
<b>Shares (millions)</b>	805	805	792	792	792	792	792	792	792	792
Per share (\$)	1.58	6.96	1.47	1.55	1.75	1.57	6.34	1.53	1.38	6.40
Ebitda Margin (E&P)	62%	64%	62%	65%	65%	65%	64%	65%	65%	65%
Tax Rate	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%





# Meter Reader

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			<i>Price (US\$/sh)</i>	<i>Shares</i>	<i>Market Cap (US\$mm)</i>	<i>Net Present Value (US\$/sh)</i>	<i>Debt/ Present Value</i>	<i>McDep Ratio</i>
	<i>Symbol/Rating</i>		<i>9-Jun 2014</i>	<i>(mm)</i>				
		B = Buy, CB (see below)						
<b>Global Integrated</b>								
Exxon Mobil Corporation	XOM	B	101.52	4,328	439,000	102.00	0.15	1.00
Total S.A.	TOT		70.66	2,277	161,000	80.00	0.21	0.91
Royal Dutch Shell plc	RDS-A		79.23	3,145	249,000	95.00	0.22	0.87
Chevron Corporation	CVX		124.37	1,909	237,000	150.00	0.13	0.85
Lukoil Oil Company	LUKOY	B	58.96	776	45,800	135.00	0.06	0.47
<i>Total or Median</i>					<i>1,132,000</i>		<i>0.15</i>	<i>0.87</i>
<b>U.S. Independent</b>								
EOG Resources, Inc.	EOG		109.51	548	60,000	110.00	0.08	1.00
Occidental Petroleum Corp.	OXY		100.19	792	79,400	120.00	0.09	0.85
ConocoPhillips	COP		80.85	1,243	101,000	100.00	0.21	0.85
Devon Energy Corporation	DVN	B	74.45	408	30,400	100.00	0.27	0.81
Marathon Oil Corporation	MRO	B	37.84	696	26,340	50.00	0.22	0.81
<i>Total or Median</i>					<i>297,100</i>		<i>0.21</i>	<i>0.85</i>
<b>Canada/Australia</b>								
Woodside Petroleum Ltd.	WOPEY		39.28	823	32,300	36.00	0.13	1.08
Imperial Oil Limited (30%)	IMO		49.82	255	12,700	52.00	0.18	0.97
EnCana Corporation	ECA	B	23.35	736	17,200	30.00	0.27	0.84
Cenovus Energy Inc.	CVE		29.86	757	22,600	42.00	0.18	0.76
Canadian Oil Sands Limited	COSWF	B	21.30	485	10,300	34.00	0.13	0.68
<i>Total or Median</i>					<i>95,000</i>		<i>0.18</i>	<i>0.84</i>
<b>Small Cap Independent Producers</b>								
Continental Resources (32%)	CLR	B	145.81	59	8,600	135.00	0.18	1.07
Peyto Exploration and Development Corp.	PEYUF		36.58	149	5,500	37.00	0.14	0.99
Cimarex Energy Company	XEC	B	134.18	87	11,700	140.00	0.11	0.96
Birchcliff Energy Ltd.	BIREF	B	13.21	156	2,100	14.00	0.21	0.96
Halcón Resources	HK		6.22	412	2,600	7.00	0.55	0.95
Range Resources	RRC	B	92.24	162	14,900	100.00	0.19	0.94
PDC Energy	PDCE		63.70	36	2,300	75.00	0.19	0.88
Whiting Petroleum Corporation	WLL	B	74.37	120	8,900	90.00	0.21	0.86
WPX Energy Inc.	WPX		21.55	201	4,300	28.00	0.32	0.84
<i>Total or Median</i>					<i>61,000</i>		<i>0.19</i>	<i>0.95</i>
<b>RTF Cash Payers</b>								
Mesa RoyaltyTrust	MTR		33.90	2	60	28.00	-	1.21
Freehold Royalties Ltd.	FRHLF		24.79	68	1,690	21.00	0.10	1.16
Dorchester Minerals, L.P.	DMLP	B	28.49	31	870	28.00	-	1.02
Sabine Royalty Trust	SBR		60.11	15	880	64.00	-	0.94
San Juan Basin Royalty Trust	SJT	B	19.49	47	910	21.00	-	0.93
Enduro Royalty Trust	NDRO		12.95	33	430	14.00	-	0.92
