



Meter Reader

A Weekly Analysis of Large Cap Oil and Gas Stocks

December 1, 2009

Buy EnCana, Buy Cenovus

Summary and Recommendation

Continuing to recommend current purchase of the common stock of **EnCana Corporation (ECA)**, we also recommend current purchase of EnCana spinoff, **Cenovus Energy Inc. (CVE)**. Closing prices on November 30 imply a McDep Ratio of 0.86 for ECA and 0.96 for CVE. In anticipation of the trading of post-split shares in New York beginning December 9, we price the stocks separately in our valuation tables using the “when issued” price for Cenovus in Toronto and converting to U.S. dollars. Our split of previously combined Net Present Value of US\$62 for “old” ECA into US\$35 for “new” ECA and US\$27 for CVE is subject to possible further adjustment as actual results from independent operation unfold (see tables Functional Cash Flow and Present Value on page 2).

Cash flow for independent natural gas producer, EnCana, would increase in each quarter next year in our projections as a result of steadily increasing futures price (see table Next Twelve Months Operating and Financial Estimates on page 3). Volume should also be growing longer-term though we have not projected specific gains in 2010.

For integrated oil producer, Cenovus, cash flow from oil production would increase in each quarter next year in our projections, but cash flow from oil refining (Other) would fluctuate less predictably (see table Next Twelve Months Operating and Financial Estimates on page 4). Oil volume should also be growing longer-term at the same time mature natural gas production may decline.

EnCana’s 93% concentration by value on natural gas becomes the highest in our large cap coverage (see Table 1 on page 5). Cenovus’ value by segment fits among integrated oil companies at 24% natural gas, 64% oil and 11% downstream. Coincidentally, that pattern is most similar to the profile of **ConocoPhillips (COP)**, Cenovus’ joint venture partner in much of its oil production and all of its oil refining.

Finally, we recognize Mr. David O’Brien, Chairman of EnCana, for his role in yet another transaction that we believe creates value. As chairman of Canadian Pacific when we covered the conglomerate in McDep Research in the last century, Mr. O’Brien presided over the historic breakup into several independent companies in 2001. He stayed with one of those companies, PanCanadian Petroleum, to see it combined with Alberta Energy to create EnCana in 2002. The distinguished Canadian business leader and money maker for oil and gas investors remains Chairman of EnCana after the spinoff of Cenovus.

Kurt H. Wulff, CFA

(For the regular weekly calculation of six-year oil and natural gas futures prices, see page 9.)



Meter Reader

A Weekly Analysis of Large Cap Oil and Gas Stocks

December 1, 2009

EnCana Corporation					
Functional Cash Flow and Present Value					
	<i>NTM</i>	<i>Adjusted</i>	<i>PV/</i>	<i>Present</i>	
	<u><i>Ebitda</i></u>	<u><i>R/P</i></u>	<u><i>Ebitda</i></u>	<u><i>Value</i></u>	
North American Natural Gas	3,390	8.8	10.1	34,300	93%
Oil	380	7.6	6.3	2,400	7%
	3,770	8.7	9.7	36,700	100%
Debt					10,400
Net Present Value (\$mm)					26,300
Shares					751
Net Present Value - Standard Estimate (US\$/sh)					35
NPV Approximation by Cash Flow Multiple Depending on Reserve Life (US\$/sh)					32

Cenovus Energy Inc.					
Functional Cash Flow and Present Value					
	<i>NTM</i>	<i>Adjusted</i>	<i>PV/</i>	<i>Present</i>	
	<u><i>Ebitda</i></u>	<u><i>R/P</i></u>	<u><i>Ebitda</i></u>	<u><i>Value</i></u>	
North American Natural Gas	830	5.3	7.7	6,400	24%
Oil	1,710	14.8	9.9	17,000	64%
Downstream	390		7.7	3,000	11%
	2,930	9.8	9.0	26,400	100%
Debt					6,100
Net Present Value (\$mm)					20,300
Shares					751
Net Present Value - Standard Estimate (US\$/sh)					27
NPV Approximation by Cash Flow Multiple Depending on Reserve Life (US\$/sh)					26



