

Natural Gas Royalty Trusts

A Weekly Analysis

August 5, 2002

Present Value Trends Up

Summary and Recommendation

Estimated Present Value and hence, expected returns, for natural gas royalty trusts are trending up in 2002 (see Table). At the same time the yield on U.S. Treasury Securities has declined (see Table). Thus we can say with little hesitation that the relative appeal of investment in natural gas royalty trusts has increased in 2002. We interpret a declining yield on straight notes (top line) to mean that investors want more protection from deflation. Thus it is an advantage that royalty trusts have no debt. We interpret the declining yield on Treasury Inflation Protection Securities (middle line) as an indication of declining expectations for economic growth. We are reassured that natural gas is needed even in a slower growing economy. We interpret the rise in expected inflation (bottom line) as further justification for the inflation protection offered by natural gas. Meanwhile, during the past week there has been virtually no change in futures prices and estimates of present value and next twelve months distribution.

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

	<i>Symbol/</i>	<i>Price</i>	<i>Market</i>	<i>Net</i>	<i>Debt/</i>	<i>McDep</i>
	<i>Rating</i>	<i>(\$/sh)</i>	<i>Cap</i>	<i>Present</i>	<i>Present</i>	<i>Ratio</i>
		<i>1-Aug</i>	<i>Shares</i>	<i>Value</i>	<i>Value</i>	
		<i>2002</i>	<i>(mm)</i>	<i>(\$/sh)</i>		
			<i>(\$mm)</i>			
Natural Gas Royalty Trusts						
Cross Timbers Royalty Trust	CRT	15.19	6.0	91	19.60	- 0.77
San Juan Basin Royalty Trust	SJT	2 10.28	46.6	480	15.10	- 0.68
Hugoton RoyaltyTrust (46%)	HGT	10.10	18.4	190	15.00	- 0.67

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/</i>	<i>Price</i>	<i>EV/</i>	<i>EV/</i>	<i>Dividend or</i>	<i>PV/</i>	
	<i>Rating</i>	<i>(\$/sh)</i>	<i>Sales</i>	<i>Ebitda</i>	<i>Distribution</i>	<i>Ebitda</i>	
		<i>1-Aug</i>	<i>NTM</i>	<i>NTM</i>	<i>P/E</i>	<i>NTM</i>	
		<i>2002</i>			<i>NTM</i>		
					<i>(%)</i>		
Natural Gas Royalty Trusts							
Cross Timbers Royalty Trust	CRT	15.19	5.8	8.4	9	10.9	10.9
San Juan Basin Royalty Trust	SJT	2 10.28	5.5	7.1	10	10.2	10.4
Hugoton RoyaltyTrust (46%)	HGT	10.10	4.7	7.1	11	9.5	10.5

