

Encana (ECA) Suttles' Stamp

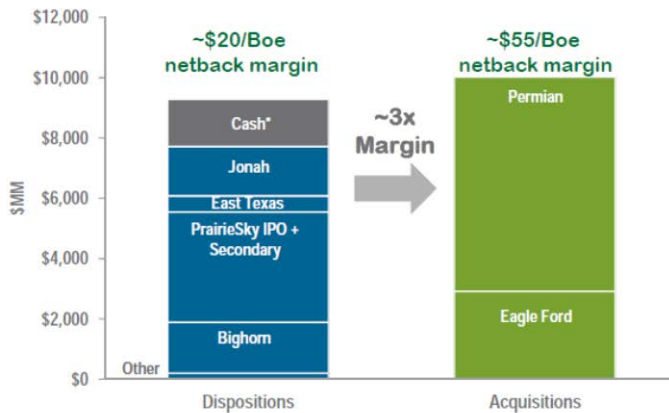
<i>Symbol</i>	ECA	<i>Ebitda Next Twelve Months ending 9/30/15 (US\$mm)</i>	2,900
<i>Rating</i>	Buy	<i>North American Natural Gas/Ebitda (%)</i>	48
<i>Price (US\$/sh)</i>	21.45	<i>Natural Gas and Oil Production/Ebitda (%)</i>	100
<i>Pricing Date</i>	10/6/14	<i>Adjusted Reserves/Production NTM</i>	8.1
<i>Shares (mm)</i>	736	<i>EV/Ebitda</i>	8.9
<i>Market Capitalization (US\$mm)</i>	15,800	<i>PV/Ebitda</i>	11.1
<i>Debt (US\$mm)</i>	10,000	<i>Undeveloped Reserves (%)</i>	38
<i>Enterprise Value (EV) (US\$mm)</i>	25,800	<i>Natural Gas and Oil Ebitda (US\$/boe)</i>	18.91
<i>Present Value (PV) (US\$mm)</i>	32,100	<i>Present Value Proven Reserves(US\$/boe)</i>	20.91
<i>Net Present Value (US\$/share)</i>	30	<i>Ebitda Margin NTM (%)</i>	53
<i>Debt/Present Value</i>	0.31	<i>Earnings Next Twelve Months (US\$/sh)</i>	1.37
<i>McDep Ratio - EV/PV</i>	0.80	<i>Price/Earnings Next Twelve Months</i>	16
<i>Dividend Yield (%/year)</i>	1.3	<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

Chief Executive Doug Suttles puts his stamp on buy-recommended **Encana (ECA)** with a flurry of deals that add \$10 billion of oil fracking prospects financed by the sale of \$8 billion of natural gas properties and \$2 billion of debt (see slide [2014 Transactions](#) on page 2). In the process, ECA becomes 50% concentrated on oil by value compared to 20% previously (see table [Present Value](#) on page 2). Announced on September 29, the largest purchase is the \$7 billion acquisition of Permian Basin producer Athlon Energy (ATHL) to be closed by year end. Previously, a \$3 billion Eagle Ford acquisition closed in June with an effective date of April 1. Mainly from those two areas in Texas, Encana's oil production may zoom to 250 thousand barrels daily (mbd) by 2017 (see slide [Liquids Production Outlook](#) on page 3). Actual oil production in the second quarter of 2014 was 68 mbd (see table [Operating and Financial Estimates](#) on page 3). Presuming that the value of both the new properties and the sold properties is consistent with our estimate there is no change in Net Present Value (NPV) of \$30 a share. Well-suited to lead Encana in the new direction, Mr. Suttles the Texas-educated, Exxon-trained engineer has a heritage in the Permian Basin where his grandfather started work in 1933. Meanwhile, energy stocks have declined in price along with oil during the past few months. We attribute the underperformance to the sharply increased value of the dollar in foreign currency terms exaggerated by oil and gas seasonality. Since dollar gains have been only temporary over the fifty years of *Bloomberg* data and seasons change, we believe that long-term investors can take advantage by rebalancing portfolios to add to energy positions. McDep Ratios point to appreciation in our buy recommendations and the oil and gas stocks in our coverage (see [Tables 1-4](#) on pages 4-7).

