



# Income and Small Cap Weekly

Analysis of Oil & Gas Stocks

January 7, 2011

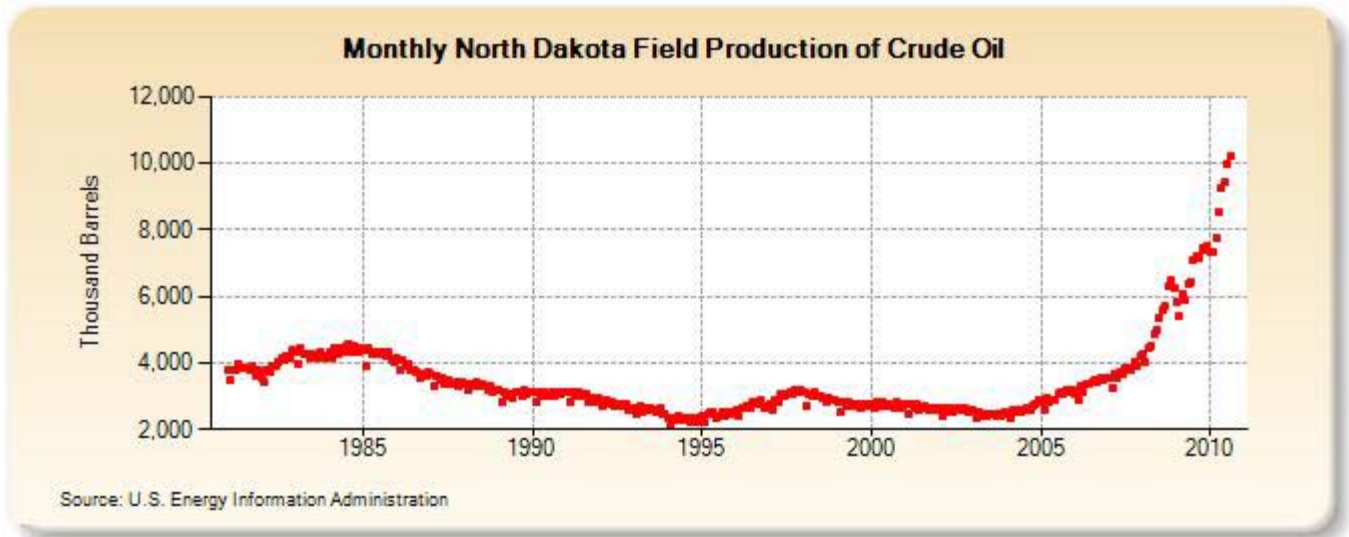
## Raise Whiting NPV to \$150 on North Dakota Oil

### Summary and Recommendation

The common shares of independent oil producer **Whiting Petroleum (WLL)** offer unlevered appreciation potential of 28% to a McDep Ratio of 1.0 where stock price would equal Net Present Value (NPV) of \$150 a share, up from \$128. After reviewing our recently revised estimates of NPV for all stocks to reflect a long-term oil price of \$100 a barrel, we concluded we were not giving WLL enough credit for its 20% increase in oil volume in 2010. The company is among the top producers in North Dakota where new shale oil volumes have been enough to help reverse a declining oil trend for the whole U.S. Knowing that the stock has appreciated more than five times from its low of \$20 in early 2009, we are cautious for now about making WLL an official buy recommendation. Yet, a comparatively low McDep Ratio among peer stocks suggests a bright outlook for more gain in the years ahead.

### North Dakota Rises to 7% of U.S. Oil Production

Whiting's appeal includes aggressive application of new technology in drilling and formation fracturing to increase oil volume. Practically all of the company's incremental production in 2010 has come from North Dakota where Whiting was the second largest oil producer a few months ago. On a steep incline, North Dakota oil production was 7% of the U.S. in August 2010, up from 4% a year earlier (see chart below).



It is a bit extreme to compare Whiting's stock price to early 2009. Had oil price remained at the low point of \$34 a barrel only a few small cap independent North American oil producers could



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have remained solvent. That is the risk of being in a high marginal cost business and it is the main reason, we believe, that the major oil companies sold most of their North American oil properties to independents. The other side of the coin is that when price increases, profits increase faster for higher cost operators. Considering that oil price is up almost three times since early 2009 and that North Dakota oil has been growing rapidly, it is less surprising that Whiting's stock price is up as much as it is.

