

## Whiting Petroleum (WLL) Agrees to Acquire Kodiak Oil & Gas

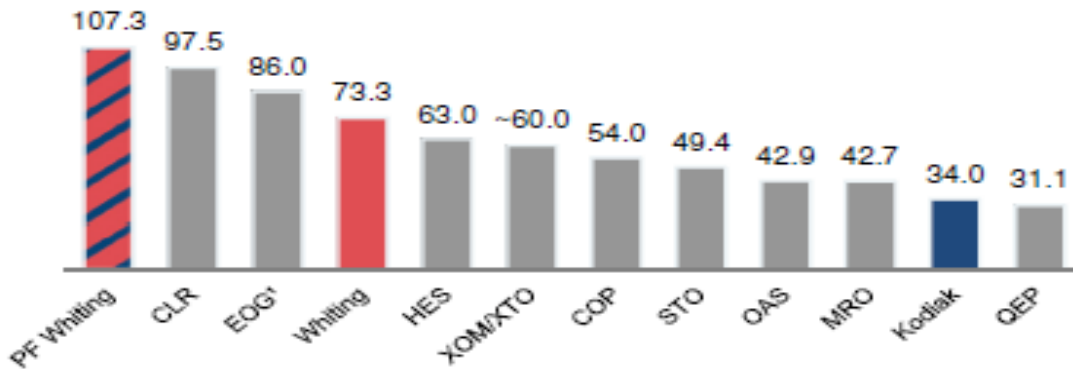
<i>Symbol</i>	WLL	<i>Ebitda Next Twelve Months ending 6/30/15 (US\$m)</i>	2,552
<i>Rating</i>	Buy	<i>North American Natural Gas/Ebitda (%)</i>	4
<i>Price (\$/sh)</i>	84.58	<i>Natural Gas and Oil Production/Ebitda (%)</i>	100
<i>Pricing Date</i>	7/14/14	<i>Adjusted Reserves/Production NTM</i>	7.6
<i>Shares (mm)</i>	120	<i>EV/Ebitda</i>	5.1
<i>Market Capitalization (\$mm)</i>	10,150	<i>PV/Ebitda</i>	5.4
<i>Debt (\$mm)</i>	2,900	<i>Undeveloped Reserves (%)</i>	42
<i>Enterprise Value (EV) (\$mm)</i>	13,050	<i>Natural Gas and Oil Ebitda (\$/boe)</i>	56.50
<i>Present Value (PV) (\$mm)</i>	13,700	<i>Present Value Proven Reserves(\$/boe)</i>	31.30
<i>Net Present Value (\$/share)</i>	90	<i>Oil and Gas Ebitda Margin (%)</i>	71
<i>Debt/Present Value</i>	0.21	<i>Earnings Next Twelve Months (US\$/sh)</i>	6.91
<i>McDep Ratio - EV/PV</i>	0.95	<i>Price/Earnings Next Twelve Months</i>	12
<i>Dividend Yield (%/year)</i>	0.0	<i>Indicated Annual Dividend (US\$/sh)</i>	0.00
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 Whiting since 2009 see <a href="http://www.mcdep.com/4wll.htm">www.mcdep.com/4wll.htm</a>			

