

## Natural Gas Royalty Trusts

A Weekly Analysis

February 25, 2002

### The Game Seems Changed

Investors in natural gas royalty trusts appear to be taking a longer-term view rather than panicking on warm weather or temporarily lower distributions. Of course that is what we are trying to encourage with weekly calculations of present value tied to futures prices, interest rates, inflation rates and operating progress. Thanks to a strong futures market last week, present value jumped 5%, 8%, and 7% for CRT, HGT and SJT respectively. Next Twelve Months distribution leapt 3%, 15%, and 7% for CRT, HGT and SJT respectively.

#### Rank by McDep Ratio: Market Cap and Debt to Present Value

	<i>Symbol/ Rating</i>	<i>Price (\$/sh) 22-Feb 2002</i>	<i>Shares (mm)</i>	<i>Market Cap (\$mm)</i>	<i>Net Present Value (\$/sh)</i>	<i>Debt/ Present Value</i>	<i>McDep Ratio</i>	
Cross Timbers Royalty Trust	CRT	17.74	6.0	106	18.40	-	0.96	
Hugoton RoyaltyTrust	HGT	10.46	40.0	420	14.70	-	0.71	
San Juan Basin Royalty Trust	SJT	2	10.25	46.6	480	14.70	-	0.70

Buy/Sell rating after symbol: 1 - Strong Buy, 2 - Buy, 3 - Neutral

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

#### Rank by EV/Ebitda: Enterprise Value to Earnings Before Interest, Tax, Deprec.

	<i>Symbol/ Rating</i>	<i>Price (\$/sh) 22-Feb 2002</i>	<i>EV/ Sales NTM</i>	<i>EV/ Ebitda NTM</i>	<i>Dividend or Distribution P/E NTM</i>	<i>PV/ NTM</i>	<i>Ebitda NTM</i>	
Cross Timbers Royalty Trust	CRT	17.74	7.0	12.6	14	7.3	13.1	
San Juan Basin Royalty Trust	SJT	2	10.25	6.3	8.3	11	8.9	11.9
Hugoton RoyaltyTrust	HGT	10.46	5.1	8.1	13	7.9	11.4	

EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended March 31, 2003; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses

Kurt H. Wulff, CFA

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**Table CRT-1**  
**Cross Timbers Royalty Trust**  
**Present Value**

Volume Decline (%/yr):	10	Price Escalation post 2007 (%/yr):	2.4
Volume Enhancement (%/yr):	10	Discount Rate (%/yr):	6.2
		U.S. TIPS Inflation (%/yr):	1.6
		U.S. 10 Year Yield (%/yr):	4.8

PV/Volume (\$/mcf):	2.17	PV/EBITDA 2002:	13.9
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Year	Natural Gas Volume			Price (\$/mcf)	Revenue (\$mm)	Oil Net (\$mm)	Distribution (\$mm)	Tax Credit (\$/unit)	Disc Factor	Present Value (\$/unit)	
	Basic (bcf)	Enhanced (bcf)	Total (bcf)								
Total 2002 through 2031											
	27	24	51	3.89	198	3	200	33.40	0.11	0.55	18.40
2002	2.8	0.0	2.8	2.50	7.1	0.3	7.4	1.23	0.11	0.97	1.30
2003	2.6	0.3	2.8	3.00	8.5	0.6	9.1	1.51		0.91	1.38
2004	2.3	0.5	2.8	3.20	9.1	0.5	9.6	1.60		0.86	1.37
2005	2.1	0.8	2.8	3.31	9.4	0.4	9.8	1.63		0.81	1.32
2006	1.9	1.0	2.8	3.38	9.6	0.3	9.9	1.65		0.76	1.26
2007	1.7	1.2	2.8	3.47	9.8	0.2	10.1	1.68		0.72	1.20
2008	1.5	1.3	2.8	3.55	10.1	0.2	10.3	1.71		0.68	1.15
2009	1.4	1.5	2.8	3.63	10.3	0.1	10.5	1.74		0.64	1.11
2010	1.2	1.6	2.8	3.72	10.6	0.1	10.7	1.78		0.60	1.06
2011	1.1	1.7	2.8	3.81	10.8		10.8	1.80		0.56	1.02
2012	1.0	1.6	2.6	3.90	10.0		10.0	1.66		0.53	0.88
2013	0.9	1.4	2.3	4.00	9.2		9.2	1.53		0.50	0.76
2014	0.8	1.3	2.1	4.09	8.5		8.5	1.41		0.47	0.66
2015	0.7	1.1	1.9	4.19	7.8		7.8	1.30		0.44	0.58
2016	0.6	1.0	1.7	4.29	7.2		7.2	1.20		0.42	0.50
2017	0.6	0.9	1.5	4.39	6.6		6.6	1.11		0.39	0.43
2018	0.5	0.8	1.4	4.50	6.1		6.1	1.02		0.37	0.38
2019	0.5	0.7	1.2	4.61	5.6		5.6	0.94		0.35	0.33
2020	0.4	0.7	1.1	4.72	5.2		5.2	0.87		0.33	0.28
2021	0.4	0.6	1.0	4.83	4.8		4.8	0.80		0.31	0.25
2022	0.3	0.5	0.9	4.95	4.4		4.4	0.73		0.29	0.21
2023	0.3	0.5	0.8	5.07	4.1		4.1	0.68		0.27	0.18
2024	0.3	0.4	0.7	5.19	3.7		3.7	0.62		0.26	0.16
2025	0.3	0.4	0.6	5.31	3.5		3.5	0.58		0.24	0.14
2026	0.2	0.4	0.6	5.44	3.2		3.2	0.53		0.23	0.12
2027	0.2	0.3	0.5	5.57	2.9		2.9	0.49		0.21	0.10
2028	0.2	0.3	0.5	5.70	2.7		2.7	0.45		0.20	0.09
2029	0.2	0.3	0.4	5.84	2.5		2.5	0.42		0.19	0.08
2030	0.1	0.2	0.4	5.98	2.3		2.3	0.38		0.18	0.07
2031	0.1	0.2	0.3	6.12	2.1		2.1	0.35		0.17	0.06