Meter Reader

A Weekly Analysis of Large Cap Oil and Gas Stocks

December 1, 2009

EnCana Corporation									
Next Twelve Months Operating and Financial Estimates									
									Next Twelve Months
	Q4	Q3	Q4E	Year	Q1E	Q2E	Q3E	Q4E	
	12/31/08	9/30/09	12/31/09	2009E	3/31/10	6/30/10	9/30/10	12/31/10	12/31/10
Volume									
Natural Gas (bcf)	355	327	310	1,330	272	275	278	278	1,102
Natural Gas (mmcf)	3,858	3,551	3,370	3,643	3,020	3,020	3,020	3,020	3,020
Days	92	92	92	365	90	91	92	92	365
Oil (mmb)	12.5	12.8	9.2	46	2.2	2.2	2.2	2.2	9
Oil (mbd)	136	139	100	127	24	24	24	24	24
Total (bcf)	430	403	365	1,608	285	288	291	291	1,155
Total (mmcfed)	4,674	4,385	3,970	4,406	3,164	3,164	3,164	3,164	3,164
Price									
Henry Hub (US\$/mmbtu)	6.95	3.39	4.15	3.98	4.93	5.10	5.35	6.00	5.35
Differential	1.51	0.28	0.34	0.41	0.41	0.53	0.56	0.62	0.53
EnCana (\$/mcf)	5.44	3.11	3.81	3.57	4.52	4.57	4.80	5.37	4.82
WTI Cushing (US\$/bbl)	58.45	68.22	77.02	61.93	78.58	81.39	83.36	84.86	82.05
Differential	24.64	10.82	12.22	11.28	14.31	14.83	15.19	15.46	14.93
EnCana (\$/bbl)	33.81	57.40	64.80	50.65	64.26	66.57	68.17	69.40	67.12
Total (\$/bbl)	32.84	26.03	29.20	26.48	28.80	29.20	30.57	33.94	30.64
Revenue (\$mm)									
Natural Gas	1,931	1,016	1,181	4,745	1,228	1,256	1,333	1,493	5,310
Oil	423	734	596	2,351	139	145	151	153	588
Other	4,005	2,131	1,428	8,269					
Total	6,359	3,881	3,205	15,366	1,367	1,401	1,483	1,646	5,898
Expense									
	4,662	2,780	1,982	10,660	492	504	534	593	2,123
Ebitda (\$mm)									
Natural Gas and Oil	1,697	1,015	1,137	4,317	875	897	949	1,054	3,775
Other	-	86	86	389					-
Total	1,697	1,101	1,223	4,706	875	897	949	1,054	3,775
Deprec., Deplet., & Amort	996	992	992	3,966	663	663	663	663	2,652
Hedging and other	(150)	(838)	(672)	(3,572)	(192)	(188)	(162)	(89)	(631)
Interest	158	155	155	543	106	106	106	106	424
Ebt									
	693	792	749	3,769	298	316	342	374	1,330
Income tax	243	18	262	646	104	111	120	131	466
Net Income (\$mm)									
	451	774	487	3,123	194	205	222	243	865
Per share (\$)	0.60	1.03	0.65	4.16	0.26	0.27	0.30	0.32	1.15
Shares (millions)									
	751	751	751	751	751	751	751	751	751
Ebitda margin	72%	58%	64%	61%	64%	64%	64%	64%	64%
Tax rate	35%	2%	35%	17%	35%	35%	35%	35%	35%