### Summary and Recommendation

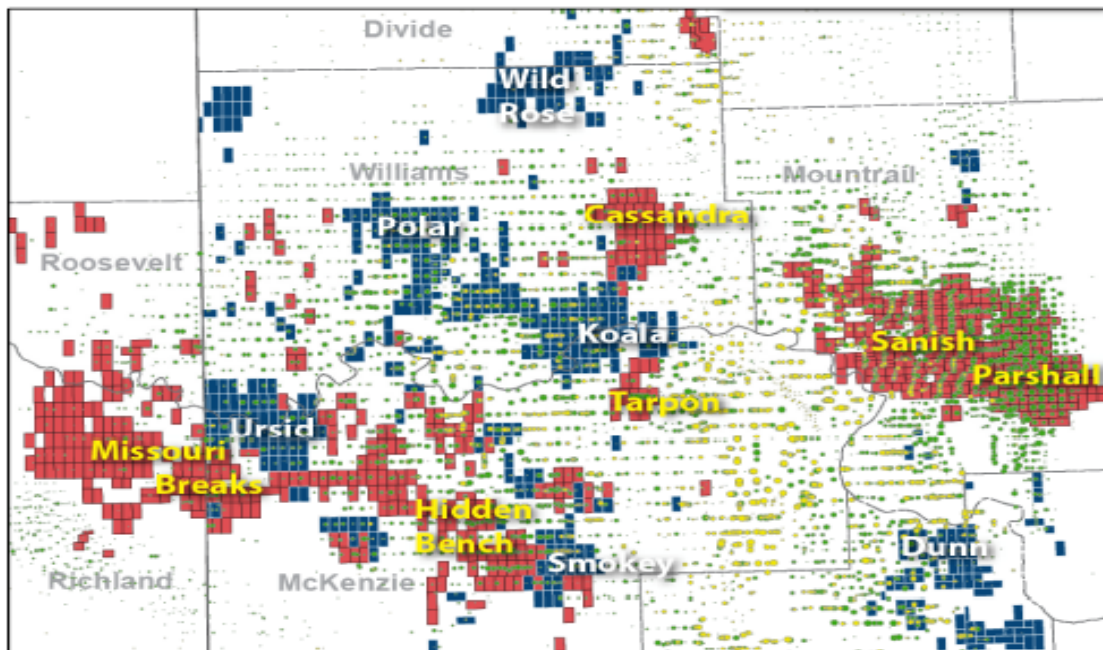
Buy-recommended **Whiting Petroleum (WLL)** will acquire Kodiak Oil & Gas to become the largest oil producer in the Bakken/Three Forks formation of North Dakota and Montana (see slide [Q1 Production](#) on page 2). Whiting shareholders would gain high quality central Bakken acreage (see map [Williston Basin](#) on page 2). Kodiak shareholders would gain financial strength with Whiting's lower ratio of debt to present value (see [Statistical Summaries](#) on page 3). More land and a strong balance sheet would support increased drilling for higher production growth for the combined companies. The proposed exchange of 0.177 share of Whiting for each share of Kodiak implies practically equal value on a McDep Ratio basis. Net Present Value (NPV) of \$90 a share for Whiting times 0.177 would be nearly the same as NPV for Kodiak of \$16 a share (see tables [Present Value](#) on page 4). Not estimated by McDep previously, our NPV for Kodiak is generated from adjusting reported reserves and calculating future cash flow in line with production guidance (see tables [Operating and Financial Estimates](#) on pages 5-6). In any case, the stocks seem priced at low multiples of unlevered cash flow (EV/Ebitda) to provide ample allowance for political, economic and business risk. The two companies will each call special shareholder meetings to approve the deal that may then close in the fourth quarter of 2014. Stock prices of Whiting and Kodiak advanced on July 14, the day of announcement. We think the proposed transaction is sensibly priced and enhances the strategic appeal of Whiting stock (see [Tables 1-4](#) on pages 7-10).

Kurt H. Wulff, CFA

## Q1'14 Bakken / Three Forks Net Production (Mboepd)



### Central and Eastern Williston Basin



Whiting Acreage  
Kodiak Acreage

Bakken Producer  
Three Forks Producer



# Meter Reader

A Weekly Analysis of Oil and Gas Stocks  
July 15, 2014

<b>Symbol - Kodiak Oil &amp; Gas</b>	KOG	<b>Ebitda Next Twelve Months ending 6/30/15 (US\$mm)</b>	1,033
Rating	Buy	North American Natural Gas/Ebitda (%)	7
Price (\$/sh)	14.91	Natural Gas and Oil Production/Ebitda (%)	100
Pricing Date	7/14/14	Adjusted Reserves/Production NTM	7.0
Shares (mm)	270	EV/Ebitda	5.9
Market Capitalization (\$mm)	3,840	PV/Ebitda	6.4
Debt (\$mm)	2,280	Undeveloped Reserves (%)	54
Enterprise Value (EV) (\$mm)	6,120	Natural Gas and Oil Ebitda (\$/boe)	59.30
Present Value (PV) (\$mm)	6,600	Present Value Proven Reserves(\$/boe)	39.50
Net Present Value (\$/share)	16	Oil and Gas Ebitda Margin (%)	72
Debt/Present Value	0.35	Earnings Next Twelve Months (US\$/sh)	1.14
McDep Ratio - EV/PV	0.93	Price/Earnings Next Twelve Months	13
Dividend Yield (%/year)	0.0	Indicated Annual Dividend (US\$/sh)	0.00
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.			

<b>Symbol - Pro Forma Whiting Pete</b>	WLL	<b>Ebitda Next Twelve Months ending 6/30/15 (US\$mm)</b>	3,585
Rating	Buy	North American Natural Gas/Ebitda (%)	5
Price (\$/sh)	84.58	Natural Gas and Oil Production/Ebitda (%)	100
Pricing Date	7/14/14	Adjusted Reserves/Production NTM	7.5
Shares (mm)	168	EV/Ebitda	5.4
Market Capitalization (\$mm)	14,190	PV/Ebitda	5.7
Debt (\$mm)	5,180	Undeveloped Reserves (%)	46
Enterprise Value (EV) (\$mm)	19,370	Natural Gas and Oil Ebitda (\$/boe)	57.30
Present Value (PV) (\$mm)	20,280	Present Value Proven Reserves(\$/boe)	33.50
Net Present Value (\$/share)	90	Oil and Gas Ebitda Margin (%)	71
Debt/Present Value	0.26	Earnings Next Twelve Months (US\$/sh)	9.47
McDep Ratio - EV/PV	0.96	Price/Earnings Next Twelve Months	9
Dividend Yield (%/year)	0.0	Indicated Annual Dividend (US\$/sh)	0.00
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 Whiting since 2009 see <a href="http://www.mcdep.com/4wll.htm">www.mcdep.com/4wll.htm</a>			



