

## A Boost from Burlington

### Summary and Recommendation

**Burlington Resources (BR)** may accelerate drilling in the San Juan Basin to the benefit not only of BR, but also the **San Juan Basin Royalty Trust (SJT)**. We also detect a new willingness of BR to disclose more helpful information about the future prospects for the three royalty trusts for which it is the working interest owner, SJT, **Permian Basin Royalty Trust (PBT)** and LL&E Royalty Trust. Since BR announced its intended sale of the 59% of PBT units it owns, we think BR has a more direct interest in an efficient stock market with better information disclosure. BR Senior Vice President in charge of North American Production, Mark Ellis, spoke with investors at the Independent Petroleum Association of America (IPAA) conference in New York on April 20. Meanwhile, seven U.S. natural gas income stocks are expected to distribute cash over the next twelve months of 9.3% of stock price (see table The Account). Trailing distributions have been advancing most rapidly over the past year for SJT and PBT (see chart Latest Twelve Months Distributions).

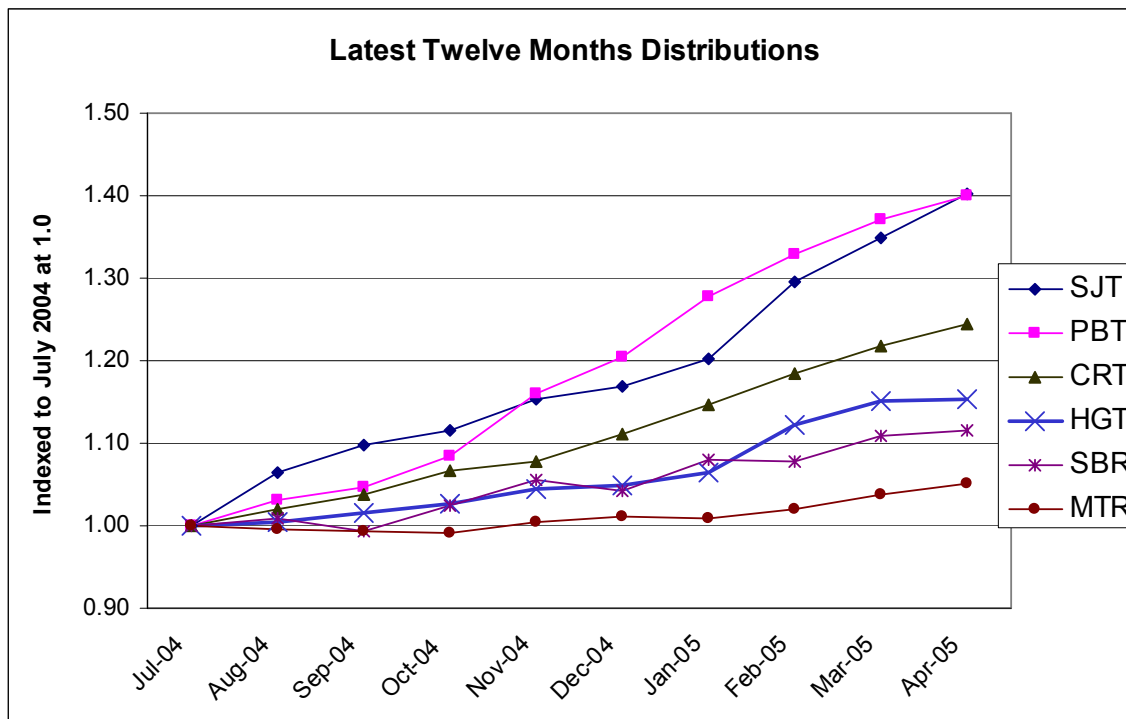
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### U.S. Natural Gas and Oil Royalty Trusts