Meter Reader

A Weekly Analysis of Large Cap Oil and Gas Stocks

December 1, 2009

Cenovus Energy Inc.									
Next Twelve Months Operating and Financial Estimates									
									Next Twelve Months
	Q2	Q3E	Q4E	Year	Q1E	Q2E	Q3E	Q4E	
	6/30/09	9/30/09	12/31/09	2009E	3/31/10	6/30/10	9/30/10	12/31/10	12/31/10
Volume									
Natural Gas (bcf)	79	76	72	302	70	71	72	72	285
Natural Gas (mmcf)	864	821	780	826	780	780	780	780	780
Days	91	92	92	365	90	91	92	92	365
Oil (mmb)	9.7	10.2	10.6	40	10.3	10.5	10.6	10.6	42
Oil (mbd)	106	111	115	109	115	115	115	115	115
Total (bcf)	137	137	135	541	132	134	135	135	536
Total (mmcf)	1,502	1,484	1,470	1,482	1,470	1,470	1,470	1,470	1,470
Price									
Henry Hub (US\$/mmbtu)	3.50	3.39	4.15	3.98	4.93	5.10	5.35	6.00	5.35
Differential	0.28	0.27	0.33	0.35	0.39	0.44	0.46	0.52	0.45
Encana (\$/mcf)	3.22	3.12	3.82	3.64	4.54	4.66	4.89	5.48	4.89
WTI Cushing (US\$/bbl)	59.52	68.22	77.02	61.93	78.58	81.39	83.36	84.86	82.05
Differential	9.64	11.05	12.47	10.59	13.43	13.92	14.25	14.51	14.01
Encana (\$/bbl)	49.88	57.17	64.54	51.34	65.14	67.48	69.10	70.35	68.04
Total (\$/bbl)	32.30	35.91	42.47	34.88	45.02	46.50	48.00	50.47	47.51
Revenue (\$mm)									
Natural Gas	253	236	274	1,097	318	331	351	393	1,393
Oil	483	581	683	2,047	674	706	731	744	2,855
Other	1,693	2,131	2,131	7,483	2,131	2,131	2,131	2,131	8,524
Total	2,429	2,948	3,088	10,627	3,123	3,168	3,213	3,268	12,772
Expense									
	1,775	2,388	2,390	8,246	2,469	2,392	2,478	2,500	9,838
Ebitda (\$mm)									
Natural Gas and Oil	500	474	612	1,996	595	622	649	682	2,549
Other	154	86	86	385	59	154	86	86	385
Total	654	560	698	2,381	654	776	735	768	2,934
Deprec., Deplet., & Amort	329	329	329	1,291	329	329	329	329	1,316
Hedging and other	69			(275)					-
Interest	49	49	49	183	49	49	49	49	196
Ebt	207	182	320	1,182	276	398	357	390	1,422
Income tax	58	64	112	295	97	139	125	137	498
Net Income (\$mm)	149	118	208	888	180	259	232	254	924
Per share (\$)	0.20	0.16	0.28	1.18	0.24	0.34	0.31	0.34	1.23
Shares (millions)									
	751	751	751	751	751	751	751	751	751
Ebitda margin	68%	58%	64%	63%	60%	60%	60%	60%	60%
Tax rate	28%	35%	35%	25%	35%	35%	35%	35%	35%



