

Energy

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Industry Update

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Energy: Industry Overview

Upstream MLP/Trust Earnings Preview; Recalibrating Trust Ratings

In this Upstream MLP/ Royalty Trust E&P earnings update, we (1) mark to market our fourth quarter oil, natural gas, and natural gas liquids prices, (2) update our near-and long-term price deck, (3) discuss key themes for the upcoming earnings season, (4) examine the current state of the Upstream MLPs and their valuation vs. historical norms, (5) provide our 4Q13 distribution forecasts for each partnership/trust under coverage; (5) downgrade our rating on ECA Marcellus Trust I to **Market Perform**, (6) upgrade our ratings on SandRidge Mississippian Trust I and SandRidge Mississippian Trust II to **Market Perform**, and (7) upgrade our rating on SandRidge Permian Trust to **Outperform**.

**Oil prices weigh down cash flow/earnings in 4Q13:** While natural gas and NGL prices moved up slightly, oil prices fell by roughly 8% sequentially during 4Q13. The step down in oil prices was driven by several factors: (1) decreased geopolitical risk (i.e., Syria and Iran); (2) lingering worries about global demand; and (3) increase in the WTI/Brent spread as Gulf Coast oil prices decoupled from world markets due to growing U.S. domestic production. As a result of the lower-than-expected commodity prices, we are lowering some of our 4Q13 estimates as detailed in the final pages of this note.

**North American oil supply is still growing faster than global oil demand; adjusting price deck:** Our oil model continues to show global supply outpacing global demand for the next several years. The U.S. has been the oil market’s #1 source of incremental growth for the past five years, and that is set to remain the case in 2014 and 2015. The U.S. increased total oil/liquids production by 1.2 MMbpd (12%) in 2013, and we model further growth of 1.75 MMbpd (or 15%) in 2014. We envision global inventories building by 1.5 MMbpd in 2014 after being relatively flat in the supply-interrupted 2013. This impending oil inventory build begs the question of “where will the oversupply go?” Our oil conclusion is that the fundamental oil glut will inevitably put downward pressure on oil prices.

RJ&A Oil Price Estimates (as of January 2014)					
2013 Actual	Q1 13A	Q2 13A	Q3 13A	Q4 13A	2013A
WTI	\$94.00	\$94.00	\$106.00	\$98.00	\$98.00
Brent	\$113.00	\$103.00	\$111.00	\$109.00	\$109.00
Brent-WTI Spread	\$19.00	\$9.00	\$5.00	\$11.00	\$11.00

2014 Estimates	Q1 14E	Q2 14E	Q3 14E	Q4 14E	2014E
WTI Futures	\$95.81	\$93.90	\$91.96	\$90.33	\$93.00
Old RJ Oil Est.	\$95.00	\$87.00	\$80.00	\$70.00	\$83.00
<b>WTI Current RJ Oil</b>	<b>\$98.00</b>	<b>\$94.00</b>	<b>\$88.00</b>	<b>\$80.00</b>	<b>\$90.00</b>
Brent Futures	\$108.00	\$105.99	\$104.77	\$104.96	\$105.93
Old RJ Oil Est.	\$103.00	\$98.00	\$93.00	\$86.00	\$95.00
<b>Brent Current RJ Oil</b>	<b>\$108.00</b>	<b>\$104.00</b>	<b>\$100.00</b>	<b>\$96.00</b>	<b>\$102.00</b>
<b>Brent-WTI Spread</b>	<b>\$10.00</b>	<b>\$10.00</b>	<b>\$12.00</b>	<b>\$16.00</b>	<b>\$12.00</b>

2015 Estimates	Q1 15E	Q2 15E	Q3 15E	Q4 15E	2015E
<b>WTI Current RJ Oil</b>					<b>\$75.00</b>
<b>Brent Current RJ Oil</b>					<b>\$95.00</b>
<b>Brent-WTI Spread</b>					<b>\$20.00</b>

Source: Bloomberg, Thomson Reuters, Raymond James research

All in all, we are marking to market (i.e., increasing) our 2014 oil price forecast: Brent (from \$95 to \$102) and WTI (from \$83 to \$90). The implied WTI-Brent spread remains at an above-consensus \$12, as before. While our new 2014 forecast is less shockingly bearish than a year ago (when we were a whopping 20% below the futures curve), we are still 6% below futures for both Brent and WTI. For 2015, we are also bumping up Brent (from \$90 to \$95) and WTI (from \$70 to \$75) – again, the \$20 spread remaining the same. The widening spread assumes the U.S. oil export ban does not change over the next two years. Our new 2015 forecast is 6% below futures for Brent and 14% below futures for WTI. From a long-term perspective (2016-2020), we now think that the current U.S. oil supply growth rate will begin to fade, and there is a

Please read domestic and foreign disclosure/risk information beginning on page 27 and Analyst Certification on page 27.

good chance that the global economy will concurrently gain more traction. In other words, global oil demand should begin to once again outpace oil supply growth, leading to modest price increases in the second half of the decade. Accordingly, we are increasing our long-term oil deck as follows: Brent (from \$90 to \$100) and WTI (from \$80 to \$90).

### 2014 U.S. Natural Gas Outlook: Plenty of U.S. Gas to Be Found at \$4.00 or Lower - Maintaining Our \$3.75 Forecast.

RJ&A Natural Gas Price Estimates (as of January 2014)					
2013 H Hub Actual	Q1	Q2	Q3	Q4	2013
	\$3.34	\$4.09	\$3.58	\$3.60	\$3.65

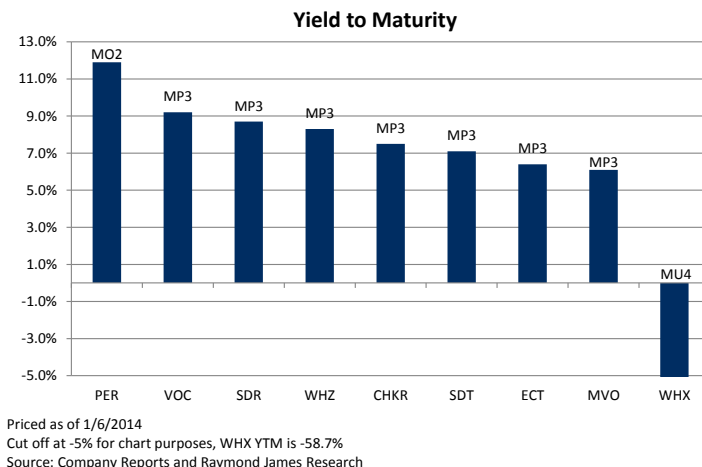
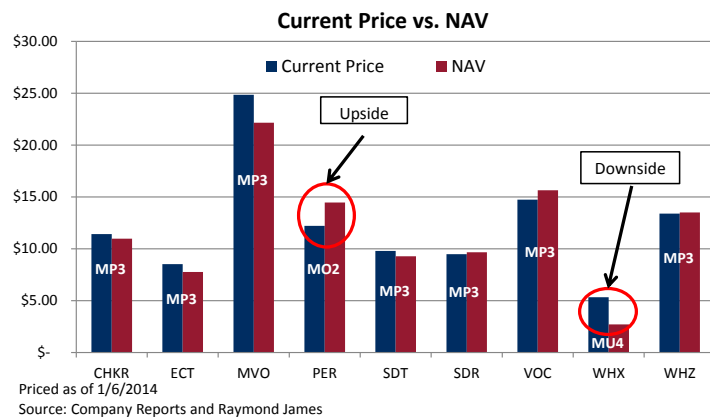
2014 Estimates	Q1 14E	Q2 14E	Q3 14E	Q4 14E	2014E
Bloomberg Consensus	\$3.98	\$3.89	\$3.93	\$4.08	\$3.97
NYMEX Futures	\$4.26	\$4.13	\$4.17	\$4.26	\$4.20
Old RJ Gas Est.	\$4.00	\$3.50	\$3.50	\$4.00	\$3.75
<b>Current RJ Gas</b>	<b>\$4.15</b>	<b>\$3.50</b>	<b>\$3.50</b>	<b>\$3.85</b>	<b>\$3.75</b>

2015 Estimates	Q1 15E	Q2 15E	Q3 15E	Q5 15E	2015E
Bloomberg Consensus					\$4.34
NYMEX Futures					\$4.17
<b>Current RJ Gas</b>					<b>\$3.75</b>

Source: Bloomberg, Thomson Reuters, Raymond James research

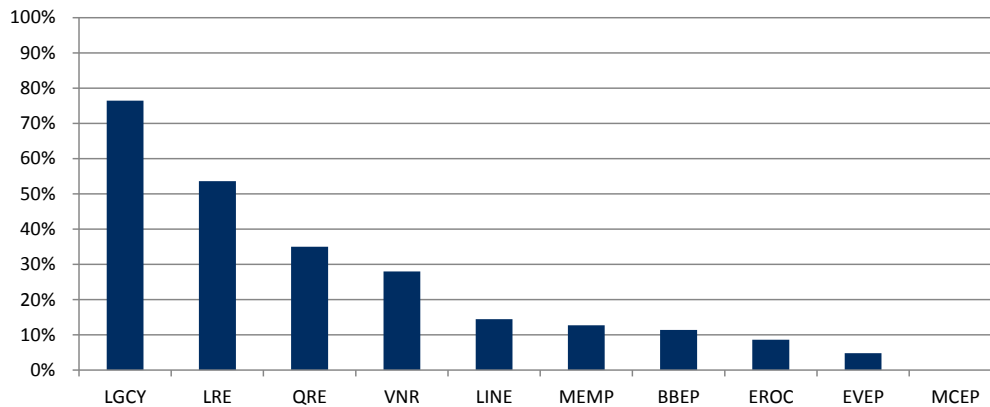
Henry Hub to average \$3.75/MMBtu for both 2014 and 2015. Obviously, weather will continue to drive volatility, but the fundamentals suggest U.S. gas should trade mostly between \$3.25 and \$4.25. Beyond 2015, faster expansion of natural gas-consuming infrastructure in the U.S. should allow gas prices to slowly drift higher. Our long-term U.S. gas price deck remains \$4.25/MMBtu. **[Note:** For more information about our long-term view on oil/gas prices, please see our Stat of the Week note titled "Worrisome Oil & Gas Price Outlook Sets up Mixed 2014 for Stocks"]

**2013 was the year to stay away from the royalty trust space; valuations are finally starting to look more attractive; upgrading PER to Outperform;** Throughout the majority of 2013, we were extremely bearish on the Royalty Trust space with the vast majority of ratings at either Underperform or Market Perform. Due to the combination of a healthy pull back in the stock prices and a more constructive outlook on long-term oil prices, valuations have started to become more attractive. To kick off 2014, we are cleaning the deck and making a number of ratings. As a reminder, in our view, in order for a trust to be attractively valued it should have a yield to maturity of at least 8-9% to reward the investors for the inherent production and commodity price risk associated with these types of investments. In that light **we are upgrading the SandRidge Permian Basin Trust from Market Perform to Outperform and setting an initial target price of \$14.** Additionally, we are upgrading SandRidge Mississippian Trust I and SandRidge Mississippian Trust II to **Market Perform**. Lastly, we are **downgrading our rating of ECA Marcellus Trust from Outperform to Market Perform** due to the fact that the Trust is now trading in line with our NAV.



**Freezing temperatures in the Permian Basin likely to negatively impact 4Q production:** West Texas experienced two significant ice/snow storms, one in late November and the other in early December. Both storms damaged power lines and shut down freeways and highways. The freezing weather can impact oil and gas production in many ways. (1) First the freezing temperatures can bottleneck production as molecules in the pipelines freeze blocking the flow of oil and gas. This effect is largely temporary in nature with full production restoring once the temperatures rise above freezing. (2) The cold weather can knock off power to the pumps at the fields. Oil wells typically go onto some form of artificial lift by the end of their first year of production. The pumps that are used to help lift the oil and gas out of the ground are typically powered by electricity. In large storms it can take a while before the power at the field level has been restored. (3) Freezing temperatures can limit trucking traffic delaying the ability to empty field level storage tanks. If the tanks become full, operators have to shut-in or delay production. In our chart below, we show, on a percentage of proved reserves, the partnerships with the greatest exposure to the Permian Basin.

**Permian as a Percentage of Proved Reserves**



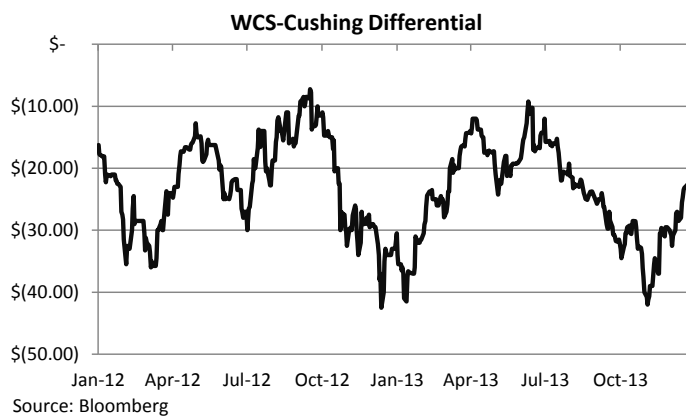
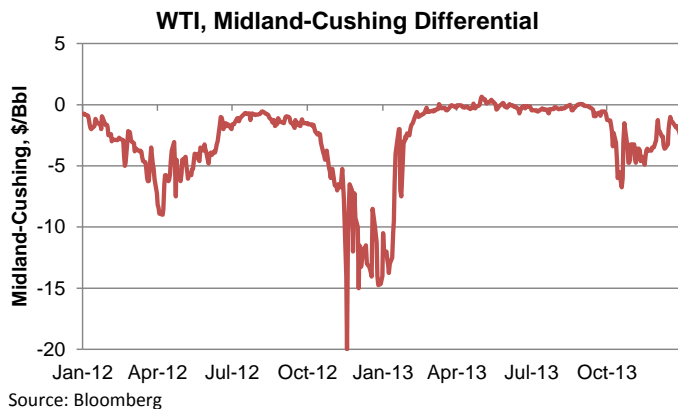
Source: Company Reports and Raymond James Research

\*Pulled from latest company report

**LGCY, LRE, and QRE most at risk to miss 4Q production estimates:** As the chart above indicates, Legacy Reserves, LRR Energy, and QR Energy are the upstream MLPs with the most exposure to the Permian Basin. The weather will likely have a somewhat subdued effect on the rest of the group, but we suspect that ‘weather-related issues’ will be a common explanation for lower-than-expected production across the entire space during the upcoming earnings season. We would point out that any negative effects in 4Q13 are likely one-time in nature and should not have any spillover impact into 1Q14.

