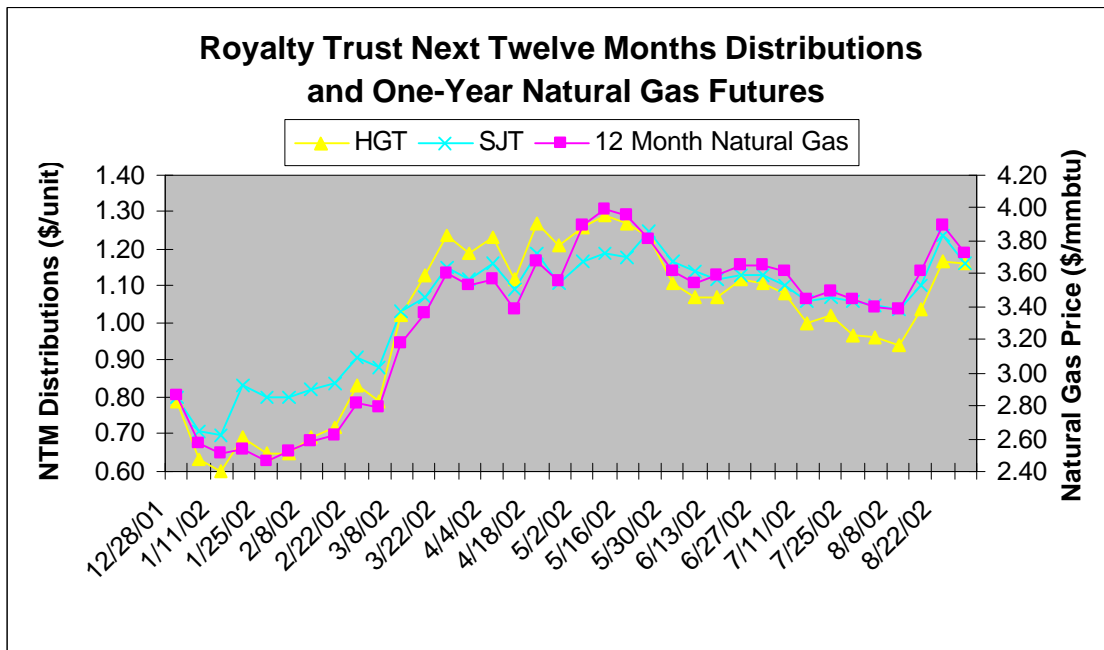


Futures Connection

Summary and Recommendation

It is of little surprise that estimates of Next Twelve Months Distributions track closely one-year natural gas futures, a.k.a. the 12-month strip (see Chart). The latter is the most volatile input to our calculation of the former. Thus, investors that track the real time trend of the 12-month strip for natural gas have a real time indicator of estimated NTM distributions. Yet, stock price only partly tracks expectations for the year ahead. In recent weeks, estimated NTM distributions, one-year futures and royalty trust stock prices recovered to the six-year futures trend. On current six-year futures, the pricing of SJT, HGT and CRT imply an attractive long-term rate of return, in our opinion. Moreover, we think six-year natural gas futures have potential to advance further relative to oil.

Kurt H. Wulff, CFA



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Natural Gas Royalty Trusts

A Weekly Analysis

September 2, 2002

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

	Symbol/ Rating	Price (\$/sh) 29-Aug 2002	Shares (mm)	Market Cap (\$mm)	Net Present Value (\$/sh)	Debt/ Present Value	McDep Ratio
Cross Timbers Royalty Trust	CRT	17.51	6.0	105	19.90	-	0.88
San Juan Basin Royalty Trust	SJT B	11.54	46.6	540	16.00	-	0.72
Hugoton RoyaltyTrust (46%)	HGT	11.22	18.4	210	16.10	-	0.70