Kurt H. Wulff, CFA

2014 Transactions High-Grade Asset Base Portfolio Transition Accelerated by A&D Activity

Focused on Value vs. Volumes

Proceeds from 2014 asset sales plus balance sheet cash redeployed into liquids-rich assets at almost 3x margin

High-graded portfolio into premium margin production

- ✓ Replaced lower margin natural gas production with higher margin liquids production

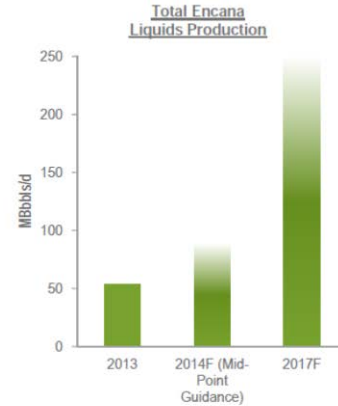
Encana Corporation					
Functional Cash Flow and Present Value					
	<i>NTM</i>	<i>Adjusted</i>	<i>PV/</i>	<i>Present</i>	
	<i>Ebitda</i>	<i>R/P</i>	<i>Ebitda</i>	<i>Value</i>	
North American Natural Gas	1,400	7.2	11.5	16,100	50%
Oil	1,490	10.2	10.7	16,000	50%
	2,890	8.1	11.1	32,100	100%
Debt					10,000
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)					25

Transaction Accelerates Strategy

Liquids Production Outlook of ~250 Mbbbls/d by 2017

encana

- Transaction contributes significant CFPS growth from 2013 - 2017
- Targeting ~250 Mbbbls/d company-wide by 2017
 - Liquids ~50% of production
 - Oil ~75% of liquids
- Replacing low margin natural gas production with high margin liquids production
 - Total production growing at ~3% per annum 2013 - 2017
- Maintain Financial Strength
 - Capex + dividends aligned with CF
 - Net debt-to-debt adjusted cash flow expected to be ~1.5x in 2015
 - Financial capacity improves rapidly with cash flow growth



*Assumes flat pricing of \$90/bbl WTI, \$4/Mcf NYMEX.