# Meter Reader

A Weekly Analysis of Oil and Gas Stocks

July 15, 2014

<b>Whiting 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>	
North American Natural Gas	105	8.5	8.6	900	7%
Oil	2,447	7.6	5.2	12,800	93%
	2,552	7.6	5.4	13,700	100%
Debt (US\$mm)					2,900
Net Present Value (US\$mm)					10,800
Shares (mm)					120
Net Present Value - Standard Estimate (US\$/sh)					90
NPV Approximation by Cash Flow Multiple Depending on Reserve Life (US\$/sh)					116

<b>Kodiak Oil &amp; Gas</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	68	9.6	11.8	800	12%
Oil	965	6.6	6.0	5,800	88%
	1,033	7.0	6.4	6,600	100%
Debt (US\$mm)					2,280
Net Present Value (US\$mm)					4,320
Shares (mm)					270
Net Present Value - Standard Estimate (US\$/sh)					16
NPV Approximation by Cash Flow Multiple Depending on Reserve Life (US\$/sh)					16

<b>Pro Forma Whiting 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>	
North American Natural Gas	167	8.9	10.2	1,700	8%
Oil	3,418	7.3	5.4	18,600	92%
	3,585	7.5	5.7	20,300	100%
Debt (US\$mm)					5,180
Net Present Value (US\$mm)					15,120
Shares (mm)					168
Net Present Value - Standard Estimate (US\$/sh)					90
NPV Approximation by Cash Flow Multiple Depending on Reserve Life (US\$/sh)					109



# Meter Reader

A Weekly Analysis of Oil and Gas Stocks  
July 15, 2014

Whiting Petroleum Corporation										
Next Twelve Months Operating and Financial Estimates										
										Next Twelve Months
	Q2	Year	Q1	Q2E	Q3E	Q4E	Year	Q1E	Q2E	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)	72	<b>73</b>	74	74	74	74	<b>74</b>	74	74	<b>74</b>
Days	91	<b>365</b>	90	91	92	92	<b>365</b>	90	91	<b>365</b>
Oil (mmb)	7.4	<b>30</b>	7.9	8.5	9.2	9.9	<b>36</b>	10.3	11.2	<b>41</b>
Oil (mbd)	81	<b>82</b>	88	94	100	107	<b>97</b>	115	123	<b>111</b>
Total (mb)	8.5	<b>34.3</b>	9.0	9.7	10.4	11.0	<b>40.1</b>	11.5	12.3	<b>45</b>
Total (mbd)	93	<b>94</b>	100	106	113	120	<b>110</b>	127	135	<b>124</b>
<b>Price</b>										
Henry Hub (\$/mmbtu)	4.10	<b>3.65</b>	4.95	4.67	4.22	4.19	<b>4.51</b>	4.27	3.96	<b>4.16</b>
Differential (\$/mmbtu)	(0.17)	<b>(0.39)</b>	(1.55)	(1.46)	(1.32)	(1.31)	<b>(1.41)</b>	(1.33)	(1.24)	<b>(1.30)</b>
Company (\$/mcf)	4.27	<b>4.04</b>	6.50	6.14	5.54	5.50	<b>5.91</b>	5.61	5.20	<b>5.46</b>
WTI Cushing (\$/bbl)	94.22	<b>97.98</b>	98.74	102.98	100.46	98.99	<b>100.29</b>	97.47	96.08	<b>98.25</b>
Differential	9.87	<b>12.30</b>	12.85	13.40	13.07	12.88	<b>13.07</b>	12.69	12.50	<b>12.89</b>
Company (\$/bbl)	84.36	<b>85.68</b>	85.89	89.58	87.39	86.10	<b>87.23</b>	84.79	83.57	<b>85.36</b>
Total (\$/bbl)	76.83	<b>77.68</b>	80.08	83.41	81.43	80.60	<b>81.38</b>	79.80	78.77	<b>80.09</b>
<b>Revenue (\$mm)</b>										
Natural Gas	28	<b>108</b>	44	42	38	38	<b>161</b>	38	35	<b>148</b>
Oil	623	<b>2,558</b>	678	765	807	851	<b>3,100</b>	877	935	<b>3,470</b>
Total	651	<b>2,666</b>	721	806	845	888	<b>3,261</b>	914	970	<b>3,618</b>
<b>Expense</b>										
Lease operating	105	<b>430</b>	115							
Production taxes	54	<b>225</b>	60							
General and administrative	29	<b>138</b>	32							
Total	188	<b>793</b>	207	238	249	262	<b>955</b>	269	286	<b>1,066</b>
<b>Ebitda</b>										
Exploration	43	<b>261</b>	42	42	42	42	<b>168</b>	42	42	<b>168</b>
Deprec., Deplet., & Amort.	223	<b>891</b>	235	235	235	235	<b>940</b>	235	235	<b>940</b>
Other	(13)	<b>(147)</b>	1				<b>1</b>			<b>-</b>
<b>Ebit</b>	210	<b>868</b>	236	292	319	350	<b>1,196</b>	368	407	<b>1,444</b>
Interest	23	<b>112</b>	42	42	42	42	<b>168</b>	42	42	<b>168</b>
<b>Ebt</b>	187	<b>756</b>	194	250	277	308	<b>1,028</b>	326	365	<b>1,276</b>
Income Tax	65	<b>265</b>	68	87	97	108	<b>360</b>	114	128	<b>447</b>
<b>Net Income (\$mm)</b>	121	<b>492</b>	126	162	180	200	<b>668</b>	212	238	<b>829</b>
Per Share (\$)	1.02	<b>4.12</b>	1.05	1.35	1.50	1.67	<b>5.57</b>	1.77	1.98	<b>6.91</b>
<b>Shares (millions)</b>										
Ebitda Margin	71%	<b>70%</b>	71%	71%	71%	71%	<b>71%</b>	71%	71%	<b>71%</b>
Tax rate	35%	<b>35%</b>	35%	35%	35%	35%	<b>35%</b>	35%	35%	<b>35%</b>