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

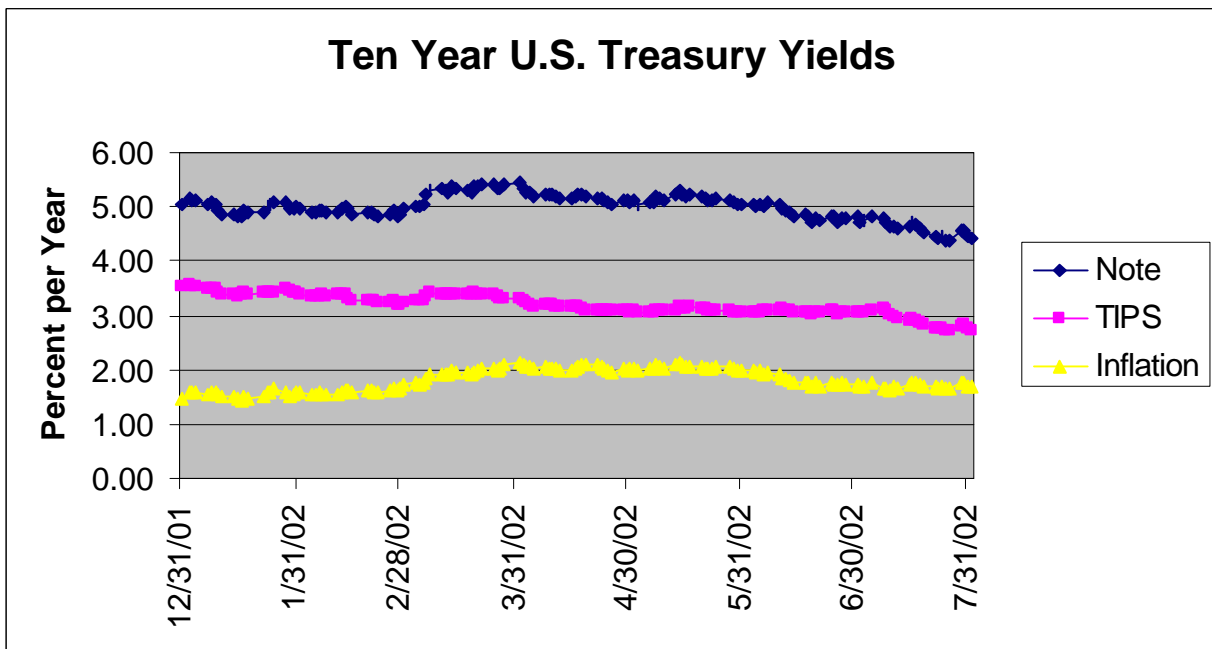
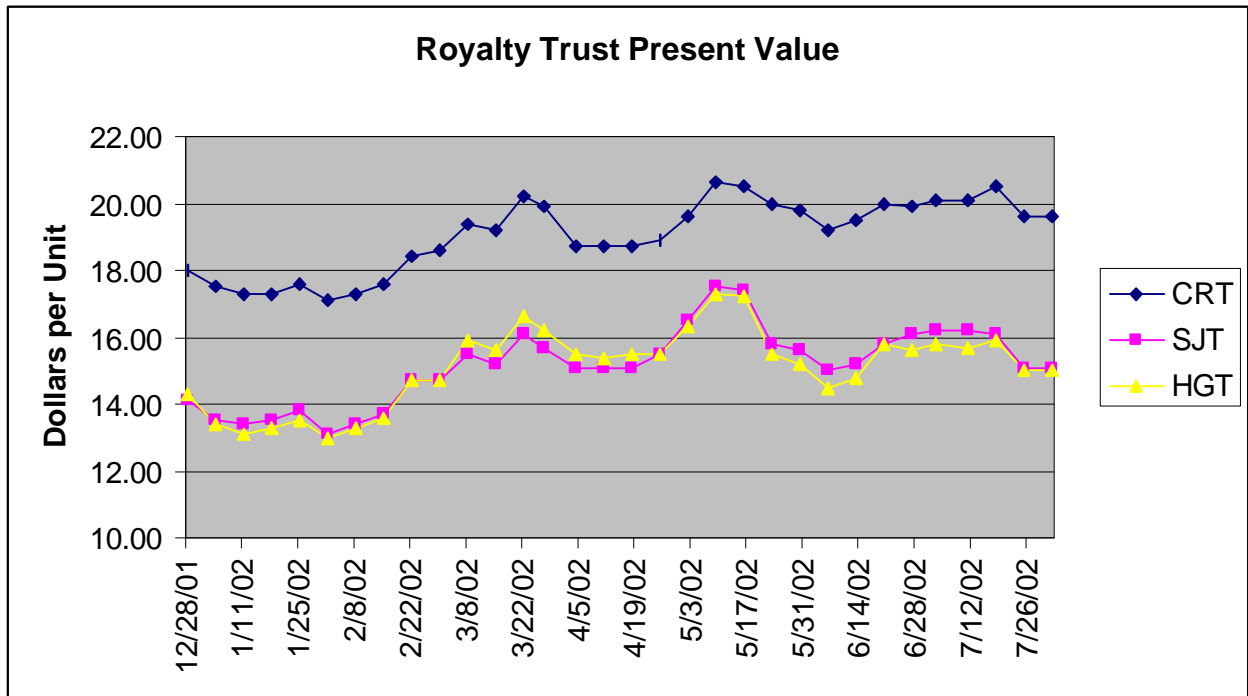
Kurt H. Wulff, CFA

Analyses are prepared from original sources and data believed to be reliable, but no representation is made as to their accuracy or completeness. Independent energy investment analysis by Kurt Wulff doing business as McDep Associates is posted at www.mcdep.com. Mr. Wulff is not paid by covered companies. Owing shares in energy stocks, neither Mr. Wulff nor his spouse act contrary to a buy or sell rating.

Natural Gas Royalty Trusts

A Weekly Analysis

August 5, 2002



Analyses are prepared from original sources and data believed to be reliable, but no representation is made as to their accuracy or completeness. Independent energy investment analysis by Kurt Wulff doing business as McDep Associates is posted at www.mcdep.com. Mr. Wulff is not paid by covered companies. Owning shares in energy stocks, neither Mr. Wulff nor his spouse act contrary to a buy or sell rating.

