

San Juan Basin Royalty Trust (SJT) Income and Shale

<i>Symbol</i>	SJT	<i>Ebitda Next Twelve Months ending 6/30/15 (US\$mm)</i>	61
<i>Rating</i>	Buy	<i>North American Natural Gas/Ebitda (%)</i>	96
<i>Price (US\$/sh)</i>	18.95	<i>Natural Gas and Oil Production/Ebitda (%)</i>	100
<i>Pricing Date</i>	8/25/14	<i>Adjusted Reserves/Production NTM</i>	10.5
<i>Shares (mm)</i>	47	<i>EV/Ebitda</i>	14.4
<i>Market Capitalization (US\$mm)</i>	880	<i>PV/Ebitda</i>	15.9
<i>Debt (US\$mm)</i>	0	<i>Undeveloped Reserves (%)</i>	1
<i>Enterprise Value (EV) (US\$mm)</i>	880	<i>Natural Gas and Oil Ebitda (US\$/mcf)</i>	2.67
<i>Present Value (PV) (US\$mm)</i>	980	<i>Present Value Proven Reserves(US\$/boe)</i>	23.75
<i>Net Present Value (US\$/unit)</i>	21	<i>Oil and Gas Ebitda Margin (%)</i>	60
<i>Debt/Present Value</i>	0.00	<i>Earnings Next Twelve Months (US\$/un)</i>	1.21
<i>McDep Ratio - EV/PV</i>	0.90	<i>Price/Earnings Next Twelve Months</i>	16
<i>Distribution Yield (%/year)</i>	6.4	<i>Distribution Next Twelve Months (US\$/sh)</i>	1.21
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 www.mcdep.com/4sjt.htm			

Summary and Recommendation

Units of buy-recommended **San Juan Basin Royalty Trust (SJT)** pay tax-deferred income at an estimated 6.4% a year, have an estimated Net Present Value (NPV) of \$21 and offer future upside from fracing the Mancos Shale. Attesting to its attraction as an income-paying natural gas resource investment, SJT's production is stable at a 2% a year decline for the past four years with minimal reinvestment (see chart [Volume](#) on page 2). With modest additional reinvestment, the decline might be held to 1% a year as we illustrate in a discounted cash flow calculation (see table [Present Value](#) on page 3). By that example, purchase of the stock at NPV of \$21 would deliver a real return of 7% a year after inflation. Most income investors expect less considering that the real return on U.S. 30-year Treasury Inflation Protected Securities is below 1% a year. The return on SJT could be higher with successful fracing of the Mancos Shale in horizontal wells. Only one horizontal well was drilled on the trust's properties and that was more than a year ago. Fracing is being actively pursued in the oil-prone section of the San Juan Basin where **Encana (ECA)** and **WPX Energy (WPX)** are the leaders (see charts on page 4). Ultimately the volume of resource in the liquids-rich and dry natural gas portions of the basin where the trust has 95% of its acreage is several times greater than in the oil portion. Meanwhile, near-term trends point to income for the next twelve months of 1.21 a unit (see table [Operating and Financial Estimates](#) on page 5). The trust has no debt and SJT stock is in a rising price trend after having returned 18% year to date (see [Tables 1-4](#) on pages 6-9).

