

## Natural Gas Royalty Trusts

A Weekly Analysis

April 8, 2002

### Stock Price and Futures Track Closely

A gratifying increase in stock price for royalty trusts coincided with a similar move in six-year natural gas futures (see chart on next page). A slight softening in futures recently might imply the same for royalty trusts though we hasten to add that the volume of trading in far out futures is not yet well established. Six-year futures have the most week-to-week impact on our calculation of present value. In addition we scaled back our volume projection slightly for CRT after seeing latest disclosures. As a result estimated present value decreased 6%, 4%, and 4% for CRT, HGT and SJT respectively. In contrast, estimated Next Twelve Months distribution increased 2%, 3%, and 4% for CRT, HGT and SJT respectively. We remain bullish on natural gas royalty trusts, but respect the power of markets to surprise.

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

	<i>Symbol/ Rating</i>	<i>Price (\$/sh) 4-Apr 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	19.30	6.0	116	18.70	-	1.03	
San Juan Basin Royalty Trust	SJT	2	11.94	46.6	560	15.10	-	0.79
Hugoton RoyaltyTrust (46%)	HGT	12.16	18.4	220	15.50	-	0.79	

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.

	<i>Symbol/ Rating</i>	<i>Price (\$/sh) 4-Apr 2002</i>	<i>EV/ Sales NTM</i>	<i>EV/ Ebitda NTM</i>	<i>P/E NTM</i>	<i>Dividend or Distribution NTM (%)</i>	<i>PV/ Ebitda NTM</i>	
Cross Timbers Royalty Trust	CRT	19.30	7.3	10.4	11	8.9	10.1	
San Juan Basin Royalty Trust	SJT	2	11.94	5.9	7.6	10	9.7	9.6
Hugoton RoyaltyTrust (46%)	HGT	12.16	4.9	7.2	10	10.1	9.1	

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

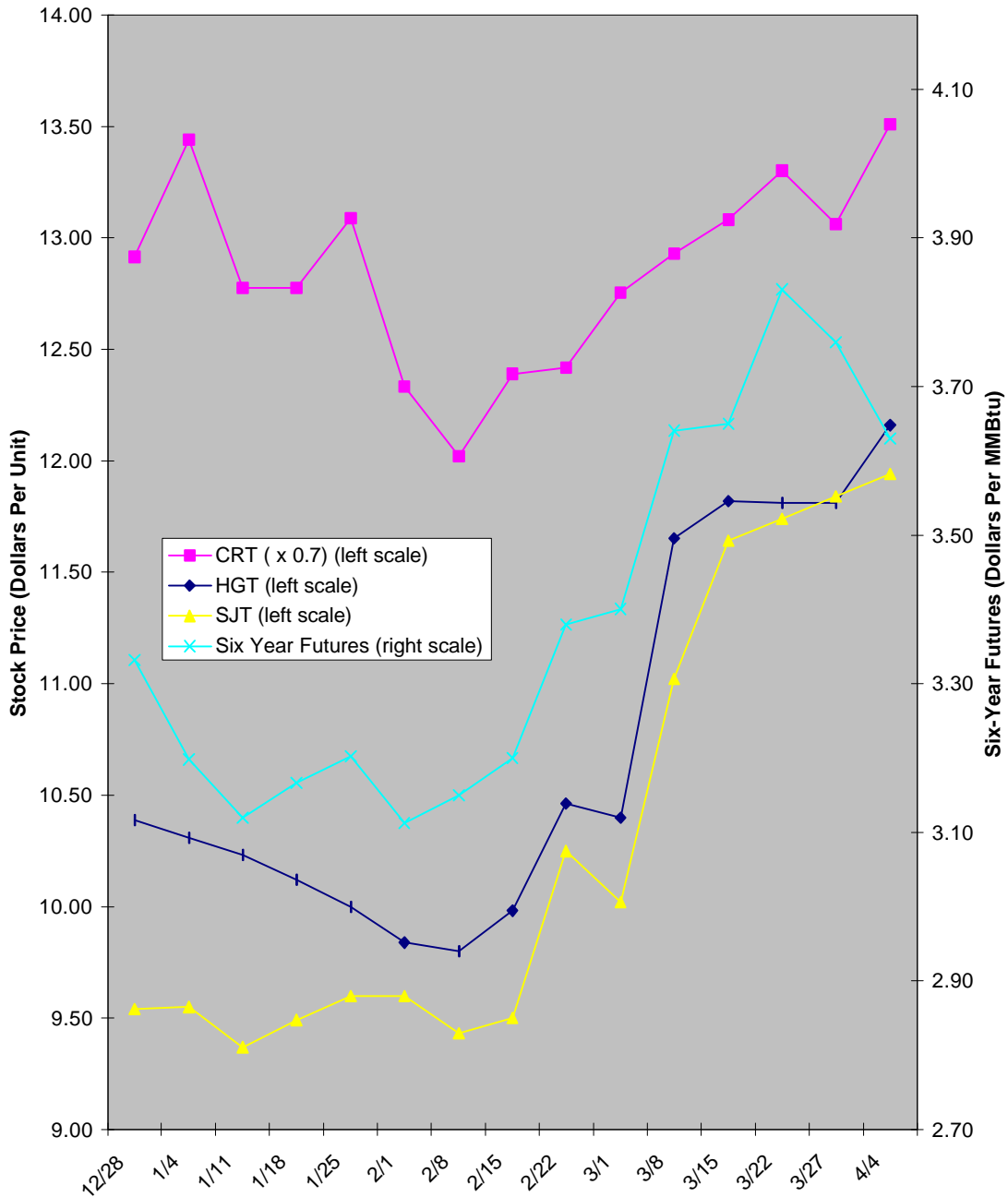
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### Natural Gas Royalty Trusts Stock Price and Six-Year Futures Move Together



