

## Roll Forward and Simplify CRT, DMLP, PBT, SBR, SJT

		Price						Oil	Dist.	
		(US\$/sh)	Market	Enterprise	EV/	EV/	PV/	Prod'n/	Yield	McDep
	Symbol/Rating	28-Aug	Cap	Value	Market	Ebitda	Ebitda	Ebitda	NTM	Ratio
		2018	(US\$m)	(\$mm)	Cap	NTM	NTM	(%)	(%)	(EV/PV)
Permian Basin RT	PBT	8.99	420	420	1.00	14.0	15.5	80	7.1	0.90
Sabine Royalty Trust	SBR	44.63	650	650	1.00	12.3	13.8	72	8.1	0.89
Dorchester Minerals, L.P.	DMLP	18.31	590	590	1.00	8.2	10.8	86	10.6	0.76
San Juan Basin Royalty Trust	SJT	5.97	280	280	1.00	11.7	15.7	-	8.4	0.75
Cross Timbers Royalty Trust	CRT	15.56	90	90	1.00	8.5	13.6	38	9.6	0.62
<i>Total or Median</i>			2,000	2,000	1.00	11.7	13.8	72	8.4	0.76

### Summary and Recommendation

Offering an estimated median 8.4% cash distribution yield and trading at a median McDep Ratio of 0.76, Oil and Gas Income stocks look like attractive investments for participation in oil and gas price and volume trends. We roll forward our estimates to the twelve months ended September 30, 2019 (see chart [Distribution](#) on page 2). The forward roll improves comparisons where volumes are growing as at **Dorchester Minerals (DMLP)**. Conversely, comparisons don't look as favorable where volumes may be declining for the period as at **Permian Basin Royalty Trust (PBT)** (see chart [Volume](#) on page 2). We simplify price to a constant, or flat, \$70 a barrel and \$3 a million btu for industry benchmarks in the year ahead rather than latest futures prices (see chart [Price](#) on page 3). Operating trends are updated for latest monthly disclosures on August 21 (see tables [Operating and Financial Estimates](#) on pages 4 to 8). Estimates appear most supportive of near-term investment in DMLP, **Cross Timbers Royalty Trust (CRT)** and **Sabine Royalty Trust (SBR)**.

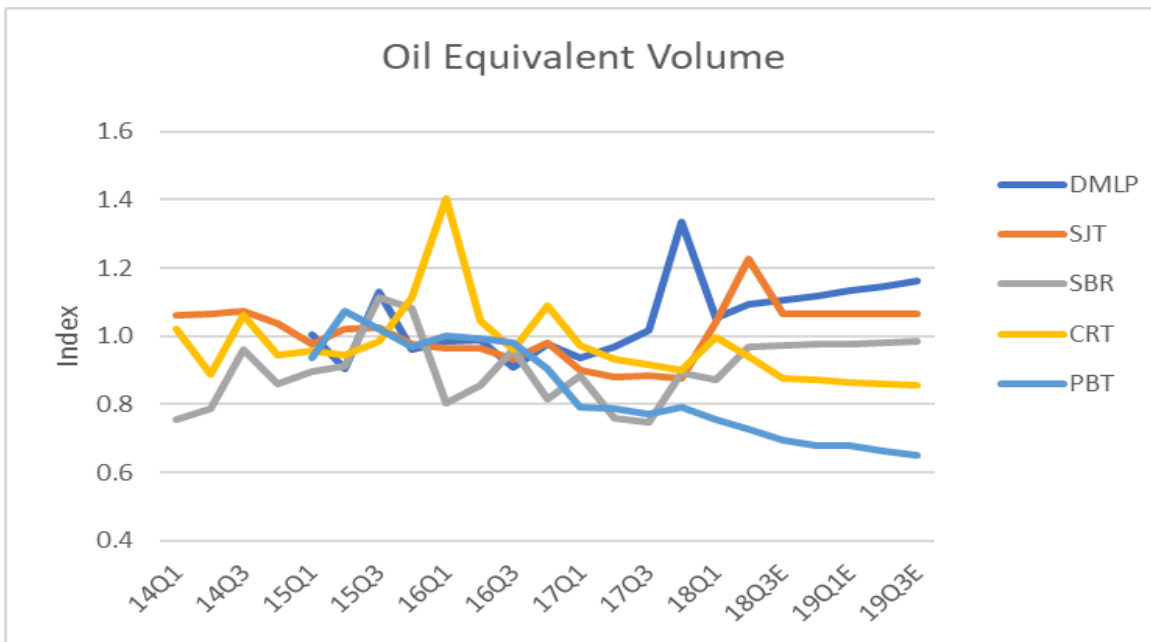
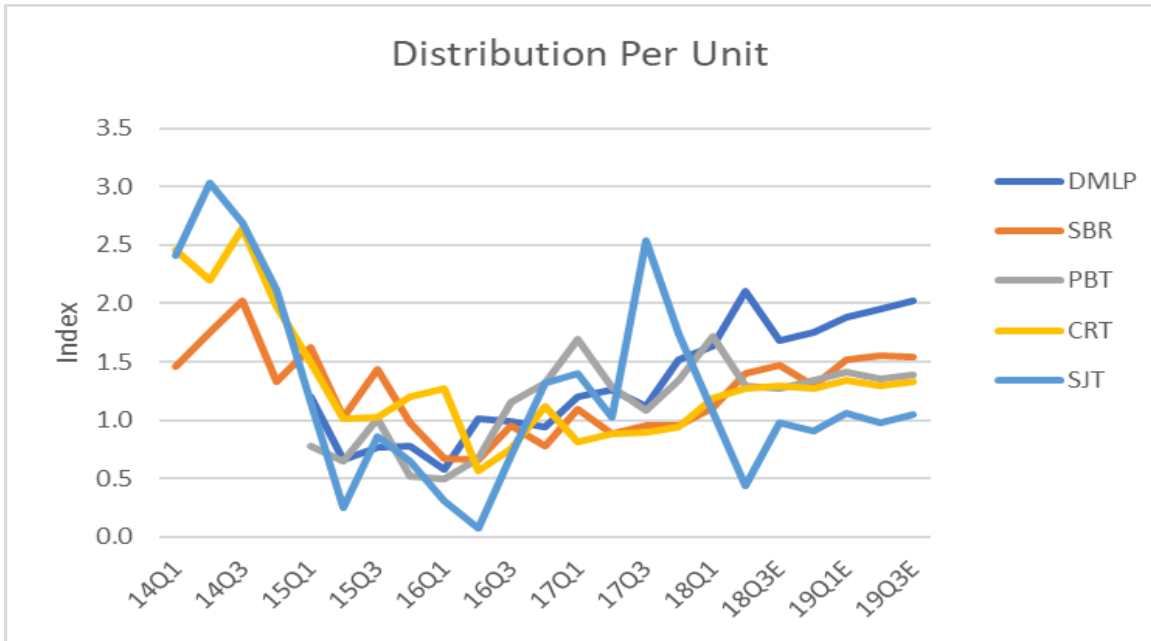
We believe small cap Income stocks offer competitive value among the five groups in our coverage (see [Table 1-4](#) on pages 9-12). Roll forward and flat price to September 30, 2019 have been applied to estimates for all 22 stocks.

