



Independent Stock Idea

July 7, 2015

Permian Basin Royalty Trust (PBT) Buy Underestimated Future Oil and Gas Production

<i>Symbol</i>	PBT	<i>Ebitda Next Twelve Months ending 6/30/16 (US\$m)</i>	35
<i>Rating</i>	Buy	<i>North American Natural Gas/Ebitda (%)</i>	20
<i>Price (US\$/sh)</i>	7.61	<i>Natural Gas and Oil Production/Ebitda (%)</i>	100
<i>Pricing Date</i>	7/6/15	<i>Adjusted Reserves/Production NTM</i>	9.9
<i>Shares (mm)</i>	46.6	<i>EV/Ebitda</i>	10.1
<i>Market Capitalization (US\$m)</i>	355	<i>PV/Ebitda</i>	21.2
<i>Debt (US\$m)</i>	0	<i>Undeveloped Reserves (%)</i>	7
<i>Enterprise Value (EV) (US\$m)</i>	355	<i>Natural Gas and Oil Ebitda (US\$/mcf)</i>	3.55
<i>Present Value (PV) (US\$m)</i>	746	<i>Present Value Proven Reserves(US\$/boe)</i>	43.80
<i>Net Present Value (US\$/unit)</i>	16.00	<i>Oil and Gas Ebitda Margin (%)</i>	56
<i>Debt/Present Value</i>	0.00	<i>Earnings Next Twelve Months (US\$/un)</i>	0.47
<i>McDep Ratio - EV/PV</i>	0.48	<i>Price/Earnings Next Twelve Months</i>	16
<i>Distribution Yield (%/year)</i>	6.1	<i>Distribution Next Twelve Months (US\$/sh)</i>	0.47
<p>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 PBT see www.mcdep.com/5pbt.htm</p>			

Summary and Recommendation

We recommend units of **Permian Basin Royalty Trust (PBT)** for higher than expected future production in the U.S.'s largest oil province, higher future oil price, next twelve months distribution yield of 6%, and a McDep Ratio among the two lowest in its group. Production in future years will likely be higher than estimated by the trust's independent engineer. During the last twenty years actual production exceeded the estimate by 93%. All of the trust's properties are in its namesake Permian Basin, likely to be the source of the largest increment to U.S. oil production in the next decade. Oil volume and resulting distributions will also depend on oil price that we expect to trend higher with rising global demand and normal decline of existing production. Looking to the immediate distribution, we see \$0.47 a unit for the next year, about two thirds from Top Line, percent of revenue, on Texas Royalty properties and one third from Bottom Line, percent of free cash flow, from Waddell Ranch properties. All future distributions add to estimated Net Present Value (NPV) of \$16 a unit. Because the trust has no debt, the ratio of stock price to NPV will be the same as the low McDep Ratio of 0.48. We make our recommendation of PBT stock in a portfolio context that takes account of political, economic and business risks. Though the stock may go lower, it is already at the low of its range for the past several years of \$7.60 to \$23.

Reserves Understate Future Production

Estimates of reserves and present value are required disclosure for oil and gas stocks that trade publicly. As a result, there is a long record of past estimates that can be compared to actual results. Discrepancies are particularly great for royalty trusts when properties are not operated by the original sponsor of the trust who might give the third party estimator more information about



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future drilling plans and geological potential. We use the third party estimates in making our own estimates of NPV after making adjustments. We recognize estimates by Miller & Lents for **Cross Timbers Royalty Trust (CRT)** as being more realistic than estimates by Cawley Gillespie for PBT and **San Juan Basin Royalty Trust (SJT)** or by DeGolyer and MacNaughton for **Sabine Royalty Trust (SBR)**. The record for the past twenty years bears that out (see charts Twenty-Year on page 4). The combined understatement for PBT for oil and gas is 93%.

The understatement stems primarily from a strict interpretation of “rules” and is likely to prevail in the future as long as oil and gas prices encourage economic reinvestment. To be fair, the engineering estimates are not represented to be estimates of market value.

The information behind the reserves disclosures could be more useful. Summary reserve estimates disclosed for the bottom line properties for PBT and SJT include only the amounts after artificial reduction for operating costs, taxes and capital investment. To overcome that deficiency, estimates disclosed for bottom line properties of CRT also include summary reserve estimates for underlying properties that can be compared to those for operating companies.