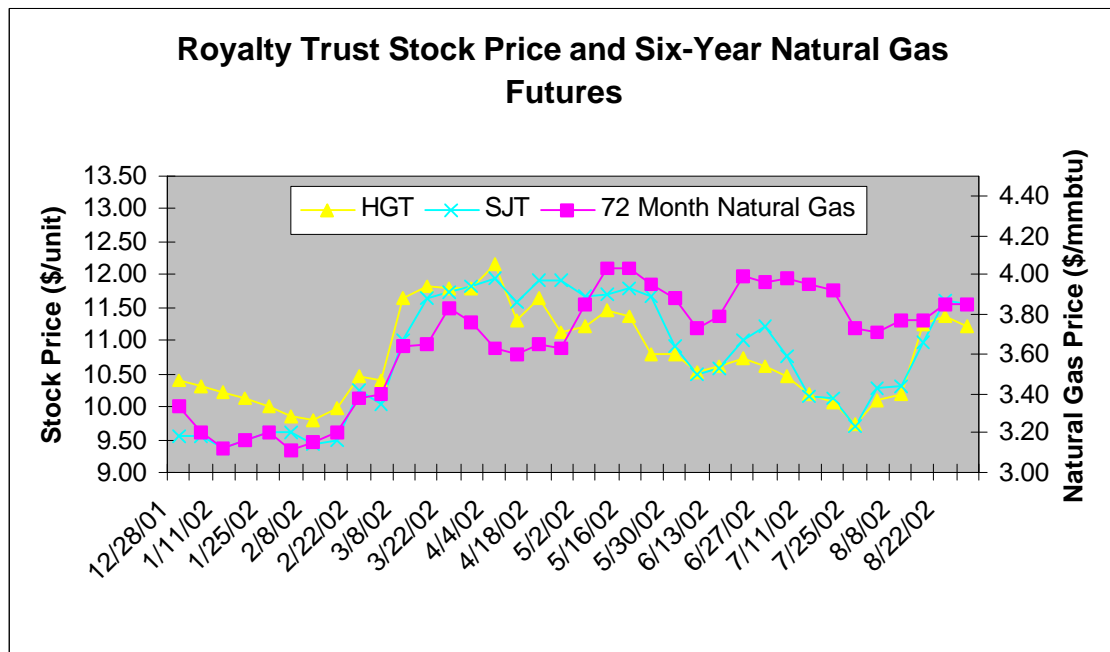
Buy/Sell rating after symbol: B - Buy, N - Neutral, S - Sell

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) 29-Aug 2002	EV/ Sales NTM	EV/ Ebitda NTM	P/E NTM	Dividend or Distribution NTM (%)	PV/ Ebitda NTM
Cross Timbers Royalty Trust	CRT	17.51	6.3	8.9	10	10.4	10.2
San Juan Basin Royalty Trust	SJT B	11.54	5.7	7.4	10	10.0	10.2
Hugoton RoyaltyTrust (46%)	HGT	11.22	4.7	6.9	10	10.4	9.9

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



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Natural Gas Royalty Trusts

A Weekly Analysis

September 2, 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):	5.6
		U.S. TIPS Inflation (%/yr):	1.7
		U.S. 10 Year Yield (%/yr):	4.2
PV/Volume (\$/mcf):	2.72	PV/EBITDA 2002:	10.4

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 9/30											
	25	19	44	4.30	189	10	198	33.07	0.02	0.60	19.90
2003	2.6	0.0	2.6	3.50	9.0	1.9	10.9	1.81	0.02	0.97	1.79
2004	2.3	0.3	2.6	3.69	9.5	1.7	11.2	1.86		0.92	1.72
2005	2.1	0.5	2.6	3.68	9.5	1.3	10.8	1.80		0.87	1.57
2006	1.9	0.7	2.6	3.65	9.4	1.2	10.6	1.76		0.83	1.46
2007	1.7	0.9	2.6	3.66	9.4	1.0	10.5	1.74		0.78	1.36
2008	1.5	1.1	2.6	3.75	9.7	0.9	10.6	1.76		0.74	1.31
2009	1.4	1.2	2.6	3.85	9.9	0.9	10.8	1.80		0.70	1.26
2010	1.2	1.3	2.6	3.95	10.2	0.8	11.0	1.84		0.66	1.22
2011	1.1	1.5	2.6	4.05	10.4		10.4	1.74		0.63	1.09
2012	1.0	1.3	2.3	4.15	9.6		9.6	1.60		0.59	0.95
2013	0.9	1.2	2.1	4.25	8.9		8.9	1.48		0.56	0.83
2014	0.8	1.1	1.9	4.36	8.2		8.2	1.37		0.53	0.73
2015	0.7	1.0	1.7	4.47	7.6		7.6	1.26		0.50	0.64
2016	0.7	0.9	1.5	4.59	7.0		7.0	1.16		0.48	0.56
2017	0.6	0.8	1.4	4.70	6.4		6.4	1.07		0.45	0.49
2018	0.5	0.7	1.2	4.82	5.9		5.9	0.99		0.43	0.42
2019	0.5	0.6	1.1	4.94	5.5		5.5	0.91		0.41	0.37
2020	0.4	0.6	1.0	5.07	5.1		5.1	0.84		0.38	0.32
2021	0.4	0.5	0.9	5.20	4.7		4.7	0.78		0.36	0.28
2022	0.3	0.5	0.8	5.33	4.3		4.3	0.72		0.34	0.25
2023	0.3	0.4	0.7	5.47	4.0		4.0	0.66		0.33	0.22
2024	0.3	0.4	0.7	5.61	3.7		3.7	0.61		0.31	0.19
2025	0.3	0.3	0.6	5.75	3.4		3.4	0.57		0.29	0.17
2026	0.2	0.3	0.5	5.89	3.1		3.1	0.52		0.28	0.14
2027	0.2	0.3	0.5	6.04	2.9		2.9	0.48		0.26	0.13
2028	0.2	0.2	0.4	6.20	2.7		2.7	0.44		0.25	0.11
2029	0.2	0.2	0.4	6.35	2.5		2.5	0.41		0.23	0.10
2030	0.1	0.2	0.3	6.52	2.3		2.3	0.38		0.22	0.08
2031	0.1	0.2	0.3	6.68	2.1		2.1	0.35		0.21	0.07
2032	0.1	0.2	0.3	6.85	1.9		1.9	0.32		0.20	0.06

