



Independent Stock Idea

May 18, 2017 Intraday

Dorchester Minerals, L.P. (DMLP) Midland Basin Spotlight

<i>Symbol</i>	DMLP	<i>Ebitda Next Twelve Months ending 3/31/18 (US\$mm)</i>	40
<i>Rating</i>		<i>North American Natural Gas/Ebitda (%)</i>	46
<i>Price (US\$/sh)</i>	16.50	<i>Natural Gas and Oil Production/Ebitda (%)</i>	100
<i>Pricing Date</i>	5/18/17	<i>Adjusted Reserves/Production NTM</i>	7.2
<i>Units (mm)</i>	30.68	<i>EV/Ebitda</i>	12.6
<i>Market Capitalization (US\$mm)</i>	506	<i>PV/Ebitda</i>	18.4
<i>Debt (US\$mm)</i>	0	<i>Undeveloped Reserves (%)</i>	0
<i>Enterprise Value (EV) (US\$mm)</i>	506	<i>Natural Gas and Oil Ebitda (US\$/mcf)</i>	3.46
<i>Present Value (PV) (US\$mm)</i>	736	<i>Present Value Proven Reserves(US\$/boe)</i>	52.76
<i>Net Present Value (US\$/unit)</i>	24	<i>Oil and Gas Ebitda Margin (%)</i>	67
<i>Debt/Present Value</i>	0.00	<i>Earnings Next Twelve Months (US\$/un)</i>	0.99
<i>McDep Ratio - EV/PV</i>	0.69	<i>Price/Earnings Next Twelve Months</i>	17
<i>Distribution Yield (%/year)</i>	7.8	<i>Distribution Next Twelve Months (US\$/sh)</i>	1.28
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\$70 a barrel and natural gas, \$4.00 a million btu.			
For historical analysis of DMLP since 2000 see www.mcdep.com/4dhulz.htm			

Summary and Recommendation

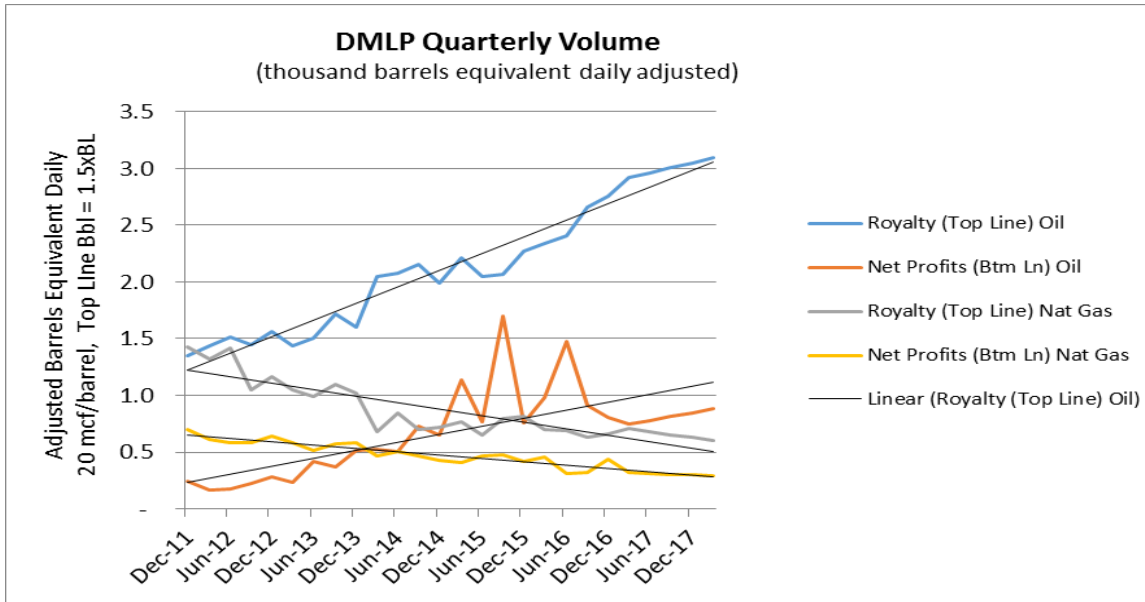
Dorchester Minerals (DMLP)'s general partner disclosed new detail supporting rising distributions from oil royalties in the Permian Basin at the partnership's annual meeting on May 16. Quarterly disclosures have been painting a picture of high growth in the most profitable commodity (see chart [Quarterly Volume](#) on page 2). The latest presentation displays \$15 of \$26 million, or 54%, of royalty revenue from the Permian (see slide [Distributions](#) on page 2). The hottest spot currently may be in Reagan County where DMLP participates in drilling by Parsley Energy (PE) (see slide [Midland Basin – Reagan County](#) on page 3). Not only have payments just begun on 2 of 12 wells drilled so far, the prolific Taylor well on the adjacent lease proves the productivity of the Wolfcamp C, a mostly overlooked formation until now. In the comparably promising Delaware Basin portion of the Permian, DMLP shares in Anadarko Petroleum (APC)'s mostly undrilled Silvertip prospect in Loving County (see slide [Delaware Basin](#) on page 3). The presentation, available in an SEC Form 8-K, also hinted at hidden value in part of what we characterize as Bottom Line operations (see slide [Minerals NPI](#) on page 4). Only \$12 million has been distributed to unitholders of \$126 million in revenue from those developing properties. Most of that revenue, \$83 million, has been reinvested or committed to further drilling. That could imply perhaps \$150 million (\$5 a unit) in future net revenue that could be distributed if reinvestment was no longer considered more attractive. We like the stock for its 7.8% distribution yield, low McDep Ratio of 0.69 and no-debt financial position (see tables on pages 5-10).

