

## Cimarex Energy (XEC) More Upside Ahead

<i>Symbol</i>	XEC	<i>Ebitda Next Twelve Months ending 12/31/14 (US\$mm)</i>	1,670
<i>Rating</i>	Buy	<i>North American Natural Gas/Ebitda (%)</i>	29
<i>Price (\$/sh)</i>	114.05	<i>Natural Gas and Oil Production/Ebitda (%)</i>	100
<i>Pricing Date</i>	2/24/14	<i>Adjusted Reserves/Production NTM</i>	8.1
<i>Shares (mm)</i>	87	<i>EV/Ebitda</i>	6.8
<i>Market Capitalization (\$mm)</i>	9,960	<i>PV/Ebitda</i>	7.3
<i>Debt (\$mm)</i>	1,330	<i>Undeveloped Reserves (%)</i>	20
<i>Enterprise Value (EV) (\$mm)</i>	11,290	<i>Natural Gas and Oil Ebitda (\$/boe)</i>	36.10
<i>Present Value (PV) (\$mm)</i>	12,240	<i>Present Value Proven Reserves(\$/boe)</i>	29.20
<i>Net Present Value (\$/share)</i>	125	<i>Oil and Gas Ebitda Margin (%)</i>	71
<i>Debt/Present Value</i>	0.11	<i>Earnings Next Twelve Months (US\$/sh)</i>	7.10
<i>McDep Ratio - EV/PV</i>	0.92	<i>Price/Earnings Next Twelve Months</i>	16
<i>Dividend Yield (%/year)</i>	0.5	<i>Indicated Annual Dividend (US\$/sh)</i>	0.56
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 XEC since 2003 see <a href="http://www.mcdep.com/4xec.htm">www.mcdep.com/4xec.htm</a>			

### Summary and Recommendation

Technological breakthroughs in 2013 for buy-recommended **Cimarex Energy (XEC)** may have boosted the company's future value creation potential in the Permian Basin to \$50 billion, four times today's Net Present Value (NPV) of \$125 a share. The catch is that it would take some ten years for the company to grow to five times its current size, which would be a rate of 17% a year. Yet, as Chairman Tom Jordan stated on the quarterly earnings call on February 19, "...the sheer size of Cimarex's Wolfcamp opportunity became much clearer in 2013." The first well to combine the new "upsized frac" with a 10,000 foot lateral well section produced at an initial 30 day rate of 2800 barrels equivalent daily. Previously, a 5000 foot lateral well created incremental value of \$11 million for a drilling cost of \$9 million (see chart [Upsized Returns](#) on page 2). We sketch a tally of 5200 locations for such wells (see table [Permian Locations](#) on page 2 and chart [Wolfcamp Section](#) on page 3). A pilot program is underway to develop data for designing the optimum development program (see slides [Culberson Pilots](#) and [Reeves Pilots](#) on pages 3-4). Meanwhile, few of the 5200 locations are included in our estimate of NPV, which is tied to proven reserves and estimated cash flow for the next twelve months (see tables [Present Value](#) on page 4, [Operating and Financial Estimates](#) on page 5). At a McDep Ratio of 0.92, Cimarex offers attractive value in a dynamic small cap independent producer group (see [Tables 1-4](#) on pages 6-9).

