

## Natural Gas Royalty Trusts

A Weekly Analysis

March 18, 2002

### Volume Trend Healthy

HGT and SJT appear to have a modestly rising volume trend (see Chart on next page). While CRT appears to have lost some relative standing we do not see that as a permanent trend. Compared to two years ago our estimates of volume for 2002 changed -10%, 2% and 17% for CRT, HGT and SJT respectively. More important what does the future hold? We project that CRT, HGT and SJT can hold volume flat for ten years at a cost of 0%, 30% and 25% of cash flow respectively. Thereafter volume would decline normally without further development. Meanwhile during the past week estimated present value decreased 1%, 2%, and 2% for CRT, HGT and SJT respectively. Estimated Next Twelve Months distribution increased 5%, 11%, and 4% for CRT, HGT and SJT respectively. The trends appear to be healthy and the investment potential appears positive.

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

			Price (\$/sh)	Shares	Market Cap (\$mm)	Net Present Value (\$/sh)	Debt/ Present Value	McDep Ratio
	Symbol/ Rating		15-Mar 2002	(mm)				
Cross Timbers Royalty Trust	CRT		18.69	6.0	112	19.20	-	0.97
San Juan Basin Royalty Trust	SJT	2	11.64	46.6	540	15.20	-	0.77
Hugoton RoyaltyTrust	HGT		11.82	40.0	470	15.60	-	0.76

Buy/Sell rating after symbol: 1 - Strong Buy, 2 - Buy, 3 - Neutral, 4 - Sell, 5 - Strong Sell

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.

			Price (\$/sh)	EV/ Sales NTM	EV/ Ebitda NTM	Dividend or Distribution P/E NTM	PV/ Ebitda NTM	
	Symbol/ Rating		15-Mar 2002			NTM (%)		
Cross Timbers Royalty Trust	CRT		18.69	6.4	11.0	12	8.6	11.3
San Juan Basin Royalty Trust	SJT	2	11.64	6.2	8.0	11	9.2	10.5
Hugoton RoyaltyTrust	HGT		11.82	4.9	7.4	10	9.6	9.8

