

Income Payer Distributions Beat CRT, DMLP, PBT, SBR, SJT

			Price (US\$/sh)	Market Cap	Enterprise Value	EV/ Market	EV/ Ebitda	PV/ Ebitda	Oil Prod'n/ PV	Dist. Yield	McDep Ratio
	Symbol/Rating	21-Apr 2017	(US\$/sh)	(US\$m)	(\$mm)	Cap	NTM	NTM	(%)	(%)	(EV/PV)
Permian Basin RT	PBT		10.18	470	470	1.00	8.2	15.4	78	6.8	0.92
San Juan Basin Royalty Trust	SJT		7.27	340	340	1.00	14.5	23.7	-	9.3	0.91
Dorchester Minerals, L.P.	DMLP		17.45	540	540	1.00	12.7	17.5	76	7.2	0.73
Sabine Royalty Trust	SBR	B	36.60	530	530	1.00	10.5	11.6	59	6.9	0.61
Cross Timbers Royalty Trust	CRT	B	15.53	90	90	1.00	14.1	15.2	28	10.0	0.53
<i>Total or Median</i>				2,000	2,000	1.00	12.7	15.4	59	7.2	0.73

Summary and Recommendation

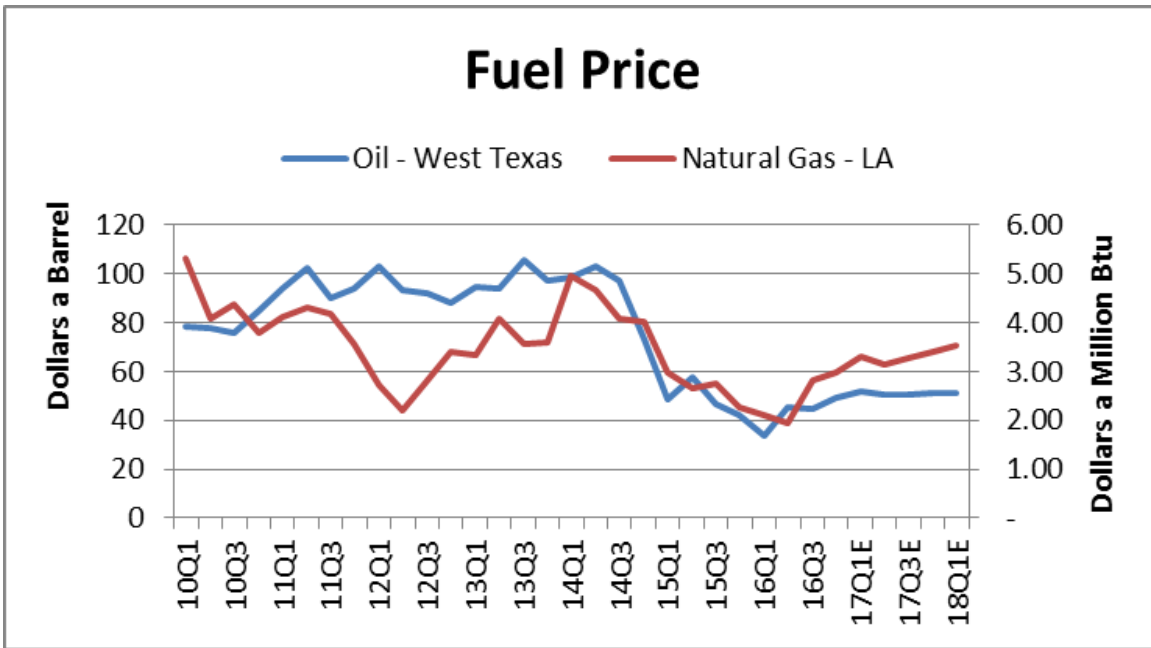
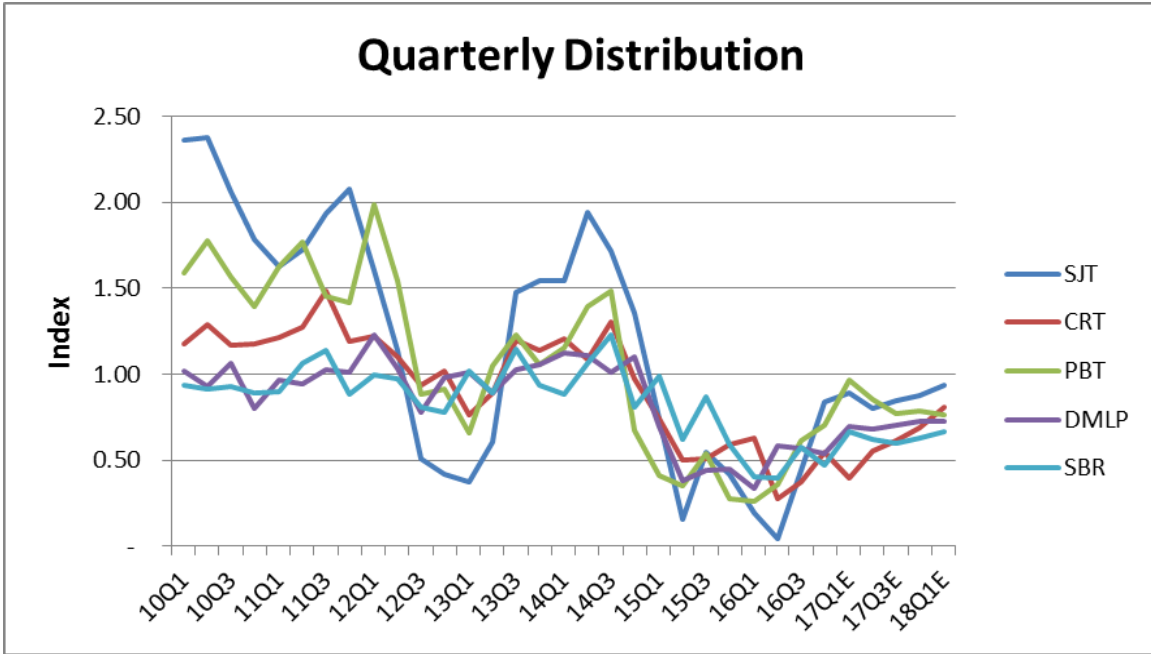
Three of five Income Payers beat estimates of first quarter 2017 distributions compared to expectations in our most recent group analysis (see *Industry Idea*, November 22, 2016). **Dorchester Minerals, L.P. (DMLP)** declared a distribution of \$0.31 a unit on April 20 compared to a late 2016 estimate of \$0.27. Top Line royalty cash was strong while Bottom Line net profits cash was apparently held back by charges or timing of receipts. Buy-recommended **Sabine Royalty Trust (SBR)** declared its monthly distribution on April 6 that brought the three month total for the quarter to \$0.67 a unit, slightly less than estimated late last year. The remaining three income payers declared monthly distributions on March 21 which brought the three month totals for the quarter to \$0.21 for **Permian Basin Royalty Trust (PBT)**, \$0.17 for **San Juan Basin Royalty Trust (SJT)** and \$0.23 for **Cross Timbers Royalty Trust (CRT)** compared to \$0.14, \$0.14 and \$0.34 respectively. The beats for PBT and SJT coincide with better stock price performance and the big miss for CRT coincides with lagging stock price performance. Taking the contrary view, we designated CRT a new Buy (see *Stock Idea*, CRT, March 21, 2017). Looking ahead, we see a median 7.2% cash return over the next twelve months (see chart Distribution on page 2). The estimates depend on futures prices that have natural gas outperforming oil (see chart Price on page 2). Production of oil may be trending up and natural gas trending down (see charts Oil Volume and Natural Gas Volume on page 3). The timing variations in cash accounting contribute to increased volatility in monthly results (see charts Monthly Distribution and Monthly Volume on page 4). Details behind our estimates take account of the readily apparent factors influencing distributions (see tables Operating and Financial Estimates for five stocks on pages 5-9). Valuation considerations including low McDep Ratios support our interest in overlooked Income Payers (see Tables 1-4 on pages 9-12).

