

Devon Energy (DVN) Transaction Doubles Midstream Value

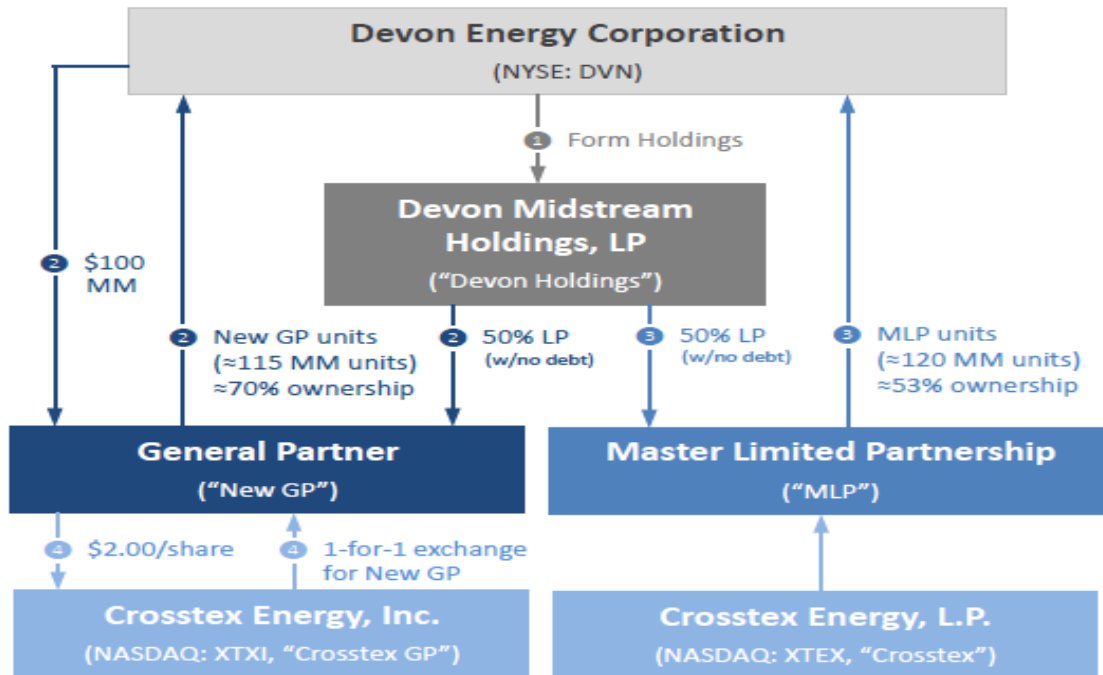
<i>Symbol</i>	DVN	<i>Ebitda Next Twelve Months ending 9/30/14 (US\$m)</i>	5,800
<i>Rating</i>	Buy	<i>North American Natural Gas/Ebitda (%)</i>	29
<i>Price (\$/sh)</i>	65.32	<i>Natural Gas and Oil Production/Ebitda (%)</i>	100
<i>Pricing Date</i>	10/21/13	<i>Adjusted Reserves/Production NTM</i>	10.1
<i>Shares (mm)</i>	407	<i>EV/Ebitda</i>	6.4
<i>Market Capitalization (\$mm)</i>	26,600	<i>PV/Ebitda</i>	8.8
<i>Debt (\$mm)</i>	10,200	<i>Undeveloped Reserves (%)</i>	28
<i>Enterprise Value (EV) (\$mm)</i>	36,800	<i>Natural Gas and Oil Ebitda (\$/boe)</i>	23.00
<i>Present Value (PV) (\$mm)</i>	50,900	<i>Present Value Proven Reserves(\$/boe)</i>	17.20
<i>Net Present Value (\$/share)</i>	100	<i>Present Value Proven Reserves(\$/mcf)</i>	2.90
<i>Debt/Present Value</i>	0.20	<i>Earnings Next Twelve Months (US\$/sh)</i>	4.10
<i>McDep Ratio - EV/PV</i>	0.72	<i>Price/Earnings Next Twelve Months</i>	16
<i>Dividend Yield (%/year)</i>	1.3	<i>Indicated Annual Dividend (US\$/sh)</i>	0.88
Note: Estimated cash flow and earnings tied to one-year futures prices for natural gas and oil.			
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 research on Devon since 2004 see http://www.mcdep.com/3dvn.htm			