## **Probable Reserves Hint at Longer Life**

New Securities and Exchange Commission rules allow companies to report estimates of probable reserves in addition to proven quantities though few U.S. companies made those disclosures last year. As a result, we make our comparisons for most companies on the basis of proven reserves for which we calculate an adjusted life index, which is 9.3 for Whiting. Beginning last year we modified our approach for Canadian companies to include probable reserves, which traditionally have been reported regularly. In that context we calculate an adjusted life index of 12.5 for Whiting (see tables [Natural Gas and Oil Reserves](#) on page 3).

Comparing adjusted life index to cash flow multiple implied by our estimate of present value suggests Whiting might have an NPV of \$158 on the proven reserves basis. On the probable reserves basis, NPV in comparison to those companies where we have probable reserves might be \$177. Both comparisons exceed our new standard estimate of \$150 (see tables [Functional Cash Flow and Present Value](#) on page 4).

## **Growing Production Lifts Cash Flow**

A steep curve for North Dakota oil production is also raising WLL's cash flow base for the first year in a present value type calculation. We don't always know whether the growth is coming from reserves already reported or if reserves are also growing faster. For practical purposes we estimate a cash flow base tied largely to latest quarterly production (see table [Next Twelve Months Operating and Financial Estimates](#) on page 5).

## **Income and Small Cap Stocks McDep Ratio at 0.95**

Stocks in our group of Small Cap Independent Producers are priced at a median McDep Ratio of 0.92 while Cash Payers offer a median distribution yield of 6.9% a year (see [Tables 1-2](#) on pages 6-7). Unlevered cash flow multiple (EV/Ebitda) for independent producers is 10.6 times for an adjusted reserve life of 11.8. EV/Ebitda for Bottom Line Cash Payers is 11.2 times for an adjusted reserve life of 12.6 (see Table 3 on page 8). Nearly all the stocks are in a price uptrend compared to the 200-day average (see Table 4 on page 9).

Kurt H. Wulff, CFA



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<b>Whiting Petroleum Corporation</b>					
<b>Proven Natural Gas and Oil Reserves</b>					
	<i>Natural Gas</i>	<i>Oil</i>	<i>Total</i>		
	<i>(bcf)</i>	<i>(mmb)</i>	<i>(bcf)</i>	<i>(mmb)</i>	
<u>Reserves (bcf or mmb)</u>					
Proven (P)	307	224	1,651	275	100
Proven Developed (PD)	179	145	1,049	175	64
Proven Undeveloped (PUD)	129	79	603	101	36
<i>Production, Next Twelve Months</i>	27.3	19.6	144.8	24.1	
<u>Reserve Life Index (years)</u>					
R/P P	11.2	11.4	11.4	11.4	
R/P PD	6.6	7.4	7.2	7.2	
R/P PUD	4.7	4.0	4.2	4.2	
R/P PD+.5PUD	8.9	9.4	9.3	9.3	
<b>Proven and Probable Natural Gas and Oil Reserves</b>					
	<i>Natural Gas</i>	<i>Oil</i>	<i>Total</i>		
	<i>(bcf)</i>	<i>(mmb)</i>	<i>(bcf)</i>	<i>(mmb)</i>	
<u>Reserves (bcf or mmb)</u>					
Proven and Probable (P1+P2)	489	282	2,181	364	100
Proven (P1)	307	224	1,651	275	76
Probable (P2)	182	58	530	88	24
<i>Production, Next Twelve Months</i>	27.3	19.6	144.8	24.1	
<u>Reserve Life Index (years)</u>					
R/P (P1+P2)	17.9	14.4	15.1	15.1	
R/P (P1)	11.2	11.4	11.4	11.4	
R/P (P2)	6.7	3.0	3.7	3.7	
R/P (P1+0.3*P2)	13.2	12.3	12.5	12.5	



