

## Income Payers Sparkle CRT, DMLP, PBT, SBR, SJT

						Present Value by Segment (%)						
		Price			North	Rest of				Dist.		
		(US\$/sh)	EV/	Enterprise	Amer.	World				Yield		
Symbol/Rating		21-Nov	Market	Value	Natural	Natural	Oil	Down-	NTM	McDep		
		2016	Cap	(\$mm)	Gas	Gas	Prod'n	stream	(%)	Ratio		
San Juan Basin Royalty Trust	SJT	6.54	1.00	310	100		-		8.8	0.82		
Dorchester Minerals, L.P.	DMLP B	16.70	1.00	510	28		72		6.9	0.70		
Permian Basin RT	PBT	7.30	1.00	340	23		77		8.0	0.66		
Cross Timbers Royalty Trust	CRT	17.92	1.00	110	71		29		8.0	0.62		
Sabine Royalty Trust	SBR B	35.90	1.00	520	44		56		8.2	0.60		
<i>Total or Median</i>			<i>1.00</i>	<i>1,800</i>	<i>44</i>		<i>56</i>		<i>8.0</i>	<i>0.66</i>		

### Summary and Recommendation

Income Payers appear to have the most total return potential of our five groups of oil and gas producers judging by a low median McDep Ratio of 0.66 (see table above). A median 8.0% return would be distributed in cash in a rising pattern over the next twelve months of 2017 (see chart [Distribution](#) on page 2). Our estimates for the year ahead depend on futures prices for oil and gas that can be quite volatile (see chart [Price](#) on page 2). Volumes are variable, too, with oil perhaps trending up and natural gas trending down (see charts [Oil Volume](#) and [Natural Gas Volume](#) on page 3). Our buy recommendations **Dorchester Minerals, L.P. (DMLP)** and **Sabine Royalty Trust (SBR)** appear to have the strongest oil volume trends. Moreover, price can drive the volume trend incrementally on top of a stable, long-life base. Details behind our estimates take account of the readily apparent factors influencing distributions (see tables [Operating and Financial Estimates](#) for five stocks on pages 4-8). Valuation rankings allow comparison to all 24 stocks in our research (see [Tables 1-4](#) on pages 9-12).

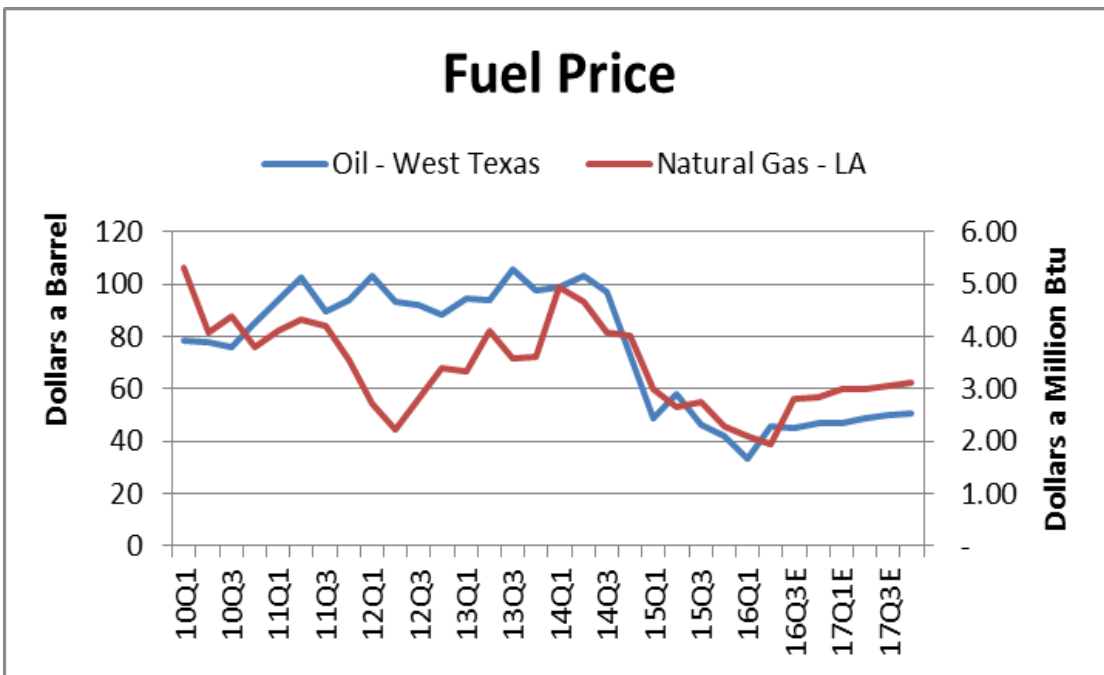
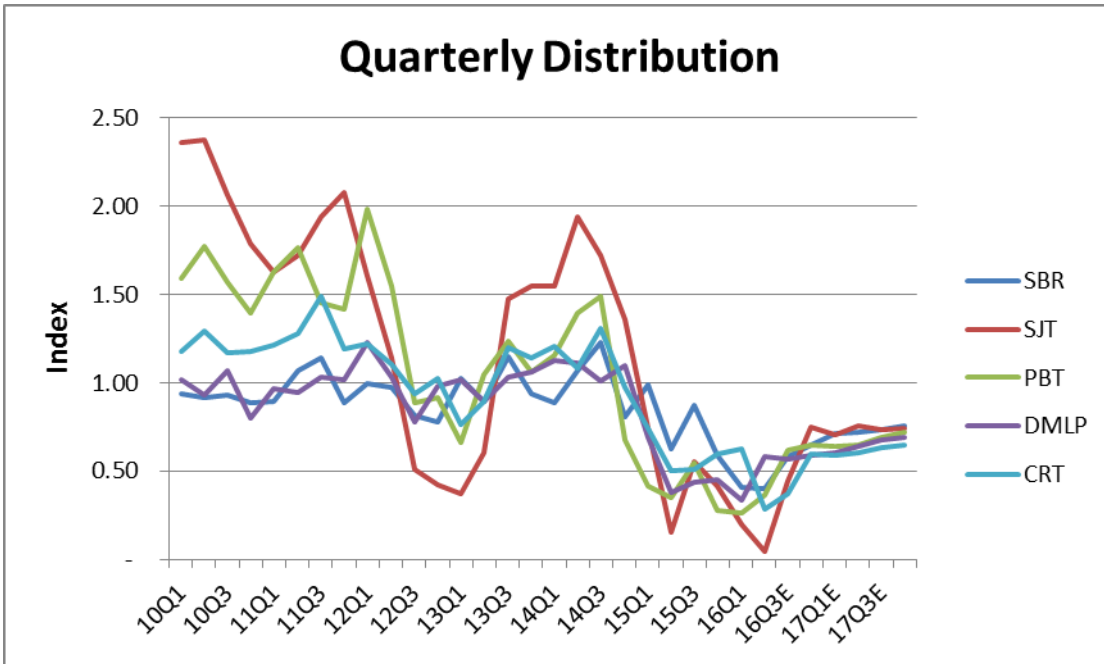
Kurt H. Wulff, CFA

Footnote: At a meeting on Monday, November 21 to vote on replacing the trustee at SJT, the preliminary count was 48% to replace and 58% of units voted. The 48% is short of the simple majority of units outstanding to effect the change. Of units voted, 83% were in favor of replacing the trustee. More time would probably have produced a different result. Accordingly, the issue may not yet be settled. We recommended replacement.



