McDep LLC
Meter Reader
A Weekly Analysis of Large Cap Oil and Gas Stocks
May 10, 2011

EOG Resources (EOG)
High-Profit Light Sweet North American Oil

Symbol	EOG	*Ebitda Next Twelve Months ending 3/31/12 (US$mm)*	4,800
Rating	Buy	*North American Natural Gas/Ebitda (%)*	28
Price ($/sh)	111.32	*Natural Gas and Oil Production/Ebitda (%)*	100
Pricing Date	5/9/11	*Adjusted Reserves/Production NTM*	9.2
Shares (mm)	251	*EV/Ebitda*	6.9
Market Capitalization ($mm)	27,900	*PV/Ebitda*	7.9
Debt ($mm)	5,100	*Undeveloped Reserves (%)*	48
Enterprise Value (EV) ($mm)	33,000	*Natural Gas and Oil Ebitda ($/mcfe)*	4.90
Present Value (PV) ($mm)	37,700	*Present Value Proven Reserves($/boe)*	19.30
Net Present Value ($/share)	130	*Present Value Proven Reserves($/mcfe)*	3.20
Debt/Present Value	0.13	*Earnings Next Twelve Months (US$/sh)*	4.65
McDep Ratio - EV/PV	0.88	*Price/Earnings Next Twelve Months*	24
Dividend Yield (%/year)	0.6	*Indicated Annual Dividend (US$/sh)*	0.62
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$100 a barrel and natural gas, $8 a million btu.			
For historical research on EOG since 2006 see http://www.mcdep.com/3eog.htm			

Summary and Recommendation

Buy-recommended **EOG Resources (EOG)** offers attractively priced participation in rapidly growing sources of light sweet crude oil and liquids from newly unlocked shale formations in North America. The independent is the top producer by current volume in the Bakken of North Dakota and the Eagle Ford of Texas. Not much of the 900 million barrels of upside potential in the latter formation is reflected in our estimated Net Present Value (NPV) of $130 a share. Expressing great confidence in a call on May 6 that those barrels will be produced for EOG's interest, Chairman Mark Papa cites 100% success with 18 rigs drilling enough wells to demonstrate that all of the company's 520,000 net acres are good. Economics are exceptionally favorable at current oil price though Mr. Papa acknowledges that the short-term price outlook is speculative.

Offsetting oil price risk, EOG still has most of the large natural gas potential that used to be the main investment attraction of the company. EOG is proving remarkably adept at profiting from either fuel depending on the relative price trend.

An innovator across the onshore industry, EOG's other promising positions in oil include the Permian Basin and the Barnett shale in Texas, the Niobrara in Colorado, the Powder River Basin in Wyoming and Waskada in Manitoba. In natural gas the company is successful in the Haynesville shale of Louisiana, Marcellus shale of Pennsylvania, Barnett Shale of Texas, and the Horn River shale in British Columbia.

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First quarter results fit our quantitative analysis (see tables Functional Cash Flow and Present Value on page 2, Natural Gas and Oil Reserves on page 2, Next Twelve Months Operating and Financial Estimates on page 3 and Tables 1-4 on pages 4-7). Value is solid and the unrecognized prospects are strong.

Kurt H. Wulff, CFA

EOG Resources Inc.					
Functional Cash Flow and Present Value					
				Present	
	NTM Ebitda	*Adjusted*	*PV/*	*Value*	
	(US$mm)	*R/P*	*Ebitda*	*(US$mm)*	
North American Natural Gas	1,330	12.4	12.8	17,000	45%
Rest of World Natural Gas	310	4.6	5.5	1,700	5%
Oil	3,160	6.8	6.0	19,000	50%
	4,800	9.2	7.9	37,700	100%
Debt (US$mm)					5,100
Net Present Value (US$mm)					32,600
Shares (mm)					251
Net Present Value - Standard Estimate (US$/sh)					130
NPV Approximation by Cash Flow Multiple Depending on Reserve Life (US$/sh)					130

EOG Resources Inc.					
Natural Gas and Oil Reserves					
	Natural Gas	*Oil*	*Total*		
	(bcf)	*(mmb)*	*(bcf)*	*(mmb)*	
Reserves (bcf or mmb)					
Proven (P)	8470	538	11698	1950	100
Proven Developed (PD)	4458	270	6078	1013	52
Proven Undeveloped (PUD)	4012	268	5620	937	48
Production Next Twelve Months	613	59	968	161	
Reserve Life Index (years)					
R/P P	13.8	9.1	12.1	12.1	
R/P PD	7.3	4.6	6.3	6.3	
R/P PUD	6.5	4.5	5.8	5.8	
R/P PD+.5PUD	10.5	6.8	9.2	9.2	

EOG Resources Inc.

