

## Natural Gas Royalty Trusts

A Weekly Analysis

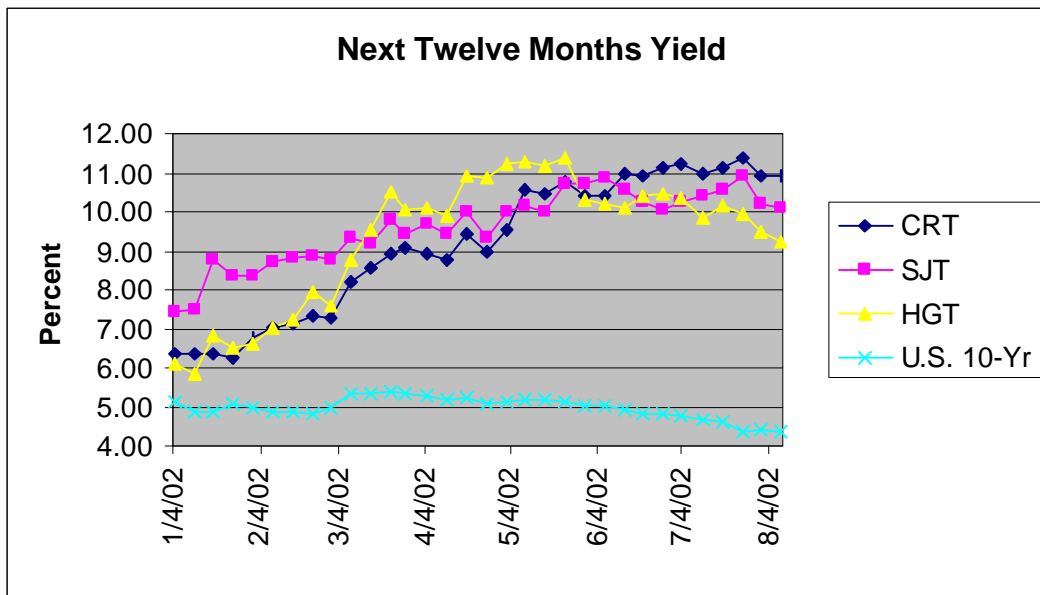
August 12, 2002

# Yield Advantage

### Summary and Recommendation

During 2002 the Next Twelve Months Distribution Yield has increased for the three royalty trusts from about 7% to about 10% while the yield on the U.S. Treasury Ten-Year Note has declined from about 5% to about 4% (see Chart). As a result we believe that diversified investors should be more inclined to invest incremental funds in the three royalty trusts than in the Ten-Year Note, for example. At the same time a gap that has opened up between six-year natural gas futures and two royalty trusts may close eventually (see additional Chart). On that basis a continued steady trend for futures may imply price appreciation for the trusts. Finally, during the past week positive changes in futures and present value were within one sigma.