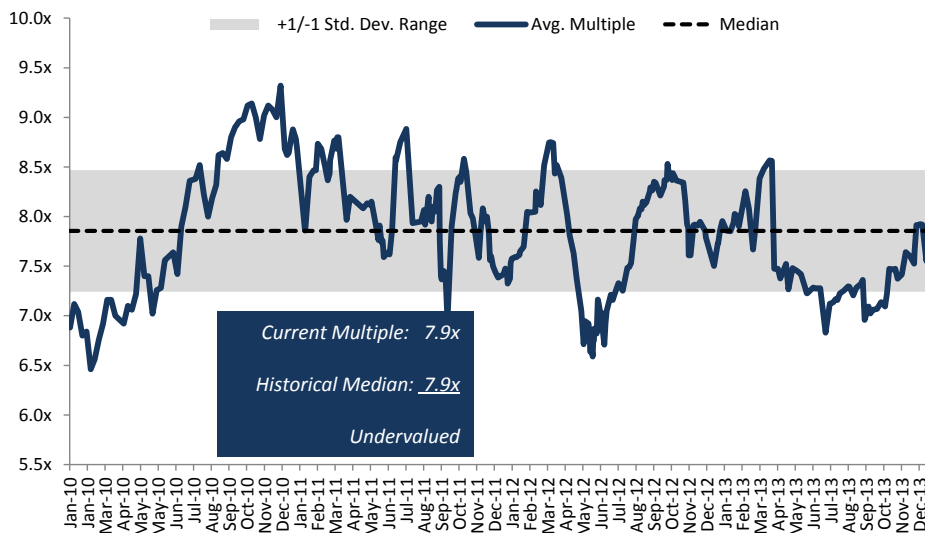
**Crude differentials incrementally not helpful either:** Given some of the crude bottleneck constraints, we continue to monitor regional crude pricing. As depicted in the charts below, Midland pricing, the price received by Permian producers for light sweet crude, realized an increase in its basis differentials (Midland vs. WTI contract price) during the fourth quarter. After having relatively minimal basis differential since March, the Midland differential kicked up a bit in 4Q13 with Midland prices averaging roughly \$3/bbl below the WTI price.

Another crude pricing point that we watch closely is the Western Canada Select (WCS) price, a blend of slightly heavier crudes. A lot of the mature producers in Wyoming and North Dakota have production that is loosely priced off of this benchmark. During 3Q13, WCS averaged roughly \$23/bbl below WTI. For the fourth quarter, this basis differential increased to ~\$31/bbl. Therefore, Wyoming and North Dakota producers that sell WCS quality crude will see lower net backs for their crude production in 4Q13 vs. 3Q13.



**EV/EBITDA multiples in line with historical norms...** Over the past few months, we have seen multiples (forward EV/EBITDA) in the upstream space rise nearly a full turn, coming in line with their historical median of 7.9x after spending most of 2013 in the 7.0 - 7.4x range. However, our forward EBITDA expectations are, in part, driven by our acquisition forecast as well as organic growth expectations. Over the last 12 months, this group completed over \$ 7 billion in acquisitions. For 2014, in total, we are modeling only \$2.5 billion, a number which we clearly expect the group to exceed. So while the forward multiple looks fairly priced at this point, there may be upside to our forecast if the group completes more acquisitions vs. our current expectations.

**Upstream MLP EV/EBITDA (NTM)**

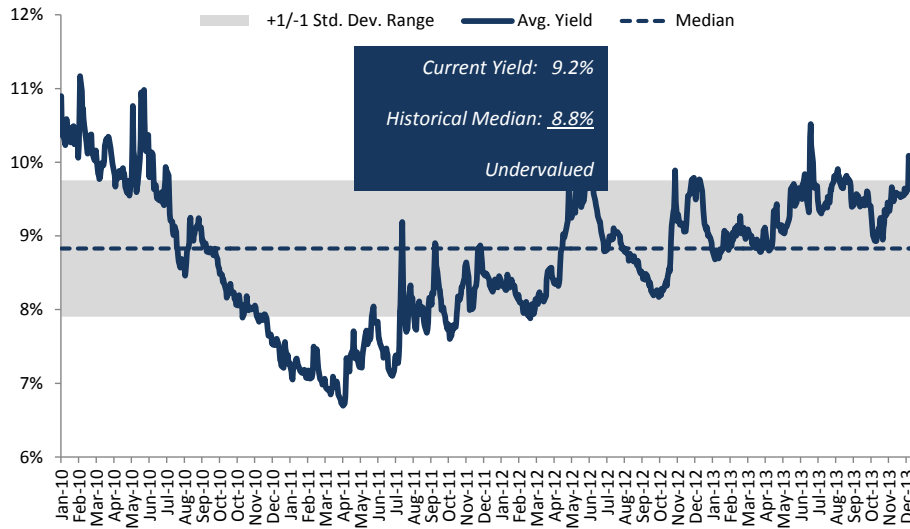


Source: Thomson Reuters, RJ Est.

Basket of Upstream MLP/LLCs Includes: BBEP, EVEP, LGCY, LINE, LRE, MCEP, MEMP, PSE, QRE, VNR

**... But yields remain below the long-term averages:** Despite seeing multiples expand over the past few months, yields have declined but still remain above historical averages. The average yield is currently 9.2% vs. historical mean of 8.8%. A portion of that can be contributed to slightly lower y/y distribution growth expectations due to the backwardated oil curve and relatively flat gas price curve. As a group, we are forecasting 3.2% y/y distribution growth in 2013 vs. ~2.7% y/y forecast for 2014. However, longer term we continue to believe that yield spreads for this group is too high and as the market reduces the risk premium associated with the asset class we will see yield compression across the space.

### Upstream MLP Composite: Current Yield



Source: Thomson Reuters, RJ Est.

Basket of Upstream MLP/LLCs Includes: BBEP, EROC, EVEP, LGCY, LINE, LRE, MCEP, MEMP, PSE, QRE, VNR

Our top pick in the Upstream MLP / Royalty Trust space is Strong Buy-rated Memorial Production Partners (MEMP) and LinnCo (LNCO). Additionally, Outperform-rated, LINN Energy and EV Energy Partners have a tremendous amount of upside but more inherent near-term volatility.

#### Upstream MLP/LLCs

As shown in the table below, we are expecting BreitBurn Energy to lead the group in sequential distribution growth this quarter. We are modeling a modest bump up to \$0.493, representing a 1.0% increase q/q and a 4.8% increase y/y. Other than BreitBurn, the only names we envision raising their distribution are EV Energy Partners and Legacy Reserves. We expect the remainder of partnerships to keep their distribution flat. On a y/y basis, Memorial's recent distribution hike puts them squarely at the front of the pack with 8.4% y/y distribution growth, followed by Mid-Con Energy at 4% y/y growth.

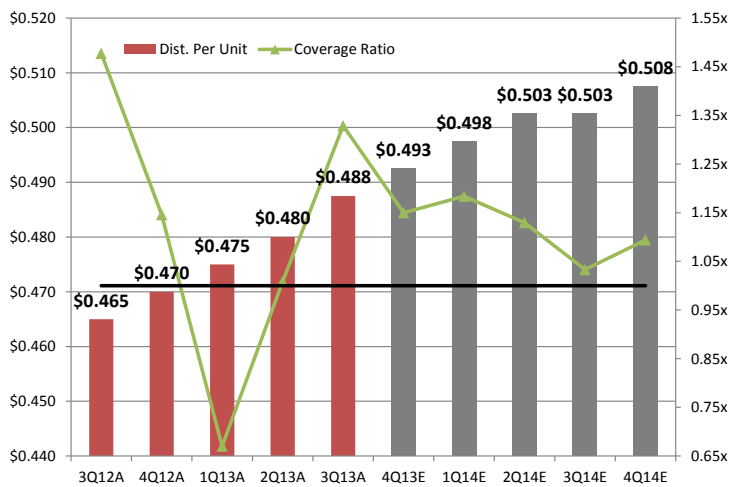
Upstream MLP Coverage Universe	Distributions			Q/Q Growth (%)	Y/Y Growth (%)
	4Q12A	3Q13A	4Q13E		
BreitBurn Energy	\$0.470	\$0.488	\$0.493	1.0%	4.8%
Eagle Rock Energy Partners	\$0.220	\$0.150	\$0.150	0.0%	-31.8%
EV Energy	\$0.767	\$0.770	\$0.771	0.1%	0.5%
Legacy Reserves	\$0.570	\$0.585	\$0.590	0.9%	3.5%
LINN Energy	\$0.725	\$0.725	\$0.725	0.0%	0.0%
LRR Energy	\$0.480	\$0.488	\$0.488	0.0%	1.6%
Mid-Con Energy	\$0.495	\$0.515	\$0.515	0.0%	4.0%
Memorial Production	\$0.508	\$0.550	\$0.550	0.0%	8.4%
QR Energy	\$0.488	\$0.488	\$0.488	0.0%	0.0%
Vanguard Natural Resources	\$0.608	\$0.623	\$0.623	0.0%	2.5%

Source: Raymond James Research

Note: LRR 3Q13 distribution is an estimate

**Forecasted Distributions and Coverage Ratios:**

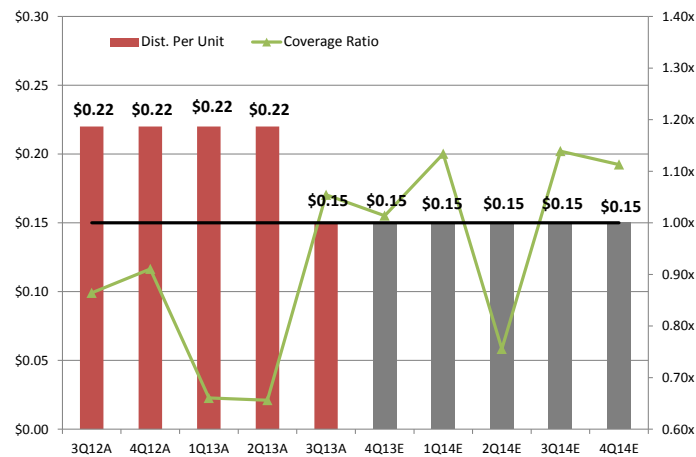
**BreitBurn Energy Partners**



Source: Company Reports and RJ estimates

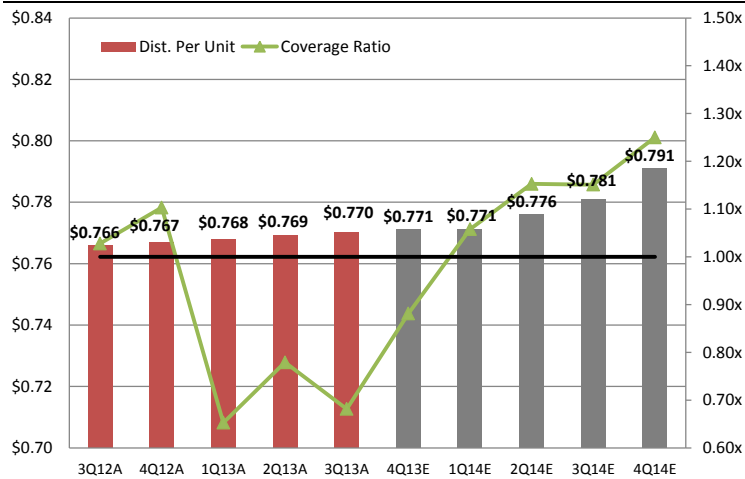
Source: Company filings and Raymond James estimates

**Eagle Rock Energy Partners**



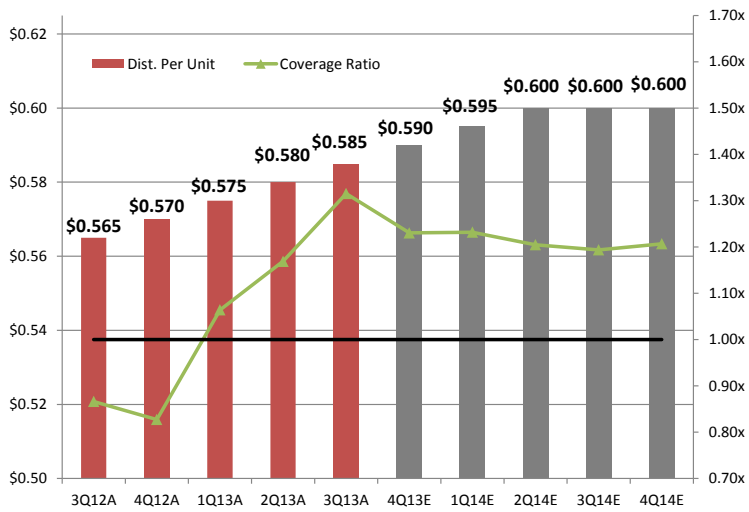
Source: Company filings and Raymond James estimates

**EV Energy Partners**



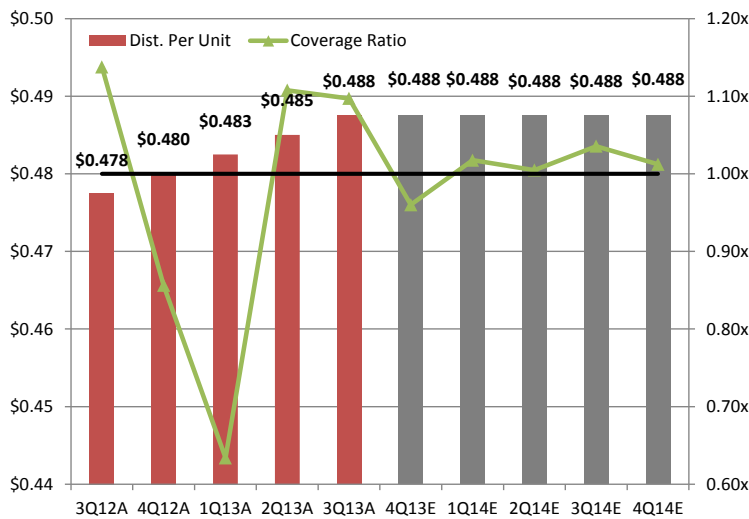
Source: Company filings and Raymond James estimates

