



Income and Small Cap Weekly

Analysis of Oil & Gas Stocks

April 6, 2012

Enduring Energy in Bottom Line Royalty Trusts

Summary and Recommendation

Buy-recommended **San Juan Basin Royalty Trust (SJT)** has a long record of rewarding investors willing to be patient with natural gas when the clean fuel is under pricing pressure as it is today. Seasonal pressure on natural gas price has never been greater than in the aftermath of the past winter, which was warmer than any in the 31-year history of the trust. The debt-free trust can withstand financial pressures and its long-life wells keep producing cash during periods of low selling price. As a result, when conditions improve again, as they usually do, investors in SJT are likely to profit. At current futures prices for oil and natural gas, four royalty trusts in our Bottom Line Cash Payer group offer estimated distribution yields for the next twelve months (NTM) at 4.2% for SJT, 5.4% for **Hugoton Royalty Trust (HGT)**, 8.5% for **Enduro Royalty Trust (NDRO)** and 8.6% for **Mesa Royalty Trust (MTR)** (see [Table ISC-1](#) on page 2). McDep Ratios at 0.83 for HGT, 0.91 for SJT, 0.99 for MTR and 1.02 for NDRO indicate stock prices less than or near Net Present Value (NPV) (see [Table ISC-2](#) on page 3). High cash flow multiple (EV/Ebitda) for SJT and HGT reflect high concentration on natural gas, which generates less cash flow at current low price, as well as a higher portion of cash flow free to be distributed (see [Table ISC-3](#) on page 4). The three older trusts are out of favor by the momentum measure indicating stock price below the 200-day average (see [Table ISC-4](#) on page 5). New NPV for MTR at \$40 a unit, reduced from \$48, appears more in line with reported reserves and estimated cash flow (see tables for each trust including summary valuation, [Functional Cash Flow and Present Value](#) and [NTM Operating and Financial Estimates](#) on pages 6 to 12). Finally, there may be upside in our estimate for NDRO as the new trust records more months of regular distributions.

Kurt H. Wulff, CFA



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Table ISC-1											
McDep Income and Small Cap Energy Portfolio											
Debt, Segments, Cash Flow, Income and McDep Ratio											
		Price									
Symbol/Rating		(US\$/sh)	EV/	Enterprise	PV(%)		EV/	Dist.	Dist.		
	B = Buy	5-Apr	Market	Value	Nat		Ebitda	NTM	Yield	McDep	
CB (see below)		2012	Cap	(\$mm)	Gas	Oil	NTM	(\$/un)	(%)	Ratio	
Small Cap Independent Producers											
PDC Energy	PETD		34.44	1.60	1,290	54	46	7.1	-	-	0.91
Range Resources	RRC	CB	57.65	1.27	11,720	71	29	13.1	0.16	0.3	0.86
Berry Petroleum Company	BRY		46.04	1.59	4,030	15	85	5.5	0.32	0.7	0.75
Denbury Resources Inc.	DNR		18.49	1.38	10,040	6	94	5.7	-	-	0.73
Peyto Exploration and Developmen	PEYUF		15.92	1.22	2,610	75	25	8.4	0.72	4.5	0.71
Cimarex Energy Company	XEC	B	71.14	1.15	7,040	40	60	5.4	0.36	0.5	0.68
Whiting Petroleum Corporation	WLL	B	52.92	1.30	8,160	8	92	4.5	-	-	0.66
Birchcliff Energy Ltd.	BIREF	CB	6.78	1.37	1,370	60	40	8.5	-	-	0.50
<i>Total or Median</i>					46,300			6.4			0.72
Top Line Cash Payers											
Permian Basin RT	PBT		22.62	1.00	1,050	37	63		1.49	6.6	1.13
Dorchester Minerals, L.P.	DMLP	B	25.71	1.00	790	57	43		2.07	8.0	0.95
Sabine Royalty Trust	SBR		61.35	1.00	890	55	45		3.93	6.4	0.94
Cross Timbers Royalty Trust	CRT		39.89	1.00	240	70	30		2.66	6.7	0.91
Freehold Royalties Ltd.	FRHLF		18.68	1.04	1,260	16	84		1.68	9.0	0.89
<i>Total or Median</i>					4,200					6.7	0.94
Bottom Line Cash Payers											
Linn Energy, LLC	LINE		38.70	1.75	11,850	40	60	10.4	2.76	7.1	1.15
Vanguard Natural Resources, LLC	VNR		28.21	1.45	2,130	20	80	9.6	2.35	8.3	1.09
Enduro Royalty Trust (40%)	NDRO		21.34	1.00	280	42	58	7.5	1.81	8.5	1.02
Mesa RoyaltyTrust	MTR		39.71	1.00	74	75	25	10.4	3.41	8.6	0.99
Legacy Reserves L.P.	LGCY		28.90	1.35	1,860	18	82	8.4	2.20	7.6	0.97
San Juan Basin Royalty Trust	SJT	CB	19.05	1.00	890	100	-	15.9	0.80	4.2	0.91
Hugoton RoyaltyTrust	HGT		14.14	1.00	570	88	12	15.6	0.77	5.4	0.83
Enerplus Corporation	ERF	CB	20.70	1.35	5,500	18	82	6.1	2.16	10.5	0.68
<i>Total or Median</i>					23,200			10.0		8.0	0.98
Composite											
<i>Enterprise Value Weighting</i>					73,600	36	64				0.80
<i>Equal Weighting</i>						46	54				0.87
<i>Equal Weighted Buys</i>						41	59				0.74