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## Natural Gas Royalty Trusts

### A Weekly Analysis

April 8, 2002

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

Volume Decline (%/yr):	10	Price Escalation post 2007 (%/yr):	2.9
Volume Enhancement (%/yr):	10	Discount Rate (%/yr):	6.7
		U.S. TIPS Inflation (%/yr):	2.1
		U.S. 10 Year Yield (%/yr):	5.3

PV/Volume (\$/mcf):	2.30	PV/EBITDA 2002:	11.3
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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											
	26	23	49	4.14	202	7	209	34.76	0.11	18.70	
2002	2.7	0.0	2.7	2.95	8.0	1.3	9.3	1.55	0.11	0.97	1.61
2003	2.5	0.3	2.7	3.42	9.3	1.1	10.5	1.74		0.91	1.58
2004	2.2	0.5	2.7	3.40	9.3	0.9	10.2	1.69		0.85	1.44
2005	2.0	0.7	2.7	3.40	9.3	0.7	10.0	1.67		0.80	1.33
2006	1.8	0.9	2.7	3.46	9.4	0.6	10.0	1.67		0.75	1.25
2007	1.6	1.1	2.7	3.54	9.6	0.5	10.2	1.69		0.70	1.19
2008	1.4	1.3	2.7	3.64	9.9	0.5	10.4	1.73		0.66	1.14
2009	1.3	1.4	2.7	3.74	10.2	0.5	10.7	1.78		0.62	1.10
2010	1.2	1.6	2.7	3.85	10.5	0.4	10.9	1.82		0.58	1.05
2011	1.1	1.7	2.7	3.96	10.8		10.8	1.80		0.54	0.97
2012	1.0	1.5	2.5	4.07	10.0		10.0	1.66		0.51	0.85
2013	0.9	1.4	2.2	4.18	9.2		9.2	1.54		0.48	0.73
2014	0.8	1.2	2.0	4.30	8.6		8.6	1.43		0.45	0.64
2015	0.7	1.1	1.8	4.43	7.9		7.9	1.32		0.42	0.55
2016	0.6	1.0	1.6	4.55	7.3		7.3	1.22		0.39	0.48
2017	0.6	0.9	1.4	4.68	6.8		6.8	1.13		0.37	0.42
2018	0.5	0.8	1.3	4.82	6.3		6.3	1.05		0.35	0.36
2019	0.5	0.7	1.2	4.95	5.8		5.8	0.97		0.32	0.31
2020	0.4	0.6	1.1	5.09	5.4		5.4	0.90		0.30	0.27
2021	0.4	0.6	1.0	5.24	5.0		5.0	0.83		0.28	0.24
2022	0.3	0.5	0.9	5.39	4.6		4.6	0.77		0.27	0.20
2023	0.3	0.5	0.8	5.54	4.3		4.3	0.71		0.25	0.18
2024	0.3	0.4	0.7	5.70	4.0		4.0	0.66		0.23	0.15
2025	0.2	0.4	0.6	5.86	3.7		3.7	0.61		0.22	0.13
2026	0.2	0.3	0.6	6.03	3.4		3.4	0.56		0.21	0.12
2027	0.2	0.3	0.5	6.20	3.1		3.1	0.52		0.19	0.10
2028	0.2	0.3	0.5	6.38	2.9		2.9	0.48		0.18	0.09
2029	0.2	0.3	0.4	6.56	2.7		2.7	0.45		0.17	0.08
2030	0.1	0.2	0.4	6.75	2.5		2.5	0.41		0.16	0.07
2031	0.1	0.2	0.3	6.94	2.3		2.3	0.38		0.15	0.06