Summary and Recommendation

Buy-recommended **Devon Energy (DVN)** announced a transaction that has attracted \$7 billion of stock market value for natural gas gathering and processing (midstream) operations that may have been valued at less than half that amount in Devon's stock. Devon will contribute most of its U.S. midstream business to a new venture to be formed with Crosstex Energy in exchange for stock in a General Partner and a Master Limited Partnership (see slide [Transaction Overview](#) on page 2). Though a name has not yet been selected for the new entities, the publicly traded portion will be the shares that now trade as Crosstex Energy, Inc. (XTXI) and Crosstex Energy, L.P. (XTEX). On Monday, October 21, the day the deal was announced, DVN stock advanced about 3% to \$65, XTXI some 70% to \$35 and XTEX 30% to \$27 a unit. The indicated value of shares Devon would receive in the first quarter of next year approximates 16 times the expected 2013 cash flow of \$420 million Devon would contribute. Contrast that with an Enterprise Value to Ebitda multiple of 6.2 times for all of Devon today. News of the deal has been well-received by investors. Meanwhile, our Net Present Value of \$100 a share for Devon corresponds to an unlevered cash flow multiple of 8.8 times and a low McDep Ratio of 0.72. We believe that is a low valuation for a company with growing shale oil production in the Permian Basin along with other prospects in the U.S. and Canada (see tables on pages 2-7).

Kurt H. Wulff, CFA

Transaction Overview



Transaction to be structured as a tax-free combination



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October 22, 2013

Devon Energy					
Functional Cash Flow and Present Value					
				<i>Present</i>	
	<i>NTM Ebitda</i>	<i>Adjusted</i>	<i>PV/</i>	<i>Value</i>	
	<i>(US\$mm)</i>	<i>R/P</i>	<i>Ebitda</i>	<i>(US\$mm)</i>	
North American Natural Gas	1,670	10.6	15.0	25,000	49%
Oil	4,120	9.5	6.3	25,900	51%
	5,790	10.1	8.8	50,900	100%
Debt (US\$mm)					10,200
Net Present Value (US\$mm)					40,700
Shares (mm)					407
Net Present Value - Standard Estimate (US\$/sh)					100
NPV Approximation by Cash Flow Multiple Depending on Reserve Life (US\$/sh)					104



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October 22, 2013

Devon Energy										
Next Twelve Months Operating and Financial Results										
										<i>Next Twelve Months</i>
	<i>Q3</i>	<i>Year</i>	<i>Q2</i>	<i>Q3E</i>	<i>Q4E</i>	<i>Year</i>	<i>Q1E</i>	<i>Q2E</i>	<i>Q3E</i>	<i>Months</i>
	<i>9/30/12</i>	<i>2012</i>	<i>6/30/13</i>	<i>9/30/13</i>	<i>12/31/13</i>	<i>2013E</i>	<i>3/31/14</i>	<i>6/30/14</i>	<i>9/30/14</i>	<i>9/30/14</i>
Volume										
Natural Gas (mmcf)										
U.S.	2,067	2,054	1,970	1,931	1,892	1,940	1,854	1,817	1,781	1,836
Canada	487	508	470	461	451	459	442	434	425	438
Total	2,554	2,570	2,440	2,391	2,343	2,399	2,297	2,251	2,206	2,274
Oil (mbd)	252	255	291	291	300	291	309	318	318	311
Total gas & oil (bcf)	374	1,498	381	381	381	1,513	373	378	378	1,511
Total gas & oil (mmboe)	62	250	63	63	64	252	62	63	63	252
Total gas & oil (mboed)	678	682	698	690	690	691	691	693	686	690
Price										
Natural gas (\$/mcf)										
Henry Hub (\$/mmbtu)	2.80	2.79	4.10	3.58	3.65	3.67	3.88	3.84	3.91	3.82
U.S.	2.37	2.33	3.49	3.05	3.11	3.12	3.31	3.26	3.32	3.25
Canada	2.31	2.49	3.44	2.68	2.74	2.97	2.91	2.88	2.93	2.86
Company	2.36	2.36	3.48	2.98	3.04	3.09	3.23	3.19	3.24	3.17
Oil (\$/bbl)										
WTI Cushing	92.22	94.16	94.22	105.83	100.06	98.63	99.47	97.71	95.69	98.23
Company	50.90	52.91	54.71	61.45	58.10	55.32	57.76	56.73	55.56	57.02
Total gas & oil (\$/mcf)	4.64	4.77	5.83	6.04	5.93	5.67	6.09	6.06	6.03	6.03
Revenue (\$mm)										
Natural Gas	554	2,212	773	655	656	2,705	668	653	658	2,635
Oil	1,180	4,943	1,449	1,645	1,602	5,876	1,605	1,642	1,625	6,474
Total	1,734	7,155	2,222	2,300	2,258	8,581	2,272	2,295	2,284	9,109
Expense										
	658	2,770	730	838	823	3,054	828	836	832	3,319
Ebitda (\$mm)										
	1,076	4,385	1,492	1,462	1,435	5,527	1,444	1,458	1,452	5,790
Deprec., Deplet., & Amort.	716	2,811	674	674	674	2,726	674	674	674	2,696
Hedging and other	(298)	(863)	(48)	32	17	(87)	22	30	26	95
Ebit										
	658	2,437	866	756	744	2,888	748	755	751	2,998
Interest	110	406	108	108	108	434	108	108	108	432
Ebt										
	548	2,031	758	648	636	2,454	640	647	643	2,566
Income Tax	192	711	265	227	223	859	224	226	225	898
Net Income (\$mm)										
	356	1,320	492	421	414	1,595	416	420	418	1,668
Shares (millions)										
	405	405	407	407	407	407	407	407	407	407
Per Share (\$)	0.88	3.26	1.21	1.03	1.02	3.92	1.02	1.03	1.03	4.10
Ebitda Margin	62%	61%	67%	64%	64%	64%	64%	64%	64%	64%
Tax Rate	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%