Kurt H. Wulff, CFA



Independent Stock Idea

May 18, 2017 Intraday



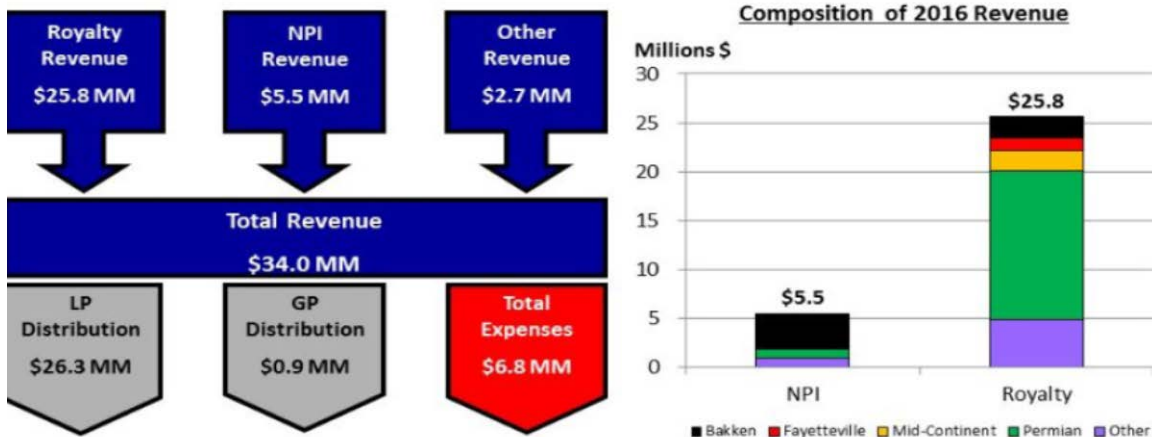
Dorchester Minerals, L.P.



2016 Distributions

Cash Distributions Paid in Calendar 2016

• Reflects Q4 2015 to Q3 2016 activity



Dorchester Minerals, L.P.



Midland Basin

Reagan County Example

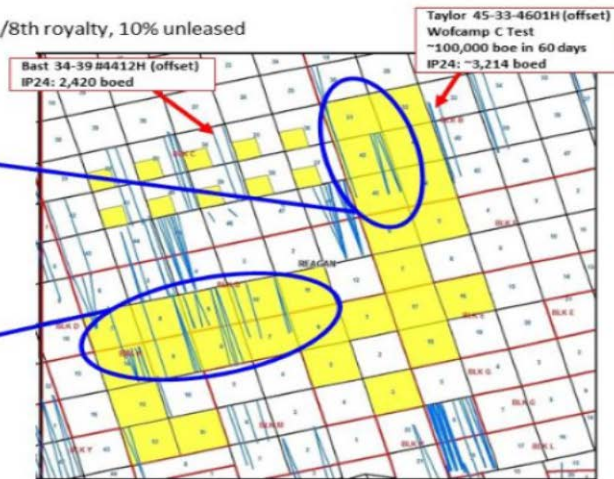
- 19,760 gross ac (2,191 net ac)
- Approximately 90% of net ac HBP at 1/8th royalty, 10% unleased