**Legacy Reserves**



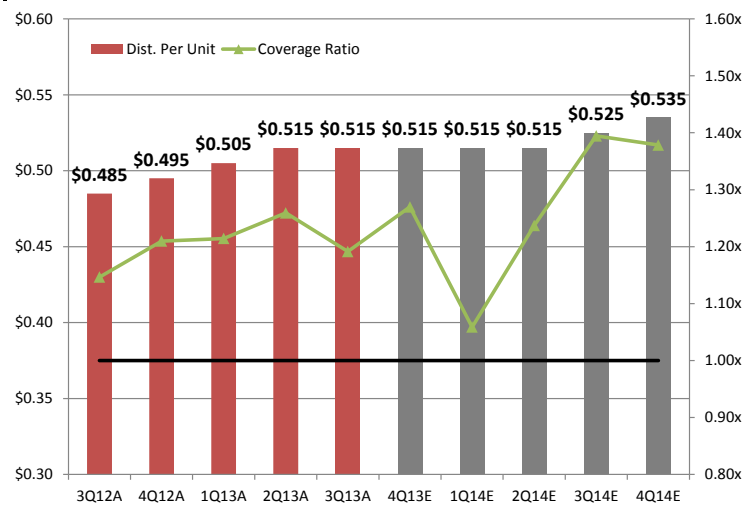
Source: Company filings and Raymond James estimates

**LRR Energy**



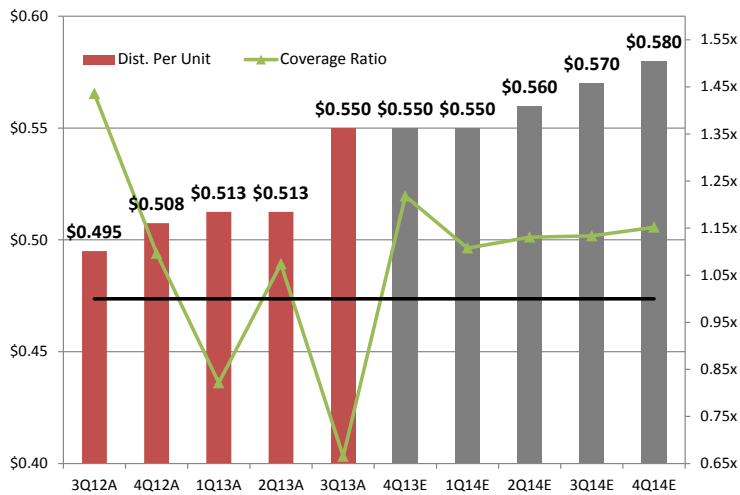
Source: Company filings and Raymond James estimates

**Mid-Con Energy**



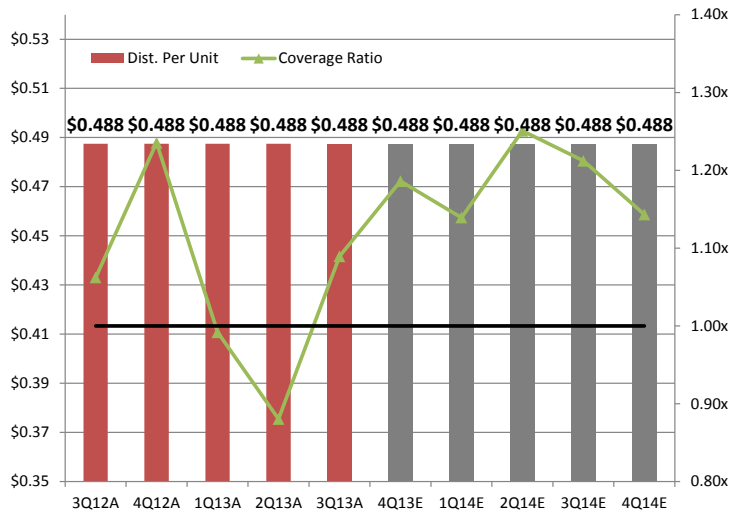
Source: Company filings and Raymond James estimates

**Memorial Production Partners**



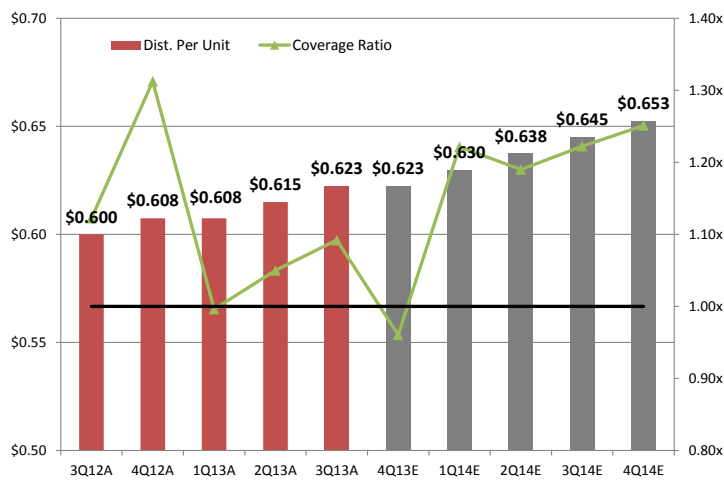
Source: Company filings and Raymond James estimates

**QR Energy**



Source: Company filings and Raymond James estimates

**Vanguard Natural Resources**



Source: Company filings and Raymond James estimates



**Upstream MLP Comp Sheet:**

<b>Raymond James - Upstream MLP Research Universe</b>																	
<i>Market Valuation Database</i>																	
Rating	Price 1/7/14	Current Yield	Market Cap (in \$MM)	Ent. Value (in \$MM)	Reserve Data (2012)					Enterprise Value							3-Year 2012-15
					PF Bcfe	PV 10 (\$ MM)	% Gas	% Devl.	R/P (Yrs)	2012 PV 10	2012 Mcfce	Flowing Boe/d	EBITDA			Dist. CAGR	
													2013E	2014E	2015E		
BBEP	MO2	\$20.54	9.8%	\$2,386	\$4,291	1,206	\$3,142	47%	80%	16.4	137%	\$3.56	\$127,434	11.3x	8.2x	7.8x	3.14%
EROC	MP3	\$6.09	9.9%	\$969	\$2,165	350	\$605	56%	76%	12.6	358%	\$6.19	\$171,426	9.2x	11.3x	15.1x	-11.99%
EVEP	MO2	\$33.35	9.2%	\$1,612	\$2,696	967	\$942	67%	76%	15.8	286%	\$2.79	\$96,278	12.5x	7.9x	6.2x	3.19%
LGCY	MO2	\$28.33	8.3%	\$1,629	\$2,458	522	\$1,494	32%	90%	11.9	165%	\$4.71	\$122,616	8.8x	8.3x	8.6x	2.88%
LINE	MO2	\$32.27	9.0%	\$7,589	\$13,971	6,539	\$10,650	54%	65%	21.8	131%	\$2.14	\$101,880	9.2x	5.3x	5.1x	1.25%
LRE	MO2	\$17.29	11.3%	\$452	\$682	179	\$363	53%	85%	12.4	188%	\$3.80	\$103,123	8.8x	7.0x	6.3x	1.25%
MEMP	SB1	\$21.55	10.2%	\$1,204	\$1,970	1,067	\$1,663	62%	59%	24.6	118%	\$1.85	\$99,568	11.0x	6.6x	6.4x	7.23%
MCEP	MP3	\$23.00	9.0%	\$444	\$560	87	\$431	1%	67%	15.8	130%	\$6.44	\$222,699	9.1x	8.2x	9.3x	5.09%
QRE	MO2	\$17.33	11.3%	\$1,123	\$2,378	631	\$1,717	32%	75%	16.0	139%	\$3.77	\$131,772	8.9x	7.5x	7.6x	0.21%
VNR	MO2	\$29.81	8.4%	\$2,310	\$3,292	1,898	\$2,426	60%	89%	24.6	136%	\$1.73	\$93,406	10.4x	7.4x	6.7x	3.81%
<b>Median</b>			<b>9.5%</b>	<b>\$1,408</b>	<b>\$2,418</b>	<b>799</b>	<b>\$1,578</b>	<b>53%</b>	<b>76%</b>	<b>15.9</b>	<b>138%</b>	<b>\$3.66</b>	<b>\$112,869</b>	<b>9.2x</b>	<b>7.7x</b>	<b>7.2x</b>	<b>3.0%</b>
<b>Mean</b>			<b>9.6%</b>	<b>\$1,972</b>	<b>\$3,446</b>	<b>1,345</b>	<b>\$2,343</b>	<b>46%</b>	<b>76%</b>	<b>17.2</b>	<b>179%</b>	<b>\$3.70</b>	<b>\$127,020</b>	<b>9.9x</b>	<b>7.8x</b>	<b>7.9x</b>	<b>1.6%</b>

Source: Raymond James Research; Thomson

<b>Raymond James - Upstream MLP Research Universe</b>														
<i>Distributions and Coverage</i>														
Rating	Price 1/7/14	Distribution per Unit			Total Unit Dist. Coverage			Price/DCF			DCF (\$MM)			
		12	13E	14E	12	13E	14E	12	13E	14E	12	13E	14E	
		BBEP	MO2	\$20.54	\$1.85	\$1.94	\$2.01	1.22x	1.06x	1.11x	14.09x	11.25x	8.79x	\$169
EROC	MP3	\$6.09	\$0.88	\$0.74	\$0.60	1.06x	0.81x	1.04x	18.52x	25.42x	24.36x	\$129	\$94	\$98
EVEP	MO2	\$33.35	3.06	3.08	3.12	1.07x	0.75x	1.15x	11.33x	15.32x	8.95x	142	105	180
LGCY	MO2	\$28.33	2.25	2.33	2.40	0.94x	1.20x	1.21x	15.72x	10.23x	9.43x	104	159	173
LINE	MO2	\$32.27	2.90	2.90	2.94	1.14x	0.97x	1.24x	11.17x	11.48x	6.15x	679	661	1,234
LRE	MO2	\$17.29	1.91	1.94	1.95	0.97x	0.92x	1.02x	10.92x	9.44x	7.31x	41	48	62
MEMP	SB1	\$21.55	1.96	2.13	2.26	1.32x	0.93x	1.13x	20.28x	11.47x	7.60x	59	105	158
MCEP	MP3	\$23.00	1.93	2.05	2.09	1.16x	1.23x	1.27x	10.60x	8.93x	8.52x	42	50	52
QRE	MO2	\$17.33	1.94	1.95	1.95	1.23x	1.04x	1.19x	9.85x	8.47x	6.83x	114	133	164
VNR	MO2	\$29.81	2.40	2.47	2.57	1.08x	1.03x	1.22x	7.95x	5.94x	4.26x	141	189	263
<b>Median</b>						<b>1.11x</b>	<b>1.00x</b>	<b>1.17x</b>	<b>11.2x</b>	<b>10.7x</b>	<b>8.1x</b>			
<b>Mean</b>						<b>1.12x</b>	<b>0.99x</b>	<b>1.16x</b>	<b>13.0x</b>	<b>11.8x</b>	<b>9.2x</b>			

Source: Raymond James Research; Thomson

## Royalty Trusts

As shown in the table below, we expect SandRidge Mississippian Trust II and the ECA Marcellus Trust are the only two trusts expected to post sequential distribution growth this quarter. The remaining trusts are fighting the combination of declining production and weakening commodity prices. Note: MV Oil Trust has already announced their 4Q13 distribution of \$0.83. This missed our forecast, primarily due to lower-than-expected production.

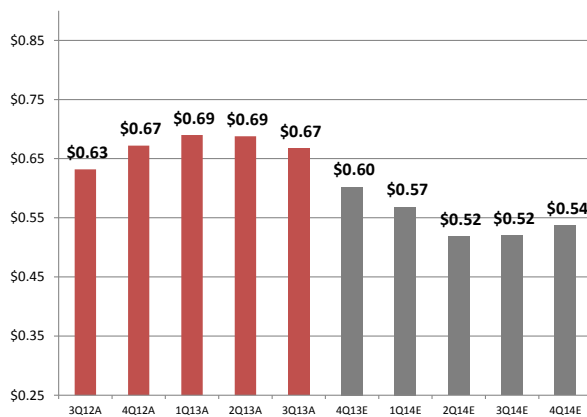
Royalty Trust Coverage Universe	Distributions			Q/Q	Y/Y
	4Q12A	3Q13A	4Q13E	Growth (%)	Growth (%)
Chesapeake Granite Wash Trust	\$0.67	\$0.67	\$0.60	-9.7%	-10.3%
ECA Marcellus Trust I	\$0.68	\$0.39	\$0.41	5.1%	-39.9%
MV Oil Trust*	\$0.68	\$0.98	\$0.83	-15.3%	22.1%
SandRidge Permian Trust	\$0.60	\$0.65	\$0.59	-9.3%	-1.9%
SandRidge Miss. Trust I	\$0.65	\$0.60	\$0.57	-5.7%	-12.6%
SandRidge Miss. Trust II	\$0.53	\$0.54	\$0.57	6.0%	6.7%
VOC Energy Trust	\$0.26	\$0.53	\$0.52	-1.2%	101.5%
Whiting USA Trust I	\$0.58	\$0.59	\$0.56	-5.2%	-2.9%
Whiting USA Trust II	\$0.65	\$0.89	\$0.80	-10.1%	22.8%