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October 22, 2013

						<i>Present Value by Segment (%)</i>					
		<i>Price</i>	<i>EV/</i>	<i>Enterprise</i>	<i>North</i>	<i>Rest of</i>				<i>Dist.</i>	
		<i>(US\$/sh)</i>	<i>Market</i>	<i>Value</i>	<i>Amer.</i>	<i>World</i>	<i>Oil</i>	<i>Down-</i>	<i>NTM</i>	<i>McDep</i>	
<i>Symbol/Rating</i>	<i>21-Oct</i>	<i>2013</i>	<i>Cap</i>	<i>(\$mm)</i>	<i>Natural</i>	<i>Natural</i>	<i>Prod'n</i>	<i>stream</i>	<i>(%)</i>	<i>Ratio</i>	
<i>B = Buy, CB (see below)</i>					<i>Gas</i>	<i>Gas</i>					
Global Integrated											
Exxon Mobil Corporation	XOM	CB	87.23	1.21	470,000	7	19	54	20	2.9	0.88
Chevron Corporation	CVX	H	119.82	1.16	269,000	4	11	72	13	3.3	0.82
Total S.A.	TOT	H	60.49	1.33	184,000		22	61	17	5.3	0.81
Royal Dutch Shell plc	RDS-A	H	67.46	1.33	284,000	4	21	55	19	5.3	0.73
Lukoil Oil Company	LUKOY	B	66.14	1.13	57,900			75	25	4.3	0.52
<i>Total or Median</i>				<i>1.21</i>	<i>1,265,000</i>			<i>61</i>	<i>19</i>	<i>4.3</i>	<i>0.81</i>
U.S. Independent											
EOG Resources, Inc.	EOG	H	184.32	1.12	56,400	22	4	74		0.4	1.02
Occidental Petroleum Corp.	OXY	H	97.05	1.13	88,200	9	1	79	11	2.6	0.91
ConocoPhillips	COP	H	73.05	1.39	123,000	15	13	71		3.8	0.79
Marathon Oil Corporation	MRO	B	35.01	1.42	35,500	9	4	87		2.2	0.77
Devon Energy Corporation	DVN	B	65.32	1.38	36,800	49		51		1.3	0.72
<i>Total or Median</i>				<i>1.38</i>	<i>340,000</i>	<i>15</i>		<i>74</i>		<i>2.2</i>	<i>0.79</i>
Canada/Australia											
Woodside Petroleum Ltd.	WOPEY	H	37.08	1.16	36,000		69	31		4.5	1.03
Imperial Oil Limited (30%)	IMO	H	44.99	1.27	14,600	2		79	18	1.0	0.89
Cenovus Energy Inc.	CVE	H	30.10	1.33	30,400	13		67	20	3.1	0.77
EnCana Corporation	ECA	CB	17.81	1.65	21,600	84		16		4.5	0.71
Canadian Oil Sands Limited	COSWF	B	20.07	1.26	12,200			100		6.8	0.64
<i>Total or Median</i>				<i>1.27</i>	<i>115,000</i>			<i>67</i>		<i>4.5</i>	<i>0.77</i>
Small Cap Independent Producers											
PDC Energy	PDCE		70.38	1.36	3,000	32		68		-	1.36
Cimarex Energy Company	XEC	B	108.99	1.15	10,800	43		57		0.5	0.99
Continental Resources (32%)	CLR	B	118.40	1.20	8,400	16		84		-	0.99
Whiting Petroleum Corporation	WLL	B	66.18	1.29	10,200	8		92		-	0.91
WPX Energy Inc.	WPX		22.52	1.50	6,900	68		32		-	0.91
Peyto Exploration and Developm	PEYUF		30.08	1.18	5,300	80		20		2.5	0.90
Halcón Resources	HK		5.55	2.27	5,600	8		92		-	0.90
Range Resources	RRC	B	76.87	1.28	15,900	74		26		0.2	0.88
Birchcliff Energy Ltd.	BIREF	CB	7.06	1.42	1,700	69		31		-	0.67
<i>Total or Median</i>				<i>1.29</i>	<i>68,000</i>	<i>43</i>		<i>57</i>		<i>-</i>	<i>0.91</i>
RTF Cash Payers											
Freehold Royalties Ltd.	FRHLF		23.65	1.05	1,650	16		84		6.9	1.12
Dorchester Minerals, L.P.	DMLP	B	24.84	1.00	760	54		46		7.4	0.96
Permian Basin RT	PBT		15.93	1.00	740	19		81		7.4	0.88
San Juan Basin Royalty Trust	SJT	B	16.73	1.00	780	100		-		6.1	0.80
Sabine Royalty Trust	SBR		50.99	1.00	740	52		48		7.9	0.80
Enduro Royalty Trust	NDRO		12.97	1.00	430	48		52		11.7	0.76
Mesa RoyaltyTrust	MTR		22.51	1.00	40	75		25		8.6	0.75
Cross Timbers Royalty Trust	CRT		31.21	1.00	190	70		30		8.6	0.74
Hugoton RoyaltyTrust	HGT		7.19	1.00	290	90		10		10.8	0.60
<i>Total or Median</i>				<i>1.00</i>	<i>5,600</i>					<i>7.9</i>	<i>0.80</i>