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

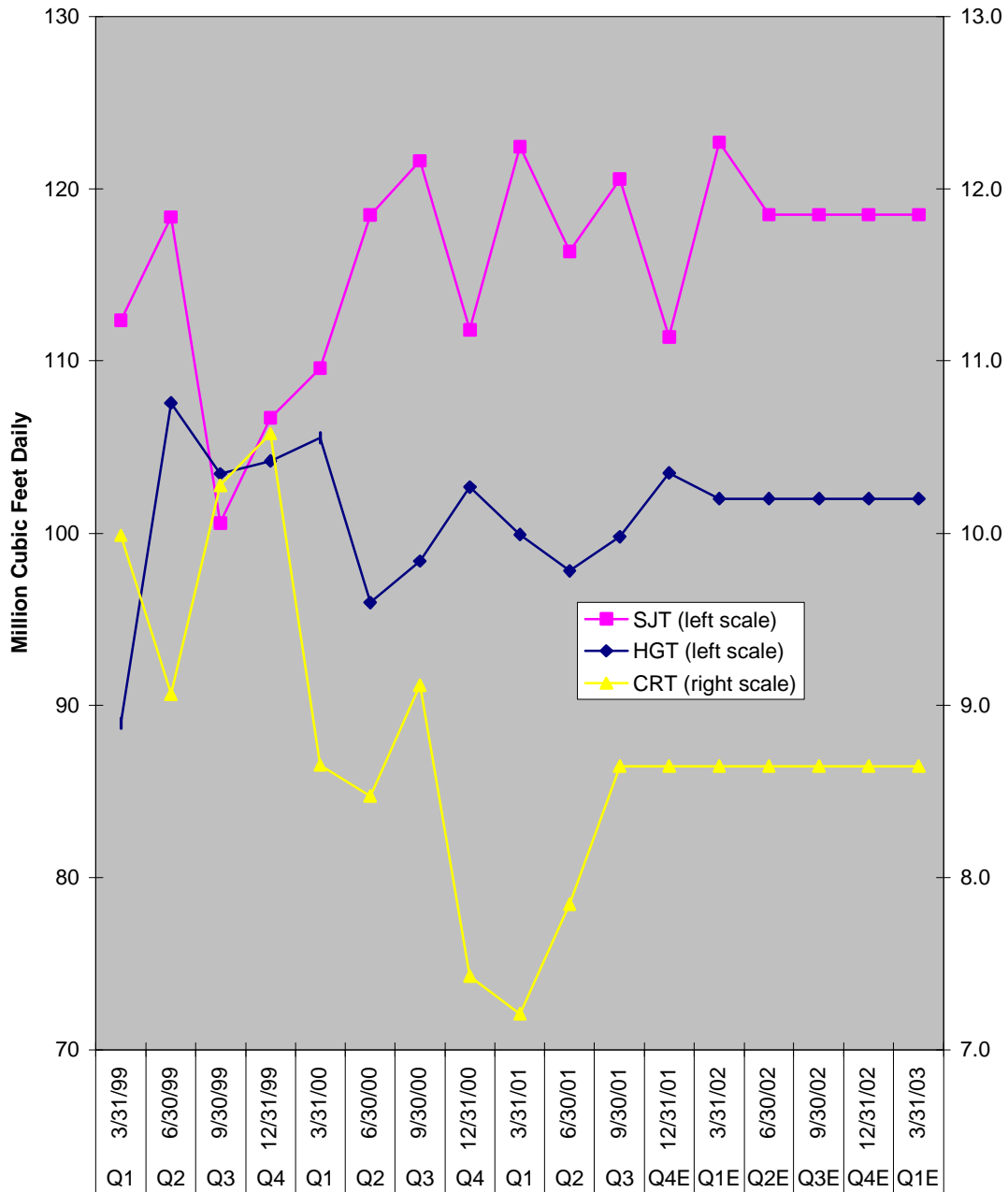
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## Natural Gas Royalty Trusts Natural Gas Volume



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## Natural Gas Royalty Trusts

### A Weekly Analysis

March 18, 2002

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

Volume Decline (%/yr):	10	Price Escalation post 2007 (%/yr):	2.8
Volume Enhancement (%/yr):	10	Discount Rate (%/yr):	6.8
		U.S. TIPS Inflation (%/yr):	2.0
		U.S. 10 Year Yield (%/yr):	5.4

