

## **Cimarex Energy (XEC)** **Strong Independent Producer**

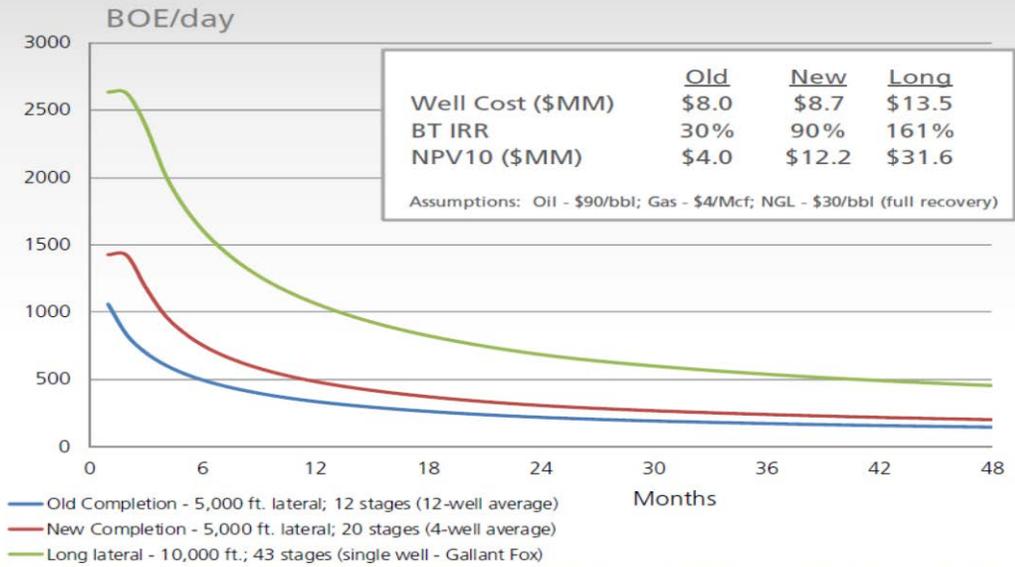
<i>Symbol</i>	XEC	<i>Ebitda Next Twelve Months ending 9/30/15 (US\$m)</i>	1,646
<i>Rating</i>	Contrarian Buy	<i>North American Natural Gas/Ebitda (%)</i>	30
<i>Price (\$/sh)</i>	109.93	<i>Natural Gas and Oil Production/Ebitda (%)</i>	100
<i>Pricing Date</i>	10/20/14	<i>Adjusted Reserves/Production NTM</i>	6.1
<i>Shares (mm)</i>	87	<i>EV/Ebitda</i>	6.9
<i>Market Capitalization (\$mm)</i>	9,590	<i>PV/Ebitda</i>	8.5
<i>Debt (\$mm)</i>	1,850	<i>Undeveloped Reserves (%)</i>	20
<i>Enterprise Value (EV) (\$mm)</i>	11,430	<i>Natural Gas and Oil Ebitda (\$/boe)</i>	26.90
<i>Present Value (PV) (\$mm)</i>	14,060	<i>Present Value Proven Reserves(\$/boe)</i>	33.60
<i>Net Present Value (\$/share)</i>	140	<i>Oil and Gas Ebitda Margin (%)</i>	71
<i>Debt/Present Value</i>	0.13	<i>Earnings Next Twelve Months (US\$/sh)</i>	4.83
<i>McDep Ratio - EV/PV</i>	0.81	<i>Price/Earnings Next Twelve Months</i>	23
<i>Dividend Yield (%/year)</i>	0.6	<i>Indicated Annual Dividend (US\$/sh)</i>	0.64
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**

Down in price by 27% from its high, the common stock of Contrarian Buy **Cimarex Energy (XEC)** appears attractively priced for investor participation in one of the strongest independent producers leading the way in growing U.S. oil and gas production. A rise in the U.S. Dollar and seasonal factors apparently contributed to a fall in global oil price to the low end of an expected \$80 to \$120 a barrel range. Seasonal factors turn more positive in two to eight weeks, which may also help stock price. Cimarex is protected on the downside by a low 0.13 ratio of debt to present value and by high return projects that remain attractive at lower oil price. In a particularly strong example, the company calculates an internal rate of return of more than 100% a year on long lateral projects in the Wolfcamp formation in Culberson County, Texas (see slide Upsized Returns on page 2). Culberson is just one of several high profit plays for Cimarex in the Delaware Basin (see slide Permian Basin Region on page 2). Oklahoma is proving to be equally profitable currently where the new Meramec formation adds to the promise of the Woodford formation (see slide Midcontinent on page 3). Taking only partial account of the value that Chief Executive Tom Jorden and his team have created, we raised our estimated Net Present Value (NPV) to \$140 a share in May 2014 ( see table Present Value on page 3). NPV is bolstered by accelerated volume growth to an estimated 25% in 2014 (see table Operating and Financial Estimates on page 4). Finally, in an effort to make short-term stock price volatility work to the advantage of long term investors, we like the idea of rebalancing to a target portfolio weight for small cap independent producers, including Cimarex (see Tables 1-4 on pages 5-8).

