

## **Historic Change of SJT Trustee**

### **Summary and Recommendation**

A proposed change of trustee of the San Juan Basin Royalty Trust is an important event subject to the approval of unitholders. Bank One headquartered in Chicago apparently has no further interest in the specialized oil and gas trust business handled in the Fort Worth office acquired in a wave of consolidation in the banking industry. A new trustee may be named in a few weeks and must be approved by unitholders, perhaps in mid-September. The change of trustee is potentially a high-risk event and unitholders need to be vigilant. Otherwise our buy recommendation of the units of the trust appears bolstered by a renewed upturn in natural gas price.

### **Thanks to the Trustee's Representatives for a Job Well Done**

The trustee performs a vital role in assuring that the operator of the trust's properties and the processors, transporters and marketers of the trust's gas perform their services competently and are compensated fairly, but not excessively. The successor trustee is likely to be another bank with trust and oil and gas experience. There also appears to be a strong possibility that the individuals who have represented Bank One and its predecessors in guarding the trust's interests will be performing the same role with the successor bank. We can say from long association and occasional close involvement that Ms. Lee Ann Anderson and her associate, Ms. Kay Wilke, are honest, capable and have been of invaluable help to the trust. We would like to see them continue to work for the benefit of unitholders and, in any event, thank them for their loyal and worthy efforts for most of the years since the trust was formed in 1980.

### **Trustee's Role Will Continue To Be Critical**

As infrastructure in the San Juan Basin moves into the hands of high greed partnerships sponsored by Duke Energy and El Paso the trustee must be vigilant to protect the producer interests of the trust. The trust's coal bed methane production is processed in the Val Verde plant being sold by Burlington Resources, the operator of the trust's properties, to TEPPCO Partners, L. P. Some of the trust's gas is also processed in the Chaco plant transferred by El Paso to El Paso Energy Partners. El Paso further proposes to transfer gathering lines that handle some of the trust's gas to El Paso Energy Partners. The new owners have general partners that extract an excessive share of the cash paid by producers for services. Fortunately the trust has been aided in the past by capable advisors who are at least as knowledgeable as those who operate, process, gather, transport and market the trust's gas.

Kurt H. Wulff, CFA

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# Natural Gas Royalty Trusts

## A Weekly Analysis

June 17, 2002

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

	Symbol/ Rating	Price (\$/sh) 13-Jun 2002	Shares (mm)	Market Cap (\$mm)	Net Present Value (\$/sh)	Debt/ Present Value	McDep Ratio	
Cross Timbers Royalty Trust	CRT	15.74	6.0	94	19.50	-	0.80	
Hugoton Royalty Trust (46%)	HGT	10.60	18.4	200	14.80	-	0.72	
San Juan Basin Royalty Trust	SJT	2	10.59	46.6	490	15.20	-	0.70