Parsley Energy
Bates (12 wells)

- 4 wells producing – 2 wells in pay
- 8 wells drilling/WOC
- IP range: 773–2,663 boed
- Cumulative 10 month production → 361,000 boe

Parsley Energy
Ringo & Brynlee (25 wells)

- 18 wells producing – 17 wells in pay
- 2 wells drilling/WOC
- 5 wells permitted not spud
- Average IP: 772 boed



Note: Production & test rates from RRC, Drillinginfo, & Public Company Filings.

20

Dorchester Minerals, L.P.



Delaware Basin

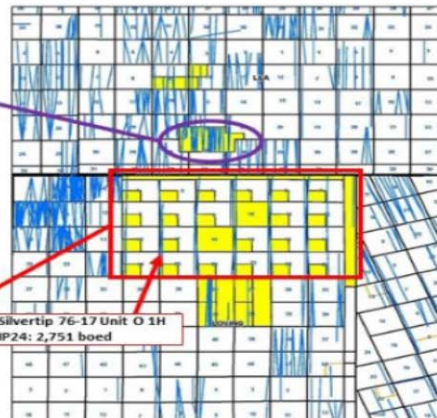
Lea and Loving counties Example

EOG Resources
Thor 21, Rattlesnake 21 Fed Com & Ophelia 27 (16 wells)

- Dorchester owns 960 gross ac (36 net ac)
- Average NRI → 0.547%
- Development:
 - 12 wells producing – 11 wells in pay
 - 4 wells permitted
- Average IP → 1,936 boed
- Cumulative 38 month production → 3,337,000 boe
- Recently leased Lea County acreage for \$20,000 per NMA

Anadarko Petroleum
Silvertip (19 wells)

- Dorchester owns 7,388 gross ac (344 net ac)
- Average NRI → 0.568%
- Development:
 - 1 well producing – in pay
 - 16 wells drilling/WOC
 - 2 wells permitted not spud
- Silvertip 76-17 Unit O 1H → Tested 2,751 boe
- 48 net acres unleased with two recent permits



Note: Dorchester NRI based on Anadarko Proposed Drilling Units (320 to 640 ac). Production & test rates from RRC, Drillinginfo, & Public Company Filings.

22



Independent Stock Idea

May 18, 2017 Intraday

Dorchester Minerals, L.P.



Minerals NPI

Inception-To-Date Activity through March 2017

Cumulative Revenue	\$126.0 MM
Cumulative Expense (LOE, taxes, etc.)	(\$ 31.9 MM)
Cumulative Operating Income	\$ 94.1 MM
Cumulative CAPEX Spent	(\$ 74.5 MM)
Cumulative Cash Flow	\$ 19.6 MM
Cumulative Payments	(\$ 12.1 MM)
Retained Cash @ 03/31/2017	\$ 7.5 MM
Capital Commitments @ 03/31/2017	(\$ 8.3 MM)

Cumulative NPI Payments **\$ 12.1 MM**

Trailing six month average net Operating Income is approximately \$0.6MM per month

Outstanding Capital Commitments

By Play	
Bakken	(\$ 7.2 MM)
Other Basins	(\$ 1.1 MM)
Total Capital Commitments	(\$ 8.3 MM)

By Status	
Wells in Pay Status	(\$ 3.8 MM)
Wells not in Pay Status	(\$ 4.5 MM)
Total Capital Commitments	(\$ 8.3 MM)