# Industry Idea

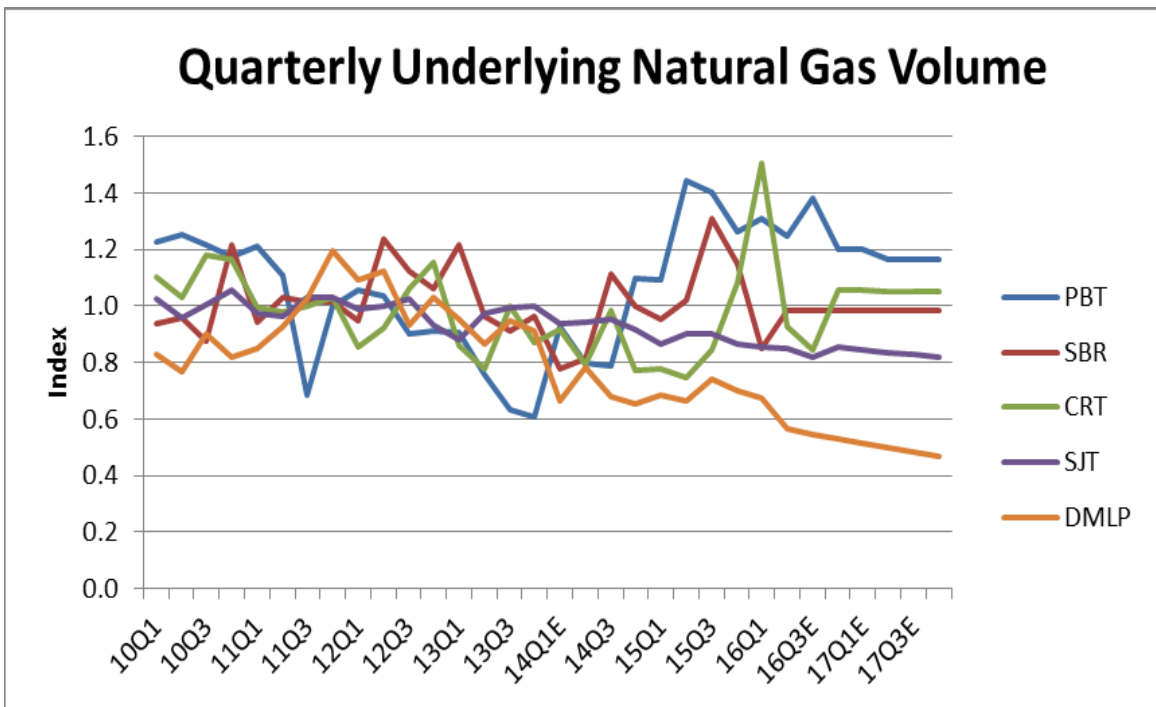
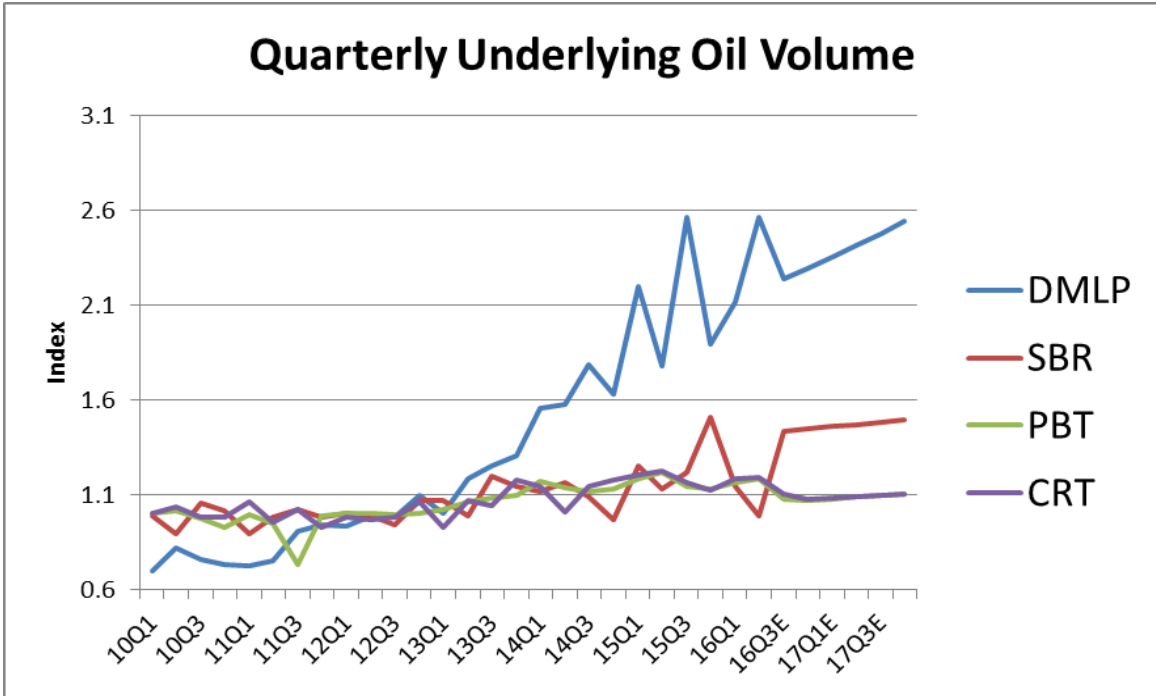
Analysis of Oil and Gas Stocks  
November 22, 2016