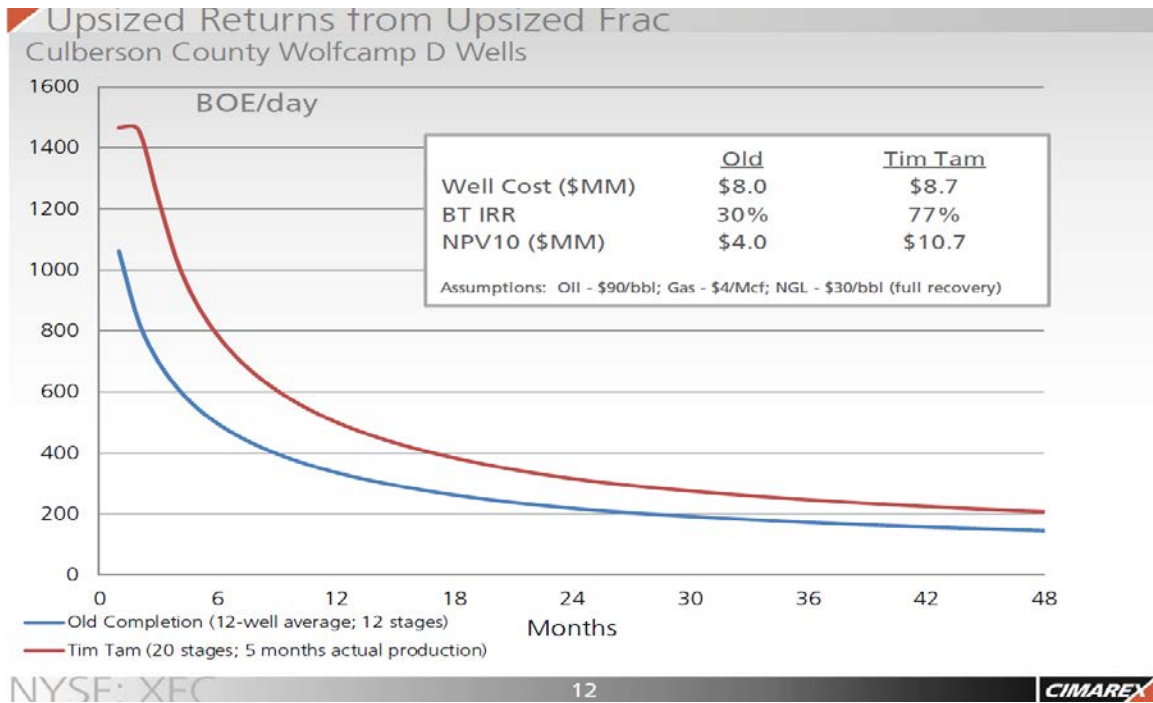
Kurt H. Wulff, CFA



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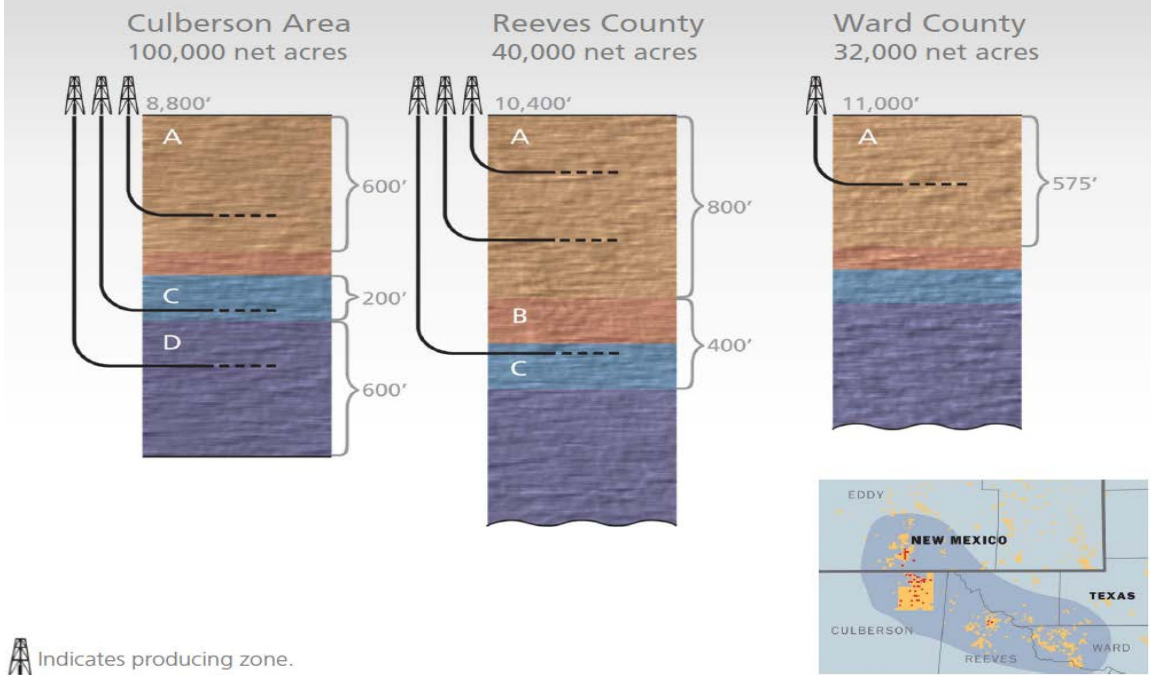
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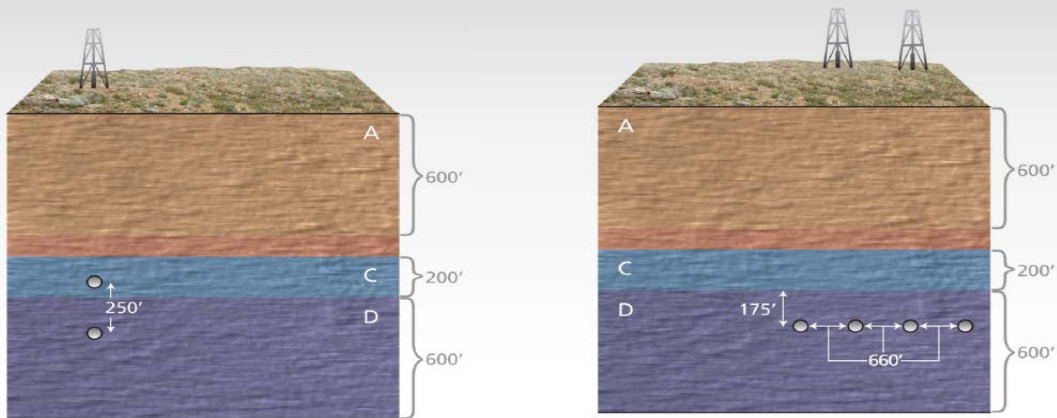


Permian Locations		
<i>County</i>	<i>Formation</i>	<i>Locations</i>
Culberson	Wolfcamp A	1000
Culberson	Wolfcamp C	1000
Culberson	Wolfcamp D	1000
Reeves	Wolfcamp A	400
Reeves	Wolfcamp B/C	400
Reeves	Wolfcamp D	400
Ward	Wolfcamp A	300
Ward	Wolfcamp B/C	300
	Bone Spring	200
	Avalon	200
Total		5200
<i>McDep LLC estimates</i>		