Recent Volumes Rising

Recent volume trends tell a different story than reserves (see charts Underlying Volume on page 5). If reserve life index really were ten years as typically estimated, volume might be expected to decline at 10% a year. Bear in mind that the trust has properties that have already been producing some 90 years. Yet, if the volume trend is actually up, there might be a lot more oil to produce, not just ten times current production. Even flat production is better than estimated by the independent engineer. Moreover, incremental volumes are free of cost to the Texas Royalty properties that account for about half the value in PBT (see table Present Value on page 6). On the Waddell Ranch properties, the operator has been conducting an active drilling program where the trust pays its share of incremental costs using cash flow that is withheld from what would otherwise be distributed. In that case there should be an improvement in volume trend to justify the distribution not made. It may well turn out that spending on new drilling is curtailed should oil price not recover to higher levels. In that case, the money not spent on drilling would be applied to increase distributions.

Oil Price an Uncertain Call

We have free markets because no one knows what future prices will be. Certainly, there have been big surprises on all fronts over the decades, political, economic and industry-specific. Our call for a \$90 a barrel long-term oil price seems to be an appropriate balance of global growth and the cost of developing new supply to meet that growth. We measure the price in dollars, which in turn have uncertain value, particularly in view of the enormous creation of money from thin air by central banks all around the globe. Currently oil price is near the low end of the range for the past several years. Shale drilling technology likely needs a higher price to make an optimal contribution at the same time it limits the upper end of the potential range.



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Stock Price Adjusts for Distribution Yield

Distribution yield for our Income Payers is often well into mid and upper single digits. Price adjustment is particularly acute when there is little or no current payout as can be the case with Bottom Line properties when capital spending may be high. In most of the months so far in 2015, PBT has distributed nothing from Bottom Line properties. Top Line properties tend to pay distributions without interruption because operating and capital costs are borne by others. Consequently there is a floor to monthly distributions by PBT that corresponds to the payout from Top Line properties.

Trustee Enhances Disclosures

In moves that should help investors better understand the dynamics of a trust that includes both Top Line and Bottom Line properties, the trustee of PBT has been expanding monthly disclosures. Since October 2014, investors have monthly disclosures of underlying volumes separately for the two categories. That gave us enough monthly disclosure to expand our quarterly model to treat the two categories in separate detail (see table Operating and Financial Estimates on page 7). In the latest distribution announcement on June 19, the trustee initiated monthly disclosure of operating expense, taxes and capital expenditure which fully explain the difference between Top Line and Bottom Line results. Further detail explained how the payoff of an operating deficit freed cash to be redistributed again from Bottom Line properties. Better disclosure can't change results, but can give investors more confidence to act on stock price that may seem low or high for the situation.