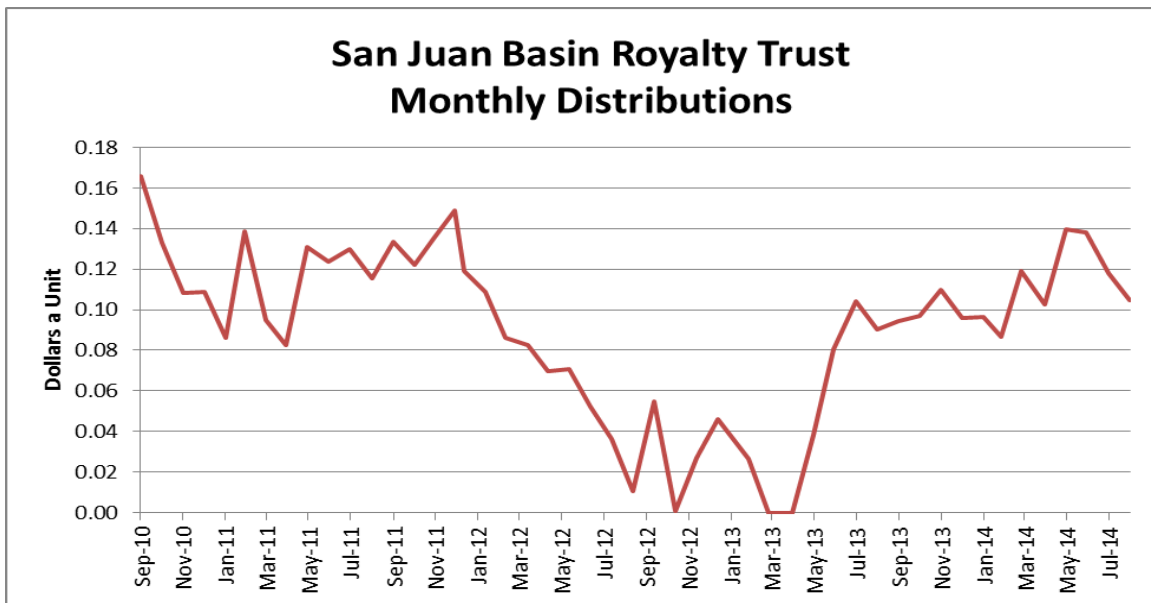
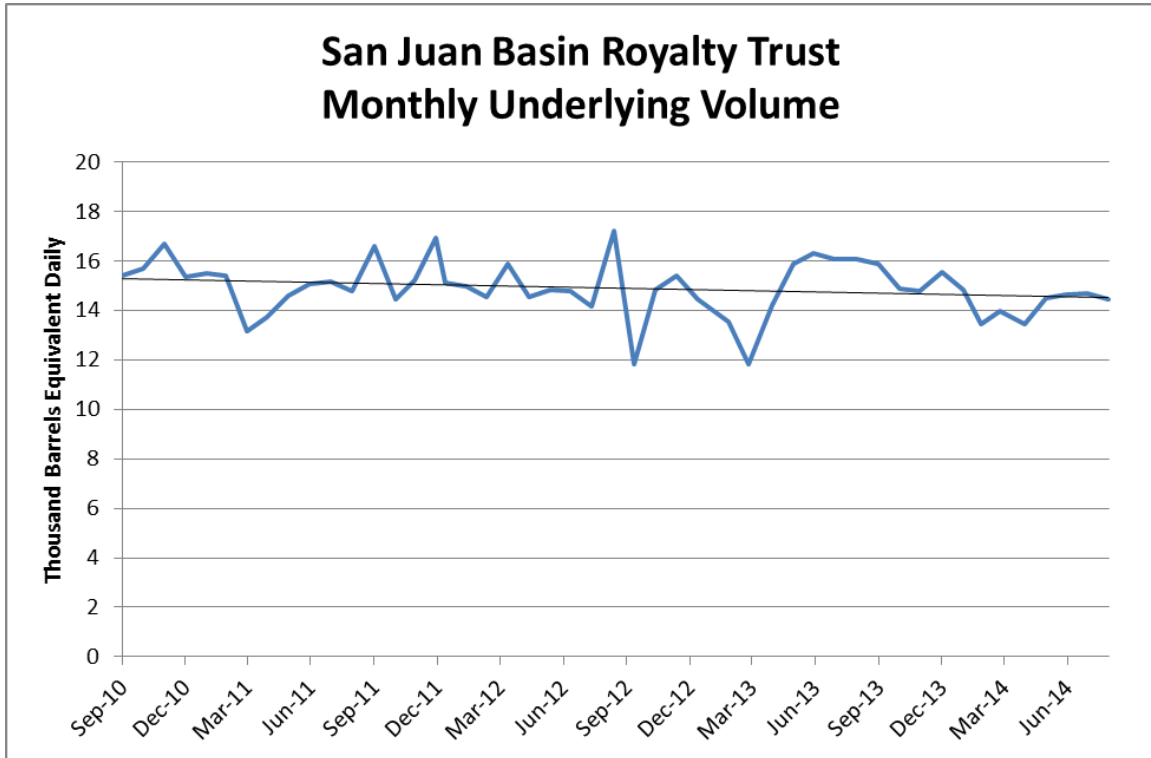
Kurt H. Wulff, CFA