Kurt H. Wulff, CFA



Industry Idea

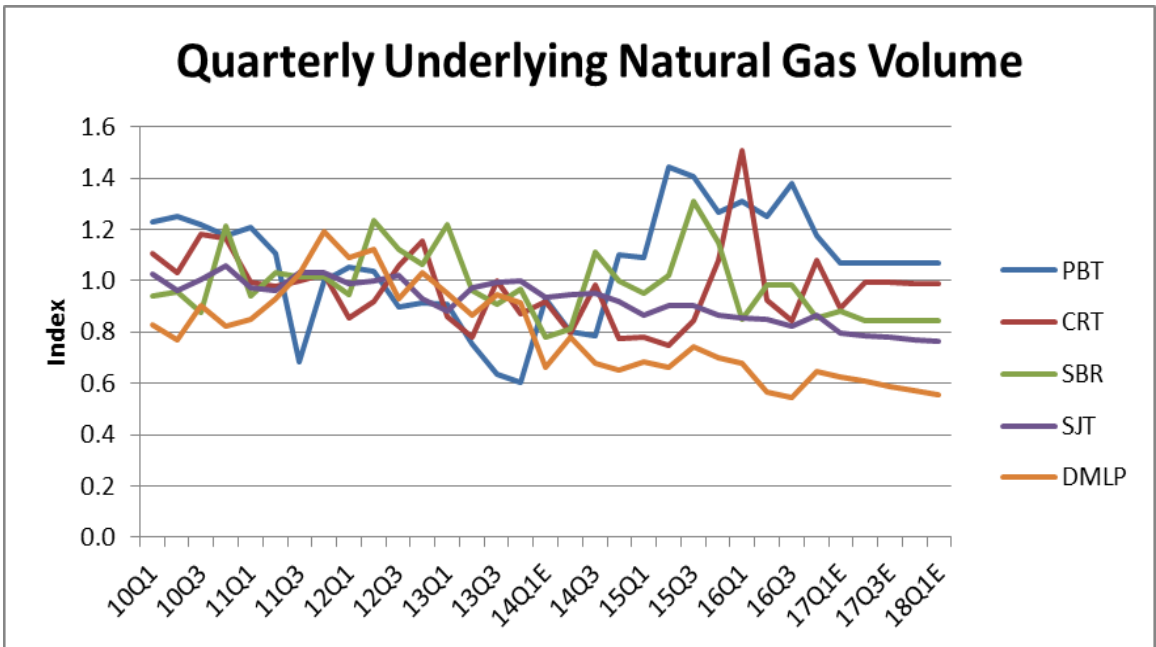
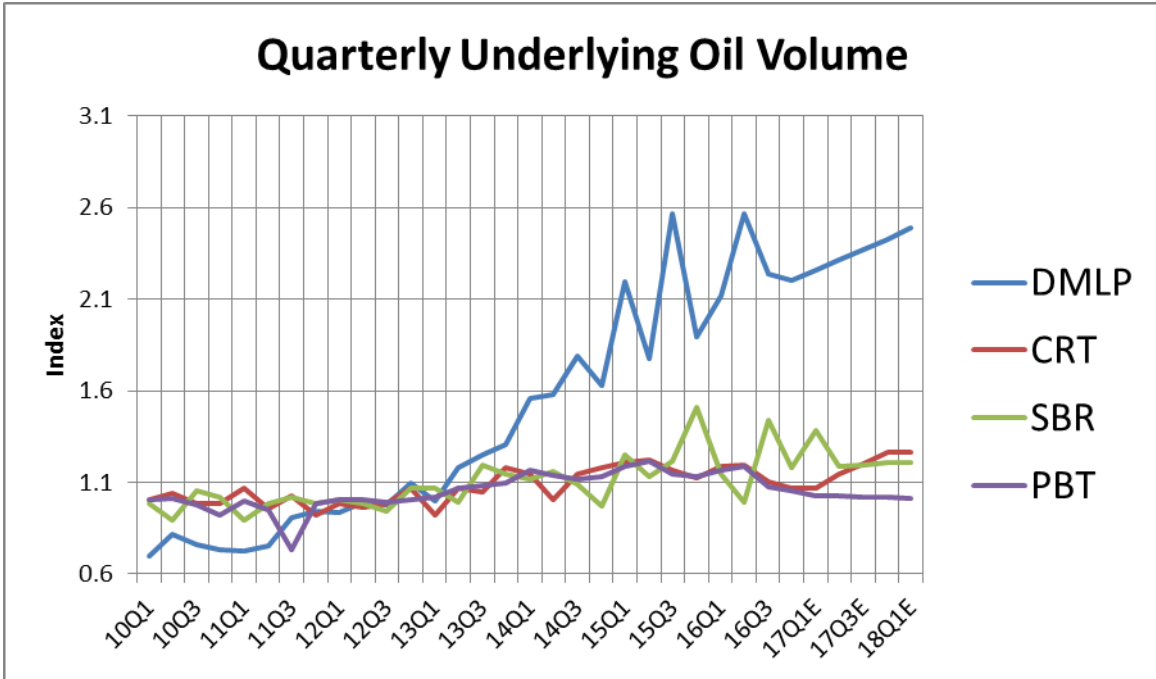
Analysis of Oil and Gas Stocks
April 24, 2017