Kurt H. Wulff, CFA

## Upsized Returns from Long Lateral with Upsized Frac Culberson County Wolfcamp D Wells

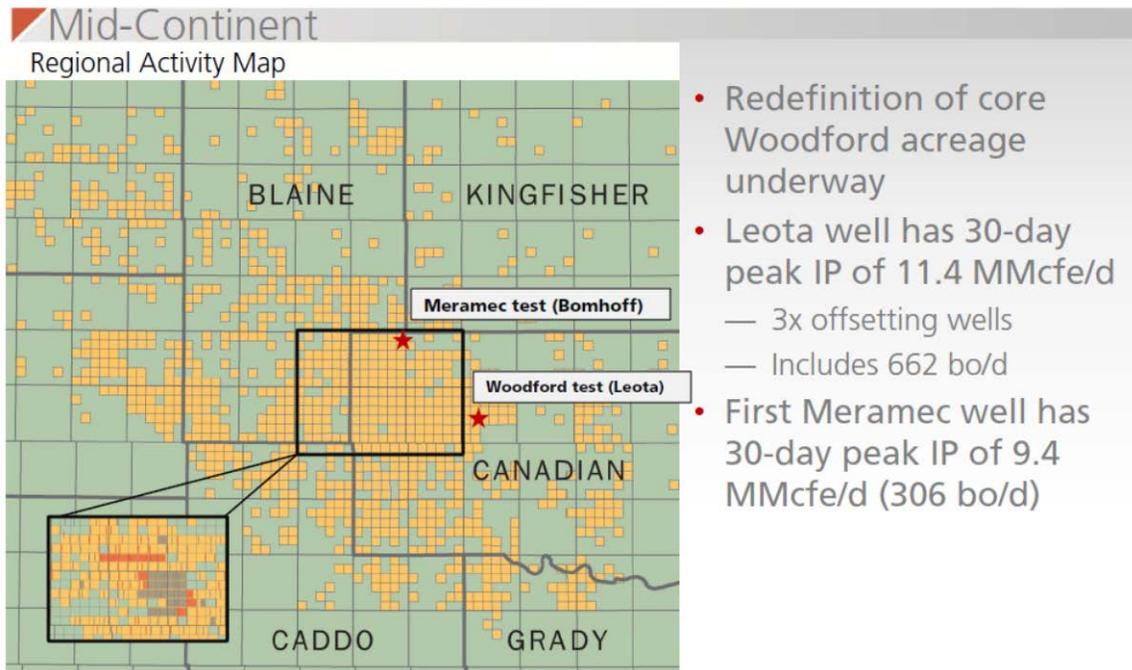


## Permian Basin Region



- Delaware Basin focus
- Several zones producing
  - 2<sup>nd</sup> & 3<sup>rd</sup> Bone Spring sands
  - Multiple Wolfcamp zones
    - Culberson area: D, C & A zones
    - Reeves County: A & B/C
    - Ward County: A
  - Avalon Shale emerging
    - 200-250 locations identified





<b>Cimarex Energy Company</b>					
<b>Functional Cash Flow and Present Value</b>					
	<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	6.2	11.6	5,700	41%
Oil	1,156	6.1	7.2	8,350	59%
	1,646	6.1	8.5	14,050	100%
Debt (US\$mm)					1,850
Net Present Value (US\$mm)					12,200
Shares (mm)					87
Net Present Value - Standard Estimate (US\$/sh)					140
NPV Approximation by Cash Flow Multiple Depending on Reserve Life (US\$/sh)					141



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A Weekly Analysis of Oil and Gas Stocks