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 (PV) presumes long-term prices of \$100 a barrel for oil and \$6 a million btu for natural gas.

Dist. = Income distribution. NTM = Next Twelve Months Ended March 31, 2013. Enterprise Value = Market Cap and Debt.



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Table ISC-2								
McDep Income and Small Cap Energy Portfolio								
Net Present Value and McDep Ratio								
			Price			Net		
			(\$/sh)		Market	Present	Debt/	
	Symbol/		5-Apr	Shares	Cap	Value	Present	McDep
	Rating		2012	(mm)	(\$mm)	(\$/un)	Value	Ratio
Small Cap Independent Producers								
PDC Energy	PETD		34.44	23.6	810	40.00	0.34	0.91
Range Resources	RRC	CB	57.65	160.0	9,220	70.00	0.18	0.86
Berry Petroleum Company	BRY		46.04	55.0	2,530	70.00	0.28	0.75
Denbury Resources Inc.	DNR		18.49	393.0	7,270	28.00	0.20	0.73
Peyto Exploration and Development Cor	PEYUF		15.92	133.9	2,130	24.00	0.13	0.71
Cimarex Energy Company	XEC	B	71.14	86.2	6,130	110.00	0.09	0.68
Whiting Petroleum Corporation	WLL	B	52.92	119.0	6,300	88.00	0.15	0.66
Birchcliff Energy Ltd.	BIREF	CB	6.78	147.0	1,000	16.00	0.14	0.50
<i>Total or Median</i>					35,390		0.17	0.72
Top Line Cash Payers								
Permian Basin RT	PBT		22.62	46.6	1,050	20.00	-	1.13
Dorchester Minerals, L.P.	DMLP	B	25.71	30.7	790	27.00	-	0.95
Sabine Royalty Trust	SBR		61.35	14.6	890	65.00	-	0.94
Cross Timbers Royalty Trust	CRT		39.89	6.0	240	44.00	-	0.91
Freehold Royalties Ltd.	FRHLF		18.68	64.8	1,210	21.00	0.03	0.89
<i>Total or Median</i>					4,180			0.94
Bottom Line Cash Payers								
Linn Energy, LLC	LINE		38.70	175.0	6,770	30.00	0.49	1.15
Vanguard Natural Resources, LLC	VNR		28.21	52.0	1,470	25.00	0.34	1.09
Enduro Royalty Trust (40%)	NDRO		21.34	13.2	280	21.00	-	1.02
Mesa Royalty Trust	MTR		39.71	1.9	74	40.00	-	0.99
Legacy Reserves L.P.	LGCY		28.90	47.5	1,370	30.00	0.25	0.97
San Juan Basin Royalty Trust	SJT	CB	19.05	46.6	890	21.00	-	0.91
Hugoton Royalty Trust	HGT		14.14	40.0	570	17.00	-	0.83
Enerplus Corporation	ERF	CB	20.70	196.0	4,060	34.00	0.18	0.68
<i>Total or Median</i>					15,480			0.98
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 \$6 a million btu for natural gas.								