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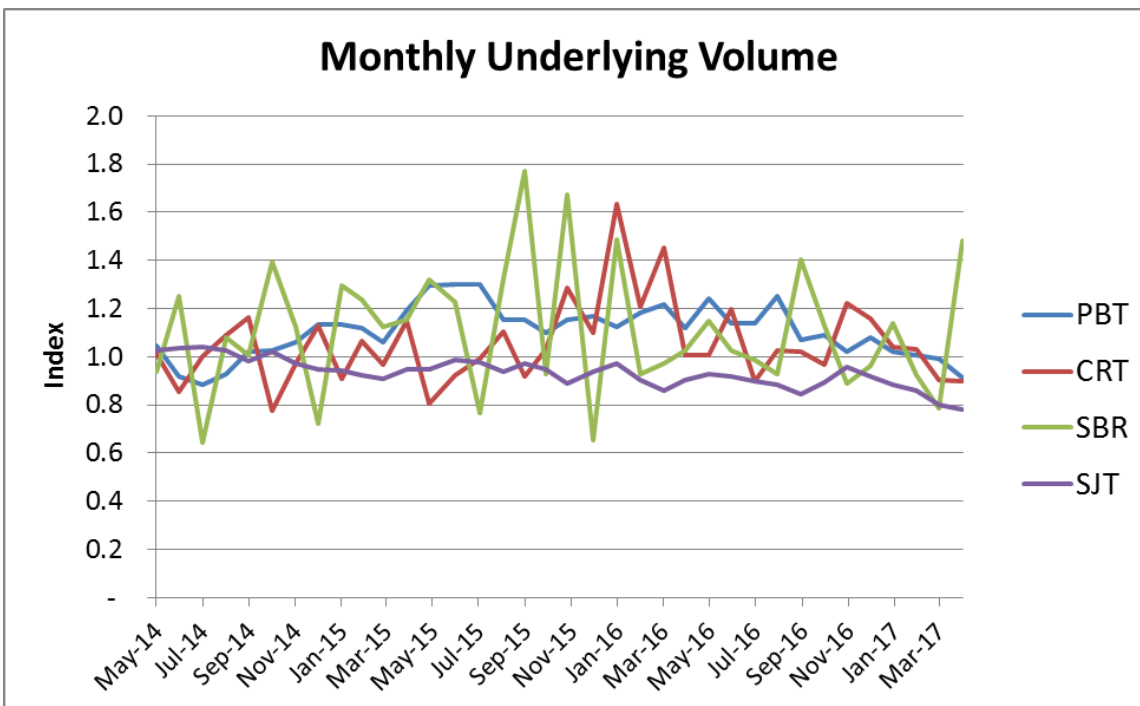
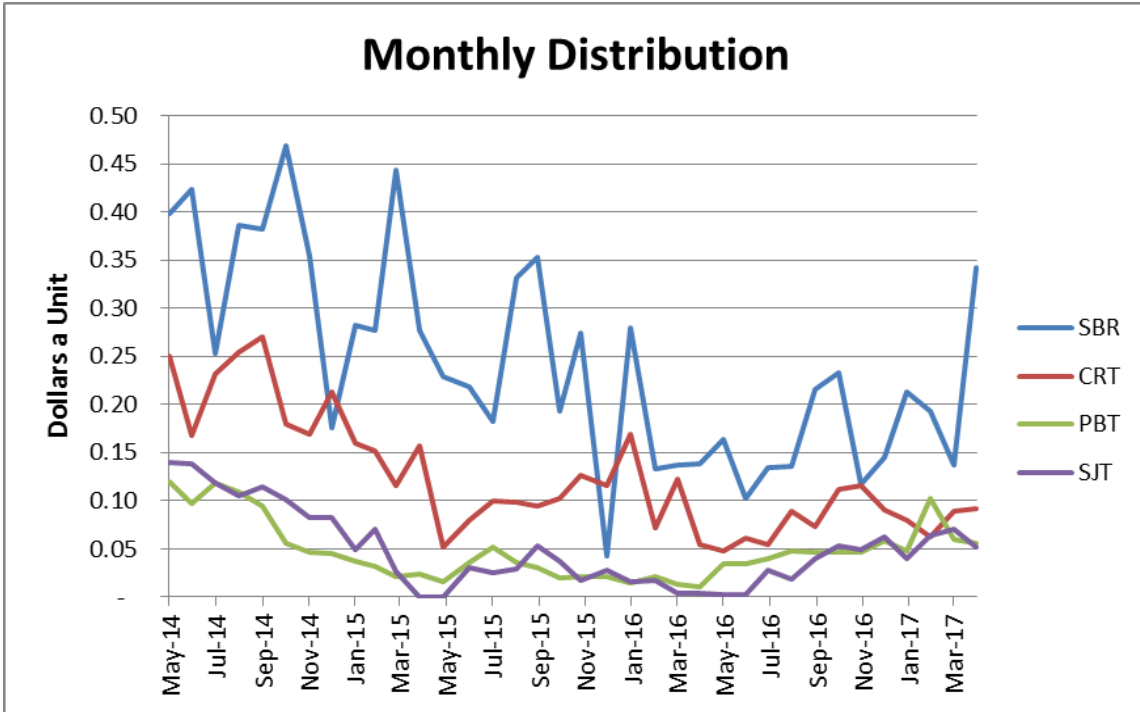
Analysis of Oil and Gas Stocks
April 24, 2017





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Analysis of Oil and Gas Stocks
April 24, 2017





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Analysis of Oil and Gas Stocks
April 24, 2017

Cross Timbers Royalty Trust										
Next Twelve Months Operating and Financial Performance										
	Q1	Q4	Year	Q1E	Q2E	Q3E	Q4E	Year	Q1E	Next Twelve Months
	3/31/16	12/31/16	2016	3/31/17	6/30/17	9/30/17	12/31/17	2017	3/31/18	3/31/18
Volume										
Natural Gas (bcf)	0.71	0.51	2.05	0.42	0.46	0.46	0.47	1.81	0.47	1.86
Natural Gas (mmcf)	7.7	5.5	5.6	4.6	5.1	5.1	5.1	5.0	5.1	5.1
Days	92	92	366	92	90	91	92	365	92	365
Oil (mb)	59	53	225	53	55	60	63	231	63	241
Oil (mbd)	0.64	0.58	0.61	0.58	0.62	0.65	0.68	0.63	0.68	0.66
Days	92	92	366	92	89	92	92	365	92	365
Total (bcf)	1.07	0.83	3.40	0.74	0.79	0.82	0.84	3.20	0.84	3.30
Price										
Natural Gas (HH lagged three months)										
Henry Hub (\$/mmbtu)	2.28	2.81	2.28	2.98	3.32	3.15	3.29	3.19	3.39	3.29
Differential (%)	(82)	(22)	(55)	(33)	(30)	(30)	(30)	(31)	(30)	(30)
CRT (\$/mcf)	4.15	3.44	3.54	3.97	4.31	4.10	4.27	4.17	4.41	4.27
Oil (\$/bbl) (WTI lagged two months)										
WTI Cushing	37.35	46.60	41.85	50.13	51.43	49.96	50.79	50.58	51.29	50.87
CRT	36.46	42.23	38.12	45.19	48.86	47.46	48.25	47.49	48.72	48.32
Total (\$/mcf)	4.79	4.82	4.66	5.51	5.92	5.76	5.96	5.79	6.07	5.93
Revenue (\$mm)										
Natural Gas	2.95	1.76	7.25	1.67	1.98	1.90	2.00	7.55	2.06	7.94
Oil	2.15	2.24	8.58	2.40	2.70	2.84	3.03	10.97	3.06	11.64
Total	5.10	3.99	15.83	4.07	4.68	4.74	5.03	18.52	5.13	19.57
Cost (\$mm)										
Tax, transport & other	0.83	0.56	2.33	0.49	0.56	0.57	0.60	2.22	0.62	2.35
Production	1.37	1.11	4.46	0.89	0.95	0.99	1.01	3.84	1.01	3.96
Total	2.20	1.67	6.79	1.37	1.51	1.56	1.62	6.06	1.63	6.31
Cash flow (\$mm)	2.90	2.32	9.04	2.69	3.17	3.19	3.41	12.66	3.50	13.26
Development	0.39	0.24	1.00	0.20	0.20	0.20	0.20	0.80	0.20	0.80
Excess or other	(0.51)	(0.06)	(0.38)	0.83	0.70	0.50	0.40	2.43		1.60
Net proceeds (\$mm)	3.02	2.15	8.42	1.66	2.27	2.49	2.81	9.23	3.30	10.86
Royalty income (\$mm)	2.71	1.92	7.54	1.50	2.04	2.24	2.50	8.28	2.93	9.71
Royalty/Net proceeds	90%	88%	90%	90%	90%	90%	89%	90%	89%	89%
Administration & reserve	0.53	0.11	1.19	0.11	0.11	0.11	0.11	0.44	0.11	0.44
Distributable income (\$mm)	2.18	1.91	6.36	1.39	1.93	2.13	2.39	7.84	2.82	9.27
Units (millions)	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Royalty income (\$/unit)										
Natural Gas										
TL TX	0.02	0.03	0.10							
TL OK	0.03	0.03	0.10							
TL NM	0.29	0.14	0.63							
BL TX	-	-	-							
BL OK	-	-	-							
Oil										
TL TX	0.06	0.08	0.28							
TL OK	0.03	0.03	0.12							
TL NM	0.01	0.01	0.03							
BL TX	-	-	-							
BL OK	-	-	-							
Administration	0.02	0.01	0.06							
Reserve and other	0.05	(0.00)	0.12							
Distribution (\$/unit)	0.36	0.32	1.06	0.23	0.32	0.35	0.40	1.31	0.47	1.55