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Natural Gas Royalty Trusts

A Weekly Analysis

September 2, 2002

Table CRT-2
Cross Timbers Royalty Trust
Distributable Income

	<i>Q1</i>	<i>Q2</i>	<i>Q3E</i>	<i>Q4E</i>	<i>Year</i>	<i>Q1E</i>	<i>Q2E</i>	<i>Q3E</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>9/30/03</i>	<i>Twelve</i>	
									<i>Months</i>	
									<i>9/30/03</i>	
Highlights										
Tax credit (\$mm)										
Per unit	0.03	0.02	0.02	0.02	0.09					0.02
Distributable Income (\$mm)	1.80	1.72	2.60	2.56	8.69	2.79	2.81	2.72		10.88
Per unit	0.30	0.29	0.43	0.43	1.45	0.46	0.47	0.45		1.81
Units (millions)	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0		6.0
Volume										
Natural Gas (bcf)	0.78	0.71	0.71	0.72	2.92	0.72	0.71	0.71		2.86
Natural Gas (mmcf)	8.5	7.8	7.8	7.8	8.0	7.8	7.8	7.8		7.8
Days	92	90	91	92	365	92	90	91		365
Oil (mb)	83	82	85	85	336	85	82	85		338
Oil (mbd)	0.90	0.93	0.93	0.93	0.92	0.93	0.93	0.93		3.70
Days	92	89	92	92	365	92	89	92		365
Total (bcf)	1.28	1.20	1.23	1.23	4.94	1.23	1.20	1.23		4.89
Price										
Natural Gas (HH lagged three months)										
Henry Hub (\$/mmbtu)	2.41	2.53	3.38	3.13	2.86	3.55	3.90	3.71		3.57
Differential (\$/mmbtu)	(0.13)	(0.04)	0.07	0.06	(0.00)	0.07	0.08	0.07		0.07
CRT (\$/mcf)	2.54	2.57	3.31	3.07	2.87	3.48	3.82	3.64		3.50
Oil (\$/bbl) (WTI lagged two months)										
WTI Cushing	19.56	23.80	26.49	28.50	24.59	28.52	27.54	26.51		27.77
CRT	17.28	20.50	24.49	26.50	22.24	26.52	25.54	24.51		25.77
Total (\$/mcf)	2.67	2.92	3.63	3.63	3.21	3.87	4.00	3.83		3.83
Revenue (\$mm)										
Natural Gas	1.98	1.82	2.37	2.22	8.38	2.51	2.70	2.60		10.02
Oil	1.44	1.69	2.09	2.26	7.47	2.26	2.10	2.09		8.71
Total	3.42	3.50	4.45	4.48	15.85	4.77	4.80	4.69		18.73
Cost (\$mm)										
Tax, transport & other	0.34	0.51	0.62	0.63	2.10	0.67	0.67	0.66		2.62
Production	0.75	0.72	0.72	0.72	2.91	0.72	0.72	0.72		2.88
Total	1.09	1.23	1.34	1.35	5.01	1.39	1.39	1.38		5.51
Cash flow (\$mm)										
Development	0.28	0.14	0.14	0.20	0.77	0.20	0.20	0.20		0.80
Excess	(0.07)	0.07								
Net proceeds (\$mm)	2.11	2.06	2.96	2.93	10.07	3.18	3.21	3.11		12.43
Royalty income (\$mm)										
Royalty/Net proceeds	89%	89%	89%	89%	89%	89%	89%	89%		89%
Administration	0.08	0.09	0.04	0.04	0.25	0.04	0.04	0.04		0.16
Distributable income (\$mm)	1.80	1.72	2.60	2.56	8.69	2.79	2.81	2.72		10.88