Natural Gas Royalty Trusts

A Weekly Analysis

August 5, 2002

Table CRT-1
Cross Timbers Royalty Trust
Present Value

Volume Decline (%/yr):	10	Price Escalation post 2007 (%/yr):	2.5
Volume Enhancement (%/yr):	10	Discount Rate (%/yr):	5.8
		U.S. TIPS Inflation (%/yr):	1.7
		U.S. 10 Year Yield (%/yr):	4.4
PV/Volume (\$/mcf):	2.53	PV/EBITDA 2002:	11.2

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 2003 through 2032; years ending on 6/30											
	26	20	46	4.18	194	6	200	33.34	0.05	0.59	19.60
2003	2.7	0.0	2.7	3.22	8.8	1.2	9.9	1.66	0.05	0.97	1.66
2004	2.5	0.3	2.7	3.47	9.5	1.1	10.6	1.76		0.92	1.62
2005	2.2	0.5	2.7	3.59	9.8	0.9	10.7	1.78		0.87	1.54
2006	2.0	0.7	2.7	3.57	9.7	0.8	10.5	1.75		0.82	1.44
2007	1.8	0.9	2.7	3.59	9.8	0.6	10.4	1.74		0.78	1.35
2008	1.6	1.1	2.7	3.68	10.0	0.5	10.6	1.76		0.73	1.29
2009	1.4	1.3	2.7	3.77	10.3	0.5	10.8	1.80		0.69	1.24
2010	1.3	1.4	2.7	3.87	10.5	0.5	11.0	1.83		0.65	1.20
2011	1.2	1.6	2.7	3.96	10.8		10.8	1.80		0.62	1.11
2012	1.1	1.4	2.5	4.06	10.0		10.0	1.66		0.58	0.97
2013	1.0	1.3	2.2	4.16	9.2		9.2	1.53		0.55	0.85
2014	0.9	1.1	2.0	4.26	8.5		8.5	1.41		0.52	0.74
2015	0.8	1.0	1.8	4.37	7.8		7.8	1.30		0.49	0.64
2016	0.7	0.9	1.6	4.48	7.2		7.2	1.20		0.47	0.56
2017	0.6	0.8	1.4	4.59	6.6		6.6	1.11		0.44	0.49
2018	0.6	0.7	1.3	4.70	6.1		6.1	1.02		0.42	0.43
2019	0.5	0.7	1.2	4.82	5.7		5.7	0.94		0.39	0.37
2020	0.5	0.6	1.1	4.94	5.2		5.2	0.87		0.37	0.32
2021	0.4	0.5	1.0	5.06	4.8		4.8	0.80		0.35	0.28
2022	0.4	0.5	0.9	5.19	4.4		4.4	0.74		0.33	0.25
2023	0.3	0.4	0.8	5.32	4.1		4.1	0.68		0.31	0.21
2024	0.3	0.4	0.7	5.45	3.8		3.8	0.63		0.30	0.19
2025	0.3	0.4	0.6	5.58	3.5		3.5	0.58		0.28	0.16
2026	0.2	0.3	0.6	5.72	3.2		3.2	0.54		0.27	0.14
2027	0.2	0.3	0.5	5.86	3.0		3.0	0.49		0.25	0.12
2028	0.2	0.3	0.5	6.01	2.7		2.7	0.46		0.24	0.11
2029	0.2	0.2	0.4	6.16	2.5		2.5	0.42		0.22	0.09
2030	0.2	0.2	0.4	6.31	2.3		2.3	0.39		0.21	0.08
2031	0.1	0.2	0.3	6.47	2.1		2.1	0.36		0.20	0.07
2032	0.1	0.2	0.3	6.63	2.0		2.0	0.33		0.19	0.06

Analyses are prepared from original sources and data believed to be reliable, but no representation is made as to their accuracy or completeness. Independent energy investment analysis by Kurt Wulff doing business as McDep Associates is posted at www.mcdep.com. Mr. Wulff is not paid by covered companies. Owning shares in energy stocks, neither Mr. Wulff nor his spouse act contrary to a buy or sell rating.