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# Natural Gas Royalty Trusts

## A Weekly Analysis

April 8, 2002

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

	Q1	Q2	Q3	Q4	Year	Q1E	Q2E	Q3E	Q4E	Year	Q1E	Next Twelve Months
	3/31/01	6/30/01	9/30/01	12/31/01	2001	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	1.80	2.01	2.74	2.73	9.29	2.81	10.30
Per unit	0.67	0.70	0.57	0.43	2.37	0.30	0.34	0.46	0.46	1.55	0.47	1.72
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	0.77	2.93	0.76	0.75	0.76	0.76	3.03	0.76	3.03
Natural Gas (mmcf)	7.2	7.8	8.6	8.4	8.0	8.3	8.3	8.3	8.3	8.3	8.3	8.3
Days	92	90	91	92	365	92	90	91	92	365	92	365
Oil (mb)	83	79	90	99	351	88	85	88	88	350	88	350
Oil (mmbd)	0.90	0.89	0.98	1.08	0.96	0.96	0.96	0.96	0.96	0.96	0.96	3.84
Days	92	89	92	92	365	92	89	92	92	365	92	365
Total (bcf)	1.16	1.18	1.33	1.37	5.03	1.29	1.26	1.29	1.29	5.13	1.29	5.13
<b>Price</b>												
Natural Gas (HH lagged three months)												
Henry Hub (\$/mmbtu)	6.52	6.31	4.36	2.75	4.98	2.41	2.53	3.41	3.43	2.95	3.65	3.26
Differential (\$/mmbtu)	0.41	(0.48)	(0.41)	(0.24)	(0.11)	-	-	-	-	(0.00)	-	(0.00)
CRT (\$/mcf)	6.11	6.79	4.77	2.99	5.09	2.41	2.53	3.41	3.43	2.95	3.65	3.26
Oil (\$/bbl) (WTI lagged two months)												
WTI Cushing	30.84	28.09	27.56	25.28	27.94	19.56	23.94	26.71	26.07	24.07	25.33	25.51
CRT	28.73	24.92	24.07	22.75	24.99	17.56	21.94	24.71	24.07	22.07	23.33	23.53
Total (\$/mcf)	5.54	5.73	4.46	3.34	4.70	2.62	2.99	3.70	3.67	3.25	3.75	3.53
<b>Revenue (\$mm)</b>												
Natural Gas	4.05	4.79	3.75	2.31	14.91	1.84	1.89	2.58	2.62	8.93	2.79	9.88
Oil	2.38	1.98	2.16	2.25	8.77	1.55	1.87	2.18	2.13	7.73	2.06	8.24
Total	6.43	6.77	5.91	4.56	23.68	3.39	3.77	4.76	4.75	16.66	4.85	18.13
<b>Cost (\$mm)</b>												
Tax, transport & other	0.84	0.89	0.87	0.69	3.30	0.47	0.53	0.67	0.66	2.33	0.68	2.54
Production	0.71	0.74	0.73	0.73	2.91	0.73	0.71	0.73	0.73	2.91	0.73	2.91
Total	1.55	1.63	1.60	1.42	6.20	1.21	1.24	1.40	1.40	5.24	1.41	5.45
<b>Cash flow (\$mm)</b>												
Development	0.16	0.41	0.40	0.16	1.13	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	2.98	16.34	1.98	2.33	3.16	3.15	10.62	3.24	11.88
<b>Royalty income (\$mm)</b>												
Royalty/Net proceeds	4.11	4.22	3.45	2.61	14.39	1.75	2.05	2.78	2.77	9.35	2.85	10.46
	87%	89%	88%	88%	88%	88%	88%	88%	88%	88%	88%	88%
Administration	0.06	0.04	0.05	0.03	0.18	(0.06)	0.04	0.04	0.04	0.06	0.04	0.16
<b>Distributable income (\$mm)</b>												
	4.05	4.18	3.40	2.58	14.21	1.80	2.01	2.74	2.73	9.29	2.81	10.30
<b>Modeling ratios</b>												
Tax and other/revenue	0.13	0.13	0.15	0.15	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14
Production exp (\$/bbl)	8.58	9.29	8.12	7.37	8.28	8.30	8.30	8.30	8.30	8.30	8.30	8.30