Source: Raymond James Research

\* 3Q distribution already announced

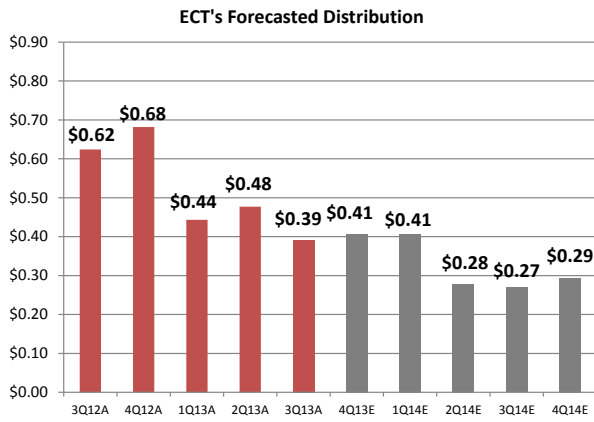
### Chesapeake Granite Wash Trust

CHKR's Forecasted Distribution



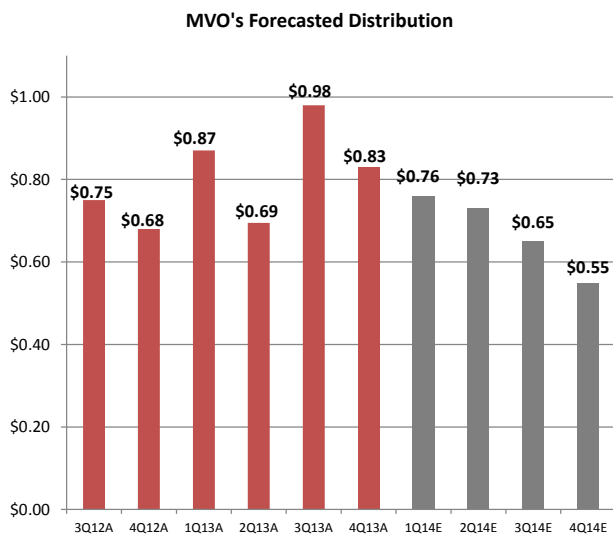
Source: Company Reports and Raymond James Research

**ECA Marcellus Trust I**



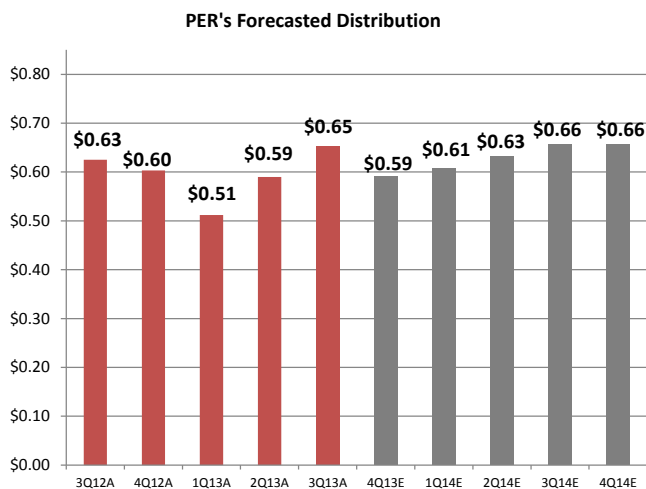
Source: Company Reports and Raymond James Research

**MV Oil Trust**



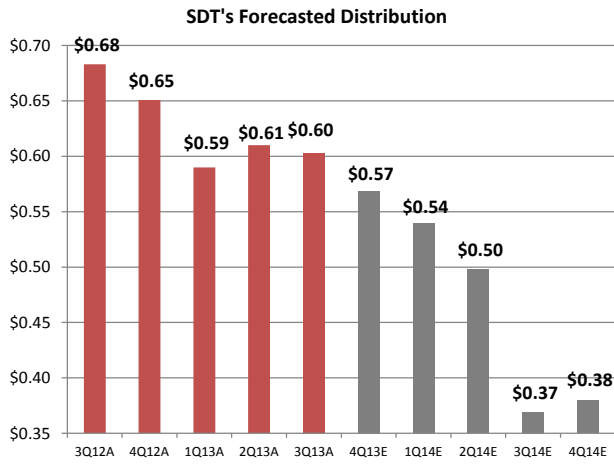
Source: Company Reports and RJ estimates

**SandRidge Permian Trust**



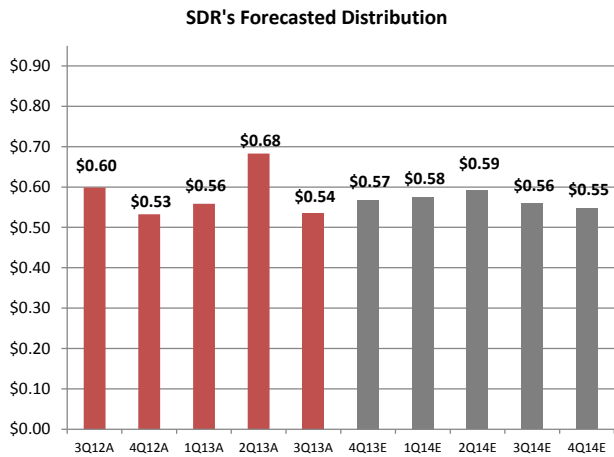
Source: Company Reports and Raymond James Research

**SandRidge Mississippian Trust I**



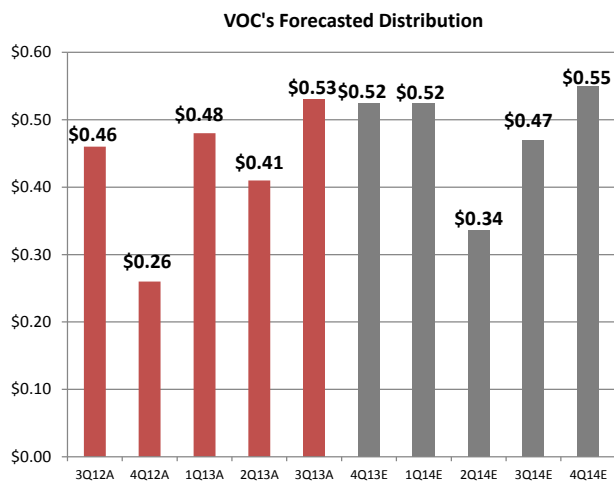
Source: Company Reports and Raymond James Research

**SandRidge Mississippian Trust II**



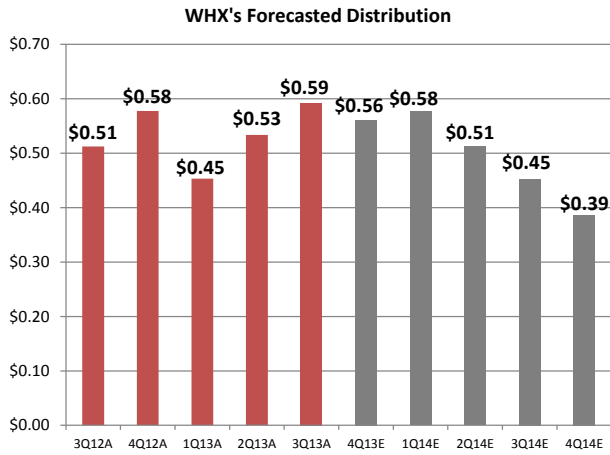
Source: Company Reports and Raymond James Research

**VOC Energy Trust**



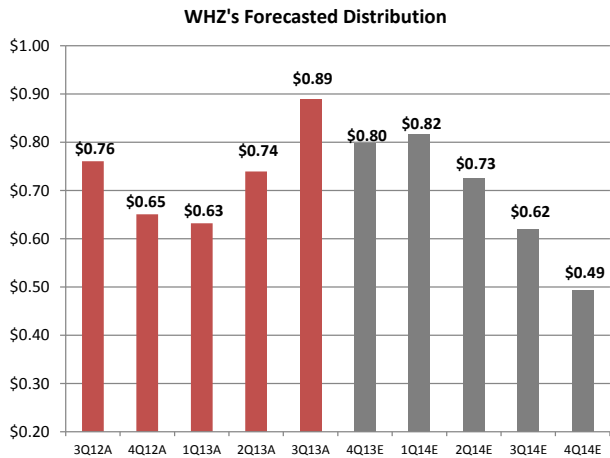
Source: Company Reports and Raymond James Research

**Whiting USA Trust I**



Source: Company Reports and Raymond James Research

**Whiting USA Trust II**



Source: Company Reports and Raymond James Research

**Royalty Trust Comp Sheet:**

<b>Raymond James - U.S. Royalty Trust Research Universe</b>													
<i>Market Valuation Database</i>													
		Price	Current	Yield to	Market Cap	2011A	2012A	2013E	2014E	Nat Gas	Trust		Expected
	Rating	1/8/2014	Yield	Maturity	(in \$MM)	Distr.	Distr.	Distr.	Distr.	Weighting	Type		Maturity Date*
CHKR	Chesapeake Granite Wash Trust	MP3	\$11.24	23.8%	7.1%	\$525.5	\$1.31	\$2.57	\$2.65	\$2.14	53%	Drilling	2Q2031
ECT	ECA Marcellus Trust I	MP3	8.35	18.7%	6.2%	147.0	2.38	2.48	1.72	1.25	100%	Drilling	1Q2030
MVO	MV Oil Trust	MP3	25.27	13.1%	5.8%	290.6	3.60	3.40	3.38	2.69	3%	Developed	2Q2026
PER	SandRidge Permian Trust	MO2	12.45	20.9%	11.8%	653.6	1.28	2.38	2.34	2.55	4%	Drilling	1Q2031
SDT	SandRidge Miss. Trust I	MP3	9.60	25.0%	7.0%	268.8	2.68	2.85	2.37	1.79	50%	Drilling	4Q2030
SDR	SandRidge Miss. Trust II	MP3	9.32	23.0%	8.5%	463.4	NA	1.90	2.35	2.27	53%	Drilling	4Q2031
VOC	VOC Energy Trust	MP3	14.88	14.2%	9.0%	253.0	1.86	2.01	1.94	1.88	12%	Developed	4Q2030
WHX	Whiting USA Trust I	MU4	5.37	43.9%	-58.7%	74.4	2.96	2.50	2.14	1.93	40%	Developed	1Q2015
WHZ	Whiting USA Trust II	MP3	13.35	26.7%	8.3%	245.6	NA	3.26	3.18	2.33	22%	Developed	4Q2021
Median				23.0%	7.1%	268.8							
Mean				23.3%	0.6%	324.7							

Source: Thomson Reuters; Raymond James Research

\* last quarter to pay a normal distribution

**Royalty Trust Comp Sheet based on Strip Pricing:**

<b>Raymond James - U.S. Royalty Trust Research Universe</b>													
<i>Market Valuation Database-Strip</i>													
		Price	Current	Yield to	Market Cap	2011A	2012A	2013E	2014E	Nat Gas	Trust		Expected
	Rating	1/8/2014	Yield	Maturity	(in \$MM)	Distr.	Distr.	Distr.	Distr.	Weighting	Type		Maturity Date*
CHKR	Chesapeake Granite Wash Trust	MP3	\$11.24	23.8%	5.9%	\$525.5	\$1.31	\$2.57	\$2.65	\$2.14	53%	Drilling	2Q2031
ECT	ECA Marcellus Trust I	MP3	8.35	18.7%	8.8%	147.0	2.38	2.48	1.72	1.25	100%	Drilling	1Q2030
MVO	MV Oil Trust	MP3	25.27	13.1%	5.3%	290.6	3.60	3.40	3.38	2.69	3%	Developed	2Q2026
PER	SandRidge Permian Trust	MO2	12.45	20.9%	11.1%	653.6	1.28	2.38	2.34	2.55	4%	Drilling	1Q2031
SDT	SandRidge Miss. Trust I	MP3	9.60	25.0%	6.4%	268.8	2.68	2.85	2.37	1.79	50%	Drilling	4Q2030
SDR	SandRidge Miss. Trust II	MP3	9.32	23.0%	8.2%	463.4	NA	1.90	2.35	2.27	53%	Drilling	4Q2031
VOC	VOC Energy Trust	MP3	14.88	14.2%	8.8%	253.0	1.86	2.01	1.94	1.88	12%	Developed	4Q2030
WHX	Whiting USA Trust I	MU4	5.37	43.9%	-53.4%	74.4	2.96	2.50	2.14	1.93	40%	Developed	1Q2015
WHZ	Whiting USA Trust II	MP3	13.35	26.7%	8.1%	245.6	NA	3.26	3.18	2.33	22%	Developed	4Q2021
Median				23.0%	8.1%	268.8							
Mean				23.3%	1.0%	324.7							

Source: Thomson Reuters; Raymond James Research

\* last quarter to pay a normal distribution

	Ticker	Price Jan-08-14	Target Price		RJ Rating		Suitability		RJ Entity
			Old	New	Old	New	Old	New	
<b>Exploration and Production</b>									
BreitBurn Energy Partners L.P.	BBEP-NASDAQ	\$20.28	\$21.00	\$21.00	2	2	TR	TR	RJA
Chesapeake Granite Wash Trust	CHKR-NYSE	\$11.24	NM	NM	3	3	TR	TR	RJA
<b>ECA Marcellus Trust I</b>	<b>ECT-NYSE</b>	<b>\$8.35</b>	<b>\$8.50</b>	<b>NM</b>	<b>2</b>	<b>3</b>	<b>TR</b>	<b>TR</b>	<b>RJA</b>
EV Energy Partners L.P.	EVEP-NASDAQ	\$32.96	\$47.00	\$47.00	2	2	HR	HR	RJA
Legacy Reserves L.P.	LGCY-NASDAQ	\$28.30	\$29.00	\$29.00	2	2	TR	TR	RJA
LINN Energy, LLC	LINE-NASDAQ	\$32.73	\$35.00	\$35.00	2	2	TR	TR	RJA
LinnCo, LLC	LNCO-NASDAQ	\$32.12	\$37.00	\$37.00	1	1	TR	TR	RJA
LRR Energy L.P.	LRE-NYSE	\$17.27	\$18.00	\$18.00	2	2	TR	TR	RJA
Memorial Production Partners L.P.	MEMP- NASDAQ	\$21.63	\$24.00	\$24.00	1	1	TR	TR	RJA
Mid-Con Energy Partners L.P.	MCEP-NASDAQ	\$22.55	NM	NM	3	3	TR	TR	RJA
MV Oil Trust	MVO-NYSE	\$25.27	NM	NM	3	3	TR	TR	RJA
QR Energy L.P.	QRE-NYSE	\$17.22	\$19.00	\$19.00	2	2	TR	TR	RJA
<b>SandRidge Mississippian Trust I</b>	<b>SDT-NYSE</b>	<b>\$9.60</b>	<b>NM</b>	<b>NM</b>	<b>4</b>	<b>3</b>	<b>NM</b>	<b>TR</b>	<b>RJA</b>
<b>SandRidge Mississippian Trust II</b>	<b>SDR-NYSE</b>	<b>\$9.32</b>	<b>NM</b>	<b>NM</b>	<b>4</b>	<b>3</b>	<b>NM</b>	<b>TR</b>	<b>RJA</b>
<b>SandRidge Permian Trust</b>	<b>PER-NYSE</b>	<b>\$12.45</b>	<b>NM</b>	<b>\$14.00</b>	<b>3</b>	<b>2</b>	<b>TR</b>	<b>TR</b>	<b>RJA</b>
Vanguard Natural Resources, LLC	VNR-NASDAQ	\$29.52	\$32.00	\$32.00	2	2	TR	TR	RJA
VOC Energy Trust	VOC-NYSE	\$14.88	NM	NM	3	3	TR	TR	RJA
Whiting USA Trust I	WHX-NYSE	\$5.37	NM	NM	4	4	NM	NM	RJA
Whiting USA Trust II	WHZ-NYSE	\$13.35	NM	NM	3	3	TR	TR	RJA
<b>Midstream Suppliers</b>									
Eagle Rock Energy Partners L.P.	EROC-NASDAQ	\$6.09	NM	NM	3	3	HR	HR	RJA

Prices are as of the most recent close on the indicated exchange. See Disclosures for rating and suitability definitions. RJA target prices are for a 12 month period.