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**Table CRT-2**  
**Cross Timbers Royalty Trust**  
**Distributable Income**

	Q1	Q2	Q3	Q4E	Year	Q1E	Q2E	Q3E	Q4E	Year	Q1E	Next Twelve Months
	3/31/01	6/30/01	9/30/01	12/31/01	2001E	3/31/02	6/30/02	9/30/02	12/31/02	2002E	3/31/03	3/31/03
<b>Highlights</b>												
Tax credit (\$mm)												
Per unit	0.02	0.03	0.03	0.03	0.11	0.03	0.03	0.03	0.03	0.11		0.08
Distributable Income (\$mm)	4.05	4.18	3.40	2.58	14.21	1.73	1.73	1.90	2.00	7.36	2.17	7.80
Per unit	0.67	0.70	0.57	0.43	2.37	0.29	0.29	0.32	0.33	1.23	0.36	1.30
Units (millions)	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
<b>Volume</b>												
Natural Gas (bcf)	0.66	0.71	0.79	0.80	2.95	0.80	0.78	0.79	0.80	3.16	0.80	3.16
Natural Gas (mmcf)	7.2	7.8	8.6	8.6	8.1	8.6	8.6	8.6	8.6	8.6	8.6	8.6
Days	92	90	91	92	365	92	90	91	92	365	92	365
Oil (mb)	83	79	90	90	342	90	87	90	90	356	90	356
Oil (mbd)	0.90	0.89	0.98	0.98	0.94	0.98	0.98	0.98	0.98	0.98	0.98	0.98
Days	92	89	92	92	365	92	89	92	92	365	92	365
Total (bcf)	1.16	1.18	1.33	1.33	5.00	1.33	1.30	1.33	1.33	5.29	1.33	5.29
<b>Price</b>												
Natural Gas (HH lagged three months)												
Henry Hub (\$/mmbtu)	6.52	6.31	4.36	2.75	4.98	2.41	2.33	2.55	2.69	2.49	2.98	2.64
Differential (\$/mmbtu)	0.41	(0.48)	(0.41)	-	(0.03)	-	-	-	-	(0.00)	-	(0.00)
CRT (\$/mcf)	6.11	6.79	4.77	2.75	5.01	2.41	2.33	2.55	2.69	2.50	2.98	2.64
Oil (\$/bbl) (WTI lagged two months)												
WTI Cushing	30.84	28.09	27.56	25.28	27.94	19.56	20.95	21.23	21.15	20.72	21.08	21.10
CRT	28.73	24.92	24.07	23.28	25.19	17.56	18.95	19.23	19.15	18.72	19.08	19.10
Total (\$/mcf)	5.54	5.73	4.46	3.20	4.68	2.62	2.66	2.81	2.89	2.75	3.06	2.86
<b>Revenue (\$mm)</b>												
Natural Gas	4.05	4.79	3.75	2.19	14.78	1.92	1.82	2.00	2.14	7.87	2.37	8.33
Oil	2.38	1.98	2.16	2.09	8.61	1.58	1.65	1.73	1.72	6.67	1.71	6.80
Total	6.43	6.77	5.91	4.28	23.39	3.49	3.46	3.73	3.86	14.54	4.09	15.14
<b>Cost (\$mm)</b>												
Tax, transport & other												
Production	0.84	0.89	0.87	0.64	3.25	0.52	0.52	0.56	0.58	2.18	0.61	2.27
Total	1.55	1.63	1.60	1.40	6.19	1.29	1.26	1.32	1.34	5.21	1.38	5.30
<b>Cash flow (\$mm)</b>												
Development	4.88	5.14	4.31	2.87	17.20	2.21	2.20	2.41	2.52	9.33	2.71	9.84
Net proceeds (\$mm)	0.16	0.41	0.40	0.40	1.37	0.20	0.20	0.20	0.20	0.80	0.20	0.80
Royalty income (\$mm)	4.72	4.73	3.91	2.47	15.83	2.01	2.00	2.21	2.32	8.53	2.51	9.04
Royalty/Net proceeds	4.11	4.22	3.45	2.17	13.95	1.77	1.77	1.94	2.04	7.52	2.21	7.96
Administration	0.06	0.04	0.05	(0.41)	(0.26)	0.04	0.04	0.04	0.04	0.16	0.04	0.16
Distributable income (\$mm)	4.05	4.18	3.40	2.58	14.21	1.73	1.73	1.90	2.00	7.36	2.17	7.80
<b>Modeling ratios</b>												
Tax and other/revenue	0.13	0.13	0.15	0.15	0.14	0.15	0.15	0.15	0.15	0.15	0.15	0.15
Production exp (\$/bbl)	8.58	9.29	8.12	8.50	8.60	8.50	8.50	8.50	8.50	8.50	8.50	8.50