Kurt H. Wulff, CFA



# Industry Idea

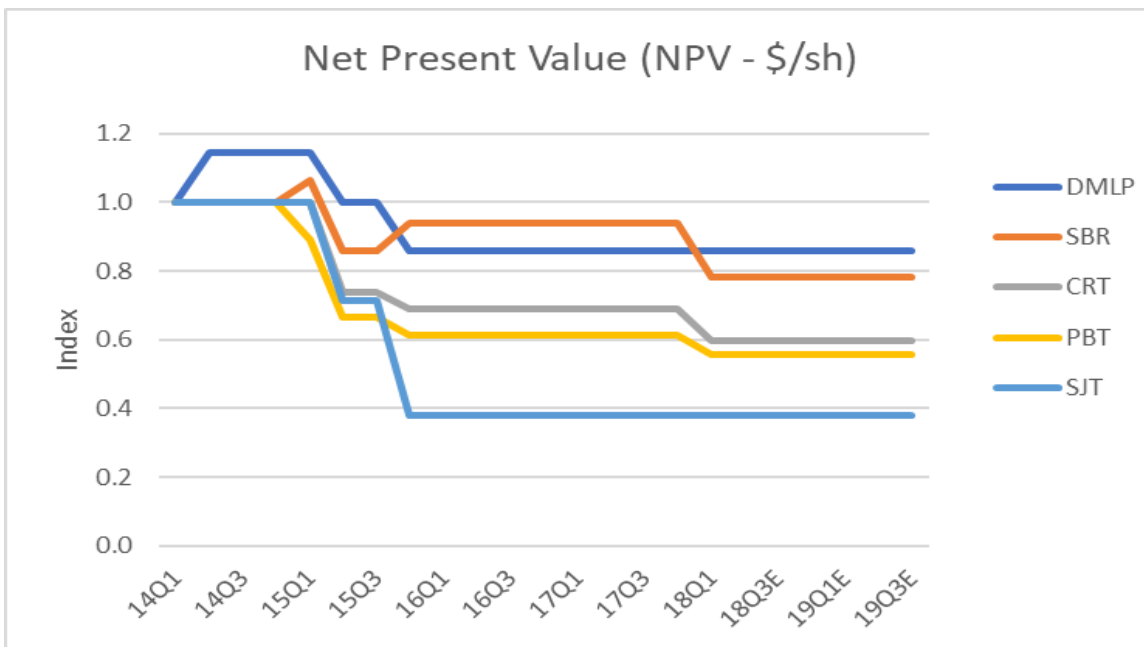
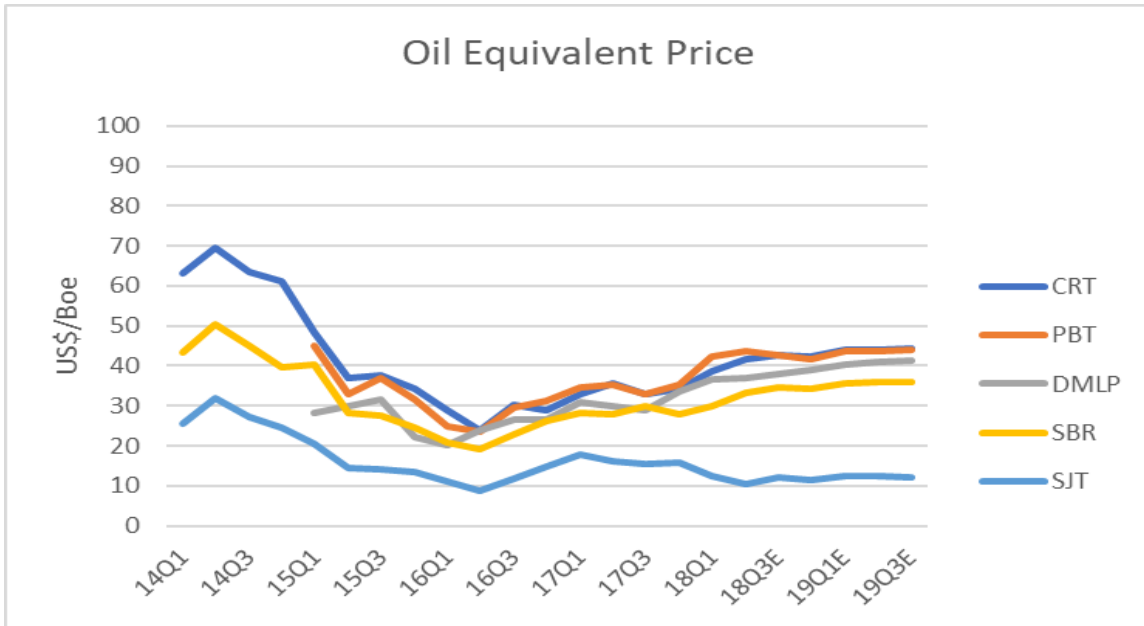
Analysis of Oil and Gas Stocks  
Intraday August 28, 2018