#### The Account

	<i>Symbol</i>	<i>Price (\$/un) 21-Apr 2005</i>	<i>Units</i>	<i>Market Value (\$)</i>	<i>Next Twelve Months Distrib. (\$/un)</i>	<i>NTM Distrib. Yield (%/yr)</i>
Cross Timbers Royalty Trust	CRT	38.03	400	15,212	3.13	8.2
Mesa RoyaltyTrust	MTR	66.60	200	13,320	5.63	8.5
Sabine Royalty Trust	SBR	39.75	400	15,900	3.44	8.7
San Juan Basin Royalty Trust	SJT	37.30	500	18,650	3.29	8.8
Hugoton Royalty Trust	HGT	26.61	500	13,305	2.71	10.2
Dorchester Minerals, L.P.	DMLP	22.55	700	15,785	2.30	10.2
Permian Basin Royalty Trust	PBT	12.25	1,200	14,700	1.32	10.8
	<i>Total</i>			<i>106,872</i>		<i>9.3</i>
Futures Strip						
12 Month - Oil (\$/bbl)		55.49				
12 Month - Natural Gas (\$/mmbtu)		7.66				
72 Month - Oil (\$/bbl)		51.17				
72 Month - Natural Gas (\$/mmbtu)		6.74				

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**U.S. Natural Gas and Oil Royalty Trusts  
Rank by McDep Ratio: Market Cap and Debt to Present Value**

	<i>Symbol</i>	<i>Price (\$/sh) 21-Apr 2005</i>	<i>Shares (mm)</i>	<i>Market Cap (\$mm)</i>	<i>Net Present Value (\$/sh)</i>	<i>EV/ Ebitda NTM</i>	<i>McDep Ratio</i>
Sabine Royalty Trust	SBR	39.75	14.6	580	33.00	11.6	1.21
San Juan Basin Royalty Trust	SJT	37.30	46.6	1,740	32.00	10.2	1.17
Mesa RoyaltyTrust	MTR	66.60	1.9	120	60.00	10.3	1.11
Dorchester Minerals, L.P.	DMLP	22.55	27.0	610	21.00	9.4	1.07
Cross Timbers Royalty Trust	CRT	38.03	6.0	230	36.00	12.0	1.06
Permian Basin RT (41%)	PBT	12.25	19.1	230	12.00	8.5	1.02
Hugoton RoyaltyTrust (46%)	HGT	26.61	18.4	490	27.00	8.1	0.99
<i>Total or Median</i>				<i>4,000</i>	<i>10.2</i>	<i>1.07</i>	

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### U.S. Natural Gas and Oil Royalty Trusts

#### Rank by PV/Ebitda: Present Value to Earnings Before Interest, Tax, Deprec.

	<i>Symbol</i>	<i>Total Present Value (\$mm)</i>	<i>Unit Present Value (\$/mcf)</i>	<i>Reserves (bcf)</i>	<i>Natural Gas/Ebitda (%)</i>	<i>Adjusted Reserves/Production NTM</i>	<i>Revenue Royalty (%)</i>	<i>PV/Ebitda</i>
<b>U.S. Royalty Trusts</b>								
Cross Timbers Royalty Trust	CRT	216	3.30	65	72	20.0	85	11.3
Sabine Royalty Trust	SBR	481	3.90	123	58	11.9	100	9.6
Mesa RoyaltyTrust	MTR	112	2.42	46	76	20.0	-	9.3
San Juan Basin Royalty Trust	SJT	1,491	2.87	519	99	12.1	-	8.8
Dorchester Minerals, L.P.	DMLP	568	3.56	160	79	13.0	54	8.8
Permian Basin RT (41%)	PBT	229	2.30	100	39	16.4	30	8.4
Hugoton RoyaltyTrust (46%)	HGT	497	2.90	171	92	13.7	-	8.2
<i>Total or Median</i>		3,594		1,185	76	13.7		8.8

#### Index of Recent U.S. Royalty Trust Research

##### Single Trust Analyses

<u>Date</u>	<u>Symbol</u>	<u>Stock</u>	<u>Theme</u>
24-Mar	MTR	Mesa Royalty Trust	Long Reserve Life Reported
11-Feb	* HGT	Hugoton Royalty Trust	Improving Volume Trend
3-Feb	* SJT	San Juan Basin Royalty Trust	Real Value with Income
22-Nov	* MTR	Mesa Royalty Trust	Hugoton Predictability, San Juan Surprise
12-Nov	* CRT	Cross Timbers Royalty Trust	Low Risk, Long Life

##### U.S. Natural Gas Royalty Trusts - A Weekly Analysis

21-Apr		A Boost from Burlington
15-Apr		Oil Price Moderation
8-Apr	*	Reserves Comparability
1-Apr	*	New High for Natural Gas
25-Mar	*	Continuing Uptrend
18-Mar	*	Value Implications
11-Mar	*	More Real Value

\* Archived on [www.mcdep.com](http://www.mcdep.com)

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