

## Small Independents – Strategic Value, Uncertain Price BIREF, CRC, RRC, WLL

		Price						Oil	Dist.	
		(US\$/sh)	Market	Enterprise	EV/	EV/	PV/	Prod'n/	Yield	McDep
	Symbol/Rating	20-Aug	Cap	Value	Market	Ebitda	Ebitda	Ebitda	NTM	Ratio
		2018	(US\$m)	(\$mm)	Cap	NTM	NTM	(%)	(%)	(EV/PV)
California Resources	CRC	30.45	1,300	8,100	6.2	6.5	8.9	93	-	0.73
Whiting Petroleum Corporation	WLL	45.75	4,200	7,400	1.75	5.2	8.8	97	-	0.60
Range Resources	RRC	14.96	3,700	8,300	2.27	5.6	9.7	44	0.5	0.58
Birchcliff Energy Ltd.	BIREF	3.68	1,000	1,600	1.64	5.4	10.1	48	2.1	0.53
<i>Total or Median</i>			<i>10,200</i>	<i>25,400</i>	<i>2.01</i>	<i>5.5</i>	<i>9.3</i>	<i>71</i>	<i>0.3</i>	<i>0.59</i>

### Summary and Recommendation

Four small independent producers offer strategic oil and gas value at a median McDep Ratio of 0.59, the most unlevered appreciation potential of the five groups in our coverage. We like the equities while we temper the stock price risk that magnifies oil and gas price volatility. The two oil producers **California Resources (CRC)** and **Whiting Petroleum (WLL)** depend most on oil price, which may be capped until after the U.S. mid-term elections in early November. The two natural gas producers **Range Resources (RRC)** and **Birchcliff Energy (BIREF)** depend most on natural gas price, which may benefit from low storage inventory going into the winter despite record industry production.

- Remarkably, CRC management has achieved resumed volume growth while dealing with an overload of debt imposed by OXY when it spun off CRC.
- WLL concentrates on its large Bakken position, which is becoming increasingly valuable with advancing technology.
- RRC sees acute price pressures easing on natural gas and liquids as takeaway capacity grows for the super-giant Marcellus gas field discovered by RRC in Appalachia,
- BIREF delivers on its production and cash flow promises despite abnormally low summertime natural gas price at the Alberta hub. Higher-profit oil volumes exceeded our expectations in the second quarter reported after the market close on August 14.

Production growth resumes for the oil companies and continues for the gas companies (see chart [Volume](#) on page 2). The gas companies receive much lower price per unit of heating value (see chart [Price](#) on page 2). Yet, higher price comes with higher unit cost and vice versa (see chart [Expense](#) on page 3). In the end, volume rules as the gas companies demonstrate stronger cash flow trend (see chart [Ebitda](#) on page 3).