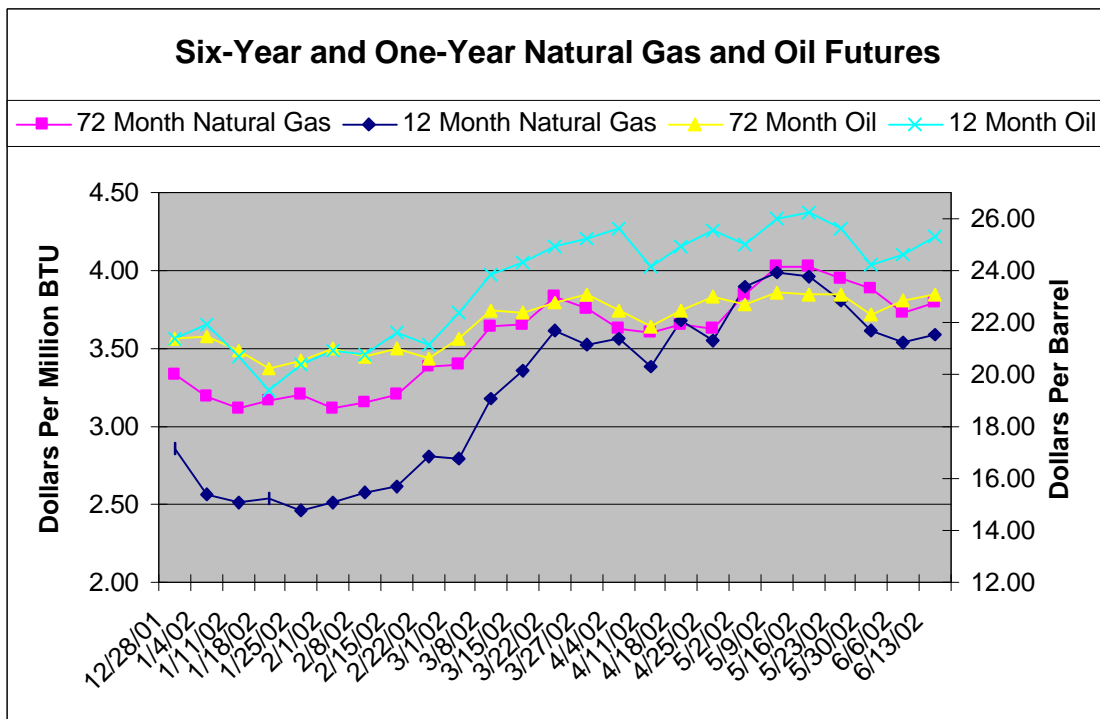
Buy/Sell rating after symbol: 1 - Strong Buy, 2 - Buy, 3 - Neutral, 4 - Sell, 5 - Strong Sell

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.

	Symbol/ Rating	Price (\$/sh) 13-Jun 2002	EV/ Sales NTM	EV/ Ebitda NTM	P/E NTM	Dividend or Distribution NTM (%)	PV/ Ebitda NTM
Cross Timbers Royalty Trust	CRT	15.74	5.8	8.4	9	11.0	10.4
Hugoton Royalty Trust (46%)	HGT	10.60	4.6	6.8	10	10.3	9.5
San Juan Basin Royalty Trust	SJT	2	10.59	5.2	6.7	9	10.6

EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended June 30, 2003; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses



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

Volume Decline (%/yr):	10	Price Escalation post 2007 (%/yr):	2.7
Volume Enhancement (%/yr):	10	Discount Rate (%/yr):	6.4
		U.S. TIPS Inflation (%/yr):	1.9
		U.S. 10 Year Yield (%/yr):	5.0
PV/Volume (\$/mcf):	2.38	PV/EBITDA 2002:	12.6