Independent Stock Idea

May 18, 2017 Intraday

Dorchester Minerals, L.P.									
Operating and Financial Performance									
	Q2	Year	Q1	Q2E	Q3E	Q4E	Year	Q1E	Next
	6/30/16	2016	3/31/17	6/30/17	9/30/17	12/13/17	2017	3/31/18	Twelve
									Months
									3/31/18
TOP LINE									
Volume									
Natural Gas (mmcf)	9.1	8.9	9.5	9.1	8.7	8.4	8.9	8.1	8.6
Oil (mbd)	1.60	1.69	1.94	1.97	2.00	2.03	1.99	2.06	2.02
Price									
Henry Hub (\$/mmbtu)	1.95	2.46	3.32	3.24	3.51	3.58	3.41	3.68	3.50
WTI Cushing (\$/bbl)	45.66	43.31	51.92	48.81	48.43	49.07	49.56	49.46	48.94
Natural Gas (\$/mcf)	1.63	2.05	3.31	3.24	3.50	3.57	3.40	3.67	3.50
Oil (\$/bbl)	37.15	37.18	44.44	41.78	41.45	42.00	42.39	44.51	42.44
Revenue (\$mm)									
Natural Gas	1.4	6.7	2.8	2.7	2.8	2.8	11.1	2.7	11.0
Oil	5.4	23.1	7.8	7.5	7.6	7.9	30.8	8.3	31.3
Total Revenue	6.8	29.8	10.6	10.2	10.5	10.6	41.9	11.0	42.2
Expense (allocated)	1.1	5.3	2.0	2.0	2.0	2.0	7.9	2.0	7.9
Ebitda	5.7	24.4	8.6	8.2	8.5	8.6	33.9	9.0	34.3
BOTTOM LINE									
Volume									
Natural Gas (mmcf)	6.3	7.7	6.4	6.2	6.1	6.0	6.2	5.9	6.0
Oil (mbd)	1.47	1.04	0.74	0.78	0.81	0.85	0.80	0.89	0.83
Price									
Natural Gas (\$/mcf)	1.76	2.08	2.71	2.65	2.86	2.92	2.79	3.01	2.86
Oil (\$/bbl)	33.99	34.64	40.55	38.12	37.82	38.33	38.66	39.57	38.46
Revenue (\$mm)									
Natural Gas	1.0	5.8	1.6	1.5	1.6	1.6	6.3	1.6	6.3
Oil	4.6	13.2	2.7	2.7	2.8	3.0	11.2	3.2	11.7
Total Revenue	5.6	19.0	4.3	4.2	4.4	4.6	17.5	4.7	18.0
Expense (allocated)									
Partnership	0.9	3.5	0.8	0.8	0.8	0.8	3.2	0.8	3.2
Net Profits Interests	2.8	9.5	2.1	2.1	2.2	2.3	8.8	2.4	9.0
Total Expense	3.7	12.9	2.9	2.9	3.0	3.1	11.9	3.2	12.2
Ebitda	1.9	6.1	1.3	1.3	1.4	1.5	5.6	1.6	5.8
Development (estimated)	1.1	4.8	0.5	0.6	0.7	0.7	2.5	0.7	2.7
NET INCOME									
Top Line	5.7	24.4	8.6	8.2	8.5	8.6	33.9	9.0	34.3
Bottom Line	0.8	1.4	0.9	0.7	0.8	0.8	3.1	0.9	3.1
Lease Bonus and residual	(1.6)	(3.0)	(0.5)				(0.5)		-
Deprec., Deplet., & Amort.	2.3	8.5	1.8	1.8	1.8	1.8	7.1	1.8	7.1
Total Net Income	5.8	20.2	8.3	7.1	7.4	7.7	30.5	8.1	30.3
Units (mm)	30.7	30.7	30.7	30.7	30.7	30.7	30.7	30.7	30.7
Net Income Per Unit (\$)	0.19	0.66	0.27	0.23	0.24	0.25	0.99	0.26	0.99
DISTRIBUTION									
Top Line Revenue	5.8	26.2	10.2	9.8	10.0	10.2	40.2	10.5	40.5
Bottom Line Net Revenue	2.3	5.6	0.8	1.5	1.6	1.6	5.4	1.7	6.3
Lease Bonus and Other	1.5	2.8	0.2	0.1	0.1	0.1	0.5	0.1	0.4
Cash Expense	(1.7)	(7.1)	(1.8)	(2.0)	(2.0)	(2.0)	(7.8)	(2.0)	(8.0)
Distribution	7.9	27.5	9.4	9.4	9.7	9.9	38.3	10.3	39.2
Distribution Per Unit (\$)	0.26	0.90	0.31	0.30	0.32	0.32	1.25	0.34	1.28
TIMING DIFFERENCE (\$/unit)									
Dist - Net Inc - DDA	(0.01)	(0.04)	(0.02)	0.02	0.02	0.01	0.02	0.01	0.06



