

Green on the Screen

Summary and Recommendation

Seasonally higher royalty trust distributions for the next three months might put some green on the screen if stock prices react to higher payouts. Otherwise taking the longer term view, U.S. natural gas royalty trusts may be tracking roughly the average futures price for oil for the next six years. Five of the stocks have been delivering attractive income for more than 20 years. The newer two, **Cross Timbers Royalty Trust (CRT)** and **Hugoton Royalty Trust (HGT)**, are concentrated in some of the same large, long-life natural gas fields. Meanwhile, the distribution yield currently projected at 8.7% for 2005 for seven income stocks explains much of the royalty trust appeal.

Kurt H. Wulff, CFA

U.S. Natural Gas and Oil Royalty Trusts

The Account

		<i>Price</i>			<i>Next</i>	<i>NTM</i>
	<i>Symbol</i>	<i>(\$/un)</i>	<i>Units</i>	<i>Market</i>	<i>Twelve</i>	<i>Distrib.</i>
		<i>13-Jan</i>		<i>Value</i>	<i>Months</i>	<i>Yield</i>
		<i>2005</i>		<i>(\$)</i>	<i>Distrib.</i>	<i>(%/yr)</i>
					<i>(\$/un)</i>	
Cross Timbers Royalty Trust	CRT	38.60	400	15,440	3.02	7.8
Dorchester Minerals, L.P.	DMLP	23.51	700	16,456	1.99	8.4
Hugoton Royalty Trust	HGT	25.51	500	12,755	2.51	9.9
Mesa RoyaltyTrust	MTR	67.95	200	13,590	5.45	8.0
Permian Basin Royalty Trust	PBT	13.64	1,200	16,368	1.16	8.5
Sabine Royalty Trust	SBR	37.62	400	15,048	3.40	9.0
San Juan Basin Royalty Trust	SJT	29.08	500	14,540	2.84	9.8
	<i>Total</i>			<i>104,197</i>		<i>8.7</i>
Futures Strip						
12 Month - Oil (\$/bbl)		46.31				
12 Month - Natural Gas (\$/mmbtu)		6.59				
72 Month - Oil (\$/bbl)		40.90				
72 Month - Natural Gas (\$/mmbtu)		5.85				

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