Natural Gas Royalty Trusts

A Weekly Analysis

August 5, 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>
Highlights								
Tax credit (\$mm)								
Per unit	0.03	0.03	0.03	0.03	0.10			0.05
Distributable Income (\$mm)	1.80	1.72	2.58	2.37	8.48	2.45	2.54	9.94
Per unit	0.30	0.29	0.43	0.40	1.41	0.41	0.42	1.66
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	3.38	2.98	2.82	3.19	3.59	3.28
Differential (\$/mmbtu)	(0.13)	0.05	0.07	0.06	0.01	0.06	0.07	0.07
CRT (\$/mcf)	2.54	2.48	3.31	2.92	2.81	3.13	3.52	3.22
Oil (\$/bbl) (WTI lagged two months)								
WTI Cushing	19.56	23.80	26.49	26.40	24.06	25.70	25.05	25.91
CRT	17.28	21.80	24.49	24.40	21.99	23.70	23.05	23.92
Total (\$/mcf)	2.67	2.93	3.62	3.37	3.15	3.45	3.65	3.52
Revenue (\$mm)								
Natural Gas	1.98	1.85	2.50	2.23	8.57	2.39	2.63	9.75
Oil	1.44	1.75	2.03	2.03	7.25	1.97	1.85	7.88
Total	3.42	3.60	4.54	4.26	15.82	4.36	4.48	17.63
Cost (\$mm)								
Tax, transport & other	0.34	0.50	0.64	0.60	2.07	0.61	0.63	2.47
Production	0.75	0.75	0.75	0.75	3.00	0.75	0.75	3.00
Total	1.09	1.26	1.39	1.35	5.08	1.36	1.38	5.47
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	2.95	2.71	9.92	2.80	2.90	11.36
Royalty income (\$mm)								
Royalty/Net proceeds	89%	89%	89%	89%	89%	89%	89%	89%
Administration	0.08	0.19	0.04	0.04	0.34	0.04	0.04	0.16
Distributable income (\$mm)								
	1.80	1.72	2.58	2.37	8.48	2.45	2.54	9.94
<i>Modeling ratios</i>								
Tax and other/revenue	0.10	0.14	0.14	0.14	0.13	0.14	0.14	0.14

Analyses are prepared from original sources and data believed to be reliable, but no representation is made as to their accuracy or completeness. Independent energy investment analysis by Kurt Wulff doing business as McDep Associates is posted at www.mcdep.com. Mr. Wulff is not paid by covered companies. Owning shares in energy stocks, neither Mr. Wulff nor his spouse act contrary to a buy or sell rating.

Natural Gas Royalty Trusts

A Weekly Analysis

August 5, 2002

Table HGT-1
Hugoton Royalty Trust
Present Value

Volume Decline (%/yr):	10	Price Escalation Post 2007 (%/yr):	2.5
Volume Enhancement (%/yr):	10	Discount rate (%/yr):	6.4
Capex/Cash Flow (%):	30	U.S. TIPS Inflation (%/yr):	1.7
Variable Cost (%):	17	U.S. 10 Year Yield (%/yr):	4.4
PV/Volume (\$/mcf):	1.17	PV/EBITDA 2002:	10.6