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<b>Whiting Petroleum Corporation</b>					
<b>Functional Cash Flow and Present Value</b>					
				<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	91	8.9	12.1	1,100	11%
Oil	1,031	9.4	8.7	8,930	89%
	1,122	9.3	8.9	10,030	100%
Debt (US\$mm)					1,180
Net Present Value (US\$mm)					8,850
Shares (mm)					59
Net Present Value - Standard Estimate (US\$/sh)					150
NPV Approximation by Cash Flow Multiple Depending on Reserve Life (US\$/sh)					158
<b>Functional Cash Flow and Present Value</b>					
<i>NPV Approximation on Proven and Probable Reserves</i>					
				<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	91	13.2	12.1	1,100	11%
Oil	1,031	12.3	8.7	8,930	89%
	1,122	12.5	8.9	10,030	100%
Debt (US\$mm)					1,180
Net Present Value (US\$mm)					8,850
Shares (mm)					59
Net Present Value - Standard Estimate (US\$/sh)					150
NPV Approximation by Cash Flow Multiple Depending on Reserve Life (US\$/sh)					177



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Whiting Petroleum Corporation									
Next Twelve Months Operating and Financial Estimates									
									<i>Next</i>
									<i>Twelve</i>
	<i>Q4</i>	<i>Q3</i>	<i>Q4E</i>	<i>Year</i>	<i>Q1E</i>	<i>Q2E</i>	<i>Q3E</i>	<i>Q4E</i>	<i>Months</i>
	<i>12/31/09</i>	<i>9/30/10</i>	<i>12/31/10</i>	<i>2010E</i>	<i>3/31/11</i>	<i>6/30/11</i>	<i>9/30/11</i>	<i>12/31/11</i>	<i>12/31/11</i>
<b>Volume</b>									
Natural Gas (bcf)	6.8	6.9	6.9	<b>27</b>	6.7	6.8	6.9	6.9	<b>27.3</b>
Natural Gas (mmcf/d)	73	75	75	<b>74</b>	75	75	75	75	<b>75</b>
Days	92	92	92	<b>365</b>	90	91	92	92	<b>365</b>
Oil (mmb)	4.1	4.9	4.9	<b>19</b>	4.8	4.9	4.9	4.9	<b>20</b>
Oil (mbd)	44	54	54	<b>52</b>	54	54	54	54	<b>54</b>
Total (mb)	5.2	6.1	6.1	<b>23</b>	6.0	6.0	6.1	6.1	<b>24</b>
Total (mbd)	57	66	66	<b>64</b>	66	66	66	66	<b>66</b>
<b>Price</b>									
Henry Hub (\$/mmbtu)	4.16	4.38	3.80	<b>4.40</b>	4.34	4.37	4.50	4.79	<b>4.50</b>
Differential (\$/mmbtu)	(0.72)	(0.62)	(0.54)	<b>(0.47)</b>	(0.61)	(0.62)	(0.64)	(0.68)	<b>(0.64)</b>
Company (\$/mcf)	4.88	5.00	4.34	<b>4.87</b>	4.96	4.99	5.14	5.47	<b>5.14</b>
WTI Cushing (\$/bbl)	76.09	76.08	85.12	<b>79.43</b>	90.47	91.70	92.64	92.88	<b>91.92</b>
Differential	10.57	9.06	10.14	<b>8.80</b>	10.77	10.92	11.03	11.06	<b>10.94</b>
Company (\$/bbl)	65.52	67.02	74.98	<b>70.63</b>	79.70	80.78	81.61	81.82	<b>80.98</b>
Total (\$/bbl)	57.69	60.04	65.75	<b>62.69</b>	70.28	71.19	72.04	72.58	<b>71.53</b>
<b>Revenue (\$mm)</b>									
Natural Gas	33	34	30	<b>131</b>	33	34	35	38	<b>140</b>
Oil	268	331	370	<b>1,337</b>	385	394	403	404	<b>1,586</b>
Other				-					
Total	301	365	400	<b>1,468</b>	418	428	438	442	<b>1,726</b>
<b>Expense</b>									
Lease operating	59	69							
Production taxes	21	26							
General and administrative	12	19							
Total	92	114	140	<b>463</b>	146	150	153	155	<b>604</b>
<b>Ebitda</b>	209	251	260	<b>1,005</b>	272	278	285	287	<b>1,122</b>
Exploration	33	11	11	<b>50</b>	11	11	11	11	<b>44</b>
Deprec., Deplet., & Amort.	93	98	98	<b>389</b>	98	98	98	98	<b>392</b>
Other	7	9		<b>26</b>					<b>-</b>
<b>Ebit</b>	76	133	151	<b>540</b>	163	169	176	178	<b>686</b>
Interest	16	15	15	<b>62</b>	15	15	15	15	<b>60</b>
<b>Ebt</b>	60	118	136	<b>478</b>	148	154	161	163	<b>626</b>
Income Tax	21	41	48	<b>167</b>	52	54	56	57	<b>219</b>
Preferred Dividend	5								
<b>Net Income (\$mm)</b>	34	77	88	<b>311</b>	96	100	105	106	<b>407</b>
Per Share (\$)	0.66	1.30	1.50	<b>5.26</b>	1.63	1.70	1.77	1.80	<b>6.90</b>
<b>Shares (millions)</b>	51	59	59	<b>59</b>	59	59	59	59	<b>59</b>
Lease operating (\$/bbl)	11.31	11.34							
Production taxes (%rev)	7.0	7.1							
General and admin (\$/bbl)	2.30	3.12							
Deprec., D, & A (\$/bbl)	17.83	16.11	16.11	<b>16.61</b>	16.47	16.29	16.11	16.11	16.24
Ebitda Margin	69%	69%	65%	<b>68%</b>	65%	65%	65%	65%	<b>65%</b>
Tax rate	35%	35%	35%	<b>35%</b>	35%	35%	35%	35%	<b>35%</b>