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August 26, 2014





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San Juan Basin Royalty Trust												
Present Value												
Oil Volume Decline (%/yr):				1	Oil Price Post 2015 (2014\$/bbl)				100			
Nat Gas Volume Decline (%/yr):				1	Nat Gas Price Post 2015 (2014\$/mmbtu)				6			
					Real Discount Rate (%/yr):				7.0			
Variable Cost (%):				20	PV/EBITDA 2015:				10			
Cumul. Vol/Prod 2010:				25	Capex/Cash Flow (%):				10			
12 Mo	Volume		Price		Revenue	Fixed	Var.	Cap	Distribution		Disc	Present
End	Oil	Nat Gas	(\$/bbl)	(\$/mcf)	(\$mm)	Cost	Cost	Ex	(\$mm)	(\$/unit)	Factor	Value
6/30	(mmb)	(bcf)				(\$mm)	(\$mm)	(\$mm)	(\$mm)			(\$/unit)
Total 2015 through 2044												
	1.1	571			3761	681	752	232	2096	44.97	0.47	21.00
2015	0.05	23.17	82.08	4.38	105.1	22.7	21.0	5.1	56.3	1.21	0.97	1.17
2016	0.04	22.85	90.00	6.50	152.5	22.7	30.5	9.9	89.4	1.92	0.90	1.73
2017	0.04	22.53	90.00	6.50	150.4	22.7	30.1	9.8	87.8	1.88	0.84	1.59
2018	0.04	22.21	90.00	6.50	148.3	22.7	29.7	9.6	86.3	1.85	0.79	1.46
2019	0.04	21.90	90.00	6.50	146.2	22.7	29.2	9.4	84.8	1.82	0.74	1.34
2020	0.04	21.59	90.00	6.50	144.2	22.7	28.8	9.3	83.4	1.79	0.69	1.23
2021	0.04	21.29	90.00	6.50	142.1	22.7	28.4	9.1	81.9	1.76	0.64	1.13
2022	0.04	20.99	90.00	6.50	140.2	22.7	28.0	8.9	80.5	1.73	0.60	1.04
2023	0.04	20.70	90.00	6.50	138.2	22.7	27.6	8.8	79.1	1.70	0.56	0.95
2024	0.04	20.41	90.00	6.50	136.3	22.7	27.3	8.6	77.7	1.67	0.53	0.88
2025	0.04	20.12	90.00	6.50	134.3	22.7	26.9	8.5	76.3	1.64	0.49	0.80
2026	0.04	19.84	90.00	6.50	132.5	22.7	26.5	8.3	74.9	1.61	0.46	0.74
2027	0.04	19.56	90.00	6.50	130.6	22.7	26.1	8.2	73.6	1.58	0.43	0.68
2028	0.04	19.29	90.00	6.50	128.8	22.7	25.8	8.0	72.3	1.55	0.40	0.62
2029	0.04	19.02	90.00	6.50	127.0	22.7	25.4	7.9	71.0	1.52	0.37	0.57
2030	0.04	18.75	90.00	6.50	125.2	22.7	25.0	7.7	69.7	1.50	0.35	0.52
2031	0.04	18.49	90.00	6.50	123.5	22.7	24.7	7.6	68.4	1.47	0.33	0.48
2032	0.04	18.23	90.00	6.50	121.7	22.7	24.3	7.5	67.2	1.44	0.31	0.44
2033	0.04	17.98	90.00	6.50	120.0	22.7	24.0	7.3	66.0	1.42	0.29	0.40
2034	0.03	17.73	90.00	6.50	118.3	22.7	23.7	7.2	64.8	1.39	0.27	0.37
2035	0.03	17.48	90.00	6.50	116.7	22.7	23.3	7.1	63.6	1.36	0.25	0.34
2036	0.03	17.23	90.00	6.50	115.0	22.7	23.0	6.9	62.4	1.34	0.23	0.31
2037	0.03	16.99	90.00	6.50	113.4	22.7	22.7	6.8	61.2	1.31	0.22	0.29
2038	0.03	16.75	90.00	6.50	111.8	22.7	22.4	6.7	60.1	1.29	0.20	0.26
2039	0.03	16.52	90.00	6.50	110.3	22.7	22.1	6.6	59.0	1.27	0.19	0.24
2040	0.03	16.29	90.00	6.50	108.7	22.7	21.7	6.4	57.9	1.24	0.18	0.22
2041	0.03	16.06	90.00	6.50	107.2	22.7	21.4	6.3	56.8	1.22	0.17	0.20
2042	0.03	15.83	90.00	6.50	105.7	22.7	21.1	6.2	55.7	1.19	0.16	0.19
2043	0.03	15.61	90.00	6.50	104.2	22.7	20.8	6.1	54.6	1.17	0.15	0.17
2044	0.03	15.39	90.00	6.50	102.8	22.7	20.6	6.0	53.6	1.15	0.14	0.16

Please see disclosures on the final page.

Page 3

San Juan Gallup Accelerating Production Growth

Production exceeds 2Q target

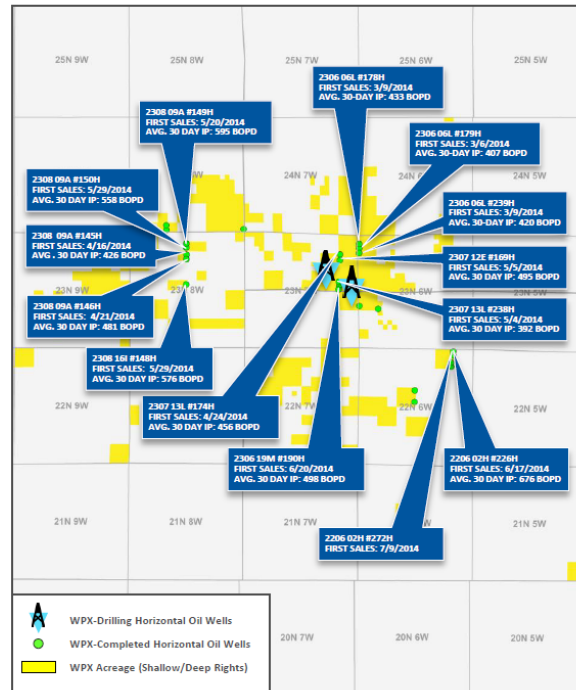
- ▶ Oil production up 500% 2Q '14 vs. 2Q '13
- ▶ Oil production up 76% 2Q '14 vs. 1Q '14

Development program advancing

- ▶ 2Q oil production 25% higher than target, 3.0 Mbo/d vs. 2.4 Mbo/d
- ▶ Reduced well cost to \$5.2MM, targeting \$4.8MM by year-end
- ▶ Average 2014 30-day IP is 626 boe/d vs. 2013 average of 474 boe/d
- ▶ Total net sales since January 2013 project inception exceeds 875 Mboe, or 697 Mbo

Efficiencies driving accelerated development

- ▶ Increasing spuds from 29 to 40, while maintaining same rig count
- ▶ Currently two rigs running, plus top-setting rig



San Juan FIRST MOVER IN NEW OIL PLAY

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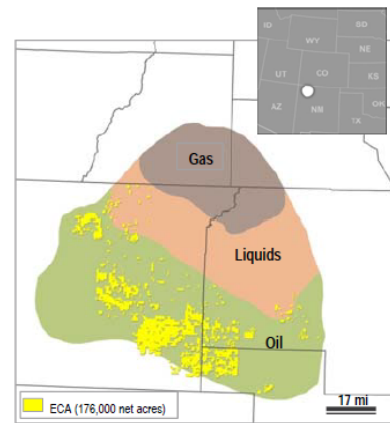
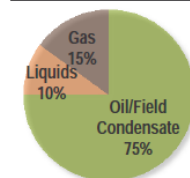
Why we like it