Meter Reader

A Weekly Analysis of Large Cap Oil and Gas Stocks

December 1, 2009

Table 1										
McDep Energy Portfolio										
Geographic Domicile and Business Segments										
						Present Value by Segment (%)				
			Price (US\$/sh)	EV/ Market	Enterprise Value (\$mm)	North Amer. Natural Gas	Rest of World Natural Gas	Oil Prod'n	Down- stream	McDep Ratio
	Symbol/Rating		30-Nov 2009	Cap						
	B = Buy									
U.S. Integrated										
Exxon Mobil Corporation	XOM	B	75.07	1.14	411,000	5	22	54	19	0.86
Chevron Corporation	CVX	B	78.04	1.20	187,000	4	10	71	14	0.80
Marathon Oil Corporation	MRO	B	32.62	1.49	34,600	8	5	61	26	0.70
ConocoPhillips	COP	B	51.77	1.67	130,000	12	11	64	13	0.62
<i>Total or Median *</i>	<i>31%</i>	<i>9%</i>	<i>13%</i>		<i>763,000</i>					<i>0.75</i>
Europe										
BG Group	BRGXF	B	18.24	1.15	71,100		21	48	31	0.85
Royal Dutch Shell plc	RDS-A	B	59.76	1.32	242,000	3	27	49	22	0.80
BP plc	BP	B	57.18	1.34	242,000	6	9	63	22	0.77
Statoil ASA (33%)	STO	B	24.68	1.40	36,300		49	51	-	0.77
Total S.A.	TOT	B	62.19	1.26	176,000		19	59	22	0.74
<i>Total or Median *</i>	<i>31%</i>	<i>11%</i>	<i>17%</i>		<i>767,000</i>					<i>0.77</i>
Brazil/China/Russia										
CNOOC Limited (34%)	CEO	B	154.94	1.01	23,800		11	89	-	1.15
Petrobras	PBR	B	51.28	1.20	270,000		7	77	16	0.90
PetroChina Company Ltd (14%)	PTR	B	124.90	1.08	34,600		15	69	15	0.84
Lukoil Oil Company	LUKOY	B	58.05	1.14	55,900			67	33	0.46
Gazprom (50%)	OGZPY	B	22.77	1.30	88,000		76	24	-	0.42
<i>Total or Median *</i>	<i>19%</i>	<i>11%</i>	<i>17%</i>		<i>472,000</i>					<i>0.84</i>
U.S. Independent										
Anadarko Petroleum Corp.	APC	B	59.53	1.48	43,400	48		47	5	1.01
EOG Resources	EOG	B	86.49	1.16	25,100	68	5	28	-	0.95
XTO Energy Inc.	XTO	B	42.44	1.45	35,600	73		27	-	0.93
Occidental Petroleum Corp.	OXY	B	80.79	1.08	70,800	10	1	82	7	0.86
Chesapeake Energy Corp.	CHK		23.92	1.86	27,900	88		12	-	0.82
Devon Energy Corporation	DVN	B	67.35	1.30	39,500	61		39	-	0.74
<i>Total or Median *</i>	<i>10%</i>	<i>14%</i>	<i>17%</i>		<i>242,000</i>					<i>0.90</i>
Canada										
Cenovus Energy Inc.	CVE	B	25.54	1.32	25,300	24		64	11	0.96
Canadian Natural Resources	CNQ	B	67.14	1.32	47,900	20		80	-	0.87
EnCana Corporation	ECA	B	28.34	1.49	31,700	93		7	-	0.86
Imperial Oil Limited (30%)	IMO	B	38.52	1.09	10,800	5		79	16	0.82
Suncor Energy	SU	B	36.21	1.32	74,900	5		85	10	0.75
Canadian Oil Sands Trust	COSWF	B	27.81	1.10	14,900			100	-	0.68
<i>Total or Median *</i>	<i>8%</i>	<i>14%</i>	<i>20%</i>		<i>206,000</i>					<i>0.84</i>
Income and Small Cap (see separate weekly analysis)										
	<i>2%</i>	<i>41%</i>	<i>17%</i>		<i>43,900</i>	<i>39</i>		<i>61</i>		<i>0.92</i>
Composite										
<i>Enterprise Value Weighting</i>	<i>100%</i>				<i>2,493,900</i>	<i>10</i>	<i>15</i>	<i>59</i>	<i>15</i>	<i>0.78</i>
<i>Equal Weighting</i>		<i>100%</i>				<i>33</i>	<i>7</i>	<i>54</i>	<i>6</i>	<i>0.85</i>
<i>Equal Weighted Buys</i>			<i>100%</i>			<i>26</i>	<i>10</i>	<i>55</i>	<i>9</i>	<i>0.80</i>
* Percentages in Symbol column refer to current market Enterprise Value weightings; Rating column, equal weightings.										
* Percentages in Price column refer to equal weighted buys.										