CB=Contrarian Buy, Stock Price may be in downtrend compared to 200-day average. H = Hold
 Estimated present value presumes a long-term price for oil of US\$90 a barrel and natural gas, \$6 a million btu.
 McDep Ratio = Market cap and Debt to present value of oil and gas and other businesses



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October 22, 2013

Table 2								
McDep Energy Stocks								
Net Present Value and McDep Ratio								
			<i>Price</i>			<i>Net</i>		
	<i>Symbol/Rating</i>		<i>(US\$/sh)</i>	<i>Shares</i>	<i>Market</i>	<i>Present</i>	<i>Debt/</i>	<i>McDep</i>
	<i>B = Buy, CB (see below)</i>		<i>21-Oct</i>	<i>(mm)</i>	<i>Cap</i>	<i>Value</i>	<i>Present</i>	<i>Ratio</i>
			<i>2013</i>		<i>(US\$m)</i>	<i>(US\$/sh)</i>	<i>Value</i>	
Global Integrated								
Exxon Mobil Corporation	XOM	CB	87.23	4,433	387,000	102.00	0.16	0.88
Chevron Corporation	CVX	H	119.82	1,937	232,000	150.00	0.11	0.82
Total S.A.	TOT	H	60.49	2,274	138,000	80.00	0.20	0.81
Royal Dutch Shell plc	RDS-A	H	67.46	3,159	213,000	100.00	0.18	0.73
Lukoil Oil Company	LUKOY	B	66.14	776	51,300	135.00	0.06	0.52
<i>Total or Median</i>					<i>1,021,000</i>		<i>0.16</i>	<i>0.81</i>
U.S. Independent								
EOG Resources, Inc.	EOG	H	184.32	273	50,300	180.00	0.11	1.02
Occidental Petroleum Corp.	OXY	H	97.05	805	78,100	108.00	0.10	0.91
ConocoPhillips	COP	H	73.05	1,209	88,000	100.00	0.22	0.79
Marathon Oil Corporation	MRO	B	35.01	714	25,000	50.00	0.23	0.77
Devon Energy Corporation	DVN	B	65.32	407	26,600	100.00	0.20	0.72
<i>Total or Median</i>					<i>268,000</i>		<i>0.20</i>	<i>0.79</i>
Canada/Australia								
Woodside Petroleum Ltd.	WOPEY	H	37.08	823	30,500	36.00	0.14	1.03
Imperial Oil Limited (30%)	IMO	H	44.99	255	11,500	52.00	0.19	0.89
Cenovus Energy Inc.	CVE	H	30.10	758	22,800	42.00	0.19	0.77
EnCana Corporation	ECA	CB	17.81	736	13,100	30.00	0.28	0.71
Canadian Oil Sands Limited	COSWF	B	20.07	485	9,700	34.00	0.13	0.64
<i>Total or Median</i>					<i>88,000</i>		<i>0.19</i>	<i>0.77</i>
Small Cap Independent Producers								
PDC Energy	PDCE		70.38	31	2,200	45.00	0.36	1.36
Cimarex Energy Company	XEC	B	108.99	87	9,400	110.00	0.13	0.99
Continental Resources (32%)	CLR	B	118.40	59	7,000	120.00	0.17	0.99
Whiting Petroleum Corporation	WLL	B	66.18	119	7,900	75.00	0.20	0.91
WPX Energy Inc.	WPX		22.52	204	4,600	26.00	0.30	0.91
Peyto Exploration and Development Corp.	PEYUF		30.08	149	4,500	34.00	0.13	0.90
Halcón Resources	HK		5.55	441	2,500	7.00	0.50	0.90
Range Resources	RRC	B	76.87	161	12,400	90.00	0.19	0.88
Birchcliff Energy Ltd.	BIREF	CB	7.06	166	1,200	12.00	0.20	0.67
<i>Total or Median</i>					<i>52,000</i>		<i>0.20</i>	<i>0.91</i>
RIF Cash Payers								
Freehold Royalties Ltd.	FRHLF		23.65	67	1,580	21.00	0.05	1.12
Dorchester Minerals, L.P.	DMLP	B	24.84	31	760	26.00	-	0.96
Permian Basin RT	PBT		15.93	47	740	18.00	-	0.88
San Juan Basin Royalty Trust	SJT	B	16.73	47	780	21.00	-	0.80
Sabine Royalty Trust	SBR		50.99	15	740	64.00	-	0.80
Enduro Royalty Trust	NDRO		12.97	33	430	17.00	-	0.76
Mesa RoyaltyTrust	MTR		22.51	2	40	30.00	-	0.75
Cross Timbers Royalty Trust	CRT		31.21	6	190	42.00	-	0.74
Hugoton RoyaltyTrust	HGT		7.19	40	290	12.00	-	0.60
<i>Total or Median</i>					<i>5,600</i>		<i>-</i>	<i>0.80</i>

