

Natural Gas Royalty Trusts

A Weekly Analysis

May 28, 2002

Rocky Differentials

The natural gas industry seems to need more transportation capacity from Wyoming to markets. Low wellhead prices for natural gas in the Rocky Mountain region, where new supply is being developed rapidly, are backing up to the San Juan Basin in New Mexico as well. Not sure about how soon the situation will be corrected we project a temporarily wider differential compared to the Henry Hub, the pricing point in Louisiana for futures contracts. Though the adjustment contributes to more than a one-sigma reduction in present value for HGT and SJT, projected distribution for next year and for the life of production continues to imply an attractive return on new investment. Meanwhile in contrast to a few months ago the next monthly distribution for each of the three trusts, declared on May 21, looks strong for SJT and less so for CRT and HGT. Presuming that the market reaction to short term trends is exaggerated, smaller CRT and HGT appear more attractive relative to larger SJT than previously. Thus investors who like SJT and would like more exposure to pure natural gas production could broaden representation to CRT and HGT on what appear to be comparable terms.

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

			<i>Price</i> (\$/sh)		<i>Market</i> <i>Cap</i> (\$mm)	<i>Net</i> <i>Present</i> <i>Value</i> (\$/sh)	<i>Debt/</i> <i>Present</i> <i>Value</i>	<i>McDep</i> <i>Ratio</i>
<i>Symbol/</i> <i>Rating</i>		<i>23-May</i> <i>2002</i>		<i>Shares</i> <i>(mm)</i>				
Natural Gas Royalty Trusts								
Cross Timbers Royalty Trust	CRT		16.99	6.0	102	20.00	-	0.85
San Juan Basin Royalty Trust	SJT	2	11.67	46.6	540	15.80	-	0.74
Hugoton RoyaltyTrust (46%)	HGT		10.80	18.4	200	15.50	-	0.70

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>Price</i> (\$/sh)		<i>EV/</i> <i>Sales</i> <i>NTM</i>	<i>EV/</i> <i>Ebitda</i> <i>NTM</i>	<i>Dividend or</i> <i>Distribution</i> <i>P/E</i> <i>NTM</i>	<i>PV/</i> <i>Ebitda</i> <i>NTM</i>
<i>Symbol/</i> <i>Rating</i>		<i>23-May</i> <i>2002</i>		<i>NTM</i>		<i>NTM</i>	<i>(%)</i>	
Natural Gas Royalty Trusts								
Cross Timbers Royalty Trust	CRT		16.99	6.0	8.6	9	10.8	10.1
San Juan Basin Royalty Trust	SJT	2	11.67	5.3	6.7	9	10.7	9.0
Hugoton RoyaltyTrust (46%)	HGT		10.80	4.4	6.4	9	11.4	9.1