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**Table HGT-1**  
**Hugoton Royalty Trust**  
**Present Value**

Volume Decline (%/yr):	10	Price Escalation Post 2006 (%/yr):	2.4
Volume Enhancement (%/yr):	10	Discount rate (%/yr):	6.2
Capex/Cash Flow (%):	30	U.S. TIPS Inflation (%/yr):	1.6
Variable Cost (%):	17	U.S. 10 Year Yield (%/yr):	4.8
PV/Volume (\$/mcf):	1.04	PV/EBITDA 2002:	12.8

Year	Basic (bcf)	Volume Enhanced (bcf)	Total (bcf)	Price (\$/mcf)	Revenue (\$mm)	Fixed Cost (\$mm)	Var Cost (\$mm)	Cap Ex (\$mm)	Distribution (\$mm)	(\$/unit)	Tax Credit (\$/unit)	Disc Factor	Present Value (\$/unit)
Total 2002 through 2031													
	303	264	567	3.85	2181	514	371	214	1083	27.06	0.01	0.54	14.70
2002	31.6	0.0	31.6	2.40	76.0	17.1	12.9	18.2	27.7	0.69	0.01	0.97	0.69
2003	28.5	3.2	31.6	2.51	79.3	17.1	13.5	14.6	34.1	0.85		0.91	0.78
2004	25.6	6.0	31.6	3.05	96.5	17.1	16.4	18.9	44.1	1.10		0.86	0.95
2005	23.1	8.6	31.6	3.48	110.2	17.1	18.7	22.3	52.0	1.30		0.81	1.05
2006	20.8	10.9	31.6	3.55	112.3	17.1	19.1	22.8	53.2	1.33		0.76	1.01
2007	18.7	13.0	31.6	3.45	109.1	17.1	18.5	22.0	51.4	1.28		0.72	0.92
2008	16.8	14.8	31.6	3.53	111.7	17.1	19.0	22.7	52.9	1.32		0.68	0.89
2009	15.1	16.5	31.6	3.62	114.4	17.1	19.5	23.3	54.5	1.36		0.64	0.87
2010	13.6	18.0	31.6	3.70	117.2	17.1	19.9	24.0	56.1	1.40		0.60	0.84
2011	12.3	19.4	31.6	3.79	120.0	17.1	20.4	24.7	57.7	1.44		0.56	0.81
2012	11.0	17.4	28.5	3.88	110.6	17.1	18.8		74.6	1.87		0.53	0.99
2013	9.9	15.7	25.6	3.98	101.9	17.1	17.3		67.4	1.69		0.50	0.84
2014	8.9	14.1	23.1	4.07	93.9	17.1	16.0		60.8	1.52		0.47	0.71
2015	8.0	12.7	20.8	4.17	86.5	17.1	14.7		54.7	1.37		0.44	0.60
2016	7.2	11.4	18.7	4.27	79.8	17.1	13.6		49.1	1.23		0.42	0.51
2017	6.5	10.3	16.8	4.37	73.5	17.1	12.5		43.9	1.10		0.39	0.43
2018	5.9	9.3	15.1	4.48	67.7	17.1	11.5		39.1	0.98		0.37	0.36
2019	5.3	8.3	13.6	4.58	62.4	17.1	10.6		34.7	0.87		0.35	0.30
2020	4.7	7.5	12.3	4.69	57.5	17.1	9.8		30.6	0.77		0.33	0.25
2021	4.3	6.8	11.0	4.81	53.0	17.1	9.0		26.9	0.67		0.31	0.21
2022	3.8	6.1	9.9	4.92	48.9	17.1	8.3		23.4	0.59		0.29	0.17
2023	3.5	5.5	8.9	5.04	45.0	17.1	7.7		20.2	0.51		0.27	0.14
2024	3.1	4.9	8.0	5.16	41.5	17.1	7.1		17.3	0.43		0.26	0.11
2025	2.8	4.4	7.2	5.28	38.3	17.1	6.5		14.6	0.37		0.24	0.09
2026	2.5	4.0	6.5	5.41	35.3	17.1	6.0		12.1	0.30		0.23	0.07
2027	2.3	3.6	5.9	5.54	32.5	17.1	5.5		9.8	0.25		0.21	0.05
2028	2.0	3.2	5.3	5.67	29.9	17.1	5.1		7.7	0.19		0.20	0.04
2029	1.8	2.9	4.7	5.81	27.6	17.1	4.7		5.8	0.14		0.19	0.03
2030	1.7	2.6	4.3	5.95	25.4	17.1	4.3		4.0	0.10		0.18	0.02
2031	1.5	2.4	3.8	6.09	23.4	17.1	4.0		2.3	0.06		0.17	0.01