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Table ISC-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		5-Apr 2012	Royalty (%)	Ebitda	NTM	NTM	NTM
Small Cap Independent Producers								
Range Resources	RRC	CB	57.65		-	14.7	15.3	13.1
Birchcliff Energy Ltd.	BIREF	CB	6.78		-	23.7	17.0	8.5
Peyto Exploration and Development Corp	PEYUF		15.92		0.36	109.9	11.9	8.4
PDC Energy	PETD		34.44		-	8.1	7.9	7.1
Denbury Resources Inc.	DNR		18.49		-	14.1	7.8	5.7
Berry Petroleum Company	BRY		46.04		-	11.8	7.3	5.5
Cimarex Energy Company	XEC	B	71.14		-	8.2	8.0	5.4
Whiting Petroleum Corporation	WLL	B	52.92		-	9.8	6.8	4.5
	<i>Median</i>					13.0	8.0	6.4
Top Line Cash Payers								
Sabine Royalty Trust	SBR		61.35	100	1.00	8.2	16.5	15.6
Cross Timbers Royalty Trust	CRT		39.89	78	0.96	16.3	16.0	14.4
Permian Basin RT	PBT		22.62	32	0.92	9.7	12.3	13.9
Dorchester Minerals, L.P.	DMLP	B	25.71	77	1.00	6.1	13.1	12.5
Freehold Royalties Ltd.	FRHLF		18.68	71	0.72	5.9	9.0	8.0
	<i>Median</i>					8.2	13.1	13.9
Bottom Line Cash Payers								
San Juan Basin Royalty Trust	SJT	CB	19.05		0.67	8.8	17.5	15.9
Hugoton RoyaltyTrust	HGT		14.14		0.85	12.8	18.7	15.6
Linn Energy, LLC	LINE		38.70		0.83	14.7	9.0	10.4
Mesa RoyaltyTrust	MTR		39.71		0.89	7.5	10.4	10.4
Vanguard Natural Resources, LLC	VNR		28.21		0.83	14.0	8.8	9.6
Legacy Reserves L.P.	LGCY		28.90		0.63	11.9	8.7	8.4
Enduro Royalty Trust (40%)	NDRO		21.34		0.63	5.3	7.3	7.5
Enerplus Corporation	ERF	CB	20.70		0.57	6.5	9.0	6.1
	<i>Median</i>					10.3	9.0	10.0
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 March 31, 2013; 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 ISC-4								
Oil and Gas Income and Small Cap Stocks								
Rank by Enterprise Value to 200 Day Average								
			Price (\$/sh)	Enterprise Value/				
	Symbol/ Rating		5-Apr 2012	52Wk High	52Wk Low	50 Day Avg.	200 Day Avg.	McDep Ratio
Small Cap Independent Producers								
PDC Energy	PETD		34.44	0.79	1.54	0.98	1.07	0.91
Denbury Resources Inc.	DNR		18.49	0.77	1.48	0.97	1.07	0.73
Whiting Petroleum Corporation	WLL	B	52.92	0.75	1.54	0.97	1.05	0.66
Cimarex Energy Company	XEC	B	71.14	0.64	1.33	0.96	1.01	0.68
Berry Petroleum Company	BRY		46.04	0.83	1.27	0.95	0.99	0.75
Range Resources	RRC	CB	57.65	0.79	1.11	0.95	0.94	0.86
Peyto Exploration and Development C	PEYUF		15.92	0.66	1.00	0.90	0.79	0.71
Birchcliff Energy Ltd.	BIREF	CB	6.78	0.52	1.02	0.69	0.61	0.50
	<i>Median</i>			<i>0.76</i>	<i>1.30</i>	<i>0.95</i>	<i>1.00</i>	<i>0.72</i>
Top Line Cash Payers								
Permian Basin RT	PBT		22.62	0.97	1.26	1.03	1.07	1.13
Dorchester Minerals, L.P.	DMLP	B	25.71	0.86	1.24	1.07	1.06	0.95
Freehold Royalties Ltd.	FRHLF		18.68	0.77	1.35	0.92	0.98	0.89
Sabine Royalty Trust	SBR		61.35	0.87	1.29	0.98	0.97	0.94
Cross Timbers Royalty Trust	CRT		39.89	0.78	1.05	0.87	0.87	0.91
	<i>Median</i>			<i>0.86</i>	<i>1.26</i>	<i>0.98</i>	<i>0.98</i>	<i>0.94</i>
Bottom Line Cash Payers								
Legacy Reserves L.P.	LGCY		28.90	0.89	1.21	0.99	1.02	0.97
Linn Energy, LLC	LINE		38.70	0.97	1.13	1.02	1.02	1.15
Vanguard Natural Resources, LLC	VNR		28.21	0.88	1.18	1.01	1.01	1.09
Mesa RoyaltyTrust	MTR		39.71	0.80	1.09	0.95	0.92	0.99
San Juan Basin Royalty Trust	SJT	CB	19.05	0.69	1.09	1.00	0.85	0.91
Enerplus Corporation	ERF	CB	20.70	0.70	1.01	0.91	0.83	0.68
Hugoton RoyaltyTrust	HGT		14.14	0.58	1.02	0.94	0.72	0.83
	<i>Median</i>			<i>0.80</i>	<i>1.09</i>	<i>0.99</i>	<i>0.92</i>	<i>0.97</i>