PV/Volume (\$/mcf):	2.27	PV/EBITDA 2002:	12.4
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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	4.19	213	4	218	36.27	0.11	0.53	19.20
2002	2.8	0.0	2.8	2.80	8.0	0.7	8.7	1.45	0.11	0.97	1.51
2003	2.6	0.3	2.8	3.34	9.5	0.8	10.3	1.72		0.91	1.56
2004	2.3	0.5	2.8	3.44	9.8	0.7	10.4	1.74		0.85	1.48
2005	2.1	0.8	2.8	3.50	9.9	0.5	10.5	1.74		0.80	1.39
2006	1.9	1.0	2.8	3.54	10.1	0.4	10.5	1.75		0.75	1.30
2007	1.7	1.2	2.8	3.63	10.3	0.3	10.6	1.77		0.70	1.24
2008	1.5	1.3	2.8	3.73	10.6	0.3	10.9	1.81		0.65	1.19
2009	1.4	1.5	2.8	3.83	10.9	0.3	11.1	1.86		0.61	1.14
2010	1.2	1.6	2.8	3.93	11.2	0.2	11.4	1.90		0.57	1.09
2011	1.1	1.7	2.8	4.04	11.5		11.5	1.91		0.54	1.03
2012	1.0	1.6	2.6	4.15	10.6		10.6	1.77		0.50	0.89
2013	0.9	1.4	2.3	4.27	9.8		9.8	1.64		0.47	0.77
2014	0.8	1.3	2.1	4.39	9.1		9.1	1.51		0.44	0.67
2015	0.7	1.1	1.9	4.51	8.4		8.4	1.40		0.41	0.58
2016	0.6	1.0	1.7	4.63	7.8		7.8	1.30		0.39	0.50
2017	0.6	0.9	1.5	4.76	7.2		7.2	1.20		0.36	0.44
2018	0.5	0.8	1.4	4.89	6.6		6.6	1.11		0.34	0.38
2019	0.5	0.7	1.2	5.03	6.1		6.1	1.02		0.32	0.33
2020	0.4	0.7	1.1	5.17	5.7		5.7	0.95		0.30	0.28
2021	0.4	0.6	1.0	5.31	5.3		5.3	0.88		0.28	0.25
2022	0.3	0.5	0.9	5.46	4.9		4.9	0.81		0.26	0.21
2023	0.3	0.5	0.8	5.61	4.5		4.5	0.75		0.25	0.18
2024	0.3	0.4	0.7	5.76	4.2		4.2	0.69		0.23	0.16
2025	0.3	0.4	0.6	5.92	3.8		3.8	0.64		0.22	0.14
2026	0.2	0.4	0.6	6.08	3.6		3.6	0.59		0.20	0.12
2027	0.2	0.3	0.5	6.25	3.3		3.3	0.55		0.19	0.10
2028	0.2	0.3	0.5	6.42	3.0		3.0	0.51		0.18	0.09
2029	0.2	0.3	0.4	6.60	2.8		2.8	0.47		0.17	0.08
2030	0.1	0.2	0.4	6.78	2.6		2.6	0.43		0.16	0.07
2031	0.1	0.2	0.3	6.97	2.4		2.4	0.40		0.15	0.06

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# Natural Gas Royalty Trusts

## A Weekly Analysis

March 18, 2002

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

	<i>Q1</i>	<i>Q2</i>	<i>Q3</i>	<i>Q4E</i>	<i>Year</i>	<i>Q1E</i>	<i>Q2E</i>	<i>Q3E</i>	<i>Q4E</i>	<i>Year</i>	<i>Q1E</i>	<i>Next Twelve Months</i>
	<i>3/31/01</i>	<i>6/30/01</i>	<i>9/30/01</i>	<i>12/31/01</i>	<i>2001E</i>	<i>3/31/02</i>	<i>6/30/02</i>	<i>9/30/02</i>	<i>12/31/02</i>	<i>2002E</i>	<i>3/31/03</i>	<i>3/31/03</i>
<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	1.95	2.48	2.53	8.69	2.65	9.61
Per unit	0.67	0.70	0.57	0.43	2.37	0.29	0.33	0.41	0.42	1.45	0.44	1.60
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	2.48	3.11	3.20	2.80	3.45	3.06
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	2.48	3.11	3.20	2.80	3.45	3.06
Oil (\$/bbl) (WTI lagged two months)												
WTI Cushing	30.84	28.09	27.56	25.28	27.94	19.56	23.11	24.86	24.48	23.00	23.98	24.11
CRT	28.73	24.92	24.07	23.28	25.19	17.56	21.11	22.86	22.48	21.00	21.98	22.12
Total (\$/mcf)	5.54	5.73	4.46	3.20	4.68	2.62	2.90	3.40	3.42	3.08	3.54	3.31
<b>Revenue (\$mm)</b>												
Natural Gas	4.05	4.79	3.75	2.19	14.78	1.92	1.93	2.45	2.54	8.84	2.75	9.67
Oil	2.38	1.98	2.16	2.09	8.61	1.58	1.83	2.05	2.02	7.48	1.97	7.88
Total	6.43	6.77	5.91	4.28	23.39	3.49	3.77	4.50	4.56	16.32	4.72	17.55
<b>Cost (\$mm)</b>												
Tax, transport & other												
Production	0.71	0.74	0.73	0.76	2.94	0.76	0.74	0.76	0.76	3.03	0.76	3.03
Total	1.55	1.63	1.60	1.40	6.19	1.29	1.30	1.44	1.45	5.48	1.47	5.66
<b>Cash flow (\$mm)</b>	4.88	5.14	4.31	2.87	17.20	2.21	2.46	3.06	3.11	10.84	3.25	11.89
Development	0.16	0.41	0.40	0.40	1.37	0.20	0.20	0.20	0.20	0.80	0.20	0.80
<b>Net proceeds (\$mm)</b>	4.72	4.73	3.91	2.47	15.83	2.01	2.26	2.86	2.91	10.04	3.05	11.09
<b>Royalty income (\$mm)</b>	4.11	4.22	3.45	2.17	13.95	1.77	1.99	2.52	2.57	8.85	2.69	9.77
Royalty/Net proceeds	87%	89%	88%	88%	88%	88%	88%	88%	88%	88%	88%	88%
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
<b>Distributable income (\$mm)</b>	4.05	4.18	3.40	2.58	14.21	1.73	1.95	2.48	2.53	8.69	2.65	9.61
<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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## A Weekly Analysis

