McDep LLC
Meter Reader
A Weekly Analysis of Oil and Gas Stocks
May 27, 2014

Chevron (CVX)
Oil Price Trend Turns Up

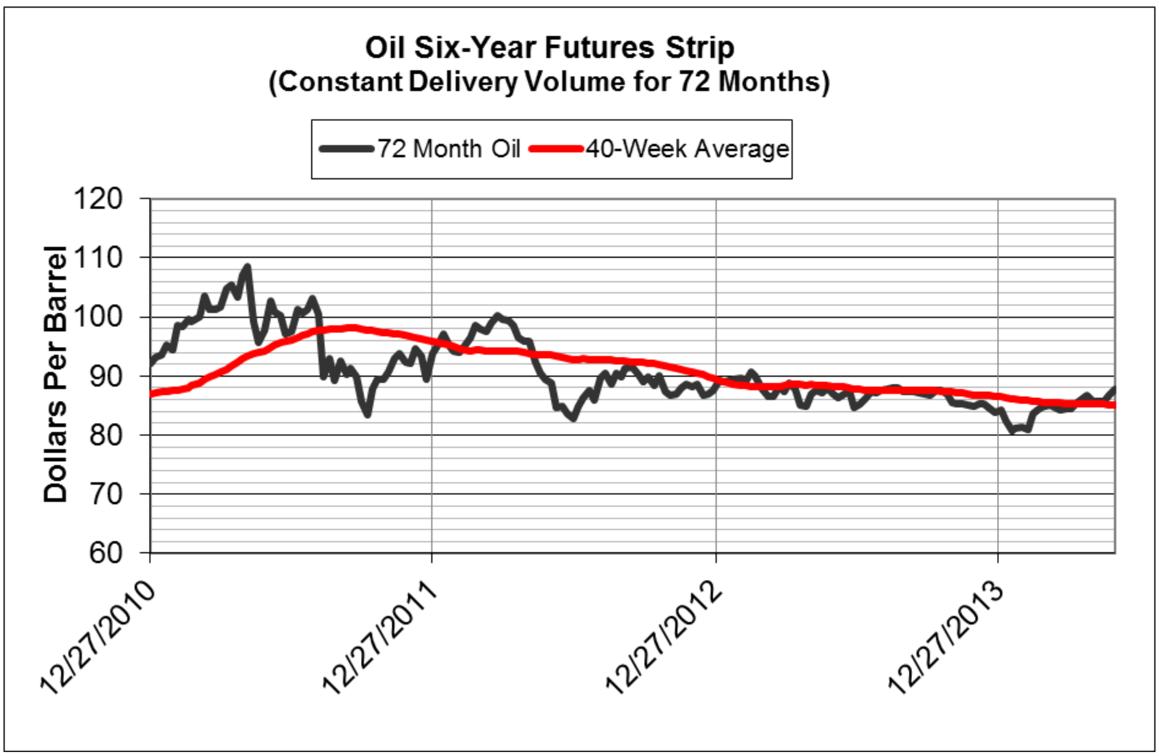
Symbol	CVX	*Ebitda Next Twelve Months ending 6/30/15 (US$mm)*	49,400
Rating		*North American Natural Gas/Ebitda (%)*	2
Price ($/sh)	123.37	*Natural Gas and Oil Production/Ebitda (%)*	84
Pricing Date	5/23/14	*Adjusted Reserves/Production NTM*	9.1
Shares (mm)	1909	*EV/Ebitda*	5.7
Market Capitalization ($mm)	236,000	*PV/Ebitda*	6.7
Debt ($mm)	44,000	*Undeveloped Reserves (%)*	46
Enterprise Value (EV) ($mm)	280,000	*Natural Gas and Oil Ebitda ($/boe)*	43.60
Present Value (PV) ($mm)	331,000	*Present Value Proven Reserves($/boe)*	24.80
Net Present Value ($/share)	150	*Present Value Proven Reserves($/mcfe)*	4.10
Debt/Present Value	0.13	*Earnings Next Twelve Months (US$/sh)*	10.62
McDep Ratio - EV/PV	0.85	*Price/Earnings Next Twelve Months*	12
Dividend Yield (%/year)	3.5	*Indicated Annual Dividend (US$/sh)*	4.28
Note: Estimated cash flow and earnings tied to one-year futures prices for oil and natural gas.			
Reported results may vary widely from estimates. Estimated present value per share revised only infrequently.			
Estimated present value presumes a long-term price for oil of US$90 a barrel and natural gas, $6 a million btu.			
For historical analysis of CVX since 2002 see www.mcdep.com/1cvx.htm			