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



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<i>Symbol</i>	NDRO	<i>Ebitda Next Twelve Months ending 3/31/13 (US\$mm)</i>	94
<i>Rating</i>	None	<i>North American Natural Gas/Ebitda (%)</i>	21
<i>Price (\$/un)</i>	21.34	<i>Natural Gas and Oil Production/Ebitda (%)</i>	100
<i>Pricing Date</i>	4/5/12	<i>Adjusted Reserves/Production NTM</i>	5.3
<i>Shares (mm)</i>	33	<i>EV/Ebitda</i>	7.5
<i>Market Capitalization (\$mm)</i>	700	<i>PV/Ebitda</i>	7.3
<i>Debt (\$mm)</i>	0	<i>Undeveloped Reserves (%)</i>	17
<i>Enterprise Value (EV) (\$mm)</i>	700	<i>Natural Gas and Oil Ebitda (\$/boe)</i>	33.80
<i>Present Value (PV) (\$mm)</i>	690	<i>Present Value Proven Reserves(\$/boe)</i>	26.10
<i>Net Present Value (\$/unit)</i>	21	<i>Oil and Gas Ebitda Margin (%)</i>	70
<i>Debt/Present Value</i>	0.00	<i>Earnings Next Twelve Months (US\$/un)</i>	1.81
<i>McDep Ratio - EV/PV</i>	1.02	<i>Price/Earnings Next Twelve Months</i>	12
<i>Distribution Yield (%/year)</i>	8.5	<i>NTM Distribution (US\$/un)</i>	1.81
Note: Estimated cash flow and earnings tied to one-year futures prices for natural gas and oil.			
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, \$6 a million btu.			
Sixty percent of units held by Enduro Resource Partners LLC, the sponsor of the trust.			
For historical analysis of NDRO since 2010 see www.mcdep.com/5ndro.htm			

<i>Symbol</i>	HGT	<i>Ebitda Next Twelve Months ending 3/31/13 (US\$mm)</i>	36
<i>Rating</i>	None	<i>North American Natural Gas/Ebitda (%)</i>	74
<i>Price (US\$/sh)</i>	14.14	<i>Natural Gas and Oil Production/Ebitda (%)</i>	100
<i>Pricing Date</i>	4/5/12	<i>Adjusted Reserves/Production NTM</i>	12.8
<i>Shares (mm)</i>	40.0	<i>EV/Ebitda</i>	15.6
<i>Market Capitalization (US\$mm)</i>	566	<i>PV/Ebitda</i>	18.7
<i>Debt (US\$mm)</i>	0	<i>Undeveloped Reserves (%)</i>	13
<i>Enterprise Value (EV) (US\$mm)</i>	566	<i>Natural Gas and Oil Ebitda (US\$/mcf)</i>	2.03
<i>Present Value (PV) (US\$mm)</i>	680	<i>Present Value Proven Reserves(US\$/boe)</i>	16.70
<i>Net Present Value (US\$/unit)</i>	17.0	<i>Oil and Gas Ebitda Margin (%)</i>	51
<i>Debt/Present Value</i>	0.00	<i>Earnings Next Twelve Months (US\$/un)</i>	0.77
<i>McDep Ratio - EV/PV</i>	0.83	<i>Price/Earnings Next Twelve Months</i>	18
<i>Distribution Yield (%/year)</i>	5.4	<i>Distribution Next Twelve Months (US\$/sh)</i>	0.77
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, \$6 a million btu.			
For historical analysis of HGT since 2000 see www.mcdep.com/4hgt.htm			

<i>Symbol</i>	MTR	<i>Ebitda Next Twelve Months ending 3/31/13 (US\$mm)</i>	7
<i>Rating</i>	None	<i>North American Natural Gas/Ebitda (%)</i>	32
<i>Price (US\$/sh)</i>	39.71	<i>Natural Gas and Oil Production/Ebitda (%)</i>	100
<i>Pricing Date</i>	4/5/12	<i>Adjusted Reserves/Production NTM</i>	7.5
<i>Shares (mm)</i>	1.86	<i>EV/Ebitda</i>	10.4
<i>Market Capitalization (US\$mm)</i>	74	<i>PV/Ebitda</i>	10.4
<i>Debt (US\$mm)</i>	0	<i>Undeveloped Reserves (%)</i>	0
<i>Enterprise Value (EV) (US\$mm)</i>	74	<i>Natural Gas and Oil Ebitda (US\$/mcf)</i>	3.67
<i>Present Value (PV) (US\$mm)</i>	75	<i>Present Value Proven Reserves(US\$/boe)</i>	29.30
<i>Net Present Value (US\$/unit)</i>	40	<i>Oil and Gas Ebitda Margin (%)</i>	79
<i>Debt/Present Value</i>	0.00	<i>Earnings Next Twelve Months (US\$/un)</i>	3.41
<i>McDep Ratio - EV/PV</i>	0.99	<i>Price/Earnings Next Twelve Months</i>	12
<i>Distribution Yield (%/year)</i>	8.6	<i>Distribution Next Twelve Months (US\$/sh)</i>	3.41
Note: Estimated cash flow and earnings tied to one-year futures prices for 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, \$6 a million btu.			
For historical analysis of MTR since 2004 see www.mcdep.com/5mtr.htm			