# Industry Idea

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Cross Timbers Royalty Trust											
Next Twelve Months Operating and Financial Performance											
	Q3	Year	Q1	Q2	Q3E	Q4E	Year	Q1E	Q2E	Q3E	Next Twelve Months
	9/30/17	2017	3/31/18	6/30/18	9/30/18	12/31/18	2018	3/31/19	6/30/19	9/30/19	9/30/19
<b>Volume</b>											
Natural Gas (bcf)	0.39	<b>1.54</b>	0.44	0.37	0.34	0.34	<b>1.48</b>	0.33	0.32	0.32	<b>1.32</b>
Natural Gas (nmcf)	4.3	<b>4.2</b>	4.8	4.1	3.7	3.7	<b>4.1</b>	3.6	3.6	3.6	<b>3.6</b>
Days	91	<b>365</b>	92	90	91	92	<b>365</b>	92	90	91	<b>365</b>
Oil (mb)	50	<b>211</b>	52	55	54	54	<b>216</b>	54	52	54	<b>214</b>
Oil (mbd)	0.54	<b>0.58</b>	0.57	0.62	0.59	0.59	<b>0.59</b>	0.58	0.58	0.58	<b>0.59</b>
Days	92	<b>365</b>	92	89	92	92	<b>365</b>	92	89	92	<b>365</b>
Total (bcf)	0.69	<b>2.80</b>	0.76	0.70	0.66	0.66	<b>2.78</b>	0.66	0.64	0.65	<b>2.60</b>
<b>Price</b>											
Natural Gas (HH lagged three months)											
Henry Hub (\$/mmbtu)	3.18	<b>3.12</b>	2.93	3.01	2.80	2.85	<b>2.90</b>	3.00	3.00	3.00	<b>2.96</b>
Differential (%)	(31)	<b>(33)</b>	(57)	(44)	(33)	(33)	<b>(43)</b>	(33)	(33)	(33)	<b>(33)</b>
CRT (\$/mcf)	4.16	<b>4.14</b>	4.59	4.33	3.72	3.79	<b>4.15</b>	3.99	3.99	3.99	<b>3.94</b>
Oil (\$/bbl) (WTI lagged two months)											
WTI Cushing	46.78	<b>49.54</b>	59.42	63.77	69.27	67.70	<b>65.04</b>	70.00	70.00	70.00	<b>69.43</b>
CRT	43.75	<b>45.16</b>	54.13	58.96	64.05	62.60	<b>59.99</b>	64.72	64.72	64.72	<b>64.18</b>
Total (\$/mcf)	5.52	<b>5.67</b>	6.42	6.94	7.14	7.05	<b>6.87</b>	7.33	7.33	7.38	<b>7.27</b>
<b>Revenue (\$mm)</b>											
Natural Gas	1.62	<b>6.36</b>	2.04	1.58	1.25	1.28	<b>6.15</b>	1.33	1.29	1.29	<b>5.19</b>
Oil	2.19	<b>9.53</b>	2.81	3.24	3.48	3.40	<b>12.93</b>	3.48	3.36	3.48	<b>13.72</b>
Total	3.81	<b>15.89</b>	4.85	4.82	4.73	4.68	<b>19.08</b>	4.81	4.65	4.77	<b>18.91</b>
<b>Cost (\$mm)</b>											
Tax, transport & other	0.58	<b>2.35</b>	0.76	0.65	0.71	0.70	<b>2.82</b>	0.72	0.70	0.72	<b>2.84</b>
Production	1.22	<b>4.58</b>	1.13	1.08	1.03	1.03	<b>4.27</b>	1.01	0.98	0.99	<b>4.01</b>
Total	1.80	<b>6.93</b>	1.89	1.73	1.74	1.73	<b>7.09</b>	1.73	1.68	1.71	<b>6.85</b>
<b>Cash flow (\$mm)</b>											
Development	0.33	<b>1.20</b>	0.27	0.36	0.36	0.36	<b>1.35</b>	0.36	0.36	0.36	<b>1.44</b>
Excess or other	(0.17)	<b>0.39</b>	0.11	0.10			<b>0.21</b>				<b>-</b>
Recovery of excess											
Net proceeds (\$mm)	1.86	<b>7.37</b>	2.59	2.63	2.63	2.58	<b>10.44</b>	2.72	2.62	2.70	<b>10.62</b>
<b>Royalty income (\$mm)</b>											
Royalty/Net proceeds	90%	<b>90%</b>	88%	88%	88%	88%	<b>88%</b>	88%	88%	88%	<b>88%</b>
Administration & reserve	0.15	<b>0.58</b>	0.25	0.16	0.10	0.10	<b>0.61</b>	0.10	0.10	0.10	<b>0.40</b>
Distributable income (\$mm)	1.53	<b>6.06</b>	2.03	2.17	2.23	2.18	<b>8.61</b>	2.30	2.22	2.29	<b>8.99</b>
<b>Units (millions)</b>											
Units (millions)	6.0	<b>6.0</b>	6.0	6.0	6.0	6.0	<b>6.0</b>	6.0	6.0	6.0	<b>6.0</b>
<b>Royalty income (\$/unit)</b>											
Natural Gas											
TL TX	0.03	<b>0.10</b>	0.03	0.03			<b>0.05</b>				
TL OK	0.02	<b>0.10</b>	0.02	0.02			<b>0.04</b>				
TL NM	0.12	<b>0.48</b>	0.17	0.13			<b>0.29</b>				
BL TX	-	-	-	-			-				
BL OK	-	<b>(0.00)</b>	0.00	0.00			<b>0.00</b>				
Oil											
TL TX	0.07	<b>0.25</b>	0.07	0.12			<b>0.19</b>				
TL OK	0.03	<b>0.11</b>	0.04	0.02			<b>0.06</b>				
TL NM	0.01	<b>0.03</b>	0.01	0.01			<b>0.02</b>				
BL TX	-	-	-	-			-				
BL OK	-	<b>0.03</b>	0.05	0.06			<b>0.11</b>				
Administration	0.03	<b>0.09</b>	0.04	0.03			<b>0.07</b>				
Reserve and other	(0.00)	<b>(0.00)</b>	(0.00)	(0.00)			<b>(0.00)</b>				
Distribution (\$/unit)	0.25	<b>1.01</b>	0.34	0.36	0.37	0.36	<b>1.43</b>	0.38	0.37	0.38	<b>1.50</b>