- Light, sweet oil play discovered by Encana
 - Capable of producing ~50,000 boe/d
- Dominant operator in the play
- Strong economics, ability to apply scale
- Consistent well performance at or above type curve
 - 30 day IPs of 400 - 500 bbls/d oil
- Significant well cost reductions achieved
 - High efficiency: 25 wells/rig/year
 - Well costs: \$4 - \$5 million
- 45% - 70% rate of return* in Resource Play Hub mode

2014 plan

- Advance efficient commercial development
- Further delineate acreage
- Reduce well costs by optimizing completions
- Work with BLM to streamline permitting process

San Juan 2017F Production



*Based on type curve & assumes flat pricing to 2017 of \$4/MMBtu NYMEX, \$90/bbl WTI.



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San Juan Basin Royalty Trust										
Next Twelve Months Operating and Financial Estimates										
										<i>Next Twelve Months</i>
	<i>Q3</i>	<i>Year</i>	<i>Q1</i>	<i>Q2</i>	<i>Q3E</i>	<i>Q4E</i>	<i>Year</i>	<i>Q1E</i>	<i>Q2E</i>	<i>Months</i>
	<i>9/30/13</i>	<i>2013</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>6/30/15</i>
Highlights										
Revenue (\$mm) (75%)	25.1	92.3	25.2	30.7	29.3	24.8	110.2	26.3	24.6	105.1
Cash flow (\$mm) (75%)	14.7	52.5	15.1	19.1	17.8	14.0	65.9	15.4	14.2	61.4
Per unit	0.31	1.13	0.32	0.41	0.38	0.30	1.41	0.33	0.31	1.32
Distributable Income (\$mm)	13.5	36.5	14.1	17.7	16.5	12.7	61.0	14.1	12.9	56.3
Per unit	0.29	0.78	0.30	0.38	0.35	0.27	1.31	0.30	0.28	1.21
Units (millions)	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6
Volume										
Natural gas (mmbtu)	9.0	34.7	8.5	8.4	8.6	8.6	34.1	8.5	8.2	34.0
Heat Content(btu/cf)	1,093	1,093	1,091	1,100	1,100	1,100	1,098	1,098	1,098	1,099
Natural gas (bcf)	8.3	31.7	7.8	7.6	7.8	7.8	31.1	7.8	7.4	30.9
Natural Gas (mmcf)	89.7	86.9	84.5	85.3	85.3	85.3	85.1	84.4	83.6	84.6
Days	92	365	92	89	92	92	365	92	89	365
Oil (mb)	0.02	0.06	0.02	0.01	0.01	0.01	0.06	0.02	0.01	0.06
Oil (mbd)	0.17	0.15	0.20	0.16	0.16	0.15	0.17	0.20	0.16	0.17
Days	92	365	92	89	92	92	365	92	89	365
Total gas & oil (bcf)	8.3	32.0	7.9	7.7	7.9	7.9	31.4	7.9	7.5	31.3
Price										
Natural gas (\$/mmbtu) (Henry Hub lagged two months)										
Henry Hub (\$/mmbtu)	4.01	3.64	3.91	5.01	4.61	3.91	4.36	4.14	4.07	4.18
Differential (%)	11	6	3	5	5	5	5	5	5	5
Net to SJT (\$/mmbtu)	3.56	3.41	3.79	4.76	4.38	3.71	4.16	3.95	3.88	3.98
Natural gas (\$/mcf)	3.89	3.73	4.13	5.24	4.82	4.08	4.56	4.34	4.26	4.38
Oil (\$/bbl) (WTI Cushing lagged two months)										
WTI Cushing	98.43	96.58	95.56	101.13	103.10	94.56	98.59	92.75	92.48	95.72
SJT	86.48	84.56	81.92	86.87	88.56	81.22	84.54	79.53	79.30	82.08
Total gas & oil (\$/mcf)	4.01	3.84	4.27	5.34	4.93	4.18	4.67	4.46	4.36	4.48
Revenue (\$mm)										
Natural Gas	32.1	118.3	32.1	39.7	37.8	32.0	141.7	33.7	31.7	135.2
Oil	1.3	4.7	1.5	1.3	1.3	1.1	5.2	1.4	1.1	5.0
Total	33.4	123.1	33.7	41.0	39.1	33.1	146.9	35.1	32.8	140.2
Cost (\$mm)										
Severance tax	3.5	13.0	4.0	5.7	5.5	4.6	19.7	4.7	4.4	19.2
Operating	10.0	37.8	9.0	9.3	9.5	9.5	37.3	9.5	9.0	37.5
Total	13.5	50.8	13.0	15.0	15.0	14.1	57.1	14.2	13.4	56.7
Cash flow (\$mm)										
Development	1.6	21.5	1.3	1.8	1.7	1.7	6.5	1.7	1.7	6.8
Net proceeds (\$mm)										
Royalty income (\$mm)	13.7	38.1	14.5	18.1	16.8	13.0	62.5	14.4	13.2	57.5
Royalty/Net proceeds	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Administration	0.3	1.7	0.4	0.4	0.3	0.3	1.5	0.3	0.3	1.2
One-time		(0.1)					-			-
Distributable income (\$mm)	13.5	36.5	14.1	17.7	16.5	12.7	61.0	14.1	12.9	56.3