Kurt H. Wulff, CFA

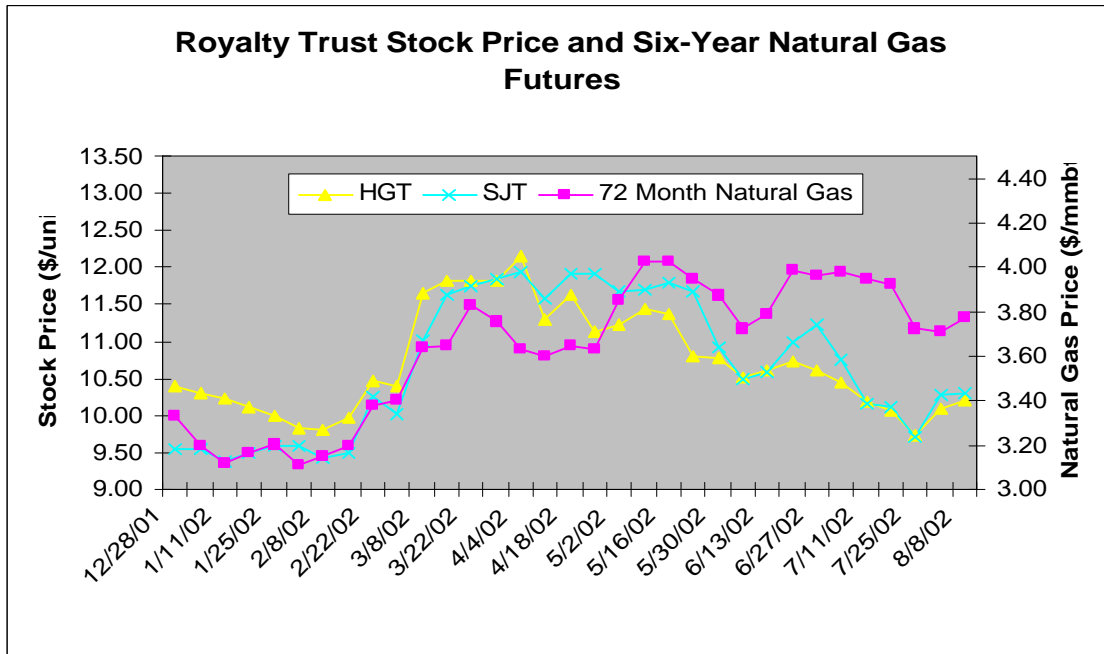


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### Rank by McDep Ratio: Market Cap and Debt to Present Value

	Symbol/ Rating	Price (\$/sh) 8-Aug 2002	Shares (mm)	Market Cap (\$mm)	Net Present Value (\$/sh)	Debt/ Present Value	McDep Ratio
Cross Timbers Royalty Trust	CRT	15.14	6.0	91	20.10	-	0.75
San Juan Basin Royalty Trust	SJT	10.31	46.6	480	15.60	-	0.66
Hugoton RoyaltyTrust (46%)	HGT	10.20	18.4	190	15.40	-	0.66

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) 8-Aug 2002	EV/ Sales NTM	EV/ Ebitda NTM	P/E NTM	Dividend or Distribution NTM (%)	PV/ Ebitda NTM
Cross Timbers Royalty Trust	CRT	15.14	5.8	8.5	9	10.9	11.2
Hugoton RoyaltyTrust (46%)	HGT	10.20	4.8	7.3	11	9.2	11.0
San Juan Basin Royalty Trust	SJT	10.31	5.6	7.2	10	10.1	10.9

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):	2.6
Volume Enhancement (%/yr):	10	Discount Rate (%/yr):	5.8
		U.S. TIPS Inflation (%/yr):	1.8
		U.S. 10 Year Yield (%/yr):	4.4