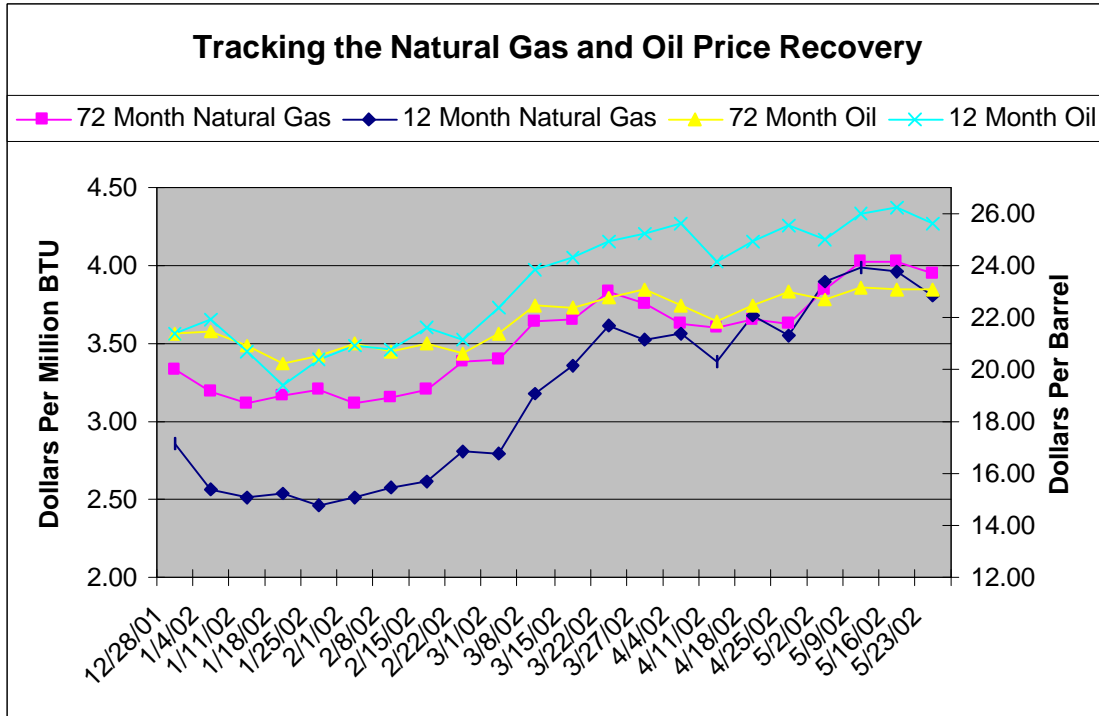
EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended March 31, 2003; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses

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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):	2.8
Volume Enhancement (%/yr):	10	Discount Rate (%/yr):	6.5
		U.S. TIPS Inflation (%/yr):	2.0
		U.S. 10 Year Yield (%/yr):	5.1
PV/Volume (\$/mcf):	2.44	PV/EBITDA 2002:	12.5

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	4.44	218	4	222	37.06	0.10	0.54	20.00
2002	2.7	0.0	2.7	2.97	8.2	0.8	9.0	1.50	0.10	0.97	1.55
2003	2.5	0.3	2.7	3.75	10.3	0.9	11.2	1.86		0.91	1.69
2004	2.2	0.5	2.7	3.78	10.4	0.6	11.0	1.83		0.85	1.57
2005	2.0	0.7	2.7	3.73	10.2	0.5	10.7	1.79		0.80	1.43
2006	1.8	0.9	2.7	3.74	10.3	0.4	10.6	1.77		0.75	1.33
2007	1.6	1.1	2.7	3.80	10.4	0.3	10.7	1.78		0.71	1.26
2008	1.5	1.3	2.7	3.91	10.7	0.2	11.0	1.83		0.66	1.21
2009	1.3	1.4	2.7	4.02	11.0	0.2	11.2	1.87		0.62	1.17
2010	1.2	1.6	2.7	4.13	11.3	0.2	11.5	1.92		0.58	1.12
2011	1.1	1.7	2.7	4.25	11.6		11.6	1.94		0.55	1.07
2012	1.0	1.5	2.5	4.37	10.8		10.8	1.80		0.52	0.93
2013	0.9	1.4	2.2	4.49	10.0		10.0	1.66		0.48	0.80
2014	0.8	1.2	2.0	4.62	9.2		9.2	1.54		0.45	0.70
2015	0.7	1.1	1.8	4.75	8.5		8.5	1.42		0.43	0.61
2016	0.6	1.0	1.6	4.88	7.9		7.9	1.32		0.40	0.53
2017	0.6	0.9	1.5	5.02	7.3		7.3	1.22		0.38	0.46
2018	0.5	0.8	1.3	5.16	6.8		6.8	1.13		0.35	0.40
2019	0.5	0.7	1.2	5.31	6.3		6.3	1.04		0.33	0.35
2020	0.4	0.7	1.1	5.46	5.8		5.8	0.97		0.31	0.30
2021	0.4	0.6	1.0	5.61	5.4		5.4	0.89		0.29	0.26
2022	0.3	0.5	0.9	5.77	5.0		5.0	0.83		0.27	0.23
2023	0.3	0.5	0.8	5.93	4.6		4.6	0.77		0.26	0.20
2024	0.3	0.4	0.7	6.10	4.2		4.2	0.71		0.24	0.17
2025	0.2	0.4	0.6	6.27	3.9		3.9	0.66		0.23	0.15
2026	0.2	0.3	0.6	6.45	3.6		3.6	0.61		0.21	0.13
2027	0.2	0.3	0.5	6.63	3.4		3.4	0.56		0.20	0.11
2028	0.2	0.3	0.5	6.81	3.1		3.1	0.52		0.19	0.10
2029	0.2	0.3	0.4	7.01	2.9		2.9	0.48		0.18	0.08
2030	0.1	0.2	0.4	7.20	2.7		2.7	0.44		0.17	0.07
2031	0.1	0.2	0.3	7.41	2.5		2.5	0.41		0.16	0.06