McDep Ratio Low

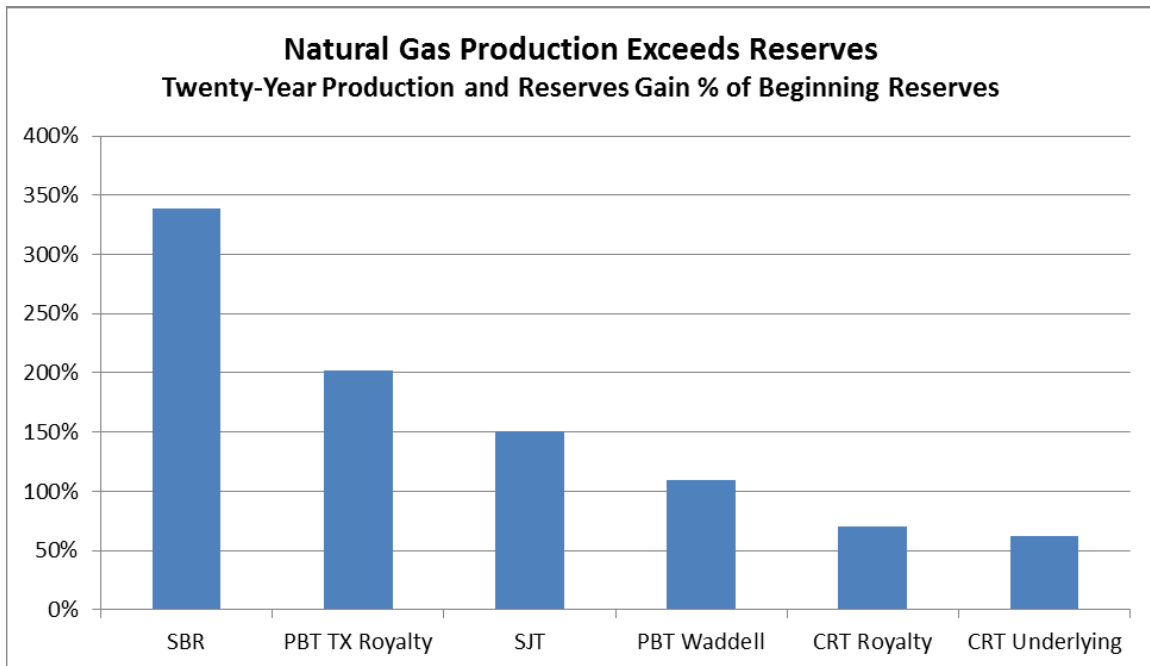
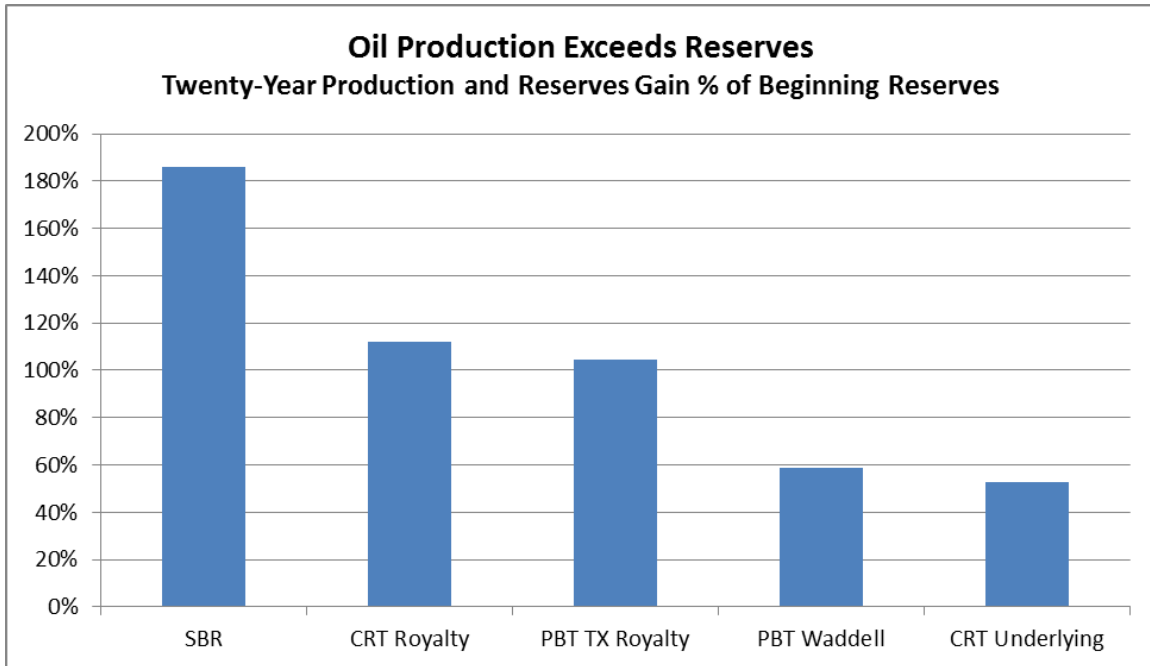
Present value estimates required for determining McDep Ratio start with cash flow for the next twelve months. To the base cash flow we apply cash flow multiples that account for understated reserves, for oil and gas price appreciation and, in the case of Top Line properties, an allowance for the costs to be paid by others. Comparing NPV to stock price and noting that PBT has no debt, we calculate a low McDep Ratio that implies attractive investment potential (see Tables 1-4 on pages 8-11).