Next Twelve Months Operating and Financial Estimates

	Q1	*Q4*	***Year***	*Q1*	*Q2E*	*Q3E*	*Q4E*	***Year***	***Next Twelve Months***
	3/31/10	*12/31/10*	***2010***	*3/31/11*	*6/30/11*	*9/30/11*	*12/31/11*	***2011E***	***3/31/12***
Volume									
Natural Gas (mmcfd)									
U.S.	1,043	1,241	**1,133**	1,134	1,134	1,134	1,134	**1,134**	**1,134**
Canada	211	185	**200**	143	143	143	143	**143**	**143**
Overseas	367	352	**355**	399	399	399	399	**399**	**399**
Total	1,621	1,778	**1,688**	1,676	1,676	1,676	1,676	**1,676**	**1,676**
Oil (mbd)	88	124	**105**	130	143	157	173	**151**	**161**
Total gas & oil (bcf)	194	232	**846**	221	230	241	250	**942**	**968**
Total gas & oil (mmcfd)	2,151	2,524	**2,319**	2,455	2,533	2,618	2,713	**2,580**	**2,644**
Price									
Natural gas ($/mcf)									
Henry Hub ($/mmbtu)	5.32	3.80	**4.40**	4.11	4.29	4.36	4.61	**4.34**	**4.40**
U.S.	5.24	3.78	**4.30**	4.10	4.28	4.35	4.60	**4.34**	**4.39**
Canada	5.22	3.30	**3.91**	3.67	3.83	3.90	4.60	**4.00**	**4.16**
Overseas	2.60	3.07	**2.73**	3.29	3.29	3.29	3.29	**3.29**	**3.29**
Total	4.64	3.59	**3.93**	3.87	4.01	4.06	4.29	**4.06**	**4.11**
Oil ($/bbl)									
WTI Cushing	78.67	85.10	**79.43**	94.10	102.69	99.82	100.00	**99.15**	**100.50**
Worldwide	65.56	68.17	**64.61**	76.55	83.54	81.20	81.35	**80.81**	**81.69**
Total gas & oil ($/mcf)	6.19	5.89	**5.79**	6.69	7.36	7.47	7.83	**7.36**	**7.59**
Revenue ($mm)									
Natural Gas									
U.S.	492	432	**1,779**	418	442	454	480	**1,794**	**1,821**
Canada	99	56	**285**	47	50	51	61	**209**	**218**
Overseas	86	100	**355**	118	119	121	121	**479**	**480**
Total	677	587	**2,419**	584	611	626	661	**2,482**	**2,518**
Oil	522	780	**2,480**	894	1,085	1,173	1,293	**4,446**	**4,824**
Total	1,199	1,367	**4,899**	1,478	1,697	1,799	1,954	**6,928**	**7,343**
Expense	416	457	**1,738**	485	594	630	684	**2,393**	**2,570**
Ebitda ($mm)	783	910	**3,161**	993	1,103	1,170	1,270	**4,536**	4,773
Exploration	144	118	**461**	163	163	163	163	**652**	**649**
Deprec., Deplet., & Amort.	432	544	**1,942**	568	568	568	568	**2,272**	**2,272**
Hedging and other	2	65	**168**	(55)	(55)	(55)	(55)	**(219)**	**(144)**
Ebit	205	182	**590**	317	427	493	594	**1,831**	**1,996**
Interest	25	41	**129**	50	50	50	50	**200**	**200**
Ebt	180	141	**461**	267	377	443	544	**1,631**	**1,796**
Income Tax	63	49	**161**	93	132	155	190	**571**	**629**
Net Income ($mm)	117	92	**300**	173	245	288	353	**1,060**	**1,167**
Shares (millions)	254	255	**254**	255	255	250	250	**252**	**251**
Per Share ($)	0.46	0.36	**1.18**	0.68	0.96	1.15	1.41	**4.21**	**4.65**
Ebitda Margin	65%	67%	**65%**	67%	65%	65%	65%	**65%**	**65%**
Tax Rate	35%	35%	**35%**	35%	35%	35%	35%	**35%**	**35%**