Summary and Recommendation

Looking to the upside in **Chevron (CVX)** common stock, we see estimated Net Present Value of $150 a share (see table Present Value on page 2). High oil concentration at 72% of NPV makes Chevron stock proportionately more sensitivity to crude oil price, which may be seeing a change in trend after declining for several years. The long-term price for U. S. crude seems to have made a decisive turn having sustained a move above its 40-week average for almost two months (see chart Oil Six-Year Futures on page 2). Among the factors that could support a gradual uptrend are growing global demand, simultaneous monetary policies among the richer countries to encourage inflation and fragility of supply in unstable poorer countries. Price may also be understated in future years because leading banks have been regulated out of futures market making. We expect Chevron's production to be stable and possibly growing with the help of shale oil in the U.S. Permian Basin (see table Operating and Financial Estimates on page 3). Oil and gas reserves are spread around the globe, which diversifies political risk (see table Production and Reserves, 2013 on page 4). Proof of past performance lies in a record that spans more than a hundred years as a leading money maker and contributor to economic growth and shareholder value. We further give a cheer for Chairman John Watson and his colleagues for standing up successfully to unscrupulous lawyers, politicians, and environmental extremists in exposing as fraudulent a multibillion dollar legal judgment in Ecuador. Finally, a McDep Ratio of 0.85 outlines investment potential, a low 0.13 ratio of debt to present value highlights financial strength and a 3.5% dividend yield beats widely held U.S. Treasury issues (see Tables 1-4 on pages 5-8).

Kurt H. Wulff, CFA

Chevron Corporation					
Functional Cash Flow and Present Value					
				Present	
	NTM Ebitda	*Adjusted*	*PV/*	*Value*	
	(US$mm)	*R/P*	*Ebitda*	*(US$mm)*	
North American Natural Gas	1,030	7.5	11.7	12,000	4%
Rest of World Natural Gas	4,900	12.1	7.1	35,000	11%
Oil	35,450	8.2	6.7	239,000	72%
Downstream	8,000		5.5	44,000	13%
	49,380	9.1	6.7	330,000	100%
Debt (US$mm)					44,000
Net Present Value (US$mm)					286,000
Shares (mm)					1,909
Net Present Value - Standard Estimate (US$/sh)					150
NPV Approximation by Cash Flow Multiple Depending on Reserve Life (US$/sh)					144



Chevron										
Next Twelve Months Operating and Financial Estimates										
										Next
										Twelve
	Q2	***Year***	*Q1*	*Q2E*	*Q3E*	*Q4E*	***Year***	*Q1E*	*Q2E*	***Months***
	6/30/13	***2013***	*3/31/14*	*6/30/14*	*9/30/14*	*12/31/14*	***2014E***	*3/31/15*	*6/30/15*	***6/30/15***
Volume										
Natural Gas (mmcfd)										
U.S.	1,227	**1,246**	1,212	1,212	1,212	1,212	**1,212**	1,212	1,212	**1,212**
Rest of World	3,987	**3,946**	4,041	3,987	3,910	3,836	**3,943**	4,041	3,987	**3,943**
Total	5,214	**5,192**	5,253	5,199	5,122	5,048	**5,155**	5,253	5,199	**5,155**
Oil (mbd)	1,713	**1,731**	1,713	1,713	1,713	1,750	**1,722**	1,750	1,750	**1,741**
Total gas & oil (mbd)	2,582	**2,597**	2,589	2,580	2,567	2,591	**2,581**	2,626	2,617	**2,600**
Price										
Natural gas ($/mcf)										
Henry Hub ($/mmbtu)	4.10	**3.65**	4.95	4.60	4.38	4.40	**4.58**	4.50	4.04	**4.33**
U.S.	3.78	**3.37**	4.77	4.43	4.22	4.14	**4.39**	4.23	3.81	**4.10**
Rest of World	5.93	**5.91**	6.02	6.02	6.02	6.02	**6.02**	6.02	6.02	**6.02**
Total	5.42	**5.30**	5.73	5.65	5.59	5.57	**5.64**	5.61	5.50	**5.57**
Oil ($/bbl)										
WTI Cushing	94.22	**97.98**	98.74	102.51	103.23	100.01	**101.12**	97.07	94.68	**98.75**
Worldwide	93.32	**98.51**	96.78	102.51	103.23	100.01	**100.65**	97.07	94.68	**98.74**
Total gas & oil ($/bbl)	72.87	**76.27**	75.68	79.46	80.06	78.39	**78.40**	75.92	74.26	**77.15**
NY Harbor 3-2-1 ($/bbl)	21.37	**22.00**	19.04	22.11	21.11	17.40	**19.92**	18.55	24.51	**20.39**
Revenue ($mm)										
Natural Gas										
U.S.	422	**1,531**	520	489	470	462	**1,941**	462	420	**1,814**
Rest of World	2,152	**8,511**	2,189	2,184	2,166	2,125	**8,664**	2,189	2,184	**8,664**
Total	2,574	**10,042**	2,710	2,673	2,636	2,587	**10,605**	2,651	2,604	**10,478**
Oil	14,547	**62,252**	14,921	15,980	16,268	16,102	**63,271**	15,289	15,078	**62,737**
Other	40,248	**156,555**	35,634	35,634	35,634	35,634	**142,538**	35,634	35,634	**142,538**
Total	57,369	**228,848**	53,265	54,287	54,538	54,323	**216,413**	53,575	53,316	**215,752**
Expense										
Production	7,200	**30,099**	7,747	8,109	8,218	8,125	**32,199**	7,800	7,687	**31,830**
Other	38,638	**150,069**	33,921	33,634	33,634	33,634	**134,824**	33,634	33,634	**134,538**
Ebitda ($mm)										
Exploration and Production	9,921	**42,194**	9,884	10,543	10,685	10,564	**41,676**	10,141	9,994	**41,384**
Other	1,610	**6,486**	1,714	2,000	2,000	2,000	**7,714**	2,000	2,000	**8,000**
Total Ebitda	11,531	**48,681**	11,597	12,543	12,685	12,564	**49,390**	12,141	11,994	**49,384**
Exploration	329	**1,861**	415	415	415	415	**1,660**	415	415	**1,660**
Deprec., Deplet., & Amort.	3,412	**14,186**	4,130	4,130	4,130	4,130	**16,520**	4,130	4,130	**16,520**
Ebit	7,790	**32,634**	7,052	7,998	8,140	8,019	**31,210**	7,596	7,449	**31,204**
Interest	-	**-**	-	-	-	-	**-**	-	-	**-**
Ebt	7,790	**32,634**	7,052	7,998	8,140	8,019	**31,210**	7,596	7,449	**31,204**
Income Tax	2,726	**11,422**	2,468	2,799	2,849	2,807	**10,923**	2,659	2,607	**10,922**
Net Income ($mm)										
Exploration and Production	4,674	**20,422**	4,360							
Other	736	**2,925**	738							
Unallocated	(347)	**(2,135)**	(514)							
Total	5,063	**21,212**	4,584	5,199	5,291	5,212	**20,286**	4,937	4,842	**20,283**
Shares (millions)	1,937	**1,933**	1,909	1,909	1,909	1,909	**1,909**	1,909	1,909	**1,909**
Per share ($)	2.61	**10.97**	2.40	2.72	2.77	2.73	**10.63**	2.59	2.54	**10.62**
Ebitda Margin (E&P)	58%	**58%**	56%	57%	57%	57%	**56%**	57%	57%	**57%**
Tax Rate	35%	**35%**	35%	35%	35%	35%	**35%**	35%	35%	**35%**