Year	Basic (bcf)	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 2003 through 2032; years ending on 6/30													
	289	225	514	4.08	2097	462	357	199	1080	27.01	0.01	0.56	15.00
2003	30.2	0.0	30.2	2.87	86.8	15.4	14.8	18.2	38.4	0.96	0.01	0.97	0.94
2004	27.2	3.0	30.2	3.41	102.9	15.4	17.5	21.0	49.0	1.23		0.91	1.12
2005	24.5	5.7	30.2	3.52	106.2	15.4	18.1	21.8	50.9	1.27		0.86	1.09
2006	22.0	8.2	30.2	3.50	105.7	15.4	18.0	21.7	50.6	1.27		0.80	1.02
2007	19.8	10.4	30.2	3.52	106.3	15.4	18.1	21.9	51.0	1.27		0.76	0.96
2008	17.8	12.4	30.2	3.61	108.9	15.4	18.5	22.5	52.5	1.31		0.71	0.93
2009	16.1	14.2	30.2	3.69	111.6	15.4	19.0	23.2	54.1	1.35		0.67	0.90
2010	14.5	15.8	30.2	3.79	114.4	15.4	19.4	23.9	55.7	1.39		0.63	0.87
2011	13.0	17.2	30.2	3.88	117.2	15.4	19.9	24.6	57.3	1.43		0.59	0.85
2012	11.7	15.5	27.2	3.98	108.1	15.4	18.4		74.4	1.86		0.55	1.03
2013	10.5	13.9	24.5	4.08	99.7	15.4	17.0		67.4	1.68		0.52	0.88
2014	9.5	12.5	22.0	4.18	92.0	15.4	15.6		61.0	1.52		0.49	0.75
2015	8.5	11.3	19.8	4.28	84.8	15.4	14.4		55.0	1.38		0.46	0.63
2016	7.7	10.2	17.8	4.39	78.3	15.4	13.3		49.6	1.24		0.43	0.54
2017	6.9	9.1	16.1	4.49	72.2	15.4	12.3		44.5	1.11		0.41	0.45
2018	6.2	8.2	14.5	4.61	66.6	15.4	11.3		39.9	1.00		0.38	0.38
2019	5.6	7.4	13.0	4.72	61.4	15.4	10.4		35.6	0.89		0.36	0.32
2020	5.0	6.7	11.7	4.84	56.6	15.4	9.6		31.6	0.79		0.34	0.27
2021	4.5	6.0	10.5	4.96	52.2	15.4	8.9		28.0	0.70		0.32	0.22
2022	4.1	5.4	9.5	5.08	48.2	15.4	8.2		24.6	0.61		0.30	0.18
2023	3.7	4.9	8.5	5.21	44.4	15.4	7.6		21.5	0.54		0.28	0.15
2024	3.3	4.4	7.7	5.34	41.0	15.4	7.0		18.6	0.47		0.26	0.12
2025	3.0	3.9	6.9	5.47	37.8	15.4	6.4		16.0	0.40		0.25	0.10
2026	2.7	3.5	6.2	5.60	34.9	15.4	5.9		13.5	0.34		0.23	0.08
2027	2.4	3.2	5.6	5.74	32.2	15.4	5.5		11.3	0.28		0.22	0.06
2028	2.2	2.9	5.0	5.88	29.7	15.4	5.0		9.2	0.23		0.21	0.05
2029	2.0	2.6	4.5	6.03	27.3	15.4	4.6		7.3	0.18		0.19	0.04
2030	1.8	2.3	4.1	6.18	25.2	15.4	4.3		5.5	0.14		0.18	0.03
2031	1.6	2.1	3.7	6.33	23.3	15.4	4.0		3.9	0.10		0.17	0.02
2032	1.4	1.9	3.3	6.49	21.5	15.4	3.6		2.4	0.06		0.16	0.01

Analyses are prepared from original sources and data believed to be reliable, but no representation is made as to their accuracy or completeness. Independent energy investment analysis by Kurt Wulff doing business as McDep Associates is posted at www.mcdep.com. Mr. Wulff is not paid by covered companies. Owning shares in energy stocks, neither Mr. Wulff nor his spouse act contrary to a buy or sell rating.

Natural Gas Royalty Trusts

A Weekly Analysis

August 5, 2002

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 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) (80%)	18.5	16.5	21.6	19.9	76.5	22.8	22.6	86.8
Cash flow (\$mm) (80%)	12.0	10.0	14.1	12.5	48.7	15.1	15.2	57.0
Per unit	0.30	0.25	0.35	0.31	1.22	0.38	0.38	1.43
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	5.3	9.5	7.9	30.1	10.5	10.6	38.4
Per unit	0.18	0.13	0.24	0.20	0.75	0.26	0.26	0.96
Units (millions)	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
Volume								
Natural Gas (bcf)	9.0	8.3	9.0	9.0	35.3	9.0	8.7	35.7
Natural Gas (mmcf/d)	98.1	93.1	97.8	97.8	96.7	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	8.8	9.5	9.5	37.4	9.5	9.2	37.8
Price								
Natural Gas (HH lagged two months)								
Henry Hub (\$/mmbtu)	2.34	2.92	3.23	2.95	2.86	3.43	3.54	3.29
Differential (\$/mmbtu)	(0.03)	0.67	0.49	0.44	0.39	0.52	0.53	0.50
HGT (\$/mcf)	2.38	2.25	2.75	2.51	2.47	2.92	3.01	2.80
Oil (\$/bbl) (WTI Cushing lagged two months)								
WTI Cushing	19.56	23.80	26.49	26.40	24.06	25.70	25.05	25.91
HGT	18.80	23.30	25.99	25.90	23.47	25.20	24.55	25.42
Total (\$/mcf)	2.42	2.34	2.84	2.61	2.56	2.99	3.07	2.87
Revenue (\$mm)								
Natural Gas	21.5	18.6	24.7	22.6	87.4	26.3	26.2	99.8
Oil	1.7	2.0	2.3	2.3	8.3	2.2	2.0	8.8
Total	23.2	20.6	27.0	24.8	95.6	28.4	28.3	108.5
Cost (\$mm)								
Tax, transport & other	1.7	2.1	2.7	2.5	8.9	2.8	2.8	10.9
Production	4.4	4.0	4.8	4.8	17.9	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	8.1	9.4	9.1	34.7	9.5	9.3	37.3
Cash flow (\$mm)	15.1	12.5	17.7	15.7	60.9	18.9	19.0	71.3
Development	5.8	5.8	5.7	5.7	23.0	5.7	5.7	22.8
Net proceeds (\$mm)	9.3	6.8	12.0	10.0	38.0	13.2	13.3	48.5
Royalty income (\$mm)	7.4	5.4	9.6	8.0	30.4	10.6	10.6	38.8
Royalty/Net proceeds	80%	80%	80%	80%	80%	80%	80%	80%
Administration	0.1	0.1	0.1	0.1	0.3	0.1	0.1	0.3
Distributable income (\$mm)	7.4	5.3	9.5	7.9	30.1	10.5	10.6	38.4
<i>Cost ratios</i>								
Tax and other/revenue	7%	10%	10%	10%	9%	10%	10%	10%
Production cost (\$/mcf)	0.46	0.46	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	0.46	0.32	0.36	0.38	0.30	0.30	0.32