Meter Reader

A Weekly Analysis of Large Cap Oil and Gas Stocks

December 1, 2009

McDep Energy Portfolio								
Net Present Value and McDep Ratio								
			<i>Price</i>			<i>Net</i>		
	<i>Symbol/Rating</i>		<i>(US\$/sh)</i>	<i>Shares</i>	<i>Market</i>	<i>Present</i>	<i>Debt/</i>	
	B = Buy		<i>30-Nov</i>	<i>(mm)</i>	<i>Cap</i>	<i>Value</i>	<i>Present</i>	<i>McDep</i>
			<i>2009</i>		<i>(US\$mm)</i>	<i>(US\$/sh)</i>	<i>Value</i>	<i>Ratio</i>
U.S. Integrated								
Exxon Mobil Corporation	XOM	B	75.07	4,803	361,000	89.00	0.11	0.86
Chevron Corporation	CVX	B	78.04	2,001	156,000	102.00	0.13	0.80
Marathon Oil Corporation	MRO	B	32.62	711	23,190	53.00	0.23	0.70
ConocoPhillips	COP	B	51.77	1,498	78,000	105.00	0.25	0.62
<i>Total or Median</i>					<i>618,000</i>		<i>0.18</i>	<i>0.75</i>
Europe								
BG Group plc	BRGXF	B	18.24	3,390	61,830	22.00	0.11	0.85
Royal Dutch Shell plc	RDS-A	B	59.76	3,066	183,000	79.00	0.20	0.80
BP plc	BP	B	57.18	3,156	181,000	80.00	0.20	0.77
Statoil ASA (33%)	STO	B	24.68	1,051	25,930	35.00	0.22	0.77
Total S.A.	TOT	B	62.19	2,237	139,000	90.00	0.15	0.74
<i>Total or Median</i>					<i>591,000</i>		<i>0.20</i>	<i>0.77</i>
Brazil/China/Russia								
CNOOC Limited (34%)	CEO	B	154.94	152	23,580	135.00	0.01	1.15
Petrobras	PBR	B	51.28	4,387	224,970	58.00	0.15	0.90
PetroChina Company Ltd (14%)	PTR	B	124.90	256	32,000	150.00	0.06	0.84
Lukoil Oil Company	LUKOY	B	58.05	847	49,000	135.00	0.06	0.46
Gazprom (50%)	OGZPY	B	22.77	2,965	67,500	64.00	0.10	0.42
<i>Total or Median</i>					<i>397,000</i>		<i>0.06</i>	<i>0.84</i>
U.S. Independent								
Anadarko Petroleum Corp.	APC	B	59.53	494	29,400	59.00	0.32	1.01
EOG Resources	EOG	B	86.49	251	21,700	92.00	0.13	0.95
XTO Energy Inc.	XTO	B	42.44	580	24,620	47.00	0.29	0.93
Occidental Petroleum Corp.	OXY	B	80.79	814	65,800	95.00	0.06	0.86
Chesapeake Energy Corp.	CHK		23.92	626	14,970	34.00	0.38	0.82
Devon Energy Corporation	DVN	B	67.35	450	30,300	98.00	0.17	0.74
<i>Total or Median</i>					<i>186,800</i>		<i>0.23</i>	<i>0.90</i>
Canada								
Cenovus Energy Inc.	CVE	B	25.54	751	19,180	27.00	0.23	0.96
Canadian Natural Resources	CNQ	B	67.14	542	36,400	80.00	0.21	0.87
EnCana Corporation	ECA	B	28.34	751	21,300	35.00	0.28	0.86
Imperial Oil Limited (30%)	IMO	B	38.52	256	9,880	48.00	0.07	0.82
Suncor Energy	SU	B	36.21	1,572	56,920	52.00	0.18	0.75
Canadian Oil Sands Trust	COSWF	B	27.81	484	13,460	42.00	0.06	0.68
<i>Total or Median</i>					<i>157,000</i>		<i>0.19</i>	<i>0.84</i>

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

Estimated present value presumes a long-term price for oil of US\$75 a barrel and natural gas, \$8 a million btu.

Please see disclosures on the final page.