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						Present Value by Segment (%)							
		Price		EV/	Enterprise	North	Rest of			Dist.			
		(US\$/sh)		Market	Value	Amer.	World			Yield			
Symbol/Rating		25-Aug		Cap		Natural	Natural	Oil	Down-	NTM	McDep		
B = Buy, CB (see below)		2014			(\$mm)	Gas	Gas	Prod'n	stream	(%)	Ratio		
Global Integrated													
Exxon Mobil Corporation	XOM	B	98.75	1.18	499,000	7	16	61	17	2.8	0.97		
Chevron Corporation	CVX		127.84	1.18	288,000	3	11	73	13	3.3	0.87		
Royal Dutch Shell plc	RDS-A		79.47	1.32	332,000	4	22	57	17	4.7	0.87		
Total S.A.	TOT		65.04	1.38	205,000		22	59	18	5.0	0.86		
Lukoil Oil Company	LUKOY	B	57.65	1.16	51,900			75	25	5.3	0.46		
<i>Total or Median</i>				<i>1.18</i>	<i>1,376,000</i>			<i>61</i>	<i>17</i>	<i>4.7</i>	<i>0.87</i>		
U.S. Independent													
EOG Resources, Inc.	EOG		107.94	1.11	65,600	16	4	80		0.6	0.98		
Occidental Petroleum Corp.	OXY		103.28	1.13	91,500	7	1	84	9	2.8	0.87		
ConocoPhillips	COP		80.80	1.33	134,000	13	14	72		3.6	0.85		
Marathon Oil Corporation	MRO	B	40.37	1.28	35,100	9	3	88		2.1	0.84		
Devon Energy Corporation	DVN	B	74.70	1.57	48,100	27		65	8	1.3	0.82		
<i>Total or Median</i>				<i>1.28</i>	<i>374,000</i>	<i>13</i>		<i>80</i>		<i>2.1</i>	<i>0.85</i>		
Canada/Australia													
Woodside Petroleum Ltd.	WOPEY		40.83	1.13	38,000		70	30		5.0	1.12		
Imperial Oil Limited (30%)	IMO		52.19	1.22	16,300	2		79	18	0.9	1.00		
EnCana Corporation	ECA	B	22.25	1.48	24,300	80		20		1.3	0.81		
Cenovus Energy Inc.	CVE		30.84	1.29	30,300	9		78	13	3.1	0.78		
Canadian Oil Sands Limited	COSWF	B	21.00	1.26	12,800			100		7.4	0.67		
<i>Total or Median</i>				<i>1.26</i>	<i>122,000</i>			<i>78</i>		<i>3.1</i>	<i>0.81</i>		
Small Cap Independent Producers													
Continental Resources (32%)	CLR	B	156.00	1.21	11,200	16		84		-	1.03		
Whiting Petroleum Corporation	WLL	B	90.92	1.28	14,000	9		91		-	1.01		
Cimarex Energy Company	XEC	B	139.14	1.15	14,000	41		59		0.5	0.99		
WPX Energy Inc.	WPX		25.84	1.54	8,000	69		31		-	0.95		
Halcón Resources	HK		5.55	2.65	6,100	6		94		-	0.91		
Birchcliff Energy Ltd.	BIREF	B	11.39	1.31	2,400	73		27		-	0.85		
Peyto Exploration and Developr	PEYUF		33.83	1.17	6,100	83		17		3.2	0.83		
PDC Energy	PDCE		58.08	1.39	2,900	26		74		-	0.83		
Range Resources	RRC	CB	78.85	1.28	16,400	61		39		0.2	0.83		
<i>Total or Median</i>				<i>1.28</i>	<i>81,000</i>	<i>41</i>		<i>59</i>		<i>-</i>	<i>0.91</i>		
RIF Cash Payers													
Mesa Royalty Trust	MTR		30.67	1.00	60	71		29		8.0	1.09		
Dorchester Minerals, L.P.	DMLP	B	33.55	1.00	1,030	40		60		5.5	1.05		
Enduro Royalty Trust	NDRO		13.42	1.00	440	37		63		6.0	0.96		
Freehold Royalties Ltd.	FRHLF		23.45	1.09	1,880	18		82		6.5	0.91		
San Juan Basin Royalty Trust	SJT	B	18.95	1.00	880	100		-		6.4	0.90		
Sabine Royalty Trust	SBR		54.84	1.00	800	44		56		7.4	0.86		
Permian Basin RT	PBT		14.10	1.00	660	20		80		8.3	0.78		
Hugoton Royalty Trust	HGT		9.81	1.00	390	87		13		7.6	0.75		
Cross Timbers Royalty Trust	CRT		31.43	1.00	190	64		36		7.7	0.75		
<i>Total or Median</i>				<i>1.00</i>	<i>6,300</i>	<i>44</i>		<i>56</i>		<i>7.4</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) 25-Aug 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>						
Global Integrated								
Exxon Mobil Corporation	XOM	B	98.75	4,297	424,000	102.00	0.15	0.97
Chevron Corporation	CVX		127.84	1,902	243,000	150.00	0.13	0.87
Royal Dutch Shell plc	RDS-A		79.47	3,162	251,000	95.00	0.21	0.87
Total S.A.	TOT		65.04	2,281	148,000	80.00	0.24	0.86
Lukoil Oil Company	LUKOY	B	57.65	776	44,700	135.00	0.06	0.46
<i>Total or Median</i>					<i>1,111,000</i>		<i>0.15</i>	<i>0.87</i>
U.S. Independent								
EOG Resources, Inc.	EOG		107.94	549	59,300	110.00	0.10	0.98
Occidental Petroleum Corp.	OXY		103.28	783	80,900	120.00	0.10	0.87
ConocoPhillips	COP		80.80	1,245	101,000	100.00	0.21	0.85
Marathon Oil Corporation	MRO	B	40.37	679	27,410	50.00	0.18	0.84
Devon Energy Corporation	DVN	B	74.70	411	30,700	100.00	0.30	0.82
<i>Total or Median</i>					<i>299,300</i>		<i>0.18</i>	<i>0.85</i>