Independent Stock Idea

May 18, 2017 Intraday

Table 1
McDep Energy Stocks
Ranked by McDep Ratio

		Price	Market	Enterprise	EV/	EV/	PV/	Oil	Dist.			
	Symbol/Rating	(US\$/sh)	Cap	Value	Market	Ebitda	Ebitda	Prod'n/	Yield	McDep		
		18-May	(US\$mm)	(\$mm)	Cap	NTM	NTM	PV	NTM	Ratio		
		2017						(%)	(%)	(EV/PV)		
Global Integrated												
	Exxon Mobil Corporation	XOM	81.76	345,000	439,000	1.27	10.1	11.8	49	3.8	0.85	
	Chevron Corporation	CVX	105.11	199,000	268,000	1.34	9.1	11.1	60	4.1	0.83	
	Royal Dutch Shell	RDS-A	B	55.18	225,000	356,000	1.58	7.3	9.3	51	6.8	0.78
	Total S.A.	TOT	B	53.69	132,000	188,000	1.42	6.4	9.4	53	5.1	0.68
	<i>Total or Median</i>			901,000	1,251,000	1.38	8.2	10.3	52	4.6	0.80	
Large Independent												
	Pioneer Natural Resources	PXD	173.17	29,400	31,000	1.05	13.5	11.8	87	0.0	1.15	
	EOG Resources, Inc.	EOG	92.27	53,400	60,600	1.13	12.6	11.7	86	0.7	1.07	
	Devon Energy Corporation	DVN	37.12	19,600	27,600	1.41	11.7	13.4	62	0.6	0.87	
	Occidental Petroleum Corp.	OXY	60.52	46,300	59,500	1.29	10.0	11.9	81	5.0	0.84	
	Marathon Oil Corporation	MRO	B	14.26	12,110	19,900	1.64	10.6	13.2	90	1.4	0.80
	ConocoPhillips	COP	B	46.70	58,000	93,000	1.60	9.5	12.5	73	2.3	0.76
	<i>Total or Median</i>			218,800	292,000	1.35	11.2	12.2	83	1.1	0.86	
Small Independent												
	Cimarex Energy Company	XEC	117.14	11,200	12,500	1.12	10.9	11.2	63	0.3	0.98	
	Continental Resources (32%)	CLR	B	41.56	5,000	7,100	1.42	10.8	13.4	74	-	0.80
	California Resources	CRC	12.13	500	6,500	12.5	11.6	14.5	89	-	0.80	
	Whiting Petroleum Corporation	WLL	8.31	3,000	6,500	2.16	7.4	11.4	92	-	0.65	
	Range Resources	RRC	B	25.12	6,200	10,500	1.71	7.5	13.0	31	0.3	0.58
	<i>Total or Median</i>			26,000	43,000	1.71	10.8	13.0	74	-	0.80	
Income												
	San Juan Basin Royalty Trust	SJT	7.53	350	350	1.00	10.3	11.0	-	9.5	0.94	
	Permian Basin RT	PBT	9.79	460	460	1.00	13.5	15.2	78	7.1	0.89	
	Dorchester Minerals, L.P.	DMLP	16.50	510	510	1.00	12.6	18.4	76	7.8	0.69	
	Sabine Royalty Trust	SBR	B	37.21	540	540	1.00	14.7	23.7	59	6.8	0.62
	Cross Timbers Royalty Trust	CRT	B	15.12	90	90	1.00	8.3	16.0	28	9.8	0.52
	<i>Total or Median</i>			2,000	2,000	1.00	12.6	16.0	59	7.8	0.69	
Canada												
	EnCana Corporation	ECA	10.83	10,500	17,000	1.62	9.5	10.1	56	0.6	0.94	
	Imperial Oil Limited (30%)	IMO	28.38	7,200	9,100	1.25	7.9	10.0	67	1.5	0.79	
	Suncor Energy	SU	B	31.49	52,500	68,700	1.31	8.8	11.5	84	3.0	0.77
	Birchcliff Energy Ltd.	BIREF	B	4.87	1,400	2,000	1.43	7.0	12.1	36	1.1	0.57
	Cenovus Energy Inc.	CVE	9.29	7,700	10,400	1.34	5.5	10.3	82	1.6	0.54	
	<i>Total or Median</i>			79,000	107,000	1.34	7.9	10.3	67	1.5	0.77	

EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation, amort.
 Estimated Ebitda (cash flow) tied to NTM futures prices for oil and natural gas. NTM = Next Twelve Months ending 3/31/18.
 Estimated Present Value (PV) presumes a long-term price for oil of US\$70 a barrel and natural gas, \$4.00 a million btu.
 McDep Ratio = Market cap and Debt to present value of oil and gas and other businesses. For historical research see www.mcdep.com



Independent Stock Idea

May 18, 2017 Intraday

Table 2											
McDep Energy Stocks											
Production Operating Leverage											
Ranked by McDep Ratio											
			Price (US\$/sh)	Oil Equiv. Price (\$/boe)	Operating Expense Fixed Var. (\$/boe) (%)	Ebitda NTM (\$/boe)	Ebitda NTM (\$mm)	Oper Lev Ebitda chg/ Price chg	McDep Ratio		
Symbol/Rating		18-May	Volume (mmboe)								
B = Buy		2017									
Global Integrated (excl. Downstream)											
Exxon Mobil Corporation	XOM		81.76	1,483	38.00	7	35	17.70	26,248	1.40	0.85
Chevron Corporation	CVX		105.11	842	36.92	8	22	20.80	17,509	1.38	0.83
Royal Dutch Shell	RDS-A	B	55.18	1,324	35.00	2	26	24.00	31,764	1.08	0.78
Total S.A.	TOT	B	53.69	926	36.31	0	41	21.30	19,714	1.00	0.68
<i>Total or Median</i>										1.23	0.80
Large Independent											
Pioneer Natural Resources	PXD		173.17	106	34.72	9	11	21.80	2,305	1.41	1.15
EOG Resources, Inc.	EOG		92.27	217	34.01	10	5	22.20	4,823	1.45	1.07
Devon Energy Corporation	DVN		37.12	159	25.04	9	5	14.90	2,366	1.60	0.87
Occidental Petroleum Corp.	OXY		60.52	282	34.88	8	17	21.00	5,929	1.38	0.84
Marathon Oil Corporation	MRO	B	14.26	131	27.14	13	-1	14.30	1,871	1.91	0.80
ConocoPhillips	COP	B	46.70	542	31.79	6	25	18.00	9,756	1.33	0.76
<i>Total or Median</i>										1.43	0.86
Small Independent											
Cimarex Energy Company	XEC		117.14	69	26.76	6	15	16.70	1,145	1.36	0.98
Continental Resources (32%)	CLR	B	41.56	27	31.47	3	14	24.10	656	1.12	0.80
California Resources	CRC		12.13	45	39.01	15	30	12.50	562	2.20	0.80
Whiting Petroleum Corporation	WLL		8.31	47	32.92	9	16	18.60	881	1.48	0.65
Range Resources	RRC	B	25.12	132	18.60	8	1	10.50	1,390	1.76	0.58
<i>Total or Median</i>										1.48	0.80
Income											
San Juan Basin Royalty Trust	SJT		7.53	3	18.23	5	14	10.77	34	1.46	0.94
Permian Basin RT	PBT		9.79	1	33.20	10	2	22.52	34	1.44	0.89
Dorchester Minerals, L.P.	DMLP		16.50	2	31.11	7	11	20.73	40	1.34	0.69
Sabine Royalty Trust	SBR	B	37.21	1	29.79	2	9	25.10	37	1.08	0.62
Cross Timbers Royalty Trust	CRT	B	15.12	0	35.44	8	10	23.99	11	1.33	0.52
<i>Total or Median</i>										1.34	0.69
Canada (excl. Downstream)											
EnCana Corporation	ECA		10.83	120	27.91	11	7	14.91	1,789	1.74	0.94
Imperial Oil Limited (30%)	IMO		28.38	69	34.09	14	10	16.60	1,148	1.84	0.79
Suncor Energy	SU	B	31.49	344	44.47	18	9	22.57	7,762	1.80	0.77
Birchcliff Energy Ltd.	BIREF	B	4.87	22	19.26	1	27	13.00	283	1.08	0.57
Cenovus Energy Inc.	CVE		9.29	115	27.48	11	1	16.21	1,857	1.68	0.54
<i>Total or Median</i>										1.74	0.77
For historical research see www.mcdep.com											