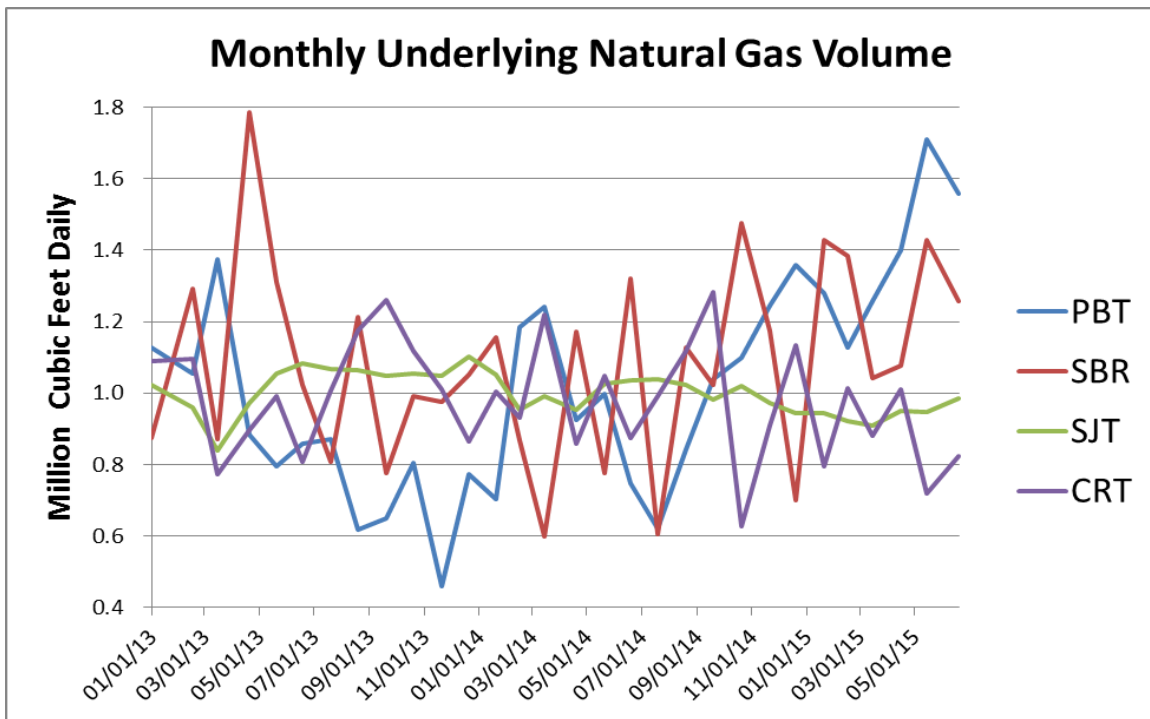
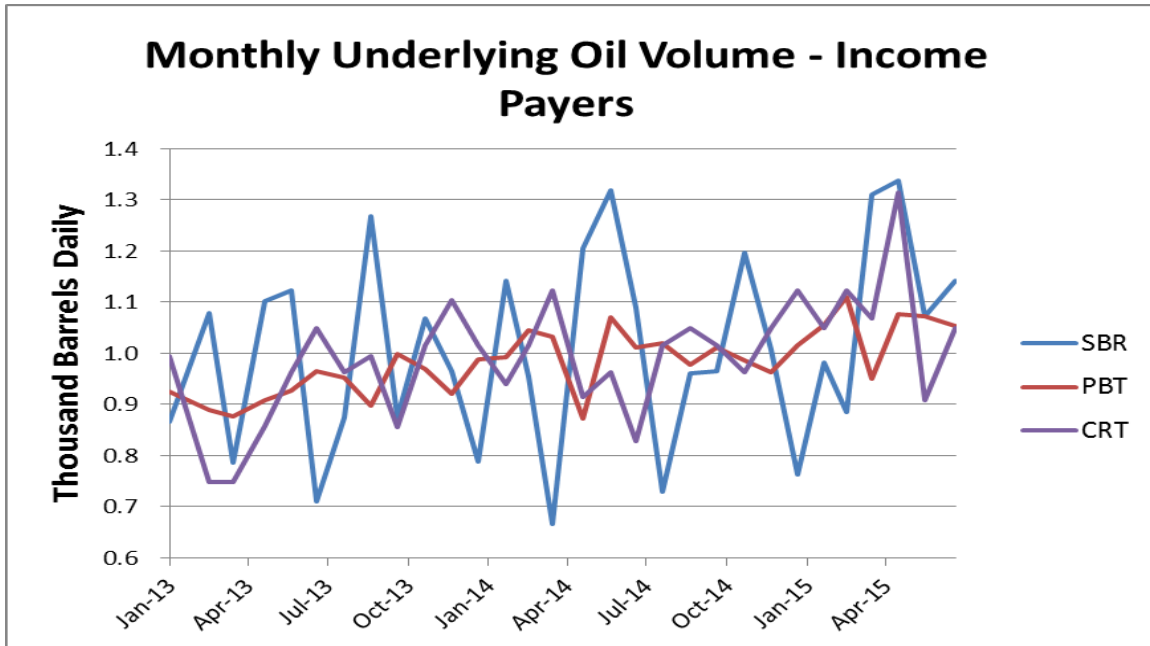
Kurt H. Wulff, CFA



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Permian Basin Royalty Trust					
Functional Cash Flow and Present Value					
	<i>NTM Ebitda</i>	<i>Adjusted</i>	<i>PV/</i>	<i>Present</i>	
	<i>(US\$mm)</i>	<i>R/P</i>	<i>Ebitda</i>	<i>Value</i>	
				<i>(US\$mm)</i>	
<u>Top Line - Royalty Interests (95% Underlying)</u>					
North American Natural Gas	2	7.6	33.8	60	8%
Oil	13	10.7	23.0	300	40%
	15	10.2	24.3	360	48%
<u>Bottom Line - Working Interests (75% Underlying)</u>					
North American Natural Gas	4	8.0	24.0	100	13%
Oil	16	11.2	17.9	290	39%
	20	9.8	19.2	390	52%
<u>Total Top and Bottom</u>					
North American Natural Gas	6	8.0	26.9	160	21%
Oil	29	11.0	20.2	590	79%
	35	9.9	21.3	750	100%
Debt (US\$mm)					-
Net Present Value (US\$mm)					750
Shares (mm)					46.6
Net Present Value (US\$/sh)					16
NPV Approximation by Cash Flow Multiple Depending on Reserve Life (US\$/sh)					16
Top Line Approximation at 1.5 times Cash Flow Multiple Depending on Reserve Life					