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<i>Symbol</i>	SJT	<i>Ebitda Next Twelve Months ending 3/31/13 (US\$mm)</i>	56
<i>Rating</i>	Contrarian Buy	<i>North American Natural Gas/Ebitda (%)</i>	95
<i>Price (US\$/sh)</i>	19.05	<i>Natural Gas and Oil Production/Ebitda (%)</i>	100
<i>Pricing Date</i>	4/5/12	<i>Adjusted Reserves/Production NTM</i>	8.8
<i>Shares (mm)</i>	47	<i>EV/Ebitda</i>	15.9
<i>Market Capitalization (US\$mm)</i>	890	<i>PV/Ebitda</i>	17.5
<i>Debt (US\$mm)</i>	0	<i>Undeveloped Reserves (%)</i>	4
<i>Enterprise Value (EV) (US\$mm)</i>	890	<i>Natural Gas and Oil Ebitda (US\$/mcf)</i>	2.26
<i>Present Value (PV) (US\$mm)</i>	980	<i>Present Value Proven Reserves(US\$/boe)</i>	26.46
<i>Net Present Value (US\$/unit)</i>	21	<i>Oil and Gas Ebitda Margin (%)</i>	63
<i>Debt/Present Value</i>	0.00	<i>Earnings Next Twelve Months (US\$/un)</i>	0.80
<i>McDep Ratio - EV/PV</i>	0.91	<i>Price/Earnings Next Twelve Months</i>	24
<i>Distribution Yield (%/year)</i>	4.2	<i>Distribution Next Twelve Months (US\$/sh)</i>	0.80
Note: Estimated cash flow and earnings tied to one-year futures prices for 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, \$6 a million btu.			
For historical analysis of SJT since 2000 see www.mcdep.com/4sjt.htm			

Enduro 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>	
North American Natural Gas	20	7.1	14.5	290	42%
Oil	74	4.2	5.4	400	58%
	94	5.3	7.3	690	100%
Debt (US\$mm)					-
Net Present Value (US\$mm)					690
Shares (mm)					33
Net Present Value - Standard Estimate (US\$/sh)					21
NPV Approximation by Cash Flow Multiple Depending on Reserve Life (US\$/sh)					19



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Hugoton 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>	
North American Natural Gas	27	12.9	22.5	600	88%
Oil	9	11.3	8.5	80	12%
	36	12.8	18.9	680	100%
Debt (US\$mm)					-
Net Present Value (US\$mm)					680
Shares (mm)					40
Net Present Value - Standard Estimate (US\$/sh)					17
NPV Approximation by Cash Flow Multiple Depending on Reserve Life (US\$/sh)					14

Mesa 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>	
North American Natural Gas	2.3	7.7	17.7	40	53%
Oil	4.9	7.2	7.2	35	47%
	7.1	7.5	10.5	75	100%
Debt (US\$mm)					-
Net Present Value (US\$mm)					75
Units (mm)					1.86
Net Present Value - Standard Estimate (US\$/sh)					40
NPV Approximation by Cash Flow Multiple Depending on Reserve Life (US\$/sh)					31

San Juan 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>	
North American Natural Gas	56	8.8	17.5	980	100%
	56	8.8	17.5	980	100%
Debt (US\$mm)					-
Net Present Value (US\$mm)					980
Shares (mm)					47
Net Present Value - Standard Estimate (US\$/sh)					21
NPV Approximation by Cash Flow Multiple Depending on Reserve Life (US\$/sh)					18



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Enduro Royalty Trust							
Next Twelve Months Operating and Financial Estimates							
							<i>Next Twelve Months</i>
	<i>Q1E</i>	<i>Q2E</i>	<i>Q3E</i>	<i>Q4E</i>	<i>Year</i>	<i>Q1E</i>	
	<i>3/31/12</i>	<i>6/30/12</i>	<i>9/30/12</i>	<i>12/31/12</i>	<i>2012E</i>	<i>3/31/13</i>	<i>3/31/13</i>
Volume (Natural Gas lagged four months, Oil three months)							
Natural Gas (bcf)	2.61	2.61	2.64	2.64	10.50	2.61	10.50
Natural Gas (mmcf)	29	29	29	29	29	29	29
Days	91	91	92	92	366	91	366
Oil (mb)	262	259	262	262	1,044	259	1,041
Oil (mbd)	2.8	2.8	2.8	2.8	2.9	2.8	2.8
Days	92	91	91	92	366	92	366
Total (mb)	697	694	702	702	2,795	694	2,792
Total (mbd)	7.6	7.6	7.6	7.6	7.6	7.6	7.6
Price (Natural Gas lagged four months, Oil three months)							
Henry Hub (\$/mmbtu)	3.71	3.04	2.24	2.42	2.85	2.69	2.60
Differential (\$/mmbtu)	(0.22)	(0.18)	(0.13)	(0.14)	(0.16)	(0.16)	(0.15)
Company (\$/mcf)	3.93	3.22	2.37	2.56	3.02	2.84	2.75
WTI Cushing (\$/bbl)	94.06	102.93	105.45	106.70	102.28	107.44	105.63
Differential	3.53	3.86	3.96	4.00	3.84	4.03	3.96
Company	90.53	99.07	101.50	102.69	98.45	103.41	101.67
Total (\$/bbl)	48.72	49.06	46.78	47.93	48.12	49.27	48.25
Revenue (\$mm)							
Natural Gas	10.3	8.4	6.3	6.8	31.7	7.4	28.8
Oil	23.7	25.6	26.6	26.9	102.8	26.8	105.9
Total	34.0	34.1	32.8	33.6	134.5	34.2	134.7
Expense							
Lease operating							-
General and administrative							-
Total	10.3	10.2	9.8	10.1	40.4	10.3	40.4
Ebitda	23.7	23.8	23.0	23.5	94.0	23.9	94.3
Development	4.9	4.9	4.9	4.9	19.6	4.9	19.6
Other Non Cash	-	-	-	-	-	-	-
Working interest (20%)	4.3	3.8	3.6	3.7	15.4	3.8	14.9
Ebit	14.5	15.2	14.5	14.9	59.0	15.2	59.8
Ebt	14.5	15.2	14.5	14.9	59.0	15.2	59.8
Distributable Income (\$mm)	14.5	15.2	14.5	14.9	59.0	15.2	59.8
Distribution Per Unit (\$)	0.44	0.46	0.44	0.45	1.79	0.46	1.81
Units (millions)	33.0	33.0	33.0	33.0	33.0	33.0	33.0
Ebitda Margin	70%	70%	70%	70%	70%	70%	70%