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	4.24	208	4	212	35.39	0.10	0.55	19.50
2002	2.7	0.0	2.7	2.87	7.9	0.8	8.7	1.44	0.10	0.97	1.50
2003	2.5	0.3	2.7	3.55	9.7	0.9	10.6	1.77		0.91	1.61
2004	2.2	0.5	2.7	3.63	9.9	0.7	10.6	1.77		0.86	1.51
2005	2.0	0.7	2.7	3.60	9.9	0.5	10.4	1.73		0.81	1.39
2006	1.8	0.9	2.7	3.61	9.9	0.4	10.3	1.72		0.76	1.30
2007	1.6	1.1	2.7	3.67	10.1	0.3	10.4	1.73		0.71	1.23
2008	1.5	1.3	2.7	3.77	10.3	0.3	10.6	1.77		0.67	1.18
2009	1.3	1.4	2.7	3.87	10.6	0.2	10.8	1.81		0.63	1.14
2010	1.2	1.6	2.7	3.97	10.9	0.2	11.1	1.85		0.59	1.10
2011	1.1	1.7	2.7	4.07	11.2		11.2	1.86		0.56	1.04
2012	1.0	1.5	2.5	4.18	10.3		10.3	1.72		0.52	0.90
2013	0.9	1.4	2.2	4.29	9.5		9.5	1.59		0.49	0.78
2014	0.8	1.2	2.0	4.41	8.8		8.8	1.47		0.46	0.68
2015	0.7	1.1	1.8	4.52	8.1		8.1	1.36		0.44	0.59
2016	0.6	1.0	1.6	4.64	7.5		7.5	1.25		0.41	0.51
2017	0.6	0.9	1.5	4.77	6.9		6.9	1.16		0.39	0.45
2018	0.5	0.8	1.3	4.89	6.4		6.4	1.07		0.36	0.39
2019	0.5	0.7	1.2	5.02	5.9		5.9	0.99		0.34	0.34
2020	0.4	0.7	1.1	5.15	5.5		5.5	0.91		0.32	0.29
2021	0.4	0.6	1.0	5.29	5.1		5.1	0.84		0.30	0.25
2022	0.3	0.5	0.9	5.43	4.7		4.7	0.78		0.28	0.22
2023	0.3	0.5	0.8	5.58	4.3		4.3	0.72		0.27	0.19
2024	0.3	0.4	0.7	5.72	4.0		4.0	0.66		0.25	0.17
2025	0.2	0.4	0.6	5.88	3.7		3.7	0.61		0.24	0.14
2026	0.2	0.3	0.6	6.03	3.4		3.4	0.57		0.22	0.13
2027	0.2	0.3	0.5	6.19	3.1		3.1	0.52		0.21	0.11
2028	0.2	0.3	0.5	6.35	2.9		2.9	0.48		0.20	0.09
2029	0.2	0.3	0.4	6.52	2.7		2.7	0.45		0.18	0.08
2030	0.1	0.2	0.4	6.70	2.5		2.5	0.41		0.17	0.07
2031	0.1	0.2	0.3	6.87	2.3		2.3	0.38		0.16	0.06

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## Natural Gas Royalty Trusts

### A Weekly Analysis

June 17, 2002

**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>
<b>Highlights</b>								
Tax credit (\$mm)								
Per unit	0.03	0.03	0.03	0.03	0.10			0.05
Distributable Income (\$mm)	1.80	1.85	2.51	2.49	8.66	2.66	2.69	10.35
Per unit	0.30	0.31	0.42	0.41	1.44	0.44	0.45	1.73
<b>Units</b> (millions)	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
<b>Volume</b>								
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
<b>Price</b>								
Natural Gas (HH lagged three months)								
Henry Hub (\$/mmbtu)	2.41	2.53	3.35	3.25	2.89	3.59	3.86	3.52
Differential (\$/mmbtu)	(0.13)	0.05	0.07	0.07	0.01	0.07	0.08	0.07
CRT (\$/mcf)	2.54	2.48	3.28	3.19	2.87	3.52	3.79	3.44
Oil (\$/bbl) (WTI lagged two months)								
WTI Cushing	19.56	23.80	25.57	25.79	23.68	25.45	24.98	25.45
CRT	17.28	21.80	23.57	23.79	21.61	23.45	22.98	23.45
Total (\$/mcf)	2.67	2.93	3.54	3.50	3.16	3.67	3.80	3.63
<b>Revenue</b> (\$mm)								
Natural Gas	1.98	1.85	2.48	2.44	8.75	2.69	2.83	10.43
Oil	1.44	1.75	1.96	1.98	7.12	1.95	1.85	7.73
Total	3.42	3.60	4.44	4.41	15.87	4.64	4.68	18.16
<b>Cost</b> (\$mm)								
Tax, transport & other	0.34	0.50	0.62	0.62	2.08	0.65	0.65	2.54
Production	0.75	0.75	0.75	0.75	3.00	0.75	0.75	3.00
Total	1.09	1.26	1.37	1.37	5.09	1.40	1.41	5.55
<b>Cash flow</b> (\$mm)								
Development	0.28	0.20	0.20	0.20	0.88	0.20	0.20	0.80
Excess	(0.07)							
<b>Net proceeds</b> (\$mm)								
	2.11	2.15	2.87	2.84	9.97	3.04	3.07	11.82
<b>Royalty income</b> (\$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
<b>Distributable income</b> (\$mm)								
	1.80	1.85	2.51	2.49	8.66	2.66	2.69	10.35
<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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June 17, 2002