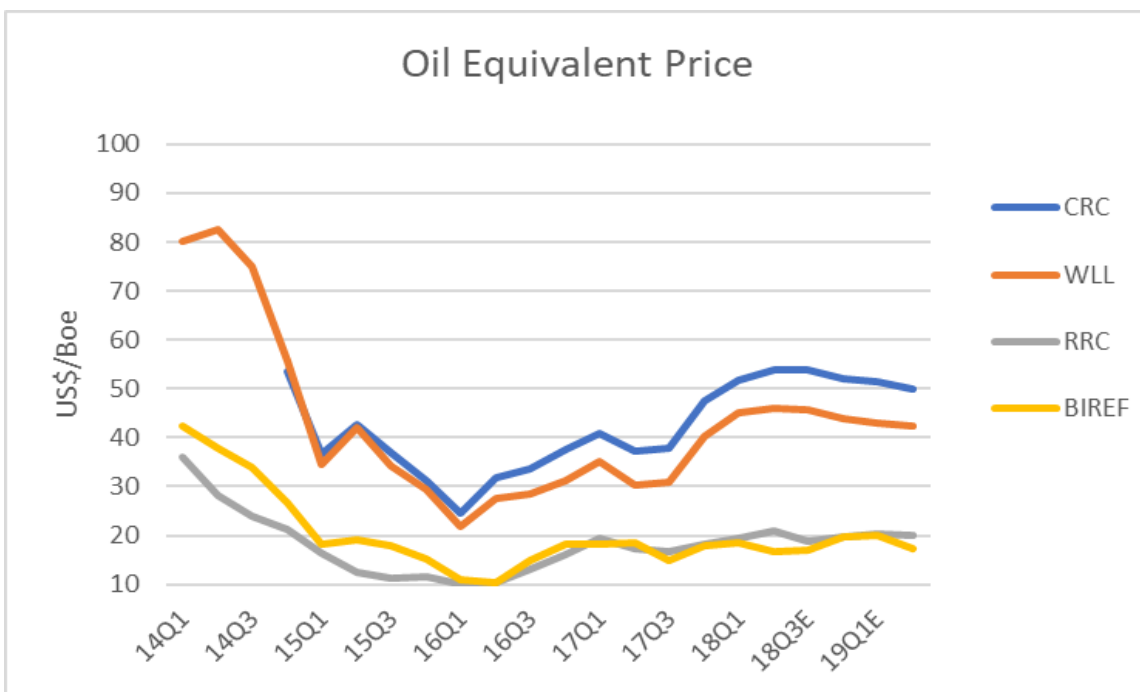
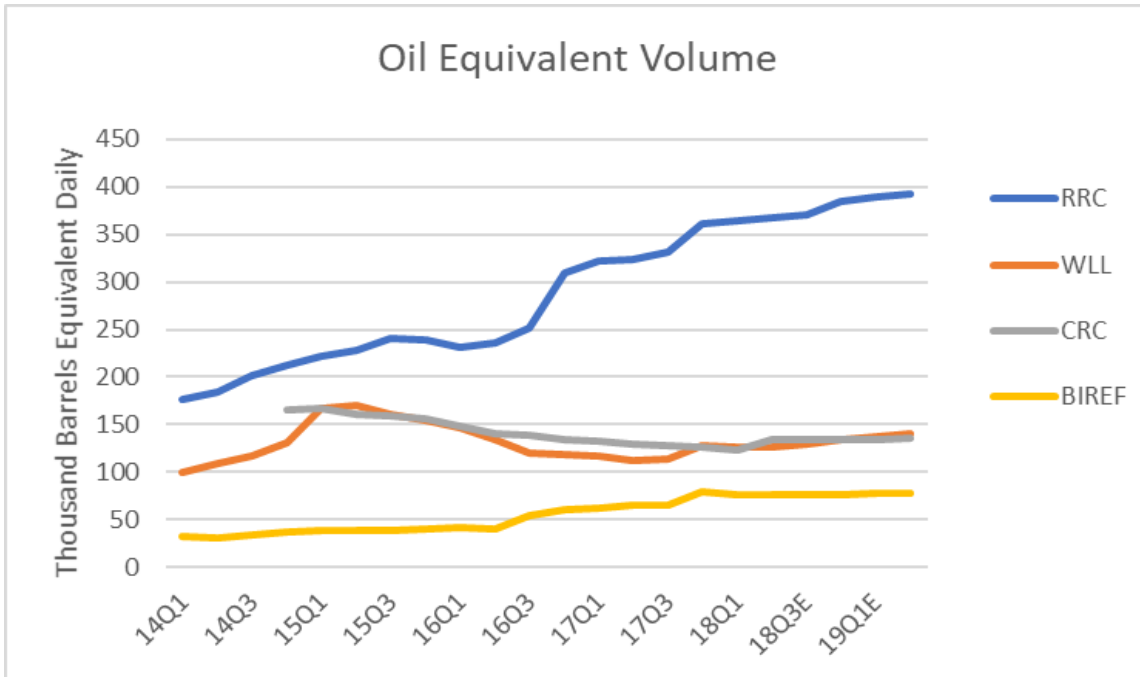
Low EV/Ebitda multiple at a median 5.5 times illustrates appreciation potential implied by our estimates of cash flow for the next four quarters (see tables [Operating and Cash Flow Estimates](#) on pages 4-5). Valuation tables expand cash flow to present value, McDep Ratio and year-to-date performance for all 22 stocks in our coverage (see [Tables 1-4](#) on pages 6-9).