## Energy

## Exploration and Production

## BreitBurn Energy Partners L.P. BBEP-NASDAQ

Rating: Outperform				Suitability: Total Return			
Current Price (Jan-08-14)	\$20.28			Target Price	\$21.00		
52-Week Range	\$21.75 - \$14.01			BVPS (Sep-13)	\$17.72		
Market Cap. (mil.)	\$2,022			Dividend/Yield	\$1.95/9.6%		
Shares Out. (mil.)	99.7			ROE %	0%		
Avg. Daily Vol. (10 day)	738,700			LT Debt (mil.)/% Cap.	\$1,846/41		

	Operating EPU	Q1 Mar	Q2 Jun	Q3 Sep	Q4 Dec	Full Year	P/E (Operating EPU)	Revenues (mil.)	Cash Flow/Share	Adj. EBITDA (mil.)
2012A		\$0.05	\$0.14	\$0.26	\$0.11	\$0.57	35.6x	\$505	\$2.25	\$296
Old 2013E		(0.07)A	0.14A	0.24A	0.22	0.55		682	2.04	379
<b>New 2013E</b>		<b>(0.07)A</b>	<b>0.14A</b>	<b>0.24A</b>	<b>0.23</b>	<b>0.57</b>	<b>35.6x</b>	<b>682</b>	<b>2.05</b>	<b>381</b>
Old 2014E		0.25	0.20	0.16	0.15	0.76		916	2.17	514
<b>New 2014E</b>		<b>0.26</b>	<b>0.23</b>	<b>0.18</b>	<b>0.18</b>	<b>0.84</b>	<b>24.1x</b>	<b>930</b>	<b>2.23</b>	<b>524</b>

Rows may not add due to rounding and equity issuance.

Our \$21 target price represents an ~8.5x multiple to our 2014 EBITDA estimate, within the traditional upstream MLP range of 7-10x.

## Chesapeake Granite Wash Trust CHKR-NYSE

Rating: Market Perform				Suitability: Total Return			
Current Price (Jan-08-14)	\$11.24			Target Price	NM		
52-Week Range	\$19.15 - \$9.90			Dividend/Yield	\$2.68/23.8%		
Market Cap. (mil.)	\$395			NAV	\$10.97		
Shares Out. (mil.)	35.1						
Avg. Daily Vol. (10 day)	248,261						
YTM	7.1%						

	Cash Dist./Unit	Q1 Mar	Q2 Jun	Q3 Sep	Q4 Dec	Full Year	P/Cash Dist. per Unit Ratios	Net Proceeds to Trust (mil.)
2012A		\$0.66	\$0.61	\$0.63	\$0.67	\$2.57	4.4x	\$112
Old 2013E		0.69A	0.69A	0.67A	0.61	2.66		100
<b>New 2013E</b>		<b>0.69A</b>	<b>0.69A</b>	<b>0.67A</b>	<b>0.60</b>	<b>2.65</b>	<b>4.2x</b>	<b>100</b>
Old 2014E		0.56	0.53	0.53	0.55	2.17		79
<b>New 2014E</b>		<b>0.57</b>	<b>0.52</b>	<b>0.52</b>	<b>0.54</b>	<b>2.14</b>	<b>5.3x</b>	<b>78</b>

Rows may not add due to rounding. Cash distribution per unit is the cash flow unitholders are entitled to through their ownership of the trust. Net proceeds to the trust is the amount of revenue the net wells have contributed to the trust before any operating expenses. 2012 net proceeds to trust adjusted for revised calculation methodology in model.

Target price not meaningful.



## ECA Marcellus Trust I ECT-NYSE

<b>Rating:</b> Old: Outperform New: Market Perform		<b>Suitability:</b> Total Return	
Current Price (Jan-08-14)	\$8.35	Target Price	Old: \$8.50 New: NM
52-Week Range	\$19.17 - \$7.00	Dividend/Yield	\$1.56/18.7%
Market Cap. (mil.)	\$147	NAV	\$7.76
Shares Out. (mil.)	17.6		
Avg. Daily Vol. (10 day)	160,614		
YTM	6.2%		

	Cash Dist./Unit	Q1 Mar	Q2 Jun	Q3 Sep	Q4 Dec	Full Year	P/Cash Dist. per Unit Ratios	Net Proceeds to Trust (mil.)
2012A	\$0.57	\$0.60	\$0.62	\$0.68	\$2.48	3.4x	\$43	
Old 2013E	0.44A	0.48A	0.39A	0.42	1.73		36	
<b>New 2013E</b>	<b>0.44A</b>	<b>0.48A</b>	<b>0.39A</b>	<b>0.41</b>	<b>1.72</b>	<b>4.9x</b>	<b>36</b>	
Old 2014E	0.40	0.28	0.27	0.31	1.26		27	
<b>New 2014E</b>	<b>0.41</b>	<b>0.28</b>	<b>0.27</b>	<b>0.29</b>	<b>1.25</b>	<b>6.7x</b>	<b>26</b>	

Rows may not add due to rounding. Cash distribution per unit is the cash flow unitholders are entitled through their ownership of the trust. Net proceeds to the trust is the amount of revenue the net wells have contributed to the trust before any operating expenses.

Our new **Market Perform** rating on shares of ECA Marcellus Trust I is based on the trust trading near our calculated NAV and with a yield in line with the rest of the group.

## EV Energy Partners L.P. EVEP-NASDAQ

<b>Rating:</b> Outperform		<b>Suitability:</b> High Risk	
Current Price (Jan-08-14)	\$32.96	Target Price	\$47.00
52-Week Range	\$63.55 - \$30.53	BVPS (Sep-13)	\$22.58
Market Cap. (mil.)	\$1,404	Dividend/Yield	\$3.08/9.3%
Shares Out. (mil.)	42.6	NAV	\$12.80
Avg. Daily Vol. (10 day)	356,479	LT Debt (mil.)/% Cap.	\$1,084/45

	Operating EPU	Q1 Mar	Q2 Jun	Q3 Sep	Q4 Dec	Full Year	P/E (Operating EPU)	Revenues (mil.)	Cash Flow/Share	Adj. EBITDA (mil.)
2012A	\$0.50	\$0.41	\$0.46	\$0.42	\$1.79	18.4x	\$400	\$3.27	\$267	
Old 2013E	(0.06)A	0.14A	0.13A	0.24	0.45		351	2.31	215	
<b>New 2013E</b>	<b>(0.06)A</b>	<b>0.14A</b>	<b>0.13A</b>	<b>0.26</b>	<b>0.46</b>	<b>71.7x</b>	<b>352</b>	<b>2.32</b>	<b>216</b>	
Old 2014E	0.44	0.49	0.48	0.54	1.95		499	3.47	332	
<b>New 2014E</b>	<b>0.46</b>	<b>0.52</b>	<b>0.52</b>	<b>0.58</b>	<b>2.09</b>	<b>15.8x</b>	<b>506</b>	<b>3.61</b>	<b>339</b>	

Rows may not add due to rounding. Operating EPU excludes mark-to-market hedging noise and asset sales.

Our \$47 target price consists of \$14 per unit in value from undeveloped Utica acreage, \$5 per unit from the Midstream assets, and \$28 per unit for the existing asset base.

## Legacy Reserves L.P. LGCY-NASDAQ

<b>Rating:</b> Outperform				<b>Suitability:</b> Total Return			
Current Price (Jan-08-14)	\$28.30			Target Price	\$29.00		
52-Week Range	\$29.49 - \$24.20			BVPS (Sep-13)	\$10.30		
Market Cap. (mil.)	\$1,622			Dividend/Yield	\$2.34/8.3%		
Shares Out. (mil.)	57.3			Proved NAV/Unit	\$8.31		
Avg. Daily Vol. (10 day)	113,001			LT Debt (mil.)/% Cap.	\$844/54		

	Operating EPU	Q1 Mar	Q2 Jun	Q3 Sep	Q4 Dec	Full Year	P/E (Operating EPU)	Revenues (mil.)	Cash Flow/Share	Adj. EBITDA (mil.)
2012A		\$0.56	\$0.21	\$0.36	\$0.30	\$1.42	19.9x	\$352	\$2.12	\$197
Old 2013E		0.19A	0.28A	0.38A	0.36	1.20		488	2.83	283
<b>New 2013E</b>		<b>0.19A</b>	<b>0.28A</b>	<b>0.38A</b>	<b>0.32</b>	<b>1.16</b>	<b>24.4x</b>	<b>484</b>	<b>2.79</b>	<b>280</b>
Old 2014E		0.29	0.24	0.22	0.19	0.92		526	2.75	290
<b>New 2014E</b>		<b>0.33</b>	<b>0.30</b>	<b>0.27</b>	<b>0.27</b>	<b>1.17</b>	<b>24.2x</b>	<b>530</b>	<b>2.90</b>	<b>297</b>

Rows may not add due to rounding.

Our \$29 target price represents a ~9x multiple to our 2014 EBITDA estimate, within the traditional upstream MLP range of 7-10x.

## LINN Energy, LLC LINE-NASDAQ

<b>Rating:</b> Outperform				<b>Suitability:</b> Total Return			
Current Price (Jan-08-14)	\$32.73			Target Price	\$35.00		
52-Week Range	\$39.50 - \$20.35			BVPS (Sep-13)	\$17.18		
Market Cap. (mil.)	\$7,698			Dividend/Yield	\$2.90/8.9%		
Shares Out. (mil.)	235.2			Proved NAV/Unit	\$21.28		
Avg. Daily Vol. (10 day)	1,834,067			LT Debt (mil.)/% Cap.	\$6,513/58		

	Operating EPU	Q1 Mar	Q2 Jun	Q3 Sep	Q4 Dec	Full Year	P/E (Operating EPU)	Revenues (mil.)	Cash Flow/Share	Adj. EBITDA (mil.)
2012A		\$0.25	\$0.31	\$0.45	\$0.41	\$1.43	22.9x	\$2,052	\$3.26	\$1,403
Old 2013E		0.16A	0.25A	0.37A	0.27	1.05		2,368	2.80	1,517
<b>New 2013E</b>		<b>0.16A</b>	<b>0.25A</b>	<b>0.37A</b>	<b>0.28</b>	<b>1.06</b>	<b>30.9x</b>	<b>2,370</b>	<b>2.81</b>	<b>1,520</b>
Old 2014E		0.75	0.56	0.57	0.49	2.37		3,982	3.65	2,547
<b>New 2014E</b>		<b>0.67</b>	<b>0.62</b>	<b>0.63</b>	<b>0.58</b>	<b>2.50</b>	<b>13.1x</b>	<b>4,089</b>	<b>3.65</b>	<b>2,628</b>

Rows may not add due to rounding and equity issuance.

Our \$35 target price is based off an 8x multiple to our 2014 EBITDA estimate, within the traditional upstream MLP range of 7-10x.

**LinnCo, LLC** LNC0-NASDAQ**Rating:** Strong Buy**Suitability:** Total Return

Current Price (Jan-08-14)	\$32.12	Target Price	\$37.00
52-Week Range	\$44.20 - \$23.03	BVPS (Sep-13)	\$10.20
Market Cap. (mil.)	\$1,118	Dividend/Yield	\$2.90/9.0%
Shares Out. (mil.)	34.8	NAV	\$9.51
Avg. Daily Vol. (10 day)	2,151,265		

Operating EPU	Q1 Mar	Q2 Jun	Q3 Sep	Q4 Dec	Full Year	P/E (Operating EPU)	Revenues (mil.)	Adj. EBITDA (mil.)
2012A	\$0.25	\$0.31	\$0.45	\$0.41	\$1.43	22.5x	\$2,052	\$1,403
Old 2013E	0.16A	0.25A	0.37A	0.27	1.05		2,368	1,517
<b>New 2013E</b>	<b>0.16A</b>	<b>0.25A</b>	<b>0.37A</b>	<b>0.28</b>	<b>1.06</b>	<b>30.3x</b>	<b>2,370</b>	<b>1,520</b>
Old 2014E	0.75	0.56	0.57	0.49	2.37		3,982	2,547
<b>New 2014E</b>	<b>0.67</b>	<b>0.62</b>	<b>0.63</b>	<b>0.58</b>	<b>2.50</b>	<b>12.8x</b>	<b>4,089</b>	<b>2,628</b>

Rows may not add due to rounding and equity issuance.

Our \$37 target price is based off an ~8x multiple to our 2014 EBITDA estimate, within the traditional upstream MLP range of 7-10x.