Cross Timbers Royalty Trust	CRT		36.30	6	220	42.00	-	0.87
Hugoton RoyaltyTrust	HGT		11.17	40	450	13.00	-	0.86
Permian Basin RT	PBT		14.36	47	670	18.00	-	0.80
<i>Total or Median</i>					<i>6,200</i>		<i>-</i>	<i>0.93</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</i> <i>(US\$/sh)</i>	<i>Adjustd</i> <i>Resrvs/</i>	<i>PV/</i>	<i>EV/</i>		<i>Dividend</i>
	<i>Symbol/Rating</i>		<i>9-Jun</i>	<i>Prod</i>	<i>Ebitda</i>	<i>Ebitda</i>	<i>P/E</i>	<i>NTM</i>
	<i>B = Buy, CB (see below)</i>		<i>2014</i>	<i>NTM</i>	<i>NTM</i>	<i>NTM</i>	<i>NTM</i>	<i>(\$/sh)</i>
<b>Global Integrated</b>								
Exxon Mobil Corporation	XOM	B	101.52	14.0	7.0	7.0	12	2.52
Total S.A.	TOT		70.66	10.3	6.5	5.9	12	3.33
Royal Dutch Shell plc	RDS-A		79.23	10.3	6.6	5.8	11	3.76
Chevron Corporation	CVX		124.37	9.1	6.7	5.7	12	4.28
Lukoil Oil Company	LUKOY	B	58.96	15.5	5.6	2.7	5	3.20
	<i>Median</i>			<i>10.3</i>	<i>6.6</i>	<i>5.8</i>	<i>12</i>	
<b>U.S. Independent</b>								
Devon Energy Corporation	DVN	B	74.45	10.3	8.5	6.9	16	0.72
EOG Resources, Inc.	EOG		109.51	7.8	6.4	6.4	20	2.88
Occidental Petroleum Corp.	OXY		100.19	10.7	7.1	6.0	13	2.76
ConocoPhillips	COP		80.85	11.3	6.8	5.8	11	0.50
Marathon Oil Corporation	MRO	B	37.84	10.6	6.3	5.1	11	0.76
	<i>Median</i>			<i>10.6</i>	<i>6.8</i>	<i>6.0</i>	<i>13</i>	
<b>Canada/Australia</b>								
Imperial Oil Limited (30%)	IMO		49.82	24.5	9.8	9.5	13	0.48
Woodside Petroleum Ltd.	WOPEY		39.28	9.5	7.5	8.1	16	2.06
EnCana Corporation	ECA	B	23.35	7.2	9.4	7.9	15	0.28
Canadian Oil Sands Limited	COSWF	B	21.30	19.9	9.8	6.6	11	1.56
Cenovus Energy Inc.	CVE		29.86	13.7	8.3	6.4	14	0.97
	<i>Median</i>			<i>13.7</i>	<i>9.4</i>	<i>7.9</i>	<i>14</i>	
<b>Small Cap Independent Producers</b>								
Range Resources	RRC	B	92.24	13.6	11.5	10.8	68	0.16
Peyto Exploration and Development Corp.	PEYUF		36.58	8.1	9.3	9.2	17	0.88
Birchcliff Energy Ltd.	BIREF	B	13.21	14.5	9.1	8.7	23	-
PDC Energy	PDCE		63.70	16.9	9.3	8.2	25	-
WPX Energy Inc.	WPX		21.55	8.5	9.4	8.0		-
Continental Resources (32%)	CLR	B	145.81	11.4	7.1	7.6	18	-
Halcón Resources	HK		6.22	5.6	7.2	6.8	11	-
Cimarex Energy Company	XEC	B	134.18	7.0	6.9	6.7	17	0.64
Whiting Petroleum Corporation	WLL	B	74.37	8.1	5.5	4.8	12	-
	<i>Median</i>			<i>8.5</i>	<i>9.1</i>	<i>8.0</i>	<i>18</i>	
<b>RTF Cash Payers</b>								
Sabine Royalty Trust	SBR		60.11	9.9	14.2	13.3	13	4.50
San Juan Basin Royalty Trust	SJT	B	19.49	10.7	13.4	12.5	14	1.44
Mesa Royalty Trust	MTR		33.90	6.9	9.9	12.0	14	2.39
Dorchester Minerals, L.P.	DMLP	B	28.49	8.3	11.0	11.2	16	2.13
Freehold Royalties Ltd.	FRHLF		24.79	5.7	9.3	10.8	19	1.54
Hugoton Royalty Trust	HGT		11.17	14.4	12.5	10.8	12	0.91
Cross Timbers Royalty Trust	CRT		36.30	12.2	11.4	9.9	11	3.18
Permian Basin RT	PBT		14.36	9.8	10.1	8.1	13	1.12
Enduro Royalty Trust	NDRO		12.95	7.4	7.7	7.1	15	0.85
	<i>Median</i>			<i>9.8</i>	<i>11.0</i>	<i>10.8</i>	<i>14</i>	