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**Table 1**

## McDep Income and Small Cap Energy Portfolio Debt, Business Segments and Income Yield

	Symbol/Rating	Price (US\$/sh)	EV/ Market	Enterprise Value (\$mm)	Present Value by Segment (%)		Dist. NTM (\$/un)	Dist. Yield (%)	McDep Ratio	
					NAmer. Natural Gas	Oil Prod'n				
	B = Buy CB (see below)	6-Jan 2011	Cap							
<b>Small Cap Independent Producers</b>										
Petrohawk Energy Corporation	HK	B	19.15	1.59	9,180	96	4	-	-	0.97
Cimarex Energy Company	XEC	B	89.21	1.08	8,280	52	48	0.32	0.4	0.97
Berry Petroleum Company	BRY		44.06	1.44	3,450	26	74	0.30	0.7	0.96
Peyto Exploration and Developmen	PEYUF		18.90	1.19	2,750	69	31	0.72	3.8	0.95
Ultra Petroleum	UPL		47.33	1.20	8,770	90	10	-	-	0.92
Range Resources	RRC	B	44.74	1.30	9,120	68	32	0.16	0.4	0.92
Denbury Resources Inc.	DNR		18.45	1.46	10,810	12	88	-	-	0.88
Whiting Petroleum Corporation	WLL		112.72	1.18	7,830	11	89	-	-	0.78
Birchcliff Energy Ltd.	BIREF	B	9.58	1.28	1,560	162	(62)	-	-	0.66
<i>Total or Median</i>					61,800					0.92
<b>Top Line Cash Payers</b>										
Cross Timbers Royalty Trust	CRT		40.88	1.00	250	69	31	2.71	6.6	1.10
Sabine Royalty Trust	SBR		60.20	1.00	880	38	62	4.09	6.8	1.02
Permian Basin RT	PBT		22.22	1.00	1,040	31	69	1.55	7.0	1.01
Freehold Royalties Ltd.	FRHLF		20.58	1.07	1,290	20	80	1.68	8.2	0.94
Dorchester Minerals, L.P.	DMLP	B	26.87	1.02	840	60	40	1.75	6.5	0.90
<i>Total or Median</i>					4,300				6.8	1.01
<b>Bottom Line Cash Payers</b>										
Linn Energy, LLC	LINE		38.12	1.40	7,820	38	62	2.64	6.9	1.23
Vanguard Natural Resources, LLC	VNR		28.76	1.40	1,200	31	69	2.20	7.6	1.05
Legacy Reserves LP.	LGCY		28.54	1.34	1,530	13	87	2.08	7.3	1.01
Hugoton RoyaltyTrust	HGT	B	20.77	1.00	830	86	14	1.34	6.5	0.94
Pengrowth Energy Corporation	PGH		12.93	1.36	5,200	29	71	0.84	6.5	0.94
Encore Energy Partners, L.P.	ENP		21.18	1.26	1,200	19	81	2.00	9.4	0.94
San Juan Basin Royalty Trust	SJT	CB	23.25	1.00	1,080	100	-	1.43	6.2	0.93
Mesa RoyaltyTrust	MTR		49.08	1.00	91	75	25	3.63	7.4	0.92
Enerplus Corporation	ERF		31.43	1.19	6,600	34	66	2.16	6.9	0.87
<i>Total or Median</i>					25,600				6.9	0.94
<b>Composite</b>										
<i>Enterprise Value Weighting</i>					91,600	50	50			0.93
<i>Equal Weighting</i>						53	47			0.95
<i>Equal Weighted Buys</i>						78	22			0.90

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

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

Present Value presumes long-term prices of \$100 a barrel for oil and \$8 a million btu for natural gas.