# Meter Reader

A Weekly Analysis of Oil and Gas Stocks  
July 15, 2014

Kodiak Oil & Gas								
Next Twelve Months Operating and Financial Estimates								
								<i>Next</i>
	<i>Q1</i>	<i>Q2E</i>	<i>Q3E</i>	<i>Q4E</i>	<i>Year</i>	<i>Q1E</i>	<i>Q2E</i>	<i>Twelve</i>
	<i>3/31/14</i>	<i>6/30/14</i>	<i>9/30/14</i>	<i>12/31/14</i>	<i>2014E</i>	<i>3/31/15</i>	<i>6/30/15</i>	<i>Months</i>
								<i>6/30/15</i>
<b>Volume</b>								
Natural Gas (mmcf)	26	28	31	34	<b>30</b>	37.58	41	<b>36</b>
Days	90	91	92	92	<b>365</b>	90	91	<b>365</b>
Oil (mmb)	2.7	3.0	3.3	3.6	<b>13</b>	3.9	4.4	<b>15</b>
Oil (mbd)	30	33	36	40	<b>35</b>	44	48	<b>42</b>
Total (mb)	3.1	3.4	3.8	4.2	<b>14.4</b>	4.5	5.0	<b>17</b>
Total (mbd)	34	37	41	45	<b>40</b>	50	55	<b>48</b>
<b>Price</b>								
Henry Hub (\$/mmbtu)	4.95	4.67	4.22	4.19	<b>4.51</b>	4.27	3.96	<b>4.16</b>
Differential (\$/mmbtu)	(3.61)	(3.41)	(3.08)	(3.05)	<b>(3.23)</b>	(3.06)	(2.84)	<b>(2.99)</b>
Company (\$/mcf)	8.56	8.08	7.30	7.24	<b>7.73</b>	7.33	6.80	<b>7.15</b>
WTI Cushing (\$/bbl)	98.74	102.98	100.46	98.99	<b>100.29</b>	97.47	96.08	<b>98.25</b>
Differential	10.12	10.56	10.30	10.15	<b>10.31</b>	9.99	9.85	<b>10.22</b>
Company (\$/bbl)	88.62	92.42	90.16	88.84	<b>89.99</b>	87.48	86.23	<b>88.03</b>
Total (\$/bbl)	83.94	86.90	84.33	83.13	<b>84.51</b>	82.01	80.52	<b>82.36</b>
<b>Revenue (\$mm)</b>								
Natural Gas	20	21	21	23	<b>84</b>	25	26	<b>94</b>
Oil	237	275	299	324	<b>1,135</b>	343	376	<b>1,341</b>
Total	257	296	319	346	<b>1,219</b>	368	401	<b>1,435</b>
<b>Expense</b>								
Production	57							
General and administrative	14							
Total	71	83	89	97	<b>340</b>	103	112	<b>402</b>
<b>Ebitda</b>	186	213	230	249	<b>878</b>	265	289	<b>1,033</b>
Exploration	-	-	-	-	-	-	-	-
Deprec., Deplet., & Amort.	90	90	90	90	<b>360</b>	90	90	<b>360</b>
Other	25	25	25	25	<b>101</b>	25	25	<b>101</b>
<b>Ebit</b>	71	98	115	134	<b>417</b>	149	174	<b>572</b>
Interest	25	25	25	25	<b>100</b>	25	25	<b>100</b>
<b>Ebt</b>	46	73	90	109	<b>317</b>	124	149	<b>472</b>
Income Tax	16	25	31	38	<b>111</b>	44	52	<b>165</b>
<b>Net Income (\$mm)</b>	30	47	58	71	<b>206</b>	81	97	<b>307</b>
Per Share (\$)	0.11	0.18	0.22	0.26	<b>0.76</b>	0.30	0.36	<b>1.14</b>
<b>Shares (millions)</b>	270	270	270	270	<b>270</b>	270	270	<b>270</b>
Ebitda Margin	72%	72%	72%	72%	<b>72%</b>	72%	72%	<b>72%</b>
Tax rate	35%	35%	35%	35%	<b>35%</b>	35%	35%	<b>35%</b>