Page 6



Meter Reader

A Weekly Analysis of Large Cap Oil and Gas Stocks

December 1, 2009

Table 3								
McDep Energy Portfolio								
Value Multiples and Distribution Yield								
			Price (US\$/sh)	Adjustd Resrvs/ Prod	PV/ Ebitda	EV/ Ebitda	P/E	Divd or Distrib NTM
	Symbol/Rating		30-Nov 2009	NTM	NTM	NTM	NTM	(%)
	B = Buy							
U.S. Integrated								
Exxon Mobil Corporation	XOM	B	75.07	12.4	8.5	7.3	13	2.2
Chevron Corporation	CVX	B	78.04	9.7	6.9	5.5	12	3.5
ConocoPhillips	COP	B	51.77	11.2	8.3	5.1	9	3.9
Marathon Oil Corporation	MRO	B	32.62	9.3	7.0	4.9	10	2.9
	<i>Total or Median</i>			<i>10.4</i>	<i>7.7</i>	<i>5.3</i>	<i>11</i>	<i>3.2</i>
Europe								
BG Group plc	BRGXF	B	18.24	8.1	8.9	7.6	15	1.2
Royal Dutch Shell plc	RDS-A	B	59.76	7.9	6.7	5.4	12	5.6
Total S.A.	TOT	B	62.19	9.4	7.3	5.4	10	5.5
BP plc	BP	B	57.18	9.6	6.8	5.2	9	5.9
Statoil ASA (33%)	STO	B	24.68	7.5	6.2	4.8	20	5.2
	<i>Total or Median</i>			<i>8.1</i>	<i>6.8</i>	<i>5.4</i>	<i>12</i>	<i>5.5</i>
Brazil/China/Russia								
Petrobras	PBR	B	51.28	8.9	9.6	8.6	15	2.6
CNOOC Limited (34%)	CEO	B	154.94	6.9	5.7	6.5	12	3.3
PetroChina Company Ltd (14%)	PTR	B	124.90	13.9	7.5	6.3	15	3.2
Lukoil Oil Company	LUKOY	B	58.05	16.3	8.6	4.0	7	2.2
Gazprom (50%)	OGZPY	B	22.77	24.6	8.2	3.4	4	0.2
	<i>Total or Median</i>			<i>13.9</i>	<i>8.2</i>	<i>6.3</i>	<i>12</i>	<i>2.6</i>
U.S. Independent								
EOG Resources	EOG	B	86.49	9.8	9.1	8.6	27	0.7
Chesapeake Energy Corp.	CHK		23.92	11.1	10.2	8.3	13	1.3
XTO Energy Inc.	XTO	B	42.44	10.7	8.9	8.3	14	1.2
Anadarko Petroleum Corp.	APC	B	59.53	8.9	7.2	7.2		0.6
Occidental Petroleum Corp.	OXY	B	80.79	11.2	7.8	6.7	15	1.6
Devon Energy Corporation	DVN	B	67.35	8.9	7.9	5.8	11	1.0
	<i>Total or Median</i>			<i>10.3</i>	<i>8.4</i>	<i>7.8</i>	<i>14</i>	<i>1.1</i>
Canada								
Imperial Oil Limited (30%)	IMO	B	38.52	20.9	12.8	10.5	21	1.0
Canadian Oil Sands Trust	COSWF	B	27.81	23.1	12.9	8.8	13	6.3
Cenovus Energy Inc.	CVE	B	25.54	9.8	9.0	8.6	21	3.1
EnCana Corporation	ECA	B	28.34	8.7	9.7	8.4	25	2.8
Suncor Energy	SU	B	36.21	13.9	10.1	7.6	25	1.0
Canadian Natural Resources	CNQ	B	67.14	7.5	8.1	7.1	13	0.6
	<i>Total or Median</i>			<i>11.8</i>	<i>9.9</i>	<i>8.5</i>	<i>21</i>	<i>1.9</i>
EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended December 31, 2010; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses								