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

Volume Decline (%/yr):	10	Price Escalation Post 2007 (%/yr):	2.8
Volume Enhancement (%/yr):	10	Discount rate (%/yr):	6.8
Capex/Cash Flow (%):	30	U.S. TIPS Inflation (%/yr):	2.0
Variable Cost (%):	17	U.S. 10 Year Yield (%/yr):	5.4
PV/Volume (\$/mcf):	1.10	PV/EBITDA 2002:	11.3

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	303	264	567	4.11	2326	493	395	228	1210	30.24	0.01	0.52	15.60
2002	31.6	0.0	31.6	2.73	86.3	16.4	14.7	18.2	37.0	0.92	0.01	0.97	0.91
2003	28.5	3.2	31.6	3.27	103.4	16.4	17.6	20.8	48.6	1.21		0.91	1.10
2004	25.6	6.0	31.6	3.37	106.7	16.4	18.1	21.6	50.5	1.26		0.85	1.07
2005	23.1	8.6	31.6	3.43	108.4	16.4	18.4	22.1	51.5	1.29		0.80	1.02
2006	20.8	10.9	31.6	3.47	109.7	16.4	18.7	22.4	52.3	1.31		0.75	0.97
2007	18.7	13.0	31.6	3.55	112.3	16.4	19.1	23.0	53.8	1.34		0.70	0.94
2008	16.8	14.8	31.6	3.65	115.4	16.4	19.6	23.8	55.6	1.39		0.65	0.91
2009	15.1	16.5	31.6	3.75	118.6	16.4	20.2	24.6	57.4	1.44		0.61	0.88
2010	13.6	18.0	31.6	3.85	121.9	16.4	20.7	25.4	59.3	1.48		0.57	0.85
2011	12.3	19.4	31.6	3.96	125.2	16.4	21.3	26.3	61.3	1.53		0.54	0.82
2012	11.0	17.4	28.5	4.07	115.8	16.4	19.7		79.7	1.99		0.50	1.00
2013	9.9	15.7	25.6	4.18	107.1	16.4	18.2		72.5	1.81		0.47	0.85
2014	8.9	14.1	23.1	4.30	99.1	16.4	16.8		65.8	1.65		0.44	0.73
2015	8.0	12.7	20.8	4.41	91.6	16.4	15.6		59.6	1.49		0.41	0.62
2016	7.2	11.4	18.7	4.54	84.7	16.4	14.4		53.9	1.35		0.39	0.52
2017	6.5	10.3	16.8	4.66	78.4	16.4	13.3		48.6	1.22		0.36	0.44
2018	5.9	9.3	15.1	4.79	72.5	16.4	12.3		43.7	1.09		0.34	0.37
2019	5.3	8.3	13.6	4.92	67.0	16.4	11.4		39.2	0.98		0.32	0.31
2020	4.7	7.5	12.3	5.06	62.0	16.4	10.5		35.0	0.88		0.30	0.26
2021	4.3	6.8	11.0	5.20	57.3	16.4	9.7		31.2	0.78		0.28	0.22
2022	3.8	6.1	9.9	5.34	53.0	16.4	9.0		27.6	0.69		0.26	0.18
2023	3.5	5.5	8.9	5.49	49.0	16.4	8.3		24.3	0.61		0.25	0.15
2024	3.1	4.9	8.0	5.64	45.4	16.4	7.7		21.2	0.53		0.23	0.12
2025	2.8	4.4	7.2	5.79	41.9	16.4	7.1		18.4	0.46		0.22	0.10
2026	2.5	4.0	6.5	5.95	38.8	16.4	6.6		15.8	0.39		0.20	0.08
2027	2.3	3.6	5.9	6.12	35.9	16.4	6.1		13.4	0.33		0.19	0.06
2028	2.0	3.2	5.3	6.29	33.2	16.4	5.6		11.1	0.28		0.18	0.05
2029	1.8	2.9	4.7	6.46	30.7	16.4	5.2		9.0	0.23		0.17	0.04
2030	1.7	2.6	4.3	6.64	28.4	16.4	4.8		7.1	0.18		0.16	0.03
2031	1.5	2.4	3.8	6.82	26.2	16.4	4.5		5.4	0.13		0.15	0.02