# Meter Reader

A Weekly Analysis of Oil and Gas Stocks  
July 15, 2014

			<i>Price (US\$/sh) 14-Jul 2014</i>	<i>Shares (mm)</i>	<i>Market Cap (US\$mm)</i>	<i>Net Present Value (US\$/sh)</i>	<i>Debt/ Present Value</i>	<i>McDep Ratio</i>
		<i>B = Buy, CB (see below)</i>						
<b>Global Integrated</b>								
Exxon Mobil Corporation	XOM	B	102.68	4,328	444,000	102.00	0.15	1.01
Total S.A.	TOT		69.45	2,277	158,000	80.00	0.21	0.90
Royal Dutch Shell plc	RDS-A		82.24	3,145	259,000	95.00	0.22	0.90
Chevron Corporation	CVX		129.26	1,909	247,000	150.00	0.13	0.88
Lukoil Oil Company	LUKOY	B	58.95	776	45,800	135.00	0.06	0.47
<i>Total or Median</i>					<i>1,154,000</i>		<i>0.15</i>	<i>0.90</i>
<b>U.S. Independent</b>								
EOG Resources, Inc.	EOG		115.69	548	63,400	110.00	0.08	1.05
ConocoPhillips	COP		85.84	1,243	107,000	100.00	0.21	0.89
Occidental Petroleum Corp.	OXY		101.22	792	80,200	120.00	0.09	0.86
Marathon Oil Corporation	MRO	B	39.69	696	27,620	50.00	0.22	0.84
Devon Energy Corporation	DVN	B	77.81	408	31,700	100.00	0.24	0.83
<i>Total or Median</i>					<i>309,900</i>		<i>0.21</i>	<i>0.86</i>
<b>Canada/Australia</b>								
Woodside Petroleum Ltd.	WOPEY		38.99	823	32,100	36.00	0.13	1.07
Imperial Oil Limited (30%)	IMO		53.21	255	13,600	52.00	0.19	1.02
EnCana Corporation	ECA	B	21.95	736	16,200	30.00	0.27	0.81
Cenovus Energy Inc.	CVE		31.62	757	23,900	42.00	0.19	0.80
Canadian Oil Sands Limited	COSWF	B	21.76	485	10,600	34.00	0.13	0.69
<i>Total or Median</i>					<i>96,000</i>		<i>0.19</i>	<i>0.81</i>
<b>Small Cap Independent Producers</b>								
Continental Resources (32%)	CLR	B	151.79	59	9,000	135.00	0.18	1.10
Cimarex Energy Company	XEC	B	142.36	87	12,400	140.00	0.11	1.01
Halcón Resources	HK		6.83	414	2,800	7.00	0.57	0.99
Whiting Petroleum Corporation	WLL	B	84.58	120	10,200	90.00	0.21	0.95
Birchcliff Energy Ltd.	BIREF	B	11.69	156	1,800	14.00	0.21	0.87
Peyto Exploration and Development Corp.	PEYUF		35.63	152	5,400	42.00	0.13	0.87
WPX Energy Inc.	WPX		22.03	200	4,400	28.00	0.33	0.86
Range Resources	RRC	CB	81.98	162	13,300	100.00	0.19	0.85
PDC Energy	PDCE		58.60	36	2,100	75.00	0.21	0.83
<i>Total or Median</i>					<i>61,000</i>		<i>0.21</i>	<i>0.87</i>
<b>RTF Cash Payers</b>								
Mesa RoyaltyTrust	MTR		29.80	2	60	28.00	-	1.07
Dorchester Minerals, L.P.	DMLP	B	31.22	31	960	32.00	-	0.98
Enduro Royalty Trust	NDRO		13.55	33	450	14.00	-	0.97
Freehold Royalties Ltd.	FRHLF		24.73	68	1,680	26.00	0.08	0.96
Sabine Royalty Trust	SBR		58.09	15	850	64.00	-	0.91
San Juan Basin Royalty Trust	SJT	B	18.78	47	880	21.00	-	0.89
Hugoton RoyaltyTrust	HGT		10.32	40	410	13.00	-	0.79
Cross Timbers Royalty Trust	CRT		33.17	6	200	42.00	-	0.79
Permian Basin RT	PBT		14.18	47	660	18.00	-	0.79
<i>Total or Median</i>					<i>6,200</i>		<i>-</i>	<i>0.91</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