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Natural Gas Royalty Trusts
A Weekly Analysis
September 2, 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):	6.2
Capex/Cash Flow (%):	30	U.S. TIPS Inflation (%/yr):	1.7
Variable Cost (%):	17	U.S. 10 Year Yield (%/yr):	4.2
PV/Volume (\$/mcf):	1.25	PV/EBITDA 2002:	9.9

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 9/30													
	290	225	514	4.20	2160	443	367	206	1144	28.59	0.00	0.56	16.10
2003	30.2	0.0	30.2	3.17	95.9	14.8	16.3	18.2	46.6	1.16	0.00	0.97	1.13
2004	27.2	3.0	30.2	3.61	109.1	14.8	18.5	22.7	53.0	1.33		0.91	1.21
2005	24.5	5.7	30.2	3.61	109.1	14.8	18.5	22.7	53.0	1.33		0.86	1.14
2006	22.0	8.2	30.2	3.57	108.0	14.8	18.4	22.5	52.4	1.31		0.81	1.06
2007	19.8	10.4	30.2	3.58	108.4	14.8	18.4	22.6	52.6	1.32		0.76	1.00
2008	17.9	12.4	30.2	3.68	111.1	14.8	18.9	23.2	54.2	1.36		0.72	0.97
2009	16.1	14.2	30.2	3.77	114.0	14.8	19.4	23.9	55.9	1.40		0.68	0.94
2010	14.5	15.8	30.2	3.86	116.8	14.8	19.9	24.7	57.5	1.44		0.64	0.91
2011	13.0	17.2	30.2	3.96	119.8	14.8	20.4	25.4	59.3	1.48		0.60	0.89
2012	11.7	15.5	27.2	4.06	110.6	14.8	18.8		77.0	1.92		0.56	1.09
2013	10.5	13.9	24.5	4.17	102.0	14.8	17.3		69.9	1.75		0.53	0.93
2014	9.5	12.6	22.0	4.27	94.2	14.8	16.0		63.4	1.58		0.50	0.79
2015	8.5	11.3	19.8	4.38	86.9	14.8	14.8		57.4	1.43		0.47	0.67
2016	7.7	10.2	17.9	4.49	80.2	14.8	13.6		51.8	1.29		0.44	0.57
2017	6.9	9.2	16.1	4.61	74.0	14.8	12.6		46.7	1.17		0.42	0.49
2018	6.2	8.2	14.5	4.72	68.3	14.8	11.6		41.9	1.05		0.39	0.41
2019	5.6	7.4	13.0	4.84	63.0	14.8	10.7		37.5	0.94		0.37	0.35
2020	5.0	6.7	11.7	4.97	58.2	14.8	9.9		33.5	0.84		0.35	0.29
2021	4.5	6.0	10.5	5.09	53.7	14.8	9.1		29.8	0.74		0.33	0.24
2022	4.1	5.4	9.5	5.22	49.5	14.8	8.4		26.3	0.66		0.31	0.20
2023	3.7	4.9	8.5	5.35	45.7	14.8	7.8		23.2	0.58		0.29	0.17
2024	3.3	4.4	7.7	5.49	42.2	14.8	7.2		20.2	0.51		0.27	0.14
2025	3.0	3.9	6.9	5.63	38.9	14.8	6.6		17.5	0.44		0.26	0.11
2026	2.7	3.5	6.2	5.77	35.9	14.8	6.1		15.1	0.38		0.24	0.09
2027	2.4	3.2	5.6	5.92	33.2	14.8	5.6		12.8	0.32		0.23	0.07
2028	2.2	2.9	5.0	6.07	30.6	14.8	5.2		10.6	0.27		0.21	0.06
2029	2.0	2.6	4.5	6.22	28.2	14.8	4.8		8.7	0.22		0.20	0.04
2030	1.8	2.3	4.1	6.38	26.1	14.8	4.4		6.9	0.17		0.19	0.03
2031	1.6	2.1	3.7	6.54	24.1	14.8	4.1		5.2	0.13		0.18	0.02
2032	1.4	1.9	3.3	6.71	22.2	14.8	3.8		3.7	0.09		0.17	0.02