Chevron Corporation						
Production and Reserves, 2013						
						NTM
	2013	*12/31/2013 Proven Reserves*			*Weighted*	*Adjusted*
	Production	*Developed*	*Undeveloped*	*Weighted*	*Life Index*	*R/P*
	(bcf or mmb)	*(bcf or mmb)*	*(bcf or mmb)*	*(bcf or mmb)*	*(years)*	*(years)*
North American Natural Gas						
U.S.	454	2,632	1,358	3,311	7.3	
Total	454	2,632	1,358	3,311	7.3	7.5
Rest of World Natural Gas						
Other Americas	148	943	357	1,122	7.6	
Africa	91	1,161	1,884	2,103	23.1	
Asia	831	4,620	2,125	5,683	6.8	
Australia	154	1,251	9,076	5,789	37.6	
Europe	70	200	63	232	3.3	
Kazakhstan	126	1,188	1,102	1,739	13.8	
Other affiliates	21	330	856	758	36.1	
Total	1,441	9,693	15,463	17,425	12.1	12.1
Oil						
U.S.	164	976	354	1,153	7.0	
Other Americas	18	109	134	176	9.8	
Africa	142	763	341	934	6.6	
Asia	141	601	191	697	4.9	
Australia	10	44	87	88	8.8	
Europe	23	94	72	130	5.7	
Kazakhstan	96	884	784	1,276	13.3	
Other affiliates	13	105	49	130	10.0	
Synthetic Crude Oil	25	447	310	602	24.1	
Total	632	4,023	2,322	5,184	8.2	8.2
Total Oil Equivalent	948	6,077	5,126	8,640	9.1	9.1
Weighted Life Index counts undeveloped reserves at half stated value and is computed on latest calendar year volume						
NTM Adjusted R/P also counts undeveloped reserves at half and is computed on next twelve months production.						