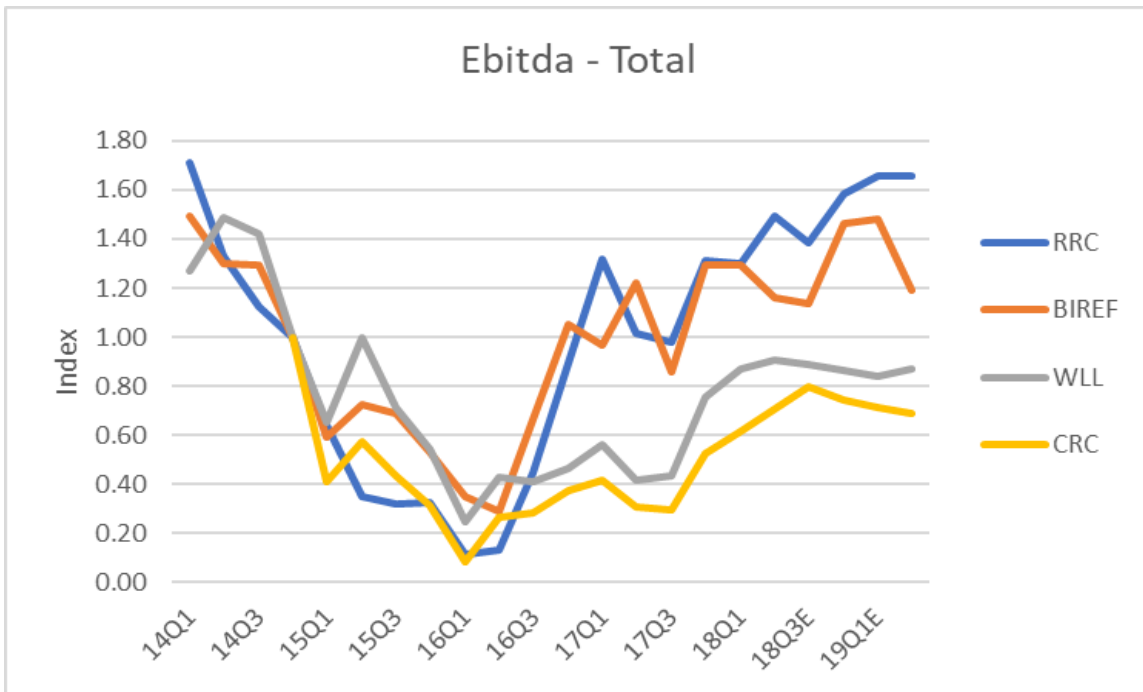
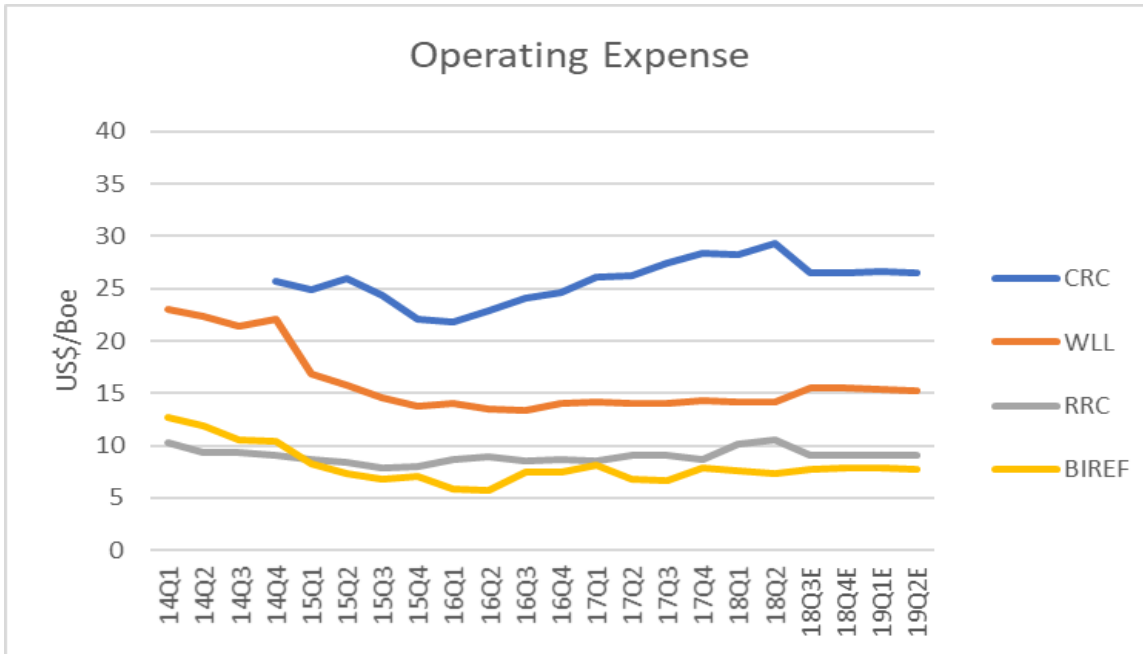
Kurt H. Wulff, CFA