October 21, 2014

Cimarex Energy Company										
Next Twelve Months Operating and Financial Performance										
	Q3	Year	Q2	Q3E	Q4E	Year	Q1E	Q2E	Q3E	Next Twelve Months
	9/30/13	2013	6/30/14	9/30/14	12/31/14	2014E	3/31/15	6/30/15	9/30/15	9/30/15
<b>Volume</b>										
Natural Gas (mmcf)	347	<b>343</b>	410	460	480	<b>427</b>	504	529	556	<b>517</b>
Oil (mbd)	61.7	<b>58.3</b>	71.4	77.0	78.0	<b>72.7</b>	80.3	82.8	85.2	<b>81.6</b>
Total (mmcf)	717	<b>693</b>	839	922	948	<b>863</b>	986	1,026	1,067	<b>1,007</b>
<b>Price</b>										
Henry Hub (\$/mmbtu)	3.58	<b>3.65</b>	4.67	4.07	3.82	<b>4.38</b>	3.83	3.62	3.68	<b>3.74</b>
Company (\$/mcf)	3.72	<b>3.76</b>	4.62	4.02	3.78	<b>4.36</b>	3.79	3.58	3.63	<b>3.69</b>
WTI Cushing (\$/bbl)	105.83	<b>97.98</b>	102.98	97.24	83.21	<b>95.55</b>	80.96	80.03	79.47	<b>80.92</b>
Company (\$/bbl)	75.92	<b>69.68</b>	69.28	65.42	55.98	<b>65.21</b>	54.47	53.83	53.46	<b>54.41</b>
Total (\$/bbl)	49.99	<b>46.34</b>	48.96	44.82	39.11	<b>45.91</b>	38.24	37.14	36.98	<b>37.83</b>
<b>Revenue (\$mm)</b>										
Natural Gas	119	<b>471</b>	172	170	167	<b>679</b>	172	172	186	<b>697</b>
Oil	431	<b>1,482</b>	450	463	402	<b>1,731</b>	394	405	419	<b>1,620</b>
Total	550	<b>1,953</b>	623	634	568	<b>2,410</b>	566	578	605	<b>2,317</b>
<b>Expense</b>										
Operating	102	<b>380</b>	132							
Production taxes	31	<b>113</b>	32							
General and administrative	19	<b>78</b>	17							
Expense	152	<b>571</b>	181	183	165	<b>703</b>	164	167	175	<b>671</b>
<b>Ebitda</b>										
	398	<b>1,382</b>	442	450	404	<b>1,707</b>	402	410	430	<b>1,646</b>
Deprec., Deplet., & Amor	161	<b>624</b>	199	219	225	<b>820</b>	234	243	253	<b>956</b>
Other Non Cash	13	<b>16</b>	6			<b>21</b>				<b>-</b>
<b>Ebit</b>										
	224	<b>742</b>	236	231	179	<b>866</b>	168	167	177	<b>690</b>
Interest	7	<b>20</b>	7	8	9	<b>30</b>	10	11	12	<b>42</b>
<b>Ebt</b>										
	217	<b>722</b>	229	223	170	<b>836</b>	158	156	165	<b>648</b>
Income Tax	76	<b>253</b>	80	78	59	<b>293</b>	55	55	58	<b>227</b>
<b>Net Income (\$mm)</b>										
	141	<b>469</b>	149	145	110	<b>543</b>	103	101	107	<b>422</b>
Per Share (\$)	1.62	<b>5.40</b>	1.71	1.67	1.27	<b>6.23</b>	1.18	1.16	1.23	<b>4.83</b>
<b>Shares (millions)</b>										
	87	<b>87</b>	87	87	87	<b>87</b>	87	87	87	<b>87</b>
Ebitda Margin	72%	<b>71%</b>	71%	71%	71%	<b>71%</b>	71%	71%	71%	<b>71%</b>
Tax rate	35%	<b>35%</b>	35%	35%	35%	<b>35%</b>	35%	35%	35%	<b>35%</b>