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



# Meter Reader

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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		9-Jun	Return	Enterprise Value/				McDep
	Rating		2014	YTD (%)	52Wk High	52Wk Low	50 Day Avg.	200 Day Avg.	Ratio
<b>Global Integrated</b>									
Total S.A.	TOT		70.66	18	0.97	1.35	1.02	1.10	0.91
Royal Dutch Shell plc	RDS-A		79.23	14	0.99	1.18	1.02	1.09	0.87
Exxon Mobil Corporation	XOM	B	101.52	2	0.98	1.16	1.01	1.06	1.00
Chevron Corporation	CVX		124.37	1	0.98	1.11	1.01	1.03	0.85
Lukoil Oil Company	LUKOY	B	58.96	(7)	0.90	1.17	1.07	1.00	0.47
	<i>Median</i>			2	0.98	1.17	1.02	1.06	0.87
<b>U.S. Independent</b>									
EOG Resources, Inc.	EOG		109.51	31	0.99	1.66	1.07	1.20	1.00
Devon Energy Corporation	DVN	B	74.45	21	0.99	1.26	1.04	1.11	0.81
ConocoPhillips	COP		80.85	17	1.00	1.26	1.05	1.10	0.85
Marathon Oil Corporation	MRO	B	37.84	8	0.99	1.14	1.04	1.06	0.81
Occidental Petroleum Corp.	OXY		100.19	7	0.99	1.16	1.03	1.06	0.85
	<i>Median</i>			17	0.99	1.26	1.04	1.10	0.85
<b>Canada/Australia</b>									
EnCana Corporation	ECA	B	23.35	30	0.98	1.25	1.02	1.13	0.84
Imperial Oil Limited (30%)	IMO		49.82	13	1.00	1.26	1.03	1.09	0.97
Woodside Petroleum Ltd.	WOPEY		39.28	17	1.00	1.22	1.03	1.09	1.08
Canadian Oil Sands Limited	COSWF	B	21.30	17	0.97	1.15	1.01	1.07	0.68
Cenovus Energy Inc.	CVE		29.86	5	0.96	1.12	1.02	1.04	0.76
	<i>Median</i>			17	0.98	1.22	1.02	1.09	0.84
<b>Small Cap Independent Producers</b>									
Birchcliff Energy Ltd.	BIREF	B	13.21	93	0.98	1.64	1.13	1.40	0.96
Cimarex Energy Company	XEC	B	134.18	28	0.96	1.89	1.08	1.22	0.96
Continental Resources (32%)	CLR	B	145.81	30	0.99	1.59	1.07	1.20	1.07
Peyto Exploration and Development	PEYUF		36.58	21	0.98	1.31	1.03	1.14	0.99
Halcón Resources	HK		6.22	61	0.97	1.26	1.06	1.13	0.95
Whiting Petroleum Corporation	WLL	B	74.37	20	0.98	1.44	1.02	1.12	0.86
Range Resources	RRC	B	92.24	9	0.97	1.20	1.02	1.09	0.94
PDC Energy	PDCE		63.70	20	0.89	1.30	1.02	1.06	0.88
WPX Energy Inc.	WPX		21.55	6	0.94	1.16	1.03	1.06	0.84
	<i>Median</i>			21	0.97	1.31	1.03	1.13	0.95
<b>RTF Cash Payers</b>									
Mesa RoyaltyTrust	MTR		33.90	70	0.99	1.68	1.18	1.41	1.21
Hugoton RoyaltyTrust	HGT		11.17	57	0.93	1.60	1.15	1.35	0.86
Cross Timbers Royalty Trust	CRT		36.30	28	1.00	1.44	1.11	1.19	0.87
Sabine Royalty Trust	SBR		60.11	23	0.99	1.26	1.13	1.17	0.94
San Juan Basin Royalty Trust	SJT	B	19.49	20	0.99	1.27	1.06	1.13	0.93
Freehold Royalties Ltd.	FRHLF		24.79	23	1.00	1.25	1.09	1.13	1.16
Dorchester Minerals, L.P.	DMLP	B	28.49	14	0.98	1.22	1.04	1.12	1.02
Permian Basin RT	PBT		14.36	16	0.88	1.19	1.06	1.05	0.80
Enduro Royalty Trust	NDRO		12.95	11	0.79	1.14	1.05	1.00	0.92
	<i>Median</i>			23	0.99	1.26	1.09	1.13	0.93