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Table 1

McDep Large Cap Energy Portfolio

Geographic Domicile and Business Segments

						Present Value by Segment (%)				
			Price			*North*	*Rest*			
			(US$/sh)	*EV/*	*Enterprise*	*Amer.*	*of World*			
	Symbol/Rating		*9-May*	*Market*	*Value*	*Natural*	*Natural*	*Oil*	*Down-*	*McDep*
	B = Buy, CB (see below)		*2011*	*Cap*	*($mm)*	*Gas*	*Gas*	*Prod'n*	*stream*	*Ratio*
U.S. Integrated										
Marathon Oil Corporation	MRO	B	52.19	1.30	48,300	7	3	69	22	0.81
Exxon Mobil Corporation	XOM	B	83.18	1.16	480,000	9	19	56	16	0.77
Chevron Corporation	CVX	B	104.09	1.09	229,000	3	10	77	10	0.70
ConocoPhillips	COP	B	73.72	1.38	147,000	14	10	63	13	0.69
Total or Median					*904,000*			*66*		*0.73*
Europe										
BG Group	BRGXF		24.00	1.15	94,100		26	46	28	0.97
Royal Dutch Shell plc	RDS-A	B	72.44	1.29	289,000	3	22	54	21	0.80
Statoil ASA (33%)	STO	B	26.35	1.47	40,700		36	64	-	0.69
Total S.A.	TOT	B	59.57	1.28	171,000		18	68	14	0.60
BP plc	BP		44.87	1.64	233,000	5	9	67	19	0.60
Total or Median					*828,000*			*64*		*0.69*
Brazil/Russia/Australia/China										
CNOOC Limited (34%)	CEO		234.85	1.04	37,200		8	92	-	1.06
Woodside Petroleum Ltd.	WOPEY	B	49.55	1.16	45,000		67	33	-	1.01
PetroChina Company Ltd (14%)	PTR	B	136.28	1.28	44,500		14	68	18	0.70
Petrobras	PBR	B	34.73	1.24	283,000		2	83	15	0.61
Gazprom (50%)	OGZPY	B	15.51	1.23	109,000		80	20	-	0.60
Lukoil Oil Company	LUKOY	B	64.51	1.12	56,200			67	33	0.46
Total or Median					*575,000*			*67*		*0.66*
U.S. Independent										
Southwestern Energy Company	SWN		42.61	1.09	16,300	100			-	1.01
Anadarko Petroleum Corp.	APC		76.37	1.55	59,000	37		60	3	0.99
Chesapeake Energy Corp.	CHK		31.30	1.69	39,500	83		17	-	0.97
Occidental Petroleum Corp.	OXY	B	107.48	1.06	92,500	8	1	86	6	0.88
EOG Resources, Inc.	EOG	B	111.32	1.20	33,500	47	4	49	-	0.88
Devon Energy Corporation	DVN	B	85.55	1.11	40,800	54		46	-	0.78
Total or Median					*282,000*			*49*		*0.92*
Canada										
Penn West Exploration	PWE		25.85	1.34	15,200	17		83	-	0.87
Imperial Oil Limited (30%)	IMO	B	48.71	1.09	13,600	3		86	11	0.80
Cenovus Energy Inc.	CVE	B	35.68	1.29	34,700	19		75	6	0.78
Suncor Energy	SU	B	42.18	1.25	82,700	4		88	9	0.71
EnCana Corporation	ECA	B	32.65	1.44	34,800	91		9	-	0.72
Canadian Natural Resources Lin	CNQ		43.76	1.25	59,600	13		87	-	0.70
Canadian Oil Sands Limited	COSWF	B	33.10	1.11	17,700			100	-	0.66
Total or Median					*258,000*			*87*		*0.72*
Composite					*2,847,000*	*9*	*15*	*63*	*13*	*0.71*
CB=Contrarian Buy, Stock Price may be in downtrend compared to 200-day average.										