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						Present Value by Segment (%)							
		Price		EV/	Enterprise	North	Rest of			Dist.			
		(US\$/sh)		Market	Value	Amer.	World			Yield			
Symbol/Rating		20-Oct		Cap		Natural	Natural	Oil	Down-	NTM	McDep		
B = Buy, CB (see below)		2014			(\$mm)	Gas	Gas	Prod'n	stream	(%)	Ratio		
<b>Global Integrated</b>													
E Exxon Mobil Corporation	XOM	CB	91.77	1.19	469,000	7	16	61	17	3.0	0.91		
R Royal Dutch Shell plc	RDS-A		68.32	1.38	297,000	4	22	57	17	5.5	0.78		
C Chevron Corporation	CVX		111.49	1.21	256,000	3	11	73	13	3.8	0.78		
T Total S.A.	TOT		55.41	1.44	183,000		22	59	18	5.6	0.76		
L Lukoil Oil Company	LUKOY	CB	48.17	1.21	45,400			76	24	6.1	0.40		
<i>Total or Median</i>				<i>1.21</i>	<i>1,250,000</i>			<i>61</i>	<i>17</i>	<i>5.5</i>	<i>0.78</i>		
<b>U.S. Independent</b>													
E OEG Resources, Inc.	EOG		92.76	1.13	57,300	16	4	80		0.7	0.86		
O Occidental Petroleum Corp.	OXY		88.74	1.15	80,100	7	1	84	9	3.2	0.77		
C ConocoPhillips	COP		68.83	1.39	119,000	13	14	72		4.2	0.75		
M Marathon Oil Corporation	MRO	CB	34.26	1.33	31,000	9	3	88		2.5	0.74		
D Devon Energy Corporation	DVN	CB	57.98	1.71	40,700	28		64	8	1.7	0.70		
<i>Total or Median</i>				<i>1.33</i>	<i>328,000</i>	<i>13</i>		<i>80</i>		<i>2.5</i>	<i>0.75</i>		
<b>Canada/Australia</b>													
W Woodside Petroleum Ltd.	WOPEY		35.24	1.15	33,000		70	30		6.3	0.98		
I Imperial Oil Limited (30%)	IMO		45.51	1.25	14,500	2		79	19	1.0	0.90		
E EnCana Corporation	ECA	CB	18.72	1.72	23,800	50		50		1.5	0.74		
C Cenovus Energy Inc.	CVE		23.39	1.38	24,400	9		78	13	4.0	0.63		
C Canadian Oil Sands Limited	COSWF	CB	15.90	1.33	10,200			100		10.3	0.54		
<i>Total or Median</i>				<i>1.33</i>	<i>106,000</i>			<i>78</i>		<i>4.0</i>	<i>0.74</i>		
<b>Small Cap Independent Producers</b>													
C Cimarex Energy Company	XEC	CB	109.93	1.19	11,400	41		59		0.6	0.81		
W WPX Energy Inc.	WPX		18.30	1.66	6,200	61		39		-	0.76		
H Halcón Resources	HK		3.04	4.01	5,100	6		94		-	0.75		
P Peyto Exploration and Develop	PEYUF		30.25	1.19	5,500	83		17		3.5	0.75		
W Whiting Petroleum Corporation	WLL	CB	60.20	1.43	10,300	9		91		-	0.74		
R Range Resources	RRC	CB	66.29	1.33	14,400	61		39		0.2	0.72		
C Continental Resources (32%)	CLR	CB	56.53	1.29	8,600	16		84		-	0.72		
P PDC Energy	PDCE		43.10	1.53	2,400	26		74		-	0.67		
B Birchcliff Energy Ltd.	BIREF	CB	8.11	1.39	1,800	72		28		-	0.66		
<i>Total or Median</i>				<i>1.39</i>	<i>66,000</i>	<i>41</i>		<i>59</i>		<i>-</i>	<i>0.74</i>		
<b>RIF Cash Payers</b>													
M Mesa Royalty Trust	MTR		31.77	1.00	60	71		29		6.8	1.13		
D Dorchester Minerals, L.P.	DMLP	B	29.43	1.00	900	40		60		5.7	0.92		
S San Juan Basin Royalty Trust	SJT	CB	17.21	1.00	800	100		-		6.4	0.82		
S Sabine Royalty Trust	SBR		50.99	1.00	740	44		56		7.0	0.80		
F Freehold Royalties Ltd.	FRHLF		19.15	1.11	1,560	18		82		7.8	0.76		
P Permian Basin RT	PBT		12.65	1.00	590	20		80		7.8	0.70		
H Hugoton Royalty Trust	HGT		9.07	1.00	360	87		13		8.5	0.70		