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## A Weekly Analysis

April 8, 2002

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

Volume Decline (%/yr):	10	Price Escalation Post 2007 (%/yr):	2.9
Volume Enhancement (%/yr):	10	Discount rate (%/yr):	6.7
Capex/Cash Flow (%):	30	U.S. TIPS Inflation (%/yr):	2.1
Variable Cost (%):	17	U.S. 10 Year Yield (%/yr):	5.3

PV/Volume (\$/mcf):	1.12	PV/EBITDA 2002:	10.3
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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													
	295	256	551	4.05	2234	446	380	221	1187	29.68	0.02	0.52	15.50
2002	30.8	0.0	30.8	2.93	90.3	14.9	15.3	18.3	41.8	1.04	0.02	0.97	1.03
2003	27.7	3.1	30.8	3.35	103.1	14.9	17.5	21.2	49.5	1.24		0.91	1.12
2004	24.9	5.9	30.8	3.33	102.5	14.9	17.4	21.1	49.2	1.23		0.85	1.05
2005	22.4	8.3	30.8	3.33	102.4	14.9	17.4	21.0	49.1	1.23		0.80	0.98
2006	20.2	10.6	30.8	3.38	104.2	14.9	17.7	21.5	50.1	1.25		0.75	0.94
2007	18.2	12.6	30.8	3.46	106.6	14.9	18.1	22.1	51.5	1.29		0.70	0.90
2008	16.4	14.4	30.8	3.56	109.6	14.9	18.6	22.8	53.3	1.33		0.66	0.88
2009	14.7	16.1	30.8	3.66	112.7	14.9	19.2	23.6	55.1	1.38		0.62	0.85
2010	13.3	17.5	30.8	3.77	115.9	14.9	19.7	24.4	56.9	1.42		0.58	0.82
2011	11.9	18.9	30.8	3.87	119.2	14.9	20.3	25.2	58.9	1.47		0.54	0.80
2012	10.7	17.0	27.7	3.98	110.4	14.9	18.8		76.7	1.92		0.51	0.97
2013	9.7	15.3	24.9	4.10	102.2	14.9	17.4		69.9	1.75		0.48	0.83
2014	8.7	13.7	22.4	4.21	94.6	14.9	16.1		63.6	1.59		0.45	0.71
2015	7.8	12.4	20.2	4.33	87.5	14.9	14.9		57.8	1.44		0.42	0.60
2016	7.0	11.1	18.2	4.46	81.0	14.9	13.8		52.4	1.31		0.39	0.51
2017	6.3	10.0	16.4	4.58	75.0	14.9	12.8		47.4	1.18		0.37	0.44
2018	5.7	9.0	14.7	4.71	69.4	14.9	11.8		42.8	1.07		0.35	0.37
2019	5.1	8.1	13.3	4.85	64.3	14.9	10.9		38.5	0.96		0.32	0.31
2020	4.6	7.3	11.9	4.99	59.5	14.9	10.1		34.5	0.86		0.30	0.26
2021	4.2	6.6	10.7	5.13	55.1	14.9	9.4		30.8	0.77		0.28	0.22
2022	3.7	5.9	9.7	5.28	51.0	14.9	8.7		27.4	0.69		0.27	0.18
2023	3.4	5.3	8.7	5.43	47.2	14.9	8.0		24.3	0.61		0.25	0.15
2024	3.0	4.8	7.8	5.58	43.7	14.9	7.4		21.4	0.53		0.23	0.13
2025	2.7	4.3	7.0	5.74	40.4	14.9	6.9		18.7	0.47		0.22	0.10
2026	2.5	3.9	6.3	5.90	37.4	14.9	6.4		16.2	0.40		0.21	0.08
2027	2.2	3.5	5.7	6.07	34.6	14.9	5.9		13.9	0.35		0.19	0.07
2028	2.0	3.1	5.1	6.24	32.1	14.9	5.5		11.7	0.29		0.18	0.05
2029	1.8	2.8	4.6	6.42	29.7	14.9	5.0		9.8	0.24		0.17	0.04
2030	1.6	2.5	4.2	6.61	27.5	14.9	4.7		7.9	0.20		0.16	0.03
2031	1.5	2.3	3.7	6.79	25.4	14.9	4.3		6.2	0.16		0.15	0.02