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

Volume Decline (%/yr):	10	Price Escalation Post 2007 (%/yr):	2.7
Volume Enhancement (%/yr):	10	Discount rate (%/yr):	7.0
Capex/Cash Flow (%):	30	U.S. TIPS Inflation (%/yr):	1.9
Variable Cost (%):	17	U.S. 10 Year Yield (%/yr):	5.0
PV/Volume (\$/mcf):	1.11	PV/EBITDA 2002:	12.0

Year	Volume Basic (bcf)	Volume Enhanced (bcf)	Total (bcf)	Price (\$/mcf)	Revenue (\$mm)	Fixed Cost (\$mm)	Var Cost (\$mm)	Cap Ex (\$mm)	Distribution (\$mm)	Distribution (\$/unit)	Tax Credit (\$/unit)	Disc Factor	Present Value (\$/unit)
Total 2002 through 2031	286	249	535	4.14	2212	455	376	223	1158	28.96	0.02	0.51	14.80
2002	29.9	0.0	29.9	2.61	77.9	15.2	13.2	18.4	31.1	0.78	0.02	0.97	0.77
2003	26.9	3.0	29.9	3.47	103.7	15.2	17.6	21.3	49.6	1.24		0.90	1.12
2004	24.2	5.7	29.9	3.55	106.1	15.2	18.0	21.9	51.0	1.28		0.85	1.08
2005	21.8	8.1	29.9	3.52	105.1	15.2	17.9	21.6	50.5	1.26		0.79	1.00
2006	19.6	10.3	29.9	3.53	105.5	15.2	17.9	21.7	50.7	1.27		0.74	0.94
2007	17.6	12.2	29.9	3.59	107.3	15.2	18.2	22.2	51.7	1.29		0.69	0.89
2008	15.9	14.0	29.9	3.69	110.1	15.2	18.7	22.9	53.4	1.33		0.65	0.86
2009	14.3	15.6	29.9	3.78	113.0	15.2	19.2	23.6	55.1	1.38		0.60	0.83
2010	12.9	17.0	29.9	3.88	116.0	15.2	19.7	24.3	56.8	1.42		0.56	0.80
2011	11.6	18.3	29.9	3.99	119.1	15.2	20.2	25.1	58.6	1.46		0.53	0.77
2012	10.4	16.5	26.9	4.09	110.0	15.2	18.7		76.2	1.90		0.49	0.94
2013	9.4	14.8	24.2	4.20	101.6	15.2	17.3		69.2	1.73		0.46	0.80
2014	8.4	13.3	21.8	4.31	93.9	15.2	16.0		62.8	1.57		0.43	0.68
2015	7.6	12.0	19.6	4.43	86.8	15.2	14.7		56.8	1.42		0.40	0.57
2016	6.8	10.8	17.6	4.55	80.1	15.2	13.6		51.4	1.28		0.38	0.48
2017	6.1	9.7	15.9	4.67	74.0	15.2	12.6		46.3	1.16		0.35	0.41
2018	5.5	8.7	14.3	4.79	68.4	15.2	11.6		41.6	1.04		0.33	0.34
2019	5.0	7.9	12.9	4.92	63.2	15.2	10.7		37.3	0.93		0.31	0.29
2020	4.5	7.1	11.6	5.05	58.4	15.2	9.9		33.3	0.83		0.29	0.24
2021	4.0	6.4	10.4	5.18	53.9	15.2	9.2		29.6	0.74		0.27	0.20
2022	3.6	5.7	9.4	5.32	49.8	15.2	8.5		26.2	0.65		0.25	0.17
2023	3.3	5.2	8.4	5.46	46.0	15.2	7.8		23.0	0.58		0.24	0.14
2024	2.9	4.7	7.6	5.60	42.5	15.2	7.2		20.1	0.50		0.22	0.11
2025	2.6	4.2	6.8	5.75	39.3	15.2	6.7		17.5	0.44		0.21	0.09