E Enduro Royalty Trust	NDRO		9.49	1.00	310	30		70		6.1	0.68		
C Cross Timbers Royalty Trust	CRT		27.00	1.00	160	64		36		8.4	0.64		
<i>Total or Median</i>				<i>1.00</i>	<i>5,500</i>	<i>44</i>		<i>56</i>		<i>7.0</i>	<i>0.76</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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			<i>Price (US\$/sh) 20-Oct 2014</i>	<i>Shares (mm)</i>	<i>Market Cap (US\$m)</i>	<i>Net Present Value (US\$/sh)</i>	<i>Debt/ Present Value</i>	<i>McDep Ratio</i>
<i>Symbol/Rating</i>								
<i>B = Buy, CB (see below)</i>								
<b>Global Integrated</b>								
Exxon Mobil Corporation	XOM	CB	91.77	4,297	394,000	102.00	0.15	0.91
Royal Dutch Shell plc	RDS-A		68.32	3,162	216,000	95.00	0.21	0.78
Chevron Corporation	CVX		111.49	1,902	212,000	150.00	0.13	0.78
Total S.A.	TOT		55.41	2,281	126,000	80.00	0.24	0.76
Lukoil Oil Company	LUKOY	CB	48.17	776	37,400	135.00	0.07	0.40
<i>Total or Median</i>					<i>985,000</i>		<i>0.15</i>	<i>0.78</i>
<b>U.S. Independent</b>								
EOG Resources, Inc.	EOG		92.76	549	50,900	110.00	0.10	0.86
Occidental Petroleum Corp.	OXY		88.74	783	69,500	120.00	0.10	0.77
ConocoPhillips	COP		68.83	1,245	86,000	100.00	0.21	0.75
Marathon Oil Corporation	MRO	CB	34.26	679	23,260	50.00	0.18	0.74
Devon Energy Corporation	DVN	CB	57.98	411	23,800	100.00	0.29	0.70
<i>Total or Median</i>					<i>253,500</i>		<i>0.18</i>	<i>0.75</i>
<b>Canada/Australia</b>								
Woodside Petroleum Ltd.	WOPEY		35.24	823	29,000	36.00	0.13	0.98
Imperial Oil Limited (30%)	IMO		45.51	255	11,600	52.00	0.18	0.90
EnCana Corporation	ECA	CB	18.72	736	13,800	30.00	0.31	0.74
Cenovus Energy Inc.	CVE		23.39	758	17,700	42.00	0.17	0.63
Canadian Oil Sands Limited	COSWF	CB	15.90	485	7,700	34.00	0.13	0.54
<i>Total or Median</i>					<i>80,000</i>		<i>0.17</i>	<i>0.74</i>
<b>Small Cap Independent Producers</b>								
Cimarex Energy Company	XEC	CB	109.93	87	9,600	140.00	0.13	0.81
WPX Energy Inc.	WPX		18.30	203	3,700	28.00	0.30	0.76
Halcón Resources	HK		3.04	415	1,300	7.00	0.57	0.75
Peyto Exploration and Development Corp.	PEYUF		30.25	154	4,700	42.00	0.12	0.75
Whiting Petroleum Corporation	WLL	CB	60.20	120	7,200	90.00	0.22	0.74
Range Resources	RRC	CB	66.29	163	10,800	100.00	0.18	0.72
Continental Resources (32%)	CLR	CB	56.53	118	6,700	85.00	0.16	0.72
PDC Energy	PDCE		43.10	36	1,600	75.00	0.23	0.67
Birchcliff Energy Ltd.	BIREF	CB	8.11	158	1,300	14.00	0.19	0.66
<i>Total or Median</i>					<i>47,000</i>		<i>0.19</i>	<i>0.74</i>
<b>RTF Cash Payers</b>								
Mesa RoyaltyTrust	MTR		31.77	2	60	28.00	-	1.13
Dorchester Minerals, L.P.	DMLP	B	29.43	31	900	32.00	-	0.92
San Juan Basin Royalty Trust	SJT	CB	17.21	47	800	21.00	-	0.82
Sabine Royalty Trust	SBR		50.99	15	740	64.00	-	0.80
Freehold Royalties Ltd.	FRHLF		19.15	73	1,410	26.00	0.08	0.76
Permian Basin RT	PBT		12.65	47	590	18.00	-	0.70
Hugoton RoyaltyTrust	HGT		9.07	40	360	13.00	-	0.70
Enduro Royalty Trust	NDRO		9.49	33	310	14.00	-	0.68
Cross Timbers Royalty Trust	CRT		27.00	6	160	42.00	-	0.64
<i>Total or Median</i>					<i>5,300</i>		<i>-</i>	<i>0.76</i>