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Analysis of Oil and Gas Stocks
April 24, 2017

Dorchester Minerals, L.P.										
Operating and Financial Performance										
	Q1	Q4	Year	Q1E	Q2E	Q3E	Q4E	Year	Q1E	Next
	3/31/16	12/31/16	2016	3/31/17	6/30/17	9/30/17	12/13/17	2017	3/31/18	Twelve
										Months
										3/31/18
TOP LINE										
Volume										
Natural Gas (mmcf)	9.4	8.8	8.9	8.5	8.1	7.8	7.5	8.0	7.2	7.6
Oil (mbd)	1.56	1.84	1.69	1.86	1.89	1.92	1.95	1.91	1.98	1.94
Price										
Henry Hub (\$/mmbtu)	2.09	2.98	2.46	3.32	3.15	3.29	3.39	3.29	3.53	3.34
WTI Cushing (\$/bbl)	33.47	49.21	43.31	51.92	50.25	50.54	51.16	50.97	51.42	50.84
Natural Gas (\$/mcf)	1.80	2.39	2.05	2.66	2.53	2.63	2.72	2.63	2.83	2.68
Oil (\$/bbl)	29.90	41.84	37.18	46.73	45.22	45.49	46.05	45.74	46.28	45.76
Revenue (\$mm)										
Natural Gas	1.5	1.9	6.7	2.0	1.9	1.9	1.9	7.7	1.8	7.5
Oil	4.2	7.1	23.1	7.8	7.8	8.0	8.3	31.9	8.2	32.3
Total Revenue	5.8	9.0	29.8	9.9	9.7	9.9	10.1	39.6	10.1	39.8
Expense (allocated)	1.4	1.4	5.3	1.3	1.3	1.3	1.3	5.4	1.3	5.4
Ebitda	4.4	7.6	24.4	8.5	8.3	8.6	8.8	34.2	8.8	34.4
BOTTOM LINE										
Volume										
Natural Gas (mmcf)	9.1	8.8	7.7	8.6	8.5	8.3	8.1	8.4	8.0	8.2
Oil (mbd)	0.98	0.80	1.04	0.84	0.88	0.92	0.96	0.90	1.00	0.94
Price										
Natural Gas (\$/mcf)	2.10	2.10	2.08	2.75	2.61	2.72	2.81	2.71	2.92	2.77
Oil (\$/bbl)	30.83	38.74	34.64	41.54	40.20	40.43	40.93	40.66	41.14	40.67
Revenue (\$mm)										
Natural Gas	1.7	1.7	5.8	2.1	2.0	2.1	2.1	8.3	2.1	8.3
Oil	2.7	2.9	13.2	3.1	3.2	3.4	3.6	13.4	3.7	14.0
Total Revenue	4.5	4.6	19.0	5.3	5.2	5.5	5.7	21.7	5.8	22.2
Expense (allocated)										
Partnership	1.1	0.7	3.5	0.9	0.9	0.9	0.9	3.5	0.9	3.5
Net Profits Interests	2.2	2.3	9.5	2.6	2.6	2.7	2.9	10.9	2.9	11.1
Total Expense	3.3	3.0	12.9	3.5	3.5	3.6	3.7	14.3	3.8	14.6
Ebitda	1.2	1.6	6.1	1.8	1.7	1.9	2.0	7.4	2.0	7.6
Development (estimated)	2.3	0.8	4.8	0.8	0.8	0.8	0.9	3.3	0.9	3.3
NET INCOME										
Top Line	4.4	7.6	24.4	8.5	8.3	8.6	8.8	34.2	8.8	34.4
Bottom Line	(1.0)	0.8	1.4	1.0	1.0	1.0	1.1	4.1	1.2	4.3
Lease Bonus and residual	(0.4)	(0.0)	(3.0)					-		-
Deprec., Deplet., & Amort.	2.2	1.9	8.5	1.9	1.9	1.9	1.9	7.6	1.9	7.6
Total Net Income	1.5	6.4	20.2	7.6	7.4	7.7	8.0	30.7	8.0	31.1
Units (mm)	30.7	30.7	30.7	30.7	30.7	30.7	30.7	30.7	30.7	30.7
Net Income Per Unit (\$)	0.05	0.21	0.66	0.25	0.24	0.25	0.26	1.00	0.26	1.01
DISTRIBUTION										
Top Line Revenue	5.8	8.1	26.2	10.2	9.3	9.5	9.7	38.7	9.7	38.2
Bottom Line Net Revenue	0.5	0.9	5.6	0.8	1.8	1.9	2.0	6.6	2.0	7.8
Lease Bonus and Other	0.2	0.2	2.8	0.2	0.1	0.1	0.1	0.5	0.1	0.4
Cash Expense	(2.0)	(1.8)	(7.1)	(1.8)	(2.0)	(2.0)	(2.0)	(7.8)	(2.0)	(8.0)
Distribution	4.5	7.4	27.5	9.4	9.2	9.6	9.8	37.9	9.8	38.4
Distribution Per Unit (\$)	0.15	0.24	0.90	0.31	0.30	0.31	0.32	1.24	0.32	1.25