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Table CRT-2
Cross Timbers Royalty Trust
Distributable Income

	<i>Q1</i>	<i>Q2E</i>	<i>Q3E</i>	<i>Q4E</i>	<i>Year</i>	<i>Q1E</i>	<i>Q2E</i>	<i>Next</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>6/30/03</i>	<i>Twelve</i>
								<i>Months</i>
								<i>6/30/03</i>
Highlights								
Tax credit (\$mm)								
Per unit	0.03	0.03	0.03	0.03	0.10			0.05
Distributable Income (\$mm)	1.80	1.85	2.64	2.68	8.98	2.83	2.84	10.99
Per unit	0.30	0.31	0.44	0.45	1.50	0.47	0.47	1.83
Units (millions)	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Volume								
Natural Gas (bcf)	0.78	0.75	0.76	0.76	3.05	0.76	0.75	3.03
Natural Gas (mmcf)	8.5	8.3	8.3	8.3	8.3	8.3	8.3	8.3
Days	92	90	91	92	365	92	90	365
Oil (mb)	83	80	83	83	330	83	80	330
Oil (mbd)	0.90	0.90	0.90	0.90	0.90	0.90	0.90	3.61
Days	92	89	92	92	365	92	89	365
Total (bcf)	1.28	1.23	1.25	1.26	5.02	1.26	1.23	5.01
Price								
Natural Gas (HH lagged three months)								
Henry Hub (\$/mmbtu)	2.41	2.53	3.46	3.56	2.99	3.87	4.12	3.75
Differential (\$/mmbtu)	(0.13)	0.05	0.07	0.07	0.02	0.08	0.08	0.08
CRT (\$/mcf)	2.54	2.48	3.39	3.48	2.97	3.80	4.04	3.68
Oil (\$/bbl) (WTI lagged two months)								
WTI Cushing	19.56	23.80	26.74	26.07	24.04	25.57	25.01	25.85
CRT	17.28	21.80	24.74	24.07	21.97	23.57	23.01	23.86
Total (\$/mcf)	2.67	2.93	3.68	3.69	3.24	3.85	3.96	3.79
Revenue (\$mm)								
Natural Gas	1.98	1.85	2.56	2.66	9.06	2.90	3.02	11.14
Oil	1.44	1.75	2.06	2.00	7.24	1.96	1.85	7.86
Total	3.42	3.60	4.62	4.66	16.30	4.86	4.87	19.00
Cost (\$mm)								
Tax, transport & other	0.34	0.50	0.65	0.65	2.14	0.68	0.68	2.66
Production	0.75	0.75	0.75	0.75	3.00	0.75	0.75	3.00
Total	1.09	1.26	1.40	1.40	5.15	1.43	1.43	5.66
Cash flow (\$mm)								
Development	0.28	0.20	0.20	0.20	0.88	0.20	0.20	0.80
Excess	(0.07)							
Net proceeds (\$mm)								
	2.11	2.15	3.02	3.06	10.34	3.23	3.24	12.54
Royalty income (\$mm)								
Royalty/Net proceeds	89%	89%	89%	89%	89%	89%	89%	89%
Administration	0.08	0.06	0.04	0.04	0.21	0.04	0.04	0.16
Distributable income (\$mm)								
	1.80	1.85	2.64	2.68	8.98	2.83	2.84	10.99
<i>Modeling ratios</i>								
Tax and other/revenue	0.10	0.14	0.14	0.14	0.13	0.14	0.14	0.14