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Natural Gas Royalty Trusts

A Weekly Analysis

September 2, 2002

Table HGT-2
Hugoton Royalty Trust
Distributable Income

	<i>Q1</i>	<i>Q2</i>	<i>Q3E</i>	<i>Q4E</i>	<i>Year</i>	<i>Q1E</i>	<i>Q2E</i>	<i>Q3E</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>9/30/03</i>	<i>9/30/03</i>
Highlights									
Revenue (\$mm) (80%)	18.5	16.5	21.7	21.7	78.4	25.1	24.4	24.6	95.9
Cash flow (\$mm) (80%)	12.0	10.1	14.2	14.2	50.5	17.3	16.8	16.8	65.1
Per unit	0.30	0.25	0.35	0.36	1.26	0.43	0.42	0.42	1.63
Tax credit (\$mm)	0.2	0.2	0.2	0.2	0.7				0.2
Per unit	0.00	0.00	0.00	0.00	0.02				0.00
Distributable Income (\$mm)	7.4	5.3	9.5	9.6	31.8	12.6	12.2	12.2	46.6
Per unit	0.18	0.13	0.24	0.24	0.79	0.32	0.30	0.30	1.16
Units (millions)	40.0	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	9.0	35.7
Natural Gas (mmcf)	98.1	93.1	97.8	97.8	96.7	97.8	97.8	97.8	97.8
Days	92	89	92	92	365	92	89	92	365
Oil (mb)	90	88	90	90	358	89	85	87	350
Oil (mbd)	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.9	1.0
Days	92	89	92	92	365	92	89	92	365
Total (bcf)	9.6	8.8	9.5	9.5	37.5	9.5	9.2	9.5	37.8
Price									
Natural Gas (HH lagged two months)									
Henry Hub (\$/mmbtu)	2.34	2.92	3.23	3.22	2.93	3.78	3.81	3.73	3.64
Differential (\$/mmbtu)	(0.03)	0.67	0.49	0.48	0.40	0.57	0.57	0.56	0.55
HGT (\$/mcf)	2.38	2.25	2.75	2.74	2.53	3.21	3.24	3.17	3.09
Oil (\$/bbl) (WTI Cushing lagged two months)									
WTI Cushing	19.56	23.80	26.49	28.50	24.59	28.52	27.54	26.51	27.77
HGT	18.80	22.27	25.99	28.00	23.77	28.02	27.04	26.01	27.28
Total (\$/mcf)	2.42	2.33	2.84	2.85	2.62	3.30	3.31	3.23	3.17
Revenue (\$mm)									
Natural Gas	21.5	18.6	24.7	24.6	89.4	28.9	28.2	28.5	110.3
Oil	1.7	2.0	2.4	2.5	8.5	2.5	2.3	2.3	9.5
Total	23.2	20.6	27.1	27.1	98.0	31.4	30.5	30.8	119.8
Cost (\$mm)									
Tax, transport & other	1.7	1.9	2.7	2.7	9.0	3.1	3.0	3.1	12.0
Production	4.4	4.0	4.8	4.8	18.0	4.8	4.6	4.8	18.9
Overhead	2.0	2.0	1.9	1.9	7.8	1.9	1.8	1.9	7.6
Total	8.1	7.9	9.4	9.4	34.8	9.8	9.5	9.7	38.4
Cash flow (\$mm)									
Development	5.8	5.8	5.7	5.7	23.0	5.7	5.7	5.7	22.8
Net proceeds (\$mm)	9.3	6.9	12.0	12.1	40.2	15.9	15.3	15.3	58.6
Royalty income (\$mm)									
Royalty/Net proceeds	80%	80%	80%	80%	80%	80%	80%	80%	80%
Administration	0.1	0.2	0.1	0.1	0.4	0.1	0.1	0.1	0.3
Distributable income (\$mm)									
	7.4	5.3	9.5	9.6	31.8	12.6	12.2	12.2	46.6
<i>Cost ratios</i>									
Tax and other/revenue	7%	9%	10%	10%	9%	10%	10%	10%	10%
Production cost (\$/mcf)	0.46	0.46	0.50	0.50	0.48	0.50	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	0.20
Development/Cash flow	0.38	0.46	0.32	0.32	0.36	0.26	0.27	0.27	0.28

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Natural Gas Royalty Trusts

A Weekly Analysis

September 2, 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):	6.2
Capex/Cash Flow (%):	25	U.S. TIPS Inflation (%/yr):	1.7
Variable Cost (%):	12	U.S. 10 Year Yield (%/yr):	4.2
PV/Volume (\$/mcf):	1.32	PV/EBITDA 2002:	10.4