2026	2.4	3.8	6.1	5.90	36.3	15.2	6.2		15.0	0.37		0.19	0.07
2027	2.1	3.4	5.5	6.06	33.5	15.2	5.7		12.7	0.32		0.18	0.06
2028	1.9	3.1	5.0	6.22	31.0	15.2	5.3		10.6	0.26		0.17	0.04
2029	1.7	2.7	4.5	6.39	28.6	15.2	4.9		8.6	0.21		0.16	0.03
2030	1.6	2.5	4.0	6.55	26.4	15.2	4.5		6.8	0.17		0.15	0.02
2031	1.4	2.2	3.6	6.73	24.4	15.2	4.2		5.1	0.13		0.14	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>6/30/03</i>	<i>Twelve</i>
								<i>Months</i>
								<i>6/30/03</i>
<b>Highlights</b>								
Revenue (\$mm) (80%)	18.5	15.6	21.8	21.9	77.9	25.0	23.9	92.6
Cash flow (\$mm) (80%)	12.0	9.2	14.3	14.4	49.9	17.2	16.4	62.2
Per unit	0.30	0.23	0.36	0.36	1.25	0.43	0.41	1.56
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	9.7	9.7	31.1	12.5	11.7	43.6
Per unit	0.18	0.11	0.24	0.24	0.78	0.31	0.29	1.09
<b>Units</b> (millions)	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
<b>Volume</b>								
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
<b>Price</b>								
Natural Gas (HH lagged two months)								
Henry Hub (\$/mmbtu)	2.34	2.92	3.28	3.29	2.96	3.80	3.76	3.53
Differential (\$/mmbtu)	(0.03)	0.79	0.49	0.49	0.43	0.57	0.56	0.53
HGT (\$/mcf)	2.38	2.13	2.79	2.80	2.53	3.23	3.20	3.00
Oil (\$/bbl) (WTI Cushing lagged two months)								
WTI Cushing	19.56	23.80	25.57	25.79	23.68	25.45	24.98	25.45
HGT	18.80	23.30	25.07	25.29	23.09	24.95	24.48	24.95
Total (\$/mcf)	2.42	2.24	2.86	2.87	2.61	3.28	3.25	3.07
<b>Revenue</b> (\$mm)								
Natural Gas	21.5	17.5	25.1	25.2	89.2	29.1	27.9	107.2
Oil	1.7	2.0	2.2	2.2	8.1	2.2	2.0	8.6
Total	23.2	19.5	27.3	27.4	97.3	31.2	29.9	115.8
<b>Cost</b> (\$mm)								
Tax, transport & other	1.7	1.9	2.7	2.7	9.1	3.1	3.0	11.6
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	9.4	9.4	34.9	9.8	9.4	38.0
<b>Cash flow</b> (\$mm)	15.1	11.5	17.9	18.0	62.4	21.4	20.5	77.8
Development	5.8	5.8	5.7	5.7	23.0	5.7	5.7	22.8
<b>Net proceeds</b> (\$mm)	9.3	5.7	12.2	12.3	39.4	15.7	14.8	55.0
<b>Royalty income</b> (\$mm)	7.4	4.5	9.8	9.8	31.5	12.6	11.8	44.0
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
<b>Distributable income</b> (\$mm)	7.4	4.3	9.7	9.7	31.1	12.5	11.7	43.6
<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	0.32	0.32	0.37	0.27	0.28	0.29