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Mesa Royalty Trust									
Next Twelve Months Operating and Financial Performance									
	Q1	Q4	Year	Q1E	Q2E	Q3E	Year	Q1E	Next Twelve Months
	3/31/11	12/31/11	2011	3/31/12	6/30/12	9/30/12	2012E	3/31/13	3/31/13
Volume (90% of working interest)									
Natural Gas (bcf)	0.35	0.33	1.36	0.33	0.32	0.33	1.30	0.32	1.30
Natural Gas (mmcf)	3.8	3.6	3.7	3.6	3.6	3.5	3.6	3.5	3.5
Days	92	92	365	92	90	92	366	92	366
Oil (mmb)	0.03	0.03	0.11	0.03	0.03	0.03	0.11	0.03	0.11
Oil (mbd)	0.29	0.30	0.30	0.30	0.30	0.30	0.30	0.29	0.30
Total (bcfe)	0.51	0.50	2.01	0.50	0.48	0.49	1.96	0.49	1.95
Total (mmcf)	5.5	5.4	5.5	5.4	5.4	5.3	5.3	5.3	5.3
Price (Henry Hub and WTI Cushing lagged two months)									
Henry Hub (\$/mmbtu)	3.93	3.99	4.10	3.32	2.43	2.30	2.65	3.17	2.62
Differential (%)	17	16	16	16	16	16	16	16	16
Trust (\$/mcf)	3.27	3.35	3.45	2.79	2.05	1.93	2.23	2.67	2.20
WTI Cushing (\$/bbl)	87.66	86.13	93.25	98.69	104.58	105.80	104.02	107.56	106.24
Differential	52.64	40.04	52.84	45.88	48.62	49.18	48.37	50.00	49.39
Trust (\$/bbl)	35.01	46.09	40.41	52.81	55.97	56.62	55.66	57.56	56.85
Total (\$/mcf)	4.08	4.80	4.51	4.80	4.48	4.44	4.59	4.99	4.63
Revenue (\$mm)									
Natural Gas	1.13	1.11	4.69	0.92	0.66	0.63	2.91	0.86	2.85
Oil	0.93	1.28	4.39	1.46	1.50	1.55	6.07	1.56	6.16
Total	2.06	2.39	9.08	2.38	2.16	2.18	8.97	2.42	9.02
Expense									
	0.46	0.61	1.87	0.49	0.45	0.45	1.86	0.50	1.87
Ebitda									
	1.60	1.78	7.21	1.89	1.71	1.73	7.11	1.92	7.15
Development (90%)	0.10	0.14	0.49	0.15	0.15	0.15	0.60	0.15	0.60
Royalty Income									
Hugoton	0.61	0.72	2.69						-
San Juan	0.89	0.92	4.03						-
Total Royalty Income	1.50	1.64	6.72	1.74	1.56	1.58	6.51	1.77	6.55
Administrative	0.36	0.29	1.21	0.05	0.05	0.05	0.20	0.05	0.20
Distributable Income (\$mm)									
	1.14	1.35	5.51	1.69	1.51	1.53	6.31	1.72	6.35
Per Unit (\$)	0.61	0.73	2.96	0.64	0.81	0.82	3.13	0.92	3.41
Units (millions)									
	1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.86
Ebitda Margin									
	78%	75%	79%	79%	79%	79%	79%	79%	79%