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

	<i>Q1</i>	<i>Q2</i>	<i>Q3</i>	<i>Q4E</i>	<i>Year</i>	<i>Q1E</i>	<i>Q2E</i>	<i>Q3E</i>	<i>Q4E</i>	<i>Year</i>	<i>Q1E</i>	<i>Next Twelve Months</i>
	<i>3/31/01</i>	<i>6/30/01</i>	<i>9/30/01</i>	<i>12/31/01</i>	<i>2001E</i>	<i>3/31/02</i>	<i>6/30/02</i>	<i>9/30/02</i>	<i>12/31/02</i>	<i>2002E</i>	<i>3/31/03</i>	<i>3/31/03</i>
<b>Highlights</b>												
Revenue (\$mm) (80%)	48.8	39.5	27.9	18.6	134.8	17.9	20.3	23.8	24.3	86.3	27.2	95.6
Cash flow (\$mm) (80%)	39.4	30.5	20.4	12.8	103.1	10.5	12.9	15.9	16.3	55.5	18.9	63.9
Per unit	0.98	0.76	0.51	0.32	2.58	0.26	0.32	0.40	0.41	1.39	0.47	1.60
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	8.3	11.2	11.6	37.0	14.3	45.4
Per unit	0.84	0.54	0.38	0.21	1.98	0.15	0.21	0.28	0.29	0.92	0.36	1.13
<b>Units (millions)</b>	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 (mbd)	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	2.76	3.14	3.21	2.86	3.64	3.19
Differential (\$/mmbtu)	1.25	(0.03)	0.16	0.35	0.46	0.16	0.19	0.22	0.22	0.20	0.25	0.22
HGT (\$/mcf)	6.31	5.34	3.51	2.18	4.30	2.18	2.56	2.92	2.99	2.66	3.38	2.97
Oil (\$/bbl) (WTI Cushing lagged two months)												
WTI Cushing	30.84	28.09	27.56	25.28	27.94	19.56	23.11	24.86	24.48	23.00	23.98	24.11
HGT	30.43	28.37	26.56	24.78	27.51	19.06	22.61	24.36	23.98	22.48	23.48	23.61
Total (\$/mcf)	6.24	5.30	3.57	2.30	4.32	2.24	2.63	2.99	3.04	2.73	3.41	3.02
<b>Revenue (\$mm)</b>												
Natural Gas	58.0	46.4	32.3	20.8	157.5	20.5	23.3	27.4	28.0	99.2	31.8	110.5
Oil	2.9	2.9	2.7	2.5	11.0	1.9	2.1	2.4	2.3	8.7	2.2	9.0
Total	61.0	49.3	34.9	23.3	168.5	22.3	25.4	29.8	30.3	107.9	34.0	119.5
<b>Cost (\$mm)</b>												
Tax, transport & other												
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	9.3	10.0	10.0	38.5	10.4	39.6
<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>	42.1	27.2	19.2	10.5	99.0	7.4	10.4	14.1	14.6	46.6	17.9	57.1
<b>Royalty income (\$mm)</b>												
Royalty/Net proceeds	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%
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>	33.7	21.7	15.3	8.5	79.1	5.9	8.3	11.2	11.6	37.0	14.3	45.4
<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	0.35	0.29	0.28	0.33	0.24	0.29