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

Estimated present value presumes a long-term price for oil of US\$90 a barrel and natural gas, \$6 a million btu.

McDep Ratio = Market cap and Debt to present value of oil and gas and other businesses



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Table 3								
McDep Energy Stocks								
Value Multiples and Dividend								
Ranked by EV/Ebitda								
			Price	Adjustd				
			(US\$/sh)	Resrvs/	PV/	EV/		Dividend
	Symbol/Rating		21-Oct	Prod	Ebitda	Ebitda	P/E	NTM
	B = Buy, CB (see below)		2013	NTM	NTM	NTM	NTM	(\$/sh)
Global Integrated								
Exxon Mobil Corporation	XOM	CB	87.23	13.2	7.4	6.5	11	2.52
Chevron Corporation	CVX	H	119.82	9.3	6.4	5.2	10	4.00
Total S.A.	TOT	H	60.49	9.9	6.4	5.1	9	3.23
Royal Dutch Shell plc	RDS-A	H	67.46	9.7	6.6	4.8	9	3.60
Lukoil Oil Company	LUKOY	B	66.14	15.8	6.0	3.1	6	2.82
	<i>Median</i>			9.9	6.4	5.1	9	
U.S. Independent								
EOG Resources, Inc.	EOG	H	184.32	7.3	6.4	6.6	23	2.56
Devon Energy Corporation	DVN	B	65.32	10.1	8.8	6.4	16	0.76
ConocoPhillips	COP	H	73.05	11.4	7.9	6.3	13	0.75
Occidental Petroleum Corp.	OXY	H	97.05	10.1	6.7	6.1	14	2.76
Marathon Oil Corporation	MRO	B	35.01	9.4	6.7	5.1	12	0.88
	<i>Median</i>			10.1	6.7	6.3	14	
Canada/Australia								
Woodside Petroleum Ltd.	WOPEY	H	37.08	9.8	8.2	8.4	18	1.66
Imperial Oil Limited (30%)	IMO	H	44.99	20.2	9.4	8.3	9	0.47
EnCana Corporation	ECA	CB	17.81	6.6	10.2	7.2	11	0.94
Canadian Oil Sands Limited	COSWF	B	20.07	19.9	9.6	6.2	9	1.36
Cenovus Energy Inc.	CVE	H	30.10	12.2	7.8	6.0	20	0.80
	<i>Median</i>			12.2	9.4	7.2	11	
Small Cap Independent Producers								
PDC Energy	PDCE		70.38	15.3	10.2	13.9	75	-
Range Resources	RRC	B	76.87	12.9	15.5	13.7	62	0.16
Peyto Exploration and Development Corp.	PEYUF		30.08	8.9	11.3	10.2	22	0.76
Birchcliff Energy Ltd.	BIREF	CB	7.06	18.6	13.2	8.8	31	-
WPX Energy Inc.	WPX		22.52	8.0	9.5	8.6		-
Continental Resources (32%)	CLR	B	118.40	11.4	8.3	8.2	19	-
Cimarex Energy Company	XEC	B	108.99	7.4	7.1	7.1	16	0.56
Halcón Resources	HK		5.55	4.2	6.5	5.9	8	-
Whiting Petroleum Corporation	WLL	B	66.18	8.5	4.9	4.4	11	-
	<i>Median</i>			8.9	9.5	8.6	20	
RTF Cash Payers								
Freehold Royalties Ltd.	FRHLF		23.65	4.8	10.9	12.3	28	1.63
San Juan Basin Royalty Trust	SJT	B	16.73	9.6	17.1	13.6	17	1.01
Sabine Royalty Trust	SBR		50.99	10.1	15.9	12.6	13	4.03
Dorchester Minerals, L.P.	DMLP	B	24.84	7.3	11.6	11.1	18	1.83
Cross Timbers Royalty Trust	CRT		31.21	12.3	14.3	10.6	12	2.68
Mesa RoyaltyTrust	MTR		22.51	5.0	12.6	9.4	12	1.95
Permian Basin RT	PBT		15.93	12.7	9.9	8.7	13	1.18
Enduro Royalty Trust	NDRO		12.97	6.2	10.3	7.9	9	1.52
Hugoton RoyaltyTrust	HGT		7.19	12.8	13.0	7.8	9	0.78
	<i>Median</i>			9.6	12.6	10.6	13	
CB=Contrarian Buy, Stock Price may be in downtrend compared to 200-day average. H = Hold								
EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation								
and amortization; NTM = Next Twelve Months Ended September 30, 2014; P/E = Stock Price to								
Earnings; PV = Present Value of oil and gas and other businesses								