12

Encana Corporation

Next Twelve Months Operating and Financial Estimates

	Q3	Year	Q2	Q3E	Q4E	Year	Q1E	Q2E	Q3E	Next Twelve Months
	9/30/13	2013	6/30/13	9/30/14	12/31/14	2014E	3/31/15	6/30/15	9/30/15	9/30/15
Volume										
Natural Gas (mmcf/d)	2,723	2,777	2,541	2,150	1,750	2,309	1,750	1,750	1,750	1,750
Oil (mbd)	58	54	68	96	90	81	130	140	150	127
Total (bcf)	283	1,132	268	251	211	1,019	228	236	244	918
Total (mmcf/d)	3,072	3,100	2,950	2,726	2,290	2,793	2,530	2,590	2,650	2,515
Price										
Henry Hub (US\$/mmbtu)	3.58	3.65	4.67	4.07	3.97	4.42	4.04	3.74	3.78	3.89
Differential	0.32	0.08	0.21	-	-	(0.43)	(1.16)	0.17	-	(0.24)
EnCana (\$/mcf)	3.26	3.57	4.46	4.07	3.97	4.85	5.20	3.57	3.78	4.13
WTI Cushing (US\$/bbl)	105.83	97.98	102.98	97.24	90.06	97.26	88.17	86.92	86.03	87.80
Differential	36.23	30.68	31.75	29.98	27.77	30.15	27.33	26.94	26.67	27.37
EnCana (\$/bbl)	69.60	67.30	71.23	67.26	62.29	67.11	60.84	59.98	59.37	60.43
Total (\$/bbl)	25.25	26.21	32.93	33.47	32.91	35.68	40.34	33.93	35.16	35.61
Revenue (\$mm)										
Natural Gas	817	3,620	1,031	805	640	4,087	819	569	609	2,637
Oil	373	1,324	442	594	516	1,975	712	764	819	2,811
Total	1,189	4,944	1,473	1,399	1,156	6,062	1,531	1,333	1,429	5,448
Expense	666	2,702	667	656	542	2,522	718	625	670	2,555
Ebitda (\$mm)	523	2,242	807	743	614	3,540	813	708	759	2,893
Deprec., Deplet., & Amor	388	1,565	400	400	400	1,618	400	400	400	1,600
Hedging and other	(204)	(958)	57	(126)	(195)	(144)	(89)	(145)	(118)	(547)
Interest	143	563	122	122	122	513	122	122	122	488
Ebt	197	1,072	227	347	287	1,553	380	331	355	1,352
Income tax	49	268	57	87	72	388	95	83	89	338
Net Income (\$mm)	147	804	170	261	215	1,165	285	248	266	1,014
Per share (\$)	0.20	1.09	0.23	0.35	0.29	1.57	0.38	0.33	0.36	1.37
Shares (millions)	737	737	741	741	741	741	741	741	741	736
Ebitda margin	44%	45%	55%	53%	53%	58%	53%	53%	53%	53%
Tax rate	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%



Meter Reader

A Weekly Analysis of Oil and Gas Stocks

October 7, 2014

						Present Value by Segment (%)							
		Price (US\$/sh)	EV/ Market	Enterprise Value	North Amer.	Rest of World			Dist. Yield				
Symbol/Rating	6-Oct	2014	Cap	(\$mm)	Natural Gas	Natural Gas	Oil Prod'n	Down- stream	NTM (%)	McDep Ratio			
B = Buy, CB (see below)													
Global Integrated													
Exxon Mobil Corporation	XOM	CB	94.52	1.18	481,000	7	16	61	17	2.9	0.94		
Royal Dutch Shell plc	RDS-A		73.73	1.35	314,000	4	22	57	17	5.1	0.82		