Industry Idea

Analysis of Oil and Gas Stocks
April 24, 2017

Permian Basin Royalty Trust										
Next Twelve Months Operating and Financial Estimates										
	Q1	Q4	Year	Q1E	Q2E	Q3E	Q4E	Year	Q1E	Next Twelve Months
	3/31/16	12/31/16	2016	3/31/17	6/30/17	9/30/17	12/31/17	2017	3/31/18	3/31/18
TOP LINE										
Volume										
Natural Gas (mmcf)	1.1	1.0	1.0	0.8	0.9	0.9	0.9	0.9	0.9	0.9
Oil (mbd)	0.82	0.81	0.82	0.75	0.74	0.73	0.73	0.74	0.72	0.75
Price (cash lagged two months)										
Natural Gas (\$/mcf)	3.56	4.23	3.66	5.31	4.91	5.11	5.29	5.16	5.58	5.32
Oil (\$/bbl)	36.39	41.46	37.86	46.31	47.51	46.15	46.91	46.71	47.37	45.50
Revenue (\$mm)										
Natural Gas	0.4	0.4	1.3	0.4	0.4	0.4	0.4	1.7	0.5	1.7
Oil	2.7	3.1	11.4	3.2	3.1	3.1	3.1	12.6	3.1	12.5
Total Revenue	3.1	3.5	12.7	3.6	3.5	3.5	3.6	14.3	3.6	14.3
Expense										
Operating			-					-		
Production & Property taxes	0.2	0.6	1.9	(0.2)	0.4	0.4	0.4	1.0	0.4	1.6
Total Expense	0.2	0.6	1.9	(0.2)	0.4	0.4	0.4	1.0	0.4	1.6
Ebitda	2.9	2.9	10.9	3.8	3.1	3.1	3.2	13.2	3.2	12.7
Ebitda times 95%	2.8	2.8	10.3	3.6	3.0	3.0	3.0	12.6	3.0	12.0
BOTTOM LINE										
Volume										
Natural Gas (mmcf)	14.3	12.9	14.1	11.1	13.0	13.0	13.0	12.5	13.0	13.1
Oil (mbd)	2.50	2.20	2.37	1.92	2.20	2.20	2.19	2.13	2.19	2.15
Price (cash lagged two months)										
Natural Gas (\$/mcf)	1.97	2.75	2.19	3.00	2.77	2.89	2.99	2.91	3.15	2.93
Oil (\$/bbl)	33.89	42.53	37.92	46.24	47.44	46.08	46.85	46.66	47.31	47.96
Revenue (\$mm)										
Natural Gas	2.6	3.3	11.3	3.1	3.2	3.5	3.6	13.3	3.8	14.0
Oil	7.8	8.6	32.9	8.2	9.3	9.3	9.4	36.2	9.5	37.6
Total Revenue	10.4	11.8	44.2	11.2	12.5	12.8	13.0	49.5	13.3	51.6
Expense										
Operating	6.4	3.9	19.8	3.6	3.6	5.0	5.0	17.3	5.0	18.6
Production taxes	1.0	1.1	4.2	(0.3)	1.0	1.0	1.0	2.7	1.0	4.0
Total Expense	7.4	5.0	24.0	3.4	4.6	6.0	6.0	20.0	6.0	22.6
Ebitda	3.0	6.9	20.2	7.9	7.9	6.8	7.0	29.5	7.3	28.9
Development	2.6	0.7	4.0	0.1	0.1	0.1	0.1	0.6	0.8	1.2
(Ebitda-Dvlpmnt) times 75%	0.3	4.6	12.1	5.8	5.8	5.0	5.2	21.7	4.9	20.8
Excess Costs	0.3		0.9					-		-
CASH DISTRIBUTION										
Royalty Income (\$mm)										
Top Line	2.8	2.8	10.3	3.8	3.0	3.0	3.0	12.7	3.0	12.0
Bottom Line	-	4.6	11.3	5.8	5.8	5.0	5.2	21.7	4.9	20.8
Administration	0.5	0.3	2.3	0.4	0.4	0.4	0.4	1.5	0.4	1.5
Distributable Income (\$mm)	2.3	7.1	19.3	9.2	8.4	7.6	7.8	33.0	7.5	31.3
Units (millions)	47	47	47	47	47	47	47	47	47	47
Distribution (\$/unit)	0.06	0.15	0.42	0.20	0.18	0.16	0.17	0.71	0.16	0.67



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Analysis of Oil and Gas Stocks
April 24, 2017

Sabine Royalty Trust										
Next Twelve Months Operating and Financial Performance										
	Q1	Q4	Year	Q1E	Q2E	Q3E	Q4E	Year	Q1E	Next Twelve Months
	3/31/16	12/31/16	2016	3/31/17	6/30/17	9/30/17	12/31/17	2017	3/31/18	3/31/18
Volume										
Natural Gas (bcf)	1.48	1.49	6.37	1.54	1.44	1.46	1.47	5.90	1.47	5.84
Natural Gas (mmcf)	16.1	16.2	17.4	16.7	16.0	16.0	16.0	16.2	16.0	16.0
Days	92	92	366	92	90	91	92	365	92	365
Oil (mmb)	0.124	0.128	0.512	0.151	0.126	0.128	0.131	0.536	0.131	0.516
Oil (mbd)	1.35	1.39	1.40	1.64	1.40	1.41	1.42	1.47	1.42	1.41
Days	92	92	365	92	89	92	92	365	92	365
Total (bcfe)	2.22	2.26	9.44	2.44	2.20	2.23	2.26	9.12	2.26	8.94
Total (mmcf)	24.2	24.5	25.8	26.5	24.4	24.5	24.5	25.0	24.5	24.5
Price (Henry Hub natural gas lagged three months; WTI Cushing oil, two months)										
Henry Hub (\$/mmbtu)	2.28	2.81	2.28	2.98	3.32	3.15	3.29	3.19	3.39	3.29
Differential (%)	4	1	(2)	6	-	-	-	2	-	(0)
Trust (\$/mcf)	2.18	2.78	2.33	2.80	3.32	3.15	3.29	3.14	3.39	3.29
WTI Cushing (\$/bbl)	37.35	46.60	41.85	50.13	51.43	49.96	50.79	50.58	51.29	50.87
Differential	1.14	2.23	2.27	2.76	2.83	2.75	2.80	2.80	2.82	2.80
Trust (\$/bbl)	36.21	44.37	39.58	47.37	48.60	47.21	47.99	47.77	48.46	48.06
Total (\$/bcfe)	3.47	4.35	3.72	4.69	4.96	4.79	4.93	4.84	5.02	4.92
Revenue (\$mm)										
Natural Gas	3.2	4.1	14.8	4.3	4.8	4.6	4.8	18.5	5.0	19.2
Oil	4.5	5.7	20.3	7.1	6.1	6.1	6.3	25.6	6.3	24.8
Total	7.7	9.8	35.1	11.4	10.9	10.7	11.1	44.1	11.3	44.0
Expense										
Tax and other	0.9	1.2	4.1	1.0	1.3	1.3	1.3	5.0	1.0	4.9
General and administrative	0.8	0.6	2.6	0.6	0.5	0.5	0.5	2.2	0.5	2.1
Total	1.7	1.8	6.7	1.6	1.8	1.8	1.9	7.1	1.6	7.1
Ebitda	6.0	8.1	28.4	9.8	9.1	8.8	9.2	37.0	9.8	37.0
Ebit	6.0	8.1	28.4	9.8	9.1	8.8	9.2	37.0	9.8	37.0
Ebt	6.0	8.1	28.4	9.8	9.1	8.8	9.2	37.0	9.8	37.0
Distributable Income (\$mm)	6.0	6.9	27.3	9.8	9.1	8.8	9.2	37.0	9.8	37.0
Units (millions)	14.6	14.6	14.6	14.6	14.6	14.6	14.6	14.6	14.6	14.6
Distributable Income/Unit (\$)	0.41	0.47	1.87	0.67	0.62	0.61	0.63	2.54	0.67	2.53