# Industry Idea

Analysis of Oil and Gas Stocks  
August 20, 2018







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Birchcliff Energy Ltd.										
Next Twelve Months Operating and Financial Estimates										
	Q2	Year	Q1	Q2	Q3E	Q4E	Year	Q1E	Q2E	Next Twelve Months
	6/30/17	2017	3/31/18	6/30/18	9/30/18	12/31/18	2018	3/31/19	6/30/19	6/30/19
<b>Volume (barrels oil equivalent)</b>										
Daily (mboed)	65	<b>68</b>	76	76	76	76	<b>76</b>	78	78	<b>77</b>
Period (mmboe)	5.88	<b>24.81</b>	6.86	6.94	7.02	7.02	<b>27.85</b>	6.98	7.06	<b>28.08</b>
<b>Price (US\$/boe)</b>	18.58	<b>17.31</b>	18.41	16.81	16.92	19.77	<b>17.98</b>	19.94	17.27	<b>18.47</b>
<b>Expense (US\$/boe)</b>	6.79	<b>7.36</b>	7.67	7.29	7.70	7.90	<b>7.64</b>	7.87	7.69	<b>7.79</b>
<b>Ebitda - Production (US\$/boe)</b>	11.78	<b>9.95</b>	10.75	9.52	9.22	11.87	<b>10.34</b>	12.06	9.58	<b>10.68</b>
<b>Ebitda - Total</b>										
Unit (US\$/boe)	11.78	<b>9.95</b>	10.75	9.52	9.22	11.87	<b>10.34</b>	12.06	9.58	<b>10.68</b>
Period (US\$m)	69	<b>247</b>	74	66	65	83	<b>288</b>	84	68	<b>300</b>
<b>Deprec, Deplet, Amort, Other</b>	57	<b>303</b>	65	65	64	64	<b>259</b>	64	64	<b>258</b>
<b>Ebit (US\$m)</b>	12	<b>(56)</b>	9	1	0	19	<b>29</b>	20	3	<b>42</b>
Interest	6	<b>25</b>	6	6	6	6	<b>24</b>	6	6	<b>24</b>
<b>Ebt (US\$m)</b>	18	<b>(31)</b>	15	7	6	25	<b>54</b>	26	9	<b>66</b>
Income Tax	6	<b>11</b>	5	3	1	5	<b>14</b>	5	2	<b>14</b>
<b>Net Income (US\$m)</b>										
Total	12	<b>(41)</b>	11	4	5	20	<b>39</b>	20	7	<b>52</b>
<b>Shares (millions)</b>	268	-	266	268	268	268	-	268	268	<b>268</b>
Earnings Per Share (US\$)	0.04	<b>(0.15)</b>	0.04	0.02	0.02	0.07	<b>0.15</b>	0.08	0.03	<b>0.20</b>
<b>Dividend (US\$/share)</b>	0.019	<b>0.077</b>	0.020	0.019	0.019	0.019	<b>0.078</b>	0.019	0.019	<b>0.077</b>
<b>Present Value (US\$m)</b>	3,311		3,041	3,050	3,042	3,042		3,042	3,042	
<b>Debt (US\$m)</b>	631		647	638	630	630		630	630	
<b>Net Present Value (US\$m)</b>	2,680		2,394	2,412	2,412	2,412		2,412	2,412	
<b>NPV (US\$/share)</b>	10		9	9	9	9		9	9	<b>9</b>

California Resources Corporation										
Next Twelve Months Operating and Financial Estimates										
	Q2	Year	Q1	Q2	Q3E	Q4E	Year	Q1E	Q2E	Next Twelve Months
	6/30/17	2017	3/31/18	6/30/18	9/30/18	12/31/18	2018	3/31/19	6/30/19	6/30/19
<b>Volume (barrels oil equivalent)</b>										
Daily (mboed)	129	<b>129</b>	123	134	134	134	<b>131</b>	134	136	<b>134</b>
Period (mmboe)	11.8	<b>47.0</b>	11.1	12.2	12.3	12.3	<b>48.0</b>	12.1	12.3	<b>49.1</b>
<b>Price (US\$/boe)</b>	37.33	<b>40.92</b>	51.73	53.89	53.89	51.98	<b>52.90</b>	51.54	50.04	<b>51.87</b>
<b>Expense (US\$/boe)</b>	26.17	<b>27.02</b>	28.20	29.36	26.50	26.50	<b>27.62</b>	26.57	26.50	<b>26.52</b>
<b>Ebitda - Production (US\$/boe)</b>	11.16	<b>13.90</b>	23.54	24.53	27.39	25.48	<b>25.28</b>	24.97	23.55	<b>25.35</b>
<b>Ebitda - Total</b>										
Unit (US\$/boe)	11.16	<b>13.90</b>	23.54	24.53	27.39	25.48	<b>25.28</b>	24.97	23.55	<b>25.35</b>
Period (US\$m)	131	<b>654</b>	261	299	338	314	<b>1,212</b>	301	291	<b>1,244</b>
<b>Deprec, Deplet, Amort, Other</b>	168	<b>599</b>	160	221	222	222	<b>824</b>	220	225	<b>889</b>
<b>Ebit (US\$m)</b>	(36)	<b>55</b>	102	78	116	92	<b>388</b>	81	66	<b>355</b>
Interest	83	<b>343</b>	92	94	94	94	<b>374</b>	94	94	<b>376</b>
<b>Ebt (US\$m)</b>	(119)	<b>(288)</b>	10	(16)	22	(2)	<b>14</b>	(13)	(28)	<b>(21)</b>
Income Tax	(42)	<b>(101)</b>	2	(3)	5	(0)	<b>3</b>	(3)	(6)	<b>(4)</b>
<b>Net Income (US\$m)</b>										
Total	(78)	<b>(187)</b>	8	(12)	17	(1)	<b>11</b>	(10)	(22)	<b>(17)</b>
<b>Shares (millions)</b>	42	<b>43</b>	43	43	43	43	<b>43</b>	43	43	<b>43</b>
Earnings Per Share (US\$)	(1.83)	<b>(4.40)</b>	0.18	(0.29)	0.41	(0.03)	<b>0.27</b>	(0.24)	(0.53)	<b>(0.39)</b>
<b>Dividend (US\$/share)</b>										
<b>Present Value (US\$m)</b>	8,143		10,544	11,042	11,042	11,042		11,042	11,042	
<b>Debt (US\$m)</b>	6,023		6,274	6,787	6,787	6,787		6,787	6,787	
<b>Net Present Value (US\$m)</b>	2,120		4,270	4,255	4,255	4,255		4,255	4,255	
<b>NPV (US\$/share)</b>	50		100	100	100	100		100	100	<b>100</b>