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Cross Timbers Royalty Trust										
Next Twelve Months Operating and Financial Performance										
	Q4	Year	Q3	Q4E	Year	Q1E	Q2E	Q3E	Q4E	Next Twelve Months
	12/31/15	2015	9/30/16	12/31/16	2016	3/31/17	6/30/17	9/30/17	12/31/17	12/31/17
<b>Volume</b>										
Natural Gas (bcf)	0.51	<b>1.62</b>	0.40	0.50	<b>2.04</b>	0.50	0.49	0.49	0.49	<b>1.97</b>
Natural Gas (mmcf)	5.5	<b>4.4</b>	4.3	5.4	<b>5.6</b>	5.4	5.4	5.4	5.4	<b>5.4</b>
Total (bcf)	0.85	<b>3.02</b>	0.73	0.82	<b>3.39</b>	0.82	0.80	0.82	0.82	<b>3.26</b>
<b>Price</b>										
Natural Gas (HH lagged three months)										
Henry Hub (\$/mmbtu)	2.76	<b>3.11</b>	1.95	2.81	<b>2.28</b>	2.85	3.00	2.99	3.05	<b>2.97</b>
Differential (%)	(69)	<b>(46)</b>	(72)	(37)	<b>(60)</b>	(40)	(40)	(40)	(40)	<b>(40)</b>
CRT (\$/mcf)	4.67	<b>4.53</b>	3.37	3.87	<b>3.65</b>	4.00	4.21	4.18	4.27	<b>4.16</b>
Oil (\$/bbl) (WTI lagged two months)										
WTI Cushing	44.87	<b>53.37</b>	46.80	46.60	<b>41.85</b>	45.91	47.82	49.45	50.17	<b>48.34</b>
CRT	44.00	<b>52.96</b>	42.02	42.50	<b>38.20</b>	41.90	43.65	46.98	47.66	<b>45.07</b>
Total (\$/mcf)	5.73	<b>6.52</b>	5.02	5.13	<b>4.73</b>	5.17	5.41	5.64	5.74	<b>5.49</b>
<b>Revenue (\$mm)</b>										
Natural Gas	2.38	<b>7.33</b>	1.33	1.93	<b>7.43</b>	1.99	2.04	2.05	2.11	<b>8.20</b>
Oil	2.46	<b>12.34</b>	2.31	2.28	<b>8.62</b>	2.26	2.29	2.56	2.61	<b>9.72</b>
Total	4.85	<b>19.67</b>	3.64	4.21	<b>16.05</b>	4.25	4.33	4.61	4.72	<b>17.92</b>
<b>Cost (\$mm)</b>										
Tax, transport & other										
Production	1.48	<b>6.19</b>	0.97	1.09	<b>4.45</b>	1.09	1.07	1.09	1.10	<b>4.35</b>
Total	2.22	<b>8.90</b>	1.48	1.68	<b>6.80</b>	1.69	1.67	1.73	1.76	<b>6.86</b>
<b>Cash flow (\$mm)</b>										
Development	0.37	<b>2.70</b>	0.20	0.20	<b>0.96</b>	0.10	0.10	0.10	0.10	<b>0.40</b>
Excess or other	(0.37)	<b>(1.97)</b>	0.29	(0.14)	<b>(0.46)</b>	0.01	0.05	0.16	0.18	<b>0.41</b>
<b>Net proceeds (\$mm)</b>										
Royalty/Net proceeds	2.63	<b>10.04</b>	1.68	2.47	<b>8.74</b>	2.45	2.52	2.61	2.68	<b>10.26</b>
<b>Royalty income (\$mm)</b>										
Royalty/Net proceeds	2.31	<b>8.88</b>	1.52	2.17	<b>7.79</b>	2.15	2.21	2.30	2.36	<b>9.03</b>
Administration & reserve	82%	<b>88%</b>	91%	88%	<b>89%</b>	88%	88%	88%	88%	<b>88%</b>
Administration & reserve	0.25	<b>0.75</b>	0.13	0.11	<b>1.19</b>	0.11	0.11	0.11	0.11	<b>0.44</b>
<b>Distributable income (\$mm)</b>										
Distributable income	2.06	<b>8.13</b>	1.30	2.06	<b>6.52</b>	2.04	2.10	2.19	2.25	<b>8.59</b>
<b>Units (millions)</b>										
Units	6.0	<b>6.0</b>	6.0	6.0	<b>6.0</b>	6.0	6.0	6.0	6.0	<b>6.0</b>
<b>Royalty income (\$/unit)</b>										
Natural Gas										
TL TX	0.05	<b>0.16</b>	0.02	0.03	<b>0.09</b>	0.03	0.03	0.03	0.03	<b>0.12</b>
TL OK	0.04	<b>0.19</b>	0.02	0.03	<b>0.10</b>	0.03	0.03	0.03	0.03	<b>0.12</b>
TL NM	0.19	<b>0.48</b>	0.13	0.19	<b>0.70</b>	0.19	0.20	0.20	0.20	<b>0.79</b>
BL TX	-	-	-	-	-	-	-	-	-	-
BL OK	-	<b>0.00</b>	-	-	-	-	-	-	-	-
Oil										
TL TX	0.07	<b>0.35</b>	0.07	0.07	<b>0.26</b>	0.06	0.07	0.07	0.07	<b>0.28</b>
TL OK	0.03	<b>0.22</b>	0.04	0.04	<b>0.14</b>	0.04	0.04	0.04	0.05	<b>0.17</b>
TL NM	0.01	<b>0.04</b>	0.01	0.01	<b>0.03</b>	0.01	0.01	0.01	0.01	<b>0.03</b>
BL TX	-	-	-	-	-	-	-	-	-	-
BL OK	-	<b>0.03</b>	-	-	-	-	-	-	-	-
Administration	0.04	<b>0.14</b>	0.02	0.02	<b>0.08</b>	0.02	0.02	0.02	0.02	<b>0.08</b>
Reserve and other	0.05	-	-	-	-	-	-	-	-	-
<b>Distribution (\$/unit)</b>										
Distribution	0.34	<b>1.35</b>	0.22	0.34	<b>1.09</b>	0.34	0.35	0.36	0.38	<b>1.43</b>