Canada/Australia								
Woodside Petroleum Ltd.	WOPEY		40.83	823	33,600	36.00	0.13	1.12
Imperial Oil Limited (30%)	IMO		52.19	255	13,300	52.00	0.18	1.00
EnCana Corporation	ECA	B	22.25	736	16,400	30.00	0.26	0.81
Cenovus Energy Inc.	CVE		30.84	758	23,400	42.00	0.18	0.78
Canadian Oil Sands Limited	COSWF	B	21.00	485	10,200	34.00	0.14	0.67
<i>Total or Median</i>					<i>97,000</i>		<i>0.18</i>	<i>0.81</i>
Small Cap Independent Producers								
Continental Resources (32%)	CLR	B	156.00	59	9,200	150.00	0.18	1.03
Whiting Petroleum Corporation	WLL	B	90.92	120	10,900	90.00	0.22	1.01
Cimarex Energy Company	XEC	B	139.14	87	12,100	140.00	0.13	0.99
WPX Energy Inc.	WPX		25.84	200	5,200	28.00	0.33	0.95
Halcón Resources	HK		5.55	415	2,300	7.00	0.57	0.91
Birchcliff Energy Ltd.	BIREF	B	11.39	158	1,800	14.00	0.20	0.85
Peyto Exploration and Development Corp.	PEYUF		33.83	154	5,200	42.00	0.12	0.83
PDC Energy	PDCE		58.08	36	2,100	75.00	0.23	0.83
Range Resources	RRC	CB	78.85	163	12,900	100.00	0.18	0.83
<i>Total or Median</i>					<i>62,000</i>		<i>0.20</i>	<i>0.91</i>
RTF Cash Payers								
Mesa RoyaltyTrust	MTR		30.67	2	60	28.00	-	1.09
Dorchester Minerals, L.P.	DMLP	B	33.55	31	1,030	32.00	-	1.05
Enduro Royalty Trust	NDRO		13.42	33	440	14.00	-	0.96
Freehold Royalties Ltd.	FRHLF		23.45	73	1,720	26.00	0.08	0.91
San Juan Basin Royalty Trust	SJT	B	18.95	47	880	21.00	-	0.90
Sabine Royalty Trust	SBR		54.84	15	800	64.00	-	0.86
Permian Basin RT	PBT		14.10	47	660	18.00	-	0.78
Hugoton RoyaltyTrust	HGT		9.81	40	390	13.00	-	0.75
Cross Timbers Royalty Trust	CRT		31.43	6	190	42.00	-	0.75
<i>Total or Median</i>					<i>6,200</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		25-Aug 2014	NTM	NTM	NTM	NTM	NTM	
B = Buy, CB (see below)								(\$/sh)	
Global Integrated									
	Exxon Mobil Corporation	XOM	B	98.75	14.5	7.6	7.4	14	2.76
	Total S.A.	TOT		65.04	11.0	7.3	6.3	12	3.22
	Chevron Corporation	CVX		127.84	9.3	7.0	6.1	13	4.28
	Royal Dutch Shell plc	RDS-A		79.47	10.2	7.0	6.1	13	3.76
	Lukoil Oil Company	LUKOY	B	57.65	15.5	5.9	2.7	5	3.04
	<i>Median</i>				11.0	7.0	6.1	13	
U.S. Independent									
	Devon Energy Corporation	DVN	B	74.70	10.2	8.9	7.4	17	0.96
	EOG Resources, Inc.	EOG		107.94	7.5	7.3	7.2	21	0.67
	Occidental Petroleum Corp.	OXY		103.28	10.6	7.5	6.6	15	2.88
	ConocoPhillips	COP		80.80	11.3	7.5	6.4	14	2.92
	Marathon Oil Corporation	MRO	B	40.37	11.5	6.5	5.5	15	0.84
	<i>Median</i>				10.6	7.5	6.6	15	
Canada/Australia									
	Imperial Oil Limited (30%)	IMO		52.19	25.0	10.7	10.7	14	0.47
	Woodside Petroleum Ltd.	WOPEY		40.83	9.5	7.7	8.6	18	2.06
	EnCana Corporation	ECA	B	22.25	7.6	9.6	7.8	15	0.28
	Canadian Oil Sands Limited	COSWF	B	21.00	18.2	10.2	6.8	10	1.55
	Cenovus Energy Inc.	CVE		30.84	14.3	8.7	6.8	15	0.97
	<i>Median</i>				14.3	9.6	7.8	15	
Small Cap Independent Producers									
	Range Resources	RRC	CB	78.85	12.4	14.4	11.9	71	0.16
	Peyto Exploration and Development Corp.	PEYUF		33.83	10.0	11.0	9.2	23	1.09
	Continental Resources (32%)	CLR	B	156.00	11.4	8.5	8.7	20	-
	WPX Energy Inc.	WPX		25.84	8.6	8.9	8.5		-
	PDC Energy	PDCE		58.08	16.0	10.2	8.4	48	-
	Birchcliff Energy Ltd.	BIREF	B	11.39	13.8	9.4	8.0	22	-
	Cimarex Energy Company	XEC	B	139.14	6.4	7.8	7.7	22	0.64
	Halcón Resources	HK		5.55	5.9	8.1	7.3	16	-
	Whiting Petroleum Corporation	WLL	B	90.92	7.4	5.5	5.6	17	-
	<i>Median</i>				10.0	8.9	8.4	22	
RTF Cash Payers									
	Dorchester Minerals, L.P.	DMLP	B	33.55	7.5	13.9	14.6	23	1.84
	San Juan Basin Royalty Trust	SJT	B	18.95	10.5	15.9	14.4	16	1.21
	Sabine Royalty Trust	SBR		54.84	10.0	15.8	13.5	14	4.06
	Hugoton RoyaltyTrust	HGT		9.81	14.3	15.0	11.3	13	0.74
	Mesa RoyaltyTrust	MTR		30.67	6.7	10.2	11.1	12	2.47
	Cross Timbers Royalty Trust	CRT		31.43	12.2	14.7	11.0	13	2.41
	Freehold Royalties Ltd.	FRHLF		23.45	5.2	11.9	10.8	21	1.53
	Permian Basin RT	PBT		14.10	9.8	11.2	8.8	12	1.17
	Enduro Royalty Trust	NDRO		13.42	8.4	9.1	8.7	17	0.81
	<i>Median</i>				9.8	13.9	11.1	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