Dist. = Income distribution. NTM = Next Twelve Months Ended December 31, 2011. Enterprise Value = Market Cap and Debt.



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**Table 2**

## McDep Income and Small Cap Energy Portfolio

### Net Present Value and McDep Ratio

			<i>Price</i>			<i>Net</i>		
			<i>(\$/sh)</i>		<i>Market</i>	<i>Present</i>	<i>Debt/</i>	
	<i>Symbol/</i>		<i>6-Jan</i>	<i>Shares</i>	<i>Cap</i>	<i>Value</i>	<i>Present</i>	<i>McDep</i>
	<i>Rating</i>		<i>2011</i>	<i>(mm)</i>	<i>(\$mm)</i>	<i>(\$/un)</i>	<i>Value</i>	<i>Ratio</i>
<b>Small Cap Independent Producers</b>								
Petrohawk Energy Corporation	HK	B	19.15	302.0	5,780	20.00	0.36	0.97
Cimarex Energy Company	XEC	B	89.21	85.8	7,650	92.00	0.07	0.97
Berry Petroleum Company	BRY		44.06	54.4	2,400	47.00	0.29	0.96
Peyto Exploration and Development Cor	PEYUF		18.90	121.8	2,300	20.00	0.15	0.95
Ultra Petroleum	UPL		47.33	154.0	7,290	52.00	0.16	0.92
Range Resources	RRC	B	44.74	157.1	7,030	50.00	0.21	0.92
Denbury Resources Inc.	DNR		18.45	401.0	7,400	22.00	0.28	0.88
Whiting Petroleum Corporation	WLL		112.72	59.0	6,650	150.00	0.12	0.78
Birchcliff Energy Ltd.	BIREF	B	9.58	127.3	1,220	16.00	0.14	0.66
<i>Total or Median</i>					<i>47,720</i>		<i>0.16</i>	<i>0.92</i>
<b>Top Line Cash Payers</b>								
Cross Timbers Royalty Trust	CRT		40.88	6.0	250	37.00	-	1.10
Sabine Royalty Trust	SBR		60.20	14.6	880	59.00	-	1.02
Permian Basin RT	PBT		22.22	46.6	1,040	22.00	-	1.01
Freehold Royalties Ltd.	FRHLF		20.58	58.4	1,200	22.00	0.06	0.94
Dorchester Minerals, L.P.	DMLP	B	26.87	30.7	820	30.00	0.02	0.90
<i>Total or Median</i>					<i>4,190</i>			<i>1.01</i>
<b>Bottom Line Cash Payers</b>								
Linn Energy, LLC	LINE		38.12	146.5	5,590	28.00	0.35	1.23
Vanguard Natural Resources, LLC	VNR		28.76	29.8	860	27.00	0.30	1.05
Legacy Reserves L.P.	LGCY		28.54	40.1	1,140	28.00	0.25	1.01
Hugoton Royalty Trust	HGT	B	20.77	40.0	830	22.00	-	0.94
Pengrowth Energy Corporation	PGH		12.93	299.0	3,870	14.00	0.25	0.94
Encore Energy Partners, L.P.	ENP		21.18	45.3	960	23.00	0.19	0.94
San Juan Basin Royalty Trust	SJT	CB	23.25	46.6	1,080	25.00	-	0.93
Mesa Royalty Trust	MTR		49.08	1.9	91	53.00	-	0.92
Enerplus Corporation	ERF		31.43	177.5	5,580	37.00	0.14	0.87
<i>Total or Median</i>					<i>20,000</i>			<i>0.94</i>

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

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

Present Value presumes long-term prices of \$100 a barrel for oil and \$8 a million btu for natural gas.