# Industry Idea

Analysis of Oil and Gas Stocks  
Intraday August 28, 2018

Dorchester Minerals, L.P.											
Operating and Financial Performance											
	Q3	Year	Q1	Q2	Q3E	Q4E	Year	Q1E	Q2E	Q3E	Next Twelve Months
	9/30/17	2017	3/31/18	6/30/18	9/30/18	12/31/18	2018	3/31/19	6/30/19	9/30/19	9/30/19
<b>TOP LINE</b>											
<b>Volume</b>											
Natural Gas (mmcf)	10.5	<b>10.3</b>	10.2	9.9	9.8	9.7	<b>9.9</b>	9.6	9.5	9.4	<b>9.6</b>
Oil (mbd)	2.25	<b>2.15</b>	2.11	2.33	2.39	2.45	<b>2.32</b>	2.51	2.57	2.64	<b>2.54</b>
<b>Price</b>											
Henry Hub (\$/mmbtu)	2.99	<b>3.11</b>	3.01	2.80	2.85	3.00	<b>2.91</b>	3.00	3.00	3.00	<b>3.00</b>
WTI Cushing (\$/bbl)	48.20	<b>50.94</b>	62.88	67.86	69.12	70.00	<b>67.47</b>	70.00	70.00	70.00	<b>70.00</b>
Natural Gas (\$/mcf)	2.63	<b>2.83</b>	2.75	2.20	2.24	2.36	<b>2.39</b>	2.36	2.36	2.36	<b>2.36</b>
Oil (\$/bbl)	43.32	<b>45.27</b>	56.55	56.30	57.34	58.07	<b>56.96</b>	63.00	63.00	63.00	<b>61.77</b>
<b>Revenue (\$mm)</b>											
Natural Gas	2.5	<b>10.6</b>	2.5	2.0	2.0	2.1	<b>8.7</b>	2.1	2.0	2.0	<b>8.3</b>
Oil	9.0	<b>35.5</b>	10.7	11.9	12.6	13.1	<b>48.4</b>	14.2	14.7	15.3	<b>57.3</b>
Total Revenue	11.5	<b>46.1</b>	13.3	13.9	14.6	15.2	<b>57.0</b>	16.3	16.8	17.3	<b>65.6</b>
Expense (allocated)	2.2	<b>8.5</b>	2.1	2.2	2.2	2.2	<b>8.7</b>	2.3	2.3	2.3	<b>9.1</b>
<b>Ebitda</b>	9.3	<b>37.6</b>	11.2	11.7	12.4	12.9	<b>48.3</b>	14.0	14.5	15.0	<b>56.5</b>
<b>BOTTOM LINE</b>											
<b>Volume</b>											
Natural Gas (mmcf)	6.9	<b>7.5</b>	7.1	6.9	6.9	6.9	<b>6.9</b>	6.9	6.9	6.9	<b>6.9</b>
Oil (mbd)	0.65	<b>0.96</b>	1.01	1.10	1.13	1.17	<b>1.10</b>	1.20	1.24	1.27	<b>1.22</b>
<b>Price</b>											
Natural Gas (\$/mcf)	2.34	<b>2.60</b>	2.61	1.98	2.02	2.12	<b>2.18</b>	2.12	2.12	2.12	<b>2.12</b>
Oil (\$/bbl)	41.51	<b>44.71</b>	55.36	57.23	58.29	59.03	<b>57.42</b>	56.00	56.00	56.00	<b>56.76</b>
<b>Revenue (\$mm)</b>											
Natural Gas	1.5	<b>7.2</b>	1.7	1.2	1.3	1.3	<b>5.5</b>	1.3	1.3	1.3	<b>5.3</b>
Oil	2.5	<b>15.6</b>	5.0	5.7	6.1	6.3	<b>23.2</b>	6.1	6.3	6.6	<b>25.2</b>
Total Revenue	4.0	<b>22.8</b>	6.7	7.0	7.3	7.7	<b>28.7</b>	7.4	7.6	7.9	<b>30.6</b>
Expense (allocated)											
Partnership	0.6	<b>2.4</b>	1.0	0.9	0.9	0.9	<b>3.7</b>	1.0	1.0	1.0	<b>3.8</b>
Net Profits Interests	1.4	<b>9.0</b>	2.3	2.6	2.8	2.9	<b>10.6</b>	2.7	2.8	3.0	<b>11.5</b>
Total Expense	2.0	<b>11.4</b>	3.3	3.5	3.7	3.8	<b>14.3</b>	3.7	3.8	4.0	<b>15.3</b>
<b>Ebitda</b>	2.0	<b>11.4</b>	3.3	3.5	3.7	3.8	<b>14.3</b>	3.7	3.8	4.0	<b>15.3</b>
Development (estimated)	2.0	<b>8.4</b>	2.7	2.8	2.9	3.1	<b>11.5</b>	2.9	3.1	3.2	<b>12.2</b>
<b>NET INCOME</b>											
Top Line	9.3	<b>37.6</b>	11.2	11.7	12.4	12.9	<b>48.3</b>	14.0	14.5	15.0	<b>56.5</b>
Bottom Line	-	<b>3.0</b>	0.7	0.7	0.7	0.8	<b>2.9</b>	0.7	0.8	0.8	<b>3.1</b>
Lease Bonus and residual	0.6	<b>5.9</b>	1.0	5.6			<b>6.6</b>				<b>-</b>
Deprec., Deplet., & Amort.	2.8	<b>9.3</b>	2.2	2.3	2.3	2.3	<b>9.1</b>	2.4	2.4	2.4	<b>9.5</b>
Total Net Income	7.1	<b>37.2</b>	10.7	15.8	10.8	11.4	<b>48.6</b>	12.4	12.9	13.3	<b>50.0</b>
Units (mm)	32.3	<b>31.6</b>	32.3	32.3	32.3	32.3	<b>32.3</b>	32.3	32.3	32.3	<b>32.3</b>
Net Income Per Unit (\$)	0.22	<b>1.18</b>	0.33	0.49	0.33	0.35	<b>1.51</b>	0.38	0.40	0.41	<b>1.55</b>
<b>DISTRIBUTION</b>											
Top Line Revenue	10.0	<b>41.8</b>	11.9	12.3	14.0	14.6	<b>52.8</b>	15.6	16.1	16.6	<b>63.0</b>
Bottom Line Net Revenue	1.1	<b>5.0</b>	3.8	2.8	1.6	1.7	<b>9.9</b>	1.7	1.7	1.8	<b>6.9</b>
Lease Bonus and Other	0.2	<b>2.8</b>	-	4.2	0.2	0.2	<b>4.6</b>	0.2	0.2	0.2	<b>0.8</b>
Cash Expense	(2.1)	<b>(8.1)</b>	(2.2)	(2.0)	(2.0)	(2.0)	<b>(8.1)</b>	(2.0)	(2.0)	(2.0)	<b>(7.8)</b>
Distribution	9.2	<b>41.5</b>	13.5	17.3	13.9	14.5	<b>59.3</b>	15.6	16.1	16.7	<b>62.8</b>
Distribution Per Unit (\$)	0.28	<b>1.30</b>	0.42	0.54	0.43	0.45	<b>1.84</b>	0.48	0.50	0.52	<b>1.94</b>



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Permian Basin Royalty Trust											
Next Twelve Months Operating and Financial Estimates											
	Q3	Year	Q1	Q2	Q3E	Q4E	Year	Q1E	Q2E	Q3E	Next Twelve Months
	9/30/17	2017	3/31/18	6/30/18	9/30/18	12/31/18	2018	3/31/19	6/30/19	9/30/19	9/30/19
<b>TOP LINE</b>											
<b>Volume</b>											
Natural Gas (mmcf)	0.9	<b>0.9</b>	0.8	0.7	0.8	0.8	<b>0.8</b>	0.8	0.8	0.7	<b>0.8</b>
Oil (mbd)	0.79	<b>0.77</b>	0.74	0.74	0.74	0.73	<b>0.74</b>	0.73	0.73	0.72	<b>0.73</b>
<b>Price (cash lagged two months)</b>											
Natural Gas (\$/mcf)	4.95	<b>5.22</b>	6.79	6.59	6.13	5.88	<b>6.34</b>	6.39	6.39	6.39	<b>6.26</b>
Oil (\$/bbl)	44.30	<b>45.80</b>	55.52	61.16	61.47	60.08	<b>59.55</b>	62.12	62.12	62.12	<b>61.60</b>
<b>Revenue (\$mm)</b>											
Natural Gas	0.4	<b>1.6</b>	0.5	0.4	0.4	0.4	<b>1.8</b>	0.5	0.4	0.4	<b>1.7</b>
Oil	3.2	<b>12.9</b>	3.8	4.0	4.2	4.1	<b>16.0</b>	4.2	4.0	4.1	<b>16.4</b>
Total Revenue	3.6	<b>14.6</b>	4.3	4.4	4.6	4.5	<b>17.8</b>	4.7	4.5	4.6	<b>18.1</b>
<b>Expense</b>											
Operating		-					-				
Production & Property taxes	0.5	<b>1.2</b>	0.0	0.5	0.5	0.5	<b>1.7</b>	0.5	0.4	0.4	<b>1.9</b>
Total Expense	0.5	<b>1.2</b>	0.0	0.5	0.5	0.5	<b>1.7</b>	0.5	0.4	0.4	<b>1.9</b>
<b>Ebitda</b>	3.1	<b>13.4</b>	4.2	3.9	4.1	3.9	<b>16.1</b>	4.1	4.1	4.2	<b>16.2</b>
Ebitda times 95%	2.9	<b>12.7</b>	4.0	3.7	3.9	3.7	<b>15.3</b>	3.9	3.8	3.9	<b>15.4</b>
<b>BOTTOM LINE</b>											
<b>Volume</b>											
Natural Gas (mmcf)	10.9	<b>10.9</b>	10.4	9.9	9.7	9.4	<b>9.9</b>	9.4	9.2	8.9	<b>9.2</b>
Oil (mbd)	1.78	<b>1.89</b>	1.83	1.77	1.58	1.55	<b>1.69</b>	1.55	1.52	1.49	<b>1.53</b>
<b>Price (cash lagged two months)</b>											
Natural Gas (\$/mcf)	3.02	<b>3.04</b>	3.62	2.91	2.96	2.84	<b>3.09</b>	3.08	3.08	3.08	<b>3.02</b>
Oil (\$/bbl)	43.46	<b>45.92</b>	56.75	60.85	60.09	58.73	<b>59.05</b>	60.73	60.73	60.73	<b>60.22</b>
<b>Revenue (\$mm)</b>											
Natural Gas	3.0	<b>12.1</b>	3.5	2.6	2.6	2.5	<b>11.1</b>	2.7	2.5	2.5	<b>10.2</b>
Oil	7.1	<b>31.6</b>	9.6	9.6	8.8	8.4	<b>36.3</b>	8.7	8.2	8.3	<b>33.6</b>
Total Revenue	10.1	<b>43.7</b>	13.0	12.2	11.4	10.9	<b>47.5</b>	11.4	10.7	10.9	<b>43.8</b>
<b>Expense</b>											
Operating	4.8	<b>16.3</b>	4.3	6.1	6.4	5.0	<b>21.7</b>	5.0	5.0	5.0	<b>20.0</b>
Production taxes	0.6	<b>1.8</b>	0.7	0.8	0.8	0.8	<b>3.1</b>	0.8	0.8	0.8	<b>3.1</b>
Total Expense	5.3	<b>18.1</b>	5.0	6.9	7.2	5.8	<b>24.8</b>	5.8	5.8	5.8	<b>23.1</b>
<b>Ebitda</b>	4.8	<b>25.7</b>	8.1	5.3	4.2	5.1	<b>22.7</b>	5.6	5.0	5.1	<b>20.7</b>
Development	0.6	<b>1.8</b>	0.4	0.2	0.0	0.0	<b>0.6</b>	0.0	0.0	0.0	<b>0.1</b>
(Ebitda-Dvlpmnt) times 75%	3.2	<b>17.9</b>	5.7	3.9	3.2	3.8	<b>16.5</b>	4.2	3.7	3.8	<b>15.5</b>
Excess Costs		-					-				-
<b>CASH DISTRIBUTION</b>											
<b>Royalty Income (\$mm)</b>											
Top Line	2.9	<b>12.7</b>	4.0	3.7	3.9	3.7	<b>15.3</b>	3.7	3.8	3.9	<b>15.3</b>
Bottom Line	3.2	<b>17.9</b>	5.7	3.9	3.2	3.8	<b>16.6</b>	4.2	3.7	3.8	<b>15.5</b>
Administration	0.2	<b>1.3</b>	0.4	0.6	0.2	0.2	<b>1.5</b>	0.2	0.2	0.2	<b>0.9</b>
<b>Distributable Income (\$mm)</b>	5.9	<b>29.3</b>	9.3	7.0	6.9	7.3	<b>30.5</b>	7.7	7.3	7.5	<b>29.8</b>
Units (millions)	47	<b>47</b>	47	47	47	47	<b>47</b>	47	47	47	<b>47</b>
<b>Distribution (\$/unit)</b>	0.13	<b>0.63</b>	0.20	0.15	0.15	0.16	<b>0.66</b>	0.16	0.16	0.16	<b>0.64</b>