# Industry Idea

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Range Resources Corporation										
Next Twelve Months Operating and Financial Estimates										
	Q2	Year	Q1	Q2	Q3E	Q4E	Year	Q1E	Q2E	Next Twelve Months
	6/30/17	2017	3/31/18	6/30/18	9/30/18	12/31/18	2018	3/31/19	6/30/19	6/30/19
<b>Volume</b> (barrels oil equivalent)										
Daily (mboed)	324	<b>335</b>	365	367	370	385	<b>372</b>	389	393	<b>384</b>
Period (mmbode)	29.8	<b>122.9</b>	33.2	33.7	34.0	35.4	<b>136.4</b>	35.4	36.1	<b>141.0</b>
<b>Price</b> (US\$/boe)	17.18	<b>17.83</b>	19.50	21.05	18.77	19.74	<b>19.77</b>	20.25	20.01	<b>19.71</b>
<b>Expense</b> (US\$/boe)	9.05	<b>8.84</b>	10.16	10.49	9.06	9.06	<b>9.68</b>	9.06	9.06	<b>9.06</b>
<b>Ebitda - Production</b> (US\$/boe)	8.12	<b>8.99</b>	9.35	10.55	9.71	10.68	<b>10.08</b>	11.19	10.95	<b>10.65</b>
<b>Ebitda - Total</b>										
Unit (US\$/boe)	8.12	<b>8.99</b>	9.35	10.55	9.71	10.68	<b>10.08</b>	11.19	10.95	<b>10.65</b>
Period (US\$m)	242	<b>1,104</b>	310	356	331	379	<b>1,375</b>	396	396	<b>1,501</b>
<b>Deprec, Deplet, Amort, Other</b>	172	<b>690</b>	83	226	197	212	<b>718</b>	212	216	<b>836</b>
<b>Ebit</b> (US\$m)	71	<b>414</b>	227	130	134	166	<b>657</b>	184	180	<b>665</b>
Interest	48	<b>195</b>	52	54	54	54	<b>214</b>	54	54	<b>216</b>
<b>Ebt</b> (US\$m)	23	<b>219</b>	175	76	80	112	<b>443</b>	130	126	<b>449</b>
Income Tax	8	<b>77</b>	61	26	17	24	<b>128</b>	27	26	<b>94</b>
<b>Net Income</b> (US\$m)										
Total	15	<b>142</b>	114	49	63	89	<b>315</b>	103	100	<b>354</b>
<b>Shares</b> (millions)	245	<b>245</b>	247	246	246	246	<b>246</b>	246	246	<b>246</b>
Earnings Per Share (US\$)	0.06	<b>0.58</b>	0.46	0.20	0.26	0.36	<b>1.28</b>	0.42	0.40	<b>1.44</b>
<b>Dividend</b> (US\$/share)										
<b>Present Value</b> (US\$m)	18,112		14,537	14,638	14,638	14,638		14,638	14,638	
<b>Debt</b> (US\$m)	4,392		4,657	4,798	4,798	4,798		4,798	4,798	
<b>Net Present Value</b> (US\$m)	13,720		9,880	9,840	9,840	9,840		9,840	9,840	
<b>NPV</b> (US\$/share)	56		40	40	40	40		40	40	<b>40</b>

Whiting Petroleum Corporation										
Next Twelve Months Operating and Financial Estimates										
	Q2	Year	Q1	Q2	Q3E	Q4E	Year	Q1E	Q2E	Next Twelve Months
	6/30/17	2017	3/31/18	6/30/18	9/30/18	12/31/18	2018	3/31/19	6/30/19	6/30/19
<b>Volume</b> (barrels oil equivalent)										
Daily (mboed)	113	<b>118</b>	127	126	130	134	<b>129</b>	137	141	<b>135</b>
Period (mmbode)	10.4	<b>43.5</b>	11.4	11.6	12.0	12.3	<b>47.3</b>	12.3	13.0	<b>49.6</b>
<b>Price</b> (US\$/boe)	30.37	<b>34.35</b>	45.04	45.85	45.77	44.00	<b>45.15</b>	43.11	42.34	<b>43.77</b>
<b>Expense</b> (US\$/boe)	13.99	<b>14.15</b>	14.16	14.22	15.53	15.47	<b>14.86</b>	15.39	15.23	<b>15.40</b>
<b>Downstream VA</b> (US\$/boe)										
<b>Ebitda - Total</b>										
Unit (US\$/boe)	16.39	<b>20.20</b>	30.87	31.64	30.25	28.53	<b>30.29</b>	27.71	27.11	<b>28.37</b>
Period (US\$m)	170	<b>878</b>	353	367	362	351	<b>1,433</b>	342	352	<b>1,407</b>
<b>Deprec, Deplet, Amort, Other</b>	222	<b>1,045</b>	194	246	270	281	<b>991</b>	299	325	<b>1,176</b>
<b>Ebit</b> (US\$m)	(53)	<b>(167)</b>	159	121	92	70	<b>442</b>	43	27	<b>231</b>
Interest	48	<b>191</b>	53	48	48	48	<b>197</b>	48	48	<b>192</b>
<b>Ebt</b> (US\$m)	(101)	<b>(358)</b>	106	73	44	22	<b>245</b>	(5)	(21)	<b>39</b>
Income Tax	(35)	<b>(125)</b>	22	15	9	5	<b>51</b>	(1)	(4)	<b>8</b>
<b>Net Income</b> (US\$m)										
Total	(65)	<b>(232)</b>	84	58	34	17	<b>193</b>	(4)	(17)	<b>31</b>
<b>Shares</b> (millions)	91	<b>91</b>	91	92	92	92	<b>92</b>	92	92	<b>92</b>
Earnings Per Share (US\$)	(0.72)	<b>(2.56)</b>	0.92	0.63	0.37	0.19	<b>2.11</b>	(0.04)	(0.18)	<b>0.34</b>
<b>Dividend</b> (US\$/share)										
<b>Present Value</b> (US\$m)	10,123		12,270	12,385	12,385	12,385		12,385	12,385	
<b>Debt</b> (US\$m)	3,589		3,170	3,185	3,185	3,185		3,185	3,185	
<b>Net Present Value</b> (US\$m)	6,534		9,100	9,200	9,200	9,200		9,200	9,200	
<b>NPV</b> (US\$/share)	72		100	100	100	100		100	100	<b>100</b>