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A Weekly Analysis of Oil and Gas Stocks

October 22, 2013

Table 4									
McDep Energy Stocks									
Total Return and Enterprise Value Momentum									
Ranked by EV/200-Day Average									
			Price	Equity					
			(\$/sh)	Total					
	Symbol		21-Oct	Return	Enterprise Value/				McDep
	Rating		2013	YTD	52Wk	52Wk	50 Day	200 Day	Ratio
				(%)	High	Low	Avg.	Avg.	
Global Integrated									
Total S.A.	TOT	H	60.49	22	0.99	1.22	1.05	1.12	0.81
Lukoil Oil Company	LUKOY	B	66.14	1	0.98	1.19	1.06	1.05	0.52
Royal Dutch Shell plc	RDS-A	H	67.46	2	0.94	1.06	1.03	1.01	0.73
Chevron Corporation	CVX	H	119.82	13	0.95	1.16	0.99	1.00	0.82
Exxon Mobil Corporation	XOM	CB	87.23	3	0.93	1.02	1.00	0.98	0.88
	<i>Median</i>			3	0.95	1.16	1.03	1.01	0.81
U.S. Independent									
EOG Resources, Inc.	EOG	H	184.32	53	0.99	1.57	1.10	1.27	1.02
ConocoPhillips	COP	H	73.05	31	0.99	1.23	1.04	1.11	0.79
Devon Energy Corporation	DVN	B	65.32	28	0.98	1.19	1.08	1.11	0.72
Occidental Petroleum Corp.	OXY	H	97.05	30	0.99	1.29	1.06	1.09	0.91
Marathon Oil Corporation	MRO	B	35.01	16	0.95	1.15	1.00	1.01	0.77
	<i>Median</i>			30	0.99	1.23	1.06	1.11	0.79
Canada/Australia									
Imperial Oil Limited (30%)	IMO	H	44.99	5	0.97	1.16	1.04	1.07	0.89
Woodside Petroleum Ltd.	WOPEY	H	37.08	9	0.94	1.16	1.03	1.03	1.03
Canadian Oil Sands Limited	COSWF	B	20.07	4	0.93	1.09	1.02	1.01	0.64
Cenovus Energy Inc.	CVE	H	30.10	(8)	0.87	1.08	1.02	0.99	0.77
EnCana Corporation	ECA	CB	17.81	(6)	0.84	1.05	1.01	0.98	0.71
	<i>Median</i>			4	0.93	1.09	1.02	1.01	0.77
Small Cap Independent Producers									
Cimarex Energy Company	XEC	B	108.99	93	0.97	1.74	1.17	1.37	0.99
PDC Energy	PDCE		70.38	115	0.97	1.87	1.12	1.26	1.36
Continental Resources (32%)	CLR	B	118.40	62	0.98	1.58	1.13	1.25	0.99
Whiting Petroleum Corporation	WLL	B	66.18	53	0.98	1.44	1.14	1.23	0.91
WPX Energy Inc.	WPX		22.52	52	0.99	1.34	1.10	1.17	0.91
Peyto Exploration and Development	PEYUF		30.08	35	0.95	1.29	1.04	1.08	0.90
Range Resources	RRC	B	76.87	23	0.92	1.19	0.99	1.01	0.88
Halcón Resources	HK		5.55	(19)	0.82	1.10	1.06	0.95	0.90
Birchcliff Energy Ltd.	BIREF	CB	7.06	(5)	0.85	1.04	1.02	0.95	0.67
	<i>Median</i>			52	0.97	1.34	1.10	1.17	0.91
RTF Cash Payers									
Permian Basin RT	PBT		15.93	35	1.01	1.33	1.15	1.19	0.88
Cross Timbers Royalty Trust	CRT		31.21	21	0.98	1.32	1.07	1.09	0.74
San Juan Basin Royalty Trust	SJT	B	16.73	28	0.93	1.36	1.02	1.05	0.80
Dorchester Minerals, L.P.	DMLP	B	24.84	32	0.97	1.25	1.03	1.04	0.96
Sabine Royalty Trust	SBR		50.99	37	0.93	1.31	0.98	1.02	0.80
Freehold Royalties Ltd.	FRHLF		23.65	13	0.97	1.17	1.04	1.03	1.12
Mesa RoyaltyTrust	MTR		22.51	23	0.83	1.20	1.00	0.97	0.75
Hugoton RoyaltyTrust	HGT		7.19	7	0.72	1.16	0.92	0.85	0.60
Enduro Royalty Trust	NDRO		12.97	(17)	0.67	1.10	0.90	0.83	0.76
	<i>Median</i>			23	0.93	1.25	1.02	1.03	0.80