CB=Contrarian Buy, Stock Price may be in downtrend compared to 200-day average.  
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			<i>Price (US\$/sh)</i>	<i>Adjustd Resrvs/ Prod</i>	<i>PV/ Ebitda</i>	<i>EV/ Ebitda</i>	<i>P/E</i>	<i>Dividend</i>
	<i>Symbol/Rating</i>		<i>20-Oct</i>	<i>NTM</i>	<i>NTM</i>	<i>NTM</i>	<i>NTM</i>	<i>NTM</i>
	<i>B = Buy, CB (see below)</i>		<i>2014</i>					<i>(\$/sh)</i>
<b>Global Integrated</b>								
Exxon Mobil Corporation	XOM	CB	91.77	14.5	8.2	7.5	14	2.76
Chevron Corporation	CVX		111.49	9.3	7.8	6.0	13	4.28
Total S.A.	TOT		55.41	10.9	7.8	6.0	12	3.12
Royal Dutch Shell plc	RDS-A		68.32	10.2	7.5	5.9	13	3.76
Lukoil Oil Company	LUKOY	CB	48.17	14.6	6.3	2.5	7	2.92
	<i>Median</i>			<i>10.9</i>	<i>7.8</i>	<i>6.0</i>	<i>13</i>	
<b>U.S. Independent</b>								
EOG Resources, Inc.	EOG		92.76	7.4	8.2	7.0	21	0.67
Devon Energy Corporation	DVN	CB	57.98	10.0	9.5	6.7	14	0.96
Occidental Petroleum Corp.	OXY		88.74	10.5	8.4	6.5	16	2.88
ConocoPhillips	COP		68.83	11.1	8.2	6.2	15	2.92
Marathon Oil Corporation	MRO	CB	34.26	11.2	7.3	5.4	16	0.84
	<i>Median</i>			<i>10.5</i>	<i>8.2</i>	<i>6.5</i>	<i>16</i>	
<b>Canada/Australia</b>								
Imperial Oil Limited (30%)	IMO		45.51	24.9	11.6	10.4	14	0.46
EnCana Corporation	ECA	CB	18.72	8.1	11.8	8.8	15	0.28
Woodside Petroleum Ltd.	WOPEY		35.24	9.9	6.9	6.7	15	2.22
Cenovus Energy Inc.	CVE		23.39	14.5	9.7	6.1	14	0.95
Canadian Oil Sands Limited	COSWF	CB	15.90	17.9	11.4	6.1	9	1.64
	<i>Median</i>			<i>14.5</i>	<i>11.4</i>	<i>6.7</i>	<i>14</i>	
<b>Small Cap Independent Producers</b>								
Range Resources	RRC	CB	66.29	11.7	15.1	10.9	81	0.16
Peyto Exploration and Development Corp.	PEYUF		30.25	9.6	11.9	9.0	24	1.07
PDC Energy	PDCE		43.10	15.9	11.4	7.7	77	-
Continental Resources (32%)	CLR	CB	56.53	11.4	9.7	7.0	16	-
Cimarex Energy Company	XEC	CB	109.93	6.1	8.5	6.9	23	0.64
WPX Energy Inc.	WPX		18.30	8.3	9.2	6.9	-	-
Halcón Resources	HK		3.04	5.7	9.1	6.9	13	-
Birchcliff Energy Ltd.	BIREF	CB	8.11	13.4	9.9	6.5	19	-
Whiting Petroleum Corporation	WLL	CB	60.20	7.1	6.1	4.5	17	-
	<i>Median</i>			<i>9.6</i>	<i>9.7</i>	<i>6.9</i>	<i>21</i>	
<b>RTF Cash Payers</b>								
Dorchester Minerals, L.P.	DMLP	B	29.43	7.5	15.8	14.5	23	1.66
San Juan Basin Royalty Trust	SJT	CB	17.21	10.5	17.7	14.5	16	1.10
Sabine Royalty Trust	SBR		50.99	10.0	17.9	14.2	14	3.58
Mesa Royalty Trust	MTR		31.77	6.6	11.2	12.7	15	2.15