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Table 1

McDep Energy Stocks

Enterprise Value, Segments, Yield and McDep Ratio

						Present Value by Segment (%)					
			Price			*North*	*Rest of*			*Dist.*	
			(US$/sh)	*EV/*	*Enterprise*	*Amer.*	*World*			*Yield*	
	Symbol/Rating		*23-May*	*Market*	*Value*	*Natural*	*Natural*	*Oil*	*Down-*	*NTM*	*McDep*
	B = Buy, CB (see below)		*2014*	*Cap*	*($mm)*	*Gas*	*Gas*	*Prod'n*	*stream*	*(%)*	*Ratio*
Global Integrated											
Exxon Mobil Corporation	XOM	B	101.32	1.17	515,000	8	19	56	17	2.5	0.99
Total S.A.	TOT		71.31	1.30	211,000		22	62	16	4.7	0.91
Royal Dutch Shell plc	RDS-A		79.09	1.34	334,000	4	22	57	17	4.8	0.87
Chevron Corporation	CVX		123.37	1.19	280,000	4	11	72	13	3.5	0.85
Lukoil Oil Company	LUKOY	CB	57.04	1.16	51,500			75	25	5.1	0.46
Total or Median				*1.19*	*1,392,000*			*62*	*17*	*4.7*	*0.87*
U.S. Independent											
EOG Resources, Inc.	EOG		103.97	1.11	63,100	18	4	78		0.5	0.95
Occidental Petroleum Corp.	OXY		96.97	1.12	87,400	9	1	79	11	3.0	0.91
ConocoPhillips	COP		78.43	1.34	131,000	15	14	71		3.5	0.83
Marathon Oil Corporation	MRO	B	36.28	1.38	34,800	8	4	89		2.1	0.78
Devon Energy Corporation	DVN	B	72.65	1.36	40,300	45		55		1.0	0.78
Total or Median				*1.34*	*357,000*	*15*		*78*		*2.1*	*0.83*
Canada/Australia											
Woodside Petroleum Ltd.	WOPEY		38.44	1.14	36,000		70	30		5.4	1.06
Imperial Oil Limited (30%)	IMO		49.58	1.23	15,600	2		79	19	1.0	0.96
EnCana Corporation	ECA	B	22.95	1.51	25,600	81		19		1.2	0.83
Cenovus Energy Inc.	CVE		29.27	1.32	29,100	9		75	15	3.4	0.75
Canadian Oil Sands Limited	COSWF	B	21.01	1.24	12,700			100		7.5	0.67
Total or Median				*1.24*	*119,000*			*75*		*3.4*	*0.83*
Small Cap Independent Producers											
Continental Resources (32%)	CLR	B	137.36	1.20	9,800	16		84		-	1.01
Peyto Exploration and Developr	PEYUF		34.77	1.18	6,100	81		19		2.5	0.95
Cimarex Energy Company	XEC	B	126.53	1.13	12,500	40		60		0.5	0.91
Range Resources	RRC	B	88.68	1.26	18,000	63		37		0.2	0.91
Halcón Resources	HK		5.57	2.51	5,700	6		94		-	0.91
Birchcliff Energy Ltd.	BIREF	B	11.92	1.31	2,400	72		28		-	0.88
PDC Energy	PDCE		61.51	1.29	2,900	27		73		-	0.85
Whiting Petroleum Corporation	WLL	B	71.42	1.32	11,200	7		93		-	0.84
WPX Energy Inc.	WPX		20.72	1.64	6,800	70		30		-	0.82
Total or Median				*1.29*	*75,000*	*40*		*60*		-	*0.91*
RTF Cash Payers											
Mesa RoyaltyTrust	MTR		31.72	1.00	60	71		29		9.3	1.13
Freehold Royalties Ltd.	FRHLF		22.87	1.04	1,600	21		79		6.8	1.08
Dorchester Minerals, L.P.	DMLP	B	28.61	1.00	880	45		55		7.3	1.02
Enduro Royalty Trust	NDRO		12.82	1.00	420	37		63		6.5	0.92
San Juan Basin Royalty Trust	SJT	B	18.94	1.00	880	100		-		7.1	0.90
Hugoton RoyaltyTrust	HGT		11.71	1.00	470	88		12		7.8	0.90
Sabine Royalty Trust	SBR		55.64	1.00	810	44		56		8.3	0.87
Cross Timbers Royalty Trust	CRT		35.00	1.00	210	64		36		9.0	0.83
Permian Basin RT	PBT		14.67	1.00	680	26		74		7.5	0.82
Total or Median				*1.00*	*6,000*	*45*		*55*		*7.5*	*0.90*
CB=Contrarian Buy, Stock Price may be in downtrend compared to 200-day average.											
Estimated present value presumes a long-term price for oil of US$90 a barrel and natural gas, $6 a million btu.											
McDep Ratio = **M**arket **c**ap and **De**bt to **p**resent value of oil and gas and other businesses											