# Industry Idea

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**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	20-Aug 2018								
<b>Integrated</b>										
	XOM	78.81	337,000	427,000	1.27	8.1	9.0	49	4.2	0.90
	SUN	40.72	67,000	86,000	1.29	7.2	8.5	76	2.7	0.85
	CVX	117.75	226,000	286,000	1.27	7.1	8.7	62	3.8	0.82
	RDS-B	65.93	276,000	393,000	1.42	7.0	9.5	48	5.7	0.73
	<i>Total or Median</i>		<i>906,000</i>	<i>1,192,000</i>	<i>1.28</i>	<i>7.2</i>	<i>8.8</i>	<i>55</i>	<i>4.0</i>	<i>0.84</i>
<b>Large Independent</b>										
	OXY	79.01	60,600	74,300	1.23	8.5	8.2	69	3.9	1.04
	COP	70.52	83,000	105,000	1.26	7.5	8.3	77	1.6	0.90
	EOG	114.77	66,600	73,600	1.11	7.9	8.8	90	0.5	0.89
	PXD	172.51	29,500	32,100	1.09	8.2	9.4	94	0.0	0.87
	<i>Total or Median</i>		<i>239,700</i>	<i>285,000</i>	<i>1.17</i>	<i>8.1</i>	<i>8.6</i>	<i>83</i>	<i>1.1</i>	<i>0.90</i>
<b>Mid-Size Independent</b>										
	HES	62.96	18,700	26,100	1.39	10.9	9.9	88	1.6	1.10
	CLR	62.85	23,600	29,900	1.27	8.0	8.7	82	-	0.92
	DVN	41.04	21,500	26,200	1.22	7.6	10.5	88	0.8	0.72
	XEC	82.37	7,900	9,400	1.20	6.5	10.2	84	0.8	0.63
	MRO	19.98	16,980	23,700	1.40	6.6	11.3	88	1.0	0.58
	<i>Total or Median</i>		<i>88,700</i>	<i>115,300</i>	<i>1.27</i>	<i>7.6</i>	<i>10.2</i>	<i>88</i>	<i>0.8</i>	<i>0.72</i>
<b>Small Independent</b>										
	CRC	30.45	1,300	8,100	6.2	6.5	8.9	93	-	0.73
	WLL	45.75	4,200	7,400	1.75	5.2	8.8	97	-	0.60
	RRC	14.96	3,700	8,300	2.27	5.6	9.7	44	0.5	0.58
	BIREF	3.68	1,000	1,600	1.64	5.4	10.1	48	2.1	0.53
	<i>Total or Median</i>		<i>10,200</i>	<i>25,400</i>	<i>2.01</i>	<i>5.5</i>	<i>9.3</i>	<i>71</i>	<i>0.3</i>	<i>0.59</i>
<b>Income</b>										
	SBR	45.10	660	660	1.00	13.0	14.5	70	7.7	0.90
	PBT	8.95	420	420	1.00	11.6	13.0	80	8.5	0.89
	DMLP	18.45	600	600	1.00	9.3	12.1	85	9.4	0.77
	SJT	5.86	270	270	1.00	11.5	15.7	-	8.5	0.73
	CRT	15.27	90	90	1.00	8.5	13.9	38	9.6	0.61
	<i>Total or Median</i>		<i>2,000</i>	<i>2,000</i>	<i>1.00</i>	<i>11.5</i>	<i>13.9</i>	<i>70</i>	<i>8.5</i>	<i>0.77</i>

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

Estimated Ebitda (cash flow) tied to NTM futures prices for oil and natural gas. NTM = Next Twelve Months ending 6/30/19.