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

Source: Bloomberg, Yahoo, McDep LLC



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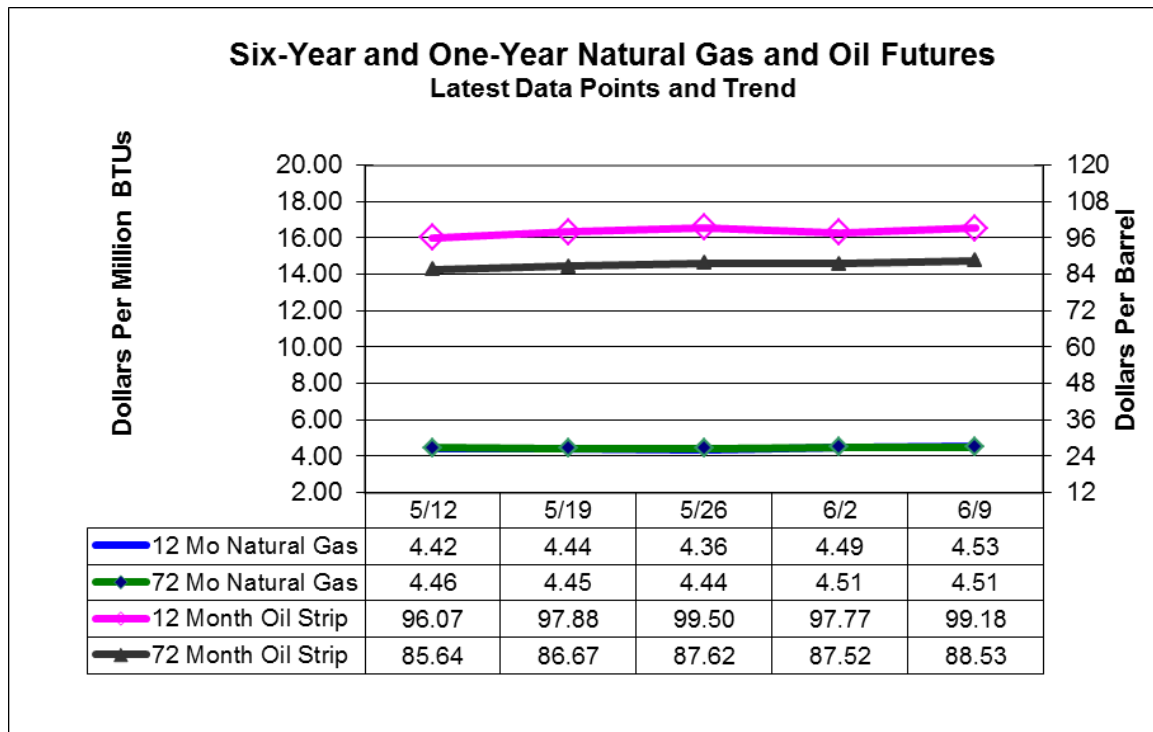
Index of Recent Research			
<b>Stock Ideas</b>			
<u>Date</u>	<u>Symbol</u>	<u>Subject</u>	<u>Theme</u>
3-Jun	ECA	Encana Corporation	Hidden Value Surfaces (Meter Reader)
27-May	CVX	Chevron	Oil Price Turns Up (Meter Reader)
20-May	BIREF	Birchcliff Energy	Raise NPV to \$14 on Accelerating Volume (Meter 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	Conovus 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
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)
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>			
3-Jun	ECA	Encana Corporation	Hidden Value Surfaces (Meter Reader)
27-May	CVX	Chevron	Oil Price Turns Up
20-May	XEC	Birchcliff Energy	Raise NPV to \$14 on Accelerating Volume
13-May	XEC	Cimarex Energy	Raise NPV to \$140 on Cana Double
29-Apr			Prune for Portfolio Profit
22-Apr	RRC	Range Resources	Testing Utica
15-Apr	COP	ConocoPhillips	Shale Upside, Exploration Promise, Dividend Strength
8-Apr	WLL	Whiting Petroleum	Fracking by the Nanometer (Meter Reader)
For earlier editions, go to <a href="http://mcdep.com">mcdep.com</a> , click on <a href="#">Meter Reader</a> .			
<b>Industry Ideas</b>			
4-Jun	PBT, CRT	Permian BRT, Cross Timbers RT	Vote Your Proxy
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)



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**Disclaimer:** This analysis was prepared by Kurt Wulff, Manager of McDep LLC. The firm used sources and data believed to be reliable, but makes no representation as to their accuracy or completeness. This analysis is intended for informational purposes and is not a solicitation to buy or sell a security. Past performance is no guarantee of future results.

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