PV/Volume (\$/mcf):	2.60	PV/EBITDA 2002:	11.5
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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 2003 through 2032; years ending on 6/30											
	26	20	46	4.28	198	6	205	34.14	0.05	0.59	<b>20.10</b>
2003	2.7	0.0	2.7	3.18	8.7	1.2	9.9	1.65	0.05	0.97	1.65
2004	2.5	0.3	2.7	3.53	9.6	1.2	10.8	1.80		0.92	1.66
2005	2.2	0.5	2.7	3.64	9.9	0.9	10.9	1.81		0.87	1.57
2006	2.0	0.7	2.7	3.64	9.9	0.8	10.7	1.79		0.82	1.47
2007	1.8	0.9	2.7	3.66	10.0	0.7	10.7	1.78		0.78	1.38
2008	1.6	1.1	2.7	3.75	10.2	0.6	10.8	1.80		0.74	1.33
2009	1.4	1.3	2.7	3.85	10.5	0.6	11.1	1.84		0.70	1.28
2010	1.3	1.4	2.7	3.95	10.8	0.5	11.3	1.88		0.66	1.24
2011	1.2	1.6	2.7	4.05	11.0		11.0	1.84		0.62	1.14
2012	1.1	1.4	2.5	4.15	10.2		10.2	1.70		0.59	1.00
2013	1.0	1.3	2.2	4.26	9.4		9.4	1.57		0.56	0.87
2014	0.9	1.1	2.0	4.37	8.7		8.7	1.45		0.53	0.76
2015	0.8	1.0	1.8	4.48	8.0		8.0	1.33		0.50	0.66
2016	0.7	0.9	1.6	4.59	7.4		7.4	1.23		0.47	0.58
2017	0.6	0.8	1.4	4.71	6.8		6.8	1.14		0.44	0.51
2018	0.6	0.7	1.3	4.83	6.3		6.3	1.05		0.42	0.44
2019	0.5	0.7	1.2	4.95	5.8		5.8	0.97		0.40	0.39
2020	0.5	0.6	1.1	5.08	5.4		5.4	0.89		0.38	0.34
2021	0.4	0.5	1.0	5.21	5.0		5.0	0.83		0.36	0.29
2022	0.4	0.5	0.9	5.34	4.6		4.6	0.76		0.34	0.26
2023	0.3	0.4	0.8	5.48	4.2		4.2	0.70		0.32	0.22
2024	0.3	0.4	0.7	5.62	3.9		3.9	0.65		0.30	0.19
2025	0.3	0.4	0.6	5.76	3.6		3.6	0.60		0.28	0.17
2026	0.2	0.3	0.6	5.91	3.3		3.3	0.55		0.27	0.15
2027	0.2	0.3	0.5	6.06	3.1		3.1	0.51		0.25	0.13
2028	0.2	0.3	0.5	6.21	2.8		2.8	0.47		0.24	0.11
2029	0.2	0.2	0.4	6.37	2.6		2.6	0.43		0.23	0.10
2030	0.2	0.2	0.4	6.53	2.4		2.4	0.40		0.21	0.09
2031	0.1	0.2	0.3	6.70	2.2		2.2	0.37		0.20	0.08
2032	0.1	0.2	0.3	6.87	2.0		2.0	0.34		0.19	0.07

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August 12, 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	1.72	2.58	2.32	8.43	2.41	2.56	9.87
Per unit	0.30	0.29	0.43	0.39	1.41	0.40	0.43	1.65
Units (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	3.38	2.88	2.80	3.12	3.59	3.24
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	2.83	2.79	3.06	3.52	3.18
Oil (\$/bbl) (WTI lagged two months)								
WTI Cushing	19.56	23.80	26.49	26.47	24.08	25.80	25.26	26.01
CRT	17.28	21.80	24.49	24.47	22.01	23.80	23.26	24.01
Total (\$/mcf)	2.67	2.93	3.62	3.32	3.13	3.42	3.66	3.50
<b>Revenue (\$mm)</b>								
Natural Gas	1.98	1.85	2.50	2.16	8.49	2.34	2.63	9.63
Oil	1.44	1.75	2.03	2.03	7.26	1.98	1.87	7.91
Total	3.42	3.60	4.54	4.19	15.75	4.31	4.50	17.54
<b>Cost (\$mm)</b>								
Tax, transport & other	0.34	0.50	0.64	0.59	2.06	0.60	0.63	2.46
Production	0.75	0.75	0.75	0.75	3.00	0.75	0.75	3.00
Total	1.09	1.26	1.39	1.34	5.07	1.35	1.38	5.46
<b>Cash flow (\$mm)</b>								
Development	0.28	0.20	0.20	0.20	0.88	0.20	0.20	0.80
Excess	(0.07)							
<b>Net proceeds (\$mm)</b>								
	2.11	2.15	2.95	2.65	9.86	2.76	2.92	11.28
<b>Royalty income (\$mm)</b>								
	1.88	1.91	2.62	2.36	8.77	2.45	2.60	10.03
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
<b>Distributable income (\$mm)</b>								
	1.80	1.72	2.58	2.32	8.43	2.41	2.56	9.87
<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):	2.6
Volume Enhancement (%/yr):	10	Discount rate (%/yr):	6.4
Capex/Cash Flow (%):	30	U.S. TIPS Inflation (%/yr):	1.8
Variable Cost (%):	17	U.S. 10 Year Yield (%/yr):	4.4
PV/Volume (\$/mcf):	1.20	PV/EBITDA 2002:	11.0