# Industry Idea

Analysis of Oil and Gas Stocks

November 22, 2016

Dorchester Minerals, L.P.										
Operating and Financial Performance										
										Next
	Q4	Year	Q3	Q4E	Year	Q1E	Q2E	Q3E	Q4E	Months
	12/31/15	2015	9/30/16	12/31/16	2016E	3/31/17	6/30/17	9/30/17	12/13/17	12/31/17
<b>TOP LINE</b>										
<b>Volume</b>										
Natural Gas (mmcf)	10.9	<b>10.1</b>	8.4	8.1	<b>8.8</b>	7.8	7.5	7.2	6.9	<b>7.3</b>
Oil (mbd)	1.51	<b>1.44</b>	1.77	1.80	<b>1.68</b>	1.83	1.85	1.88	1.91	<b>1.87</b>
<b>Price</b>										
Henry Hub (\$/mmbtu)	2.28	<b>2.67</b>	2.81	2.85	<b>2.43</b>	3.00	2.99	3.05	3.13	<b>3.04</b>
WTI Cushing (\$/bbl)	42.21	<b>48.79</b>	44.91	47.08	<b>42.78</b>	47.11	49.02	49.99	50.46	<b>49.15</b>
Natural Gas (\$/mcf)	1.86	<b>2.30</b>	2.42	2.46	<b>2.06</b>	2.58	2.57	2.62	2.70	<b>2.62</b>
Oil (\$/bbl)	38.82	<b>42.23</b>	38.72	40.59	<b>36.82</b>	42.40	44.12	44.99	45.41	<b>44.23</b>
<b>Revenue (\$mm)</b>										
Natural Gas	1.9	<b>8.5</b>	1.9	1.8	<b>6.6</b>	1.8	1.7	1.7	1.7	<b>7.0</b>
Oil	5.4	<b>22.1</b>	6.3	6.7	<b>22.7</b>	7.0	7.4	7.8	8.0	<b>30.2</b>
Total Revenue	7.3	<b>30.6</b>	8.2	8.5	<b>29.3</b>	8.8	9.2	9.5	9.7	<b>37.2</b>
Expense (allocated)	1.9	<b>5.2</b>	1.4	1.4	<b>5.3</b>	1.3	1.3	1.3	1.3	<b>5.1</b>
<b>Ebitda</b>	5.4	<b>25.4</b>	6.8	7.1	<b>24.0</b>	7.5	7.9	8.2	8.4	<b>32.1</b>
<b>BOTTOM LINE</b>										
<b>Volume</b>										
Natural Gas (mmcf)	8.3	<b>8.9</b>	6.5	6.4	<b>7.1</b>	6.3	6.1	6.0	5.9	<b>6.1</b>
Oil (mbd)	0.76	<b>1.09</b>	0.91	0.95	<b>1.08</b>	1.00	1.04	1.09	1.14	<b>1.07</b>
<b>Price</b>										
Natural Gas (\$/mcf)	1.80	<b>2.49</b>	2.33	2.36	<b>2.14</b>	2.49	2.47	2.53	2.60	<b>2.52</b>
Oil (\$/bbl)	36.64	<b>49.46</b>	36.10	37.84	<b>34.58</b>	37.69	39.22	39.99	40.37	<b>39.32</b>
<b>Revenue (\$mm)</b>										
Natural Gas	1.4	<b>8.1</b>	1.4	1.4	<b>5.5</b>	1.4	1.4	1.4	1.4	<b>5.6</b>
Oil	2.6	<b>19.7</b>	3.0	3.3	<b>13.7</b>	3.4	3.7	4.0	4.2	<b>15.3</b>
Total Revenue	3.9	<b>27.8</b>	4.4	4.7	<b>19.2</b>	4.8	5.1	5.4	5.6	<b>20.9</b>
<b>Expense (allocated)</b>										
Partnership	1.0	<b>4.1</b>	0.8	0.8	<b>3.5</b>	0.8	0.8	0.8	0.8	<b>3.4</b>
Net Profits Interests	1.7	<b>6.9</b>	2.2	2.4	<b>9.5</b>	2.4	2.5	2.7	2.8	<b>10.5</b>
Total Expense	2.7	<b>11.0</b>	3.0	3.1	<b>13.0</b>	3.2	3.4	3.5	3.7	<b>13.8</b>
<b>Ebitda</b>	1.2	<b>16.8</b>	1.4	1.6	<b>6.1</b>	1.6	1.7	1.9	2.0	<b>7.1</b>
Development (estimated)	1.2	<b>15.8</b>	0.6	0.7	<b>4.7</b>	0.7	0.8	0.8	0.8	<b>3.1</b>
<b>NET INCOME</b>										
Top Line	5.4	<b>25.4</b>	6.8	7.1	<b>24.0</b>	7.5	7.9	8.2	8.4	<b>32.1</b>
Bottom Line	0.0	<b>1.0</b>	0.8	0.9	<b>1.5</b>	0.8	1.0	1.0	1.1	<b>4.0</b>
Lease Bonus and residual	0.4	<b>3.5</b>	(0.9)		<b>(2.9)</b>					<b>-</b>
Deprec., Deplet., & Amort.	2.2	<b>10.1</b>	2.1	2.1	<b>8.6</b>	2.1	2.1	2.1	2.1	<b>8.3</b>
Total Net Income	2.8	<b>12.9</b>	6.4	5.9	<b>19.7</b>	6.3	6.8	7.2	7.4	<b>27.8</b>
Units (mm)	30.7	<b>30.7</b>	30.7	30.7	<b>30.7</b>	30.7	30.7	30.7	30.7	<b>30.7</b>
Net Income Per Unit (\$)	0.09	<b>0.42</b>	0.21	0.19	<b>0.64</b>	0.21	0.22	0.23	0.24	<b>0.91</b>
<b>DISTRIBUTION</b>										
Top Line Revenue	7.6	<b>30.6</b>	6.5	8.2	<b>26.3</b>	8.4	8.8	9.1	9.3	<b>35.7</b>
Bottom Line Net Revenue	0.7	<b>4.0</b>	1.9	1.6	<b>6.3</b>	1.7	1.8	1.9	2.0	<b>7.3</b>
Lease Bonus and Other	0.1	<b>0.2</b>	0.9	0.1	<b>2.7</b>	0.1	0.1	0.1	0.1	<b>0.4</b>
Cash Expense	(2.3)	<b>(8.2)</b>	(1.6)	(2.0)	<b>(7.2)</b>	(2.0)	(2.0)	(2.0)	(2.0)	<b>(8.0)</b>
Distribution	6.1	<b>26.6</b>	7.7	7.9	<b>28.1</b>	8.2	8.7	9.1	9.4	<b>35.4</b>
Distribution Per Unit (\$)	0.20	<b>0.87</b>	0.25	0.26	<b>0.92</b>	0.27	0.28	0.30	0.31	<b>1.15</b>