Table 2

McDep Large Cap Energy Portfolio

Net Present Value and McDep Ratio

			Price (US$/sh)		*Market*	*Net Present*	*Debt/*	
	Symbol/Rating		*9-May*	*Shares*	*Cap*	*Value*	*Present*	*McDep*
B = Buy, CB (see below)			*2011*	*(mm)*	*(US$mm)*	*(US$/sh)*	*Value*	*Ratio*
U.S. Integrated								
Marathon Oil Corporation	MRO	B	52.19	713	37,210	68.00	0.19	0.81
Exxon Mobil Corporation	XOM	B	83.18	4,971	414,000	112.00	0.11	0.77
Chevron Corporation	CVX	B	104.09	2,009	209,000	154.00	0.06	0.70
ConocoPhillips	COP	B	73.72	1,445	107,000	119.00	0.19	0.69
Total or Median					*767,000*		*0.15*	*0.73*
Europe								
BG Group plc	BRGXF		24.00	3,407	81,800	25.00	0.13	0.97
Royal Dutch Shell plc	RDS-A	B	72.44	3,087	224,000	96.00	0.18	0.80
Statoil ASA (33%)	STO	B	26.35	1,050	27,700	44.00	0.22	0.69
Total S.A.	TOT	B	59.57	2,251	134,000	111.00	0.13	0.60
BP plc	BP		44.87	3,168	142,000	93.00	0.24	0.60
Total or Median					*610,000*		*0.18*	*0.69*
Brazil/Russia/Australia/China								
CNOOC Limited (34%)	CEO		234.85	152	35,800	220.00	0.04	1.06
Woodside Petroleum Ltd.	WOPEY	B	49.55	774	38,400	49.00	0.14	1.01
PetroChina Company Ltd (14%)	PTR	B	136.28	256	34,900	210.00	0.15	0.70
Petrobras	PBR	B	34.73	6,544	227,300	62.00	0.12	0.61
Gazprom (50%)	OGZPY	B	15.51	5,750	89,200	28.00	0.11	0.60
Lukoil Oil Company	LUKOY	B	64.51	781	50,400	150.00	0.05	0.46
Total or Median					*476,000*		*0.12*	*0.66*
U.S. Independent								
Southwestern Energy Company	SWN		42.61	349	14,900	42.00	0.09	1.01
Anadarko Petroleum Corp.	APC		76.37	498	38,000	78.00	0.35	0.99
Chesapeake Energy Corp.	CHK		31.30	746	23,400	33.00	0.40	0.97
Occidental Petroleum Corp.	OXY	B	107.48	814	87,500	123.00	0.05	0.88
EOG Resources, Inc.	EOG	B	111.32	251	27,900	130.00	0.15	0.88
Devon Energy Corporation	DVN	B	85.55	430	36,800	112.00	0.08	0.78
Total or Median					*228,500*		*0.12*	*0.92*
Canada								
Penn West Exploration	PWE		25.85	440	11,400	31.00	0.22	0.87
Imperial Oil Limited (30%)	IMO	B	48.71	256	12,500	62.00	0.07	0.80
Cenovus Energy Inc.	CVE	B	35.68	753	26,900	49.00	0.18	0.78
Suncor Energy	SU	B	42.18	1,575	66,400	64.00	0.14	0.71
EnCana Corporation	ECA	B	32.65	738	24,100	51.00	0.22	0.72
Canadian Natural Resources Limitec	CNQ		43.76	1,089	47,700	67.00	0.14	0.70
Canadian Oil Sands Limited	COSWF	B	33.10	485	16,000	52.00	0.06	0.66
Total or Median					*205,000*		*0.14*	*0.72*

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

McDep Ratio = **M**arket **c**ap and **De**bt to **p**resent value of oil and gas and other businesses

Estimated present value presumes a long-term price for oil of US$100 a barrel and natural gas, $8 a million btu.