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

Source: Bloomberg, Yahoo, McDep LLC



Meter Reader

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October 22, 2013

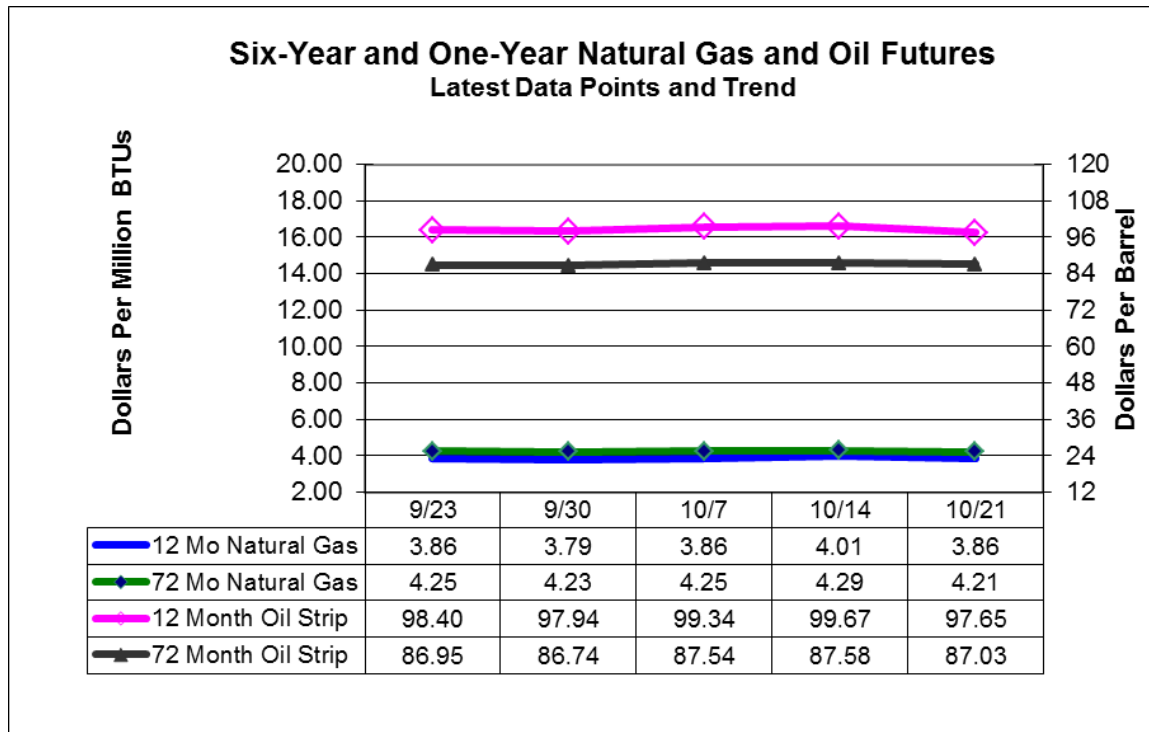
Index of Recent Research			
Stock Ideas			
<u>Date</u>	<u>Symbol</u>	<u>Subject</u>	<u>Theme</u>
4-Oct	NDRO	Enduro Royalty Trust	Worth Another Look after Stock Price Decline
27-Sep	WPX	WPX Energy	San Juan Basin Innovator (Income and Small Cap Weekly)
24-Sep	XOM	Exxon Mobil	Fracking Firms Long-Term Value (Meter Reader)
20-Sep	WLL	Whiting Petroleum	Activity Attracts Attention (Income and Small Cap Weekly)
17-Sep	COP	ConocoPhillips	Fracking Upside in Eagle Ford, Bakken and Permian (Meter Reader)
13-Sep	CRT	Cross Timbers Royalty Trust	Fracking Upside in Permian and Scoop (Income and Small Cap Weekly)
10-Sep	OXY	Occidental Petroleum	Permian Late Bloomer (Meter Reader)
3-Sep	LUKOY	Lukoil	Competitive Trends at Half Price (Meter Reader)
16-Aug	BIREF	Birchcliff Energy	Buy Natural Gas in Summer
16-Aug	CLR	Continental Resources	Raise NPV to \$120 from \$110 on More Oil Growth (ISCW)
13-Aug	DVN	Devon Energy	Raise NPV to \$100 from \$92 on Oil Gains (Meter Reader)
9-Aug	DMLP	Dorchester Minerals, L.P.	More Bakken and Permian Oil Cash (Income and Small Cap Weekly)
6-Aug	RDSA	Royal Dutch Shell plc	Value Choice after Latest Results (Meter Reader)
31-Jul	COSWF	Canadian Oil Sands Ltd.	CEO Change May Catalyze Operating Reliability
30-Jul	ECA, IMO	Encana, Imperial Oil	Buy Encana, Hold Imperial Oil (Meter Reader)
23-Jul	WOPEY	Woodside Petroleum, Ltd.	Distributing LNG Cash (Meter Reader)
19-Jul	SJT	San Juan Basin Royalty Trust	Acreage 75% in Liquids-Rich Shale Zone (Income and Small Cap Weekly)
16-Jul	COSWF, SU	Canadian Oil Sands Ltd, Suncor	Buy Canadian Oil Sands, Hold Suncor (Meter Reader)
12-Jul	PBT	Permian Basin Royalty Trust	Stock Price Recovering from Short-Term Overreaction
9-Jul	MRO	Marathon Oil	Bakken Strengthens (Meter Reader)