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

	Q1	Q2	Q3	Q4	Year	Q1E	Q2E	Q3E	Q4E	Year	Q1E	Next Twelve Months
	3/31/01	6/30/01	9/30/01	12/31/01	2001	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	18.5	134.7	18.6	21.2	25.0	25.4	90.3	27.8	99.5
Cash flow (\$mm) (80%)	39.4	30.5	20.4	12.9	103.2	11.6	13.8	17.1	17.5	59.9	19.6	67.9
Per unit	0.98	0.76	0.51	0.32	2.58	0.29	0.35	0.43	0.44	1.50	0.49	1.70
Tax credit (\$mm)	0.2	0.2	0.2	0.2	0.7	0.2	0.2	0.2	0.2	0.7		0.5
Per unit	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.00	0.00	0.02		0.01
Distributable Income (\$mm)	33.7	21.7	15.3	8.5	79.1	7.4	9.2	12.4	12.8	41.8	15.0	49.4
Per unit	0.84	0.54	0.38	0.21	1.98	0.18	0.23	0.31	0.32	1.04	0.37	1.23
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	9.0	8.9	9.2	9.2	36.3	9.2	36.4
Natural Gas (mmcf)	99.9	97.8	99.8	103.5	100.3	98.1	99.8	99.8	99.8	99.4	99.8	99.8
Days	92	89	92	92	365	92	89	92	92	365	92	365
Oil (mb)	96	102	101	95	394	94	90	92	91	368	91	365
Oil (mbd)	1.0	1.1	1.1	1.0	1.1	1.0	1.0	1.0	1.0	1.0	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	9.6	9.4	9.7	9.7	38.5	9.7	38.6
<b>Price</b>												
Natural Gas (HH lagged two months)												
Henry Hub (\$/mmbtu)	7.57	5.30	3.67	2.53	4.77	2.34	2.95	3.38	3.45	3.03	3.81	3.40
Differential (\$/mmbtu)	1.25	(0.03)	0.16	0.35	0.46	(0.03)	0.21	0.24	0.24	0.16	0.27	0.23
HGT (\$/mcf)	6.31	5.34	3.51	2.18	4.30	2.38	2.75	3.14	3.21	2.87	3.54	3.16
Oil (\$/bbl) (WTI Cushing lagged two months)												
WTI Cushing	30.84	28.09	27.56	25.28	27.94	19.56	23.94	26.71	26.07	24.07	25.33	25.51
HGT	30.43	28.37	26.56	25.02	27.60	19.06	23.44	26.21	25.57	23.54	24.83	25.02
Total (\$/mcf)	6.24	5.30	3.57	2.30	4.32	2.43	2.81	3.21	3.27	2.93	3.58	3.22
<b>Revenue (\$mm)</b>												
Natural Gas	58.0	46.4	32.3	20.8	157.5	21.5	24.4	28.8	29.5	104.2	32.5	115.3
Oil	2.9	2.9	2.7	2.4	10.9	1.8	2.1	2.4	2.3	8.7	2.2	9.1
Total	61.0	49.3	34.9	23.2	168.4	23.3	26.5	31.3	31.8	112.8	34.8	124.4
<b>Cost (\$mm)</b>												
Tax, transport & other												
Production	4.9	4.3	4.2	2.8	16.1	4.4	4.7	4.9	4.9	18.8	4.9	19.3
Overhead	1.8	1.9	2.0	2.2	7.9	2.0	1.9	1.9	1.9	7.8	1.9	7.7
Total	11.7	11.2	9.4	7.1	39.4	8.7	9.2	9.9	10.0	37.9	10.3	39.5
<b>Cash flow (\$mm)</b>												
Development	7.1	11.0	6.3	5.5	29.9	5.8	5.7	5.7	5.7	22.9	5.7	22.8
<b>Net proceeds (\$mm)</b>												
Royalty/Net proceeds	42.1	27.2	19.2	10.6	99.1	8.8	11.6	15.6	16.1	52.1	18.8	62.1
<b>Royalty income (\$mm)</b>												
Royalty/Net proceeds	33.7	21.7	15.4	8.5	79.3	7.0	9.2	12.5	12.9	41.6	15.0	49.7
Administration	0.0	0.0	0.1	0.0	0.2	(0.3)	0.1	0.1	0.1	(0.1)	0.1	0.3
<b>Distributable income (\$mm)</b>												
<i>Cost ratios</i>												
Tax and other/revenue	8%	10%	9%	9%	9%	10%	10%	10%	10%	10%	10%	10%
Production cost (\$/mcf)	0.50	0.46	0.42	0.28	0.41	0.46	0.50	0.50	0.50	0.49	0.50	0.50
Overhead cost (\$/mcf)	0.19	0.21	0.20	0.22	0.20	0.21	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	0.40	0.33	0.27	0.26	0.31	0.23	0.27