Industry Idea

Analysis of Oil and Gas Stocks
April 24, 2017

San Juan Basin Royalty Trust										
Next Twelve Months Operating and Financial Estimates										
	<i>Q1</i>	<i>Q4</i>	<i>Year</i>	<i>Q1E</i>	<i>Q2E</i>	<i>Q3E</i>	<i>Q4E</i>	<i>Year</i>	<i>Q1E</i>	<i>Next Twelve Months</i>
	<i>3/31/16</i>	<i>12/31/16</i>	<i>2016</i>	<i>3/31/17</i>	<i>6/30/17</i>	<i>9/30/17</i>	<i>12/31/17</i>	<i>2017</i>	<i>3/31/18</i>	<i>3/31/18</i>
Volume										
Natural gas (mmbtu)	7.8	8.0	31.1	7.4	7.3	7.2	7.2	29.1	7.1	28.8
Heat Content(btu/cf)	1,103	1,112	1,109	1,118	1,118	1,118	1,118	1,118	1,118	1,118
Natural gas (bcf)	7.1	7.2	28.0	6.6	6.5	6.5	6.4	26.0	6.3	25.8
Natural Gas (mmcf/d)	77.0	78.1	76.5	71.8	71.1	70.4	69.7	70.7	69.0	70.0
Days	92	92	366	92	92	92	92	368	92	368
Oil (mb)	0.02	0.02	0.07	0.02	0.02	0.02	0.02	0.07	0.02	0.07
Oil (mbd)	0.18	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.19	0.20
Total gas & oil (bcf)	7.2	7.3	28.4	6.7	6.6	6.6	6.5	26.5	6.5	26.2
Price										
Natural gas (\$/mmbtu) (Henry Hub lagged two months)										
Henry Hub (\$/mmbtu)	2.22	2.82	2.32	3.31	3.06	3.19	3.30	3.22	3.48	3.26
Differential (%)	27	22	26	21	21	21	21	21	21	21
Net to SJT (\$/mmbtu)	1.63	2.20	1.71	2.62	2.42	2.52	2.61	2.54	2.75	2.57
Natural gas (\$/mcf)	1.80	2.44	1.89	2.93	2.70	2.82	2.91	2.84	3.07	2.87
Oil (\$/bbl) (WTI Cushing lagged two months)										
WTI Cushing	37.35	46.60	41.85	50.13	51.43	49.96	50.79	50.58	51.29	50.87
SJT	27.54	34.47	30.01	35.95	36.88	35.82	36.42	36.26	36.77	36.47
Total gas & oil (\$/mcf)	1.83	2.49	1.94	2.98	2.76	2.87	2.97	2.89	3.13	2.93
Revenue (\$mm)										
Natural Gas	12.7	17.5	53.0	19.3	17.7	18.2	18.7	73.9	19.5	74.1
Oil	0.5	0.6	2.2	0.7	0.7	0.6	0.7	2.6	0.7	2.6
Total	13.2	18.2	55.3	20.0	18.3	18.9	19.3	76.5	20.2	76.7
Cost (\$mm)										
Severance tax	1.6	2.0	6.4	2.1	1.9	2.0	2.0	7.9	2.1	7.9
Operating	7.0	6.6	26.1	6.1	6.1	6.1	6.1	24.2	6.1	24.2
Total	8.6	8.6	32.5	8.1	8.0	8.0	8.1	32.2	8.1	32.2
Cash flow (\$mm)	4.6	9.6	22.8	11.9	10.4	10.9	11.3	44.4	12.0	44.5
Development	0.6	0.4	1.4	0.2	0.2	0.2	0.2	0.8	0.2	0.8
Net proceeds (\$mm)	4.0	9.2	21.4	11.7	10.2	10.7	11.1	43.6	11.8	43.8
Royalty income (\$mm)	3.0	6.9	16.1	8.8	7.6	8.0	8.3	32.7	8.9	32.8
Royalty/Net proceeds	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Administration	1.2	(0.8)	2.2	0.3	0.3	0.3	0.3	1.2	0.3	1.2
Distributable income (\$mm)	1.8	7.7	13.9	8.1	7.3	7.7	8.0	31.2	8.6	31.6
Units (millions)	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6
Per unit	0.04	0.16	0.30	0.17	0.16	0.17	0.17	0.67	0.18	0.68