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Table 3								
McDep Income and Small Cap Energy Portfolio								
Value Multiples - Rank by EV/Ebitda								
			Price (\$/sh)	Revenue	Dist/ Equity	Adjstd Resrvs/ Prod	PV/ Ebitda	EV/ Ebitda
	Symbol/ Rating		6-Jan 2011	Royalty (%)	Ebitda	NTM	NTM	NTM
<b>Small Cap Independent Producers</b>								
Range Resources	RRC	B	44.74		-	11.8	16.2	14.8
Peyto Exploration and Development Corp	PEYUF		18.90		0.49	17.3	13.5	12.8
Ultra Petroleum	UPL		47.33		-	12.6	12.8	11.8
Birchcliff Energy Ltd.	BIREF	B	9.58		-	17.6	17.5	11.5
Petrohawk Energy Corporation	HK	B	19.15		-	7.0	10.9	10.6
Berry Petroleum Company	BRY		44.06		-	11.3	9.2	8.8
Denbury Resources Inc.	DNR		18.45		-	12.9	9.5	8.4
Cimarex Energy Company	XEC	B	89.21		-	6.2	7.4	7.2
Whiting Petroleum Corporation	WLL		112.72		-	9.3	8.9	7.0
	<i>Median</i>					<i>11.8</i>	<i>10.9</i>	<i>10.6</i>
<b>Top Line Cash Payers</b>								
Sabine Royalty Trust	SBR		60.20	100	1.00	7.8	14.4	14.7
Cross Timbers Royalty Trust	CRT		40.88	84	0.96	13.2	13.2	14.5
Permian Basin RT	PBT		22.22	32	0.98	13.2	14.0	14.1
Dorchester Minerals, L.P.	DMLP	B	26.87	77	0.87	6.7	14.9	13.3
Freehold Royalties Ltd.	FRHLF		20.58	71	0.85	8.1	11.2	10.5
	<i>Median</i>					<i>8.1</i>	<i>14.0</i>	<i>14.1</i>
<b>Bottom Line Cash Payers</b>								
Linn Energy, LLC	LINE		38.12		1.43	18.3	15.2	18.7
San Juan Basin Royalty Trust	SJT	CB	23.25		0.82	13.6	14.3	13.3
Hugoton Royalty Trust	HGT	B	20.77		0.86	12.6	14.0	13.2
Mesa Royalty Trust	MTR		49.08		0.91	8.7	13.3	12.2
Legacy Reserves L.P.	LGCY		28.54		0.82	12.0	11.1	11.2
Vanguard Natural Resources, LLC	VNR		28.76		0.80	13.0	9.8	10.3
Encore Energy Partners, L.P.	ENP		21.18		0.94	13.5	10.8	10.1
Pengrowth Energy Corporation	PGH		12.93		0.53	9.6	8.9	8.4
Enerplus Corporation	ERF		31.43		0.55	9.7	9.5	8.3
	<i>Median</i>					<i>12.6</i>	<i>11.1</i>	<i>11.2</i>
B=Buy; CB=Contrarian Buy, Stock Price apparently 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 December 31, 2011; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses								
Top Line Cash Payers defined as those having Revenue Royalty (see fifth column from right).								