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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		25-Aug	YTD	52Wk	52Wk	50 Day	200 Day	McDep
	Rating		2014	(%)	High	Low	Avg.	Avg.	Ratio
Global Integrated									
	RDS-A		79.47	16	0.96	1.18	0.98	1.05	0.87
	CVX		127.84	5	0.95	1.14	0.99	1.04	0.87
	XOM	B	98.75	(0)	0.95	1.14	0.98	1.00	0.97
	TOT		65.04	9	0.91	1.13	0.96	1.00	0.86
	LUKOY	B	57.65	(6)	0.88	1.15	0.99	1.00	0.46
	<i>Median</i>			5	0.95	1.14	0.98	1.00	0.87
U.S. Independent									
	EOG		107.94	29	0.92	1.33	0.96	1.10	0.98
	MRO	B	40.37	16	0.99	1.21	1.02	1.09	0.84
	COP		80.80	18	0.94	1.20	0.97	1.06	0.85
	OXY		103.28	10	0.98	1.17	1.02	1.06	0.87
	DVN	B	74.70	22	0.95	1.18	0.98	1.06	0.82
	<i>Median</i>			18	0.95	1.20	0.98	1.06	0.85
Canada/Australia									
	WOPEY		40.83	21	1.00	1.23	1.03	1.10	1.12
	IMO		52.19	19	0.97	1.23	1.00	1.09	1.00
	CVE		30.84	10	0.96	1.15	0.99	1.05	0.78
	ECA	B	22.25	24	0.93	1.19	1.00	1.05	0.81
	COSWF	B	21.00	17	0.93	1.14	0.97	1.03	0.67
	<i>Median</i>			19	0.96	1.19	1.00	1.05	0.81
Small Cap Independent Producers									
	WLL	B	90.92	47	0.99	1.54	1.06	1.21	1.01
	CLR	B	156.00	39	0.98	1.51	1.03	1.17	1.03
	WPX		25.84	27	1.00	1.29	1.09	1.17	0.95
	XEC	B	139.14	33	0.93	1.57	0.99	1.15	0.99
	BIREF	B	11.39	66	0.87	1.47	0.99	1.13	0.85
	HK		5.55	44	0.88	1.19	0.95	1.05	0.91
	PEYUF		33.83	12	0.89	1.22	0.97	1.02	0.83
	PDCE		58.08	9	0.84	1.20	0.99	1.00	0.83
	RRC	CB	78.85	(6)	0.86	1.07	0.98	0.95	0.83
	<i>Median</i>			33	0.89	1.29	0.99	1.13	0.91
RTF Cash Payers									
	DMLP	B	33.55	36	0.94	1.42	1.04	1.22	1.05
	MTR		30.67	56	0.81	1.52	1.03	1.18	1.09
	HGT		9.81	41	0.81	1.40	0.94	1.08	0.75
	SJT	B	18.95	18	0.94	1.22	1.01	1.06	0.90
	FRHLF		23.45	17	0.91	1.19	0.96	1.05	0.91
	NDRO		13.42	16	0.84	1.18	0.98	1.04	0.96
	PBT		14.10	15	0.87	1.17	0.99	1.03	0.78
	SBR		54.84	14	0.86	1.15	0.94	1.03	0.86
	CRT		31.43	12	0.83	1.13	0.96	1.00	0.75
	<i>Median</i>			17	0.86	1.19	0.98	1.05	0.90