# Industry Idea

Analysis of Oil and Gas Stocks  
Intraday August 28, 2018

Sabine Royalty Trust											
Next Twelve Months Operating and Financial Performance											
	Q3	Year	Q1	Q2	Q3E	Q4E	Year	Q1E	Q2E	Q3E	Next Twelve Months
	9/30/17	2017	3/31/18	6/30/18	9/30/18	12/31/18	2018	3/31/19	6/30/19	9/30/19	9/30/19
<b>Volume</b>											
Natural Gas (bcf)	1.25	<b>5.68</b>	1.59	1.61	1.63	1.65	<b>6.47</b>	1.65	1.61	1.63	<b>6.53</b>
Natural Gas (mmcf)	13.7	<b>15.6</b>	17.2	17.9	17.9	17.9	<b>17.7</b>	17.9	17.9	17.9	<b>17.9</b>
Days	91	<b>365</b>	92	90	91	92	<b>365</b>	92	90	91	<b>365</b>
Oil (mmb)	0.135	<b>0.554</b>	0.138	0.166	0.171	0.175	<b>0.650</b>	0.175	0.173	0.177	<b>0.700</b>
Oil (mmbd)	1.47	<b>1.52</b>	1.50	1.87	1.88	1.90	<b>1.78</b>	1.90	1.92	1.94	<b>1.92</b>
Days	92	<b>365</b>	92	89	92	92	<b>365</b>	92	89	92	<b>365</b>
Total (bcfe)	2.06	<b>9.00</b>	2.41	2.61	2.66	2.70	<b>10.37</b>	2.70	2.65	2.69	<b>10.73</b>
Total (mmcf)	22.5	<b>24.7</b>	26.2	29.1	29.2	29.3	<b>28.4</b>	29.3	29.4	29.5	<b>29.4</b>
<b>Price (Henry Hub natural gas lagged three months; WTI Cushing oil, two months)</b>											
Henry Hub (\$/mmbtu)	3.18	<b>3.12</b>	2.93	3.01	2.80	2.85	<b>2.90</b>	3.00	3.00	3.00	<b>2.96</b>
Differential (%)	(3)	<b>6</b>	5	7	7	7	<b>6</b>	7	7	7	<b>7</b>
Trust (\$/mcf)	3.29	<b>2.95</b>	2.78	2.81	2.61	2.66	<b>2.72</b>	2.80	2.80	2.80	<b>2.77</b>
WTI Cushing (\$/bbl)	46.78	<b>49.54</b>	59.42	63.77	69.27	67.70	<b>65.04</b>	70.00	70.00	70.00	<b>69.43</b>
Differential	1.62	<b>2.73</b>	4.42	4.21	4.57	4.47	<b>4.11</b>	4.62	4.62	4.62	<b>4.58</b>
Trust (\$/bbl)	45.16	<b>46.82</b>	55.00	59.56	64.69	63.23	<b>60.93</b>	65.38	65.38	65.38	<b>64.84</b>
Total (\$/bcfe)	4.96	<b>4.74</b>	4.97	5.53	5.78	5.73	<b>5.52</b>	5.96	5.98	5.99	<b>5.91</b>
<b>Revenue (\$mm)</b>											
Natural Gas	4.1	<b>16.7</b>	4.4	4.5	4.3	4.4	<b>17.6</b>	4.6	4.5	4.6	<b>18.1</b>
Oil	6.1	<b>25.9</b>	7.6	9.9	11.1	11.1	<b>39.6</b>	11.4	11.3	11.5	<b>45.4</b>
Total	10.2	<b>42.7</b>	12.0	14.4	15.3	15.5	<b>57.2</b>	16.1	15.8	16.1	<b>63.4</b>
<b>Expense</b>											
Tax and other	1.1	<b>5.5</b>	1.2	1.2	1.6	3.3	<b>7.4</b>	1.6	1.4	1.7	<b>8.0</b>
General and administrative	0.6	<b>2.5</b>	0.8	0.6	0.6	0.5	<b>2.6</b>	0.8	0.6	0.6	<b>2.6</b>
Total	1.7	<b>7.9</b>	2.1	1.9	2.2	3.9	<b>10.0</b>	2.5	2.0	2.3	<b>10.6</b>
<b>Ebitda</b>	8.5	<b>34.7</b>	9.9	12.5	13.1	11.6	<b>47.2</b>	13.6	13.8	13.8	<b>52.8</b>
<b>Ebit</b>	8.5	<b>34.7</b>	9.9	12.5	13.1	11.6	<b>47.2</b>	13.6	13.8	13.8	<b>52.8</b>
<b>Ebt</b>	8.5	<b>34.7</b>	9.9	12.5	13.1	11.6	<b>47.2</b>	13.6	13.8	13.8	<b>52.8</b>
<b>Distributable Income (\$mm)</b>	8.5	<b>34.7</b>	9.9	12.5	13.1	11.6	<b>47.2</b>	13.6	13.8	13.8	<b>52.8</b>
Units (millions)	14.6	<b>14.6</b>	14.6	14.6	14.6	14.6	<b>14.6</b>	14.6	14.6	14.6	<b>14.6</b>
<b>Distributable Income/Unit (\$)</b>	0.58	<b>2.38</b>	0.68	0.86	0.90	0.80	<b>3.24</b>	0.93	0.95	0.95	<b>3.62</b>