5-Jul	LINE	Linn Energy	Stock Undervalued while SEC Probes (Income and Small Stock Weekly)
21-Jun	RRC	Range Resources	Superlatives (Income and Small Cap Weekly)
7-Jun	XEC	Cimarex Energy	Uncovering Culberson Value (Income and Small Cap Weekly)
31-May	HGT	Hugoton Royalty Trust	Beating the Bear (Income and Small Cap Weekly)
14-May	EOG	EOG Resources	Raise NPV to \$180 on More Big Wells (Meter Reader)
30-Apr	TOT	Total	Recovery Potential (Meter Reader)
19-Apr	HK	Halcón Resources	Fourth Core Area - El Halcón ("The Hawk") (Inc. and Small Cap Wkly)
16-Apr	CVX	Chevron	Deflation Resistance (Meter Reader)
12-Apr	MTR	Mesa Royalty Trust	RTF Stealth Play on Long-Life Natural Gas (Income and Small Cap Wkly)
5-Apr	SBR	Sabine Royalty Trust	Accelerating Volume Growth (Income and Small Cap Weekly)
28-Mar	PEYUF	Peyto Exploration and Development	Raise NPV to \$32 for Fracking Winner (Income and Small Cap Weekly)
1-Mar	ERF	Enerplus Corporation	Back on Track, Discontinue Buy (Income and Small Cap Weekly)
11-Jan	PDCE	PDC Energy	Mancos (Niobrara) Winner (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			
15-Oct			U.S. Natural Gas Net Exports by 2018
8-Oct			U.S. Energy Independence Anticipation Advancing
1-Oct			Sharpen Focus to Wider Public Ownership and Lower Debt
24-Sep	XOM	Exxon Mobil	Fracking Firms Long-Term Value
17-Sep	COP	ConocoPhillips	Fracking Upside in Eagle Ford, Bakken and Permian
10-Sep	OXY	Occidental Petroleum	Permian Late Bloomer
For earlier editions, go to mcdep.com , click on Meter Reader .			
Income and Small Cap Weekly (merged into Meter Reader 10/1/13)			
27-Sep	WPX	WPX Energy	San Juan Basin Innovator
20-Sep	WLL	Whiting Petroleum	Activity Attracts Attention
13-Sep	CRT	Cross Timbers Royalty Trust	Fracking Upside in Permian and Scoop
6-Sep			Shale, McDep and the Portfolio
For earlier editions, go to mcdep.com , click on Energy Income .			



Meter Reader

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