## Thick, Multi-pay Wolfcamp Section



## Culberson County Wolfcamp Pilots



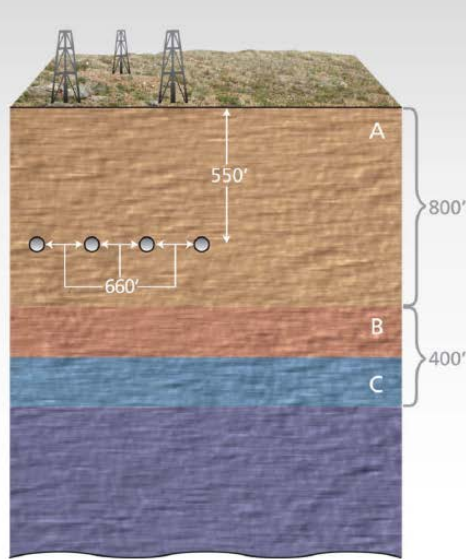
### Stacked Lateral Test

- Wolfcamp C & D
- Two wells
- Currently drilling

### 80-acre Spacing Pilot

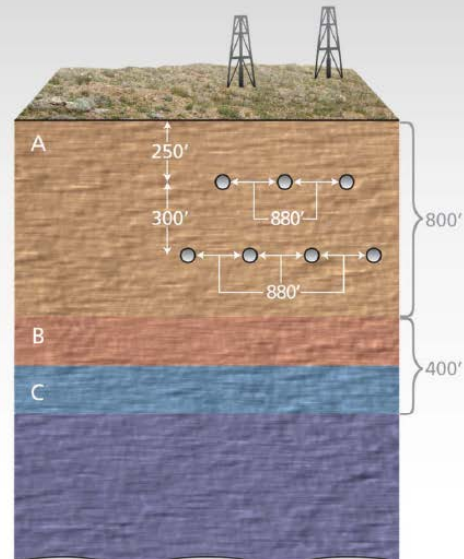
- Wolfcamp D
- Four wells
- Currently drilling

## Reeves County Wolfcamp Pilots



### 80-acre Spacing Pilot

- Wolfcamp A
- Four wells
- Currently drilling



### Stacked/Staggered Spacing Pilot

- Wolfcamp A
- Six wells
- Currently drilling

Cimarex Energy Company					
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	490	8.6	10.2	5,000	41%
Oil	1,180	7.7	6.1	7,230	59%
	1,670	8.1	7.3	12,230	100%
Debt (US\$mm)					1,330
Net Present Value (US\$mm)					10,900
Shares (mm)					87
Net Present Value - Standard Estimate (US\$/sh)					125
NPV Approximation by Cash Flow Multiple Depending on Reserve Life (US\$/sh)					133



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Cimarex Energy Company										
Next Twelve Months Operating and Financial Performance										
										<i>Next</i>
	<i>Q4</i>	<i>Year</i>	<i>Q3</i>	<i>Q4</i>	<i>Year</i>	<i>Q1E</i>	<i>Q2E</i>	<i>Q3E</i>	<i>Q4E</i>	<i>Months</i>
	<i>12/31/12</i>	<i>2012</i>	<i>9/30/13</i>	<i>12/31/13</i>	<i>2013</i>	<i>3/31/14</i>	<i>6/30/14</i>	<i>9/30/14</i>	<i>12/31/14</i>	<i>12/31/14</i>
<b>Volume</b>										
Natural Gas (mmcf)	333	<b>324</b>	347	352	<b>343</b>	352	366	381	396	<b>374</b>
Days	92	<b>366</b>	92	92	<b>365</b>	90	91	92	92	<b>365</b>
Oil (mmb)	5.3	<b>18.5</b>	5.7	5.4	<b>21.3</b>	5.3	5.7	6.1	6.5	<b>23.5</b>
Oil (mbd)	57.2	<b>50.5</b>	61.7	58.9	<b>58.3</b>	58.9	62.4	66.2	70.2	<b>64.5</b>
Total (mmcf)	676	<b>627</b>	717	705	<b>693</b>	705	741	778	817	<b>761</b>
<b>Price</b>										
Henry Hub (\$/mmbtu)	3.40	<b>2.79</b>	3.58	3.60	<b>3.65</b>	5.16	4.60	4.59	4.64	<b>4.75</b>
Company (\$/mcf)	3.35	<b>2.88</b>	3.72	3.85	<b>3.76</b>	5.52	4.91	4.90	4.95	<b>5.06</b>
WTI Cushing (\$/bbl)	88.18	<b>94.16</b>	105.83	97.46	<b>97.98</b>	99.50	101.97	99.10	96.18	<b>99.19</b>
Company (\$/bbl)	62.16	<b>67.19</b>	75.92	69.99	<b>69.68</b>	71.46	73.23	71.17	69.08	<b>71.16</b>
Total (\$/bbl)	41.45	<b>41.41</b>	49.99	46.59	<b>46.34</b>	52.32	51.60	50.73	50.00	<b>51.11</b>
<b>Revenue (\$mm)</b>										
Natural Gas	103	<b>341</b>	119	125	<b>471</b>	175	164	172	180	<b>691</b>
Oil	327	<b>1,242</b>	431	379	<b>1,482</b>	379	416	433	446	<b>1,674</b>
Total	430	<b>1,583</b>	550	504	<b>1,953</b>	554	580	605	626	<b>2,365</b>
<b>Expense</b>										
Operating	82	<b>320</b>	102	99	<b>380</b>					
Production taxes	14	<b>86</b>	31	29	<b>113</b>					
General and administrative	13	<b>55</b>	19	20	<b>78</b>					
<b>Expense</b>	109	<b>461</b>	152	148	<b>571</b>	163	170	178	184	<b>694</b>
<b>Ebitda</b>	321	<b>1,121</b>	398	356	<b>1,382</b>	391	409	427	442	<b>1,670</b>
Deprec., Deplet., & Amor	142	<b>527</b>	161	174	<b>624</b>	174	174	174	174	<b>696</b>
Other Non Cash	17	<b>26</b>	13	(4)	<b>16</b>					<b>-</b>
<b>Ebit</b>	161	<b>568</b>	224	186	<b>742</b>	217	235	253	268	<b>974</b>
Interest	4	<b>12</b>	7	5	<b>20</b>	5	5	5	5	<b>20</b>
<b>Ebt</b>	157	<b>556</b>	217	181	<b>722</b>	212	230	248	263	<b>954</b>
Income Tax	55	<b>195</b>	76	63	<b>253</b>	74	81	87	92	<b>334</b>
<b>Net Income (\$mm)</b>	102	<b>362</b>	141	118	<b>469</b>	138	150	161	171	<b>620</b>
Per Share (\$)	1.18	<b>4.18</b>	1.62	1.35	<b>5.40</b>	1.58	1.72	1.85	1.96	<b>7.10</b>
<b>Shares (millions)</b>	87	<b>87</b>	87	87	<b>87</b>	87	87	87	87	<b>87</b>
Ebitda Margin	75%	<b>71%</b>	72%	71%	<b>71%</b>	71%	71%	71%	71%	<b>71%</b>
Tax rate	35%	<b>35%</b>	35%	35%	<b>35%</b>	35%	35%	35%	35%	<b>35%</b>