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 2003 through 2032; years ending on 6/30													
	289	225	514	4.17	2145	464	365	203	1114	27.84	0.01	0.55	15.40
2003	30.2	0.0	30.2	2.84	85.9	15.5	14.6	18.2	37.6	0.94	0.01	0.97	0.92
2004	27.2	3.0	30.2	3.47	104.9	15.5	17.8	21.5	50.1	1.25		0.91	1.14
2005	24.5	5.7	30.2	3.57	107.8	15.5	18.3	22.2	51.8	1.30		0.86	1.11
2006	22.0	8.2	30.2	3.56	107.7	15.5	18.3	22.2	51.8	1.29		0.81	1.04
2007	19.8	10.4	30.2	3.59	108.3	15.5	18.4	22.3	52.1	1.30		0.76	0.99
2008	17.8	12.4	30.2	3.68	111.1	15.5	18.9	23.0	53.7	1.34		0.71	0.96
2009	16.1	14.2	30.2	3.77	113.9	15.5	19.4	23.7	55.4	1.38		0.67	0.93
2010	14.5	15.8	30.2	3.87	116.8	15.5	19.9	24.5	57.1	1.43		0.63	0.90
2011	13.0	17.2	30.2	3.97	119.8	15.5	20.4	25.2	58.8	1.47		0.59	0.87
2012	11.7	15.5	27.2	4.07	110.6	15.5	18.8		76.3	1.91		0.56	1.06
2013	10.5	13.9	24.5	4.17	102.0	15.5	17.3		69.2	1.73		0.52	0.91
2014	9.5	12.5	22.0	4.28	94.2	15.5	16.0		62.7	1.57		0.49	0.77
2015	8.5	11.3	19.8	4.39	86.9	15.5	14.8		56.7	1.42		0.46	0.66
2016	7.7	10.2	17.8	4.50	80.2	15.5	13.6		51.1	1.28		0.44	0.56
2017	6.9	9.1	16.1	4.61	74.0	15.5	12.6		46.0	1.15		0.41	0.47
2018	6.2	8.2	14.5	4.73	68.3	15.5	11.6		41.3	1.03		0.39	0.40
2019	5.6	7.4	13.0	4.85	63.1	15.5	10.7		36.9	0.92		0.36	0.33
2020	5.0	6.7	11.7	4.97	58.2	15.5	9.9		32.9	0.82		0.34	0.28
2021	4.5	6.0	10.5	5.10	53.7	15.5	9.1		29.1	0.73		0.32	0.23
2022	4.1	5.4	9.5	5.23	49.6	15.5	8.4		25.7	0.64		0.30	0.19
2023	3.7	4.9	8.5	5.36	45.8	15.5	7.8		22.5	0.56		0.28	0.16
2024	3.3	4.4	7.7	5.50	42.2	15.5	7.2		19.6	0.49		0.27	0.13
2025	3.0	3.9	6.9	5.64	39.0	15.5	6.6		16.9	0.42		0.25	0.11
2026	2.7	3.5	6.2	5.78	36.0	15.5	6.1		14.4	0.36		0.24	0.08
2027	2.4	3.2	5.6	5.93	33.2	15.5	5.6		12.1	0.30		0.22	0.07
2028	2.2	2.9	5.0	6.08	30.7	15.5	5.2		10.0	0.25		0.21	0.05
2029	2.0	2.6	4.5	6.24	28.3	15.5	4.8		8.0	0.20		0.20	0.04
2030	1.8	2.3	4.1	6.40	26.1	15.5	4.4		6.2	0.16		0.18	0.03
2031	1.6	2.1	3.7	6.56	24.1	15.5	4.1		4.5	0.11		0.17	0.02
2032	1.4	1.9	3.3	6.73	22.2	15.5	3.8		3.0	0.08		0.16	0.01