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**Table HGT-2**  
**Hugoton Royalty Trust**  
**Distributable Income**

	Q1	Q2	Q3	Q4E	Year	Q1E	Q2E	Q3E	Q4E	Year	Q1E	Next Twelve Months
	3/31/01	6/30/01	9/30/01	12/31/01	2001E	3/31/02	6/30/02	9/30/02	12/31/02	2002E	3/31/03	3/31/03
<b>Highlights</b>												
Revenue (\$mm) (80%)	48.8	39.5	27.9	18.6	134.8	17.9	17.9	19.8	20.6	76.0	23.7	81.9
Cash flow (\$mm) (80%)	39.4	30.5	20.4	12.8	103.1	10.5	10.7	12.2	12.9	46.3	15.8	51.6
Per unit	0.98	0.76	0.51	0.32	2.58	0.26	0.27	0.31	0.32	1.16	0.39	1.29
Tax credit (\$mm)	0.1	0.1	0.1	0.1	0.6	0.1	0.1	0.1	0.1	0.6		0.4
Per unit	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.01		0.01
Distributable Income (\$mm)	33.7	21.7	15.3	8.5	79.1	5.9	6.0	7.6	8.3	27.7	11.2	33.0
Per unit	0.84	0.54	0.38	0.21	1.98	0.15	0.15	0.19	0.21	0.69	0.28	0.83
Units (millions)	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
<b>Volume</b>												
Natural Gas (bcf)	9.2	8.7	9.2	9.5	36.6	9.4	9.1	9.4	9.4	37.2	9.4	37.2
Natural Gas (mmcf)	99.9	97.8	99.8	103.5	100.3	102.0	102.0	102.0	102.0	102.0	102.0	102.0
Days	92	89	92	92	365	92	89	92	92	365	92	365
Oil (mb)	96	102	101	100	399	99	95	97	96	387	95	383
Oil (mcb)	1.0	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.0	1.1	1.0	1.0
Days	92	89	92	92	365	92	89	92	92	365	92	365
Total (bcf)	9.8	9.3	9.8	10.1	39.0	10.0	9.6	10.0	10.0	39.6	10.0	39.5
<b>Price</b>												
Natural Gas (HH lagged two months)												
Henry Hub (\$/mmbtu)	7.57	5.30	3.67	2.53	4.77	2.34	2.41	2.60	2.72	2.52	3.18	2.73
Differential (\$/mmbtu)	1.25	(0.03)	0.16	0.35	0.46	0.16	0.17	0.18	0.19	0.18	0.22	0.19
HGT (\$/mcf)	6.31	5.34	3.51	2.18	4.30	2.18	2.24	2.42	2.53	2.34	2.95	2.54
Oil (\$/bbl) (WTI Cushing lagged two months)												
WTI Cushing	30.84	28.09	27.56	25.28	27.94	19.56	20.95	21.23	21.15	20.72	21.08	21.10
HGT	30.43	28.37	26.56	24.78	27.51	19.06	20.45	20.73	20.65	20.21	20.58	20.60