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						<i>Present Value by Segment (%)</i>							
		<i>Price</i>				<i>North</i>		<i>Rest of</i>				<i>Dist.</i>	
		<i>(US\$/sh)</i>		<i>EV/</i>		<i>Amer.</i>		<i>World</i>				<i>Yield</i>	
<i>Symbol/Rating</i>		<i>24-Feb</i>		<i>Market</i>		<i>Value</i>		<i>Natural</i>		<i>Oil</i>		<i>NTM</i>	
<i>B = Buy, CB (see below)</i>		<i>2014</i>		<i>Cap</i>		<i>(\$mm)</i>		<i>Gas</i>		<i>Prod'n</i>		<i>(%)</i>	
								<i>Gas</i>		<i>stream</i>		<i>Ratio</i>	
<b>Global Integrated</b>													
Exxon Mobil Corporation	XOM	B	96.44	1.20	506,000	8	19	57	17	2.6	0.95		
Total S.A.	TOT		63.15	1.36	195,000		21	62	16	5.3	0.84		
Royal Dutch Shell plc	RDS-A		73.97	1.34	312,000	4	22	57	17	4.9	0.83		
Chevron Corporation	CVX		114.15	1.18	258,000	4	11	72	13	3.5	0.79		
Lukoil Oil Company	LUKOY	CB	57.11	1.16	51,600			75	25	4.9	0.46		
<i>Total or Median</i>				<i>1.20</i>	<i>1,323,000</i>			<i>62</i>	<i>17</i>	<i>4.9</i>	<i>0.83</i>		
<b>U.S. Independent</b>													
EOG Resources, Inc.	EOG		180.40	1.13	55,900	22	4	75		0.4	1.00		
Occidental Petroleum Corp.	OXY		96.07	1.13	86,700	9	1	79	11	3.0	0.90		
Marathon Oil Corporation	MRO	CB	33.89	1.46	34,800	7	3	90		2.2	0.75		
ConocoPhillips	COP		66.42	1.42	117,000	15	15	71		4.2	0.74		
Devon Energy Corporation	DVN	B	64.37	1.41	36,900	45		55		1.4	0.72		
<i>Total or Median</i>				<i>1.41</i>	<i>331,000</i>	<i>15</i>		<i>75</i>		<i>2.2</i>	<i>0.75</i>		
<b>Canada/Australia</b>													
Woodside Petroleum Ltd.	WOPEY		35.67	1.15	34,000		70	30		5.8	0.99		
Imperial Oil Limited (30%)	IMO		44.37	1.27	14,400	2		79	18	1.1	0.88		
EnCana Corporation	ECA	B	19.39	1.61	23,000	81		19		1.4	0.75		
Cenovus Energy Inc.	CVE		26.08	1.35	26,600	9		75	16	3.7	0.69		
Canadian Oil Sands Limited	COSWF	CB	18.90	1.27	11,600			100		6.7	0.61		
<i>Total or Median</i>				<i>1.27</i>	<i>110,000</i>			<i>75</i>		<i>3.7</i>	<i>0.75</i>		
<b>Small Cap Independent Producers</b>													
Continental Resources (32%)	CLR	B	124.12	1.21	8,900	16		84		-	1.03		
Range Resources	RRC	B	87.53	1.25	17,700	72		28		0.2	0.98		
Peyto Exploration and Develop	PEYUF		33.10	1.16	5,700	82		18		2.0	0.98		
Cimarex Energy Company	XEC	B	114.05	1.13	11,300	41		59		0.5	0.92		
Whiting Petroleum Corporation	WLL	B	64.34	1.35	10,400	8		92		-	0.89		
PDC Energy	PDCE		60.85	1.27	2,800	27		73		-	0.85		
Birchcliff Energy Ltd.	BIREF	B	9.13	1.39	2,100	69		31		-	0.82		
WPX Energy Inc.	WPX		18.45	1.66	6,100	68		32		-	0.80		
Halcón Resources	HK		4.00	2.83	5,200	8		92		-	0.79		
<i>Total or Median</i>				<i>1.27</i>	<i>70,000</i>	<i>41</i>		<i>59</i>		<i>-</i>	<i>0.89</i>		
<b>RTF Cash Payers</b>													
Freehold Royalties Ltd.	FRHLF		20.61	1.04	1,440	18		82		7.4	0.98		
Enduro Royalty Trust	NDRO		13.71	1.00	450	37		63		9.5	0.98		
Mesa Royalty Trust	MTR		23.50	1.00	40	79		21		8.5	0.94		
Dorchester Minerals, L.P.	DMLP	B	25.01	1.00	770	50		50		7.8	0.89		
San Juan Basin Royalty Trust	SJT	B	17.59	1.00	820	100		-		8.9	0.84		
Sabine Royalty Trust	SBR		51.01	1.00	740	52		48		8.9	0.80		
Cross Timbers Royalty Trust	CRT		31.57	1.00	190	70		30		10.7	0.75		
Permian Basin RT	PBT		13.21	1.00	620	19		81		8.2	0.73		
Hugoton Royalty Trust	HGT		8.60	1.00	340	90		10		13.7	0.72		
<i>Total or Median</i>				<i>1.00</i>	<i>5,400</i>	<i>52</i>		<i>48</i>		<i>8.9</i>	<i>0.84</i>		