Freehold Royalties Ltd.	FRHLF		19.15	5.2	13.5	10.2	21	1.49
Hugoton Royalty Trust	HGT		9.07	13.3	14.6	10.2	12	0.77
Cross Timbers Royalty Trust	CRT		27.00	12.2	15.4	9.9	12	2.26
Permian Basin RT	PBT		12.65	9.8	12.6	8.9	13	0.99
Enduro Royalty Trust	NDRO		9.49	8.3	9.5	6.4	16	0.58
	<i>Median</i>			<i>9.8</i>	<i>14.6</i>	<i>10.2</i>	<i>15</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 September 30, 2015; 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		20-Oct	Return	Enterprise Value/				McDep
	Rating		2014	(%)	52Wk	52Wk	50 Day	200 Day	Ratio
					High	Low	Avg.	Avg.	
<b>Global Integrated</b>									
	XOM	CB	91.77	(7)	0.89	1.05	0.96	0.94	0.91
	CVX		111.49	(8)	0.85	1.04	0.92	0.93	0.78
	RDS-A		68.32	(1)	0.86	1.04	0.91	0.92	0.78
	TOT		55.41	(6)	0.81	1.03	0.91	0.89	0.76
	LUKOY	CB	48.17	(22)	0.76	1.01	0.91	0.88	0.40
	<i>Median</i>			(7)	0.85	1.04	0.91	0.92	0.78
<b>U.S. Independent</b>									
	MRO	CB	34.26	(1)	0.86	1.07	0.92	0.95	0.74
	COP		68.83	1	0.84	1.07	0.92	0.94	0.75
	EOG		92.76	11	0.80	1.16	0.92	0.93	0.86
	OXY		88.74	(5)	0.86	1.07	0.92	0.93	0.77
	DVN	CB	57.98	(5)	0.81	1.05	0.90	0.90	0.70
	<i>Median</i>			(1)	0.84	1.07	0.92	0.93	0.75
<b>Canada/Australia</b>									
	IMO		45.51	4	0.87	1.10	0.94	0.96	0.90
	WOPEY		35.24	7	0.87	1.08	0.94	0.96	0.98
	ECA	CB	18.72	5	0.84	1.06	0.92	0.93	0.74
	CVE		23.39	(16)	0.78	1.02	0.86	0.86	0.63
	COSWF	CB	15.90	(11)	0.75	1.04	0.86	0.83	0.54
	<i>Median</i>			4	0.84	1.06	0.92	0.93	0.74
<b>Small Cap Independent Producers</b>									
	PEYUF		30.25	1	0.81	1.09	0.95	0.92	0.75
	WPX		18.30	(10)	0.78	1.08	0.85	0.91	0.76
	XEC	CB	109.93	5	0.76	1.15	0.87	0.90	0.81
	CLR	CB	56.53	0	0.75	1.10	0.85	0.88	0.72
	HK		3.04	(21)	0.73	1.06	0.89	0.86	0.75
	WLL	CB	60.20	(3)	0.72	1.09	0.81	0.86	0.74
	RRC	CB	66.29	(21)	0.75	1.06	0.94	0.85	0.72
	BIREF	CB	8.11	18	0.67	1.15	0.84	0.84	0.66
	PDCE		43.10	(19)	0.68	1.12	0.87	0.82	0.67
	<i>Median</i>			(3)	0.75	1.09	0.87	0.86	0.74
<b>RTF Cash Payers</b>									
	MTR		31.77	66	0.84	1.58	1.02	1.13	1.13
	DMLP	B	29.43	21	0.83	1.24	0.95	1.03	0.92
	HGT		9.07	32	0.75	1.30	0.97	0.96	0.70
	SJT	CB	17.21	9	0.85	1.11	0.93	0.94	0.82
	SBR		50.99	8	0.80	1.12	0.93	0.94	0.80
	PBT		12.65	5	0.78	1.13	0.93	0.93	0.70
	FRHLF		19.15	(3)	0.76	1.06	0.89	0.88	0.76
	CRT		27.00	(2)	0.71	1.09	0.88	0.85	0.64
	NDRO		9.49	(18)	0.65	1.12	0.78	0.74	0.68
	<i>Median</i>			8	0.78	1.12	0.93	0.94	0.76