Meter Reader

A Weekly Analysis of Large Cap Oil and Gas Stocks

December 1, 2009

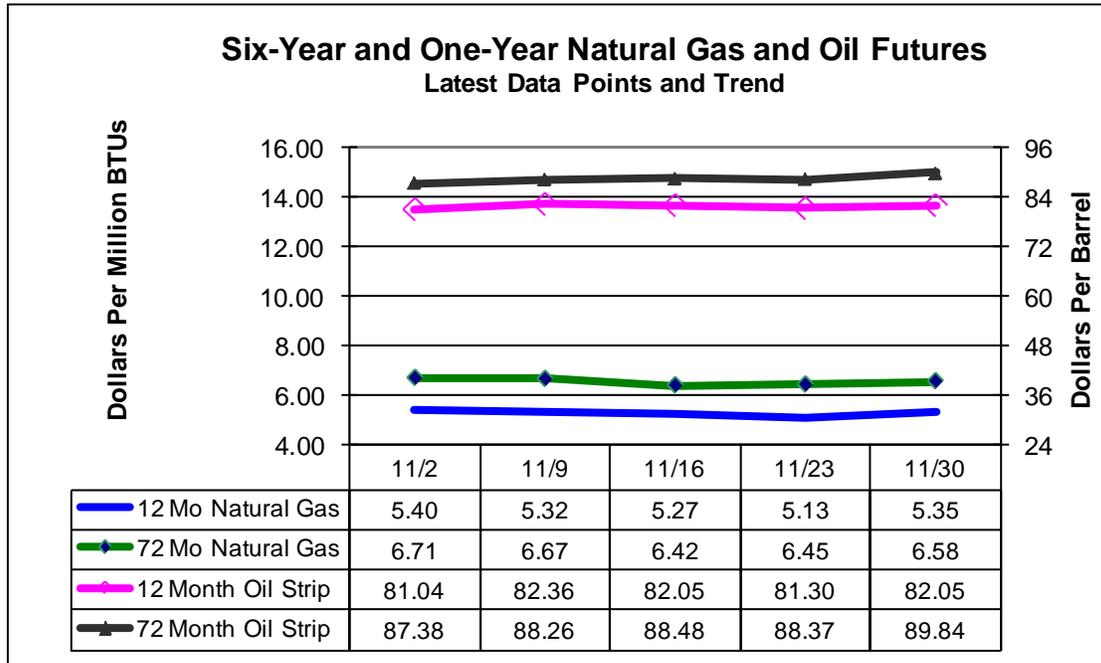
Index of Recent Research			
Stock Ideas			
<u>Date</u>	<u>Symbol</u>	<u>Subject</u>	<u>Theme</u>
20-Nov	FRHLF	Freehold Royalty Trust	Highest Distribution Rate Unhedged (ISC Weekly)
17-Nov	BRGXF	BG Group	Oil Price Trend Validates Offshore Brazil
13-Nov	ECA	EnCana Corporation	Approaching November 30 Split into Two Companies
13-Nov	PEYUF	Peyto Energy Trust	Deep Basin Drilling "Going to Explode" (ISC Weekly)
9-Nov	OGZPY	Gazprom	Sharp Recovery from Sharp Dip
6-Nov	SU	Suncor Energy	Expects to Keep 12% Syncrude
6-Nov	EOG	EOG Resources Inc.	Accenting Oil
6-Nov	DMLP	Dorchester Minerals, L.P.	More Drilling on DMLP Land
6-Nov	* HGT	Hugoton Royalty Trust	Distribution Trend Up (Income and Small Cap Weekly)
6-Nov	MRO	Marathon Oil Corporation	Refinery Expansion Nearly Complete
6-Nov	APC	Anadarko Petroleum Corporation	McDep Ratio above 1.0
5-Nov	CNQ	Canadian Natural Resources	Oil Sands Mining Challenge
5-Nov	TOT	Total S.A.	New Projects for Growth
5-Nov	STO	Statoil ASA	Oil Price Leading Natural Gas Price
4-Nov	XTO	XTO Energy Inc.	Remarkable Business Model
4-Nov	DVN	Devon Energy Corporation	Progress in Shale Gas
4-Nov	XEC	Cimarex Energy Company	Raise Net Present Value to \$50 a Share from \$46
3-Nov	* CEO	CNOOC Ltd	Buy China Oil and Gas (Meter Reader)
3-Nov	* PTR	PetroChina Company Limited	Buy China Oil and Gas (Meter Reader)
2-Nov	* IMO	Imperial Oil Limited	<i>In Situ</i> Oil Production Cumulates Past a Billion Barrels
2-Nov	* EAC	Encore Acquisition Company	Denbury Resources Offers \$50 a Share to Acquire Encore
2-Nov	* CVX	Chevron Corporation	Raise Net Present Value to \$102 a Share from \$97
29-Oct	* COSWF	Canadian Oil Sands Trust	Operating at Capacity
29-Oct	* XOM	Exxon Mobil Corporation	Cash Flow Rising after Decline
29-Oct	* RDSA	Royal Dutch Shell plc	Shedding Downstream Image
28-Oct	* COP	ConocoPhillips	Downsizing to Revitalize
28-Oct	* EAC	Encore Acquisition Company	Raise Net Present Value to \$50 a Share from \$44
27-Oct	* BP	BP p.l.c.	Raise Net Present Value to \$80 a Share from \$72
23-Oct	* OXY	Occidental Petroleum Corporation	Raise Net Present Value to \$95 a Share from \$87
4-Sep	* SJT	San Juan Basin Royalty Trust	Upgrade to Buy (Income and Small Cap Weekly)
3-Sep	* PBR	Petrobras	New Regulatory Model Points to Stock Issue
30-Aug	* LUKOY	Lukoil Oil Company	Contributing to Russia's Oil Future