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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):	7.1
Capex/Cash Flow (%):	30	U.S. TIPS Inflation (%/yr):	2.0
Variable Cost (%):	17	U.S. 10 Year Yield (%/yr):	5.1

PV/Volume (\$/mcf):	1.16	PV/EBITDA 2002:	11.8
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Year	Volume		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)
	Basic (bcf)	Enhanced (bcf)											
Total 2002 through 2031													
	286	249	535	4.34	2321	448	395	234	1245	31.12	0.02	0.50	15.50
2002	29.9	0.0	29.9	2.72	81.1	14.9	13.8	18.4	34.0	0.85	0.02	0.97	0.84
2003	26.9	3.0	29.9	3.67	109.7	14.9	18.7	22.8	53.3	1.33		0.90	1.20
2004	24.2	5.7	29.9	3.70	110.6	14.9	18.8	23.1	53.8	1.34		0.84	1.13
2005	21.8	8.1	29.9	3.66	109.2	14.9	18.6	22.7	53.0	1.32		0.79	1.04
2006	19.6	10.3	29.9	3.66	109.3	14.9	18.6	22.7	53.1	1.33		0.73	0.97
2007	17.6	12.2	29.9	3.72	111.1	14.9	18.9	23.2	54.1	1.35		0.69	0.93
2008	15.9	14.0	29.9	3.83	114.2	14.9	19.4	24.0	55.9	1.40		0.64	0.89
2009	14.3	15.6	29.9	3.93	117.5	14.9	20.0	24.8	57.8	1.44		0.60	0.86
2010	12.9	17.0	29.9	4.04	120.8	14.9	20.5	25.6	59.7	1.49		0.56	0.83
2011	11.6	18.3	29.9	4.16	124.2	14.9	21.1	26.4	61.7	1.54		0.52	0.80
2012	10.4	16.5	26.9	4.28	114.9	14.9	19.5		80.4	2.01		0.49	0.98
2013	9.4	14.8	24.2	4.40	106.3	14.9	18.1		73.3	1.83		0.45	0.83
2014	8.4	13.3	21.8	4.52	98.4	14.9	16.7		66.7	1.67		0.42	0.71
2015	7.6	12.0	19.6	4.65	91.1	14.9	15.5		60.6	1.52		0.40	0.60
2016	6.8	10.8	17.6	4.78	84.3	14.9	14.3		55.0	1.37		0.37	0.51
2017	6.1	9.7	15.9	4.91	78.0	14.9	13.3		49.8	1.24		0.34	0.43
2018	5.5	8.7	14.3	5.05	72.2	14.9	12.3		44.9	1.12		0.32	0.36
2019	5.0	7.9	12.9	5.19	66.8	14.9	11.4		40.5	1.01		0.30	0.30
2020	4.5	7.1	11.6	5.34	61.8	14.9	10.5		36.3	0.91		0.28	0.25
2021	4.0	6.4	10.4	5.49	57.2	14.9	9.7		32.5	0.81		0.26	0.21
2022	3.6	5.7	9.4	5.65	52.9	14.9	9.0		29.0	0.72		0.24	0.18
2023	3.3	5.2	8.4	5.81	49.0	14.9	8.3		25.7	0.64		0.23	0.15
2024	2.9	4.7	7.6	5.97	45.3	14.9	7.7		22.7	0.57		0.21	0.12
2025	2.6	4.2	6.8	6.14	41.9	14.9	7.1		19.9	0.50		0.20	0.10
2026	2.4	3.8	6.1	6.31	38.8	14.9	6.6		17.3	0.43		0.19	0.08
2027	2.1	3.4	5.5	6.49	35.9	14.9	6.1		14.9	0.37		0.17	0.06
2028	1.9	3.1	5.0	6.67	33.2	14.9	5.6		12.6	0.32		0.16	0.05
2029	1.7	2.7	4.5	6.86	30.7	14.9	5.2		10.6	0.26		0.15	0.04
2030	1.6	2.5	4.0	7.05	28.5	14.9	4.8		8.7	0.22		0.14	0.03
2031	1.4	2.2	3.6	7.25	26.3	14.9	4.5		6.9	0.17		0.13	0.02