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# Natural Gas Royalty Trusts

## A Weekly Analysis

April 8, 2002

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

Volume Decline (%/yr):	10	Price Escalation Post 2007 (%/yr):	2.9
Volume Enhancement (%/yr):	10	Discount rate (%/yr):	6.7
Capex/Cash Flow (%):	25	U.S. TIPS Inflation (%/yr):	2.1
Variable Cost (%):	11	U.S. 10 Year Yield (%/yr):	5.3
PV/Volume (\$/mcf):	1.18	PV/EBITDA 2002:	11.2

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													
	318	276	594	3.70	2198	408	242	205	1343	28.83	0.12	0.52	15.10
2002	33.2	0.0	33.2	2.60	86.1	13.6	9.5	21.3	41.8	0.90	0.12	0.97	0.98
2003	29.9	3.3	33.2	3.06	101.5	13.6	11.2	19.2	57.6	1.23		0.91	1.12
2004	26.9	6.3	33.2	3.04	101.0	13.6	11.1	19.1	57.2	1.23		0.85	1.04
2005	24.2	9.0	33.2	3.04	100.8	13.6	11.1	19.0	57.1	1.23		0.80	0.98
2006	21.8	11.4	33.2	3.09	102.6	13.6	11.3	19.4	58.3	1.25		0.75	0.94
2007	19.6	13.6	33.2	3.16	105.0	13.6	11.5	20.0	59.9	1.28		0.70	0.90
2008	17.6	15.5	33.2	3.25	108.0	13.6	11.9	20.6	61.9	1.33		0.66	0.87
2009	15.9	17.3	33.2	3.35	111.0	13.6	12.2	21.3	63.9	1.37		0.62	0.85
2010	14.3	18.9	33.2	3.44	114.2	13.6	12.6	22.0	66.0	1.42		0.58	0.82
2011	12.9	20.3	33.2	3.54	117.5	13.6	12.9	22.7	68.2	1.46		0.54	0.79
2012	11.6	18.3	29.9	3.64	108.7	13.6	12.0		83.1	1.78		0.51	0.91
2013	10.4	16.5	26.9	3.74	100.6	13.6	11.1		76.0	1.63		0.48	0.78
2014	9.4	14.8	24.2	3.85	93.2	13.6	10.2		69.3	1.49		0.45	0.66
2015	8.4	13.3	21.8	3.96	86.2	13.6	9.5		63.1	1.35		0.42	0.57
2016	7.6	12.0	19.6	4.07	79.8	13.6	8.8		57.4	1.23		0.39	0.48
2017	6.8	10.8	17.6	4.19	73.9	13.6	8.1		52.1	1.12		0.37	0.41
2018	6.1	9.7	15.9	4.31	68.4	13.6	7.5		47.3	1.01		0.35	0.35
2019	5.5	8.8	14.3	4.43	63.3	13.6	7.0		42.7	0.92		0.32	0.30
2020	5.0	7.9	12.9	4.56	58.6	13.6	6.4		38.5	0.83		0.30	0.25
2021	4.5	7.1	11.6	4.69	54.2	13.6	6.0		34.7	0.74		0.28	0.21
2022	4.0	6.4	10.4	4.82	50.2	13.6	5.5		31.1	0.67		0.27	0.18
2023	3.6	5.7	9.4	4.96	46.5	13.6	5.1		27.8	0.60		0.25	0.15
2024	3.3	5.2	8.4	5.10	43.0	13.6	4.7		24.7	0.53		0.23	0.12
2025	2.9	4.7	7.6	5.25	39.8	13.6	4.4		21.8	0.47		0.22	0.10
2026	2.6	4.2	6.8	5.40	36.9	13.6	4.1		19.2	0.41		0.21	0.08
2027	2.4	3.8	6.1	5.55	34.1	13.6	3.8		16.8	0.36		0.19	0.07
2028	2.1	3.4	5.5	5.71	31.6	13.6	3.5		14.5	0.31		0.18	0.06
2029	1.9	3.1	5.0	5.87	29.2	13.6	3.2		12.4	0.27		0.17	0.05
2030	1.7	2.7	4.5	6.04	27.1	13.6	3.0		10.5	0.22		0.16	0.04
2031	1.6	2.5	4.0	6.21	25.0	13.6	2.8		8.7	0.19		0.15	0.03