**LRR Energy L.P.** LRE-NYSE**Rating:** Outperform**Suitability:** Total Return

Current Price (Jan-08-14)	\$17.27	Target Price	\$18.00
52-Week Range	\$19.20 - \$13.13	BVPS (Sep-13)	\$10.20
Market Cap. (mil.)	\$452	Dividend/Yield	\$1.94/11.2%
Shares Out. (mil.)	26.2	ROE %	5%
Avg. Daily Vol. (10 day)	85,626	LT Debt (mil.)/% Cap.	\$245/50
Fixed Coverage	NA		

Operating EPU	Q1 Mar	Q2 Jun	Q3 Sep	Q4 Dec	Full Year	P/E (Operating EPU)	Revenues (mil.)	Cash Flow/Share	Adj. EBITDA (mil.)
2012A	\$0.27	\$0.18	\$0.38	\$0.01	\$0.85	20.3x	\$112	\$1.85	\$68
Old 2013E	0.10A	0.30A	0.34A	0.32	1.08		122	1.82	78
<b>New 2013E</b>	<b>0.10A</b>	<b>0.30A</b>	<b>0.34A</b>	<b>0.30</b>	<b>1.06</b>	<b>16.3x</b>	<b>121</b>	<b>1.79</b>	<b>77</b>
Old 2014E	0.35	0.33	0.33	0.31	1.31		145	2.02	99
<b>New 2014E</b>	<b>0.33</b>	<b>0.32</b>	<b>0.33</b>	<b>0.31</b>	<b>1.29</b>	<b>13.4x</b>	<b>144</b>	<b>1.99</b>	<b>97</b>

Rows may not add due to rounding and equity issuance.

Our \$18 target price is based on a ~7x multiple to our 2014 EBITDA forecast, within the traditional upstream MLP range of 7-10x.

## Memorial Production Partners L.P. MEMP-NASDAQ

**Rating:** Strong Buy**Suitability:** Total Return

Current Price (Jan-08-14)	\$21.63	Target Price	\$24.00
52-Week Range	\$22.29 - \$17.61	BVPS (Sep-13)	\$7.02
Market Cap. (mil.)	\$952	Dividend/Yield	\$2.20/10.2%
Shares Out. (mil.)	44.0	NAV	\$17.84
Avg. Daily Vol. (10 day)	425,663	LT Debt (mil.)/% Cap.	\$493/53

Operating EPU	Q1 Mar	Q2 Jun	Q3 Sep	Q4 Dec	Full Year	P/E (Operating EPU)	Revenues (mil.)	Cash Flow/Share	Adj. EBITDA (mil.)
2012A	\$0.27	\$0.29	\$0.19	\$0.26	\$1.01	21.4x	\$122	\$2.60	\$80
Old 2013E	0.33A	0.36A	0.26A	0.55	1.54		278	2.01	181
<b>New 2013E</b>	<b>0.33A</b>	<b>0.36A</b>	<b>0.26A</b>	<b>0.52</b>	<b>1.50</b>	<b>14.4x</b>	<b>276</b>	<b>1.99</b>	<b>179</b>
Old 2014E	0.49	0.50	0.52	0.53	2.05		429	2.53	296
<b>New 2014E</b>	<b>0.50</b>	<b>0.50</b>	<b>0.51</b>	<b>0.52</b>	<b>2.02</b>	<b>10.7x</b>	<b>424</b>	<b>2.52</b>	<b>292</b>

Rows may not add due to rounding and equity issuance.

Our \$24 target price is based on a ~7.5x multiple to our 2014 EBITDA estimate, within the traditional upstream MLP range of 7-10x.

## Mid-Con Energy Partners L.P. MCEP-NASDAQ

**Rating:** Market Perform**Suitability:** Total Return

Current Price (Jan-08-14)	\$22.55	Target Price	NM
52-Week Range	\$27.05 - \$20.37	BVPS (Sep-13)	\$3.40
Market Cap. (mil.)	\$401	Dividend/Yield	\$2.06/9.1%
Shares Out. (mil.)	17.8	NAV	\$12.48
Avg. Daily Vol. (10 day)	61,801	LT Debt (mil.)/% Cap.	\$112/52

Operating EPU	Q1 Mar	Q2 Jun	Q3 Sep	Q4 Dec	Full Year	P/E (Operating EPU)	Revenues (mil.)	Cash Flow/Share	Adj. EBITDA (mil.)
2012A	\$0.36	\$0.44	\$0.35	\$0.46	\$1.61	14.0x	\$65	\$2.24	\$48
Old 2013E	0.31A	0.58A	0.51A	0.57	1.96		87	2.57	62
<b>New 2013E</b>	<b>0.31A</b>	<b>0.58A</b>	<b>0.51A</b>	<b>0.52</b>	<b>1.92</b>	<b>11.7x</b>	<b>86</b>	<b>2.53</b>	<b>61</b>
Old 2014E	0.37	0.52	0.57	0.55	2.02		98	2.65	68
<b>New 2014E</b>	<b>0.35</b>	<b>0.52</b>	<b>0.59</b>	<b>0.58</b>	<b>2.04</b>	<b>11.1x</b>	<b>97</b>	<b>2.65</b>	<b>68</b>

Rows may not add due to rounding and equity issuance.

Target price not meaningful.

## MV Oil Trust MVO-NYSE

**Rating:** Market Perform**Suitability:** Total Return

Current Price (Jan-08-14)	\$25.27	Target Price	NM
52-Week Range	\$32.60 - \$23.11	Dividend/Yield	\$3.32/13.1%
Market Cap. (mil.)	\$291	Proved NAV/Share	\$22.19
Shares Out. (mil.)	11.5	LT Debt (mil.)/% Cap.	NM/NM
Avg. Daily Vol. (10 day)	89,473		
YTM	5.8%		

	Cash Dist./Unit	Q1 Mar	Q2 Jun	Q3 Sep	Q4 Dec	Full Year	P/Cash Dist. per Unit Ratios	Net Proceeds to Trust (mil.)
2013A	\$0.87	\$0.69	\$0.98	\$0.83	\$3.38	7.5x	\$40	
Old 2014E	0.76	0.73	0.65	0.55	2.69		32	
<b>New 2014E</b>	<b>0.76</b>	<b>0.73</b>	<b>0.65</b>	<b>0.55</b>	<b>2.69</b>	<b>9.4x</b>	<b>32</b>	
Old 2015E	UR	UR	UR	UR	2.05		24	
<b>New 2015E</b>	<b>UR</b>	<b>UR</b>	<b>UR</b>	<b>UR</b>	<b>2.05</b>	<b>12.3x</b>	<b>24</b>	
Old 2016E	NA	NA	NA	NA	NA		NA	
<b>New 2016E</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NM</b>	<b>NA</b>	

Rows may not add due to rounding. Dividend represents future four quarter estimated distribution.

Target price not meaningful.

## QR Energy L.P. QRE-NYSE

**Rating:** Outperform**Suitability:** Total Return

Current Price (Jan-08-14)	\$17.22	Target Price	\$19.00
52-Week Range	\$18.69 - \$14.76	BVPS (Sep-13)	\$9.91
Market Cap. (mil.)	\$768	Dividend/Yield	\$1.95/11.3%
Shares Out. (mil.)	44.6	ROE %	5%
Avg. Daily Vol. (10 day)	286,464	LT Debt (mil.)/% Cap.	\$896/52
Fixed Coverage	NA		

	Operating EPU	Q1 Mar	Q2 Jun	Q3 Sep	Q4 Dec	Full Year	P/E (Operating EPU)	Revenues (mil.)	Cash Flow/Unit	Adj. EBITDA (mil.)
2012A	\$0.40	\$0.20	\$0.30	\$(0.24)	\$0.67	25.7x	\$340	\$2.42	\$222	
Old 2013E	0.27A	0.23A	0.29A	0.33	1.13		483	2.05	268	
<b>New 2013E</b>	<b>0.27A</b>	<b>0.23A</b>	<b>0.29A</b>	<b>0.33</b>	<b>1.12</b>	<b>15.4x</b>	<b>480</b>	<b>2.03</b>	<b>267</b>	
Old 2014E	0.31	0.32	0.30	0.29	1.22		553	2.26	314	
<b>New 2014E</b>	<b>0.32</b>	<b>0.34</b>	<b>0.33</b>	<b>0.33</b>	<b>1.32</b>	<b>13.0x</b>	<b>555</b>	<b>2.32</b>	<b>317</b>	

Rows may not add due to rounding and equity issuance. 2Q13 EPS revised for company restatement.

Our \$19 target price represents a ~7x multiple to our 2014 EBITDA estimate, within the traditional upstream MLP range of 7-10x.

## SandRidge Mississippian Trust I SDT-NYSE

<b>Rating:</b> Old: Underperform	New: Market Perform	<b>Suitability:</b> Old: Not Meaningful	New: Total Return
Current Price (Jan-08-14)	\$9.60	Target Price	NM
52-Week Range	\$19.85 - \$8.65		
Market Cap. (mil.)	\$269	Dividend/Yield	\$2.36/24.6%
Shares Out. (mil.)	28.0	NAV	\$9.27
Avg. Daily Vol. (10 day)	228,809		
YTM	7.0%		

	Cash Dist./Unit	Q1 Mar	Q2 Jun	Q3 Sep	Q4 Dec	Full Year	P/Cash Dist. per Unit Ratios	Net Proceeds to Trust (mil.)
2012A	\$0.79	\$0.73	\$0.68	\$0.65	\$2.85	3.4x	\$85	
Old 2013E	0.59A	0.61A	0.60A	0.57	2.37		63	
<b>New 2013E</b>	<b>0.59A</b>	<b>0.61A</b>	<b>0.60A</b>	<b>0.57</b>	<b>2.37</b>	<b>4.1x</b>	<b>63</b>	
Old 2014E	0.54	0.51	0.38	0.40	1.84		49	
<b>New 2014E</b>	<b>0.54</b>	<b>0.50</b>	<b>0.37</b>	<b>0.38</b>	<b>1.79</b>	<b>5.4x</b>	<b>48</b>	

Rows may not add due to rounding. Cash distribution per unit is the cash flow unitholders are entitled to through their ownership of the trust. Net proceeds to the trust is the amount of revenue the net wells have contributed to the trust before any operating expenses.

Our new **Market Perform** rating on shares of SandRidge Mississippian Trust I is based on the trust trading near our calculated NAV and with a yield in-line with the rest of the group.

## SandRidge Mississippian Trust II SDR-NYSE

<b>Rating:</b> Old: Underperform	New: Market Perform	<b>Suitability:</b> Old: Not Meaningful	New: Total Return
Current Price (Jan-08-14)	\$9.32	Target Price	NM
52-Week Range	\$18.95 - \$8.59		
Market Cap. (mil.)	\$463	Dividend/Yield	\$2.24/24.0%
Shares Out. (mil.)	49.7	NAV	\$9.67
Avg. Daily Vol. (10 day)	355,778		
YTM	8.5%		

	Cash Dist./Unit	Q1 Mar	Q2 Jun	Q3 Sep	Q4 Dec	Full Year	P/Cash Dist. per Unit Ratios	Net Proceeds to Trust (mil.)
2012A	\$0.27	\$0.50	\$0.60	\$0.53	\$1.90	4.9x	\$103	
Old 2013E	0.56A	0.68A	0.54A	0.57	2.35		124	
<b>New 2013E</b>	<b>0.56A</b>	<b>0.68A</b>	<b>0.54A</b>	<b>0.57</b>	<b>2.35</b>	<b>4.0x</b>	<b>124</b>	
Old 2014E	0.58	0.59	0.56	0.53	2.26		97	
<b>New 2014E</b>	<b>0.58</b>	<b>0.59</b>	<b>0.56</b>	<b>0.55</b>	<b>2.27</b>	<b>4.1x</b>	<b>97</b>	

Rows may not add due to rounding. Cash distribution per unit is the cash flow unitholders are entitled to through their ownership of the trust. Net proceeds to the trust is the amount of revenue the net wells have contributed to the trust before any operating expenses.

Our new **Market Perform** rating on shares of SandRidge Mississippian Trust II is based on the trust trading near our calculated NAV and with a yield in-line with the rest of the group.

## SandRidge Permian Trust PER-NYSE

<b>Rating:</b> Old: Market Perform New: Outperform	<b>Suitability:</b> Total Return		
Current Price (Jan-08-14)	\$12.45	Target Price	Old: NM New: \$14.00
52-Week Range	\$19.48 - \$11.57	Dividend/Yield	\$2.34/18.8%
Market Cap. (mil.)	\$654	NAV	\$14.47
Shares Out. (mil.)	52.5		
Avg. Daily Vol. (10 day)	459,999		
YTM	11.8%		

Cash Dist./Unit	Q1 Mar	Q2 Jun	Q3 Sep	Q4 Dec	Full Year	P/Cash Dist. per Unit Ratios	Net Proceeds to Trust (mil.)
2012A	\$0.58	\$0.57	\$0.63	\$0.60	\$2.38	5.2x	\$136
Old 2013E	0.51A	0.59A	0.65A	0.59	2.34		132
<b>New 2013E</b>	<b>0.51A</b>	<b>0.59A</b>	<b>0.65A</b>	<b>0.59</b>	<b>2.34</b>	<b>5.3x</b>	<b>132</b>
Old 2014E	0.61	0.63	0.66	0.66	2.55		141
<b>New 2014E</b>	<b>0.61</b>	<b>0.63</b>	<b>0.66</b>	<b>0.66</b>	<b>2.55</b>	<b>4.9x</b>	<b>142</b>

Rows may not add due to rounding. Cash distribution per unit is the cash flow unitholders are entitled to through their ownership of the trust. Net proceeds to the trust is the amount of revenue the net wells have contributed to the trust before any operating expenses.

Our new **Outperform** rating on shares of the SandRidge Permian Trust is based on the trust trading at a ~12% yield to maturity with ~20% upside to our calculated NAV. Our \$14 target price is based off our company NAV of \$14.47. Please

## Vanguard Natural Resources, LLC VNR-NASDAQ

<b>Rating:</b> Outperform	<b>Suitability:</b> Total Return		
Current Price (Jan-08-14)	\$29.52	Target Price	\$32.00
52-Week Range	\$29.93 - \$24.23	BVPS (Sep-13)	\$15.83
Market Cap. (mil.)	\$2,300	Dividend/Yield	\$2.49/8.4%
Shares Out. (mil.)	77.9	ROE %	-13%
Avg. Daily Vol. (10 day)	383,226	LT Debt (mil.)/% Cap.	\$958/61

Operating EPU	Q1 Mar	Q2 Jun	Q3 Sep	Q4 Dec	Full Year	P/E (Operating EPU)	Revenues (mil.)	Cash Flow/Share	Adj. EBITDA (mil.)
2012A	\$0.41	\$0.17	\$0.34	\$0.27	\$1.18	25.0x	\$311	\$2.59	\$231
Old 2013E	0.26A	0.27A	0.29A	0.29	1.13		455	2.52	317
<b>New 2013E</b>	<b>0.26A</b>	<b>0.27A</b>	<b>0.29A</b>	<b>0.31</b>	<b>1.15</b>	<b>25.7x</b>	<b>456</b>	<b>2.53</b>	<b>318</b>
Old 2014E	0.35	0.29	0.31	0.34	1.29		677	3.07	438
<b>New 2014E</b>	<b>0.37</b>	<b>0.31</b>	<b>0.34</b>	<b>0.37</b>	<b>1.39</b>	<b>21.2x</b>	<b>688</b>	<b>3.14</b>	<b>446</b>

Rows may not add due to rounding and equity issuance.