Independent Stock Idea

May 18, 2017 Intraday

Table 3											
McDep Energy Stocks											
Net Present Value Per Share											
Ranked by Reserve Life (Adjustd Resrvs/Prod NTM)											
			Price (US\$/sh)	Shares	Debt (\$mm)	Dividend NTM (\$/sh)	P/E	Down- stream/ PV (%)	Proven Undev. Resrvs (%)	Adjustd Resrvs/ Prod NTM	Net Present Value (US\$/sh)
Symbol/Rating		18-May									
B = Buy		2017	(mm)			NTM					
Global Integrated											
Exxon Mobil Corporation	XOM		81.76	4,223	93,323	3.08	22	27	31	11.4	100.00
Chevron Corporation	CVX		105.11	1,895	68,305	4.32	27	19	32	9.3	135.00
Total S.A.	TOT	B	53.69	2,457	55,616	2.71	12	23	42	9.3	90.00
Royal Dutch Shell	RDS-A	B	55.18	4,070	131,054	3.76	20	24	25	8.6	80.00
	<i>Median</i>									9.3	
Large Independent											
Marathon Oil Corporation	MRO	B	14.26	849	7,788	0.20		-	24	13.7	20.00
ConocoPhillips	COP	B	46.70	1,249	34,753	1.06		-	25	9.7	70.00
Occidental Petroleum Corp.	OXY		60.52	765	13,200	3.04	51	13	23	9.4	75.00
Devon Energy Corporation	DVN		37.12	528	8,002	0.24	78	9	20	9.2	45.00
EOG Resources, Inc.	EOG		92.27	579	7,202	0.67		-	30	7.4	85.00
Pioneer Natural Resources	PXD		173.17	170	1,600	0.08	60	-	7	6.6	150.00
	<i>Median</i>									9.3	
Small Independent											
Range Resources	RRC	B	25.12	245	4,345	0.08	19	-	44	11.9	56.00
Continental Resources (32%)	CLR	B	41.56	119	2,095	-		-	59	11.4	56.00
California Resources	CRC		12.13	43	6,000	-		-	29	10.8	50.00
Whiting Petroleum Corporation	WLL		8.31	363	3,517	-		-	53	9.6	18.00
Cimarex Energy Company	XEC		117.14	95	1,362	0.32	27	-	21	6.3	120.00
	<i>Median</i>									10.8	
Income											
Sabine Royalty Trust	SBR	B	37.21	15	-	2.53	15	-	4	11.3	60.00
San Juan Basin Royalty Trust	SJT		7.53	47	-	0.72	10	-	-	9.9	8.00
Permian Basin RT	PBT		9.79	47	-	0.69	14	-	13	9.4	11.00
Cross Timbers Royalty Trust	CRT	B	15.12	6	-	1.48	10	-	-	7.5	29.00
Dorchester Minerals, L.P.	DMLP		16.50	31	-	1.28	17	-	-	7.2	24.00
	<i>Median</i>									9.4	
Canada											
Suncor Energy	SU	B	31.49	1,667	16,169	0.93	23	16	44	15.2	44.00
Cenovus Energy Inc.	CVE		9.29	833	2,611	0.15		8	76	15.1	20.00
Birchcliff Energy Ltd.	BIREF	B	4.87	284	592	0.05	19	-	69	13.2	10.00
Imperial Oil Limited (30%)	IMO		28.38	255	1,824	0.44	12	34	23	9.8	38.00
EnCana Corporation	ECA		10.83	973	6,461	0.06		-	43	5.2	12.00
	<i>Median</i>									13.2	
P/E = Stock Price to Earnings. For historical research see www.mcdep.com .											