# Industry Idea

Analysis of Oil and Gas Stocks  
Intraday August 28, 2018

San Juan Basin Royalty Trust											
Next Twelve Months Operating and Financial Estimates											
	Q3	Year	Q1	Q2	Q3E	Q4E	Year	Q1E	Q2E	Q3E	Next Twelve Months
	9/30/17	2017	3/31/18	6/30/18	9/30/18	12/31/18	2018	3/31/19	6/30/19	9/30/19	9/30/19
<b>Volume</b>											
Natural gas (mmbtu)	7.2	<b>28.8</b>	8.5	9.7	8.7	8.7	<b>35.6</b>	8.7	8.4	8.7	<b>34.5</b>
Heat Content(btu/cf)	1,120	<b>1,117</b>	1,111	1,111	1,111	1,111	<b>1,111</b>	1,111	1,111	1,111	<b>1,111</b>
Natural gas (bcf)	6.5	<b>25.8</b>	7.7	8.7	7.8	7.8	<b>32.0</b>	7.8	7.6	7.8	<b>31.0</b>
Natural Gas (mmcf)	70.3	<b>70.6</b>	83.3	97.8	85.0	85.0	<b>87.7</b>	85.0	85.0	85.0	<b>85.0</b>
Days	92	<b>365</b>	92	89	92	92	<b>365</b>	92	89	92	<b>365</b>
Oil (mb)	0.02	<b>0.06</b>	0.01	0.02	0.02	0.02	<b>0.07</b>	0.02	0.02	0.02	<b>0.07</b>
Oil (mbd)	0.18	<b>0.15</b>	0.16	0.20	0.20	0.20	<b>0.19</b>	0.20	0.20	0.20	<b>0.20</b>
Total gas & oil (bcf)	6.6	<b>26.1</b>	7.7	8.8	7.9	7.9	<b>32.4</b>	7.9	7.7	7.9	<b>31.5</b>
<b>Price</b>											
Natural gas (\$/mmbtu) (Henry Hub lagged two months)											
Henry Hub (\$/mmbtu)	3.15	<b>3.12</b>	2.85	2.99	2.88	2.76	<b>2.87</b>	3.00	3.00	3.00	<b>2.94</b>
Differential (%)	28	<b>23</b>	36	50	40	40	<b>42</b>	40	40	40	<b>40</b>
Net to SJT (\$/mmbtu)	2.27	<b>2.40</b>	1.83	1.49	1.73	1.66	<b>1.67</b>	1.80	1.80	1.80	<b>1.76</b>
Natural gas (\$/mcf)	2.55	<b>2.68</b>	2.03	1.65	1.92	1.84	<b>1.85</b>	2.00	2.00	2.00	<b>1.96</b>
Oil (\$/bbl) (WTI Cushing lagged two months)											
WTI Cushing	46.78	<b>49.54</b>	59.42	63.77	69.27	67.70	<b>65.04</b>	70.00	70.00	70.00	<b>69.43</b>
SJT	35.09	<b>35.75</b>	46.01	48.89	53.10	51.90	<b>50.23</b>	54.07	54.07	54.07	<b>53.52</b>
Total gas & oil (\$/mcf)	2.60	<b>2.72</b>	2.09	1.73	2.02	1.94	<b>1.94</b>	2.10	2.10	2.10	<b>2.06</b>
<b>Revenue (\$mm)</b>											
Natural Gas	16.5	<b>69.0</b>	15.5	14.4	15.0	14.4	<b>59.4</b>	15.6	15.1	15.6	<b>60.8</b>
Oil	0.6	<b>2.0</b>	0.7	0.9	1.0	1.0	<b>3.5</b>	1.0	1.0	1.0	<b>4.0</b>
Total	17.1	<b>71.0</b>	16.2	15.3	16.0	15.4	<b>62.9</b>	16.7	16.1	16.7	<b>64.8</b>
<b>Cost (\$mm)</b>											
Severance tax	1.9	<b>7.6</b>	1.8	2.0	1.7	1.6	<b>7.1</b>	1.7	1.7	1.7	<b>6.7</b>
Operating	5.9	<b>22.8</b>	6.2	7.1	6.2	6.2	<b>25.7</b>	6.2	6.2	6.2	<b>24.8</b>
Total	7.8	<b>30.4</b>	8.0	9.1	7.9	7.8	<b>32.7</b>	7.9	7.9	7.9	<b>31.5</b>
<b>Cash flow (\$mm)</b>											
Development	(0.6)	<b>(0.4)</b>	0.3	0.1	0.1	0.1	<b>0.7</b>	0.1	0.2	0.2	<b>0.6</b>
Net proceeds (\$mm)	9.9	<b>40.9</b>	7.9	6.1	8.0	7.5	<b>29.5</b>	8.6	8.0	8.5	<b>32.7</b>
<b>Royalty income (\$mm)</b>											
Royalty/Net proceeds	75%	<b>75%</b>	75%	75%	75%	75%	<b>75%</b>	75%	75%	75%	<b>75%</b>
Administration	0.3	<b>(0.7)</b>	0.4	0.5	0.3	0.3	<b>1.5</b>	0.3	0.3	0.3	<b>1.2</b>
One-time	(7.7)	<b>(7.7)</b>	(0.7)	1.6			<b>0.9</b>				<b>-</b>
<b>Distributable income (\$mm)</b>	14.8	<b>39.1</b>	6.2	2.5	5.7	5.3	<b>19.8</b>	6.2	5.7	6.1	<b>23.3</b>
<b>Units (millions)</b>											
Per unit	0.32	<b>0.84</b>	0.13	0.05	0.12	0.11	<b>0.42</b>	0.13	0.12	0.13	<b>0.50</b>