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Table HGT-2
Hugoton Royalty Trust
Distributable Income

	<i>Q1</i>	<i>Q2E</i>	<i>Q3E</i>	<i>Q4E</i>	<i>Year</i>	<i>Q1E</i>	<i>Q2E</i>	<i>Next</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>6/30/02</i>	<i>Twelve</i>
								<i>Months</i>
								<i>3/31/03</i>
Highlights								
Revenue (\$mm) (80%)	18.5	15.6	23.2	23.8	81.1	26.6	25.3	98.9
Cash flow (\$mm) (80%)	12.0	9.2	15.5	16.1	52.8	18.6	17.6	67.8
Per unit	0.30	0.23	0.39	0.40	1.32	0.47	0.44	1.70
Tax credit (\$mm)	0.2	0.2	0.2	0.2	0.7			0.3
Per unit	0.00	0.00	0.00	0.00	0.02			0.01
Distributable Income (\$mm)	7.4	4.3	10.9	11.4	34.0	14.0	13.0	49.3
Per unit	0.18	0.11	0.27	0.29	0.85	0.35	0.32	1.23
Units (millions)	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
Volume								
Natural Gas (bcf)	9.0	8.2	9.0	9.0	35.2	9.0	8.7	35.7
Natural Gas (mmcf/d)	98.1	92.1	97.8	97.8	96.5	97.8	97.8	97.8
Days	92	89	92	92	365	92	89	365
Oil (mb)	90	86	88	87	352	87	83	345
Oil (mbd)	1.0	1.0	1.0	0.9	1.0	0.9	0.9	0.9
Days	92	89	92	92	365	92	89	365
Total (bcf)	9.6	8.7	9.5	9.5	37.3	9.5	9.2	37.8
Price								
Natural Gas (HH lagged two months)								
Henry Hub (\$/mmbtu)	2.34	2.92	3.49	3.59	3.09	4.07	4.00	3.79
Differential (\$/mmbtu)	(0.03)	0.79	0.52	0.54	0.44	0.61	0.60	0.57
HGT (\$/mcf)	2.38	2.13	2.96	3.05	2.64	3.46	3.40	3.22
Oil (\$/bbl) (WTI Cushing lagged two months)								
WTI Cushing	19.56	23.80	26.74	26.07	24.04	25.57	25.01	25.85
HGT	18.80	23.30	26.24	25.57	23.45	25.07	24.51	25.36
Total (\$/mcf)	2.42	2.24	3.04	3.12	2.72	3.50	3.44	3.27
Revenue (\$mm)								
Natural Gas	21.5	17.5	26.7	27.5	93.1	31.1	29.6	114.9
Oil	1.7	2.0	2.3	2.2	8.3	2.2	2.0	8.8
Total	23.2	19.5	29.0	29.7	101.4	33.3	31.6	123.6
Cost (\$mm)								
Tax, transport & other	1.7	1.9	2.9	3.0	9.5	3.3	3.2	12.4
Production	4.4	4.1	4.8	4.8	18.0	4.8	4.6	18.9
Overhead	2.0	2.0	1.9	1.9	7.8	1.9	1.8	7.6
Total	8.1	8.0	9.6	9.6	35.3	10.0	9.6	38.8
Cash flow (\$mm)	15.1	11.5	19.4	20.1	66.0	23.3	22.0	84.8
Development	5.8	5.8	5.7	5.7	23.0	5.7	5.7	22.8
Net proceeds (\$mm)	9.3	5.7	13.7	14.4	43.1	17.6	16.3	62.0
Royalty income (\$mm)	7.4	4.5	11.0	11.5	34.4	14.1	13.1	49.6
Royalty/Net proceeds	80%	80%	80%	80%	80%	80%	80%	80%
Administration	0.1	0.2	0.1	0.1	0.5	0.1	0.1	0.3
Distributable income (\$mm)	7.4	4.3	10.9	11.4	34.0	14.0	13.0	49.3
<i>Cost ratios</i>								
Tax and other/revenue	7%	10%	10%	10%	9%	10%	10%	10%
Production cost (\$/mcf)	0.46	0.47	0.50	0.50	0.48	0.50	0.50	0.50
Overhead cost (\$/mcf)	0.21	0.23	0.20	0.20	0.21	0.20	0.20	0.20
Development/Cash flow	0.38	0.50	0.29	0.28	0.35	0.24	0.26	0.27