Our \$32 target price represents an ~8x multiple to our 2014 EBITDA estimate, within the traditional upstream MLP range of 7-10x.

## VOC Energy Trust VOC-NYSE

**Rating:** Market Perform**Suitability:** Total Return

Current Price (Jan-08-14)	\$14.88	Target Price	NM
52-Week Range	\$17.51 - \$11.69	Dividend/Yield	\$1.64/11.0%
Market Cap. (mil.)	\$253	ROE %	30%
Shares Out. (mil.)	17.0	LT Debt (mil.)/% Cap.	\$0/0
Avg. Daily Vol. (10 day)	52,137		
YTM	9.0%		
Fixed Coverage	NA		

	Cash Dist./Unit	Q1 Mar	Q2 Jun	Q3 Sep	Q4 Dec	Full Year	P/Cash Dist. per Unit Ratios	Net Proceeds to Trust (mil.)
2012A		\$0.69	\$0.60	\$0.46	\$0.26	\$2.01	7.4x	\$34
Old 2013E		0.48A	0.41A	0.53A	0.55	1.98		34
<b>New 2013E</b>		<b>0.48A</b>	<b>0.41A</b>	<b>0.53A</b>	<b>0.52</b>	<b>1.94</b>	<b>7.7x</b>	<b>33</b>
Old 2014E		0.50	0.29	0.39	0.45	1.64		28
<b>New 2014E</b>		<b>0.52</b>	<b>0.34</b>	<b>0.47</b>	<b>0.55</b>	<b>1.88</b>	<b>7.9x</b>	<b>32</b>

Rows may not add due to rounding.

Target price not meaningful.

## Whiting USA Trust I WHX-NYSE

**Rating:** Underperform**Suitability:** Not Meaningful

Current Price (Jan-08-14)	\$5.37	Target Price	NM
52-Week Range	\$9.57 - \$3.29	Dividend/Yield	\$1.80/33.5%
Market Cap. (mil.)	\$75	ROE %	NM
Shares Out. (mil.)	13.9	LT Debt (mil.)/% Cap.	NM/NM
Avg. Daily Vol. (10 day)	222,443		
YTM	-58.7%		

	Cash Dist./Unit	Q1 Mar	Q2 Jun	Q3 Sep	Q4 Dec	Full Year	P/Cash Dist. per Unit Ratios	Net Proceeds to Trust (mil.)
2012A		\$0.72	\$0.69	\$0.51	\$0.58	\$2.50	2.1x	\$36
Old 2013E		0.45A	0.53A	0.59A	0.64	2.22		32
<b>New 2013E</b>		<b>0.45A</b>	<b>0.53A</b>	<b>0.59A</b>	<b>0.56</b>	<b>2.14</b>	<b>2.5x</b>	<b>31</b>
Old 2014E		0.55	0.45	0.38	0.30	1.68		24
<b>New 2014E</b>		<b>0.58</b>	<b>0.51</b>	<b>0.45</b>	<b>0.39</b>	<b>1.93</b>	<b>2.8x</b>	<b>28</b>

Rows may not add due to rounding.

Target price not meaningful.



## Whiting USA Trust II WHZ-NYSE

Rating: Market Perform		Suitability: Total Return	
Current Price (Jan-08-14)	\$13.35	Target Price	NM
52-Week Range	\$17.63 - \$12.49	Dividend/Yield	\$2.96/22.2%
Market Cap. (mil.)	\$246	NAV	\$11.22
Shares Out. (mil.)	18.4		
Avg. Daily Vol. (10 day)	109,956		
YTM	8.3%		

	Cash Dist./Unit	Q1 Mar	Q2 Jun	Q3 Sep	Q4 Dec	Full Year	P/Cash Dist. per Unit Ratios	Net Proceeds to Trust (mil.)
2012A		\$0.95	\$0.89	\$0.76	\$0.65	\$3.26	4.1x	\$60
Old 2013E		0.63A	0.74A	0.89A	0.92	3.18		58
<b>New 2013E</b>		<b>0.63A</b>	<b>0.74A</b>	<b>0.89A</b>	<b>0.92</b>	<b>3.18</b>	<b>4.2x</b>	<b>58</b>
Old 2014E		0.77	0.63	0.51	0.42	2.33		43
<b>New 2014E</b>		<b>0.77</b>	<b>0.63</b>	<b>0.51</b>	<b>0.42</b>	<b>2.33</b>	<b>5.7x</b>	<b>43</b>

Rows may not add due to rounding.

Target price not meaningful.

## Midstream Suppliers

## Eagle Rock Energy Partners L.P. EROC-NASDAQ

Rating: Market Perform		Suitability: High Risk	
Current Price (Jan-08-14)	\$6.09	Target Price	NM
52-Week Range	\$10.52 - \$5.01	BVPS (Sep-13)	\$4.90
Market Cap. (mil.)	\$951	Dividend/Yield	\$0.60/9.9%
Shares Out. (mil.)	156.1	ROE	-19%
Avg. Daily Vol. (10 day)	1,713,059		
Proj. 3-Yr Cash Dist./Unit CAGR	-12.0%		

	EPU	Q1 Mar	Q2 Jun	Q3 Sep	Q4 Dec	Full Year	P/E Ratios	Cash Dist./Unit	Adj. EBITDA (mil.)	P/Cash Dist./Unit Ratios
2012A		\$(0.04)	\$0.63	\$(0.35)	\$(0.01)	\$0.22	27.7x	\$0.88	\$246	6.9x
Old 2013E		(0.22)A	0.11A	(0.19)A	(0.03)	(0.33)		0.74	236	
<b>New 2013E</b>		<b>(0.22)A</b>	<b>0.11A</b>	<b>(0.19)A</b>	<b>(0.04)</b>	<b>(0.34)</b>	<b>NM</b>	<b>0.74</b>	<b>234</b>	<b>8.2x</b>
Old 2014E		(0.02)	0.00	0.05	0.03	0.05		0.60	184	
<b>New 2014E</b>		<b>(0.01)</b>	<b>0.01</b>	<b>0.06</b>	<b>0.05</b>	<b>0.11</b>	<b>55.4x</b>	<b>0.60</b>	<b>192</b>	<b>10.2x</b>

Rows may not add due to rounding and changes in the unit base.

Target price not meaningful.

**SandRidge Permian Trust**

(\$ in thousands, except unit data)

Pricing & Production	2011	2012	Q113	Q213	Q313	Q413E	2013E	Q114E	Q214E	Q314E	Q414E	2014E
<b>Commodity Price Forecast</b>												
Gas - Henry Hub (\$ / MMBtu)	\$4.07	\$2.76	\$3.40	\$4.10	\$3.57	\$3.64	\$3.68	\$4.15	\$3.50	\$3.50	\$3.85	\$3.75
Oil - WTI (\$ / bbl)	\$92.91	\$96.99	\$91.00	\$94.00	\$105.82	\$97.56	\$97.10	\$98.00	\$94.00	\$88.00	\$80.00	\$90.00
<b>Company Realizations (Pre-hedge)</b>												
Gas - (\$ / Mcf)	\$2.13	\$2.22	\$2.85	\$3.08	\$3.08	\$3.09	\$3.03	\$3.53	\$2.98	\$2.98	\$3.27	\$3.19
Oil - WTI (\$ / bbl)	\$57.84	\$85.39	\$74.13	\$84.58	\$94.54	\$85.56	\$84.70	\$86.00	\$82.00	\$76.00	\$68.00	\$78.00
<b>Production</b>												
Gas (MMcf)	205	400	94	90	107	114	405	117	121	123	126	487
Oil & Liquids (Mbbbls)	796	1,492	325	357	386	374	1,442	385	396	401	407	1,590
<b>Total (MBoe)</b>	<b>830</b>	<b>1,559</b>	<b>341</b>	<b>372</b>	<b>404</b>	<b>393</b>	<b>1,509</b>	<b>405</b>	<b>416</b>	<b>422</b>	<b>428</b>	<b>1,671</b>
Gas (MMcf/d)	0.6	1.1	1.0	1.0	1.2	1.2	1.1	1.3	1.3	1.3	1.4	1.3
Oil & Liquids (Mbbbls/d)	2.2	4.1	3.6	3.9	4.2	4.1	4.0	4.3	4.4	4.4	4.4	4.4
<b>Total (MBoe/d)</b>	<b>2.3</b>	<b>4.3</b>	<b>3.8</b>	<b>4.1</b>	<b>4.4</b>	<b>4.3</b>	<b>4.1</b>	<b>4.5</b>	<b>4.6</b>	<b>4.6</b>	<b>4.7</b>	<b>4.6</b>
% Oil			95%	96%	96%	95%		95%	95%	95%	95%	
Sequential Change			-10.7%	8.0%	7.4%	-2.7%		5.3%	1.7%	0.2%	1.6%	
<b>Yr / Yr Change</b>		<b>87.8%</b>	<b>-5.7%</b>	<b>-3.7%</b>	<b>-4.2%</b>	<b>0.8%</b>	<b>-3.2%</b>	<b>18.8%</b>	<b>11.9%</b>	<b>4.4%</b>	<b>9.0%</b>	<b>10.7%</b>

Quarterly Distributable Cash Flow Forecast	2011	2012	Q113	Q213	Q313	Q413E	2013E	Q114E	Q214E	Q314E	Q414E	2014E
Oil and Gas Sales Revenue	\$ 69,960	\$ 127,901	\$ 24,384	\$ 30,433	\$ 36,833	\$ 32,342	\$ 123,992	\$ 33,547	\$ 32,841	\$ 30,854	\$ 28,108	\$ 125,350
Hedging Revenue	3,625	7,986	2,975	3,095	155	1,714	7,939	1,304	2,726	4,891	7,737	16,658
<b>Total Revenue</b>	<b>\$ 73,585</b>	<b>\$ 135,887</b>	<b>\$ 27,359</b>	<b>\$ 33,528</b>	<b>\$ 36,988</b>	<b>\$ 34,056</b>	<b>\$ 131,931</b>	<b>\$ 34,851</b>	<b>\$ 35,567</b>	<b>\$ 35,745</b>	<b>\$ 35,845</b>	<b>\$ 142,008</b>
<b>Expenses</b>												
Trust Expense	856	1,124	743	539	187	580	2,048	580	580	580	580	2,320
Production Tax	5,725	9,593	1,829	2,282	2,578	2,426	9,115	2,516	2,463	2,314	2,108	9,401
<b>Total Expenses</b>	<b>\$ 6,581</b>	<b>\$ 10,717</b>	<b>\$ 2,572</b>	<b>\$ 2,821</b>	<b>\$ 2,765</b>	<b>\$ 3,006</b>	<b>\$ 11,164</b>	<b>\$ 3,096</b>	<b>\$ 3,043</b>	<b>\$ 2,894</b>	<b>\$ 2,688</b>	<b>\$ 11,721</b>
<b>Cash Available for Distributions</b>	<b>\$ 67,004</b>	<b>\$ 125,170</b>	<b>\$ 24,787</b>	<b>\$ 30,707</b>	<b>\$ 34,223</b>	<b>\$ 31,050</b>	<b>\$ 120,767</b>	<b>\$ 31,755</b>	<b>\$ 32,524</b>	<b>\$ 32,851</b>	<b>\$ 33,157</b>	<b>\$ 130,287</b>
Units Outstanding	52,500	52,500	52,500	52,500	52,500	52,500	52,500	52,500	52,500	52,500	52,500	52,500
<b>Distributable Cash Flow Per Unit</b>	<b>\$ 1.28</b>	<b>\$ 2.38</b>	<b>\$ 0.47</b>	<b>\$ 0.58</b>	<b>\$ 0.65</b>	<b>\$ 0.59</b>	<b>\$ 2.30</b>	<b>\$ 0.60</b>	<b>\$ 0.62</b>	<b>\$ 0.63</b>	<b>\$ 0.63</b>	<b>\$ 2.48</b>

<b>Target Cash Distribution Per Unit</b>	<b>\$ 1.150</b>	<b>\$ 2.280</b>	<b>\$ 0.640</b>	<b>\$ 0.660</b>	<b>\$ 0.700</b>	<b>\$ 0.730</b>	<b>\$ 2.730</b>	<b>\$ 0.760</b>	<b>\$ 0.790</b>	<b>\$ 0.820</b>	<b>\$ 0.820</b>	<b>\$ 3.190</b>
Subordination Threshold Per Unit	\$ 0.920	\$ 1.824	\$ 0.512	\$ 0.528	\$ 0.560	\$ 0.584	\$ 2.184	\$ 0.608	\$ 0.632	\$ 0.656	\$ 0.656	\$ 2.552
Incentive Threshold Per Unit	\$ 1.380	\$ 2.736	\$ 0.768	\$ 0.792	\$ 0.840	\$ 0.876	\$ 3.276	\$ 0.912	\$ 0.948	\$ 0.984	\$ 0.984	\$ 3.828
<b>Cash Distribution Per Unit</b>	<b>\$ 1.28</b>	<b>\$ 2.38</b>	<b>\$ 0.51</b>	<b>\$ 0.59</b>	<b>\$ 0.65</b>	<b>\$ 0.59</b>	<b>\$ 2.34</b>	<b>\$ 0.61</b>	<b>\$ 0.63</b>	<b>\$ 0.66</b>	<b>\$ 0.66</b>	<b>\$ 2.55</b>

**SandRidge Permian Trust**

(\$ in thousands, except unit data)