Industry Idea

Analysis of Oil and Gas Stocks
April 24, 2017

Table 1
McDep Energy Stocks
Ranked by McDep Ratio

			Price (US\$/sh)	Market Cap (US\$m)	Enterprise Value (\$mm)	EV/ Market Cap	EV/ Ebitda NTM	PV/ Ebitda NTM	Oil Prod'n/ PV (%)	Dist. Yield NTM (%)	McDep Ratio (EV/PV)
	Symbol/Rating		21-Apr 2017								
Global Integrated											
	XOM		80.69	337,000	428,000	1.27	9.7	11.5	50	3.7	0.84
	CVX		104.91	198,000	268,000	1.35	8.8	10.7	64	4.1	0.83
	RDS-A	B	51.41	204,000	338,000	1.66	6.7	8.9	50	7.3	0.75
	TOT	B	49.96	122,000	182,000	1.50	6.0	9.3	53	5.3	0.65
	<i>Total or Median</i>			861,000	1,216,000	1.43	7.8	10.0	52	4.7	0.79
Large Independent											
	PXD		174.59	29,700	31,600	1.06	13.8	12.0	88	0.0	1.15
	EOG		93.58	53,100	60,200	1.13	11.7	12.8	87	0.7	1.09
	DVN		39.75	20,900	29,200	1.40	12.7	11.6	63	0.6	0.91
	OXY		61.87	47,300	60,000	1.27	10.4	12.1	85	4.9	0.86
	MRO	B	15.16	12,840	20,700	1.61	10.0	12.0	90	1.3	0.83
	COP	B	47.76	60,000	96,000	1.61	9.6	12.3	73	2.2	0.78
	<i>Total or Median</i>			223,800	298,000	1.33	11.0	12.1	86	1.0	0.88
Small Independent											
	XEC		118.63	11,300	12,600	1.12	10.7	13.0	63	0.3	0.99
	CLR	B	43.21	5,100	7,200	1.41	11.1	11.3	74	-	0.83
	CRC		11.95	500	6,700	13.40	8.5	13.7	88	-	0.81
	WLL		8.07	2,900	6,500	2.24	7.2	11.1	93	-	0.65
	RRC	B	27.48	6,700	11,200	1.67	9.3	11.6	31	0.3	0.62
	<i>Total or Median</i>			27,000	44,000	1.67	9.3	11.6	74	-	0.81
Income											
	PBT		10.18	470	470	1.00	8.2	15.4	78	6.8	0.92
	SJT		7.27	340	340	1.00	14.5	23.7	-	9.3	0.91
	DMLP		17.45	540	540	1.00	12.7	17.5	76	7.2	0.73
	SBR	B	36.60	530	530	1.00	10.5	11.6	59	6.9	0.61
	CRT	B	15.53	90	90	1.00	14.1	15.2	28	10.0	0.53
	<i>Total or Median</i>			2,000	2,000	1.00	12.7	15.4	59	7.2	0.73
Canada											
	ECA		10.83	10,500	17,100	1.63	10.8	10.3	56	0.6	1.05
	IMO		30.00	7,700	9,700	1.26	8.7	10.5	63	1.5	0.83
	SU	B	30.31	50,500	67,500	1.34	8.1	10.8	86	3.1	0.75
	CVE		10.51	8,800	12,800	1.46	6.5	10.5	81	1.4	0.62
	BIREF	B	5.26	1,400	2,000	1.40	7.2	11.9	33	1.1	0.61
	<i>Total or Median</i>			79,000	109,000	1.40	8.1	10.5	63	1.4	0.75

EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation, amort.

Estimated Ebitda (cash flow) tied to NTM futures prices for oil and natural gas. NTM = Next Twelve Months ending 3/31/18.

Estimated Present Value (PV) presumes a long-term price for oil of US\$70 a barrel and natural gas, \$4.00 a million btu.

McDep Ratio = Market cap and Debt to present value of oil and gas and other businesses. For historical research see www.mcdep.com



Industry Idea

Analysis of Oil and Gas Stocks
April 24, 2017

			Price (US\$/sh)	Volume (mmboe)	Oil Equiv. Price (\$/boe)	Operating Expense Fixed Var. (\$/boe) (%)	Ebitda NTM (\$/boe)	Ebitda NTM (\$mm)	Oper Lev Ebitda chg/ Price chg	McDep Ratio
Symbol/Rating		21-Apr 2017								
B = Buy										
Global Integrated (excl. Downstream)										
Exxon Mobil Corporation	XOM		80.69	1,501	37.47	7 35	17.40	26,114	1.40	0.84
Chevron Corporation	CVX		104.91	908	37.69	8 22	21.40	19,424	1.37	0.83
Royal Dutch Shell	RDS-A	B	51.41	1,360	35.54	2 25	24.50	33,318	1.08	0.75
Total S.A.	TOT	B	49.96	903	37.39	0 39	22.80	20,584	1.00	0.65
	<i>Total or Median</i>								<i>1.23</i>	<i>0.79</i>
Large Independent										
Pioneer Natural Resources	PXD		174.59	99	36.34	9 11	23.20	2,286	1.39	1.15
EOG Resources, Inc.	EOG		93.58	214	34.03	10 5	22.20	4,754	1.45	1.09
Devon Energy Corporation	DVN		39.75	164	25.09	9 3	15.30	2,505	1.59	0.91
Occidental Petroleum Corp.	OXY		61.87	280	34.42	8 17	20.60	5,768	1.39	0.86
Marathon Oil Corporation	MRO	B	15.16	146	29.78	13 9	14.10	2,060	1.92	0.83
ConocoPhillips	COP	B	47.76	563	31.56	6 25	17.80	10,022	1.34	0.78
	<i>Total or Median</i>								<i>1.42</i>	<i>0.88</i>
Small Independent										
Cimarex Energy Company	XEC		118.63	67	26.98	6 15	16.90	1,132	1.36	0.99
Continental Resources (32%)	CLR	B	43.21	27	32.14	3 14	24.70	672	1.12	0.83
California Resources	CRC		11.95	46	39.00	15 22	15.60	717	1.96	0.81
Whiting Petroleum Corporation	WLL		8.07	48	33.06	9 16	18.80	900	1.48	0.65
Range Resources	RRC	B	27.48	128	18.42	8 1	10.30	1,320	1.78	0.62
	<i>Total or Median</i>								<i>1.48</i>	<i>0.81</i>
Income										
Permian Basin RT	PBT		10.18	1	33.20	10 2	22.52	34	1.44	0.92
San Juan Basin Royalty Trust	SJT		7.27	3	17.57	5 13	10.20	32	1.49	0.91
Dorchester Minerals, L.P.	DMLP		17.45	2	30.72	7 9	20.84	42	1.34	0.73
Sabine Royalty Trust	SBR	B	36.60	1	29.55	2 9	24.81	37	1.08	0.61
Cross Timbers Royalty Trust	CRT	B	15.53	0	35.57	8 10	24.10	11	1.33	0.53
	<i>Total or Median</i>								<i>1.34</i>	<i>0.73</i>
Canada (excl. Downstream)										
EnCana Corporation	ECA		10.83	119	26.32	11 8	13.32	1,588	1.83	1.05
Imperial Oil Limited (30%)	IMO		30.00	70	33.73	14 11	16.00	1,115	1.88	0.83
Suncor Energy	SU	B	30.31	358	45.62	18 9	23.40	8,382	1.77	0.75
Cenovus Energy Inc.	CVE		10.51	116	28.65	11 3	16.90	1,964	1.65	0.62
Birchcliff Energy Ltd.	BIREF	B	5.26	22	19.31	1 31	12.40	275	1.08	0.61
	<i>Total or Median</i>								<i>1.77</i>	<i>0.75</i>

For historical research see www.mcdep.com



Industry Idea

Analysis of Oil and Gas Stocks
April 24, 2017

Table 3
McDep Energy Stocks
Net Present Value Per Share
Ranked by Reserve Life (Adjustd Resrvs/Prod NTM)