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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):	7.1
Capex/Cash Flow (%):	25	U.S. TIPS Inflation (%/yr):	2.0
Variable Cost (%):	12	U.S. 10 Year Yield (%/yr):	5.1

PV/Volume (\$/mcf):	1.22	PV/EBITDA 2002:	12.4
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Year	Volume Basic (bcf)	Volume Enhanced (bcf)	Total (bcf)	Price (\$/mcf)	Revenue (\$mm)	Fixed Cost (\$mm)	Var Cost (\$mm)	Cap Ex (\$mm)	Distribution (\$/unit)	Tax Credit (\$/unit)	Disc Factor	Present Value (\$/unit)	
Total 2002 through 2031	324	282	606	3.95	2392	393	287	222	1489	31.96	0.04	0.49	15.80
2002	33.8	0.0	33.8	2.55	86.1	16.3	10.3	20.7	38.7	0.83	0.04	0.97	0.84
2003	30.5	3.4	33.8	2.96	100.3	13.0	12.0	18.8	56.4	1.21		0.90	1.09
2004	27.4	6.4	33.8	3.38	114.5	13.0	13.7	21.9	65.8	1.41		0.84	1.19
2005	24.7	9.2	33.8	3.34	113.1	13.0	13.6	21.6	64.9	1.39		0.79	1.09
2006	22.2	11.6	33.8	3.35	113.2	13.0	13.6	21.7	65.0	1.39		0.73	1.02
2007	20.0	13.9	33.8	3.40	115.0	13.0	13.8	22.1	66.2	1.42		0.69	0.97
2008	18.0	15.9	33.8	3.50	118.3	13.0	14.2	22.8	68.3	1.47		0.64	0.94
2009	16.2	17.7	33.8	3.59	121.6	13.0	14.6	23.5	70.5	1.51		0.60	0.90
2010	14.6	19.3	33.8	3.70	125.0	13.0	15.0	24.3	72.8	1.56		0.56	0.87
2011	13.1	20.7	33.8	3.80	128.6	13.0	15.4	25.0	75.1	1.61		0.52	0.84
2012	11.8	18.7	30.5	3.91	119.0	13.0	14.3		91.7	1.97		0.49	0.96
2013	10.6	16.8	27.4	4.02	110.1	13.0	13.2		83.9	1.80		0.45	0.82
2014	9.6	15.1	24.7	4.13	101.9	13.0	12.2		76.7	1.65		0.42	0.70
2015	8.6	13.6	22.2	4.25	94.3	13.0	11.3		70.0	1.50		0.40	0.59
2016	7.7	12.2	20.0	4.37	87.2	13.0	10.5		63.8	1.37		0.37	0.50
2017	7.0	11.0	18.0	4.49	80.7	13.0	9.7		58.0	1.25		0.34	0.43
2018	6.3	9.9	16.2	4.62	74.7	13.0	9.0		52.7	1.13		0.32	0.36
2019	5.6	8.9	14.6	4.75	69.1	13.0	8.3		47.8	1.03		0.30	0.31
2020	5.1	8.0	13.1	4.88	64.0	13.0	7.7		43.3	0.93		0.28	0.26
2021	4.6	7.2	11.8	5.02	59.2	13.0	7.1		39.1	0.84		0.26	0.22
2022	4.1	6.5	10.6	5.16	54.8	13.0	6.6		35.2	0.76		0.24	0.18
2023	3.7	5.9	9.6	5.31	50.7	13.0	6.1		31.6	0.68		0.23	0.15
2024	3.3	5.3	8.6	5.46	46.9	13.0	5.6		28.3	0.61		0.21	0.13
2025	3.0	4.7	7.7	5.61	43.4	13.0	5.2		25.2	0.54		0.20	0.11
2026	2.7	4.3	7.0	5.77	40.2	13.0	4.8		22.4	0.48		0.19	0.09
2027	2.4	3.8	6.3	5.93	37.2	13.0	4.5		19.7	0.42		0.17	0.07
2028	2.2	3.5	5.6	6.10	34.4	13.0	4.1		17.3	0.37		0.16	0.06
2029	2.0	3.1	5.1	6.27	31.8	13.0	3.8		15.0	0.32		0.15	0.05
2030	1.8	2.8	4.6	6.45	29.5	13.0	3.5		12.9	0.28		0.14	0.04
2031	1.6	2.5	4.1	6.63	27.3	13.0	3.3		11.0	0.24		0.13	0.03