# Meter Reader

A Weekly Analysis of Oil and Gas Stocks

July 15, 2014

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		14-Jul 2014	NTM	NTM	NTM	NTM	NTM	
	B = Buy, CB (see below)							(\$/sh)	
<b>Global Integrated</b>									
	Exxon Mobil Corporation	XOM	B	102.68	14.0	7.1	7.1	13	2.76
	Royal Dutch Shell plc	RDS-A		82.24	10.3	6.7	6.0	12	3.76
	Chevron Corporation	CVX		129.26	9.1	6.7	5.9	12	4.28
	Total S.A.	TOT		69.45	10.3	6.6	5.9	12	3.32
	Lukoil Oil Company	LUKOY	B	58.95	15.5	5.6	2.6	5	3.20
	<i>Median</i>				10.3	6.7	5.9	12	
<b>U.S. Independent</b>									
	EOG Resources, Inc.	EOG		115.69	7.8	6.6	6.9	22	2.88
	Devon Energy Corporation	DVN	B	77.81	10.1	8.0	6.7	17	0.96
	Occidental Petroleum Corp.	OXY		101.22	10.7	7.3	6.2	14	2.76
	ConocoPhillips	COP		85.84	11.3	6.9	6.1	12	0.50
	Marathon Oil Corporation	MRO	B	39.69	10.4	6.4	5.3	12	0.76
	<i>Median</i>				10.4	6.9	6.2	14	
<b>Canada/Australia</b>									
	Imperial Oil Limited (30%)	IMO		53.21	24.5	9.8	10.0	14	0.49
	Woodside Petroleum Ltd.	WOPEY		38.99	9.5	7.5	8.1	16	2.06
	EnCana Corporation	ECA	B	21.95	7.2	10.0	8.1	15	0.28
	Cenovus Energy Inc.	CVE		31.62	13.7	8.4	6.7	15	0.99
	Canadian Oil Sands Limited	COSWF	B	21.76	18.2	9.7	6.7	11	1.59
	<i>Median</i>				13.7	9.7	8.1	15	
<b>Small Cap Independent Producers</b>									
	Range Resources	RRC	CB	81.98	13.6	12.1	10.4	71	0.16
	Peyto Exploration and Development Corp.	PEYUF		35.63	10.0	10.2	8.8	21	0.90
	Birchcliff Energy Ltd.	BIREF	B	11.69	14.5	9.7	8.4	24	-
	PDC Energy	PDCE		58.60	17.5	10.1	8.4	32	-
	Continental Resources (32%)	CLR	B	151.79	11.4	7.3	8.0	19	-
	Halcón Resources	HK		6.83	5.8	8.0	8.0	16	-
	WPX Energy Inc.	WPX		22.03	8.6	8.6	7.4		-
	Cimarex Energy Company	XEC	B	142.36	7.0	7.1	7.2	19	0.64
	Whiting Petroleum Corporation	WLL	B	84.58	7.6	5.4	5.1	12	-
	<i>Median</i>				10.0	8.6	8.0	20	
<b>RTF Cash Payers</b>									
	Sabine Royalty Trust	SBR		58.09	10.2	15.3	13.9	14	4.19
	San Juan Basin Royalty Trust	SJT	B	18.78	10.7	14.9	13.4	15	1.28
	Dorchester Minerals, L.P.	DMLP	B	31.22	8.3	13.1	12.7	18	2.02
	Cross Timbers Royalty Trust	CRT		33.17	12.2	14.3	11.3	14	2.44
	Mesa Royalty Trust	MTR		29.80	6.9	10.4	11.2	13	2.26
	Hugoton Royalty Trust	HGT		10.32	14.4	14.0	11.1	13	0.80
	Freehold Royalties Ltd.	FRHLF		24.73	5.7	11.5	11.0	20	1.57
	Permian Basin RT	PBT		14.18	9.8	10.3	8.1	13	1.08
	Enduro Royalty Trust	NDRO		13.55	7.4	7.9	7.6	17	0.81
	<i>Median</i>				9.8	13.1	11.2	14	