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# Natural Gas Royalty Trusts

## A Weekly Analysis

March 18, 2002

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

Volume Decline (%/yr):	10	Price Escalation Post 2007 (%/yr):	2.8
Volume Enhancement (%/yr):	10	Discount rate (%/yr):	6.8
Capex/Cash Flow (%):	25	U.S. TIPS Inflation (%/yr):	2.0
Variable Cost (%):	11	U.S. 10 Year Yield (%/yr):	5.4
PV/Volume (\$/mcf):	1.19	PV/EBITDA 2002:	12.2

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	3.75	2223	404	245	208	1367	29.33	0.12	0.52	15.20
2002	33.1	0.0	33.1	2.43	80.4	13.5	8.8	21.1	37.0	0.79	0.12	0.97	0.88
2003	29.8	3.3	33.1	2.99	98.9	13.5	10.9	18.6	55.9	1.20		0.91	1.09
2004	26.8	6.3	33.1	3.08	102.1	13.5	11.2	19.3	58.0	1.25		0.85	1.06
2005	24.1	9.0	33.1	3.13	103.7	13.5	11.4	19.7	59.1	1.27		0.80	1.01
2006	21.7	11.4	33.1	3.17	105.0	13.5	11.5	20.0	60.0	1.29		0.75	0.96
2007	19.6	13.6	33.1	3.24	107.4	13.5	11.8	20.5	61.6	1.32		0.70	0.92
2008	17.6	15.5	33.1	3.33	110.4	13.5	12.1	21.2	63.6	1.37		0.65	0.89
2009	15.8	17.3	33.1	3.43	113.5	13.5	12.5	21.9	65.6	1.41		0.61	0.86
2010	14.3	18.9	33.1	3.52	116.6	13.5	12.8	22.6	67.7	1.45		0.57	0.83
2011	12.8	20.3	33.1	3.62	119.8	13.5	13.2	23.3	69.9	1.50		0.54	0.81
2012	11.5	18.3	29.8	3.72	110.8	13.5	12.2		85.2	1.83		0.50	0.92
2013	10.4	16.4	26.8	3.82	102.5	13.5	11.3		77.8	1.67		0.47	0.79
2014	9.4	14.8	24.1	3.93	94.8	13.5	10.4		70.9	1.52		0.44	0.67
2015	8.4	13.3	21.7	4.03	87.6	13.5	9.6		64.6	1.39		0.41	0.57
2016	7.6	12.0	19.6	4.15	81.1	13.5	8.9		58.7	1.26		0.39	0.49
2017	6.8	10.8	17.6	4.26	75.0	13.5	8.2		53.3	1.14		0.36	0.42
2018	6.1	9.7	15.8	4.38	69.3	13.5	7.6		48.3	1.04		0.34	0.35
2019	5.5	8.7	14.3	4.50	64.1	13.5	7.1		43.6	0.94		0.32	0.30
2020	5.0	7.9	12.8	4.62	59.3	13.5	6.5		39.3	0.84		0.30	0.25
2021	4.5	7.1	11.5	4.75	54.8	13.5	6.0		35.4	0.76		0.28	0.21
2022	4.0	6.4	10.4	4.88	50.7	13.5	5.6		31.7	0.68		0.26	0.18
2023	3.6	5.7	9.4	5.02	46.9	13.5	5.2		28.3	0.61		0.25	0.15
2024	3.3	5.2	8.4	5.15	43.4	13.5	4.8		25.2	0.54		0.23	0.12
2025	2.9	4.6	7.6	5.30	40.1	13.5	4.4		22.3	0.48		0.22	0.10
2026	2.6	4.2	6.8	5.44	37.1	13.5	4.1		19.6	0.42		0.20	0.08
2027	2.4	3.8	6.1	5.59	34.3	13.5	3.8		17.1	0.37		0.19	0.07
2028	2.1	3.4	5.5	5.75	31.7	13.5	3.5		14.8	0.32		0.18	0.06
2029	1.9	3.0	5.0	5.91	29.4	13.5	3.2		12.7	0.27		0.17	0.05
2030	1.7	2.7	4.5	6.07	27.1	13.5	3.0		10.7	0.23		0.16	0.04
2031	1.6	2.5	4.0	6.24	25.1	13.5	2.8		8.9	0.19		0.15	0.03