			Price (US\$/sh)	Shares	Debt	Dividend	P/E	Down- stream/ PV	Proven Undev. Resrvs/ Prod	Adjustd Resrvs/ Prod NTM	Net Present Value (US\$/sh)
	Symbol/Rating	21-Apr	2017	(mm)	(\$mm)	NTM	NTM	(%)	(%)		
	B = Buy										
Global Integrated											
Exxon Mobil Corporation	XOM		80.69	4,176	91,439	3.00	22	28	31	11.2	100.00
Total S.A.	TOT	B	49.96	2,433	60,788	2.65	12	23	42	9.6	90.00
Chevron Corporation	CVX		104.91	1,890	69,941	4.32	27	19	32	9.2	135.00
Royal Dutch Shell	RDS-A	B	51.41	3,965	133,961	3.76	16	24	25	8.4	80.00
	<i>Median</i>									9.4	
Large Independent											
Marathon Oil Corporation	MRO	B	15.16	847	7,811	0.20		-	24	12.2	20.00
ConocoPhillips	COP	B	47.76	1,246	36,350	1.06		-	25	9.2	70.00
Devon Energy Corporation	DVN		39.75	527	8,317	0.24	83	9	20	9.2	45.00
Occidental Petroleum Corp.	OXY		61.87	764	12,700	3.04	62	9	23	8.9	75.00
EOG Resources, Inc.	EOG		93.58	567	7,107	0.67	205	-	30	7.5	85.00
Pioneer Natural Resources	PXD		174.59	170	1,900	0.08	66	-	7	7.1	150.00
	<i>Median</i>									9.0	
Small Independent											
Range Resources	RRC	B	27.48	244	4,483	0.08	20	-	44	12.3	56.00
Continental Resources (32%)	CLR	B	43.21	118	2,097	-		-	59	11.4	56.00
California Resources	CRC		11.95	42	6,200	-		-	29	10.6	50.00
Whiting Petroleum Corporation	WLL		8.07	358	3,579	-		-	53	9.5	18.00
Cimarex Energy Company	XEC		118.63	95	1,321	0.32	31	-	21	6.4	120.00
	<i>Median</i>									10.6	
Income											
Sabine Royalty Trust	SBR	B	36.60	15	-	2.53	14	-	4	11.2	60.00
San Juan Basin Royalty Trust	SJT		7.27	47	-	0.68	11	-	-	9.9	8.00
Permian Basin RT	PBT		10.18	47	-	0.69	15	-	13	9.4	11.00
Cross Timbers Royalty Trust	CRT	B	15.53	6	-	1.55	10	-	-	7.5	29.00
Dorchester Minerals, L.P.	DMLP		17.45	31	-	1.25	17	-	-	6.9	24.00
	<i>Median</i>									9.4	
Canada											
Cenovus Energy Inc.	CVE		10.51	833	4,008	0.15		9	76	15.7	20.00
Suncor Energy	SU	B	30.31	1,666	16,973	0.95	23	14	44	14.2	44.00
Birchcliff Energy Ltd.	BIREF	B	5.26	269	567	0.06	21	-	69	13.1	10.00
Imperial Oil Limited (30%)	IMO		30.00	255	2,014	0.44	14	36	23	10.1	38.00
EnCana Corporation	ECA		10.83	973	6,629	0.06		-	43	5.2	10.00
	<i>Median</i>									13.1	
P/E = Stock Price to Earnings. For historical research see www.mcdep.com .											



Industry Idea

Analysis of Oil and Gas Stocks
April 24, 2017

Table 4										
McDep Energy Stocks										
Total Return Year-to-Date 2017										
Ranked by Unlevered Total Return										
			Price (\$/sh)	Price (\$/sh)	Price Change (%)	Cash Distrib. (%)	Equity Total Return (%)	Unlevered Debt Return (\$/sh)	Unlevered Return (%)	McDep Ratio
	Symbol/Ratio		21-Apr 2017	30-Dec 2016						
Global Integrated										
Total S.A.	TOT	B	49.96	50.97	(2)	1	(1)	25	(0)	0.65
Royal Dutch Shell	RDS-A	B	51.41	54.38	(5)	2	(4)	34	(2)	0.75
Chevron Corporation	CVX		104.91	117.70	(11)	1	(10)	37	(8)	0.83
Exxon Mobil Corporation	XOM		80.69	90.26	(11)	1	(10)	22	(8)	0.84
	<i>Median</i>				(8)		(7)		(5)	0.79
Large Independent										
ConocoPhillips	COP	B	47.76	50.14	(5)	1	(4)	29	(3)	0.78
Pioneer Natural Resources	PXD		174.59	180.00	(3)	0	(3)	11	(3)	1.15
EOG Resources, Inc.	EOG		93.58	101.10	(7)	0.2	(7)	13	(6)	1.09
Marathon Oil Corporation	MRO	B	15.16	17.31	(12)	0	(12)	9	(8)	0.83
Devon Energy Corporation	DVN		39.75	45.67	(13)	0	(13)	16	(10)	0.91
Occidental Petroleum Corp.	OXY		61.87	71.23	(13)	1	(12)	17	(10)	0.86
	<i>Median</i>				(10)		(10)		(7)	0.88
Small Independent										
California Resources	CRC		11.95	21.29	(44)	-	(44)	147	(6)	0.81
Cimarex Energy Company	XEC		118.63	135.90	(13)	0	(13)	14	(11)	0.99
Continental Resources (32%)	CLR	B	43.21	51.54	(16)	-	(16)	18	(12)	0.83
Range Resources	RRC	B	27.48	34.36	(20)	0	(20)	18	(13)	0.62
Whiting Petroleum Corporation	WLL		8.07	12.02	(33)	-	(33)	10	(18)	0.65
	<i>Median</i>				(20)		(20)		(12)	0.81
Income										
Permian Basin RT	PBT		10.18	7.71	32	2.7	35	-	35	0.92
San Juan Basin Royalty Trust	SJT		7.27	6.62	10	2.4	12	-	12	0.91
Sabine Royalty Trust	SBR	B	36.60	35.15	4	1.5	6	-	6	0.61
Dorchester Minerals, L.P.	DMLP		17.45	17.55	(1)	1.4	1	-	1	0.73
Cross Timbers Royalty Trust	CRT	B	15.53	17.97	(14)	1.3	(12)	-	(12)	0.53
	<i>Median</i>				4		6		6	0.73
Canada										
EnCana Corporation	ECA		10.83	11.74	(8)	0	(8)	7	(5)	1.05
Suncor Energy	SU	B	30.31	32.69	(7)	1	(7)	10	(5)	0.75
Imperial Oil Limited (30%)	IMO		30.00	34.76	(14)	0	(13)	8	(11)	0.83
Birchcliff Energy Ltd.	BIREF	B	5.26	7.01	(25)	0	(25)	2	(19)	0.61
Cenovus Energy Inc.	CVE		10.51	15.13	(31)	0	(30)	5	(23)	0.62
	<i>Median</i>				(14)		(13)		(11)	0.75
	<i>Grand Median</i>				(11)		(10)		(8)	0.83
Natural Gas (\$/mmbtu)										
			3.10	3.74	(17)					
Oil - West Texas Intermediate (\$/bbl)										
			49.55	53.72	(8)					
Total Stock Market - U.S.	VTI		120.84	115.32	5					
Developed Markets - ex US	VEA		39.16	36.54	7					
Emerging Markets	VWO		39.71	35.78	11					
Source: McDep LLC, Yahoo, CME Group, Bloomberg										
For historical research see www.mcdep.com										



Analysis of Oil and Gas Stocks
April 24, 2017

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