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# Natural Gas Royalty Trusts

## A Weekly Analysis

June 17, 2002

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

Volume Decline (%/yr):	10	Price Escalation Post 2007 (%/yr):	2.7
Volume Enhancement (%/yr):	10	Discount rate (%/yr):	7.0
Capex/Cash Flow (%):	25	U.S. TIPS Inflation (%/yr):	1.9
Variable Cost (%):	12	U.S. 10 Year Yield (%/yr):	5.0
PV/Volume (\$/mcf):	1.17	PV/EBITDA 2002:	13.0

Year	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	3.76	2278	393	273	212	1399	30.03	0.04	0.51 <b>15.20</b>
2002	33.8	0.0	33.8	2.38	80.6	16.5	9.7	19.5	35.0	0.75	0.04	0.97
2003	30.5	3.4	33.8	2.80	94.8	13.0	11.4	17.6	52.8	1.13		0.90
2004	27.4	6.4	33.8	3.25	109.8	13.0	13.2	20.9	62.7	1.35		0.85
2005	24.7	9.2	33.8	3.22	108.8	13.0	13.1	20.7	62.1	1.33		0.79
2006	22.2	11.6	33.8	3.23	109.2	13.0	13.1	20.8	62.3	1.34		0.74
2007	20.0	13.9	33.8	3.28	111.1	13.0	13.3	21.2	63.6	1.36		0.69
2008	18.0	15.9	33.8	3.37	114.0	13.0	13.7	21.8	65.5	1.41		0.65
2009	16.2	17.7	33.8	3.46	117.0	13.0	14.0	22.5	67.5	1.45		0.60
2010	14.6	19.3	33.8	3.55	120.1	13.0	14.4	23.2	69.5	1.49		0.56
2011	13.1	20.7	33.8	3.64	123.3	13.0	14.8	23.9	71.6	1.54		0.53
2012	11.8	18.7	30.5	3.74	113.9	13.0	13.7		87.3	1.87		0.49
2013	10.6	16.8	27.4	3.84	105.3	13.0	12.6		79.6	1.71		0.46
2014	9.6	15.1	24.7	3.94	97.2	13.0	11.7		72.6	1.56		0.43
2015	8.6	13.6	22.2	4.05	89.8	13.0	10.8		66.1	1.42		0.40
2016	7.7	12.2	20.0	4.15	83.0	13.0	10.0		60.0	1.29		0.38
2017	7.0	11.0	18.0	4.26	76.7	13.0	9.2		54.5	1.17		0.35
2018	6.3	9.9	16.2	4.38	70.8	13.0	8.5		49.3	1.06		0.33
2019	5.6	8.9	14.6	4.49	65.4	13.0	7.9		44.6	0.96		0.31
2020	5.1	8.0	13.1	4.61	60.5	13.0	7.3		40.2	0.86		0.29
2021	4.6	7.2	11.8	4.73	55.9	13.0	6.7		36.2	0.78		0.27
2022	4.1	6.5	10.6	4.86	51.6	13.0	6.2		32.4	0.70		0.25
2023	3.7	5.9	9.6	4.99	47.7	13.0	5.7		29.0	0.62		0.24
2024	3.3	5.3	8.6	5.12	44.0	13.0	5.3		25.8	0.55		0.22
2025	3.0	4.7	7.7	5.26	40.7	13.0	4.9		22.8	0.49		0.21
2026	2.7	4.3	7.0	5.40	37.6	13.0	4.5		20.1	0.43		0.19
2027	2.4	3.8	6.3	5.54	34.7	13.0	4.2		17.6	0.38		0.18
2028	2.2	3.5	5.6	5.69	32.1	13.0	3.8		15.2	0.33		0.17
2029	2.0	3.1	5.1	5.84	29.6	13.0	3.6		13.1	0.28		0.16
2030	1.8	2.8	4.6	5.99	27.4	13.0	3.3		11.1	0.24		0.15
2031	1.6	2.5	4.1	6.15	25.3	13.0	3.0		9.3	0.20		0.14

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# Natural Gas Royalty Trusts