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Hugoton Royalty Trust									
Next Twelve Months Operating and Financial Estimates									
	Q1	Q4	Year	Q1E	Q2E	Q3E	Year	Q1E	Next
	3/31/11	12/31/11	2011	3/31/12	6/30/12	9/30/12	2012E	3/31/13	Twelve
									Months
									3/31/13
Highlights									
Revenue (\$mm) (80%)	24.5	23.6	100.0	21.0	16.7	16.4	71.7	20.8	71.5
Cash flow (\$mm) (80%)	15.3	14.4	63.7	11.8	7.9	7.6	36.2	11.9	36.3
Per unit	0.38	0.36	1.59	0.29	0.20	0.19	0.90	0.30	0.91
Distributable Income (\$mm)	12.9	13.1	55.8	9.8	6.5	6.2	30.0	10.5	30.7
Per unit	0.32	0.33	1.39	0.25	0.16	0.16	0.75	0.26	0.77
Units (millions)	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
Volume									
Natural Gas (bcf)	5.6	5.2	21.7	5.2	5.2	5.3	20.9	5.3	21.0
Natural Gas (mmcf)	61.3	57.0	59.4	58.0	57.7	57.4	57.2	57.1	57.3
Days	92	92	365	92	90	92	366	92	366
Oil (mb)	68	58	249	58	56	57	227	57	226
Oil (mbd)	0.7	0.6	0.7	0.6	0.6	0.6	0.6	0.6	0.6
Days	92	92	365	92	89	92	365	92	365
Total (bcf)	6.0	5.6	23.2	5.5	5.5	5.6	22.3	5.6	22.3
Price									
Natural Gas (HH lagged two months)									
Henry Hub (\$/mmbtu)	3.93	3.99	4.10	3.32	2.43	2.30	2.65	3.17	2.62
Differential (%)	(12)	(18)	(15)	(20)	(20)	(20)	(20)	(20)	(20)
HGT (\$/mcf)	4.41	4.70	4.73	4.00	2.93	2.76	3.19	3.82	3.15
Oil (\$/bbl) (WTI Cushing lagged two months)									
WTI Cushing	87.66	86.13	93.25	98.69	104.58	105.80	104.02	107.56	106.24
HGT	85.34	83.12	90.07	95.32	101.02	102.19	100.45	103.87	102.62
Total (\$/mcf)	5.07	5.27	5.39	4.74	3.77	3.63	4.02	4.64	4.00
Revenue (\$mm)									
Natural Gas	24.9	24.7	102.6	20.8	15.2	14.6	66.8	20.1	66.1
Oil	5.8	4.8	22.4	5.5	5.6	5.8	22.8	5.9	23.2
Total	30.7	29.5	125.0	26.3	20.8	20.4	89.7	26.0	89.3
Cost (\$mm)									
Tax, transport & other	3.3	3.3	13.6	2.9	2.3	2.2	9.9	2.9	9.8
Production	5.6	5.4	21.1	6.0	6.0	6.0	23.8	5.5	23.4
Overhead	2.7	2.7	10.8	2.7	2.7	2.7	10.8	2.7	10.8
Total	11.6	11.4	45.5	11.5	10.9	10.9	44.5	11.1	44.0
Cash flow (\$mm)									
Development	2.6	1.5	8.8	1.5	1.5	1.5	6.0	1.5	6.0
Excess costs			-				-		
Net proceeds (\$mm)									
	16.5	16.5	70.8	13.2	8.4	8.1	39.2	13.4	39.4
Royalty income (\$mm)									
	13.2	13.2	56.6	10.6	6.7	6.4	31.4	10.7	31.5
Royalty/Net proceeds	80%	80%	80%	80%	80%	80%	80%	80%	80%
Administration	0.3	0.1	0.8	0.8	0.2	0.2	1.4	0.2	0.8
Distributable income (\$mm)									
	12.9	13.1	55.8	9.8	6.5	6.2	30.0	10.5	30.7