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

A Weekly Analysis of Oil and Gas Stocks  
July 15, 2014

Table 4									
McDep Energy Stocks									
Total Return and Enterprise Value Momentum									
Ranked by EV/200-Day Average									
				Equity					
			Price	Total					
			(\$/sh)	Return	Enterprise Value/				
	Symbol		14-Jul	YTD	52Wk	52Wk	50 Day	200 Day	McDep
	Rating		2014	(%)	High	Low	Avg.	Avg.	Ratio
<b>Global Integrated</b>									
	RDS-A		82.24	18	0.99	1.21	1.02	1.10	0.90
	TOT		69.45	16	0.95	1.26	0.98	1.07	0.90
	CVX		129.26	5	0.97	1.15	1.02	1.06	0.88
	XOM	B	102.68	3	0.98	1.17	1.01	1.06	1.01
	LUKOY	B	58.95	(4)	0.90	1.17	1.01	1.00	0.47
	<i>Median</i>			5	0.97	1.17	1.01	1.06	0.90
<b>U.S. Independent</b>									
	EOG		115.69	38	0.98	1.56	1.06	1.21	1.05
	COP		85.84	24	0.99	1.26	1.04	1.13	0.89
	DVN	B	77.81	27	0.97	1.27	1.02	1.12	0.83
	MRO	B	39.69	14	0.99	1.18	1.04	1.08	0.84
	OXY		101.22	8	0.96	1.17	1.01	1.05	0.86
	<i>Median</i>			24	0.98	1.26	1.04	1.12	0.86
<b>Canada/Australia</b>									
	IMO		53.21	21	0.99	1.25	1.04	1.13	1.02
	CVE		31.62	12	0.98	1.17	1.03	1.08	0.80
	COSWF	B	21.76	19	0.96	1.17	1.01	1.07	0.69
	WOPEY		38.99	16	0.97	1.18	1.00	1.07	1.07
	ECA	B	21.95	22	0.92	1.18	0.96	1.06	0.81
	<i>Median</i>			19	0.97	1.18	1.01	1.07	0.81
<b>Small Cap Independent Producers</b>									
	XEC	B	142.36	36	0.98	1.80	1.06	1.23	1.01
	BIREF	B	11.69	71	0.88	1.49	0.95	1.19	0.87
	CLR	B	151.79	35	0.96	1.52	1.04	1.19	1.10
	WLL	B	84.58	37	1.00	1.51	1.09	1.19	0.95
	HK		6.83	77	0.96	1.30	1.03	1.15	0.99
	PEYUF		35.63	18	0.93	1.28	0.98	1.08	0.87
	WPX		22.03	8	0.94	1.17	1.00	1.06	0.86
	PDCE		58.60	10	0.84	1.22	0.95	0.99	0.83
	RRC	CB	81.98	(3)	0.89	1.10	0.94	0.98	0.85
	<i>Median</i>			35	0.94	1.30	1.00	1.15	0.87
<b>RTF Cash Payers</b>									
	DMLP	B	31.22	25	1.00	1.33	1.08	1.20	0.98
	MTR		29.80	51	0.80	1.50	0.95	1.20	1.07
	HGT		10.32	47	0.86	1.48	0.94	1.19	0.79
	FRHLF		24.73	23	0.96	1.24	1.03	1.11	0.96
	SBR		58.09	20	0.91	1.22	1.01	1.11	0.91
	SJT	B	18.78	16	0.93	1.21	0.98	1.07	0.89
	CRT		33.17	18	0.87	1.25	0.96	1.06	0.79
	NDRO		13.55	16	0.85	1.19	1.06	1.06	0.97
	PBT		14.18	15	0.87	1.17	1.00	1.03	0.79
	<i>Median</i>			20	0.87	1.24	1.00	1.11	0.91