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# Natural Gas Royalty Trusts

## A Weekly Analysis

March 18, 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	17.3	22.2	22.6	80.4	25.6	87.6
Cash flow (\$mm) (75%)	42.2	31.9	20.0	10.1	104.3	13.3	12.6	17.2	17.6	60.6	20.2	67.6
Per unit	0.91	0.69	0.43	0.22	2.24	0.28	0.27	0.37	0.38	1.30	0.43	1.45
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	2.4	9.0	12.7	13.0	37.0	15.0	49.6
Per unit	0.80	0.56	0.29	0.06	1.72	0.05	0.19	0.27	0.28	0.79	0.32	1.07
<b>Units (millions)</b>	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	2.76	3.14	3.21	2.86	3.64	3.19
Differential (%)	27	15	23	33	24	17	28	22	22	22	22	23
Total	5.53	4.49	2.82	1.69	3.65	1.96	1.97	2.45	2.50	2.22	2.84	2.45
Natural gas (\$/mcf)	5.81	4.92	3.02	1.87	3.94	2.14	2.15	2.67	2.73	2.42	3.09	2.66
Oil (\$/bbl) (WTI Cushing lagged two months)												
WTI Cushing	28.79	28.09	27.56	25.28	27.43	19.56	23.11	24.86	24.48	23.00	23.98	24.11
SJT	26.90	24.60	23.72	21.28	24.23	15.56	19.11	20.86	20.48	19.00	19.98	20.12
Total gas & oil (\$/mcf)	5.79	4.91	3.03	1.89	3.94	2.14	2.16	2.68	2.73	2.43	3.09	2.67
<b>Revenue (\$mm)</b>												
Natural Gas	65.5	50.9	33.5	19.2	169.1	24.1	22.6	29.1	29.7	105.6	33.7	115.1
Oil	0.7	0.6	0.5	0.5	2.3	0.3	0.4	0.5	0.4	1.6	0.4	1.7
Total	66.1	51.6	34.0	19.6	171.4	24.5	23.0	29.6	30.2	107.2	34.1	116.9
<b>Cost (\$mm)</b>												
Severance tax	6.5	5.2	3.7	2.1	17.4	2.5	2.3	3.0	3.0	10.8	3.4	11.7
Operating	3.3	3.8	3.7	4.2	14.9	4.2	3.9	3.7	3.7	15.6	3.7	15.1
Total	9.8	9.0	7.3	6.2	32.3	6.7	6.3	6.7	6.7	26.4	7.1	26.8
<b>Cash flow (\$mm)</b>												
Development	6.3	7.1	8.1	11.5	33.0	12.0	4.5	5.7	5.9	28.1	6.7	22.8
<b>Net proceeds (\$mm)</b>	50.0	35.5	18.6	1.9	106.0	5.7	12.3	17.2	17.6	52.7	20.2	67.3
<b>Royalty income (\$mm)</b>												
Royalty/Net proceeds	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Administration	0.2	0.4	0.3	(1.5)	(0.6)	1.9	0.2	0.2	0.2	2.5	0.2	0.8
One-time					-					-		-
<b>Distributable income (\$mm)</b>	37.3	26.3	13.7	2.9	80.1	2.4	9.0	12.7	13.0	37.0	15.0	49.6
<i>Modeling ratios</i>												
Severance tax/revenue	9.9%	10.0%	10.7%	10.5%	10.2%	10.3%	10.1%	10.0%	10.0%	10.1%	10.0%	10.0%
Operating cost (\$/mcf)	0.29	0.36	0.33	0.40	0.34	0.37	0.37	0.34	0.34	0.35	0.34	0.34