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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	16.5	21.6	19.0	75.7	22.5	22.7	85.9
Cash flow (\$mm) (80%)	12.0	10.0	14.1	11.8	48.0	15.0	15.3	56.2
Per unit	0.30	0.25	0.35	0.30	1.20	0.37	0.38	1.40
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	7.2	29.3	10.3	10.6	37.6
Per unit	0.18	0.13	0.24	0.18	0.73	0.26	0.27	0.94
<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	8.3	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
<b>Price</b>								
Natural Gas (HH lagged two months)								
Henry Hub (\$/mmbtu)	2.34	2.92	3.23	2.82	2.83	3.40	3.56	3.25
Differential (\$/mmbtu)	(0.03)	0.67	0.49	0.42	0.38	0.51	0.53	0.49
HGT (\$/mcf)	2.38	2.25	2.75	2.39	2.45	2.89	3.02	2.76
Oil (\$/bbl) (WTI Cushing lagged two months)								
WTI Cushing	19.56	23.80	26.49	26.47	24.08	25.80	25.26	26.01
HGT	18.80	23.30	25.99	25.97	23.49	25.30	24.76	25.52
Total (\$/mcf)	2.42	2.34	2.84	2.50	2.53	2.96	3.08	2.84
<b>Revenue</b> (\$mm)								
Natural Gas	21.5	18.6	24.7	21.5	86.3	26.0	26.3	98.6
Oil	1.7	2.0	2.3	2.3	8.3	2.2	2.1	8.8
Total	23.2	20.6	27.0	23.8	94.6	28.2	28.4	107.4
<b>Cost</b> (\$mm)								
Tax, transport & other	1.7	2.1	2.7	2.4	8.8	2.8	2.8	10.7
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	9.0	34.6	9.5	9.3	37.2
<b>Cash flow</b> (\$mm)	15.1	12.5	17.7	14.8	60.0	18.7	19.1	70.2
Development	5.8	5.8	5.7	5.7	23.0	5.7	5.7	22.8
<b>Net proceeds</b> (\$mm)	9.3	6.8	12.0	9.1	37.0	13.0	13.4	47.4
<b>Royalty income</b> (\$mm)	7.4	5.4	9.6	7.2	29.6	10.4	10.7	37.9
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
<b>Distributable income</b> (\$mm)	7.4	5.3	9.5	7.2	29.3	10.3	10.6	37.6
<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	0.39	0.38	0.30	0.30	0.32

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# Natural Gas Royalty Trusts

## A Weekly Analysis

August 12, 2002

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

Volume Decline (%/yr):	10	Price Escalation Post 2007 (%/yr):	2.6
Volume Enhancement (%/yr):	10	Discount rate (%/yr):	6.4
Capex/Cash Flow (%):	25	U.S. TIPS Inflation (%/yr):	1.8
Variable Cost (%):	12	U.S. 10 Year Yield (%/yr):	4.4
PV/Volume (\$/mcf):	1.29	PV/EBITDA 2002:	11.4