Table 3

McDep Large Cap Energy Portfolio
Value Multiples and Distribution Yield

			Price (US$/sh) 9-May 2011	Adjustd Resrvs/ Prod NTM	PV/ Ebitda NTM	EV/ Ebitda NTM	P/E NTM	Divd or Distrib NTM (%)
Symbol/Rating B = Buy, CB (see below)								
U.S. Integrated								
Exxon Mobil Corporation	XOM	B	83.18	13.8	7.1	5.5	9	2.1
ConocoPhillips	COP	B	73.72	11.9	7.6	5.3	10	3.6
Marathon Oil Corporation	MRO	B	52.19	8.6	6.1	5.0	10	1.9
Chevron Corporation	CVX	B	104.09	8.3	6.2	4.3	8	2.8
Total or Median				*10.2*	*6.7*	*5.1*	*9*	*2.4*
Europe								
BG Group plc	BRGXF		24.00	13.8	8.9	8.6	16	0.9
Royal Dutch Shell plc	RDS-A	B	72.44	8.9	6.5	5.2	9	4.6
BP plc	BP		44.87	10.4	7.2	4.4	6	3.7
Statoil ASA (33%)	STO	B	26.35	6.7	6.0	4.1	8	4.3
Total S.A.	TOT	B	59.57	9.6	6.7	4.0	7	5.5
Total or Median				*9.6*	*6.7*	*4.4*	*8*	*4.3*
Brazil/Russia/Australia/China								
Woodside Petroleum Ltd.	WOPEY	B	49.55	15.1	10.7	10.8	18	2.1
Petrobras	PBR	B	34.73	13.3	10.6	6.5	11	3.4
CNOOC Limited (34%)	CEO		234.85	5.6	5.3	5.6	10	2.3
PetroChina Company Ltd (14%)	PTR	B	136.28	13.6	7.7	5.4	9	3.9
Gazprom (50%)	OGZPY	B	15.51	30.2	6.9	4.2	7	2.2
Lukoil Oil Company	LUKOY	B	64.51	15.9	6.2	2.8	4	2.9
Total or Median				*14.3*	*7.3*	*5.5*	*9*	*2.6*
U.S. Independent								
Southwestern Energy Company	SWN		42.61	8.3	11.8	12.0	26	-
Chesapeake Energy Corp.	CHK		31.30	12.3	12.0	11.7	22	1.0
Anadarko Petroleum Corp.	APC		76.37	8.8	8.2	8.1		0.5
Devon Energy Corporation	DVN	B	85.55	10.7	9.4	7.4	15	0.8
Occidental Petroleum Corp.	OXY	B	107.48	10.9	7.9	7.0	14	1.7
EOG Resources, Inc.	EOG	B	111.32	9.2	7.9	6.9	24	0.6
Total or Median				*9.9*	*8.8*	*7.7*	*22*	*0.7*
Canada								
EnCana Corporation	ECA	B	32.65	12.7	13.5	9.7	45	2.5
Cenovus Energy Inc.	CVE	B	35.68	21.0	12.2	9.5	29	2.3
Imperial Oil Limited (30%)	IMO	B	48.71	21.4	11.7	9.4	16	0.9
Penn West Exploration	PWE		25.85	8.8	10.2	8.9	35	4.3
Canadian Natural Resources Limited	CNQ		43.76	21.0	11.5	8.1	20	0.9
Canadian Oil Sands Limited	COSWF	B	33.10	29.8	11.1	7.3	12	3.8
Suncor Energy	SU	B	42.18	21.1	10.2	7.2	15	1.0
Total or Median				*21.0*	*11.5*	*8.9*	*20*	*2.3*

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 March 31, 2012; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses

Table 4

McDep Large Cap Energy Portfolio

Rank by Enterprise Value to 200 Day Average

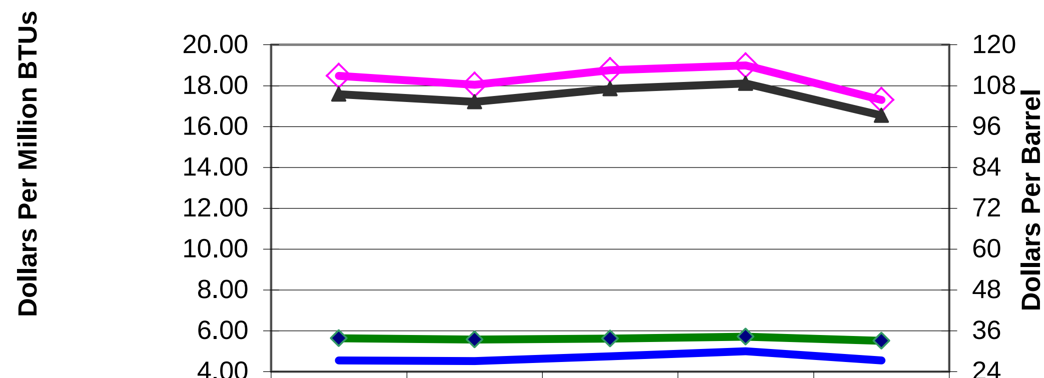
			Price					
			($/sh)	*Enterprise Value/*				
	Symbol		*9-May*	*52Wk*	*52Wk*	*50 Day*	*200 Day*	*McDep*
		Rating	*2011*	*High*	*Low*	*Avg.*	*Avg.*	*Ratio*
U.S. Integrated								
Marathon Oil Corporation	MRO	B	52.19	0.97	1.52	1.01	1.22	0.81
Chevron Corporation	CVX	B	104.09	0.95	1.49	0.99	1.14	0.70
Exxon Mobil Corporation	XOM	B	83.18	0.95	1.39	0.99	1.12	0.77
ConocoPhillips	COP	B	73.72	0.93	1.34	0.96	1.08	0.69
Median				*0.95*	*1.44*	*0.99*	*1.13*	*0.73*
Europe								
BG Group plc	BRGXF		120.00	0.93	1.57	0.98	1.14	0.97
Statoil ASA (33%)	STO	B	26.35	0.92	1.26	0.97	1.08	0.69
Royal Dutch Shell plc	RDS-A	B	72.44	0.94	1.33	1.00	1.08	0.80
Total S.A.	TOT	B	59.57	0.94	1.28	0.99	1.06	0.60
BP plc	BP		44.87	0.91	1.33	0.98	1.03	0.60
Median				*0.94*	*1.33*	*0.99*	*1.08*	*0.71*
Brazil/Russia/Australia/China								
Gazprom (50%)	OGZPY	B	15.51	0.91	1.52	0.98	1.17	0.60
Woodside Petroleum Ltd.	WOPEY	B	49.55	0.96	1.41	1.04	1.13	1.01
CNOOC Limited (34%)	CEO		234.85	0.87	1.56	0.97	1.08	1.06
Lukoil Oil Company	LUKOY	B	64.51	0.86	1.39	0.92	1.05	0.46
PetroChina Company Ltd (14%)	PTR	B	136.28	0.89	1.27	0.96	1.04	0.70
Petrobras	PBR	B	34.73	0.84	1.09	0.91	0.96	0.61
Median				*0.88*	*1.40*	*0.96*	*1.06*	*0.66*
U.S. Independent								
Occidental Petroleum Corp.	OXY	B	107.48	0.92	1.45	1.05	1.18	0.88
Southwestern Energy Company	SWN		49.77	0.95	1.35	1.05	1.14	1.01
Devon Energy Corporation	DVN	B	85.55	0.92	1.40	0.96	1.11	0.78
Chesapeake Energy Corp.	CHK		31.30	0.92	1.28	0.96	1.11	0.97
EOG Resources, Inc.	EOG	B	111.32	0.93	1.24	1.00	1.10	0.88
Anadarko Petroleum Corp.	APC		76.37	0.93	1.54	0.97	1.08	0.99
Median				*0.93*	*1.37*	*0.99*	*1.11*	*0.92*
Canada								
Canadian Oil Sands Limited	COSWF	B	33.06	0.94	1.40	1.01	1.17	0.66
Imperial Oil Limited (30%)	IMO	B	48.71	0.88	1.33	0.94	1.13	0.80
Suncor Energy	SU	B	42.18	0.89	1.38	0.95	1.10	0.71
Cenovus Energy Inc.	CVE	B	35.68	0.90	1.35	0.95	1.09	0.78
Canadian Natural Resources	CNQ		43.76	0.87	1.34	0.93	1.06	0.70
EnCana Corporation	ECA	B	32.65	0.95	1.16	0.99	1.05	0.72
Penn West Exploration	PWE		25.85	0.92	1.37	0.97	1.07	0.87
Median				*0.90*	*1.35*	*0.95*	*1.09*	*0.72*
CB=Contrarian Buy, Stock Price may be in downtrend compared to 200-day average.								