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Permian Basin Royalty Trust									
Next Twelve Months Operating and Financial Estimates									
									<i>Next</i>
	<i>Q4</i>	<i>Q1</i>	<i>Q2E</i>	<i>Q3E</i>	<i>Q4E</i>	<i>Year</i>	<i>Q1E</i>	<i>Q2E</i>	<i>Months</i>
	<i>12/31/14</i>	<i>3/31/15</i>	<i>6/30/15</i>	<i>9/30/15</i>	<i>12/31/15</i>	<i>2015E</i>	<i>3/31/16</i>	<i>6/30/16</i>	<i>6/30/16</i>
TOP LINE									
Volume									
Natural Gas (mmcf)	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Oil (mbd)	0.94	0.90	1.0	0.96	0.96	0.94	0.96	0.96	0.96
Price (cash lagged two months)									
Natural Gas (\$/mcf)	8.59	6.29	5.17	5.01	5.13	5.41	5.67	5.78	5.40
Oil (\$/bbl)	84.10	59.38	44.66	50.06	46.21	49.98	47.21	48.12	47.90
Revenue (\$mm)									
Natural Gas	1.0	0.7	0.5	0.5	0.5	2.3	0.6	0.6	2.3
Oil	7.2	4.9	3.8	4.4	4.1	17.2	4.2	4.1	16.8
Total Revenue	8.2	5.6	4.3	4.9	4.6	19.5	4.8	4.7	19.0
Expense									
Operating	0.5	0.6	0.6	0.6	0.6	2.2	0.6	0.6	2.2
Production taxes	0.3	0.2	0.2	0.2	0.2	0.8	0.2	0.2	0.8
Total Expense	0.8	0.8	0.8	0.8	0.8	3.0	0.8	0.8	3.0
Ebitda	7.4	4.9	3.6	4.2	3.9	16.5	4.0	3.9	16.0
Ebitda times 95%	7.0	4.6	3.4	4.0	3.7	15.7	3.8	3.8	15.2
BOTTOM LINE									
Volume									
Natural Gas (mmcf)	11.7	11.7	15.1	12.0	12.0	12.7	12.0	12.0	12.0
Oil (mbd)	2.28	2.48	2.5	2.54	2.57	2.53	2.59	2.62	2.58
Price (cash lagged two months)									
Natural Gas (\$/mcf)	5.49	3.92	2.63	2.55	2.61	2.91	2.89	2.94	2.75
Oil (\$/bbl)	81.12	57.13	46.31	51.91	47.92	50.82	48.96	49.90	49.66
Revenue (\$mm)									
Natural Gas	5.9	4.2	3.5	2.8	2.9	13.5	3.2	3.1	12.0
Oil	17.0	13.0	10.4	12.1	11.3	46.8	11.7	11.6	46.7
Total Revenue	22.9	17.2	13.9	15.0	14.2	60.3	14.9	14.8	58.8
Expense									
Operating	8.3	6.8	6.8	6.8	6.8	27.3	6.8	6.8	27.3
Production taxes	1.1	0.8	0.8	0.8	0.8	3.3	0.8	0.8	3.3
Total Expense	9.3	7.6	7.6	7.6	7.6	30.6	7.6	7.6	30.6
Ebitda	13.6	9.6	6.3	7.3	6.6	29.7	7.2	7.1	28.2
Development	15.7	10.2	2.7	5.0	5.0	22.8	4.0	4.0	18.0
(Ebitda-Dvlpmnt) times 75%			2.7	1.7	1.2	5.6	2.4	2.3	7.7
Carryover recovered			2.3			2.3			
CASH DISTRIBUTION									
Royalty Income (\$mm)									
Top Line	7.0	4.6	3.4	4.0	3.7	15.7	3.8	3.8	15.2
Bottom Line	-	-	0.4	1.7	1.2	3.3	2.4	2.3	7.7
Administration	0.2	0.5	0.3	0.3	0.3	1.3	0.3	0.3	1.2
Distributable Income (\$mm)	6.9	4.2	3.5	5.4	4.5	17.7	5.9	5.8	21.7
Units (millions)	47	47	47	47	47	47	47	47	47
Distribution (\$/unit)	0.15	0.09	0.08	0.12	0.10	0.38	0.13	0.12	0.47