# Industry Idea

Analysis of Oil and Gas Stocks  
Intraday August 28, 2018

**Table 1**  
**McDep Energy Stocks**  
**Ranked by McDep Ratio**

		Price (US\$/sh)	Market Cap (US\$m)	Enterprise Value (\$mm)	EV/ Market Cap	EV/ Ebitda NTM	PV/ Ebitda NTM	Oil Prod'n/ Ebitda (%)	Dist. Yield NTM (%)	McDep Ratio (EV/PV)
	Symbol/Rating	28-Aug 2018								
<b>Integrated</b>										
	XOM	80.55	344,000	434,000	1.26	7.6	8.3	51	4.1	0.91
	SUN	41.95	69,000	88,000	1.28	7.0	8.0	77	2.6	0.87
	CVX	121.06	232,000	293,000	1.26	6.7	8.0	64	3.7	0.84
	RDS-B	68.56	287,000	404,000	1.41	6.9	9.2	49	5.5	0.75
	<i>Total or Median</i>		<i>932,000</i>	<i>1,219,000</i>	<i>1.27</i>	<i>7.0</i>	<i>8.2</i>	<i>57</i>	<i>3.9</i>	<i>0.86</i>
<b>Large Independent</b>										
	OXY	80.70	61,900	75,600	1.22	7.9	7.5	71	3.9	1.06
	COP	72.56	86,000	108,000	1.26	6.8	7.4	78	1.6	0.92
	EOG	119.27	69,200	76,300	1.10	7.4	8.0	90	0.3	0.92
	PXD	177.99	30,400	33,000	1.09	7.4	8.2	94	0.0	0.90
	<i>Total or Median</i>		<i>247,500</i>	<i>292,900</i>	<i>1.16</i>	<i>7.4</i>	<i>7.8</i>	<i>84</i>	<i>0.9</i>	<i>0.92</i>
<b>Mid-Size Independent</b>										
	HES	66.17	19,700	27,100	1.38	10.3	9.0	89	1.5	1.14
	CLR	65.97	24,700	31,100	1.26	7.5	7.8	83	-	0.95
	DVN	43.06	22,600	27,300	1.21	7.1	9.4	88	0.7	0.75
	XEC	84.70	8,100	9,700	1.20	5.9	9.1	85	0.8	0.65
	MRO	20.89	17,750	24,500	1.38	5.8	9.6	89	1.0	0.60
	<i>Total or Median</i>		<i>92,900</i>	<i>119,700</i>	<i>1.26</i>	<i>7.1</i>	<i>9.1</i>	<i>88</i>	<i>0.8</i>	<i>0.75</i>
<b>Small Independent</b>										
	CRC	36.71	1,600	8,400	5.4	5.9	7.7	93	-	0.76
	WLL	48.75	4,500	7,700	1.71	4.9	7.9	97	-	0.62
	RRC	16.63	4,100	8,700	2.14	5.3	8.7	45	0.5	0.60
	BIREF	3.94	1,100	1,700	1.59	5.0	9.1	48	1.9	0.56
	<i>Total or Median</i>		<i>11,300</i>	<i>26,500</i>	<i>1.92</i>	<i>5.1</i>	<i>8.3</i>	<i>71</i>	<i>0.2</i>	<i>0.61</i>
<b>Income</b>										
	PBT	8.99	420	420	1.00	14.0	15.5	80	7.1	0.90
	SBR	44.63	650	650	1.00	12.3	13.8	72	8.1	0.89
	DMLP	18.31	590	590	1.00	8.2	10.8	86	10.6	0.76
	SJT	5.97	280	280	1.00	11.7	15.7	-	8.4	0.75
	CRT	15.56	90	90	1.00	8.5	13.6	38	9.6	0.62
	<i>Total or Median</i>		<i>2,000</i>	<i>2,000</i>	<i>1.00</i>	<i>11.7</i>	<i>13.8</i>	<i>72</i>	<i>8.4</i>	<i>0.76</i>

EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation, amort.

Estimated Ebitda (cash flow) tied to one-year prices of US\$70 a barrel and \$3 a million btu. NTM = Next Twelve Months ending 9/30/19.

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](http://www.mcdep.com)



# Industry Idea

Analysis of Oil and Gas Stocks  
Intraday August 28, 2018

	Symbol/Rating	Price	Upstream NTM				Down-	Total	Distrib./ Ebitda (%)	Distrib. NTM (\$/sh)
		(US\$/sh)	Volume (mmboe)	Equiv.	Ebitda	Ebitda	stream Uplift (\$/boe)	Ebitda NTM (\$mm)		
		28-Aug 2018		Price (\$/boe)	Margin (%)					
<b>Integrated</b>										
Royal Dutch Shell	RDS-B	68.56	1355	48.22	65	31.20	11.81	42,264	27	3.76
Exxon Mobil Corporation	XOM	80.55	1426	53.66	52	27.70	12.34	39,497	25	3.28
Chevron Corporation	CVX	121.06	1081	52.83	62	32.80	7.40	35,468	20	4.48
Suncor Energy	SU	41.95	288	61.58	55	34.00	9.91	9,805	14	1.10
	<i>Total or Median</i>		<i>4150</i>	<i>53.24</i>	<i>59</i>	<i>32.00</i>	<i>10.86</i>	<i>127,033</i>	<i>22</i>	
<b>Large Independent</b>										
ConocoPhillips	COP	72.56	490	52.09	62	32.10	0.00	15,738	9	1.14
EOG Resources, Inc.	EOG	119.27	288	48.13	74	35.63	0.00	10,271	2	0.37
Occidental Petroleum Corp.	OXY	80.70	258	47.60	58	27.60	9.29	7,131	25	3.12
Pioneer Natural Resources	PXD	177.99	134	45.99	72	33.30	0.00	4,475	0	0.08
	<i>Total or Median</i>		<i>1171</i>	<i>47.87</i>	<i>67</i>	<i>32.70</i>	<i>0.00</i>	<i>37,616</i>	<i>5</i>	
<b>Mid-Size Independent</b>										
Marathon Oil Corporation	MRO	20.89	148	41.65	69	28.60	0.00	4,236	4	0.20
Continental Resources	CLR	65.97	117	43.98	81	35.70	0.00	4,160	-	-
Devon Energy Corporation	DVN	43.06	199	34.04	57	19.40	0.00	3,863	4	0.32
Hess Corporation	HES	66.17	101	46.17	57	26.20	0.00	2,639	11	1.00
Cimarex Energy Company	XEC	84.70	85	29.37	66	19.40	0.00	1,643	4	0.64
	<i>Total or Median</i>		<i>649</i>	<i>41.65</i>	<i>66</i>	<i>26.20</i>	<i>0.00</i>	<i>16,542</i>	<i>4</i>	
<b>Small Independent</b>										
Range Resources	RRC	16.63	144	20.67	56	11.60	0.00	1,666	1	0.08
Whiting Petroleum Corporation	WLL	48.75	49	47.86	67	32.10	0.00	1,566	-	-
California Resources	CRC	36.71	49	55.73	52	29.20	0.00	1,429	-	-
Birchcliff Energy Ltd.	BIREF	3.94	23	19.77	75	14.90	0.00	335	6	0.08
	<i>Total or Median</i>		<i>264</i>	<i>34.27</i>	<i>62</i>	<i>22.05</i>	<i>0.00</i>	<i>4,995</i>	<i>1</i>	
<b>Income</b>										
Dorchester Minerals, L.P.	DMLP	18.31	2.38	40.41	75	30.15	0.00	72	88	1.94
Sabine Royalty Trust	SBR	44.63	1.79	35.48	83	29.54	0.00	53	100	3.62
Permian Basin RT	PBT	8.99	1.16	43.23	60	25.90	0.00	30	99	0.64
San Juan Basin Royalty Trust	SJT	5.97	3.74	12.35	51	6.35	0.00	24	98	0.50
Cross Timbers Royalty Trust	CRT	15.56	0.39	43.64	64	27.84	0.00	11	82	1.50
	<i>Total or Median</i>		<i>9</i>	<i>40.41</i>	<i>64</i>	<i>27.84</i>	<i>0.00</i>	<i>189</i>	<i>98</i>	
For historical research see <a href="http://www.mcdep.com">www.mcdep.com</a>										