Independent Stock Idea

May 18, 2017 Intraday

Table 4										
McDep Energy Stocks										
Total Return Year-to-Date 2017										
Ranked by Unlevered Total Return										
			Price	Price			Equity	Unlevered		
	Symbol/Ratio		(\$/sh)	(\$/sh)	Price	Cash	Total	Debt	Return	McDep
			18-May	30-Dec	Change	Distrib.	Return	Return	Return	Ratio
			2017	2016	(%)	(%)	(%)	(\$/sh)	(%)	
Global Integrated										
Total S.A.	TOT	B	53.69	50.97	5	1	7	23	5	0.68
Royal Dutch Shell	RDS-A	B	55.18	54.38	1	2	3	32	2	0.78
Exxon Mobil Corporation	XOM		81.76	90.26	(9)	1	(9)	22	(7)	0.85
Chevron Corporation	CVX		105.11	117.70	(11)	1	(10)	36	(7)	0.83
	<i>Median</i>				(4)		(3)		(2)	0.80
Large Independent										
ConocoPhillips	COP	B	46.70	50.14	(7)	1	(6)	28	(4)	0.76
Pioneer Natural Resources	PXD		173.17	180.00	(4)	0	(4)	9	(4)	1.15
EOG Resources, Inc.	EOG		92.27	101.10	(9)	0.3	(8)	12	(7)	1.07
Marathon Oil Corporation	MRO	B	14.26	17.31	(18)	0	(17)	9	(11)	0.80
Occidental Petroleum Corp.	OXY		60.52	71.23	(15)	1	(14)	17	(11)	0.84
Devon Energy Corporation	DVN		37.12	45.67	(19)	0	(19)	15	(14)	0.87
	<i>Median</i>				(12)		(11)		(9)	0.86
Small Independent										
California Resources	CRC		12.13	21.29	(43)	-	(43)	141	(6)	0.80
Cimarex Energy Company	XEC		117.14	135.90	(14)	0	(14)	14	(12)	0.98
Continental Resources (32%)	CLR	B	41.56	51.54	(19)	-	(19)	18	(14)	0.80
Whiting Petroleum Corporation	WLL		8.31	12.02	(31)	-	(31)	10	(17)	0.65
Range Resources	RRC	B	25.12	34.36	(27)	0	(27)	18	(18)	0.58
	<i>Median</i>				(27)		(27)		(14)	0.80
Income										
Permian Basin RT	PBT		9.79	7.71	27	4.2	31	-	31	0.89
San Juan Basin Royalty Trust	SJT		7.53	6.62	14	4.2	18	-	18	0.94
Sabine Royalty Trust	SBR	B	37.21	35.15	6	2.9	9	-	9	0.62
Dorchester Minerals, L.P.	DMLP		16.50	17.55	(6)	3.1	(3)	-	(3)	0.69
Cross Timbers Royalty Trust	CRT	B	15.12	17.97	(16)	2.3	(14)	-	(14)	0.52
	<i>Median</i>				6		9		9	0.69
Canada										
Suncor Energy	SU	B	31.49	32.69	(4)	1	(3)	10	(2)	0.77
EnCana Corporation	ECA		10.83	11.74	(8)	0	(8)	7	(5)	0.94
Imperial Oil Limited (30%)	IMO		28.38	34.76	(18)	0	(18)	7	(15)	0.79
Birchcliff Energy Ltd.	BIREF	B	4.87	7.01	(30)	0	(30)	2	(23)	0.57
Cenovus Energy Inc.	CVE		9.29	15.13	(39)	0	(38)	3	(32)	0.54
	<i>Median</i>				(18)		(18)		(15)	0.77
	<i>Grand Median</i>				(11)		(10)		(7)	0.80
Natural Gas (\$/mmbtu)			3.18	3.74	(15)					
Oil -West Texas Intermediate (\$/bbl)			49.43	53.72	(8)					
Total Stock Market - U.S.	VTI		121.37	115.32	5					
Developed Markets - ex US	VEA		40.97	36.54	12					
Emerging Markets	VWO		39.92	35.78	12					

Source: McDep LLC, Yahoo, CME Group, Bloomberg

For historical research see www.mcdep.com



Independent Stock Idea

May 18, 2017 Intraday

Dorchester Minerals, L.P.					
Functional Cash Flow and Present Value					
	<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>Top Line - Royalty Interests</u>					
North American Natural Gas	9	7.3	21.4	190	26%
Oil	25	7.6	18.9	480	65%
<u>Bottom Line - Net Profits Interests</u>					
North American Natural Gas	2	8.2	14.7	30	4%
Oil	4	4.8	10.6	40	5%
<u>Total Top and Bottom</u>					
North American Natural Gas	11	7.7	20.1	220	30%
Oil	29	6.8	17.8	520	70%
	40	7.2	18.4	740	100%
Debt (US\$mm)					-
Net Present Value (US\$mm)					740
Shares (mm)					31
Net Present Value - Standard Estimate (US\$/sh)					24
NPV Approximation by Cash Flow Multiple Depending on Reserve Life (US\$/sh)					25
Top Line Approximation at 1.8 times Cash Flow Multiple Depending on Reserve Life					

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.