# Industry Idea

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Permian Basin Royalty Trust										
Next Twelve Months Operating and Financial Estimates										
	Q4	Year	Q3	Q4E	Year	Q1E	Q2E	Q3E	Q4E	Next Twelve Months
	12/31/15	2015	9/30/16	12/31/16	2016	3/31/17	6/30/17	9/30/17	12/31/17	12/31/17
<b>TOP LINE</b>										
<b>Volume</b>										
Natural Gas (mmcf)	1.1	<b>1.1</b>	0.9	0.9	<b>1.0</b>	0.9	0.9	0.9	0.9	<b>0.9</b>
Oil (mbd)	0.86	<b>0.90</b>	0.80	0.82	<b>0.82</b>	0.82	0.82	0.83	0.83	<b>0.82</b>
<b>Price (cash lagged two months)</b>										
Natural Gas (\$/mcf)	4.37	<b>5.07</b>	3.95	4.05	<b>3.61</b>	4.11	4.30	4.33	4.38	<b>4.26</b>
Oil (\$/bbl)	44.28	<b>51.34</b>	41.97	40.58	<b>37.65</b>	39.98	41.64	43.06	43.69	<b>42.47</b>
<b>Revenue (\$mm)</b>										
Natural Gas	0.4	<b>2.1</b>	0.3	0.3	<b>1.3</b>	0.3	0.3	0.3	0.4	<b>1.4</b>
Oil	3.5	<b>16.9</b>	3.1	3.0	<b>11.4</b>	3.0	3.1	3.3	3.3	<b>12.7</b>
Total Revenue	3.9	<b>19.0</b>	3.4	3.4	<b>12.7</b>	3.4	3.4	3.6	3.7	<b>14.1</b>
<b>Expense</b>										
Operating		<b>1.0</b>			-					
Production & Property taxes	0.6	<b>1.6</b>	0.6	0.6	<b>1.9</b>	0.6	0.6	0.4	0.4	<b>1.9</b>
Total Expense	0.6	<b>2.6</b>	0.6	0.6	<b>1.9</b>	0.6	0.6	0.4	0.4	<b>1.9</b>
<b>Ebitda</b>										
Ebitda times 95%	3.2	<b>15.6</b>	2.7	2.7	<b>10.2</b>	2.7	2.7	3.1	3.1	<b>11.6</b>
<b>BOTTOM LINE</b>										
<b>Volume</b>										
Natural Gas (mmcf)	13.8	<b>14.2</b>	15.3	13.2	<b>14.1</b>	13.2	12.8	12.8	12.8	<b>13.5</b>
Oil (mbd)	2.37	<b>2.43</b>	2.27	2.23	<b>2.38</b>	2.25	2.27	2.30	2.32	<b>2.28</b>
<b>Price (cash lagged two months)</b>										
Natural Gas (\$/mcf)	2.46	<b>2.85</b>	2.37	2.73	<b>2.19</b>	2.77	2.89	2.91	2.95	<b>2.74</b>
Oil (\$/bbl)	44.04	<b>50.46</b>	43.28	41.17	<b>37.61</b>	40.56	42.24	43.68	44.32	<b>42.85</b>
<b>Revenue (\$mm)</b>										
Natural Gas	3.1	<b>14.7</b>	3.3	3.3	<b>11.3</b>	3.4	3.3	3.4	3.5	<b>13.6</b>
Oil	9.6	<b>44.7</b>	9.0	8.4	<b>32.8</b>	8.4	8.6	9.2	9.5	<b>35.6</b>
Total Revenue	12.7	<b>59.5</b>	12.3	11.8	<b>44.1</b>	11.8	11.9	12.7	12.9	<b>49.2</b>
<b>Expense</b>										
Operating	5.9	<b>25.2</b>	4.6	4.3	<b>20.2</b>	4.3	4.3	5.0	5.0	<b>18.6</b>
Production taxes	1.1	<b>3.7</b>	1.1	1.1	<b>4.2</b>	1.1	1.1	1.1	1.1	<b>4.3</b>
Total Expense	7.0	<b>28.9</b>	5.7	5.4	<b>24.3</b>	5.4	5.4	6.1	6.1	<b>22.8</b>
<b>Ebitda</b>										
Ebitda	5.7	<b>30.6</b>	6.7	6.4	<b>19.7</b>	6.4	6.5	6.6	6.9	<b>26.4</b>
Development	6.9	<b>23.7</b>	0.9	0.6	<b>3.9</b>	0.8	0.8	0.8	0.8	<b>3.2</b>
(Ebitda-Dvlpmnt) times 75%	(0.9)	<b>3.6</b>	4.4	4.3	<b>11.9</b>	4.2	4.3	4.3	4.5	<b>17.4</b>
Excess Costs	(0.9)	<b>1.6</b>	1.1		<b>2.0</b>					-
<b>CASH DISTRIBUTION</b>										
<b>Royalty Income (\$mm)</b>										
Top Line	3.2	<b>15.6</b>	2.7	2.7	<b>10.2</b>	2.7	2.7	3.1	3.1	<b>11.6</b>
Bottom Line	(0.0)	<b>2.2</b>	3.2	3.6	<b>9.1</b>	4.2	4.3	4.3	4.5	<b>17.4</b>
Administration	0.3	<b>1.8</b>	0.3	0.3	<b>1.8</b>	0.4	0.4	0.4	0.4	<b>1.6</b>
<b>Distributable Income (\$mm)</b>										
Distributable Income	2.8	<b>16.1</b>	6.2	6.6	<b>18.8</b>	6.5	6.6	7.0	7.3	<b>27.3</b>
<b>Units (millions)</b>										
Units	47	<b>47</b>	47	47	<b>47</b>	47	47	47	47	<b>47</b>
<b>Distribution (\$/unit)</b>										
Distribution	0.06	<b>0.34</b>	0.13	0.14	<b>0.41</b>	0.14	0.14	0.15	0.16	<b>0.59</b>



# Industry Idea

Analysis of Oil and Gas Stocks

November 22, 2016

Sabine Royalty Trust										
Next Twelve Months Operating and Financial Performance										
	Q4	Year	Q3	Q4E	Year	Q1E	Q2E	Q3E	Q4E	Next Twelve Months
	12/31/15	2015	9/30/16	12/31/16	2016E	3/31/17	6/30/17	9/30/17	12/31/17	12/31/17
<b>Volume</b>										
Natural Gas (bcf)	2.00	<b>7.66</b>	1.70	1.72	<b>6.60</b>	1.72	1.68	1.70	1.72	<b>6.82</b>
Natural Gas (mmcf)	21.8	<b>21.0</b>	18.7	18.7	<b>18.0</b>	18.7	18.7	18.7	18.7	<b>18.7</b>
Days	92	<b>365</b>	91	92	<b>366</b>	92	90	91	92	<b>365</b>
Oil (mmb)	0.164	<b>0.551</b>	0.156	0.157	<b>0.541</b>	0.159	0.156	0.159	0.162	<b>0.636</b>
Oil (mbd)	1.78	<b>1.51</b>	1.70	1.71	<b>1.48</b>	1.72	1.74	1.75	1.76	<b>1.74</b>
Days	92	<b>365</b>	92	92	<b>365</b>	92	89	92	92	<b>365</b>
Total (bcfe)	2.99	<b>10.97</b>	2.64	2.66	<b>9.85</b>	2.67	2.62	2.66	2.69	<b>10.64</b>
Total (mmcf)	32.5	<b>30.0</b>	28.9	28.9	<b>26.9</b>	29.0	29.1	29.2	29.3	<b>29.1</b>
<b>Price (Henry Hub natural gas lagged three months; WTI Cushing oil, two months)</b>										
Henry Hub (\$/mmbtu)	2.76	<b>3.11</b>	1.95	2.81	<b>2.28</b>	2.85	3.00	2.99	3.05	<b>2.97</b>
Differential (%)	11	<b>(3)</b>	(5)	-	<b>(3)</b>	-	-	-	-	<b>0</b>
Trust (\$/mcf)	2.46	<b>3.21</b>	2.05	2.81	<b>2.36</b>	2.85	3.00	2.99	3.05	<b>2.97</b>
WTI Cushing (\$/bbl)	44.87	<b>53.37</b>	46.80	46.60	<b>41.85</b>	45.91	47.82	49.45	50.17	<b>48.34</b>
Differential	(0.01)	<b>(0.64)</b>	4.32	4.30	<b>2.62</b>	-	-	-	-	<b>(0.01)</b>
Trust (\$/bbl)	44.89	<b>54.01</b>	42.48	42.30	<b>39.24</b>	45.91	47.82	49.45	50.17	<b>48.35</b>
Total (\$/bcfe)	4.11	<b>4.96</b>	3.84	4.31	<b>3.74</b>	4.56	4.78	4.88	4.97	<b>4.80</b>
<b>Revenue (\$mm)</b>										
Natural Gas	4.9	<b>24.6</b>	3.5	4.8	<b>15.5</b>	4.9	5.1	5.1	5.2	<b>20.3</b>
Oil	7.4	<b>29.8</b>	6.6	6.7	<b>21.2</b>	7.3	7.5	7.9	8.1	<b>30.8</b>
Total	12.3	<b>54.3</b>	10.1	11.5	<b>36.8</b>	12.2	12.5	13.0	13.4	<b>51.0</b>
<b>Expense</b>										
Tax and other	3.1	<b>6.7</b>	1.1	1.4	<b>4.3</b>	1.1	1.5	1.6	1.6	<b>5.8</b>
General and administrative	0.5	<b>2.4</b>	0.5	0.6	<b>2.6</b>	0.6	0.5	0.6	0.6	<b>2.4</b>
Total	3.6	<b>9.1</b>	1.6	2.0	<b>7.0</b>	1.7	2.0	2.2	2.3	<b>8.2</b>
<b>Ebitda</b>	8.7	<b>45.2</b>	8.5	9.5	<b>29.8</b>	10.4	10.5	10.8	11.1	<b>42.9</b>
<b>Ebit</b>	8.7	<b>45.2</b>	8.5	9.5	<b>29.8</b>	10.4	10.5	10.8	11.1	<b>42.9</b>
<b>Ebt</b>	8.7	<b>45.2</b>	8.5	9.5	<b>29.8</b>	10.4	10.5	10.8	11.1	<b>42.9</b>
<b>Distributable Income (\$mm)</b>	8.7	<b>45.2</b>	8.5	9.5	<b>29.8</b>	10.4	10.5	10.8	11.1	<b>42.9</b>
<b>Units (millions)</b>	14.6	<b>14.6</b>	14.6	14.6	<b>14.6</b>	14.6	14.6	14.6	14.6	<b>14.6</b>
<b>Per Unit (\$)</b>	0.60	<b>3.10</b>	0.58	0.65	<b>2.05</b>	0.72	0.72	0.74	0.76	<b>2.94</b>