Table 2								
McDep Energy Stocks								
Net Present Value and McDep Ratio								
			Price			*Net*		
			(US$/sh)		*Market*	*Present*	*Debt/*	
	Symbol/Rating		*23-May*	*Shares*	*Cap*	*Value*	*Present*	*McDep*
	B = Buy, CB (see below)		*2014*	*(mm)*	*(US$mm)*	*(US$/sh)*	*Value*	*Ratio*
Global Integrated								
Exxon Mobil Corporation	XOM	B	101.32	4,328	439,000	102.00	0.15	0.99
Total S.A.	TOT		71.31	2,277	162,000	80.00	0.21	0.91
Royal Dutch Shell plc	RDS-A		79.09	3,145	249,000	95.00	0.22	0.87
Chevron Corporation	CVX		123.37	1,909	236,000	150.00	0.13	0.85
Lukoil Oil Company	LUKOY	CB	57.04	776	44,300	135.00	0.07	0.46
Total or Median					*1,130,000*		*0.15*	*0.87*
U.S. Independent								
EOG Resources, Inc.	EOG		103.97	548	57,000	110.00	0.09	0.95
Occidental Petroleum Corp.	OXY		96.97	802	77,800	108.00	0.10	0.91
ConocoPhillips	COP		78.43	1,243	98,000	100.00	0.21	0.83
Marathon Oil Corporation	MRO	B	36.28	696	25,250	50.00	0.22	0.78
Devon Energy Corporation	DVN	B	72.65	407	29,600	100.00	0.21	0.78
Total or Median					*287,700*		*0.21*	*0.83*
Canada/Australia								
Woodside Petroleum Ltd.	WOPEY		38.44	823	31,600	36.00	0.13	1.06
Imperial Oil Limited (30%)	IMO		49.58	255	12,600	52.00	0.18	0.96
EnCana Corporation	ECA	B	22.95	736	16,900	30.00	0.28	0.83
Cenovus Energy Inc.	CVE		29.27	757	22,200	42.00	0.18	0.75
Canadian Oil Sands Limited	COSWF	B	21.01	485	10,200	34.00	0.13	0.67
Total or Median					*94,000*		*0.18*	*0.83*
Small Cap Independent Producers								
Continental Resources (32%)	CLR	B	137.36	59	8,100	135.00	0.17	1.01
Peyto Exploration and Development Corp.	PEYUF		34.77	149	5,200	37.00	0.14	0.95
Cimarex Energy Company	XEC	B	126.53	87	11,000	140.00	0.11	0.91
Range Resources	RRC	B	88.68	161	14,300	100.00	0.19	0.91
Halcón Resources	HK		5.57	412	2,300	7.00	0.55	0.91
Birchcliff Energy Ltd.	BIREF	B	11.92	156	1,900	14.00	0.21	0.88
PDC Energy	PDCE		61.51	36	2,200	75.00	0.19	0.85
Whiting Petroleum Corporation	WLL	B	71.42	119	8,500	90.00	0.20	0.84
WPX Energy Inc.	WPX		20.72	201	4,200	28.00	0.32	0.82
Total or Median					*58,000*		*0.19*	*0.91*
RTF Cash Payers								
Mesa RoyaltyTrust	MTR		31.72	2	60	28.00	-	1.13
Freehold Royalties Ltd.	FRHLF		22.87	68	1,540	21.00	0.04	1.08
Dorchester Minerals, L.P.	DMLP	B	28.61	31	880	28.00	-	1.02
Enduro Royalty Trust	NDRO		12.82	33	420	14.00	-	0.92
San Juan Basin Royalty Trust	SJT	B	18.94	47	880	21.00	-	0.90
Hugoton RoyaltyTrust	HGT		11.71	40	470	13.00	-	0.90
Sabine Royalty Trust	SBR		55.64	15	810	64.00	-	0.87
Cross Timbers Royalty Trust	CRT		35.00	6	210	42.00	-	0.83
Permian Basin RT	PBT		14.67	47	680	18.00	-	0.82
Total or Median					*6,000*		-	*0.90*
CB=Contrarian Buy, Stock Price may be in downtrend compared to 200-day average.								
Estimated present value presumes a long-term price for oil of US$90 a barrel and natural gas, $6 a million btu.								
McDep Ratio = **M**arket **c**ap and **De**bt to **p**resent value of oil and gas and other businesses								