CB=Contrarian Buy, Stock Price may be in downtrend compared to 200-day average.  
 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 2								
McDep Energy Stocks								
Net Present Value and McDep Ratio								
			Price (US\$/sh)	Shares	Market Cap (US\$mm)	Net Present Value (US\$/sh)	Debt/ Present Value	McDep Ratio
	Symbol/Rating		24-Feb 2014	(mm)				
B = Buy, CB (see below)								
<b>Global Integrated</b>								
Exxon Mobil Corporation	XOM	B	96.44	4,361	421,000	102.00	0.16	0.95
Total S.A.	TOT		63.15	2,276	144,000	80.00	0.22	0.84
Royal Dutch Shell plc	RDS-A		73.97	3,138	232,000	95.00	0.21	0.83
Chevron Corporation	CVX		114.15	1,919	219,000	150.00	0.12	0.79
Lukoil Oil Company	LUKOY	CB	57.11	776	44,300	135.00	0.07	0.46
<i>Total or Median</i>					1,060,000		0.16	0.83
<b>U.S. Independent</b>								
EOG Resources, Inc.	EOG		180.40	274	49,400	180.00	0.12	1.00
Occidental Petroleum Corp.	OXY		96.07	802	77,100	108.00	0.10	0.90
Marathon Oil Corporation	MRO	CB	33.89	701	23,760	50.00	0.24	0.75
ConocoPhillips	COP		66.42	1,241	82,000	100.00	0.22	0.74
Devon Energy Corporation	DVN	B	64.37	407	26,200	100.00	0.21	0.72
<i>Total or Median</i>					258,500		0.21	0.75
<b>Canada/Australia</b>								
Woodside Petroleum Ltd.	WOPEY		35.67	823	29,400	36.00	0.13	0.99
Imperial Oil Limited (30%)	IMO		44.37	255	11,300	52.00	0.19	0.88
EnCana Corporation	ECA	B	19.39	736	14,300	30.00	0.28	0.75
Cenovus Energy Inc.	CVE		26.08	757	19,700	42.00	0.18	0.69
Canadian Oil Sands Limited	COSWF	CB	18.90	485	9,200	34.00	0.13	0.61
<i>Total or Median</i>					84,000		0.18	0.75
<b>Small Cap Independent Producers</b>								
Continental Resources (32%)	CLR	B	124.12	59	7,400	120.00	0.18	1.03
Range Resources	RRC	B	87.53	161	14,100	90.00	0.20	0.98
Peyto Exploration and Development Corp.	PEYUF		33.10	149	4,900	34.00	0.14	0.98
Cimarex Energy Company	XEC	B	114.05	87	10,000	125.00	0.11	0.92
Whiting Petroleum Corporation	WLL	B	64.34	120	7,700	75.00	0.23	0.89
PDC Energy	PDCE		60.85	37	2,200	75.00	0.18	0.85
Birchcliff Energy Ltd.	BIREF	B	9.13	163	1,500	12.00	0.23	0.82
WPX Energy Inc.	WPX		18.45	201	3,700	26.00	0.32	0.80
Halcón Resources	HK		4.00	463	1,900	7.00	0.51	0.79
<i>Total or Median</i>					53,000		0.20	0.89
<b>RTF Cash Payers</b>								
Freehold Royalties Ltd.	FRHLF		20.61	67	1,390	21.00	0.04	0.98
Enduro Royalty Trust	NDRO		13.71	33	450	14.00	-	0.98
Mesa Royalty Trust	MTR		23.50	2	40	25.00	-	0.94
Dorchester Minerals, L.P.	DMLP	B	25.01	31	770	28.00	-	0.89
San Juan Basin Royalty Trust	SJT	B	17.59	47	820	21.00	-	0.84
Sabine Royalty Trust	SBR		51.01	15	740	64.00	-	0.80
Cross Timbers Royalty Trust	CRT		31.57	6	190	42.00	-	0.75
Permian Basin RT	PBT		13.21	47	620	18.00	-	0.73
Hugoton Royalty Trust	HGT		8.60	40	340	12.00	-	0.72
<i>Total or Median</i>					5,400		-	0.84