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

Source: Bloomberg, Yahoo, McDep LLC



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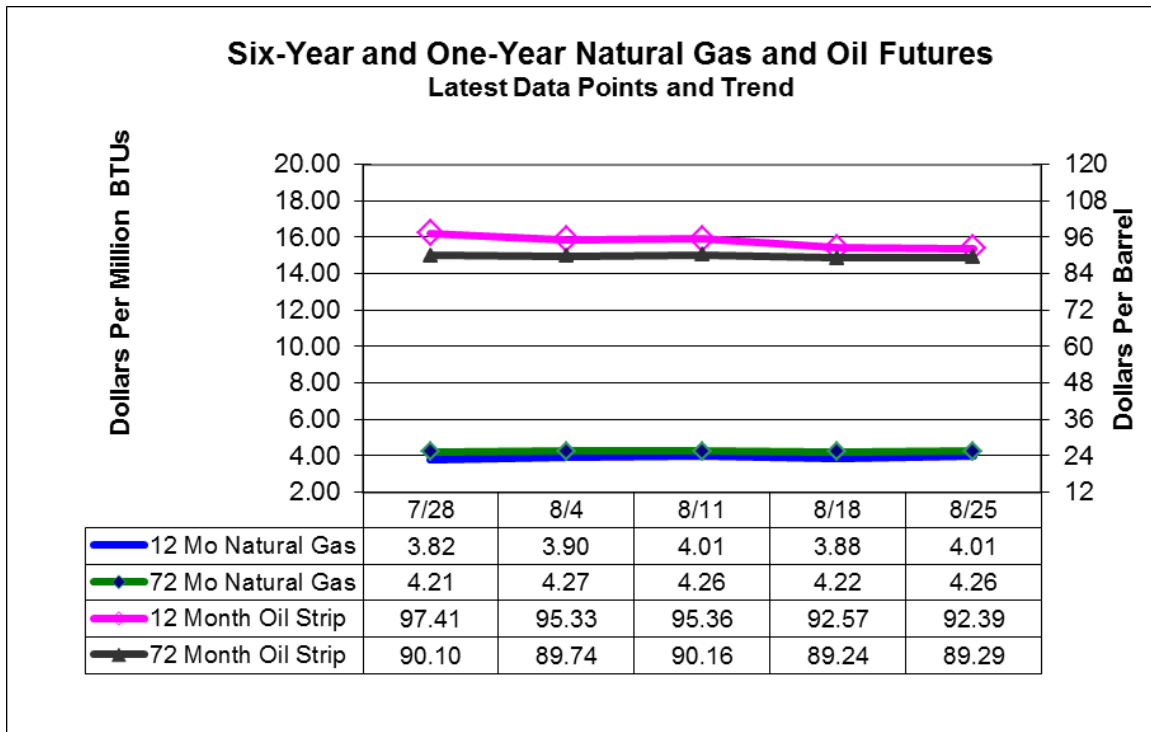
Index of Recent Research			
Stock Ideas			
<u>Date</u>	<u>Symbol</u>	<u>Subject</u>	<u>Theme</u>
19-Aug	TOT	Total	Diversified Political Risk (Meter Reader)
14-Aug	BIREF	Birchcliff Energy	Healthy Volume, Seasonal Price
12-Aug	CLR	Continental Resources	Raise NPV to \$150 on Fracching Growth (Meter Reader)
8-Aug	DMLP	Dorchester Minerals, L.P.	Robust Bakken and Permian Oil Growth
5-Aug	XOM	Exxon Mobil	Shale Oil Minerals (Meter Reader)
30-Jul	RRC	Range Resources	Transportation and Processing Lagging Fracching
22-Jul	MRO	Marathon Oil	Frac Shale Oil, Sell Norway (Meter Reader)
15-Jul	WLL	Whiting Petroleum	Agrees to Acquire Kodiak Oil & Gas (Meter Reader)
8-Jul	DVN	Devon Energy	Five Core Focus (Meter Reader)
1-Jul	COSWF	Canadian Oil Sands Ltd.	Returning to Favor (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)
13-May	XEC	Cimarex Energy	Raise NPV to \$140 on Cana Double (Meter Reader)
23-Apr	HGT	Hugoton Royalty Trust	Positive Arbitration Ruling
21-Apr	MTR	Mesa Royalty Trust	Underpayment Uncovered, Upside Commodity Leverage
15-Apr	COP	ConocoPhillips	Shale Upside, Exploration Promise, Dividend Strength (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)
21-Jan	RDSA	Royal Dutch Shell plc	Lower NPV to \$95 on Profit Warning (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)
For historical research by stock, go to mcdep.com , click on Stock Ideas , click on stock by name.			
Meter Reader			
19-Aug	TOT	Total	Diversified Political Risk
12-Aug	CLR	Continental Resources	Raise NPV to \$150 on Fracching Growth
5-Aug	XOM	Exxon Mobil	Shale Oil Minerals
29-Jul			Investment Strategy August 2014 - Oil and Gas in Safe Areas
22-Jul	MRO	Marathon Oil	Frac Shale Oil, Sell Norway
15-Jul	WLL	Whiting Petroleum	Agrees to Acquire Kodiak Oil & Gas
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
For earlier editions, go to mcdep.com , click on Meter Reader .			
Industry Ideas			
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



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