Total (\$/mcf)	6.24	5.30	3.57	2.30	4.32	2.24	2.31	2.48	2.58	2.40	2.98	2.59
<b>Revenue (\$mm)</b>												
Natural Gas	58.0	46.4	32.3	20.8	157.5	20.5	20.4	22.7	23.7	87.2	27.7	94.5
Oil	2.9	2.9	2.7	2.5	11.0	1.9	1.9	2.0	2.0	7.8	2.0	7.9
Total	61.0	49.3	34.9	23.3	168.5	22.3	22.3	24.7	25.7	95.0	29.7	102.4
<b>Cost (\$mm)</b>												
Tax, transport & other	5.0	5.0	3.3	2.3	15.6	2.2	2.2	2.5	2.6	9.5	3.0	10.2
Production	4.9	4.3	4.2	2.8	16.1	5.0	4.8	5.0	5.0	19.8	5.0	19.8
Overhead	1.8	1.9	2.0	2.2	7.9	2.0	1.9	2.0	2.0	7.9	2.0	7.9
Total	11.7	11.2	9.4	7.3	39.7	9.2	9.0	9.4	9.5	37.2	9.9	37.9
<b>Cash flow (\$mm)</b>												
Development	7.1	11.0	6.3	5.5	29.9	5.7	5.7	5.7	5.7	22.8	5.7	22.8
<b>Net proceeds (\$mm)</b>												
Royalty/Net proceeds	42.1	27.2	19.2	10.5	99.0	7.4	7.6	9.6	10.4	35.1	14.0	41.7
<b>Royalty income (\$mm)</b>												
Royalty/Net proceeds	33.7	21.7	15.4	8.4	79.2	5.9	6.1	7.6	8.4	28.0	11.2	33.3
Administration	0.0	0.0	0.1	(0.1)	0.0	0.1	0.1	0.1	0.1	0.3	0.1	0.3
<b>Distributable income (\$mm)</b>												
Royalty/Net proceeds	33.7	21.7	15.3	8.5	79.1	5.9	6.0	7.6	8.3	27.7	11.2	33.0
<b>Cost ratios</b>												
Tax and other/revenue	8%	10%	9%	10%	9%	10%	10%	10%	10%	10%	10%	10%
Production cost (\$/mcf)	0.50	0.46	0.42	0.27	0.41	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Overhead cost (\$/mcf)	0.19	0.21	0.20	0.22	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
Development/Cash flow	0.14	0.29	0.25	0.34	0.23	0.43	0.43	0.37	0.35	0.39	0.29	0.35

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# Natural Gas Royalty Trusts

## A Weekly Analysis

February 25, 2002

**Table SJT-1**  
**San Juan Basin Royalty Trust**  
**Present Value**

Volume Decline (%/yr):	10	Price Escalation Post 2006 (%/yr):	2.4
Volume Enhancement (%/yr):	10	Discount rate (%/yr):	6.2
Capex/Cash Flow (%):	25	U.S. TIPS Inflation (%/yr):	1.6
Variable Cost (%):	11	U.S. 10 Year Yield (%/yr):	4.8
PV/Volume (\$/mcf):	1.16	PV/EBITDA 2002:	13.3