14-Aug	* BIR.TO	Birchcliff Energy Ltd.	Spirited Small Cap Canadian Nat Gas Producer (ISCW)
Meter Reader			
1-Dec		Encana, Cenovus Energy Inc.	Buy EnCana, Buy Cenovus
24-Nov		Weekly	Natural Gas Price Trend Signals More Patience
17-Nov		BG Group	Oil Price Trend Validates Offshore Brazil
10-Nov	*	Weekly	Political Pressure on Natural Gas Price
Income and Small Cap Weekly			
27-Nov		Weekly	Practically Unlimited Global Demand for Natural Gas
20-Nov		Freehold Royalty Trust	Highest Distribution Rate Unhedged
13-Nov		Peyto Energy Trust	Deep Basin Drilling "Going to Explode"
6-Nov	*	Hugoton Royalty Trust	Distribution Trend Up
Industry Ideas			
2-Apr	*	Presentation	Making Money in Oil and Gas Stocks
	*	Archived on www.mcdep.com	



Meter Reader

A Weekly Analysis of Large Cap Oil and Gas Stocks

December 1, 2009



Disclaimer: This analysis was prepared by Kurt Wulff, Manager of McDep LLC. The firm used sources and data believed to be reliable, but makes no representation as to their accuracy or completeness. This analysis is intended for informational purposes and is not a solicitation to buy or sell a security. Past performance is no guarantee of future results.

McDep or its employees may take positions in stocks the firm covers for research purposes. No trades in a subject stock shall be made within a week before or after a change in recommendation.

Certification: I, Kurt H. Wulff, certify that the views expressed in this research analysis accurately reflect my personal views about the subject securities and issuers. No part of my compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in this research analysis.

Research Methodology/Ratings Description: McDep LLC is an independent research originator focused on oil and gas stocks exclusively. The firm applies the forty years of experience of its analyst to estimate a present value of the oil and gas resources and other businesses of covered companies. That value is compared with a company's stock market capitalization and debt. Stocks with low market cap and debt relative to present value tend to outperform stocks with high market cap and debt relative to present value. Buy recommendations are expected to deliver a total return better than 7% per year above inflation. Hold recommendations assume the attributes of the underlying business are reflected in the current price of the stock. Sell recommendations are expected to deliver a total return less than inflation.