**Table 3**  
**McDep Energy Stocks**  
**Net Present Value Per Share**

		Price (US\$/sh)	Shares (mm)	Debt (\$mm)	P/E NTM	Devel. Resrvs/ Prod NTM	Undev/ Devel. Resrvs (%)	Nat Gas/ Ebitda (%)	Top Line/ Ebitda (%)	Net Present Value (US\$/sh)
Symbol/Rating	28-Aug 2018									
<b>Integrated</b>										
Chevron Corporation	CVX	121.06	1,919	60,359	14	7.0	57	22		150.00
Royal Dutch Shell	RDS-B	68.56	4,188	116,710	12	7.3	22	32		100.00
Exxon Mobil Corporation	XOM	80.55	4,271	90,130	13	9.8	52	27		90.00
Suncor Energy	SU	41.95	1,641	19,435	11	8.8	87			50.00
	<i>Median</i>					8.1	55			
<b>Large Independent</b>										
Pioneer Natural Resources	PXD	177.99	171	2,600	21	6.7	9	6		200.00
EOG Resources, Inc.	EOG	119.27	580	7,071	17	4.7	43	10		130.00
ConocoPhillips	COP	72.56	1,181	22,036	13	7.1	31	22		80.00
Occidental Petroleum Corp.	OXY	80.70	767	13,700	15	7.5	35	4		75.00
	<i>Median</i>					6.9	33			
<b>Mid-Size Independent</b>										
Cimarex Energy Company	XEC	84.70	95	1,579	11	4.9	35	15		140.00
Continental Resources	CLR	65.97	375	6,333	19	5.2	121	17		70.00
Devon Energy Corporation	DVN	43.06	525	4,720	16	8.8	24	12		60.00
Hess Corporation	HES	66.17	298	7,397		7.2	59	11		55.00
Marathon Oil Corporation	MRO	20.89	850	6,712	17	6.1	60	11		40.00
	<i>Median</i>					6.1	59			
<b>Small Independent</b>										
Whiting Petroleum Corporation	WLL	48.75	92	3,170	27	6.9	84	3		100.00
California Resources	CRC	36.71	43	6,800		9.0	41	7		100.00
Range Resources	RRC	16.63	246	4,657	9	9.7	83	55		40.00
Birchcliff Energy Ltd.	BIREF	3.94	268	630	13	7.2	228	52		9.00
	<i>Median</i>					8.1	83			
<b>Income</b>										
Sabine Royalty Trust	SBR	44.63	15	-	12	9.9	3	33	100	50.00
Cross Timbers Royalty Trust	CRT	15.56	6	-	10	12.6	-	69	82	25.00
Dorchester Minerals, L.P.	DMLP	18.31	32	-	12	6.8	-	17	79	24.00
Permian Basin RT	PBT	8.99	47	-	14	6.8	-	17	50	10.00
San Juan Basin Royalty Trust	SJT	5.97	47	-	12	11.1	-	100	-	8.00
	<i>Median</i>					9.9				
P/E = Stock Price to Earnings. For historical research see <a href="http://www.mcdep.com">www.mcdep.com</a> .										



# Industry Idea

Analysis of Oil and Gas Stocks  
Intraday August 28, 2018

Table 4									
McDep Energy Stocks									
Total Return Year-to-Date 2018									
Ranked by Unlevered Total Return									
		Price (\$/sh)	Price (\$/sh)	Price Change (%)	Cash Distrib. (%)	Equity Total Return (%)	Debt Return (\$/sh)	Unlevered Total Return (%)	McDep Ratio
	Symbol/Rati	28-Aug 2018	29-Dec 2017						
<b>Integrated</b>									
Suncor Energy	SU	41.95	36.72	14	2	16	12	12	0.87
Royal Dutch Shell	RDS-B	68.56	68.29	0	3	3	28	2	0.75
Chevron Corporation	CVX	121.06	125.19	(3)	2	(2)	31	(1)	0.84
Exxon Mobil Corporation	XOM	80.55	83.64	(4)	2	(2)	21	(1)	0.91
	<i>Median</i>			(1)		1		1	0.86
<b>Large Independent</b>									
ConocoPhillips	COP	72.56	54.89	32	1	33	19	25	0.92
EOG Resources, Inc.	EOG	119.27	107.91	11	0	11	12	10	0.92
Occidental Petroleum Corp.	OXY	80.70	73.66	10	2	12	18	9	1.06
Pioneer Natural Resources	PXD	177.99	172.85	3	0	3	15	3	0.90
	<i>Median</i>			10		11		10	0.92
<b>Mid-Size Independent</b>									
Hess Corporation	HES	66.17	47.47	39	1	40	25	27	1.14
Continental Resources	CLR	65.97	52.97	25	-	25	17	19	0.95
Marathon Oil Corporation	MRO	20.89	16.93	23	1	24	8	16	0.60
Devon Energy Corporation	DVN	43.06	41.40	4	0	4	9	4	0.75
Cimarex Energy Company	XEC	84.70	122.01	(31)	0	(30)	17	(27)	0.65
	<i>Median</i>			23		24		16	0.75
<b>Small Independent</b>									
Whiting Petroleum Corporation	WLL	48.75	26.48	84	-	84	34	37	0.62
California Resources	CRC	36.71	19.44	89	-	89	160	10	0.76
Birchcliff Energy Ltd.	BIREF	3.94	3.50	13	1	14	2	8	0.56
Range Resources	RRC	16.63	17.06	(3)	0	(2)	19	(1)	0.60
	<i>Median</i>			48		49		9	0.61
<b>Income</b>									
Dorchester Minerals, L.P.	DMLP	18.31	15.20	20	9	29	-	29	0.76
Cross Timbers Royalty Trust	CRT	15.56	14.69	6	5	11	-	11	0.62
Permian Basin RT	PBT	8.99	8.87	1	4	6	-	6	0.90
Sabine Royalty Trust	SBR	44.63	44.60	0	4	4	-	4	0.89
San Juan Basin Royalty Trust	SJT	5.97	8.24	(28)	3	(24)	-	(24)	0.75
	<i>Median</i>			1		6		6	0.76
	<i>Grand Median</i>			8		8		9	0.80
<b>Natural Gas (\$/mmbtu)</b>		2.86	2.95	(3)					
<b>Oil -West Texas Intermediate (\$/bbl)</b>		68.74	60.09	14					
Total Stock Market - U.S.	VTI	149.83	137.25	9	1	10			
Developed Markets - ex US	VEA	43.62	44.86	(3)	2	(1)			
Emerging Markets	VWO	42.79	45.91	(7)	1	(6)			
Total Stock Market - World	VT	76.49	74.26	3	1	4			

Source: McDep LLC, Yahoo, CME Group, Bloomberg

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



Analysis of Oil and Gas Stocks  
Intraday August 28, 2018

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