Total S.A.	TOT		61.00	1.40	195,000		22	59	18	5.0	0.82		
Chevron Corporation	CVX		118.09	1.20	269,000	3	11	73	13	3.6	0.82		
Lukoil Oil Company	LUKOY	CB	51.15	1.20	47,700			76	24	5.9	0.42		
<i>Total or Median</i>				1.20	1,307,000			61	17	5.0	0.82		
U.S. Independent													
EOG Resources, Inc.	EOG		95.09	1.12	58,600	16	4	80		0.7	0.88		
Occidental Petroleum Corp.	OXY		97.08	1.14	86,600	7	1	84	9	3.0	0.83		
ConocoPhillips	COP		74.96	1.36	127,000	13	14	72		3.9	0.80		
Marathon Oil Corporation	MRO	B	36.63	1.31	32,600	9	3	88		2.3	0.78		
Devon Energy Corporation	DVN	CB	64.82	1.66	44,000	27		65	8	1.5	0.75		
<i>Total or Median</i>				1.31	349,000	13		80		2.3	0.80		
Canada/Australia													
Woodside Petroleum Ltd.	WOPEY		35.65	1.15	34,000		70	30		6.2	0.99		
Imperial Oil Limited (30%)	IMO		47.04	1.24	14,900	2		79	19	1.0	0.92		
EnCana Corporation	ECA	B	21.45	1.63	25,800	50		50		1.3	0.80		
Cenovus Energy Inc.	CVE		26.11	1.34	26,500	9		78	13	3.6	0.69		
Canadian Oil Sands Limited	COSWF	CB	17.55	1.30	11,000			100		9.4	0.58		
<i>Total or Median</i>				1.30	112,000			78		3.6	0.80		
Small Cap Independent Producers													
Cimarex Energy Company	XEC	CB	119.91	1.18	12,300	41		59		0.5	0.88		
WPX Energy Inc.	WPX		22.67	1.53	7,100	61		39		-	0.87		
Whiting Petroleum Corporation	WLL	CB	72.67	1.35	11,800	9		91		-	0.85		
Halcón Resources	HK		3.70	3.46	5,300	6		94		-	0.80		
Continental Resources (32%)	CLR	CB	63.55	1.26	9,500	16		84		-	0.79		
Peyto Exploration and Developm	PEYUF		30.85	1.19	5,600	83		17		3.5	0.77		
PDC Energy	PDCE		48.36	1.47	2,600	26		74		-	0.73		
Range Resources	RRC	CB	65.88	1.33	14,300	61		39		0.2	0.72		
Birchcliff Energy Ltd.	BIREF	CB	8.98	1.36	1,900	72		28		-	0.71		
<i>Total or Median</i>				1.35	70,000	41		59		-	0.79		
RIF Cash Payers													
Mesa RoyaltyTrust	MTR		33.22	1.00	60	71		29		6.8	1.19		
San Juan Basin Royalty Trust	SJT	B	18.31	1.00	850	100		-		6.2	0.87		
Dorchester Minerals, L.P.	DMLP	CB	27.82	1.00	850	40		60		6.5	0.87		
Sabine Royalty Trust	SBR		53.85	1.00	790	44		56		7.0	0.84		
Enduro Royalty Trust	NDRO		11.46	1.00	380	30		70		5.7	0.82		
Freehold Royalties Ltd.	FRHLF		20.25	1.11	1,640	18		82		7.4	0.80		
Permian Basin RT	PBT		13.28	1.00	620	20		80		8.2	0.74		
Cross Timbers Royalty Trust	CRT		30.81	1.00	190	64		36		7.8	0.73		
Hugoton RoyaltyTrust	HGT		8.80	1.00	350	87		13		9.2	0.68		
<i>Total or Median</i>				1.00	5,700	44		56		7.0	0.82		