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						<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>Yield</i>		
<i>Symbol/Rating</i>		<i>6-Jul</i>	<i>Cap</i>	<i>(\$mm)</i>	<i>Natural</i>	<i>Natural</i>	<i>Oil</i>	<i>Down-</i>	<i>NTM</i>	<i>McDep</i>		
		<i>2015</i>			<i>Gas</i>	<i>Gas</i>	<i>Prod'n</i>	<i>stream</i>	<i>(%)</i>	<i>Ratio</i>		
Global Integrated												
Exxon Mobil Corporation	XOM	82.53	1.24	430,000	7	14	64	16	3.5	0.79		
Royal Dutch Shell (BG pro form)	RDS-A	55.99	1.56	341,000					6.7	0.73		
Chevron Corporation	CVX B	94.77	1.32	234,000	3	9	73	14	4.5	0.69		
Total S.A.	TOT B	47.24	1.52	164,000		17	66	17	5.7	0.63		
<i>Total or Median</i>			<i>1.42</i>	<i>1,169,000</i>			<i>66</i>	<i>16</i>	<i>5.1</i>	<i>0.71</i>		
Large Independent												
EOG Resources, Inc.	EOG	85.09	1.14	52,700	14	4	83		0.8	0.80		
Occidental Petroleum Corp.	OXY	73.90	1.12	63,900	6	1	81	12	4.1	0.76		
Devon Energy Corporation	DVN	56.68	1.76	40,900	30		55	15	1.7	0.70		
ConocoPhillips	COP B	59.06	1.50	110,000	14	13	73		4.9	0.68		
Marathon Oil Corporation	MRO B	25.12	1.52	25,800	9	2	88		3.3	0.61		
<i>Total or Median</i>			<i>1.50</i>	<i>293,000</i>	<i>14</i>		<i>81</i>		<i>3.3</i>	<i>0.70</i>		
Small Independent												
Cimarex Energy Company	XEC	105.59	1.19	11,000	41		59		0.6	0.78		
Range Resources	RRC	47.17	1.51	11,800	73		27		0.3	0.57		
Continental Resources (32%)	CLR	37.40	1.52	6,700	18		82		-	0.54		
California Resources	CRC B	5.37	4.37	9,000	13		87		0.7	0.54		
Whiting Petroleum Corporation	WLL B	29.59	1.55	10,900	6		94		-	0.50		
<i>Total or Median</i>			<i>1.52</i>	<i>49,000</i>	<i>18</i>		<i>82</i>		<i>0.3</i>	<i>0.54</i>		
Income												
Dorchester Minerals, L.P.	DMLP	20.45	1.00	630	36		64		5.9	0.64		
Sabine Royalty Trust	SBR	37.89	1.00	550	42		58		7.0	0.56		
San Juan Basin Royalty Trust	SJT	10.61	1.00	500	100		-		4.5	0.51		
Permian Basin RT	PBT B	7.61	1.00	360	23		77		6.1	0.48		
Cross Timbers Royalty Trust	CRT B	15.81	1.00	100	54		46		6.6	0.38		
<i>Total or Median</i>			<i>1.00</i>	<i>2,100</i>	<i>42</i>		<i>58</i>		<i>6.1</i>	<i>0.51</i>		
Canada												
Imperial Oil Limited (30%)	IMO	37.40	1.29	12,300	1		77	22	1.1	0.77		
EnCana Corporation	ECA	10.52	1.98	17,400	57		43		2.7	0.69		
Cenovus Energy Inc.	CVE	14.81	1.17	14,300	10		82	7	5.7	0.53		
Canadian Oil Sands Limited	COSWF B	7.24	1.78	6,200			100		2.2	0.50		
Birchcliff Energy Ltd.	BIREF B	5.47	1.68	1,400	77		23		-	0.46		
<i>Total or Median</i>			<i>1.68</i>	<i>52,000</i>			<i>77</i>		<i>2.2</i>	<i>0.53</i>		