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 2003 through 2032; years ending on 6/30													
	317	246	563	3.81	2148	389	258	186	1316	28.24	0.02	0.55	15.60
2003	33.1	0.0	33.1	2.60	86.1	11.8	10.3	15.5	48.5	1.04	0.02	0.97	1.03
2004	29.8	3.3	33.1	3.17	105.1	13.0	12.6	19.9	59.6	1.28		0.91	1.17
2005	26.8	6.3	33.1	3.26	108.0	13.0	13.0	20.5	61.5	1.32		0.86	1.13
2006	24.1	9.0	33.1	3.26	107.9	13.0	12.9	20.5	61.4	1.32		0.81	1.06
2007	21.7	11.4	33.1	3.28	108.5	13.0	13.0	20.6	61.9	1.33		0.76	1.01
2008	19.6	13.6	33.1	3.36	111.3	13.0	13.4	21.2	63.7	1.37		0.71	0.97
2009	17.6	15.5	33.1	3.45	114.1	13.0	13.7	21.9	65.6	1.41		0.67	0.94
2010	15.8	17.3	33.1	3.53	117.0	13.0	14.0	22.5	67.5	1.45		0.63	0.91
2011	14.3	18.9	33.1	3.62	120.0	13.0	14.4	23.1	69.4	1.49		0.59	0.88
2012	12.8	17.0	29.8	3.72	110.8	13.0	13.3		84.5	1.81		0.56	1.01
2013	11.5	15.3	26.8	3.81	102.2	13.0	12.3		77.0	1.65		0.52	0.87
2014	10.4	13.7	24.1	3.91	94.3	13.0	11.3		70.0	1.50		0.49	0.74
2015	9.4	12.4	21.7	4.01	87.1	13.0	10.4		63.6	1.37		0.46	0.63
2016	8.4	11.1	19.6	4.11	80.4	13.0	9.6		57.7	1.24		0.44	0.54
2017	7.6	10.0	17.6	4.22	74.2	13.0	8.9		52.3	1.12		0.41	0.46
2018	6.8	9.0	15.8	4.32	68.5	13.0	8.2		47.2	1.01		0.39	0.39
2019	6.1	8.1	14.3	4.43	63.2	13.0	7.6		42.6	0.91		0.36	0.33
2020	5.5	7.3	12.8	4.55	58.3	13.0	7.0		38.3	0.82		0.34	0.28
2021	5.0	6.6	11.5	4.66	53.8	13.0	6.5		34.4	0.74		0.32	0.24
2022	4.5	5.9	10.4	4.78	49.7	13.0	6.0		30.7	0.66		0.30	0.20
2023	4.0	5.3	9.4	4.90	45.8	13.0	5.5		27.3	0.59		0.28	0.17
2024	3.6	4.8	8.4	5.03	42.3	13.0	5.1		24.2	0.52		0.27	0.14
2025	3.3	4.3	7.6	5.16	39.1	13.0	4.7		21.4	0.46		0.25	0.11
2026	2.9	3.9	6.8	5.29	36.0	13.0	4.3		18.7	0.40		0.24	0.09
2027	2.6	3.5	6.1	5.42	33.3	13.0	4.0		16.3	0.35		0.22	0.08
2028	2.4	3.1	5.5	5.56	30.7	13.0	3.7		14.0	0.30		0.21	0.06
2029	2.1	2.8	5.0	5.70	28.3	13.0	3.4		11.9	0.26		0.20	0.05
2030	1.9	2.5	4.5	5.85	26.2	13.0	3.1		10.0	0.21		0.18	0.04
2031	1.7	2.3	4.0	6.00	24.1	13.0	2.9		8.2	0.18		0.17	0.03
2032	1.6	2.1	3.6	6.15	22.3	13.0	2.7		6.6	0.14		0.16	0.02

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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</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	18.5	20.1	19.3	77.1	23.2	23.5	86.1
Cash flow (\$mm) (75%)	14.1	14.0	15.5	14.6	58.2	18.1	18.4	66.6
Per unit	0.30	0.30	0.33	0.31	1.25	0.39	0.40	1.43
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	10.8	10.7	34.0	13.4	13.6	48.5
Per unit	0.08	0.19	0.23	0.23	0.73	0.29	0.29	1.04
<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	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
<b>Price</b>								
Natural gas (\$/mmbtu) (Henry Hub lagged two months)								
Henry Hub (\$/mmbtu)	2.34	2.92	3.23	2.82	2.83	3.40	3.56	3.25
Differential (%)	14	31	32	25	26	25	25	27
Total	2.01	2.02	2.20	2.11	2.09	2.55	2.67	2.38
Natural gas (\$/mcf)	2.20	2.18	2.39	2.30	2.26	2.77	2.90	2.59
Oil (\$/bbl) (WTI Cushing lagged two months)								
WTI Cushing	19.56	23.80	26.49	26.47	24.08	25.80	25.26	26.01
SJT	15.78	19.80	22.49	22.47	20.14	21.80	21.26	22.01
Total gas & oil (\$/mcf)	2.20	2.19	2.41	2.31	2.28	2.78	2.91	2.60
<b>Revenue</b> (\$mm)								
Natural Gas	25.2	24.2	26.3	25.2	101.0	30.4	30.8	112.8
Oil	0.4	0.4	0.5	0.5	1.9	0.5	0.5	2.0
Total	25.6	24.7	26.8	25.8	102.8	31.0	31.3	114.8
<b>Cost</b> (\$mm)								
Severance tax	2.6	2.4	2.4	2.6	10.0	3.1	3.1	11.2
Operating	4.1	3.7	3.7	3.7	15.2	3.7	3.6	14.8
Total	6.7	6.0	6.1	6.3	25.2	6.8	6.7	26.0
<b>Cash flow</b> (\$mm)	18.8	18.7	20.7	19.4	77.7	24.1	24.6	88.8
Development	11.3	3.4	3.7	4.9	23.2	6.0	6.1	20.7
<b>Net proceeds</b> (\$mm)	7.5	15.3	17.0	14.6	54.4	18.1	18.4	68.1
<b>Royalty income</b> (\$mm)	5.6	11.5	12.8	10.9	40.8	13.6	13.8	51.1
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
<b>Distributable income</b> (\$mm)	3.5	9.0	10.8	10.7	34.0	13.4	13.6	48.5
<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