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# Natural Gas Royalty Trusts

## A Weekly Analysis

April 8, 2002

**Table SJT-2**  
**San Juan Basin Royalty Trust**  
**Distributable Income**

	Q1	Q2	Q3	Q4	Year	Q1E	Q2E	Q3E	Q4E	Year	Q1E	Next Twelve Months
	3/31/01	6/30/01	9/30/01	12/31/01	2001	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	14.8	128.5	19.1	18.9	23.8	24.3	86.1	26.8	93.8
Cash flow (\$mm) (75%)	42.2	31.9	20.0	10.1	104.3	14.1	14.0	18.6	19.1	65.8	21.3	73.1
Per unit	0.91	0.69	0.43	0.22	2.24	0.30	0.30	0.40	0.41	1.41	0.46	1.57
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	3.5	10.4	13.8	14.1	41.8	15.8	54.0
Per unit	0.80	0.56	0.29	0.06	1.72	0.08	0.22	0.30	0.30	0.90	0.34	1.16
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	12.5	11.5	11.9	11.9	47.7	11.9	47.1
Heat Content(btu/cf)	1,052	1,095	1,070	1,106	1,080	1,092	1,090	1,090	1,090	1,091	1,090	1,090
Natural gas (bcf)	11.3	10.4	11.1	10.2	43.0	11.5	10.5	10.9	10.9	43.8	10.9	43.2
Natural Gas (mmcf)	122.4	116.4	120.6	111.4	417.7	124.7	118.3	118.3	118.3	419.9	118.3	418.3
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	11.6	10.6	11.0	11.0	44.2	11.0	43.7
<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	2.95	3.38	3.45	3.03	3.81	3.40
Differential (%)	27	15	23	33	24	14	27	22	22	22	22	23
Total	5.53	4.49	2.82	1.69	3.65	2.01	2.17	2.63	2.69	2.37	2.97	2.62
Natural gas (\$/mcf)	5.81	4.92	3.02	1.87	3.94	2.20	2.36	2.87	2.93	2.59	3.24	2.86
Oil (\$/bbl) (WTI Cushing lagged two months)												
WTI Cushing	28.79	28.09	27.56	25.28	27.43	19.56	23.94	26.71	26.07	24.07	25.33	25.51
SJT	26.90	24.60	23.72	24.49	24.99	15.56	19.94	22.71	22.07	20.07	21.33	21.53
Total gas & oil (\$/mcf)	5.79	4.91	3.03	1.90	3.94	2.20	2.37	2.88	2.94	2.60	3.24	2.86
<b>Revenue (\$mm)</b>												
Natural Gas	65.5	50.9	33.5	19.2	169.1	25.2	24.9	31.3	31.9	113.2	35.3	123.3
Oil	0.7	0.6	0.5	0.5	2.3	0.3	0.4	0.5	0.5	1.6	0.4	1.7
Total	66.1	51.6	34.0	19.7	171.4	25.5	25.3	31.7	32.4	114.9	35.7	125.0
<b>Cost (\$mm)</b>												
Severance tax	6.5	5.2	3.7	2.1	17.4	2.6	2.6	3.2	3.2	11.6	3.6	12.6
Operating	3.3	3.8	3.7	4.2	14.9	4.1	3.9	3.7	3.7	15.5	3.7	15.0
Total	9.8	9.0	7.3	6.2	32.3	6.7	6.6	6.9	6.9	27.1	7.3	27.6
<b>Cash flow (\$mm)</b>												
Development	6.3	7.1	8.1	11.5	33.0	11.3	4.5	6.2	6.4	28.4	7.1	24.2
<b>Net proceeds (\$mm)</b>												
50.0	35.5	18.6	1.9	106.1	7.5	14.2	18.6	19.1	59.4	21.3	73.2	
<b>Royalty income (\$mm)</b>												
37.5	26.6	14.0	1.4	79.5	5.6	10.6	14.0	14.3	44.5	16.0	54.9	
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)	2.1	0.3	0.2	0.2	2.8	0.2	0.9
One-time					-					-		-
<b>Distributable income (\$mm)</b>												
37.3	26.3	13.7	2.9	80.1	3.5	10.4	13.8	14.1	41.8	15.8	54.0	
<b>Modeling ratios</b>												
Severance tax/revenue	9.9%	10.0%	10.7%	10.5%	10.2%	10.2%	10.3%	10.0%	10.0%	10.1%	10.0%	10.1%
Operating cost (\$/mcf)	0.29	0.36	0.33	0.40	0.34	0.36	0.37	0.34	0.34	0.35	0.34	0.34