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

October 7, 2014

			<i>Price</i> <i>(US\$/sh)</i>	<i>Shares</i>	<i>Market</i> <i>Cap</i> <i>(US\$mm)</i>	<i>Net</i> <i>Present</i> <i>Value</i> <i>(US\$/sh)</i>	<i>Debt/</i> <i>Present</i> <i>Value</i>	<i>McDep</i> <i>Ratio</i>
	<i>Symbol/Rating</i>		<i>6-Oct</i> <i>2014</i>	<i>(mm)</i>				
	B = Buy, CB (see below)							
Global Integrated								
Exxon Mobil Corporation	XOM	CB	94.52	4,297	406,000	102.00	0.15	0.94
Royal Dutch Shell plc	RDS-A		73.73	3,162	233,000	95.00	0.21	0.82
Total S.A.	TOT		61.00	2,281	139,000	80.00	0.24	0.82
Chevron Corporation	CVX		118.09	1,902	225,000	150.00	0.13	0.82
Lukoil Oil Company	LUKOY	CB	51.15	776	39,700	135.00	0.07	0.42
	<i>Total or Median</i>				<i>1,043,000</i>		<i>0.15</i>	<i>0.82</i>
U.S. Independent								
EOG Resources, Inc.	EOG		95.09	549	52,200	110.00	0.10	0.88
Occidental Petroleum Corp.	OXY		97.08	783	76,000	120.00	0.10	0.83
ConocoPhillips	COP		74.96	1,245	93,000	100.00	0.21	0.80
Marathon Oil Corporation	MRO	B	36.63	679	24,870	50.00	0.18	0.78
Devon Energy Corporation	DVN	CB	64.82	411	26,600	100.00	0.30	0.75
	<i>Total or Median</i>				<i>272,700</i>		<i>0.18</i>	<i>0.80</i>
Canada/Australia								
Woodside Petroleum Ltd.	WOPEY		35.65	823	29,300	36.00	0.13	0.99
Imperial Oil Limited (30%)	IMO		47.04	255	12,000	52.00	0.18	0.92
EnCana Corporation	ECA	B	21.45	736	15,800	30.00	0.31	0.80
Cenovus Energy Inc.	CVE		26.11	758	19,800	42.00	0.17	0.69
Canadian Oil Sands Limited	COSWF	CB	17.55	485	8,500	34.00	0.13	0.58
	<i>Total or Median</i>				<i>85,000</i>		<i>0.17</i>	<i>0.80</i>
Small Cap Independent Producers								
Cimarex Energy Company	XEC	CB	119.91	87	10,500	140.00	0.13	0.88
WPX Energy Inc.	WPX		22.67	203	4,600	28.00	0.30	0.87
Whiting Petroleum Corporation	WLL	CB	72.67	120	8,700	90.00	0.22	0.85
Halcón Resources	HK		3.70	415	1,500	7.00	0.57	0.80
Continental Resources (32%)	CLR	CB	63.55	118	7,500	85.00	0.16	0.79
Peyto Exploration and Development Corp.	PEYUF		30.85	154	4,800	42.00	0.12	0.77
PDC Energy	PDCE		48.36	36	1,700	75.00	0.23	0.73
Range Resources	RRC	CB	65.88	163	10,700	100.00	0.18	0.72
Birchcliff Energy Ltd.	BIREF	CB	8.98	158	1,400	14.00	0.19	0.71
	<i>Total or Median</i>				<i>51,000</i>		<i>0.19</i>	<i>0.79</i>
RTF Cash Payers								
Mesa RoyaltyTrust	MTR		33.22	2	60	28.00	-	1.19
San Juan Basin Royalty Trust	SJT	B	18.31	47	850	21.00	-	0.87
Dorchester Minerals, L.P.	DMLP	CB	27.82	31	850	32.00	-	0.87
Sabine Royalty Trust	SBR		53.85	15	790	64.00	-	0.84
Enduro Royalty Trust	NDRO		11.46	33	380	14.00	-	0.82
Freehold Royalties Ltd.	FRHLF		20.25	73	1,490	26.00	0.08	0.80
Permian Basin RT	PBT		13.28	47	620	18.00	-	0.74
Cross Timbers Royalty Trust	CRT		30.81	6	190	42.00	-	0.73
Hugoton RoyaltyTrust	HGT		8.80	40	350	13.00	-	0.68
	<i>Total or Median</i>				<i>5,600</i>		-	<i>0.82</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