Year	Basic (bcf)	Volume Enhanced (bcf)	Total (bcf)	Price (\$/mcf)	Revenue (\$mm)	Fixed Cost (\$mm)	Var Cost (\$mm)	Cap Ex (\$mm)	Distribution (\$mm)	(\$/unit)	Tax Credit (\$/unit)	Disc Factor	Present Value (\$/unit)
Total 2002 through 2031													
	317	276	593	3.48	2061	381	227	196	1257	26.97	0.12	0.54	14.70
2002	33.1	0.0	33.1	2.18	72.2	12.7	7.9	19.7	31.8	0.68	0.12	0.97	0.78
2003	29.8	3.3	33.1	2.68	88.8	12.7	9.8	16.6	49.7	1.07		0.91	0.97
2004	26.8	6.3	33.1	2.86	94.8	12.7	10.4	17.9	53.8	1.15		0.86	0.99
2005	24.1	9.0	33.1	2.96	98.0	12.7	10.8	18.6	55.9	1.20		0.81	0.97
2006	21.7	11.4	33.1	3.03	100.2	12.7	11.0	19.1	57.4	1.23		0.76	0.94
2007	19.6	13.6	33.1	3.10	102.7	12.7	11.3	19.7	59.0	1.27		0.72	0.91
2008	17.6	15.5	33.1	3.18	105.2	12.7	11.6	20.2	60.7	1.30		0.68	0.88
2009	15.8	17.3	33.1	3.25	107.7	12.7	11.8	20.8	62.4	1.34		0.64	0.85
2010	14.3	18.9	33.1	3.33	110.3	12.7	12.1	21.4	64.1	1.38		0.60	0.82
2011	12.8	20.3	33.1	3.41	112.9	12.7	12.4	21.9	65.8	1.41		0.56	0.80
2012	11.5	18.3	29.8	3.49	104.1	12.7	11.4		79.9	1.72		0.53	0.91
2013	10.4	16.4	26.8	3.58	95.9	12.7	10.6		72.7	1.56		0.50	0.78
2014	9.4	14.8	24.1	3.66	88.4	12.7	9.7		66.0	1.42		0.47	0.67
2015	8.4	13.3	21.7	3.75	81.5	12.7	9.0		59.8	1.28		0.44	0.57
2016	7.6	12.0	19.6	3.84	75.1	12.7	8.3		54.1	1.16		0.42	0.48
2017	6.8	10.8	17.6	3.93	69.2	12.7	7.6		48.9	1.05		0.39	0.41
2018	6.1	9.7	15.8	4.03	63.8	12.7	7.0		44.0	0.95		0.37	0.35
2019	5.5	8.7	14.3	4.12	58.8	12.7	6.5		39.6	0.85		0.35	0.30
2020	5.0	7.9	12.8	4.22	54.2	12.7	6.0		35.5	0.76		0.33	0.25
2021	4.5	7.1	11.5	4.32	49.9	12.7	5.5		31.7	0.68		0.31	0.21
2022	4.0	6.4	10.4	4.43	46.0	12.7	5.1		28.2	0.61		0.29	0.18
2023	3.6	5.7	9.4	4.53	42.4	12.7	4.7		25.0	0.54		0.27	0.15
2024	3.3	5.2	8.4	4.64	39.1	12.7	4.3		22.1	0.47		0.26	0.12
2025	2.9	4.6	7.6	4.75	36.0	12.7	4.0		19.3	0.41		0.24	0.10
2026	2.6	4.2	6.8	4.87	33.2	12.7	3.7		16.8	0.36		0.23	0.08
2027	2.4	3.8	6.1	4.98	30.6	12.7	3.4		14.5	0.31		0.21	0.07
2028	2.1	3.4	5.5	5.10	28.2	12.7	3.1		12.4	0.27		0.20	0.05
2029	1.9	3.0	5.0	5.23	26.0	12.7	2.9		10.4	0.22		0.19	0.04
2030	1.7	2.7	4.5	5.35	23.9	12.7	2.6		8.6	0.18		0.18	0.03
2031	1.6	2.5	4.0	5.48	22.1	12.7	2.4		6.9	0.15		0.17	0.02

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# Natural Gas Royalty Trusts