Analyses are prepared from original sources and data believed to be reliable, but no representation is made as to their accuracy or completeness. Independent energy investment analysis by Kurt Wulff doing business as McDep Associates is posted at www.mcdep.com. Mr. Wulff is not paid by covered companies. Owning shares in energy stocks, neither Mr. Wulff nor his spouse act contrary to a buy or sell rating.

Natural Gas Royalty Trusts

A Weekly Analysis

August 5, 2002

Table SJT-1
San Juan Basin Royalty Trust
Present Value

Volume Decline (%/yr):	10	Price Escalation Post 2007 (%/yr):	2.5
Volume Enhancement (%/yr):	10	Discount rate (%/yr):	6.4
Capex/Cash Flow (%):	25	U.S. TIPS Inflation (%/yr):	1.7
Variable Cost (%):	12	U.S. 10 Year Yield (%/yr):	4.4

PV/Volume (\$/mcf):	1.25	PV/EBITDA 2002:	10.9
---------------------	------	-----------------	------

Year	Basic (bcf)	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 2003 through 2032; years ending on 6/30													
	317	246	563	3.73	2101	389	252	182	1278	27.42	0.02	0.55	15.10
2003	33.1	0.0	33.1	2.63	87.0	11.8	10.4	15.8	49.0	1.05	0.02	0.97	1.04
2004	29.8	3.3	33.1	3.11	103.1	13.0	12.4	19.4	58.3	1.25		0.91	1.14
2005	26.8	6.3	33.1	3.21	106.4	13.0	12.8	20.2	60.5	1.30		0.86	1.11
2006	24.1	9.0	33.1	3.20	105.8	13.0	12.7	20.0	60.1	1.29		0.80	1.04
2007	21.7	11.4	33.1	3.22	106.5	13.0	12.8	20.2	60.5	1.30		0.76	0.98
2008	19.6	13.6	33.1	3.30	109.1	13.0	13.1	20.8	62.3	1.34		0.71	0.95
2009	17.6	15.5	33.1	3.38	111.8	13.0	13.4	21.4	64.1	1.37		0.67	0.92
2010	15.8	17.3	33.1	3.46	114.6	13.0	13.8	22.0	65.9	1.41		0.63	0.89
2011	14.3	18.9	33.1	3.55	117.4	13.0	14.1	22.6	67.8	1.45		0.59	0.86
2012	12.8	17.0	29.8	3.63	108.3	13.0	13.0		82.3	1.77		0.55	0.98
2013	11.5	15.3	26.8	3.72	99.9	13.0	12.0		74.9	1.61		0.52	0.84
2014	10.4	13.7	24.1	3.82	92.1	13.0	11.1		68.1	1.46		0.49	0.72
2015	9.4	12.4	21.7	3.91	85.0	13.0	10.2		61.8	1.33		0.46	0.61
2016	8.4	11.1	19.6	4.01	78.4	13.0	9.4		56.0	1.20		0.43	0.52
2017	7.6	10.0	17.6	4.11	72.3	13.0	8.7		50.6	1.09		0.41	0.44
2018	6.8	9.0	15.8	4.21	66.7	13.0	8.0		45.7	0.98		0.38	0.37
2019	6.1	8.1	14.3	4.31	61.5	13.0	7.4		41.1	0.88		0.36	0.32
2020	5.5	7.3	12.8	4.42	56.7	13.0	6.8		36.9	0.79		0.34	0.27
2021	5.0	6.6	11.5	4.53	52.3	13.0	6.3		33.0	0.71		0.32	0.22
2022	4.5	5.9	10.4	4.64	48.2	13.0	5.8		29.5	0.63		0.30	0.19
2023	4.0	5.3	9.4	4.76	44.5	13.0	5.3		26.2	0.56		0.28	0.16
2024	3.6	4.8	8.4	4.88	41.0	13.0	4.9		23.1	0.50		0.26	0.13
2025	3.3	4.3	7.6	5.00	37.9	13.0	4.5		20.3	0.44		0.25	0.11
2026	2.9	3.9	6.8	5.12	34.9	13.0	4.2		17.7	0.38		0.23	0.09
2027	2.6	3.5	6.1	5.25	32.2	13.0	3.9		15.3	0.33		0.22	0.07
2028	2.4	3.1	5.5	5.38	29.7	13.0	3.6		13.1	0.28		0.21	0.06
2029	2.1	2.8	5.0	5.51	27.4	13.0	3.3		11.1	0.24		0.19	0.05
2030	1.9	2.5	4.5	5.65	25.3	13.0	3.0		9.2	0.20		0.18	0.04
2031	1.7	2.3	4.0	5.79	23.3	13.0	2.8		7.5	0.16		0.17	0.03
2032	1.6	2.1	3.6	5.93	21.5	13.0	2.6		5.9	0.13		0.16	0.02