# Industry Idea

Analysis of Oil and Gas Stocks

November 22, 2016

San Juan Basin Royalty Trust										
Next Twelve Months Operating and Financial Estimates										
										<i>Next</i>
	<i>Q4</i>	<i>Year</i>	<i>Q3</i>	<i>Q4E</i>	<i>Year</i>	<i>Q1E</i>	<i>Q2E</i>	<i>Q3E</i>	<i>Q4E</i>	<i>Months</i>
	<i>12/31/15</i>	<i>2015</i>	<i>9/30/16</i>	<i>12/31/16</i>	<i>2016E</i>	<i>3/31/17</i>	<i>6/30/17</i>	<i>9/30/17</i>	<i>12/31/17</i>	<i>12/31/17</i>
<b>Volume</b>										
Natural gas (mmbtu)	7.9	<b>32.0</b>	7.6	7.9	<b>30.9</b>	7.8	7.7	7.6	7.6	<b>30.7</b>
Heat Content(btu/cf)	1,098	<b>1,099</b>	1,114	1,112	<b>1,109</b>	1,112	1,112	1,112	1,112	<b>1,112</b>
Natural gas (bcf)	7.2	<b>29.1</b>	6.8	7.1	<b>27.9</b>	7.0	6.9	6.9	6.8	<b>27.6</b>
Natural Gas (mmcf)	78.2	<b>79.8</b>	74.1	77.0	<b>76.2</b>	76.2	75.5	74.7	74.0	<b>75.1</b>
Days	92	<b>365</b>	92	92	<b>366</b>	92	92	92	92	<b>368</b>
Oil (mb)	0.01	<b>0.06</b>	0.02	0.02	<b>0.08</b>	0.02	0.02	0.02	0.02	<b>0.07</b>
Oil (mbd)	0.14	<b>0.17</b>	0.21	0.20	<b>0.21</b>	0.20	0.20	0.20	0.20	<b>0.20</b>
Total gas & oil (bcf)	7.3	<b>29.5</b>	6.9	7.2	<b>28.4</b>	7.1	7.1	7.0	6.9	<b>28.1</b>
<b>Price</b>										
Natural gas (\$/mmbtu) (Henry Hub lagged two months)										
Henry Hub (\$/mmbtu)	2.69	<b>2.98</b>	2.29	2.82	<b>2.32</b>	2.86	3.00	3.02	3.05	<b>2.98</b>
Differential (%)	26	<b>22</b>	26	24	<b>27</b>	24	24	25	25	<b>25</b>
Net to SJT (\$/mmbtu)	2.00	<b>2.32</b>	1.70	2.14	<b>1.69</b>	2.17	2.27	2.26	2.29	<b>2.25</b>
Natural gas (\$/mcf)	2.20	<b>2.54</b>	1.89	2.38	<b>1.88</b>	2.41	2.52	2.51	2.54	<b>2.50</b>
Oil (\$/bbl) (WTI Cushing lagged two months)										
WTI Cushing	44.87	<b>53.37</b>	46.80	46.60	<b>41.85</b>	45.91	47.82	49.45	50.17	<b>48.34</b>
SJT	46.25	<b>47.00</b>	33.94	33.80	<b>29.88</b>	32.78	34.14	35.30	35.81	<b>34.49</b>
Total gas & oil (\$/mcf)	2.26	<b>2.61</b>	1.96	2.43	<b>1.93</b>	2.46	2.57	2.57	2.60	<b>2.55</b>
<b>Revenue (\$mm)</b>										
Natural Gas	15.8	<b>74.1</b>	12.9	16.8	<b>52.3</b>	16.9	17.5	17.3	17.3	<b>69.0</b>
Oil	0.6	<b>3.0</b>	0.7	0.6	<b>2.3</b>	0.6	0.6	0.6	0.6	<b>2.5</b>
Total	16.4	<b>77.1</b>	13.6	17.5	<b>54.6</b>	17.5	18.2	17.9	18.0	<b>71.6</b>
<b>Cost (\$mm)</b>										
Severance tax	1.8	<b>8.1</b>	1.5	1.9	<b>6.3</b>	1.9	2.0	2.0	2.0	<b>7.9</b>
Operating	7.1	<b>30.1</b>	6.1	6.1	<b>25.6</b>	6.1	6.1	6.1	6.1	<b>24.3</b>
Total	8.9	<b>38.2</b>	7.6	8.0	<b>31.9</b>	8.0	8.1	8.1	8.1	<b>32.2</b>
<b>Cash flow (\$mm)</b>										
Development	1.5	<b>12.8</b>	0.1	0.5	<b>1.5</b>	0.5	0.5	0.5	0.5	<b>2.0</b>
<b>Net proceeds (\$mm)</b>										
Royalty/Net proceeds	6.1	<b>26.1</b>	5.9	8.9	<b>21.2</b>	9.0	9.6	9.4	9.4	<b>37.4</b>
<b>Royalty income (\$mm)</b>										
Royalty/Net proceeds	4.5	<b>19.6</b>	4.4	6.7	<b>15.9</b>	6.8	7.2	7.0	7.0	<b>28.0</b>
Administration	75%	<b>75%</b>	75%	75%	<b>75%</b>	75%	75%	75%	75%	<b>75%</b>
<b>Distributable income (\$mm)</b>										
Administration	0.7	<b>2.6</b>	0.4	(0.1)	<b>2.8</b>	0.3	0.3	0.3	0.3	<b>1.2</b>
<b>Units (millions)</b>										
Per unit	46.6	<b>46.6</b>	46.6	46.6	<b>46.6</b>	46.6	46.6	46.6	46.6	<b>46.6</b>
Per unit	0.08	<b>0.36</b>	0.09	0.15	<b>0.28</b>	0.14	0.15	0.14	0.14	<b>0.58</b>