October 7, 2014

			<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>6-Oct</i>	<i>Prod</i>	<i>Ebitda</i>	<i>Ebitda</i>	<i>P/E</i>	<i>NTM</i>
	B = Buy, CB (see below)		<i>2014</i>	<i>NTM</i>	<i>NTM</i>	<i>NTM</i>	<i>NTM</i>	<i>(\$/sh)</i>
Global Integrated								
Exxon Mobil Corporation	XOM	CB	94.52	14.5	7.9	7.4	14	2.76
Total S.A.	TOT		61.00	10.9	7.5	6.1	12	3.05
Chevron Corporation	CVX		118.09	9.3	7.3	6.0	13	4.28
Royal Dutch Shell plc	RDS-A		73.73	10.2	7.2	5.9	13	3.76
Lukoil Oil Company	LUKOY	CB	51.15	14.6	5.7	2.4	6	3.00
	<i>Median</i>			<i>10.9</i>	<i>7.3</i>	<i>6.0</i>	<i>13</i>	
U.S. Independent								
Devon Energy Corporation	DVN	CB	64.82	10.2	9.4	7.1	16	0.96
EOG Resources, Inc.	EOG		95.09	7.4	7.6	6.7	20	0.67
Occidental Petroleum Corp.	OXY		97.08	10.5	7.9	6.5	15	2.88
ConocoPhillips	COP		74.96	11.1	7.7	6.2	14	2.92
Marathon Oil Corporation	MRO	B	36.63	11.2	6.7	5.2	14	0.84
	<i>Median</i>			<i>10.5</i>	<i>7.7</i>	<i>6.5</i>	<i>15</i>	
Canada/Australia								
Imperial Oil Limited (30%)	IMO		47.04	24.9	11.1	10.2	14	0.46
EnCana Corporation	ECA	B	21.45	8.1	11.1	8.9	16	0.28
Woodside Petroleum Ltd.	WOPEY		35.65	9.9	6.8	6.7	15	2.22
Cenovus Energy Inc.	CVE		26.11	14.5	9.1	6.3	14	0.95
Canadian Oil Sands Limited	COSWF	CB	17.55	17.9	10.6	6.2	9	1.65
	<i>Median</i>			<i>14.5</i>	<i>10.6</i>	<i>6.7</i>	<i>14</i>	
Small Cap Independent Producers								
Range Resources	RRC	CB	65.88	11.7	14.3	10.3	67	0.16
Peyto Exploration and Development Corp.	PEYUF		30.85	9.6	11.3	8.7	22	1.07
PDC Energy	PDCE		48.36	15.9	10.5	7.7	49	-
WPX Energy Inc.	WPX		22.67	8.3	8.6	7.5		-
Continental Resources (32%)	CLR	CB	63.55	11.4	9.0	7.1	17	-
Cimarex Energy Company	XEC	CB	119.91	6.1	8.0	7.0	21	0.64
Halcón Resources	HK		3.70	5.7	8.4	6.7	11	-
Birchcliff Energy Ltd.	BIREF	CB	8.98	13.4	9.3	6.6	18	-
Whiting Petroleum Corporation	WLL	CB	72.67	7.1	5.6	4.8	16	-
	<i>Median</i>			<i>9.6</i>	<i>9.0</i>	<i>7.1</i>	<i>20</i>	
RTF Cash Payers								
San Juan Basin Royalty Trust	SJT	B	18.31	10.5	17.1	14.9	16	1.14
Sabine Royalty Trust	SBR		53.85	10.0	16.9	14.2	14	3.79
Mesa Royalty Trust	MTR		33.22	6.6	10.7	12.7	15	2.27
Dorchester Minerals, L.P.	DMLP	CB	27.82	7.5	14.6	12.7	19	1.82
Cross Timbers Royalty Trust	CRT		30.81	12.2	14.6	10.7	13	2.41
Freehold Royalties Ltd.	FRHLF		20.25	5.2	12.5	10.0	19	1.49
Hugoton Royalty Trust	HGT		8.80	13.3	14.0	9.5	11	0.81
Permian Basin RT	PBT		13.28	9.8	11.8	8.7	12	1.08
Enduro Royalty Trust	NDRO		11.46	8.3	9.1	7.4	18	0.65
	<i>Median</i>			<i>9.8</i>	<i>14.0</i>	<i>10.7</i>	<i>15</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 September 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