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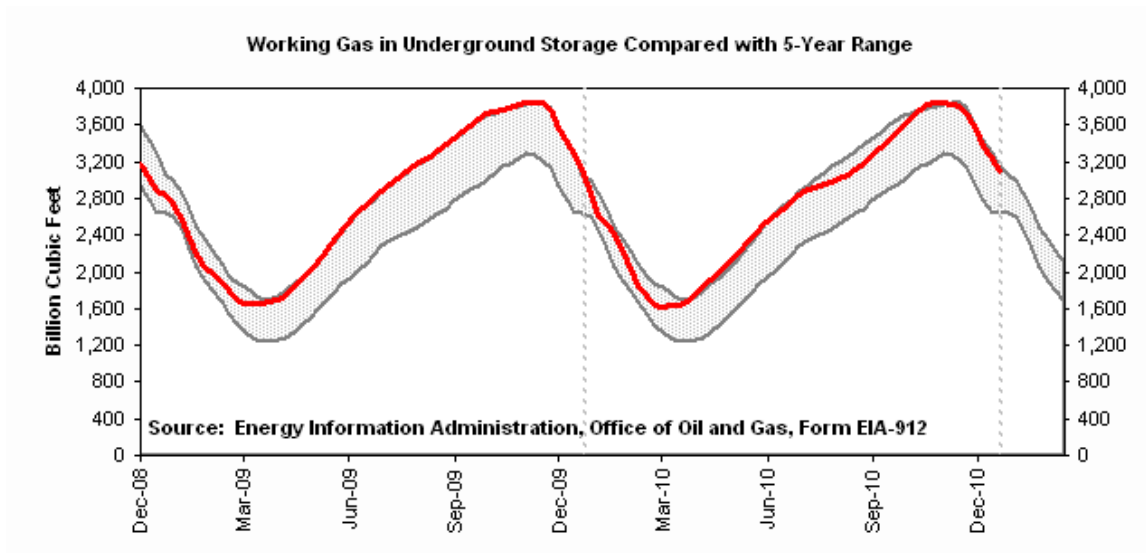
Table 4								
Oil and Gas Income and Small Cap Stocks								
Rank by Enterprise Value to 200 Day Average								
			Price (\$/sh)	Enterprise Value/				
	Symbol/ Rating		6-Jan 2011	52Wk High	52Wk Low	50 Day Avg.	200 Day Avg.	McDep Ratio
<b>Small Cap Independent Producers</b>								
	Berry Petroleum Company	BRY	44.06	0.99	1.46	1.07	1.22	0.96
	Peyto Exploration and Development Co	PEYUF	18.90	0.97	1.53	1.07	1.21	0.95
	Cimarex Energy Company	XEC B	89.21	0.96	1.72	1.06	1.20	0.97
	Whiting Petroleum Corporation	WLL	112.72	0.96	1.61	1.02	1.17	0.78
	Denbury Resources Inc.	DNR	18.45	0.95	1.23	0.99	1.06	0.88
	Range Resources	RRC B	44.74	0.85	1.27	1.04	1.05	0.92
	Ultra Petroleum	UPL	47.33	0.90	1.22	1.01	1.05	0.92
	Birchcliff Energy Ltd.	BIREF B	9.58	0.92	1.18	1.02	1.04	0.66
	Petrohawk Energy Corporation	HK B	19.15	0.79	1.21	1.03	1.03	0.97
	<i>Median</i>			0.95	1.27	1.03	1.06	0.92
<b>Top Line Cash Payers</b>								
	Freehold Royalties Ltd.	FRHLF	20.58	0.98	1.42	1.05	1.18	0.94
	Sabine Royalty Trust	SBR	60.20	0.99	1.45	1.04	1.15	1.02
	Permian Basin RT	PBT	22.22	0.94	1.59	1.00	1.13	1.01
	Cross Timbers Royalty Trust	CRT	40.88	0.97	1.45	1.01	1.11	1.10
	Dorchester Minerals, L.P.	DMLP B	26.87	0.91	1.30	0.99	1.03	0.90
	<i>Median</i>			0.97	1.45	1.01	1.13	1.01
<b>Bottom Line Cash Payers</b>								
	Enerplus Corporation	ERF	31.43	0.99	1.90	1.06	1.21	0.87
	Linn Energy, LLC	LINE	38.12	1.00	1.92	1.03	1.18	1.23
	Pengrowth Energy Corporation	PGH	12.93	0.98	2.00	1.01	1.13	0.94
	Legacy Reserves LP.	LGCY	28.54	0.98	1.43	1.05	1.12	1.01
	Vanguard Natural Resources, LLC	VNR	28.76	0.97	1.42	1.05	1.11	1.05
	Encore Energy Partners, L.P.	ENP	21.18	0.94	1.78	1.01	1.08	0.94
	Hugoton Royalty Trust	HGT B	20.77	0.94	1.39	1.01	1.06	0.94
	Mesa Royalty Trust	MTR	49.08	0.90	1.35	1.00	1.05	0.92
	San Juan Basin Royalty Trust	SJT CB	23.25	0.82	1.31	0.95	0.96	0.93
	<i>Median</i>			0.97	1.43	1.01	1.11	0.94
CB=Contrarian Buy, Stock Price apparently in downtrend compared to 200-day average.								



# Income and Small Cap Weekly

Analysis of Oil & Gas Stocks

January 7, 2011



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