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## Natural Gas Royalty Trusts

A Weekly Analysis

March 18, 2002

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

	<i>Mar-01</i>	<i>Jan-02</i>	<i>Feb-02</i>	<i>Mar-02</i>	<i>Apr-02</i>	<i>May-02</i>	<i>Jun-02</i>
<b>Distribution</b> (\$/unit)							
Declared	0.40	-	0.01				
Projected				0.04	0.04	0.06	0.09
<b>Volume</b>							
Natural gas (mmbtu)	4.22	3.87	4.46	4.00	3.61	4.00	3.87
Heat Content(btu/cf)	1,069	1,088	1,099	1,088	1,088	1,088	1,088
Natural gas (bcf)	3.94	3.56	4.05	3.67	3.32	3.67	3.55
Natural Gas (mmcf)	127	119	131	118	118	118	118
Days	31	30	31	31	28	31	30
<b>Price</b>							
Natural gas industry quotes lagged two months (\$/mmbtu)							
Henry Hub Daily/Futures	8.17	2.36	2.41	2.25	2.31		3.08
San Juan Monthly Index	9.14	2.69	2.32	2.42	1.81	2.14	
SJT/Henry Hub	0.89	0.90	0.77	0.85	0.72		
SJT/San Juan Index	0.80	0.79	0.80	0.79	0.92	0.84	
SJT (\$/mmbtu)	7.31	2.12	1.86	1.91	1.67	1.80	2.43
SJT (\$/mcf)	7.82	2.31	2.04	2.08	1.82	1.96	2.65
<b>Revenue</b> (\$mm)							
Natural Gas	30.8	8.2	8.3	7.6	6.0	7.2	9.4
Other	0.0	(1.7)	(0.5)	0.0	0.0	0.0	0.0
<b>Cost</b> (\$mm)							
Severance tax	3.0	0.9	0.9	0.8	0.6	0.7	1.0
Operating	1.2	1.4	1.5	1.3	1.3	1.3	1.3
Total	4.2	2.3	2.3	2.1	1.9	2.1	2.3
<b>Cash flow</b> (\$mm)	26.7	4.2	5.5	5.6	4.2	5.2	7.2
Development	1.9	4.2	4.8	3.1	1.5	1.5	1.5
<b>Net proceeds</b> (\$mm)	24.8	-	0.7	2.4	2.7	3.7	5.7
<b>Royalty income</b> (\$mm)	18.6	-	0.5	1.8	2.0	2.8	4.3
Royalty/Net proceeds	75%	75%	75%	75%	75%	75%	75%
<b>Distributable income</b> (\$mm)	18.6	-	0.5	1.8	2.0	2.8	4.3
<b>Units</b> (millions)	46.6	46.6	46.6	46.6	46.6	46.6	46.6
<i>Latest Twelve Month Average</i>							
Heat Content(btu/cf)	1,062	1,081	1,088				
Natural Gas (mmcf)	119	118	118				
SJT/Henry Hub	0.76	0.77	0.79				
SJT/San Juan Index	0.89	0.84	0.84				
Other revenue		0.1	0.0				
Operating	1.2	1.3	1.3				
Development	2.3	2.8	3.1				
Severance tax/revenue		10.3%	10.3%				

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