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  
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	Symbol/Rating	Price	Upstream NTM				Down-	Total	Distrib./ Ebitda (%)	Distrib. NTM (\$/sh)
		(US\$/sh) 20-Aug 2018	Volume (mmboe)	Equiv. Price (\$/boe)	Ebitda Margin (%)	Ebitda (\$/boe)	stream Uplift (\$/boe)	Ebitda NTM (\$mm)		
<b>Integrated</b>										
Royal Dutch Shell	RDS-B	65.93	1340	45.87	65	29.90	11.94	40,080	28	3.76
Exxon Mobil Corporation	XOM	78.81	1421	50.62	51	25.60	11.57	36,389	27	3.28
Chevron Corporation	CVX	117.75	1072	49.90	60	30.10	7.33	32,257	21	4.48
Suncor Energy	SU	40.72	288	57.25	55	31.23	10.06	9,004	15	1.10
	<i>Total or Median</i>		<i>4122</i>	<i>50.26</i>	<i>57</i>	<i>30.00</i>	<i>10.82</i>	<i>117,731</i>	<i>24</i>	
<b>Large Independent</b>										
ConocoPhillips	COP	70.52	480	49.19	59	29.20	0.00	14,018	10	1.14
EOG Resources, Inc.	EOG	114.77	288	44.94	72	32.44	0.00	9,351	3	0.56
Occidental Petroleum Corp.	OXY	79.01	259	44.44	55	24.40	9.27	6,315	27	3.12
Pioneer Natural Resources	PXD	172.51	130	42.56	71	30.10	0.00	3,902	0	0.08
	<i>Total or Median</i>		<i>1157</i>	<i>44.69</i>	<i>65</i>	<i>29.65</i>	<i>0.00</i>	<i>33,586</i>	<i>7</i>	
<b>Mid-Size Independent</b>										
Marathon Oil Corporation	MRO	19.98	148	37.35	65	24.30	0.00	3,595	5	0.20
Continental Resources	CLR	62.85	113	41.19	80	33.10	0.00	3,750	-	-
Devon Energy Corporation	DVN	41.04	199	31.93	54	17.30	0.00	3,444	5	0.32
Hess Corporation	HES	62.96	100	44.01	55	24.00	0.00	2,394	12	1.00
Cimarex Energy Company	XEC	82.37	82	27.48	64	17.70	0.00	1,459	4	0.64
	<i>Total or Median</i>		<i>643</i>	<i>37.35</i>	<i>64</i>	<i>24.00</i>	<i>0.00</i>	<i>14,643</i>	<i>5</i>	
<b>Small Independent</b>										
Whiting Petroleum Corporation	WLL	45.75	50	43.77	65	28.40	0.00	1,407	-	-
Range Resources	RRC	14.96	142	19.71	54	10.60	0.00	1,501	1	0.08
California Resources	CRC	30.45	49	51.87	49	25.30	0.00	1,244	-	-
Birchcliff Energy Ltd.	BIREF	3.68	22	18.47	73	13.40	0.00	300	7	0.08
	<i>Total or Median</i>		<i>263</i>	<i>31.74</i>	<i>59</i>	<i>19.35</i>	<i>0.00</i>	<i>4,452</i>	<i>1</i>	
<b>Income</b>										
Dorchester Minerals, L.P.	DMLP	18.45	2.35	37.15	73	27.30	0.00	64	88	1.74
Sabine Royalty Trust	SBR	45.10	1.78	34.08	83	28.29	0.00	50	100	3.46
Permian Basin RT	PBT	8.95	1.22	44.92	66	29.43	0.00	36	99	0.76
San Juan Basin Royalty Trust	SJT	5.86	3.74	12.35	51	6.34	0.00	24	98	0.50
Cross Timbers Royalty Trust	CRT	15.27	0.43	40.80	62	25.40	0.00	11	81	1.47
	<i>Total or Median</i>		<i>10</i>	<i>37.15</i>	<i>66</i>	<i>27.30</i>	<i>0.00</i>	<i>185</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	20-Aug 2018									
<b>Integrated</b>											
	Chevron Corporation	CVX	117.75	1,919	60,359	16	7.0	57	23	150.00	
	Royal Dutch Shell	RDS-B	65.93	4,188	116,710	12	7.3	22	34	100.00	
	Exxon Mobil Corporation	XOM	78.81	4,271	90,130	13	9.8	52	28	90.00	
	Suncor Energy	SU	40.72	1,641	19,427	12	8.8	87		50.00	
	<i>Median</i>						8.1	55			
<b>Large Independent</b>											
	Pioneer Natural Resources	PXD	172.51	171	2,600	28	7.0	9	6	200.00	
	EOG Resources, Inc.	EOG	114.77	580	7,071	19	4.7	43	11	130.00	
	ConocoPhillips	COP	70.52	1,181	22,036	15	7.3	31	23	80.00	
	Occidental Petroleum Corp.	OXY	79.01	767	13,700	17	7.5	35	5	75.00	
	<i>Median</i>						7.1	33			
<b>Mid-Size Independent</b>											