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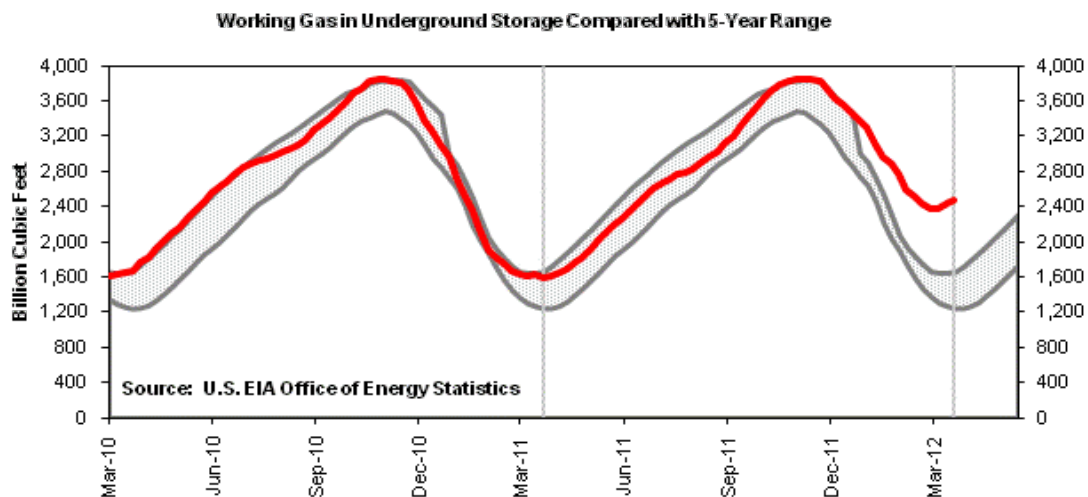
San Juan Basin Royalty Trust									
Next Twelve Months Operating and Financial Estimates									
	Q1		Year	Q1E			Year	Q1E	Next
	3/31/11	12/31/11	2011	3/31/12	6/30/12	9/30/12	2012E	3/31/13	Twelve
									Months
									3/31/13
Highlights									
Revenue (\$mm) (75%)	27.4	32.2	121.1	27.8	20.0	19.6	89.1	26.7	88.0
Cash flow (\$mm) (75%)	18.1	23.0	83.8	19.2	12.1	11.7	56.6	18.4	55.8
Per unit	0.39	0.49	1.80	0.41	0.26	0.25	1.21	0.39	1.20
Distributable Income (\$mm)	14.9	18.9	67.2	14.6	7.3	6.9	37.6	14.4	37.3
Per unit	0.32	0.41	1.44	0.31	0.16	0.15	0.81	0.31	0.80
Units (millions)	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6
Volume									
Natural gas (mmbtu)	8.9	9.4	36.1	8.9	8.6	8.9	35.2	8.9	35.2
Heat Content(btu/cf)	1,103	1,096	1,095	1,082	1,082	1,082	1,082	1,082	1,082
Natural gas (bcf)	8.1	8.6	33.0	8.2	7.9	8.2	32.6	8.2	32.6
Natural Gas (mmcf)	88.0	93.2	90.3	89.3	89.3	89.3	89.3	89.3	89.3
Days	92	92	365	92	89	92	365	92	365
Oil (mb)	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.1
Oil (mbd)	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Days	92	92	365	92	89	92	365	92	365
Total gas & oil (bcf)	8.2	8.7	33.3	8.3	8.0	8.3	32.9	8.3	33.0
Price									
Natural gas (\$/mmbtu) (Henry Hub lagged two months)									
Henry Hub (\$/mmbtu)	3.93	3.99	4.10	3.32	2.43	2.30	2.65	3.17	2.62
Differential (%)	(1)	(11)	(6)	(21)	(21)	(21)	(21)	(21)	(21)
Net to SJT (\$/mmbtu)	3.98	4.44	4.34	4.02	2.94	2.78	3.21	3.84	3.17
Natural gas (\$/mcf)	4.39	4.87	4.76	4.35	3.18	3.01	3.48	4.15	3.43
Oil (\$/bbl) (WTI Cushing lagged two months)									
WTI Cushing	87.66	86.13	93.25	98.69	104.58	105.80	104.02	107.56	106.24
SJT	71.86	75.34	81.08	85.80	90.93	91.99	90.47	93.55	92.38
Total gas & oil (\$/mcf)	4.47	4.95	4.85	4.46	3.32	3.14	3.61	4.28	3.56
Revenue (\$mm)									
Natural Gas	35.6	41.7	156.8	35.7	25.3	24.7	113.2	34.1	111.6
Oil	1.0	1.2	4.8	1.3	1.4	1.4	5.6	1.4	5.7
Total	36.5	42.9	161.5	37.0	26.7	26.1	118.8	35.5	117.3
Cost (\$mm)									
Severance tax	3.6	4.1	15.5	3.2	2.3	2.2	10.2	3.0	10.1
Operating	8.7	8.1	34.2	8.3	8.3	8.3	33.2	8.0	32.9
Total	12.3	12.2	49.8	11.5	10.6	10.5	43.4	11.0	43.0
Cash flow (\$mm)									
Development	3.7	5.3	21.0	5.9	5.9	5.9	23.6	4.8	22.5
Net proceeds (\$mm)									
Royalty/Net proceeds	20.5	25.5	90.7	19.6	10.2	9.7	51.9	19.7	51.9
Royalty income (\$mm)									
Royalty/Net proceeds	15.4	19.1	68.0	14.7	7.7	7.3	38.9	14.8	38.9
Administration	0.5	0.2	1.5	0.1	0.4	0.4	1.3	0.4	1.6
One-time			(0.7)				-		-
Distributable income (\$mm)									
Distributable income (\$mm)	14.9	18.9	67.2	14.6	7.3	6.9	37.6	14.4	37.3



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