October 7, 2014

Table 4									
McDep Energy Stocks									
Total Return and Enterprise Value Momentum									
Ranked by EV/200-Day Average									
			Price	Equity					
			(\$/sh)	Total					
	Symbol		6-Oct	Return	Enterprise Value/				McDep
	Rating		2014	(%)	52Wk	52Wk	50 Day	200 Day	Ratio
					High	Low	Avg.	Avg.	
Global Integrated									
	RDS-A		73.73	7	0.91	1.12	0.95	0.97	0.82
	CVX		118.09	(3)	0.89	1.07	0.95	0.97	0.82
	XOM	CB	94.52	(5)	0.92	1.10	0.97	0.96	0.94
	TOT		61.00	3	0.87	1.06	0.96	0.95	0.82
	LUKOY	CB	51.15	(17)	0.80	1.03	0.94	0.92	0.42
	<i>Median</i>			(3)	0.89	1.07	0.95	0.96	0.82
U.S. Independent									
	OXY		97.08	4	0.93	1.11	0.98	1.00	0.83
	MRO	B	36.63	5	0.90	1.12	0.94	1.00	0.78
	COP		74.96	9	0.89	1.14	0.95	1.00	0.80
	DVN	CB	64.82	6	0.87	1.07	0.93	0.96	0.75
	EOG		95.09	14	0.82	1.19	0.91	0.95	0.88
	<i>Median</i>			6	0.89	1.12	0.94	1.00	0.80
Canada/Australia									
	ECA	B	21.45	20	0.91	1.15	0.99	1.01	0.80
	IMO		47.04	7	0.89	1.13	0.95	0.99	0.92
	WOPEY		35.65	9	0.88	1.09	0.93	0.97	0.99
	CVE		26.11	(7)	0.84	1.02	0.90	0.92	0.69
	COSWF	CB	17.55	(2)	0.81	1.00	0.89	0.89	0.58
	<i>Median</i>			7	0.88	1.09	0.93	0.97	0.80
Small Cap Independent Producers									
	WPX		22.67	11	0.89	1.20	0.96	1.05	0.87
	WLL	CB	72.67	17	0.83	1.22	0.89	0.99	0.85
	XEC	CB	119.91	15	0.82	1.24	0.90	0.98	0.88
	CLR	CB	63.55	13	0.82	1.20	0.89	0.96	0.79
	PEYUF		30.85	3	0.83	1.08	0.94	0.93	0.77
	HK		3.70	(4)	0.77	1.04	0.90	0.91	0.80
	BIREF	CB	8.98	31	0.72	1.24	0.89	0.91	0.71
	PDCE		48.36	(9)	0.73	1.05	0.91	0.88	0.73
	RRC	CB	65.88	(22)	0.75	1.01	0.91	0.83	0.72
	<i>Median</i>			11	0.82	1.20	0.90	0.93	0.79
RTF Cash Payers									
	MTR		33.22	73	0.88	1.66	1.10	1.21	1.19
	SJT	B	18.31	16	0.90	1.18	0.99	1.01	0.87
	SBR		53.85	13	0.84	1.13	0.96	1.00	0.84
	DMLP	CB	27.82	13	0.78	1.17	0.86	0.98	0.87
	PBT		13.28	10	0.82	1.10	0.95	0.98	0.74
	CRT		30.81	12	0.81	1.09	0.98	0.97	0.73
	HGT		8.80	28	0.73	1.26	0.92	0.94	0.68
	FRHLF		20.25	3	0.80	1.04	0.90	0.92	0.80
	NDRO		11.46	(1)	0.78	1.04	0.89	0.89	0.82
	<i>Median</i>			13	0.81	1.13	0.95	0.98	0.82