Pricing & Production	2011	2012	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
<b>Commodity Price Forecast</b>																				
Gas - Henry Hub (\$ / MMBtu)	\$4.07	\$2.76	\$3.68	\$3.75	\$4.25	\$4.36	\$4.47	\$4.58	\$4.69	\$4.81	\$4.93	\$5.05	\$5.18	\$5.31	\$5.44	\$5.58	\$5.72	\$5.86	\$6.01	\$6.16
Oil - WTI (\$ / bbl)	\$92.91	\$96.99	\$97.10	\$90.00	\$75.00	\$90.00	\$92.25	\$94.56	\$96.92	\$99.34	\$101.83	\$104.37	\$106.98	\$109.66	\$112.40	\$115.21	\$118.09	\$121.04	\$124.07	\$125.00
<b>Company Realizations (Pre-hedge)</b>																				
Gas - (\$ / Mcf)	\$2.13	\$2.22	\$3.03	\$3.19	\$3.61	\$3.70	\$3.80	\$3.89	\$3.99	\$4.09	\$4.19	\$4.29	\$4.40	\$4.51	\$4.62	\$4.74	\$4.86	\$4.98	\$5.10	\$5.23
Oil - WTI (\$ / bbl)	\$57.84	\$85.39	\$84.70	\$78.00	\$63.00	\$78.00	\$80.25	\$82.56	\$84.92	\$87.34	\$89.83	\$92.37	\$94.98	\$97.66	\$100.40	\$103.21	\$106.09	\$109.04	\$112.07	\$113.00
<b>Production</b>																				
Gas (MMcf)	205	400	405	487	457	383	346	314	286	260	236	215	195	178	162	147	134	122	111	101
Oil & Liquids (Mbbbls)	796	1,492	1,442	1,590	1,487	1,250	1,129	1,026	933	849	774	705	639	585	533	486	443	404	368	336
<b>Total (MBoe)</b>	<b>830</b>	<b>1,559</b>	<b>1,509</b>	<b>1,671</b>	<b>1,564</b>	<b>1,314</b>	<b>1,187</b>	<b>1,078</b>	<b>981</b>	<b>893</b>	<b>813</b>	<b>740</b>	<b>671</b>	<b>614</b>	<b>560</b>	<b>510</b>	<b>465</b>	<b>424</b>	<b>387</b>	<b>353</b>
Gas (MMcf/d)	0.6	1.1	1.1	1.3	1.3	1.0	0.9	0.9	0.8	0.7	0.6	0.6	0.5	0.5	0.4	0.4	0.4	0.3	0.3	0.3
Oil & Liquids (Mbbbls/d)	2.2	4.1	4.0	4.4	4.1	3.4	3.1	2.8	2.6	2.3	2.1	1.9	1.8	1.6	1.5	1.3	1.2	1.1	1.0	0.9
<b>Total (MBoe/d)</b>	<b>2.3</b>	<b>4.3</b>	<b>4.1</b>	<b>4.6</b>	<b>4.3</b>	<b>3.6</b>	<b>3.3</b>	<b>3.0</b>	<b>2.7</b>	<b>2.4</b>	<b>2.2</b>	<b>2.0</b>	<b>1.8</b>	<b>1.7</b>	<b>1.5</b>	<b>1.4</b>	<b>1.3</b>	<b>1.2</b>	<b>1.1</b>	<b>1.0</b>
% Oil																				
Sequential Change																				
<b>Yr / Yr Change</b>		<b>87.8%</b>	<b>-3.2%</b>	<b>10.7%</b>	<b>-6.4%</b>	<b>-16.0%</b>	<b>-9.7%</b>	<b>-9.2%</b>	<b>-9.0%</b>	<b>-9.0%</b>	<b>-8.9%</b>	<b>-8.9%</b>	<b>-8.9%</b>	<b>-8.5%</b>	<b>-8.9%</b>	<b>-8.8%</b>	<b>-8.8%</b>	<b>-8.8%</b>	<b>-8.8%</b>	<b>-8.9%</b>

Quarterly Distributable Cash Flow Forecast	2011	2012	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Oil and Gas Sales Revenue	\$ 69,960	\$ 127,901	\$ 123,992	\$ 125,350	\$ 96,356	\$ 98,932	\$ 91,927	\$ 85,895	\$ 80,365	\$ 75,244	\$ 70,479	\$ 66,007	\$ 61,537	\$ 57,916	\$ 54,258	\$ 50,843	\$ 47,646	\$ 44,640	\$ 41,839	\$ 38,464
Hedging Revenue	3,625	7,986	7,939	16,658	31,882	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue</b>	<b>\$ 73,585</b>	<b>\$ 135,887</b>	<b>\$ 131,931</b>	<b>\$ 142,008</b>	<b>\$ 127,238</b>	<b>\$ 98,932</b>	<b>\$ 91,927</b>	<b>\$ 85,895</b>	<b>\$ 80,365</b>	<b>\$ 75,244</b>	<b>\$ 70,479</b>	<b>\$ 66,007</b>	<b>\$ 61,537</b>	<b>\$ 57,916</b>	<b>\$ 54,258</b>	<b>\$ 50,843</b>	<b>\$ 47,646</b>	<b>\$ 44,640</b>	<b>\$ 41,839</b>	<b>\$ 38,464</b>
<b>Expenses</b>																				
Trust Expense	856	1,124	2,048	2,320	2,320	2,320	2,342	2,400	2,460	2,522	2,585	2,649	2,716	2,783	2,853	2,924	2,997	3,072	3,149	3,228
Production Tax	5,725	9,593	9,115	9,401	7,152	7,420	6,895	6,442	6,027	5,643	5,286	4,951	4,615	4,344	4,069	3,813	3,573	3,348	3,138	2,885
<b>Total Expenses</b>	<b>\$ 6,581</b>	<b>\$ 10,717</b>	<b>\$ 11,164</b>	<b>\$ 11,721</b>	<b>\$ 9,472</b>	<b>\$ 9,740</b>	<b>\$ 9,236</b>	<b>\$ 8,842</b>	<b>\$ 8,488</b>	<b>\$ 8,165</b>	<b>\$ 7,871</b>	<b>\$ 7,600</b>	<b>\$ 7,331</b>	<b>\$ 7,127</b>	<b>\$ 6,922</b>	<b>\$ 6,738</b>	<b>\$ 6,571</b>	<b>\$ 6,420</b>	<b>\$ 6,287</b>	<b>\$ 6,113</b>
<b>Cash Available for Distributions</b>	<b>\$ 67,004</b>	<b>\$ 125,170</b>	<b>\$ 120,767</b>	<b>\$ 130,287</b>	<b>\$ 117,766</b>	<b>\$ 89,192</b>	<b>\$ 82,691</b>	<b>\$ 77,053</b>	<b>\$ 71,877</b>	<b>\$ 67,079</b>	<b>\$ 62,608</b>	<b>\$ 58,407</b>	<b>\$ 54,206</b>	<b>\$ 50,789</b>	<b>\$ 47,336</b>	<b>\$ 44,105</b>	<b>\$ 41,075</b>	<b>\$ 38,220</b>	<b>\$ 35,552</b>	<b>\$ 32,251</b>
Units Outstanding	52,500	52,500	52,500	52,500	52,500	52,500	52,500	52,500	52,500	52,500	52,500	52,500	52,500	52,500	52,500	52,500	52,500	52,500	52,500	52,500
<b>Distributable Cash Flow Per Unit</b>	<b>\$ 1.28</b>	<b>\$ 2.38</b>	<b>\$ 2.30</b>	<b>\$ 2.48</b>	<b>\$ 2.24</b>	<b>\$ 1.70</b>	<b>\$ 1.58</b>	<b>\$ 1.47</b>	<b>\$ 1.37</b>	<b>\$ 1.28</b>	<b>\$ 1.19</b>	<b>\$ 1.11</b>	<b>\$ 1.03</b>	<b>\$ 0.97</b>	<b>\$ 0.90</b>	<b>\$ 0.84</b>	<b>\$ 0.78</b>	<b>\$ 0.73</b>	<b>\$ 0.68</b>	<b>\$ 0.62</b>
<b>Target Cash Distribution Per Unit</b>	<b>\$ 1.150</b>	<b>\$ 2.280</b>	<b>\$ 2.730</b>	<b>\$ 3.190</b>	<b>\$ 2.950</b>	<b>\$ 2.590</b>	<b>\$ 2.380</b>	<b>\$ 2.220</b>	<b>\$ 2.070</b>	<b>\$ 1.930</b>	<b>\$ 1.740</b>	<b>\$ 1.580</b>	<b>\$ 1.450</b>	<b>\$ 1.310</b>	<b>\$ 1.190</b>	<b>\$ 1.080</b>	<b>\$ 0.980</b>	<b>\$ 0.900</b>	<b>\$ 0.810</b>	<b>\$ 0.740</b>
Subordination Threshold Per Unit	\$ 0.920	\$ 1.824	\$ 2.184	\$ 2.552	\$ 2.360	\$ 2.072	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Incentive Threshold Per Unit	\$ 1.380	\$ 2.736	\$ 3.276	\$ 3.828	\$ 3.540	\$ 3.108	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Cash Distribution Per Unit</b>	<b>\$ 1.28</b>	<b>\$ 2.38</b>	<b>\$ 2.34</b>	<b>\$ 2.55</b>	<b>\$ 2.36</b>	<b>\$ 1.88</b>	<b>\$ 1.58</b>	<b>\$ 1.47</b>	<b>\$ 1.37</b>	<b>\$ 1.28</b>	<b>\$ 1.19</b>	<b>\$ 1.11</b>	<b>\$ 1.03</b>	<b>\$ 0.97</b>	<b>\$ 0.90</b>	<b>\$ 0.84</b>	<b>\$ 0.78</b>	<b>\$ 0.73</b>	<b>\$ 0.68</b>	<b>\$ 0.62</b>

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**Strong Buy (SB1)** Expected to appreciate, produce a total return of at least 15%, and outperform the S&P 500 over the next six to 12 months. For higher yielding and more conservative equities, such as REITs and certain MLPs, a total return of at least 15% is expected to be realized over the next 12 months.

**Outperform (MO2)** Expected to appreciate and outperform the S&P 500 over the next 12-18 months. For higher yielding and more conservative equities, such as REITs and certain MLPs, an Outperform rating is used for securities where we are comfortable with the relative safety of the dividend and expect a total return modestly exceeding the dividend yield over the next 12-18 months.

**Market Perform (MP3)** Expected to perform generally in line with the S&P 500 over the next 12 months.

**Underperform (MU4)** Expected to underperform the S&P 500 or its sector over the next six to 12 months and should be sold.

**Suspended (S)** The rating and price target have been suspended temporarily. This action may be due to market events that made coverage impracticable, or to comply with applicable regulations or firm policies in certain circumstances, including when Raymond James may be providing investment banking services to the company. The previous rating and price target are no longer in effect for this security and should not be relied upon.

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**Outperform (MO2)** The stock is expected to appreciate and outperform the S&P/TSX Composite Index over the next twelve months.

**Market Perform (MP3)** The stock is expected to perform generally in line with the S&P/TSX Composite Index over the next twelve months and is potentially a source of funds for more highly rated securities.

**Underperform (MU4)** The stock is expected to underperform the S&P/TSX Composite Index or its sector over the next six to twelve months and should be sold.

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**Market Perform (MP3)** Expected to perform in line with the underlying country index.

**Underperform (MU4)** Expected to underperform the underlying country index.

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**Market Perform (3)** Expected to perform generally in line with the Stoxx 600 over the next 12 months.

**Underperform (4)** Expected to underperform the Stoxx 600 or its sector over the next 6 to 12 months.

**Suspended (S)** The rating and target price have been suspended temporarily. This action may be due to market events that made coverage impracticable, or to comply with applicable regulations or firm policies in certain circumstances, including when Raymond James may be providing investment banking services to the company. The previous rating and target price are no longer in effect for this security and should not be relied upon.

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	Coverage Universe Rating Distribution				Investment Banking Distribution			
	RJA	RJL	RJ LatAm	RJEE	RJA	RJL	RJ LatAm	RJEE
<b>Strong Buy and Outperform (Buy)</b>	51%	63%	50%	43%	23%	38%	0%	0%
<b>Market Perform (Hold)</b>	43%	35%	50%	37%	9%	21%	0%	0%
<b>Underperform (Sell)</b>	6%	1%	0%	20%	2%	33%	0%	0%

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LINN Energy, LLC	<p>Raymond James &amp; Associates makes a market in shares of LINE.</p>
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LRR Energy L.P.	<p>Limited Partnerships may generate Unrelated Business Taxable Income (UBTI), which can create a tax liability that must be paid from a retirement account. You should receive a Schedule K-1 from the partnership annually that would include UBTI and other financial information. Please consult with your tax advisor to determine whether you must file and pay tax from your account.</p> <p>Raymond James &amp; Associates lead-managed a follow-on offering of LRE shares within the past 12 months.</p> <p>Raymond James &amp; Associates makes a market in shares of LRE.</p> <p>Raymond James &amp; Associates received non-investment banking securities-related compensation from LRE within the past 12 months.</p>

Company Name	Disclosure
Memorial Production Partners L.P.	Limited Partnerships may generate Unrelated Business Taxable Income (UBTI), which can create a tax liability that must be paid from a retirement account. You should receive a Schedule K-1 from the partnership annually that would include UBTI and other financial information. Please consult with your tax advisor to determine whether you must file and pay tax from your account.  Raymond James & Associates lead-managed a follow-on offering of MEMP shares within the past 12 months.  Raymond James & Associates makes a market in shares of MEMP.  Raymond James & Associates received non-investment banking securities-related compensation from MEMP within the past 12 months.
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QR Energy L.P.	Limited Partnerships may generate Unrelated Business Taxable Income (UBTI), which can create a tax liability that must be paid from a retirement account. You should receive a Schedule K-1 from the partnership annually that would include UBTI and other financial information. Please consult with your tax advisor to determine whether you must file and pay tax from your account.
SandRidge Mississippian Trust II	Raymond James & Associates makes a market in shares of SDR.
Vanguard Natural Resources, LLC	Raymond James & Associates co-managed a follow-on offering of VNR shares within the past 12 months.  Raymond James & Associates lead-managed a follow-on offering of VNR shares within the past 12 months.  Raymond James & Associates makes a market in shares of VNR.

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#### Oil and Gas Price Volatility

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