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Natural Gas Royalty Trusts

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Table SJT-2
San Juan Basin Royalty Trust
Distributable Income

	<i>Q1</i>	<i>Q2E</i>	<i>Q3E</i>	<i>Q4E</i>	<i>Year</i>	<i>Q1E</i>	<i>Q2E</i>	<i>Next Twelve Months</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>6/30/03</i>	<i>6/30/03</i>
Highlights								
Revenue (\$mm) (75%)	19.2	18.3	24.0	24.7	86.1	27.9	26.5	103.1
Cash flow (\$mm) (75%)	14.1	13.7	18.8	19.4	66.0	22.3	21.2	81.6
Per unit	0.30	0.29	0.40	0.42	1.42	0.48	0.45	1.75
Tax credit (\$mm)	0.5	0.5	0.5	0.5	1.9			0.9
Per unit	0.01	0.01	0.01	0.01	0.04			0.02
Distributable Income (\$mm)	3.5	9.0	11.9	14.4	38.7	16.5	15.7	58.4
Per unit	0.08	0.19	0.25	0.31	0.83	0.35	0.34	1.25
Units (millions)	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6
Volume								
Natural gas (mmbtu)	12.5	12.0	12.0	12.0	48.6	12.0	11.6	47.7
Heat Content(btu/cf)	1,092	1,086	1,092	1,092	1,091	1,092	1,092	1,092
Natural gas (bcf)	11.5	11.1	11.0	11.0	44.6	11.0	10.6	43.7
Natural Gas (mmcf)	124.7	124.4	119.6	119.6	122.1	119.6	119.6	119.6
Days	92	89	92	92	365	92	89	365
Oil (mb)	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1
Oil (mbd)	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Total gas & oil (bcf)	11.6	11.2	11.1	11.1	45.1	11.1	10.8	44.2
Price								
Natural gas (\$/mmbtu) (Henry Hub lagged two months)								
Henry Hub (\$/mmbtu)	2.34	2.92	3.49	3.59	3.09	4.07	4.00	3.79
Differential (%)	14	32	25	25	25	25	25	25
Total	2.01	1.99	2.62	2.69	2.33	3.05	3.00	2.84
Natural gas (\$/mcf)	2.20	2.16	2.86	2.94	2.54	3.33	3.28	3.10
Oil (\$/bbl) (WTI Cushing lagged two months)								
WTI Cushing	19.56	23.80	26.74	26.07	24.04	25.57	25.01	25.85
SJT	15.78	19.80	22.74	22.07	20.10	21.57	21.01	21.86
Total gas & oil (\$/mcf)	2.20	2.18	2.87	2.95	2.55	3.34	3.28	3.11
Revenue (\$mm)								
Natural Gas	25.2	24.0	31.4	32.4	113.0	36.7	34.9	135.4
Oil	0.4	0.4	0.5	0.5	1.9	0.5	0.5	2.0
Total	25.6	24.4	32.0	32.9	114.9	37.2	35.4	137.4
Cost (\$mm)								
Severance tax	2.6	2.3	3.2	3.3	11.4	3.7	3.5	13.7
Operating	4.1	3.8	3.7	3.7	15.5	3.7	3.6	14.8
Total	6.7	6.2	6.9	7.0	26.9	7.5	7.2	28.6
Cash flow (\$mm)								
Development	11.3	3.6	6.3	6.5	27.6	7.4	7.1	27.2
Net proceeds (\$mm)								
Royalty/Net proceeds	7.5	14.6	18.8	19.4	60.3	22.3	21.2	81.6
Royalty income (\$mm)								
Royalty/Net proceeds	5.6	11.0	14.1	14.6	45.2	16.7	15.9	61.2
Administration	75%	75%	75%	75%	75%	75%	75%	3.0
One-time	0.4	0.0	0.2	0.2	0.8	0.2	0.2	0.8
One-time	1.7	2.0	2.0		5.7			2.0
Distributable income (\$mm)								
	3.5	9.0	11.9	14.4	38.7	16.5	15.7	58.4
<i>Modeling ratios</i>								
Severance tax/revenue	10.2%	9.6%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Operating cost (\$/mcf)	0.36	0.34	0.34	0.34	0.34	0.34	0.34	0.34