Table 3

McDep Energy Stocks
Value Multiples and Dividend
Ranked by EV/Ebitda

			Price (US$/sh) 23-May 2014	Adjustd Resrvs/ Prod NTM	PV/ Ebitda NTM	EV/ Ebitda NTM	P/E NTM	Dividend NTM ($/sh)
	Symbol/Rating B = Buy, CB (see below)							
Global Integrated								
Exxon Mobil Corporation	XOM	B	101.32	14.0	7.1	7.0	12	2.52
Total S.A.	TOT		71.31	10.3	6.5	6.0	12	3.33
Royal Dutch Shell plc	RDS-A		79.09	10.2	6.6	5.8	11	3.76
Chevron Corporation	CVX		123.37	9.1	6.7	5.7	12	4.28
Lukoil Oil Company	LUKOY	CB	57.04	15.4	5.6	2.6	4	2.92
Median				*10.3*	*6.6*	*5.8*	*12*	
U.S. Independent								
EOG Resources, Inc.	EOG		103.97	7.8	6.8	6.4	21	2.88
Devon Energy Corporation	DVN	B	72.65	10.3	8.0	6.3	15	0.72
Occidental Petroleum Corp.	OXY		96.97	10.4	6.6	6.0	15	2.76
ConocoPhillips	COP		78.43	11.3	6.9	5.7	11	0.50
Marathon Oil Corporation	MRO	B	36.28	10.6	6.4	5.0	11	0.76
Median				*10.4*	*6.8*	*6.0*	*15*	
Canada/Australia								
Imperial Oil Limited (30%)	IMO		49.58	23.8	10.1	9.7	13	0.48
EnCana Corporation	ECA	B	22.95	6.8	11.5	9.6	16	0.28
Woodside Petroleum Ltd.	WOPEY		38.44	9.5	8.1	8.6	18	2.06
Canadian Oil Sands Limited	COSWF	B	21.01	20.4	10.1	6.7	11	1.57
Cenovus Energy Inc.	CVE		29.27	13.7	8.6	6.4	14	0.98
Median				*13.7*	*10.1*	*8.6*	*14*	
Small Cap Independent Producers								
Range Resources	RRC	B	88.68	13.7	12.4	11.3	40	0.16
Peyto Exploration and Development Corp.	PEYUF		34.77	8.1	9.6	9.1	18	0.88
Birchcliff Energy Ltd.	BIREF	B	11.92	14.5	9.4	8.3	22	-
PDC Energy	PDCE		61.51	16.9	9.4	8.0	24	-
WPX Energy Inc.	WPX		20.72	8.5	9.7	8.0		-
Continental Resources (32%)	CLR	B	137.36	11.4	7.1	7.2	17	-
Halcón Resources	HK		5.57	5.6	7.2	6.6	10	-
Cimarex Energy Company	XEC	B	126.53	7.0	7.0	6.4	16	0.64
Whiting Petroleum Corporation	WLL	B	71.42	8.2	5.7	4.8	20	-
Median				*8.5*	*9.4*	*8.0*	*19*	
RTF Cash Payers								
San Juan Basin Royalty Trust	SJT	B	18.94	10.7	14.3	12.9	14	1.34
Sabine Royalty Trust	SBR		55.64	10.0	13.9	12.1	12	4.61
Dorchester Minerals, L.P.	DMLP	B	28.61	8.3	11.2	11.5	16	2.08
Hugoton RoyaltyTrust	HGT		11.71	13.9	12.5	11.3	13	0.91
Mesa RoyaltyTrust	MTR		31.72	6.4	9.6	10.8	11	2.95
Freehold Royalties Ltd.	FRHLF		22.87	5.4	9.7	10.5	22	1.55
Cross Timbers Royalty Trust	CRT		35.00	12.2	11.5	9.6	11	3.16
Permian Basin RT	PBT		14.67	9.7	9.9	8.1	13	1.10
Enduro Royalty Trust	NDRO		12.82	7.4	7.8	7.1	15	0.83
Median				*9.7*	*11.2*	*10.8*	*13*	

CB=Contrarian Buy, Stock Price may be in downtrend compared to 200-day average.
EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended June 30, 2015; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses

Table 4

McDep Energy Stocks

Total Return and Enterprise Value Momentum

Ranked by EV/200-Day Average

	Symbol	Rating	*Price ($/sh) 23-May 2014*	*Equity Total Return YTD (%)*	*Enterprise Value/ 52Wk High*	*52Wk Low*	*50 Day Avg.*	*200 Day Avg.*	*McDep Ratio*
Global Integrated									
Total S.A.	TOT		71.31	18	0.98	1.36	1.04	1.12	0.91
Royal Dutch Shell plc	RDS-A		79.09	14	0.98	1.18	1.03	1.09	0.87
Exxon Mobil Corporation	XOM	B	101.32	2	0.98	1.16	1.02	1.07	0.99
Chevron Corporation	CVX		123.37	1	0.97	1.11	1.01	1.02	0.85
Lukoil Oil Company	LUKOY	CB	57.04	(10)	0.87	1.14	1.05	0.97	0.46
Median				*2*	*0.98*	*1.16*	*1.03*	*1.07*	*0.87*
U.S. Independent									
EOG Resources, Inc.	EOG		103.97	24	0.98	1.57	1.04	1.15	0.95
Devon Energy Corporation	DVN	B	72.65	18	0.99	1.27	1.04	1.11	0.78
ConocoPhillips	COP		78.43	13	1.00	1.23	1.05	1.08	0.83
Occidental Petroleum Corp.	OXY		96.97	3	0.98	1.12	1.01	1.03	0.91
Marathon Oil Corporation	MRO	B	36.28	4	0.96	1.10	1.01	1.03	0.78
Median				*13*	*0.98*	*1.23*	*1.04*	*1.08*	*0.83*
Canada/Australia									
EnCana Corporation	ECA	B	22.95	28	0.97	1.23	1.02	1.12	0.83
Imperial Oil Limited (30%)	IMO		49.58	12	1.00	1.26	1.03	1.10	0.96
Woodside Petroleum Ltd.	WOPEY		38.44	14	0.98	1.20	1.03	1.07	1.06
Canadian Oil Sands Limited	COSWF	B	21.01	15	0.96	1.14	1.01	1.06	0.67
Cenovus Energy Inc.	CVE		29.27	3	0.94	1.11	1.02	1.02	0.75
Median				*14*	*0.97*	*1.20*	*1.02*	*1.07*	*0.83*
Small Cap Independent Producers									
Birchcliff Energy Ltd.	BIREF	B	11.92	74	1.00	1.51	1.08	1.32	0.88
Cimarex Energy Company	XEC	B	126.53	21	0.91	1.80	1.05	1.18	0.91
Continental Resources (32%)	CLR	B	137.36	22	0.98	1.53	1.05	1.17	1.01
Whiting Petroleum Corporation	WLL	B	71.42	15	0.95	1.40	1.00	1.10	0.84
Peyto Exploration and Development	PEYUF		34.77	15	0.94	1.25	1.00	1.10	0.95
Halcón Resources	HK		5.57	44	0.94	1.21	1.05	1.08	0.91
Range Resources	RRC	B	88.68	5	0.94	1.17	1.00	1.06	0.91
WPX Energy Inc.	WPX		20.72	2	0.92	1.13	1.02	1.04	0.82
PDC Energy	PDCE		61.51	16	0.86	1.27	1.00	1.04	0.85
Median				*16*	*0.94*	*1.27*	*1.02*	*1.10*	*0.91*
RTF Cash Payers									
Hugoton RoyaltyTrust	HGT		11.71	61	0.98	1.68	1.28	1.43	0.90
Mesa RoyaltyTrust	MTR		31.72	58	1.00	1.58	1.16	1.35	1.13
Cross Timbers Royalty Trust	CRT		35.00	23	0.99	1.39	1.10	1.16	0.83
Dorchester Minerals, L.P.	DMLP	B	28.61	14	0.99	1.22	1.06	1.13	1.02
San Juan Basin Royalty Trust	SJT	B	18.94	16	0.96	1.24	1.04	1.11	0.90
Sabine Royalty Trust	SBR		55.64	14	0.99	1.16	1.08	1.08	0.87
Permian Basin RT	PBT		14.67	17	0.90	1.21	1.10	1.08	0.82
Freehold Royalties Ltd.	FRHLF		22.87	13	0.96	1.17	1.04	1.05	1.08
Enduro Royalty Trust	NDRO		12.82	9	0.78	1.13	1.04	0.98	0.92
Median				*16*	*0.98*	*1.22*	*1.08*	*1.11*	*0.90*