# Industry Idea

Analysis of Oil and Gas Stocks  
November 22, 2016

Symbol/Rating	Price (US\$/sh) 21-Nov 2016	EV/ Market Cap	Enterprise Value (\$mm)	Present Value by Segment (%)				Dist. Yield NTM (%)	McDep Ratio		
				North Amer.	Rest of World	Oil Prod'n	Down- stream				
				Natural Gas	Natural Gas						
<b>Global Integrated</b>											
Exxon Mobil Corporation	XOM	86.49	1.26	456,000	10	15	49	26	3.5	0.89	
Chevron Corporation	CVX	110.18	1.33	276,000	3	14	64	20	3.9	0.86	
Royal Dutch Shell	RDS-A B	50.53	1.71	342,000	2	18	56	24	7.4	0.75	
Total S.A.	TOT B	46.85	1.55	175,000			19	57	24	5.5	0.63
<i>Total or Median</i>			<i>1.44</i>	<i>1,249,000</i>			<i>56</i>	<i>24</i>	<i>4.7</i>	<i>0.80</i>	
<b>Large Independent</b>											
EOG Resources, Inc.	EOG	95.67	1.14	59,600	13	1	86		0.7	1.11	
Devon Energy Corporation	DVN	44.90	1.46	34,600	30		60	10	0.5	1.00	
Occidental Petroleum Corp.	OXY	69.23	1.20	63,400	5	2	84	9	4.4	0.93	
Marathon Oil Corporation	MRO B	16.48	1.58	22,100	10	2	88		1.2	0.88	
ConocoPhillips	COP B	46.36	1.68	97,000	13	13	74		2.2	0.77	
<i>Total or Median</i>			<i>1.46</i>	<i>277,000</i>	<i>13</i>		<i>84</i>		<i>1.2</i>	<i>0.93</i>	
<b>Small Independent</b>											
Cimarex Energy Company	XEC	129.16	1.11	13,300	38		62		0.2	1.07	
Continental Resources (32%)	CLR B	53.68	1.34	8,500	29		71		-	0.97	
California Resources	CRC	15.83	10.39	6,900	13		87		-	0.83	
Whiting Petroleum Corporation	WLL	10.23	2.48	7,200	10		90		-	0.77	
Range Resources	RRC B	36.40	1.48	13,200	76		24		0.2	0.73	
<i>Total or Median</i>			<i>1.48</i>	<i>49,000</i>	<i>29</i>		<i>71</i>		<i>-</i>	<i>0.83</i>	
<b>Income</b>											
San Juan Basin Royalty Trust	SJT	6.54	1.00	310	100		-		8.8	0.82	
Dorchester Minerals, L.P.	DMLP B	16.70	1.00	510	28		72		6.9	0.70	
Permian Basin RT	PBT	7.30	1.00	340	23		77		8.0	0.66	
Cross Timbers Royalty Trust	CRT	17.92	1.00	110	71		29		8.0	0.62	
Sabine Royalty Trust	SBR B	35.90	1.00	520	44		56		8.2	0.60	
<i>Total or Median</i>			<i>1.00</i>	<i>1,800</i>	<i>44</i>		<i>56</i>		<i>8.0</i>	<i>0.66</i>	
<b>Canada</b>											
EnCana Corporation	ECA	12.19	1.55	18,500	41		59		0.5	1.13	
Imperial Oil Limited (30%)	IMO	33.92	1.28	11,100	1		62	37	1.3	0.91	
Cenovus Energy Inc.	CVE	15.32	1.32	16,800	10		81	9	1.0	0.81	
Suncor Energy	SU B	31.84	1.34	71,100	-		86	14	2.7	0.78	
Birchcliff Energy Ltd.	BIREF B	6.68	1.35	2,400	74		26		1.1	0.73	
<i>Total or Median</i>			<i>1.34</i>	<i>120,000</i>			<i>62</i>		<i>1.1</i>	<i>0.81</i>	
Estimated present value presumes a long-term price for oil of US\$70 a barrel and natural gas, \$4.00 a million btu.											
Estimated present value capped by unlevered cash flow multiple (EV/Ebitda)											
McDep Ratio = Market cap and Debt to present value of oil and gas and other businesses											
For historical research see www.mcdep.com											



# Industry Idea

Analysis of Oil and Gas Stocks

November 22, 2016

			<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>21-Nov</i>	<i>2016</i>	<i>(mm)</i>				
	<i>B = Buy</i>							
<b>Global Integrated</b>								
Exxon Mobil Corporation	XOM		86.49	4,178	361,000	100.00	0.19	0.89
Chevron Corporation	CVX		110.18	1,883	208,000	135.00	0.21	0.86
Royal Dutch Shell	RDS-A	B	50.53	3,965	200,000	80.00	0.31	0.75
Total S.A.	TOT	B	46.85	2,404	113,000	90.00	0.22	0.63
	<i>Total or Median</i>				<i>882,000</i>		<i>0.22</i>	<i>0.80</i>
<b>Large Independent</b>								
EOG Resources, Inc.	EOG		95.67	548	52,400	85.00	0.13	1.11
Devon Energy Corporation	DVN		44.90	527	23,700	45.00	0.31	1.00
Occidental Petroleum Corp.	OXY		69.23	764	52,900	75.00	0.15	0.93
Marathon Oil Corporation	MRO	B	16.48	847	13,960	20.00	0.33	0.88
ConocoPhillips	COP	B	46.36	1,246	58,000	70.00	0.31	0.77
	<i>Total or Median</i>				<i>201,000</i>		<i>0.31</i>	<i>0.93</i>
<b>Small Independent</b>								
Cimarex Energy Company	XEC		129.16	93	12,000	120.00	0.10	1.07
Continental Resources (32%)	CLR	B	53.68	118	6,400	56.00	0.25	0.97
California Resources	CRC		15.83	42	700	50.00	0.75	0.83
Whiting Petroleum Corporation	WLL		10.23	282	2,900	18.00	0.46	0.77
Range Resources	RRC	B	36.40	244	8,900	56.00	0.24	0.73
	<i>Total or Median</i>				<i>31,000</i>		<i>0.25</i>	<i>0.83</i>
<b>Income</b>								
San Juan Basin Royalty Trust	SJT		6.54	47	310	8.00	-	0.82
Dorchester Minerals, L.P.	DMLP	B	16.70	31	510	24.00	-	0.70
Permian Basin RT	PBT		7.30	47	340	11.00	-	0.66
Cross Timbers Royalty Trust	CRT		17.92	6	110	29.00	-	0.62
Sabine Royalty Trust	SBR	B	35.90	15	520	60.00	-	0.60
	<i>Total or Median</i>				<i>1,800</i>		<i>-</i>	<i>0.66</i>
<b>Canada</b>								
EnCana Corporation	ECA		12.19	973	11,900	10.00	0.40	1.13
Imperial Oil Limited (30%)	IMO		33.92	255	8,700	38.00	0.20	0.91
Cenovus Energy Inc.	CVE		15.32	833	12,800	20.00	0.19	0.81
Suncor Energy	SU	B	31.84	1,665	53,000	44.00	0.20	0.78
Birchcliff Energy Ltd.	BIREF	B	6.68	263	1,800	10.00	0.19	0.73
	<i>Total or Median</i>				<i>88,000</i>		<i>0.20</i>	<i>0.81</i>
Estimated present value presumes a long-term price for oil of US\$70 a barrel and natural gas, \$4.00 a million btu.								
Estimated present value capped by unlevered cash flow multiple (EV/Ebitda)								
McDep Ratio = Market cap and Debt to present value of oil and gas and other businesses								
For historical research see <a href="http://www.mcdep.com">www.mcdep.com</a>								