## A Weekly Analysis

June 17, 2002

**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</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>
<b>Highlights</b>								
Revenue (\$mm) (75%)	19.2	18.3	20.5	22.6	80.6	26.1	25.0	94.2
Cash flow (\$mm) (75%)	14.1	13.7	15.6	17.6	61.0	20.7	19.8	73.6
Per unit	0.30	0.29	0.34	0.38	1.31	0.44	0.42	1.58
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	9.5	13.0	35.0	15.3	14.6	52.4
Per unit	0.08	0.19	0.20	0.28	0.75	0.33	0.31	1.12
<b>Units</b> (millions)	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6
<b>Volume</b>								
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
<b>Price</b>								
Natural gas (\$/mmbtu) (Henry Hub lagged two months)								
Henry Hub (\$/mmbtu)	2.34	2.92	3.28	3.29	2.96	3.80	3.76	3.53
Differential (%)	14	32	32	25	27	25	25	27
Total	2.01	1.99	2.23	2.47	2.17	2.85	2.82	2.59
Natural gas (\$/mcf)	2.20	2.16	2.44	2.70	2.37	3.11	3.08	2.83
Oil (\$/bbl) (WTI Cushing lagged two months)								
WTI Cushing	19.56	23.80	25.57	25.79	23.68	25.45	24.98	25.45
SJT	15.78	19.80	21.57	21.79	19.73	21.45	20.98	21.45
Total gas & oil (\$/mcf)	2.20	2.18	2.45	2.71	2.38	3.12	3.09	2.84
<b>Revenue</b> (\$mm)								
Natural Gas	25.2	24.0	26.8	29.7	105.6	34.3	32.8	123.6
Oil	0.4	0.4	0.5	0.5	1.8	0.5	0.5	2.0
Total	25.6	24.4	27.3	30.2	107.5	34.8	33.3	125.6
<b>Cost</b> (\$mm)								
Severance tax	2.6	2.3	2.7	3.0	10.7	3.5	3.3	12.6
Operating	4.1	3.8	3.7	3.7	15.5	3.7	3.6	14.8
Total	6.7	6.2	6.5	6.8	26.2	7.2	7.0	27.4
<b>Cash flow</b> (\$mm)	18.8	18.2	20.8	23.4	81.3	27.6	26.4	98.2
Development	11.3	3.6	5.2	5.9	26.0	6.9	6.6	24.5
<b>Net proceeds</b> (\$mm)	7.5	14.6	15.6	17.6	55.3	20.7	19.8	73.6
<b>Royalty income</b> (\$mm)	5.6	11.0	11.7	13.2	41.5	15.5	14.8	55.2
Royalty/Net proceeds	75%	75%	75%	75%	75%	75%	75%	3.0
Administration	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
<b>Distributable income</b> (\$mm)	3.5	9.0	9.5	13.0	35.0	15.3	14.6	52.4
<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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## Natural Gas Royalty Trusts

### A Weekly Analysis

June 17, 2002

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

	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02
<b>Distribution</b> (\$/unit)						
Declared	0.06	0.01	0.10			
Projected				0.08	0.07	0.05
<b>Volume</b>						
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
<b>Price</b>						
Natural gas industry quotes lagged two months (\$/mmbtu)						
Henry Hub Daily/Futures	2.25	2.31	3.03	3.42	3.49	3.14
San Juan Monthly Index	2.42	1.81	2.14	3.04	2.39	2.24
SJT/Henry Hub	0.92	0.62	0.64	0.75	0.62	0.65
SJT/San Juan Index	0.86	0.80	0.91	0.85	0.91	0.91
SJT (\$/mmbtu)	2.08	1.44	1.95	2.58	2.17	2.04
SJT (\$/mcf)	2.26	1.52	2.16	2.82	2.38	2.23
<b>Revenue</b> (\$mm)						
Natural Gas	8.7	5.5	8.4	10.1	8.8	8.0
Other	(0.2)	(0.1)	(1.1)	(1.1)	(1.1)	(1.1)
<b>Cost</b> (\$mm)						
Severance tax	0.9	0.5	0.8	1.1	0.9	0.8
Operating	1.2	1.4	1.2	1.2	1.2	1.2
Total	2.1	1.8	2.1	2.3	2.2	2.1
<b>Cash flow</b> (\$mm)						
Development	2.4	3.0	(0.9)	1.5	1.5	1.5
<b>Net proceeds</b> (\$mm)						
	4.0	0.6	6.1	5.2	4.0	3.3
<b>Royalty income</b> (\$mm)						
Royalty/Net proceeds	75%	75%	75%	75%	75%	75%
<b>Distributable income</b> (\$mm)						
	3.0	0.5	4.6	3.9	3.0	2.5
<b>Units</b> (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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