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Table SJT-3
San Juan Basin Royalty Trust
Monthly Declarations

	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02
Distribution (\$/unit)						
Declared	0.06	0.01	0.10			
Projected				0.08	0.07	0.08
Volume						
Natural gas (mmbtu)	4.19	3.82	4.29	3.92	4.05	3.92
Heat Content(btu/cf)	1,087	1,057	1,108	1,092	1,092	1,092
Natural gas (bcf)	3.86	3.62	3.87	3.59	3.71	3.59
Natural Gas (mmcf)	124	129	125	120	120	120
Days	31	28	31	30	31	30
Price						
Natural gas industry quotes lagged two months (\$/mmbtu)						
Henry Hub Daily/Futures	2.25	2.31	3.03	3.42	3.53	3.42
San Juan Monthly Index	2.42	1.81	2.14	3.04	2.39	
SJT/Henry Hub	0.92	0.62	0.64	0.75	0.62	0.75
SJT/San Juan Index	0.86	0.80	0.91	0.85	0.91	
SJT (\$/mmbtu)	2.08	1.44	1.95	2.58	2.17	2.57
SJT (\$/mcf)	2.26	1.52	2.16	2.82	2.38	2.80
Revenue (\$mm)						
Natural Gas	8.7	5.5	8.4	10.1	8.8	10.1
Other	(0.2)	(0.1)	(1.1)	(1.1)	(1.1)	(1.1)
Cost (\$mm)						
Severance tax	0.9	0.5	0.8	1.1	0.9	1.0
Operating	1.2	1.4	1.2	1.2	1.2	1.2
Total	2.1	1.8	2.1	2.3	2.2	2.3
Cash flow (\$mm)						
Development	2.4	3.0	(0.9)	1.5	1.5	1.5
Net proceeds (\$mm)						
	4.0	0.6	6.1	5.2	4.0	5.2
Royalty income (\$mm)						
Royalty/Net proceeds	75%	75%	75%	75%	75%	75%
Distributable income (\$mm)						
	3.0	0.5	4.6	3.9	3.0	3.9
Units (millions)						
	46.6	46.6	46.6	46.6	46.6	46.6
<i>Latest Twelve Month Average</i>						
Heat Content(btu/cf)	1,090	1,088	1,092			
Natural Gas (mmcf)	118	120	120			
SJT/Henry Hub	0.79	0.76	0.75			
SJT/San Juan Index	0.85	0.84	0.85			
Other revenue	0.0	0.0	(0.1)			
Operating	1.3	1.3	1.3			
Development	3.2	3.3	2.9			
Severance tax/revenue	10.5%	10.4%	10.4%			

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