## A Weekly Analysis

February 25, 2002

Table SJT-2  
San Juan Basin Royalty Trust  
Distributable Income

	Q1	Q2	Q3	Q4E	Year	Q1E	Q2E	Q3E	Q4E	Year	Q1E	Next Twelve Monthx
	3/31/01	6/30/01	9/30/01	12/31/01	2001E	3/31/02	6/30/02	9/30/02	12/31/02	2002E	3/31/03	3/31/03
<b>Highlights</b>												
Revenue (\$mm) (75%)	49.6	38.7	25.5	14.7	128.5	18.3	16.5	18.3	19.1	72.2	22.3	76.3
Cash flow (\$mm) (75%)	42.2	31.9	20.0	10.1	104.3	13.1	12.1	13.7	14.4	53.4	17.3	57.6
Per unit	0.91	0.69	0.43	0.22	2.24	0.28	0.26	0.29	0.31	1.15	0.37	1.24
Tax credit (\$mm)	1.9	1.9	1.4	1.4	6.5	1.4	1.4	1.4	1.4	5.6		4.2
Per unit	0.04	0.04	0.03	0.03	0.14	0.03	0.03	0.03	0.03	0.12		0.09
Distributable Income (\$mm)	37.3	26.3	13.7	2.9	80.1	2.2	8.9	10.1	10.6	31.8	12.8	42.4
Per unit	0.80	0.56	0.29	0.06	1.72	0.05	0.19	0.22	0.23	0.68	0.27	0.91
Units (millions)	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6
<b>Volume</b>												
Natural gas (mmbtu)	11.8	11.3	11.9	11.3	46.4	12.3	11.5	11.9	11.9	47.5	11.9	47.1
Heat Content(btu/cf)	1,052	1,095	1,070	1,106	1,080	1,092	1,088	1,088	1,088	1,089	1,088	1,088
Natural gas (bcf)	11.3	10.4	11.1	10.2	43.0	11.3	10.5	10.9	10.9	43.6	10.9	43.3
Natural Gas (mmcf)	122.4	116.4	120.6	111.4	117.7	122.7	118.5	118.5	118.5	119.6	118.5	118.5
Days	92	89	92	92	365	92	89	92	92	365	92	365
Oil (mb)	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.1
Oil (mbd)	0.3	0.3	0.2	0.2	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Total gas & oil (bcf)	11.4	10.5	11.2	10.4	43.5	11.4	10.7	11.0	11.0	44.2	11.0	43.8
<b>Price</b>												
Natural gas (\$/mmbtu) (Henry Hub lagged two months)												
Henry Hub (\$/mmbtu)	7.57	5.30	3.67	2.53	4.77	2.34	2.41	2.60	2.72	2.52	3.18	2.73
Differential (%)	27	15	23	33	24	17	22	22	22	21	22	22
Total	5.53	4.49	2.82	1.69	3.65	1.95	1.88	2.03	2.12	2.00	2.48	2.13
Natural gas (\$/mcf)	5.81	4.92	3.02	1.87	3.94	2.13	2.05	2.21	2.31	2.17	2.70	2.32
Oil (\$/bbl) (WTI Cushing lagged two months)												
WTI Cushing	28.79	28.09	27.56	25.28	27.43	19.56	20.95	21.23	21.15	20.72	21.08	21.10
SJT	26.90	24.60	23.72	21.28	24.23	15.56	16.95	17.23	17.15	16.72	17.08	17.10
Total gas & oil (\$/mcf)	5.79	4.91	3.03	1.89	3.94	2.13	2.06	2.22	2.31	2.18	2.70	2.32
<b>Revenue (\$mm)</b>												
Natural Gas	65.5	50.9	33.5	19.2	169.1	24.0	21.6	24.1	25.1	94.8	29.4	100.2
Oil	0.7	0.6	0.5	0.5	2.3	0.3	0.4	0.4	0.4	1.4	0.4	1.5
Total	66.1	51.6	34.0	19.6	171.4	24.4	22.0	24.4	25.5	96.3	29.8	101.7
<b>Cost (\$mm)</b>												
Severance tax	6.5	5.2	3.7	2.1	17.4	2.5	2.2	2.4	2.6	9.7	3.0	10.2
Operating	3.3	3.8	3.7	4.2	14.9	4.4	3.6	3.7	3.7	15.4	3.7	14.7
Total	9.8	9.0	7.3	6.2	32.3	6.9	5.8	6.2	6.3	25.1	6.7	24.9
Cash flow (\$mm)	56.3	42.6	26.7	13.4	139.0	17.5	16.2	18.3	19.3	71.2	23.1	76.8
Development	6.3	7.1	8.1	11.5	33.0	12.9	4.0	4.6	4.8	26.3	5.8	19.2
Net proceeds (\$mm)	50.0	35.5	18.6	1.9	106.0	4.6	12.1	13.7	14.4	44.9	17.3	57.6
Royalty income (\$mm)	37.5	26.6	14.0	1.4	79.5	3.5	9.1	10.3	10.8	33.7	13.0	43.2
Royalty/Net proceeds	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	3.0
Administration	0.2	0.4	0.3	(1.5)	(0.6)	1.3	0.2	0.2	0.2	1.9	0.2	0.8
One-time					-					-		-
Distributable income (\$mm)	37.3	26.3	13.7	2.9	80.1	2.2	8.9	10.1	10.6	31.8	12.8	42.4
<b>Modeling ratios</b>												
Severance tax/revenue	9.9%	10.0%	10.7%	10.5%	10.2%	10.3%	10.0%	10.0%	10.0%	10.1%	10.0%	10.0%
Operating cost (\$/mcf)	0.29	0.36	0.33	0.40	0.34	0.38	0.34	0.34	0.34	0.35	0.34	0.34