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

October 7, 2014

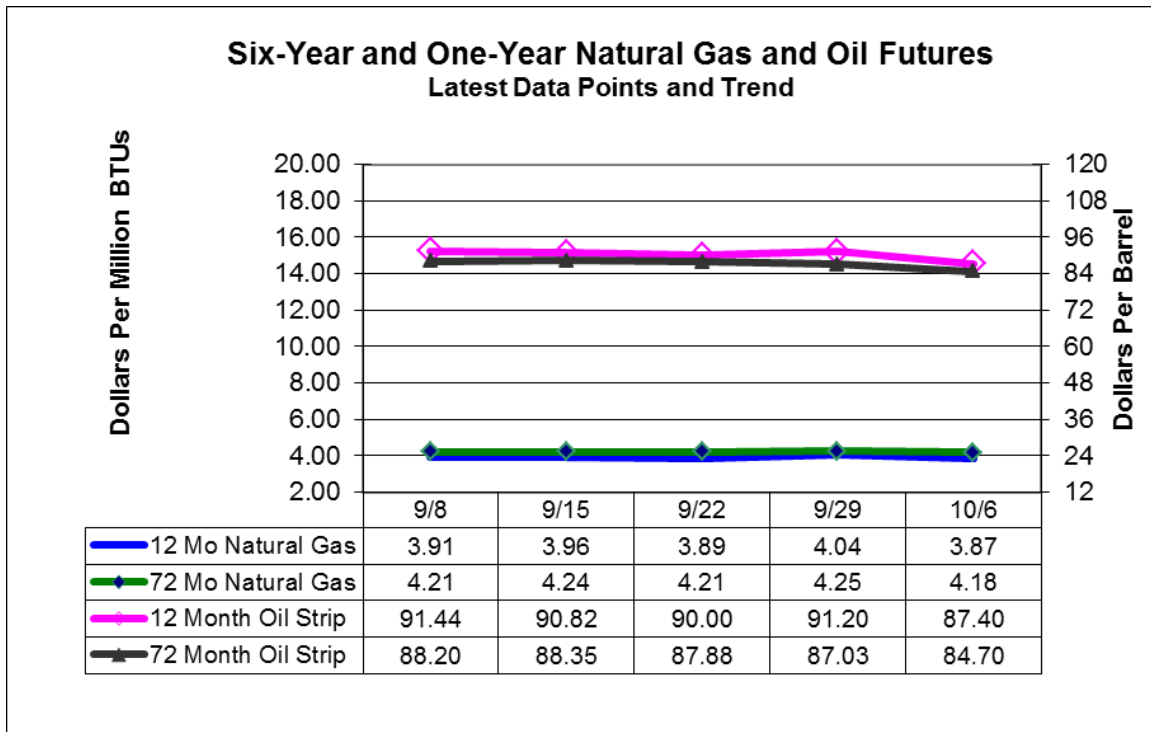
Index of Recent Research			
Stock Ideas			
<u>Date</u>	<u>Symbol</u>	<u>Subject</u>	<u>Theme</u>
23-Sep	CLR	Continental Resources	Raise NPV to \$85 on 29% Growth (Meter Reader)
16-Sep	RDSA	Royal Dutch Shell plc	Ben's Growth Strategy (Meter Reader)
9-Sep	EOG	EOG Resources	Mr. Shale (Meter Reader)
2-Sep	LUKOY	Lukoil	Oil under Uncertainty (Meter Reader)
26-Aug	SJT	San Juan Basin Royalty Trust	Income and Shale (Meter Reader)
19-Aug	TOT	Total	Diversified Political Risk (Meter Reader)
14-Aug	BIREF	Birchcliff Energy	Healthy Volume, Seasonal Price
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 Fracking
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)
21-Feb	PDCE	PDC Energy	Raise NPV to \$75 on More Shale Oil
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			
30-Sep		RTF (Royalty Trust Fund)	Current Income and Future Fracking
23-Sep	CLR	Continental Resources	Raise NPV to \$85 on 29% Growth
16-Sep	RDSA	Royal Dutch Shell plc	Ben's Growth Strategy
9-Sep	EOG	EOG Resources	Mr. Shale
2-Sep	LUKOY	Lukoil	Oil under Uncertainty
26-Aug	SJT	San Juan Basin Royalty Trust	Income and Shale
19-Aug	TOT	Total	Diversified Political Risk
12-Aug	CLR	Continental Resources	Raise NPV to \$150 on Fracking 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
For earlier editions, go to mcdep.com , click on Meter Reader .			
Industry Ideas			
30-Sep		RTF (Royalty Trust Fund)	Current Income and Future Fracking
July			Oil and Gas Investor: In Royalty We Trust
24-Jun		DMLP, FRHLF, PBT, CRT, NDRO	Raise NPV, Trustee Approved, Permian Wells



Meter Reader

A Weekly Analysis of Oil and Gas Stocks

October 7, 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.