	Cimarex Energy Company	XEC	82.37	95	1,579	13	5.0	35	16	140.00	
	Continental Resources	CLR	62.85	375	6,333	23	5.3	121	18	70.00	
	Devon Energy Corporation	DVN	41.04	525	4,720	19	8.8	24	12	60.00	
	Hess Corporation	HES	62.96	298	7,397		7.3	59	12	55.00	
	Marathon Oil Corporation	MRO	19.98	850	6,712	32	6.1	60	12	40.00	
	<i>Median</i>						6.1	59			
<b>Small Independent</b>											
	Whiting Petroleum Corporation	WLL	45.75	92	3,170	136	6.8	84	3	100.00	
	California Resources	CRC	30.45	43	6,800		9.0	41	7	100.00	
	Range Resources	RRC	14.96	246	4,657	10	9.9	83	56	40.00	
	Birchcliff Energy Ltd.	BIREF	3.68	268	630	19	7.2	228	52	9.00	
	<i>Median</i>						8.1	83			
<b>Income</b>											
	Sabine Royalty Trust	SBR	45.10	15	-	13	10.0	3	37	100	50.00
	Cross Timbers Royalty Trust	CRT	15.27	6	-	10	11.7	-	69	81	25.00
	Dorchester Minerals, L.P.	DMLP	18.45	32	-	14	6.9	-	17	78	24.00
	Permian Basin RT	PBT	8.95	47	-	12	6.7	-	21	43	10.00
	San Juan Basin Royalty Trust	SJT	5.86	47	-	12	11.1	-	100	-	8.00
	<i>Median</i>						10.0				
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  
August 20, 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	20-Aug 2018	29-Dec 2017							
<b>Integrated</b>										
	Suncor Energy	SU	40.72	36.72	11	2	12	12	9	0.85
	Royal Dutch Shell	RDS-B	65.93	68.29	(3)	3	(1)	28	(0)	0.73
	Exxon Mobil Corporation	XOM	78.81	83.64	(6)	2	(4)	21	(3)	0.90
	Chevron Corporation	CVX	117.75	125.19	(6)	2	(4)	31	(3)	0.82
	<i>Median</i>				(5)		(2)		(2)	0.84
<b>Large Independent</b>										
	ConocoPhillips	COP	70.52	54.89	28	1	30	19	22	0.90
	Occidental Petroleum Corp.	OXY	79.01	73.66	7	2	9	18	8	1.04
	EOG Resources, Inc.	EOG	114.77	107.91	6	0	7	12	6	0.89
	Pioneer Natural Resources	PXD	172.51	172.85	(0)	0	(0)	15	(0)	0.87
	<i>Median</i>				7		8		7	0.90
<b>Mid-Size Independent</b>										
	Hess Corporation	HES	62.96	47.47	33	1	34	25	22	1.10
	Continental Resources	CLR	62.85	52.97	19	-	19	17	14	0.92
	Marathon Oil Corporation	MRO	19.98	16.93	18	1	19	8	13	0.58
	Devon Energy Corporation	DVN	41.04	41.40	(1)	0	(1)	9	(0)	0.72
	Cimarex Energy Company	XEC	82.37	122.01	(32)	0	(32)	17	(28)	0.63
	<i>Median</i>				18		19		13	0.72
<b>Small Independent</b>										
	Whiting Petroleum Corporation	WLL	45.75	26.48	73	-	73	34	32	0.60
	California Resources	CRC	30.45	19.44	57	-	57	160	6	0.73
	Birchcliff Energy Ltd.	BIREF	3.68	3.50	5	1	6	2	4	0.53
	Range Resources	RRC	14.96	17.06	(12)	0	(12)	19	(6)	0.58
	<i>Median</i>				31		31		5	0.59
<b>Income</b>										
	Dorchester Minerals, L.P.	DMLP	18.45	15.20	21	9	30	-	30	0.77
	Cross Timbers Royalty Trust	CRT	15.27	14.69	4	5	9	-	9	0.61
	Permian Basin RT	PBT	8.95	8.87	1	4	5	-	5	0.89
	Sabine Royalty Trust	SBR	45.10	44.60	1	4	5	-	5	0.90
	San Juan Basin Royalty Trust	SJT	5.86	8.24	(29)	3	(26)	-	(26)	0.73
	<i>Median</i>				1		5		5	0.77
	<i>Grand Median</i>				5		6		6	0.80
	Natural Gas (\$/mmbtu)		2.95	2.95	-					
	Oil -West Texas Intermediate (\$/bbl)		66.44	60.09	11					
	Total Stock Market - U.S.	VTI	147.45	137.25	7	1	8			
	Developed Markets - ex US	VEA	42.56	44.86	(5)	2	(3)			
	Emerging Markets	VWO	41.51	45.91	(10)	1	(9)			
	Total Stock Market - World	VT	74.98	74.26	1	1	2			
Source: McDep LLC, Yahoo, CME Group, Bloomberg					For historical research see www.mcdep.com					



Analysis of Oil and Gas Stocks  
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