Index of Recent Research

Stock Ideas			
Date	*Symbol*	*Subject*	*Theme*
3-May	TOT	Total	Profiting Outside U.S. (Meter Reader)
29-Apr	BIREF	Birchcliff Energy	Independent Engineer Confirms Natural Gas Upside (ISCW)
29-Apr	COSWF	Canadian Oil Sands Limited	Dividend Increased 50%
22-Apr	ERF	Enerplus Corporation	New Buy - Bakken and Marcelllus with 7% Income (ISCW)
19-Apr	DVN	Devon Energy	Rich Resources, Low McDep, Low Debt (Meter Reader)
15-Apr	WLL	Whiting Petroleum	New Buy on Chairman Volker's Prudhoe Bay (ISCW)
12-Apr	COP	ConocoPhillips	Bad Government Actions Good for Oil Profits (Meter Reader)
8-Apr	RRC	Range Resources	Raise NPV to $60 from $50 a Share (Income and Small Cap)
5-Apr	CVX	Chevron	Raise NPV to $154 a Share from $146 (Meter Reader)
1-Apr	SJT	San Juan Basin Royalty Trust	Remove Buy at McDep Ratio of 1.10 (ISCW)
29-Mar	XOM	Exxon Mobil	Natural Gas Enhanced by Nuclear (Meter Reader)
22-Mar	PTR	PetroChina	Overlooked Oil in PTR Stock (Meter Reader)
15-Mar	LUKOY	Lukoil	Lukoil and Russia Ride the Rise of Oil (Meter Reader)
11-Mar	HGT	Hugoton Royalty Trust	Contrarian Commodity Income (Income and SC Weekly)
8-Mar	CNQ	Canadian Natural Resources	End Buy (Meter Reader)
1-Mar	CVE	Cenovus Energy	High Growth in Deep Oil Sands (Meter Reader)
25-Feb	DMLP	Dorchester Minerals, L.P.	Profitable Production amid Unstable Politics (ISCW)
23-Feb	WOPEY	Woodside Petroleum Ltd.	Double LNG Late 2011
22-Feb	OGZPY	Gazprom	Nearer Accord on Natural Gas to China (Meter Reader)
18-Feb	PEYUF	Peyto Exploration	Raise NPV to $24 a Share from $20 (Income and Small Cap)
16-Feb	XEC	Cimarex Energy	Raise NPV to $120 on Oil Reserves
10-Feb	ECA	Encana	$C5.4 Billion Joint Venture Highlights Undervaluation
4-Feb	HK	Petrohawk	Raise NPV to $24 a Share from $20 (Income and Small Cap)
26-Jan	OXY	Occidental Petroleum	Growing U.S. Oil Production
18-Jan	MRO	Marathon Oil	Refining/Marketing Spinoff May Boost Value 27% (MR)
11-Jan	IMO	Imperial Oil	Accelerating Growth (Meter Reader)
4-Jan	PBR	Petrobras	Restore Buy on Oil Growth (Meter Reader)
	For historical research by stock, go to mcdep.com, click on Stock Ideas, click on stock by name.		
Meter Reader			
3-May	TOT	Total	Profiting Outside U.S.
26-Apr		Large Cap Weekly Analysis	Sell in May? No Way
19-Apr	DVN	Devon Energy	Rich Resources, Low McDep, Low Debt
12-Apr	COP	ConocoPhillips	Bad Government Actions Good for Oil Profits
	For earlier editions, go to mcdep.com, click on Meter Reader.		
Income and Small Cap Weekly			
6-May	BRY, DNR, LINE	Berry, Denbury, Linn	Raise NPV as Oil Price Swings
29-Apr	BIREF	Birchcliff Energy	Independent Engineer Confirms Natural Gas Upside
22-Apr	ERF	Enerplus Corporation	New Buy - Bakken and Marcelllus with 7% Income
15-Apr	WLL	Whiting Petroleum	New Buy on Chairman Volker's Prudhoe Bay
	For earlier editions, go to mcdep.com, click on Energy Income.		

Six-Year and One-Year Natural Gas and Oil Futures

Latest Data Points and Trend



	4/11	4/18	4/25	5/2	5/9
12 Mo Natural Gas	4.54	4.51	4.74	5.00	4.54
72 Mo Natural Gas	5.63	5.56	5.62	5.70	5.50
12 Month Oil Strip	110.88	108.29	112.58	113.93	103.86
72 Month Oil Strip	105.47	103.25	107.07	108.61	99.25

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.