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

Source: Bloomberg, Yahoo, McDep LLC



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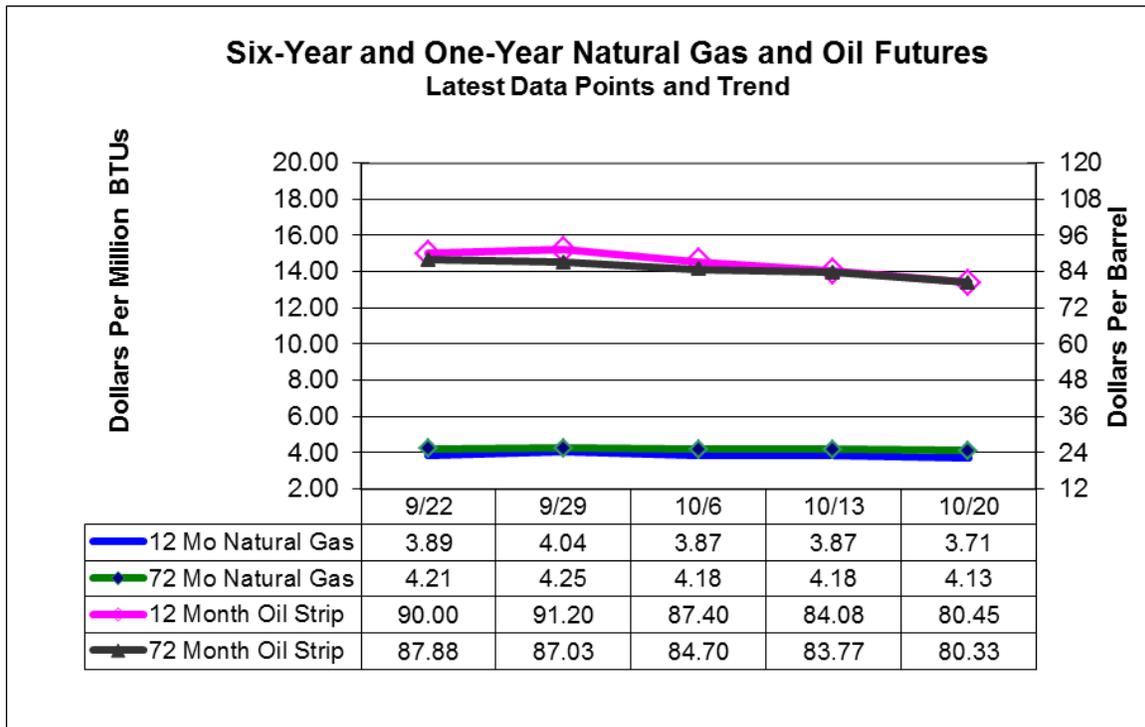
Index of Recent Research			
<b>Stock Ideas</b>			
<u>Date</u>	<u>Symbol</u>	<u>Subject</u>	<u>Theme</u>
14-Oct	DVN	Devon Energy	Rebalance Candidate (Meter Reader)
7-Oct	ECA	Encana Corporation	Suttles' Stamp (Meter Reader)
23-Sep	CLR	Continental Resources	Raise NPV to \$85 on 29% Growth (Meter Reader)
16-Sep	RDSA	Royal Dutch Shell plc	Ben's Growth Strategy (Meter Reader)
9-Sep	EOG	EOG Resources	Mr. Shale (Meter Reader)
2-Sep	LUKOY	Lukoil	Oil under Uncertainty (Meter Reader)
26-Aug	SJT	San Juan Basin Royalty Trust	Income and Shale (Meter Reader)
19-Aug	TOT	Total	Diversified Political Risk (Meter Reader)
14-Aug	BIREF	Birchcliff Energy	Healthy Volume, Seasonal Price
8-Aug	DMLP	Dorchester Minerals, L.P.	Robust Bakken and Permian Oil Growth
5-Aug	XOM	Exxon Mobil	Shale Oil Minerals (Meter Reader)
30-Jul	RRC	Range Resources	Transportation and Processing Lagging Fracking
22-Jul	MRO	Marathon Oil	Frac Shale Oil, Sell Norway (Meter Reader)
15-Jul	WLL	Whiting Petroleum	Agrees to Acquire Kodiak Oil & Gas (Meter Reader)
1-Jul	COSWF	Canadian Oil Sands Ltd.	Returning to Favor (Meter Reader)
24-Jun	FRHLF	Freehold Royalties Ltd	Raise NPV to \$26 on Minerals (Meter Reader)
17-Jun	PEYUF	Peyto Exploration	Raise NPV to \$42 on More Energy Growth (Meter Reader)
10-Jun	OXY	Occidental Petroleum	Raise NPV to \$120, Spinoff Filed (Meter Reader)
27-May	CVX	Chevron	Oil Price Turns Up (Meter Reader)
13-May	XEC	Cimarex Energy	Raise NPV to \$140 on Cana Double (Meter Reader)
23-Apr	HGT	Hugoton Royalty Trust	Positive Arbitration Ruling
21-Apr	MTR	Mesa Royalty Trust	Underpayment Uncovered, Upside Commodity Leverage
15-Apr	COP	ConocoPhillips	Shale Upside, Exploration Promise, Dividend Strength (Meter Reader)
25-Mar	CVE	Cenovus Energy	Oil Growth Slowed by Transit States (Meter Reader)
18-Mar	PBT	Permian Basin Royalty Trust	Rising Oil Production, Understated Income (Meter Reader)
21-Feb	PDCE	PDC Energy	Raise NPV to \$75 on More Shale Oil
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)
13-Sep	CRT	Cross Timbers Royalty Trust	Fracking Upside in Permian and Scoop (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>			
14-Oct	DVN	Devon Energy	Rebalance Candidate
7-Oct	ECA	Encana Corporation	Suttles' Stamp
30-Sep		RTF (Royalty Trust Fund)	Current Income and Future Fracking
23-Sep	CLR	Continental Resources	Raise NPV to \$85 on 29% Growth
16-Sep	RDSA	Royal Dutch Shell plc	Ben's Growth Strategy
9-Sep	EOG	EOG Resources	Mr. Shale
2-Sep	LUKOY	Lukoil	Oil under Uncertainty
26-Aug	SJT	San Juan Basin Royalty Trust	Income and Shale
19-Aug	TOT	Total	Diversified Political Risk
12-Aug	CLR	Continental Resources	Raise NPV to \$150 on Fracking Growth
5-Aug	XOM	Exxon Mobil	Shale Oil Minerals
29-Jul			Investment Strategy August 2014 - Oil and Gas in Safe Areas
For earlier editions, go to <a href="http://mcdep.com">mcdep.com</a> , click on <a href="#">Meter Reader</a> .			
<b>Industry Ideas</b>			
30-Sep		RTF (Royalty Trust Fund)	Current Income and Future Fracking
July			Oil and Gas Investor: In Royalty We Trust
24-Jun	DMLP, FRHLF, PBT, CRT, NDRO		Raise NPV, Trustee Approved, Permian Wells



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