Analyses are prepared from original sources and data believed to be reliable, but no representation is made as to their accuracy or completeness. Independent energy investment analysis by Kurt Wulff doing business as McDep Associates is posted at www.mcdep.com. Mr. Wulff is not paid by covered companies. Owning shares in energy stocks, neither Mr. Wulff nor his spouse act contrary to a buy or sell rating.

Natural Gas Royalty Trusts

A Weekly Analysis

August 5, 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>
Highlights								
Revenue (\$mm) (75%)	19.2	18.5	19.9	20.2	77.9	23.5	23.4	87.0
Cash flow (\$mm) (75%)	14.1	14.0	15.4	15.4	58.9	18.3	18.3	67.4
Per unit	0.30	0.30	0.33	0.33	1.26	0.39	0.39	1.45
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	10.6	11.4	34.5	13.5	13.6	49.0
Per unit	0.08	0.19	0.23	0.24	0.74	0.29	0.29	1.05
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	11.9	11.9	48.4	11.9	11.6	47.4
Heat Content(btu/cf)	1,092	1,077	1,087	1,087	1,086	1,087	1,087	1,087
Natural gas (bcf)	11.5	11.1	11.0	11.0	44.6	11.0	10.6	43.6
Natural Gas (mmcf)	124.7	125.1	119.4	119.4	122.1	119.4	119.4	119.4
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	11.3	11.1	11.1	45.1	11.1	10.8	44.1
Price								
Natural gas (\$/mmbtu) (Henry Hub lagged two months)								
Henry Hub (\$/mmbtu)	2.34	2.92	3.23	2.95	2.86	3.43	3.54	3.29
Differential (%)	14	31	32	25	26	25	25	27
Total	2.01	2.02	2.18	2.21	2.11	2.58	2.66	2.40
Natural gas (\$/mcf)	2.20	2.18	2.37	2.41	2.29	2.80	2.89	2.61
Oil (\$/bbl) (WTI Cushing lagged two months)								
WTI Cushing	19.56	23.80	26.49	26.40	24.06	25.70	25.05	25.91
SJT	15.78	19.80	22.49	22.40	20.12	21.70	21.05	21.92
Total gas & oil (\$/mcf)	2.20	2.19	2.39	2.42	2.30	2.81	2.90	2.63
Revenue (\$mm)								
Natural Gas	25.2	24.2	26.0	26.4	101.9	30.8	30.7	114.0
Oil	0.4	0.4	0.5	0.5	1.9	0.5	0.5	2.0
Total	25.6	24.7	26.6	27.0	103.8	31.3	31.2	116.0
Cost (\$mm)								
Severance tax	2.6	2.4	2.4	2.7	10.1	3.1	3.1	11.3
Operating	4.1	3.7	3.7	3.7	15.2	3.7	3.6	14.8
Total	6.7	6.0	6.1	6.4	25.3	6.9	6.7	26.1
Cash flow (\$mm)	18.8	18.7	20.5	20.5	78.5	24.4	24.5	89.9
Development	11.3	3.4	3.7	5.1	23.5	6.1	6.1	21.0
Net proceeds (\$mm)	7.5	15.3	16.8	15.4	55.0	18.3	18.3	68.9
Royalty income (\$mm)	5.6	11.5	12.6	11.6	41.3	13.7	13.8	51.7
Royalty/Net proceeds	75%	75%	75%	75%	75%	75%	75%	3.0
Administration	0.4	0.5	0.0	0.2	1.1	0.2	0.2	0.6
One-time	1.7	2.0	2.0		5.7			2.0
Distributable income (\$mm)	3.5	9.0	10.6	11.4	34.5	13.5	13.6	49.0
<i>Modeling ratios</i>								
Severance tax/revenue	10.2%	9.6%	9.0%	10.0%	9.7%	10.0%	10.0%	9.8%
Operating cost (\$/mcf)	0.36	0.33	0.33	0.34	0.34	0.34	0.34	0.33