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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	Sep-02	Oct-02
<b>Distribution (\$/unit)</b>								
Declared	0.06	0.01	0.10	0.08	0.08			
Projected						0.07	0.08	0.08
<b>Volume</b>								
Natural gas (mmbtu)	4.19	3.82	4.29	3.88	3.92	3.95	4.08	4.08
Heat Content(btu/cf)	1,087	1,057	1,108	1,064	1,081	1,091	1,091	1,091
Natural gas (bcf)	3.86	3.62	3.87	3.65	3.63	3.62	3.74	3.74
Natural Gas (mmcf)	124	129	125	122	117	121	121	121
Days	31	28	31	30	31	30	31	31
<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	3.22	2.99	2.76
San Juan Monthly Index	2.42	1.81	2.14	3.04	2.39	2.24	2.62	2.50
SJT/Henry Hub	0.92	0.62	0.64	0.78	0.65	0.66	0.74	0.75
SJT/San Juan Index	0.86	0.80	0.91	0.88	0.95	0.95	0.84	0.83
SJT (\$/mmbtu)	2.08	1.44	1.95	2.68	2.27	2.13	2.20	2.07
SJT (\$/mcf)	2.26	1.52	2.16	2.85	2.45	2.32	2.40	2.26
<b>Revenue (\$mm)</b>								
Natural Gas	8.7	5.5	8.4	10.4	8.9	8.4	9.0	8.4
Other	(0.2)	(0.1)	(1.1)	(1.7)	(1.4)	(0.7)	(0.1)	(0.1)
<b>Cost (\$mm)</b>								
Severance tax	0.9	0.5	0.8	1.1	0.6	0.9	0.9	0.9
Operating	1.2	1.4	1.2	1.1	1.1	1.3	1.3	1.3
Total	2.1	1.8	2.1	2.1	1.8	2.1	2.2	2.1
<b>Cash flow (\$mm)</b>	6.4	3.6	5.2	6.5	5.8	5.6	6.7	6.2
Development	2.4	3.0	(0.9)	1.3	0.7	1.5	1.5	1.5
<b>Net proceeds (\$mm)</b>	4.0	0.6	6.1	5.3	5.1	4.1	5.2	4.7
<b>Royalty income (\$mm)</b>	3.0	0.5	4.6	4.0	3.8	3.0	3.9	3.5
Royalty/Net proceeds	75%	75%	75%	75%	75%	75%	75%	75%
<b>Distributable income (\$mm)</b>	3.0	0.5	4.6	4.0	3.8	3.0	3.9	3.5
<b>Units (millions)</b>	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6
<b>Distribution (\$/unit)</b>	0.06	0.01	0.10	0.08	0.08	0.07	0.08	0.08
<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%			

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