# Industry Idea

Analysis of Oil and Gas Stocks

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			<i>Price (US\$/sh)</i>	<i>Adjustd Resrvs/ Prod</i>	<i>PV/ Ebitda</i>	<i>EV/ Ebitda</i>	<i>P/E</i>	<i>Dividend NTM</i>
	<i>Symbol/Rating</i>		<i>21-Nov 2016</i>	<i>NTM</i>	<i>NTM</i>	<i>NTM</i>	<i>NTM</i>	<i>(\$/sh)</i>
		B = Buy						
<b>Global Integrated</b>								
Exxon Mobil Corporation	XOM		86.49	15.0	12.7	11.3	28	3.00
Chevron Corporation	CVX		110.18	9.8	12.1	10.4	43	4.32
Royal Dutch Shell	RDS-A	B	50.53	9.5	9.9	7.4	19	3.76
Total S.A.	TOT	B	46.85	9.9	10.7	6.7	14	2.58
	<i>Median</i>			<i>9.8</i>	<i>11.4</i>	<i>8.9</i>	<i>24</i>	
<b>Large Independent</b>								
Devon Energy Corporation	DVN		44.90	8.4	16.6	16.6		0.24
EOG Resources, Inc.	EOG		95.67	7.5	13.2	14.6		0.67
Marathon Oil Corporation	MRO	B	16.48	12.6	15.1	13.3		0.20
Occidental Petroleum Corp.	OXY		69.23	8.9	13.9	13.0		3.04
ConocoPhillips	COP	B	46.36	11.0	14.4	11.1		1.00
	<i>Median</i>			<i>8.9</i>	<i>14.4</i>	<i>13.3</i>		
<b>Small Independent</b>								
Continental Resources (32%)	CLR	B	53.68	11.4	16.5	16.0		-
Cimarex Energy Company	XEC		129.16	6.8	13.7	14.7		0.32
Range Resources	RRC	B	36.40	11.9	20.0	14.7		0.08
California Resources	CRC		15.83	12.0	12.2	10.1		-
Whiting Petroleum Corporation	WLL		10.23	9.3	12.3	9.5		-
	<i>Median</i>			<i>11.4</i>	<i>13.7</i>	<i>14.7</i>		
<b>Income</b>								
Dorchester Minerals, L.P.	DMLP	B	16.70	7.4	18.8	13.1	18	1.15
Sabine Royalty Trust	SBR	B	35.90	9.1	20.4	12.2	12	2.94
Cross Timbers Royalty Trust	CRT		17.92	7.2	18.9	11.8	13	1.43
San Juan Basin Royalty Trust	SJT		6.54	10.0	13.2	10.8	11	0.58
Permian Basin RT	PBT		7.30	8.6	17.4	11.5	13	0.58
	<i>Median</i>			<i>8.6</i>	<i>18.8</i>	<i>11.8</i>	<i>13</i>	
<b>Canada</b>								
EnCana Corporation	ECA		12.19	6.1	13.0	14.7		0.06
Birchcliff Energy Ltd.	BIREF	B	6.68	12.1	14.6	10.7		0.07
Cenovus Energy Inc.	CVE		15.32	16.2	12.2	9.9		0.15
Imperial Oil Limited (30%)	IMO		33.92	33.0	10.4	9.5		0.44
Suncor Energy	SU	B	31.84	20.7	11.7	9.1		0.86
	<i>Median</i>			<i>16.2</i>	<i>12.2</i>	<i>9.9</i>		
	<i>Grand Median</i>			<i>10</i>	<i>14</i>	<i>12</i>		

EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended December 31, 2017; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses For historical research see [www.mcdep.com](http://www.mcdep.com)



# Industry Idea

Analysis of Oil and Gas Stocks

November 22, 2016

Table 4										
McDep Energy Stocks										
Total Return Year-to-Date 2016										
Ranked by Unlevered Total Return										
			Price	Price			Equity	Unlevered		
			(\$/sh)	(\$/sh)	Price	Cash	Total	Total		
	Symbol/Rat		21-Nov	31-Dec	Change	Distrib.	Return	Debt	Return	
			2016	2015	(%)	(%)	(%)	(\$/sh)	(%)	
									McDep	
									Ratio	
<b>Global Integrated</b>										
	Chevron Corporation	CVX	110.18	89.96	22	4	26	37	19	0.86
	Exxon Mobil Corporation	XOM	86.49	77.95	11	3	14	23	11	0.89
	Royal Dutch Shell	RDS-A B	50.53	45.79	10	6	17	36	9	0.75
	Total S.A.	TOT B	46.85	44.95	4	5	9	26	6	0.63
	<i>Median</i>				11		15		10	0.80
<b>Large Independent</b>										
	EOG Resources, Inc.	EOG	95.67	70.79	35	1	36	13	30	1.11
	Devon Energy Corporation	DVN	44.90	32.00	40	1	41	21	25	1.00
	Marathon Oil Corporation	MRO B	16.48	12.58	31	1	32	10	18	0.88
	Occidental Petroleum Corp.	OXY	69.23	67.61	2	3	6	14	5	0.93
	ConocoPhillips	COP B	46.36	46.69	(1)	2	1	32	1	0.77
	<i>Median</i>				31		32		18	0.93
<b>Small Independent</b>										
	Continental Resources (32%)	CLR B	53.68	22.98	134	-	134	18	74	0.97
	Cimarex Energy Company	XEC	129.16	89.38	45	0	45	14	39	1.07
	Range Resources	RRC B	36.40	24.62	48	0	48	18	28	0.73
	Whiting Petroleum Corporation	WLL	10.23	9.44	8	-	8	15	3	0.77
	California Resources	CRC	15.83	23.30	(32)	-	(32)	148	(4)	0.83
	<i>Median</i>				45		45		28	0.83
<b>Income</b>										
	Dorchester Minerals, L.P.	DMLP B	16.70	9.89	69	6	75	-	75	0.70
	San Juan Basin Royalty Trust	SJT	6.54	4.14	58	4	62	-	62	0.82
	Permian Basin RT	PBT	7.30	5.06	44	6	50	-	50	0.66
	Cross Timbers Royalty Trust	CRT	17.92	13.01	38	7	44	-	44	0.62
	Sabine Royalty Trust	SBR B	35.90	26.26	37	6	42	-	42	0.60
	<i>Median</i>				44		50		50	0.66
<b>Canada</b>										
	Birchcliff Energy Ltd.	BIREF B	6.68	2.93	128	-	128	2	71	0.73
	EnCana Corporation	ECA	12.19	5.09	139	1	140	7	60	1.13
	Suncor Energy	SU B	31.84	25.80	23	3	26	11	18	0.78
	Cenovus Energy Inc.	CVE	15.32	12.62	21	1	22	5	16	0.81
	Imperial Oil Limited (30%)	IMO	33.92	32.52	4	1	5	9	4	0.91
	<i>Median</i>				23		26		18	0.81
	<i>Grand Median</i>				33		34		22	0.81
	<b>Natural Gas (\$/mmbtu)</b>		2.96	2.33	27					
	<b>Oil - West Texas Intermediate (\$/bbl)</b>		47.49	37.06	28					
	<b>S&amp;P 500</b>		2,198	2,044	8					

Source: McDep LLC, Yahoo, CME Group, Bloomberg

For historical research see [www.mcdep.com](http://www.mcdep.com)



Analysis of Oil and Gas Stocks  
November 22, 2016

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