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# Natural Gas Royalty Trusts

## A Weekly Analysis

April 8, 2002

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

	<i>Dec-00</i>	<i>Apr-01</i>	<i>May-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	0.15	0.22	0.17	-	0.01	0.06			
Projected							0.04	0.08	0.10
<b>Volume</b>									
Natural gas (mmbtu)	3.93	3.31	4.16	3.87	4.46	4.19	3.61	4.00	3.87
Heat Content(btu/cf)	1,079	1,076	1,063	1,088	1,099	1,087	1,090	1,090	1,090
Natural gas (bcf)	3.64	3.08	3.91	3.56	4.05	3.86	3.31	3.67	3.55
Natural Gas (mmcf)	117	110	126	119	131	124	118	118	118
Days	31	28	31	30	31	31	28	31	30
<b>Price</b>									
Natural gas industry quotes lagged two months (\$/mmbtu)									
Henry Hub Daily/Futures	5.02	5.59	5.16	2.36	2.41	2.25	2.31	3.03	3.52
San Juan Monthly Index	4.47	6.55	4.88	2.69	2.32	2.42	1.81	2.14	3.04
SJT/Henry Hub	0.81	1.02	0.76	0.90	0.77	0.92	0.73	0.70	0.76
SJT/San Juan Index	0.91	0.87	0.81	0.79	0.80	0.86	0.93	0.98	0.88
SJT (\$/mmbtu)	4.08	5.69	3.94	2.12	1.86	2.08	1.68	2.10	2.68
SJT (\$/mcf)	4.41	6.13	4.19	2.31	2.04	2.26	1.83	2.29	2.92
<b>Revenue</b> (\$mm)									
Natural Gas	16.1	18.9	16.4	8.2	8.3	8.7	6.1	8.4	10.4
Other	0.5	0.0	0.2	(1.7)	(0.5)	(0.2)	-	-	-
<b>Cost</b> (\$mm)									
Severance tax	1.3	1.9	1.7	0.9	0.9	0.9	0.6	0.9	1.1
Operating	1.1	1.2	1.3	1.4	1.5	1.2	1.3	1.3	1.3
Total	2.4	3.1	3.0	2.3	2.3	2.1	2.0	2.2	2.4
<b>Cash flow</b> (\$mm)	14.2	15.8	13.6	4.2	5.5	6.4	4.1	6.2	8.0
Development	4.9	1.9	2.8	4.2	4.8	2.4	1.5	1.5	1.5
<b>Net proceeds</b> (\$mm)	9.3	13.9	10.7	-	0.7	4.0	2.6	4.7	6.5
<b>Royalty income</b> (\$mm)	7.0	10.4	8.0	-	0.5	3.0	2.0	3.5	4.9
Royalty/Net proceeds	75%	75%	75%	75%	75%	75%	75%	75%	75%
<b>Distributable income</b> (\$mm)	7.0	10.4	8.0	-	0.5	3.0	2.0	3.5	4.9
<b>Units</b> (millions)	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6
<i>Latest Twelve Month Average</i>									
Heat Content(btu/cf)	1,064	1,064	1,065	1,081	1,088	1,090			
Natural Gas (mmcf)	115	118	119	118	118	118			
SJT/Henry Hub	0.81	0.78	0.78	0.77	0.79	0.79			
SJT/San Juan Index	0.90	0.88	0.87	0.84	0.84	0.85			
Other revenue				0.1	0.0	0.0			
Operating	1.2	1.2	1.1	1.3	1.3	1.3			
Development	2.1	2.3	2.4	2.8	3.1	3.2			
Severance tax/revenue				10.3%	10.4%	10.5%			

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