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

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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	Dividend	
	Symbol/Rating		24-Feb 2014	NTM	NTM	NTM	NTM	
	B = Buy, CB (see below)						(\$/sh)	
<b>Global Integrated</b>								
Exxon Mobil Corporation	XOM	B	96.44	13.1	7.1	6.8	12	2.52
Royal Dutch Shell plc	RDS-A		73.97	9.9	6.7	5.5	14	3.60
Total S.A.	TOT		63.15	10.0	6.3	5.3	9	3.35
Chevron Corporation	CVX		114.15	9.2	6.5	5.1	10	4.00
Lukoil Oil Company	LUKOY	CB	57.11	15.4	5.6	2.6	4	2.82
	<i>Median</i>			<i>10.0</i>	<i>6.5</i>	<i>5.3</i>	<i>10</i>	
<b>U.S. Independent</b>								
EOG Resources, Inc.	EOG		180.40	7.1	6.3	6.3	20	2.88
Occidental Petroleum Corp.	OXY		96.07	10.4	6.7	6.0	15	2.76
ConocoPhillips	COP		66.42	11.5	7.8	5.7	11	0.75
Devon Energy Corporation	DVN	B	64.37	10.3	7.9	5.7	13	0.76
Marathon Oil Corporation	MRO	CB	33.89	10.2	7.3	5.5	12	0.88
	<i>Median</i>			<i>10.3</i>	<i>7.3</i>	<i>5.7</i>	<i>13</i>	
<b>Canada/Australia</b>								
Imperial Oil Limited (30%)	IMO		44.37	20.1	10.3	9.0	11	0.47
Woodside Petroleum Ltd.	WOPEY		35.67	9.5	8.3	8.2	17	2.06
EnCana Corporation	ECA	B	19.39	6.6	10.8	8.1	13	0.28
Canadian Oil Sands Limited	COSWF	CB	18.90	20.8	10.1	6.2	11	1.27
Cenovus Energy Inc.	CVE		26.08	14.0	8.8	6.1	13	0.96
	<i>Median</i>			<i>14.0</i>	<i>10.1</i>	<i>8.1</i>	<i>13</i>	
<b>Small Cap Independent Producers</b>								
Range Resources	RRC	B	87.53	15.3	12.9	12.6	50	0.16
Peyto Exploration and Development Corp.	PEYUF		33.10	8.5	9.3	9.1	17	0.65
PDC Energy	PDCE		60.85	23.5	9.8	8.3	27	-
Continental Resources (32%)	CLR	B	124.12	11.4	7.5	7.7	18	-
Birchcliff Energy Ltd.	BIREF	B	9.13	16.0	9.4	7.6	19	-
WPX Energy Inc.	WPX		18.45	8.0	8.8	7.1	-	-
Halcón Resources	HK		4.00	5.3	8.9	7.0	8	-
Cimarex Energy Company	XEC	B	114.05	8.1	7.3	6.8	16	0.56
Whiting Petroleum Corporation	WLL	B	64.34	8.1	5.5	4.9	12	-
	<i>Median</i>			<i>8.5</i>	<i>8.9</i>	<i>7.6</i>	<i>17</i>	
<b>RTF Cash Payers</b>								
Sabine Royalty Trust	SBR		51.01	9.2	14.0	11.2	11	4.56
San Juan Basin Royalty Trust	SJT	B	17.59	10.3	12.5	10.5	11	1.56
Dorchester Minerals, L.P.	DMLP	B	25.01	7.3	10.8	9.7	16	1.94
Mesa RoyaltyTrust	MTR		23.50	5.2	10.2	9.6	12	2.00
Freehold Royalties Ltd.	FRHLF		20.61	4.7	9.6	9.4	19	1.52
Cross Timbers Royalty Trust	CRT		31.57	12.5	11.6	8.7	9	3.37
Enduro Royalty Trust	NDRO		13.71	6.4	8.0	7.9	11	1.30
Permian Basin RT	PBT		13.21	12.7	10.4	7.7	12	1.08
Hugoton RoyaltyTrust	HGT		8.60	12.8	9.0	6.5	7	1.18
	<i>Median</i>			<i>9.2</i>	<i>10.4</i>	<i>9.4</i>	<i>11</i>	

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 December 31, 2014; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses





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Table 4									
McDep Energy Stocks									
Total Return and Enterprise Value Momentum									
Ranked by EV/200-Day Average									
			Price	Equity					
			(\$/sh)	Total					
	Symbol		24-Feb	Return	Enterprise Value/				McDep
	Rating		2014	YTD	52Wk	52Wk	50 Day	200 Day	Ratio
				(%)	High	Low	Avg.	Avg.	
<b>Global Integrated</b>									
Total S.A.	TOT		63.15	3	0.99	1.25	1.05	1.09	0.84
Royal Dutch Shell plc	RDS-A		73.97	5	1.00	1.13	1.04	1.07	0.83
Exxon Mobil Corporation	XOM	B	96.44	(4)	0.96	1.11	1.00	1.04	0.95
Chevron Corporation	CVX		114.15	(8)	0.91	1.04	0.97	0.95	0.79
Lukoil Oil Company	LUKOY	CB	57.11	(10)	0.87	1.05	0.97	0.95	0.46
	<i>Median</i>			(4)	0.96	1.11	1.00	1.04	0.83
<b>U.S. Independent</b>									
EOG Resources, Inc.	EOG		180.40	8	0.96	1.50	1.06	1.12	1.00
Devon Energy Corporation	DVN	B	64.37	4	0.97	1.18	1.04	1.06	0.72
Occidental Petroleum Corp.	OXY		96.07	1	0.97	1.21	1.04	1.04	0.90
ConocoPhillips	COP		66.42	(5)	0.92	1.12	0.99	0.99	0.74
Marathon Oil Corporation	MRO	CB	33.89	(3)	0.92	1.10	1.00	0.98	0.75
	<i>Median</i>			1	0.96	1.18	1.04	1.04	0.75
<b>Canada/Australia</b>									
EnCana Corporation	ECA	B	19.39	7	0.97	1.10	1.05	1.05	0.75
Imperial Oil Limited (30%)	IMO		44.37	0	0.98	1.15	1.03	1.05	0.88
Woodside Petroleum Ltd.	WOPEY		35.67	3	0.91	1.12	1.04	1.02	0.99
Canadian Oil Sands Limited	COSWF	CB	18.90	2	0.91	1.05	1.02	0.99	0.61
Cenovus Energy Inc.	CVE		26.08	(9)	0.84	1.02	0.97	0.93	0.69
	<i>Median</i>			2	0.91	1.10	1.03	1.02	0.75
<b>Small Cap Independent Producers</b>									
Cimarex Energy Company	XEC	B	114.05	9	0.98	1.65	1.11	1.24	0.92
Continental Resources (32%)	CLR	B	124.12	10	1.00	1.53	1.11	1.18	1.03
Birchcliff Energy Ltd.	BIREF	B	9.13	33	1.00	1.25	1.15	1.16	0.82
Whiting Petroleum Corporation	WLL	B	64.34	4	0.93	1.34	1.06	1.11	0.89
Peyto Exploration and Development	PEYUF		33.10	8	1.00	1.34	1.07	1.10	0.98
Range Resources	RRC	B	87.53	4	0.98	1.19	1.04	1.09	0.98
PDC Energy	PDCE		60.85	14	0.86	1.42	1.14	1.07	0.85
WPX Energy Inc.	WPX		18.45	(9)	0.85	1.17	0.98	0.97	0.80
Halcón Resources	HK		4.00	4	0.73	1.08	1.03	0.93	0.79
	<i>Median</i>			8	0.98	1.34	1.07	1.10	0.89
<b>RTF Cash Payers</b>									
Cross Timbers Royalty Trust	CRT		31.57	8	0.99	1.25	1.05	1.09	0.75
San Juan Basin Royalty Trust	SJT	B	17.59	6	0.96	1.26	1.02	1.07	0.84
Mesa RoyaltyTrust	MTR		23.50	11	0.91	1.18	1.08	1.06	0.94
Hugoton RoyaltyTrust	HGT		8.60	15	0.86	1.23	1.04	1.05	0.72
Dorchester Minerals, L.P.	DMLP	B	25.01	(2)	0.95	1.11	0.99	1.02	0.89
Sabine Royalty Trust	SBR		51.01	2	0.93	1.13	1.01	0.99	0.80
Permian Basin RT	PBT		13.21	3	0.81	1.11	1.02	0.97	0.73
Enduro Royalty Trust	NDRO		13.71	14	0.81	1.16	1.06	0.97	0.98
Freehold Royalties Ltd.	FRHLF		20.61	(0)	0.85	1.06	1.01	0.93	0.98
	<i>Median</i>			6	0.91	1.16	1.02	1.02	0.84