Analyses are prepared from original sources and data believed to be reliable, but no representation is made as to their accuracy or completeness. Independent energy investment analysis by Kurt Wulff doing business as McDep Associates is posted at www.mcdep.com. Mr. Wulff is not paid by covered companies. Owning shares in energy stocks, neither Mr. Wulff nor his spouse act contrary to a buy or sell rating.

Natural Gas Royalty Trusts

A Weekly Analysis

August 5, 2002

Table SJT-3
San Juan Basin Royalty Trust
Monthly Declarations

	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02
Distribution (\$/unit)							
Declared	0.06	0.01	0.10	0.08	0.08		
Projected						0.06	0.09
Volume							
Natural gas (mmbtu)	4.19	3.82	4.29	3.88	3.92	3.95	4.08
Heat Content(btu/cf)	1,087	1,057	1,108	1,064	1,081	1,091	1,091
Natural gas (bcf)	3.86	3.62	3.87	3.65	3.63	3.62	3.74
Natural Gas (mmcf)	124	129	125	122	117	121	121
Days	31	28	31	30	31	30	31
Price							
Natural gas industry quotes lagged two months (\$/mmbtu)							
Henry Hub Daily/Futures	2.25	2.31	3.03	3.42	3.49	3.22	2.99
San Juan Monthly Index	2.42	1.81	2.14	3.04	2.39	2.24	2.62
SJT/Henry Hub	0.92	0.62	0.64	0.78	0.65	0.63	0.75
SJT/San Juan Index	0.86	0.80	0.91	0.88	0.95	0.91	0.85
SJT (\$/mmbtu)	2.08	1.44	1.95	2.68	2.27	2.04	2.23
SJT (\$/mcf)	2.26	1.52	2.16	2.85	2.45	2.22	2.44
Revenue (\$mm)							
Natural Gas	8.7	5.5	8.4	10.4	8.9	8.0	9.1
Other	(0.2)	(0.1)	(1.1)	(1.7)	(1.4)	(0.7)	(0.1)
Cost (\$mm)							
Severance tax	0.9	0.5	0.8	1.1	0.6	0.8	0.9
Operating	1.2	1.4	1.2	1.1	1.1	1.3	1.3
Total	2.1	1.8	2.1	2.1	1.8	2.1	2.2
Cash flow (\$mm)	6.4	3.6	5.2	6.5	5.8	5.2	6.8
Development	2.4	3.0	(0.9)	1.3	0.7	1.5	1.5
Net proceeds (\$mm)	4.0	0.6	6.1	5.3	5.1	3.7	5.3
Royalty income (\$mm)	3.0	0.5	4.6	4.0	3.8	2.8	4.0
Royalty/Net proceeds	75%	75%	75%	75%	75%	75%	75%
Distributable income (\$mm)	3.0	0.5	4.6	4.0	3.8	2.8	4.0
Units (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)	1,090	1,088	1,092	1,086	1,091		
Natural Gas (mmcf)	118	120	120	120	121		
SJT/Henry Hub	0.79	0.76	0.75	0.75	0.73		
SJT/San Juan Index	0.85	0.84	0.85	0.85	0.85		
Other revenue	0.0	0.0	(0.1)	(0.2)	(0.3)		
Operating	1.3	1.3	1.3	1.3	1.3		
Development	3.2	3.3	2.9	2.9	2.7		
Severance tax/revenue	10.5%	10.4%	10.4%	10.5%	10.2%		

Analyses are prepared from original sources and data believed to be reliable, but no representation is made as to their accuracy or completeness. Independent energy investment analysis by Kurt Wulff doing business as McDep Associates is posted at www.mcdep.com. Mr. Wulff is not paid by covered companies. Owning shares in energy stocks, neither Mr. Wulff nor his spouse act contrary to a buy or sell rating.