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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			<i>Price</i>			<i>Net</i>		
			<i>(US\$/sh)</i>		<i>Market</i>	<i>Present</i>	<i>Debt/</i>	
	<i>Symbol/Rating</i>		<i>6-Jul</i>	<i>Shares</i>	<i>Cap</i>	<i>Value</i>	<i>Present</i>	<i>McDep</i>
	B = Buy		2015	(mm)	(US\$m)	(US\$/sh)	Value	Ratio
Global Integrated								
Exxon Mobil Corporation	XOM		82.53	4,211	348,000	110.00	0.15	0.79
Royal Dutch Shell (BG pro forma)	RDS-A		55.99	3,900	218,000	89.00	0.26	0.73
Chevron Corporation	CVX	B	94.77	1,876	178,000	150.00	0.17	0.69
Total S.A.	TOT	B	47.24	2,285	108,000	90.00	0.21	0.63
	<i>Total or Median</i>				<i>852,000</i>		<i>0.19</i>	<i>0.71</i>
Large Independent								
EOG Resources, Inc.	EOG		85.09	545	46,400	110.00	0.10	0.80
Occidental Petroleum Corp.	OXY		73.90	770	56,900	100.00	0.08	0.76
Devon Energy Corporation	DVN		56.68	410	23,200	100.00	0.30	0.70
ConocoPhillips	COP	B	59.06	1,246	74,000	100.00	0.23	0.68
Marathon Oil Corporation	MRO	B	25.12	675	16,960	50.00	0.21	0.61
	<i>Total or Median</i>				<i>217,500</i>		<i>0.21</i>	<i>0.70</i>
Small Independent								
Cimarex Energy Company	XEC		105.59	88	9,300	140.00	0.12	0.78
Range Resources	RRC		47.17	166	7,800	100.00	0.19	0.57
Continental Resources (32%)	CLR		37.40	118	4,400	85.00	0.19	0.54
California Resources	CRC	B	5.37	382	2,100	25.00	0.42	0.54
Whiting Petroleum Corporation	WLL	B	29.59	237	7,000	75.00	0.18	0.50
	<i>Total or Median</i>				<i>31,000</i>		<i>0.19</i>	<i>0.54</i>
Income								
Dorchester Minerals, L.P.	DMLP		20.45	31	630	32.00	-	0.64
Sabine Royalty Trust	SBR		37.89	15	550	68.00	-	0.56
San Juan Basin Royalty Trust	SJT		10.61	47	500	21.00	-	0.51
Permian Basin RT	PBT	B	7.61	47	360	16.00	-	0.48
Cross Timbers Royalty Trust	CRT	B	15.81	6	100	42.00	-	0.38
	<i>Total or Median</i>				<i>2,100</i>		<i>-</i>	<i>0.51</i>
Canada								
Imperial Oil Limited (30%)	IMO		37.40	255	9,500	52.00	0.17	0.77
EnCana Corporation	ECA		10.52	839	8,800	20.00	0.34	0.69
Cenovus Energy Inc.	CVE		14.81	825	12,200	30.00	0.08	0.53
Canadian Oil Sands Limited	COSWF	B	7.24	485	3,500	20.00	0.22	0.50
Birchcliff Energy Ltd.	BIREF	B	5.47	154	800	16.00	0.19	0.46
	<i>Total or Median</i>				<i>35,000</i>		<i>0.19</i>	<i>0.53</i>

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 (US\$/sh)	Adjustd Resrvs/ Prod	PV/ Ebitda	EV/ Ebitda	P/E	Dividend NTM
	Symbol/Rating		6-Jul 2015	NTM	NTM	NTM	NTM	(\$/sh)
	B = Buy							
Global Integrated								
Exxon Mobil Corporation	XOM		82.53	14.2	11.2	8.8	18	2.92
Chevron Corporation	CVX	B	94.77	8.9	11.1	7.7	26	4.28
Total S.A.	TOT	B	47.24	9.7	9.7	6.1	13	2.70
Royal Dutch Shell (BG pro forma)	RDS-A		55.99					3.76
	<i>Median</i>			9.7	11.1	7.7	18	
Large Independent								
EOG Resources, Inc.	EOG		85.09	9.3	16.9	13.4	30	0.67
Devon Energy Corporation	DVN		56.68	10.1	15.9	11.1	82	0.96
ConocoPhillips	COP	B	59.06	11.3	15.7	10.7		2.92
Occidental Petroleum Corp.	OXY		73.90	9.1	13.3	10.1	44	3.00
Marathon Oil Corporation	MRO	B	25.12	12.8	15.9	9.7		0.84
	<i>Median</i>			10.1	15.9	10.7	44	
Small Independent								
Range Resources	RRC		47.17	14.9	28.7	16.5	80	0.16
Cimarex Energy Company	XEC		105.59	8.2	17.3	13.6		0.64
California Resources	CRC	B	5.37	12.1	24.6	13.4		0.04
Continental Resources (32%)	CLR		37.40	11.4	20.3	11.0	146	-
Whiting Petroleum Corporation	WLL	B	29.59	10.5	17.2	8.7		-
	<i>Median</i>			11.4	20.3	13.4	113	
Income								
San Juan Basin Royalty Trust	SJT		10.61	8.3	32.7	16.6	22	0.48
Sabine Royalty Trust	SBR		37.89	9.4	25.7	14.3	14	2.64
Dorchester Minerals, L.P.	DMLP		20.45	7.7	20.6	13.1	28	1.21
Cross Timbers Royalty Trust	CRT	B	15.81	12.6	27.2	10.3	15	1.04
Permian Basin RT	PBT	B	7.61	9.9	21.2	10.1	16	0.47
	<i>Median</i>			9.4	25.7	13.1	16	
Canada								
Imperial Oil Limited (30%)	IMO		37.40	27.4	14.8	11.4	17	0.41
EnCana Corporation	ECA		10.52	6.7	16.0	11.0	108	0.28
Cenovus Energy Inc.	CVE		14.81	15.5	16.8	9.0		0.84
Birchcliff Energy Ltd.	BIREF	B	5.47	12.6	19.1	8.9		-
Canadian Oil Sands Limited	COSWF	B	7.24	17.5	17.2	8.7	75	0.16
	<i>Median</i>			15.5	16.8	9.0	75	
	<i>Grand Median</i>			11	17	11		

EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended June 30, 2016; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses



Independent Stock Idea

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Table 4										
McDep Energy Stocks										
Total Return Year-to-Date 2015										
Ranked by Unlevered Total Return										
			Price	Price	Price	Cash	Equity	Unlevered		
	Symbol/Rat		(\$/sh)	(\$/sh)	Change	Distrib.	Total	Debt	Return	McDep
			6-Jul	29-Dec	(%)	(%)	(%)	(\$/sh)	(%)	Ratio
			2015	2014						
Global Integrated										
Total S.A.	TOT	B	47.24	52.74	(10)	1	(9)	25	(5)	0.63
Exxon Mobil Corporation	XOM		82.53	93.07	(11)	1	(11)	20	(8)	0.79
Royal Dutch Shell (BG pro forma)	RDS-A		55.99	68.31	(18)	1	(17)	32	(10)	0.73
Chevron Corporation	CVX	B	94.77	113.32	(16)	1	(15)	30	(11)	0.69
	<i>Median</i>				(14)		(13)		(9)	0.71
Large Independent										
Devon Energy Corporation	DVN		56.68	61.15	(7)	0	(7)	43	(4)	0.70
Occidental Petroleum Corp.	OXY		73.90	81.71	(10)	1	(9)	9	(7)	0.76
Marathon Oil Corporation	MRO	B	25.12	28.58	(12)	1	(11)	13	(7)	0.61
EOG Resources, Inc.	EOG		85.09	94.33	(10)	0	(10)	12	(8)	0.80
ConocoPhillips	COP	B	59.06	70.11	(16)	1	(15)	30	(10)	0.68
	<i>Median</i>				(10)		(10)		(7)	0.70
Small Independent										
Continental Resources (32%)	CLR		37.40	38.26	(2)	-	(2)	19	(1)	0.54
California Resources	CRC	B	5.37	5.77	(7)	0	(7)	18	(2)	0.54
Cimarex Energy Company	XEC		105.59	110.27	(4)	0	(4)	20	(3)	0.78
Whiting Petroleum Corporation	WLL	B	29.59	34.09	(13)	-	(13)	16	(9)	0.50
Range Resources	RRC		47.17	56.00	(16)	0	(16)	24	(11)	0.57
	<i>Median</i>				(7)		(7)		(3)	0.54
Income										
Sabine Royalty Trust	SBR		37.89	36.68	3	3	6	-	8	0.56
Cross Timbers Royalty Trust	CRT	B	15.81	18.07	(13)	2	(10)	-	(9)	0.38
Permian Basin RT	PBT	B	7.61	9.12	(17)	1	(16)	-	(15)	0.48
Dorchester Minerals, L.P.	DMLP		20.45	25.16	(19)	2	(17)	-	(16)	0.64
San Juan Basin Royalty Trust	SJT		10.61	13.97	(24)	1	(23)	-	(23)	0.51
	<i>Median</i>				(17)		(16)		(15)	0.51
Canada										
Imperial Oil Limited (30%)	IMO		37.40	43.49	(14)	0	(14)	11	(11)	0.77
Birchcliff Energy Ltd.	BIREF	B	5.47	6.75	(19)	-	(19)	4	(12)	0.46
Canadian Oil Sands Limited	COSWF	B	7.24	9.20	(21)	0	(21)	6	(13)	0.50
EnCana Corporation	ECA		10.52	13.94	(25)	1	(24)	10	(14)	0.69
Cenovus Energy Inc.	CVE		14.81	20.95	(29)	1	(28)	3	(24)	0.53
	<i>Median</i>				(21)		(21)		(13)	0.53
	<i>Grand Median</i>				(14)		(13)		(9)	0.62
Natural Gas (\$/mmbtu)			2.75	3.19	(14)					
Oil - West Texas Intermediate (\$/bbl)			52.81	53.69	(2)					

Source: McDep LLC, Yahoo, CME Group, Bloomberg



Independent Stock Idea

July 7, 2015

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