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# Natural Gas Royalty Trusts

## A Weekly Analysis

February 25, 2002

**Table SJT-3**  
**San Juan Basin Royalty Trust**  
**Monthly Declarations**

	<i>Feb-01</i>	<i>Mar-01</i>	<i>Apr-01</i>	<i>Nov-01</i>	<i>Dec-01</i>	<i>Jan-02</i>	<i>Feb-02</i>	<i>Mar-02</i>	<i>Apr-02</i>
<b>Distribution</b> (\$/unit)									
Declared	0.26	0.40	0.22	0.02	-	-	0.01		
Projected								0.04	0.01
<b>Volume</b>									
Natural gas (mmbtu)	4.04	4.22	3.31	3.99	3.53	3.87	4.46	4.00	3.61
Heat Content(btu/cf)	1,023	1,069	1,076	1,096	1,109	1,088	1,099	1,088	1,088
Natural gas (bcf)	3.95	3.94	3.08	3.64	3.18	3.56	4.05	3.67	3.32
Natural Gas (mmcf/d)	128	127	110	121	103	119	131	118	118
Days	31	31	28	30	31	30	31	31	28
<b>Price</b>									
Natural gas industry quotes lagged two months (\$/mmbtu)									
Henry Hub Daily	8.95	8.17	5.59	2.18	2.45	2.36	2.41	2.25	
San Juan Monthly Index	6.18	9.14	6.55	2.16	1.41	2.69	2.32	2.42	1.81
SJT/Henry Hub	0.57	0.89	1.02	0.88	0.39	0.90	0.77	0.84	
SJT/San Juan Index	0.82	0.80	0.87	0.89	0.68	0.79	0.80	0.78	0.84
SJT (\$/mmbtu)	5.09	7.31	5.69	1.92	0.96	2.12	1.86	1.88	1.52
SJT (\$/mcf)	5.20	7.82	6.13	2.11	1.06	2.31	2.04	2.05	1.65
<b>Revenue</b> (\$mm)									
Natural Gas	20.6	30.8	18.9	7.7	3.4	8.2	8.3	7.5	5.5
Other	0.1	0.0	0.0	0.0	2.4	(1.7)	(0.5)	0.0	0.0
<b>Cost</b> (\$mm)									
Severance tax	2.1	3.0	1.9	0.8	0.4	0.9	0.9	0.8	0.6
Operating	1.0	1.2	1.2	1.2	1.4	1.4	1.5	1.4	1.4
Total	3.1	4.2	3.1	2.1	1.8	2.3	2.3	2.2	2.0
<b>Cash flow</b> (\$mm)	17.6	26.7	15.8	5.6	4.0	4.2	5.5	5.4	3.5
Development	1.2	1.9	1.9	4.1	4.0	4.2	4.8	3.1	3.1
<b>Net proceeds</b> (\$mm)	16.3	24.8	13.9	1.5	-	-	0.7	2.2	0.4
<b>Royalty income</b> (\$mm)	12.3	18.6	10.4	1.1	-	-	0.5	1.7	0.3
Royalty/Net proceeds	75%	75%	75%	75%	75%	75%	75%	75%	75%
<b>Distributable income</b> (\$mm)	12.3	18.6	10.4	1.1	-	-	0.5	1.7	0.3
<b>Units</b> (millions)	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6
<b>Distribution</b> (\$/unit)	0.26	0.40	0.22	0.02	-	-	0.01	0.04	0.01
<b>Ratios</b>									
Severance tax/revenue	10.3%	9.7%	10.1%	10.7%	11.9%	10.7%	10.3%	10.3%	10.3%
Operating cost (\$/mcf)	0.26	0.30	0.38	0.34	0.44	0.41	0.36	0.39	0.44
<b>Latest Twelve Month Average</b>									
Heat Content(btu/cf)	1,061	1,062	1,064	1,077	1,080	1,081	1,088		
Natural Gas (mmcf/d)	118	119	118	119	118	118	118		
SJT/Henry Hub	0.76	0.76	0.78	0.79	0.75	0.77	0.79		
SJT/San Juan Index	0.90	0.89	0.88	0.87	0.85	0.84	0.84		
Other revenue				0.1	0.3	0.1	0.0		
Operating	1.2	1.2	1.2	1.2	1.2	1.3	1.3		
Development	2.3	2.3	2.3	2.8	2.7	2.8	3.1		
Severance tax/revenue				10.1%	10.3%	10.3%	10.3%		

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