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

Source: Bloomberg, Yahoo, McDep LLC

Index of Recent Research

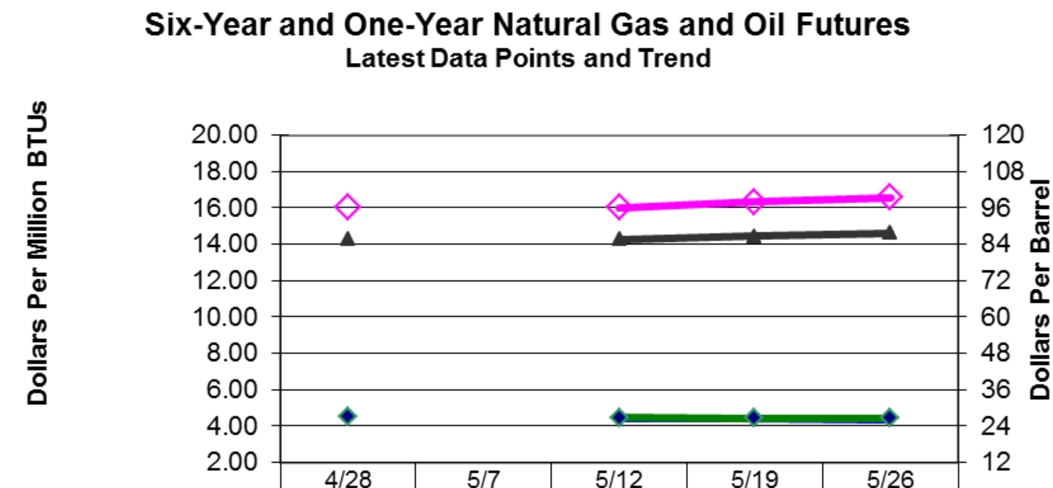
Stock Ideas			
Date	*Symbol*	*Subject*	*Theme*
20-May	BIREF	Birchcliff Energy	Raise NPV to $14 on Accelerating Volume (Meter Reader)
13-May	XEC	Cimarex Energy	Raise NPV to $140 on Cana Double (Meter Reader)
23-Apr	HGT	Hugoton Royalty Trust	Positive Arbitration Ruling
22-Apr	RRC	Range Resources	Testing Utica (Meter Reader)
21-Apr	MTR	Mesa Royalty Trust	Underpayment Uncovered, Upside Commodity Leverage
15-Apr	COP	ConocoPhillips	Shale Upside, Exploration Promise, Dividend Strength (Meter Reader)
8-Apr	WLL	Whiting Petroleum	Fraccing by the Nanometer (Meter Reader)
1-Apr	FRHLF	Freehold Royalties Ltd	Model for Upcoming Encana Spinoff (Meter Reader)
25-Mar	CVE	Cenovus Energy	Oil Growth Slowed by Transit States (Meter Reader)
18-Mar	PBT	Permian Basin Royalty Trust	Rising Oil Production, Understated Income (Meter Reader)
11-Mar	LUKOY	Lukoil	Economic Opportunity in Political Risk (Meter Reader)
4-Mar	EOG	EOG Resources	Raise NPV to $220 on Shale Oil Leadership (Meter Reader)
25-Feb	XEC	Cimarex Energy	More Upside Ahead (Meter Reader)
21-Feb	DMLP	Dorchester Minerals, L.P.	Raise NPV to $28 on Shale Oil
21-Feb	PDCE	PDC Energy	Raise NPV to $75 on More Shale Oil
18-Feb	ECA	Encana Corporation	Leveraged to Natural Gas Price (Meter Reader)
11-Feb	SJT	San Juan Basin Royalty Trust	Strategic Resource in a Cold Winter (Meter Reader)
4-Feb	XOM	Exxon Mobil	Largest and Strongest Oil and Gas Producer (Meter Reader)
21-Jan	RDSA	Royal Dutch Shell plc	Lower NPV to $95 on Profit Warning (Meter Reader)
17-Dec	MRO	Marathon Oil	New CEO Accelerates Shale Growth (Meter Reader)
26-Nov	DVN	Devon Energy	Acquires $6 Billion Eagle Ford Position (Meter Reader)
19-Nov	CLR	Continental Resources	High Density "Ears Back" Drilling Pace (Meter Reader)
5-Nov	COSWF	Canadian Oil Sands Ltd.	Time to Explore New Options (Meter Reader)
4-Oct	NDRO	Enduro Royalty Trust	Worth Another Look after Stock Price Decline
27-Sep	WPX	WPX Energy	San Juan Basin Innovator (Income and Small Cap Weekly)
13-Sep	CRT	Cross Timbers Royalty Trust	Fracking Upside in Permian and Scoop (Income and Small Cap Weekly)
10-Sep	OXY	Occidental Petroleum	Permian Late Bloomer (Meter Reader)
23-Jul	WOPEY	Woodside Petroleum, Ltd.	Distributing LNG Cash (Meter Reader)
21-May	IMO	Imperial Oil	Timely on Bitumen Price (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)
5-Apr	SBR	Sabine Royalty Trust	Accelerating Volume Growth (Income and Small Cap Weekly)
28-Mar	PEYUF	Peyto Exploration and Developmen	Raise NPV to $32 for Fracking 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			
20-May	XEC	Birchcliff Energy	Raise NPV to $14 on Accelerating Volume
13-May	XEC	Cimarex Energy	Raise NPV to $140 on Cana Double
29-Apr			Prune for Portfolio Profit
22-Apr	RRC	Range Resources	Testing Utica
15-Apr	COP	ConocoPhillips	Shale Upside, Exploration Promise, Dividend Strength
8-Apr	WLL	Whiting Petroleum	Fraccing by the Nanometer (Meter Reader)
1-Apr	FRHLF	Freehold Royalties Ltd	Model for Upcoming Encana Spinoff
	For earlier editions, go to mcdep.com, click on Meter Reader.		
Industry Ideas			
17-Apr	PBT, SBR, CRT, HGT		Proxy Voting Underway
9-Jan		RTF Cash Payers	Trustee Change Proposed
24-Dec		RTF Cash Payers	Rising RTF Cash in 2014 (Meter Reader)

McDep LLC

Meter Reader

A Weekly Analysis of Oil and Gas Stocks

May 27, 2014



	4/28	5/7	5/12	5/19	5/26
12 Mo Natural Gas	4.78		4.42	4.44	4.36
72 Mo Natural Gas	4.50		4.46	4.45	4.44
12 Month Oil Strip	96.33		96.07	97.88	99.50
72 Month Oil Strip	85.75		85.64	86.67	87.62

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.

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Research Methodology/Ratings Description: McDep LLC is an independent research originator focused on oil and gas stocks exclusively. The firm applies the forty years of experience of its analyst to estimate a present value of the oil and gas resources and other businesses of covered companies. That value is compared with a company's stock market capitalization and debt. Stocks with low market cap and debt relative to present value tend to outperform stocks with high market cap and debt relative to present value. Buy recommendations are expected to deliver a total return better than 7% per year above inflation. Hold recommendations assume the attributes of the underlying business are reflected in the current price of the stock. Sell recommendations are expected to deliver a total return less than inflation.