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

Source: Bloomberg, Yahoo, McDep LLC



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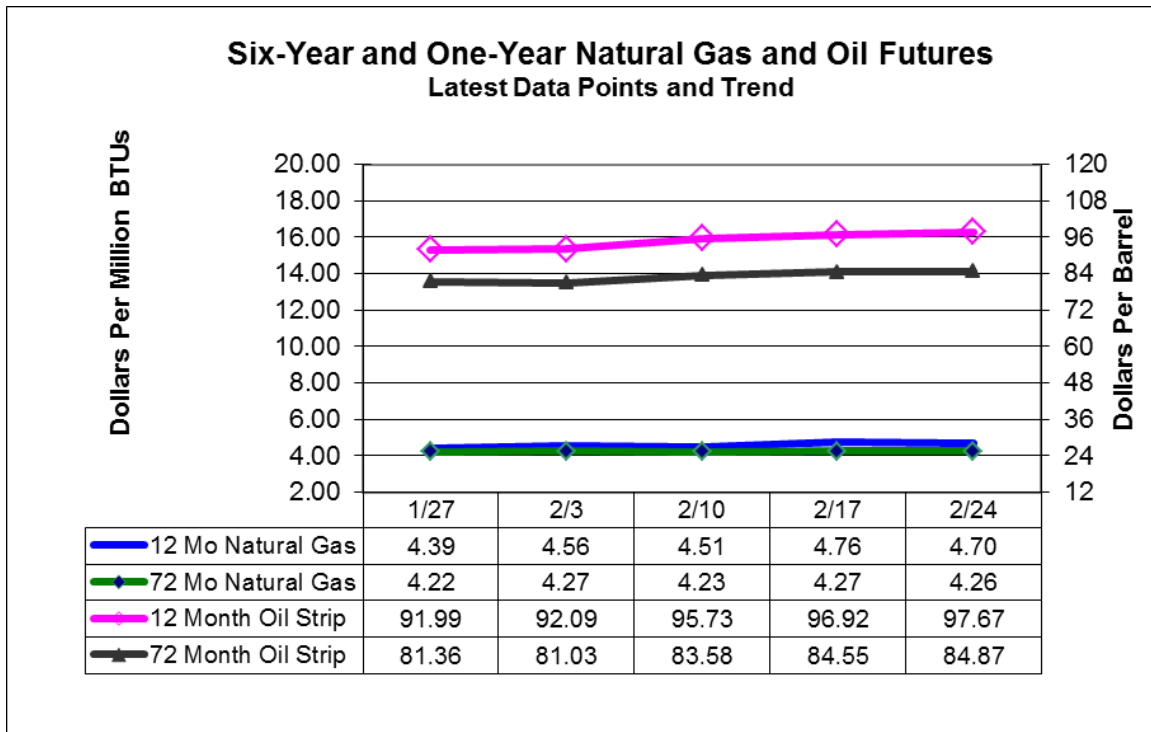
Index of Recent Research			
<b>Stock Ideas</b>			
<u>Date</u>	<u>Symbol</u>	<u>Subject</u>	<u>Theme</u>
21-Feb	DMLP	Dorchester Minerals, L.P.	Raise NPV to \$28 on Shale Oil
21-Feb	PDCE	PDC Energy	Raise NPV to \$75 on More Shale Oil
18-Feb	ECA	Encana Corporation	Leveraged to Natural Gas Price (Meter Reader)
13-Feb	BIREF	Birchcliff Energy	Cash Flow Estimate Up 30%
11-Feb	SJT	San Juan Basin Royalty Trust	Strategic Resource in a Cold Winter (Meter Reader)
4-Feb	XOM	Exxon Mobil	Largest and Strongest Oil and Gas Producer (Meter Reader)
21-Jan	RDSA	Royal Dutch Shell plc	Lower NPV to \$95 on Profit Warning (Meter Reader)
14-Jan	PDCE	PDC Energy	Raise NPV to \$55 on Colorado Shale Oil (Meter Reader)
17-Dec	MRO	Marathon Oil	New CEO Accelerates Shale Growth (Meter Reader)
3-Dec	LUKOY	Lukoil	Low McDep Ratio Emerging Market Stock (Meter Reader)
26-Nov	DVN	Devon Energy	Acquires \$6 Billion Eagle Ford Position (Meter Reader)
19-Nov	CLR	Continental Resources	High Density "Ears Back" Drilling Pace (Meter Reader)
12-Nov	XEC	Cimarex Energy	Raise NPV to \$125 on Permian Productivity (Meter Reader)
5-Nov	COSWF	Canadian Oil Sands Ltd.	Time to Explore New Options (Meter Reader)
31-Oct	RRC	Range Resources	Core Owner in Largest Producing Field
29-Oct	WLL	Whiting Petroleum	Fracking Productivity Leaps 50% (Meter Reader)
4-Oct	NDRO	Enduro Royalty Trust	Worth Another Look after Stock Price Decline
27-Sep	WPX	WPX Energy	San Juan Basin Innovator (Income and Small Cap Weekly)
17-Sep	COP	ConocoPhillips	Fracking Upside in Eagle Ford, Bakken and Permian (Meter Reader)
13-Sep	CRT	Cross Timbers Royalty Trust	Fracking Upside in Permian and Scoop (Income and Small Cap Weekly)
10-Sep	OXY	Occidental Petroleum	Permian Late Bloomer (Meter Reader)
23-Jul	WOPEY	Woodside Petroleum, Ltd.	Distributing LNG Cash (Meter Reader)
12-Jul	PBT	Permian Basin Royalty Trust	Stock Price Recovering from Short-Term Overreaction
31-May	HGT	Hugoton Royalty Trust	Beating the Bear (Income and Small Cap Weekly)
14-May	EOG	EOG Resources	Raise NPV to \$180 on More Big Wells (Meter Reader)
30-Apr	TOT	Total	Recovery Potential (Meter Reader)
19-Apr	HK	Halcón Resources	Fourth Core Area - El Halcón ("The Hawk") (Inc. and Small Cap Wkly)
16-Apr	CVX	Chevron	Deflation Resistance (Meter Reader)
12-Apr	MTR	Mesa Royalty Trust	RTF Stealth Play on Long-Life Natural Gas (Income and Small Cap Wkly)
5-Apr	SBR	Sabine Royalty Trust	Accelerating Volume Growth (Income and Small Cap Weekly)
28-Mar	PEYUF	Peyto Exploration and Development	Raise NPV to \$32 for Fracking Winner (Income and Small Cap Weekly)
For historical research by stock, go to <a href="http://mcdep.com">mcdep.com</a> , click on <a href="#">Stock Ideas</a> , click on stock by name.			
<b>Meter Reader</b>			
18-Feb	ECA	Encana Corporation	Leveraged to Natural Gas Price
11-Feb	SJT	San Juan Basin Royalty Trust	Strategic Resource in a Cold Winter
4-Feb	XOM	Exxon Mobil	Largest and Strongest Oil and Gas Producer
28-Jan	SJT, HGT, MTR, BIREF		Arctic Cold Strengthens Natural Gas Price
21-Jan	RDSA	Royal Dutch Shell plc	Lower NPV to \$95 on Profit Warning
14-Jan	PDCE	PDC Energy	Raise NPV to \$55 on Colorado Shale Oil
7-Jan			Six-Year Futures Up in 2014
31-Dec			Catch up for Canada
10-Dec			Fracking Investment Strategy
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<b>Industry Ideas</b>			
28-Jan			Arctic Cold Strengthens Natural Gas Price (Meter Reader)
9-Jan		RTF Cash Payers	Trustee Change Proposed
7-Jan			Six-Year Futures Up in 2014 (Meter Reader)
24-Dec		RTF Cash Payers	Rising RTF Cash in 2014 (Meter Reader)



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