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

Source: Bloomberg, Yahoo, McDep LLC



# Meter Reader

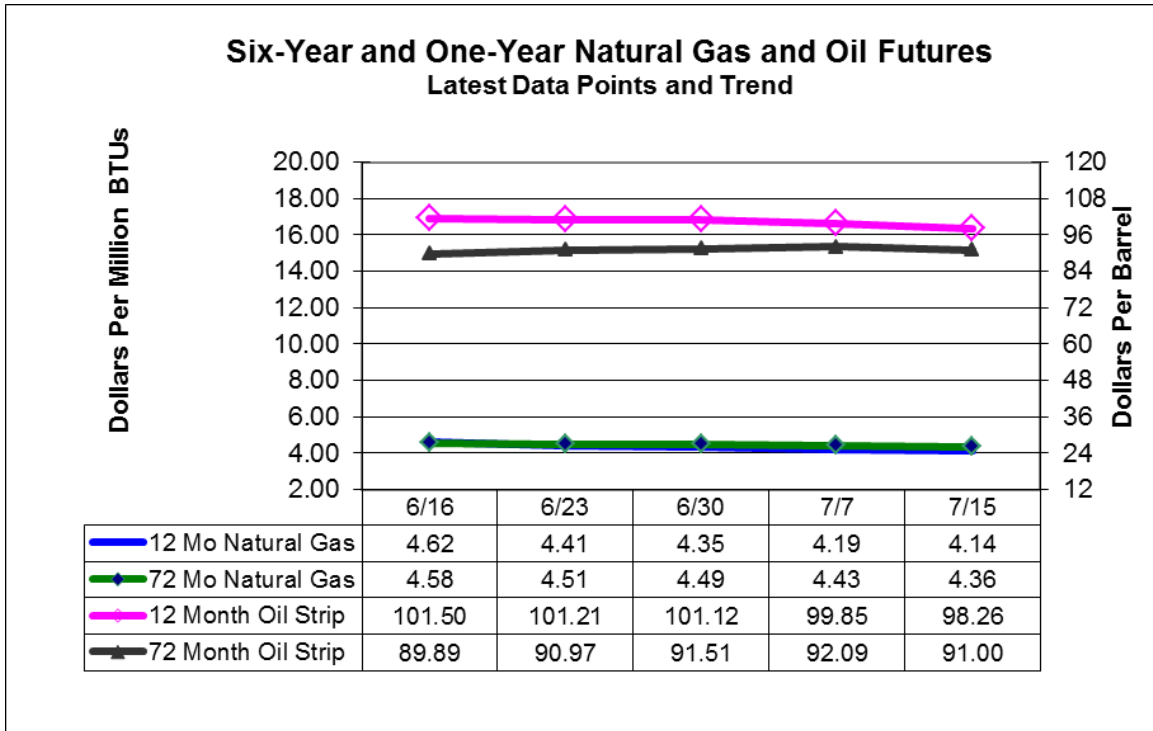
A Weekly Analysis of Oil and Gas Stocks  
July 15, 2014

Index of Recent Research			
<b>Stock Ideas</b>			
<u>Date</u>	<u>Symbol</u>	<u>Subject</u>	<u>Theme</u>
8-Jul	DVN	Devon Energy	Five Core Focus (Meter Reader)
1-Jul	COSWF	Canadian Oil Sands Ltd.	Returning to Favor (Meter Reader)
24-Jun	DMLP	Dorchester Minerals, L.P.	Raise NPV to \$32 on Minerals (Meter Reader)
24-Jun	FRHLF	Freehold Royalties Ltd	Raise NPV to \$26 on Minerals (Meter Reader)
17-Jun	PEYUF	Peyto Exploration	Raise NPV to \$42 on More Energy Growth (Meter Reader)
10-Jun	OXY	Occidental Petroleum	Raise NPV to \$120, Spinoff Filed (Meter Reader)
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)
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)
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)
19-Nov	CLR	Continental Resources	High Density "Ears Back" Drilling Pace (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)
23-Jul	WOPEY	Woodside Petroleum, Ltd.	Distributing LNG Cash (Meter Reader)
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>			
8-Jul	DVN	Devon Energy	Five Core Focus
1-Jul	COSWF	Canadian Oil Sands Ltd.	Returning to Favor
24-Jun	DMLP, FRHLF		Raise NPV to \$32 for Dorchester, \$26 for Freehold
17-Jun	PEYUF	Peyto Exploration	Raise NPV to \$42 on More Energy Growth
10-Jun	OXY	Occidental Petroleum	Raise NPV to \$120, Spinoff Filed
3-Jun	ECA	Encana Corporation	Hidden Value Surfaces
27-May	CVX	Chevron	Oil Price Turns Up
20-May	BIREF	Birchcliff Energy	Raise NPV to \$14 on Accelerating Volume
13-May	XEC	Cimarex Energy	Raise NPV to \$140 on Cana Double
For earlier editions, go to <a href="http://mcdep.com">mcdep.com</a> , click on <a href="#">Meter Reader</a> .			
<b>Industry Ideas</b>			
July			Oil and Gas Investor: In Royalty We Trust
24-Jun	DMLP, FRHLF, PBT, CRT, NDRO		Raise NPV, Trustee Approved, Permian Wells
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



# Meter Reader

A Weekly Analysis of Oil and Gas Stocks  
July 15, 2014



**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.

McDep or its employees may take positions in stocks the firm covers for research purposes. No trades in a subject stock shall be made within a week before or after a change in recommendation.

**Certification:** I, Kurt H. Wulff, certify that the views expressed in this research analysis accurately reflect my personal views about the subject securities and issuers. No part of my compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in this research analysis.

**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. Hold recommendations assume the attributes of the underlying business are reflected in the current price of the stock. Sell recommendations are expected to deliver a total return less than inflation.