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 9/30													
	318	247	565	3.83	2166	389	260	190	1328	28.51	0.01	0.56	16.00
2003	33.2	0.0	33.2	2.85	94.5	11.5	11.3	17.6	54.0	1.16	0.01	0.97	1.13
2004	29.9	3.3	33.2	3.30	109.5	13.0	13.1	20.8	62.5	1.34		0.91	1.23
2005	26.9	6.3	33.2	3.30	109.5	13.0	13.1	20.8	62.5	1.34		0.86	1.15
2006	24.2	9.0	33.2	3.27	108.4	13.0	13.0	20.6	61.8	1.33		0.81	1.07
2007	21.8	11.4	33.2	3.28	108.8	13.0	13.1	20.7	62.0	1.33		0.76	1.01
2008	19.6	13.6	33.2	3.36	111.5	13.0	13.4	21.3	63.9	1.37		0.72	0.98
2009	17.6	15.6	33.2	3.44	114.4	13.0	13.7	21.9	65.7	1.41		0.68	0.95
2010	15.9	17.3	33.2	3.53	117.3	13.0	14.1	22.6	67.7	1.45		0.64	0.92
2011	14.3	18.9	33.2	3.62	120.3	13.0	14.4	23.2	69.6	1.49		0.60	0.89
2012	12.9	17.0	29.9	3.71	111.0	13.0	13.3		84.7	1.82		0.56	1.02
2013	11.6	15.3	26.9	3.81	102.4	13.0	12.3		77.1	1.66		0.53	0.88
2014	10.4	13.8	24.2	3.90	94.5	13.0	11.3		70.2	1.51		0.50	0.75
2015	9.4	12.4	21.8	4.00	87.2	13.0	10.5		63.8	1.37		0.47	0.64
2016	8.4	11.2	19.6	4.11	80.5	13.0	9.7		57.8	1.24		0.44	0.55
2017	7.6	10.1	17.6	4.21	74.3	13.0	8.9		52.4	1.12		0.42	0.47
2018	6.8	9.0	15.9	4.32	68.6	13.0	8.2		47.3	1.02		0.39	0.40
2019	6.2	8.1	14.3	4.43	63.3	13.0	7.6		42.7	0.92		0.37	0.34
2020	5.5	7.3	12.9	4.54	58.4	13.0	7.0		38.4	0.82		0.35	0.29
2021	5.0	6.6	11.6	4.65	53.9	13.0	6.5		34.4	0.74		0.33	0.24
2022	4.5	5.9	10.4	4.77	49.7	13.0	6.0		30.8	0.66		0.31	0.20
2023	4.0	5.3	9.4	4.89	45.9	13.0	5.5		27.4	0.59		0.29	0.17
2024	3.6	4.8	8.4	5.02	42.4	13.0	5.1		24.3	0.52		0.27	0.14
2025	3.3	4.3	7.6	5.15	39.1	13.0	4.7		21.4	0.46		0.26	0.12
2026	2.9	3.9	6.8	5.28	36.1	13.0	4.3		18.7	0.40		0.24	0.10
2027	2.6	3.5	6.2	5.41	33.3	13.0	4.0		16.3	0.35		0.23	0.08
2028	2.4	3.2	5.5	5.55	30.7	13.0	3.7		14.0	0.30		0.21	0.06
2029	2.1	2.8	5.0	5.69	28.4	13.0	3.4		11.9	0.26		0.20	0.05
2030	1.9	2.6	4.5	5.83	26.2	13.0	3.1		10.0	0.22		0.19	0.04
2031	1.7	2.3	4.0	5.98	24.1	13.0	2.9		8.2	0.18		0.18	0.03
2032	1.6	2.1	3.6	6.13	22.3	13.0	2.7		6.6	0.14		0.17	0.02

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Natural Gas Royalty Trusts

A Weekly Analysis

September 2, 2002

Table SJT-2
San Juan Basin Royalty Trust
Distributable Income

	<i>Q1</i>	<i>Q2</i>	<i>Q3E</i>	<i>Q4E</i>	<i>Year</i>	<i>Q1E</i>	<i>Q2E</i>	<i>Q3E</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>9/30/03</i>	<i>Twelve</i>
									<i>Months</i>
Highlights									
Revenue (\$mm) (75%)	19.2	18.6	20.5	20.8	79.1	25.3	24.6	23.8	94.5
Cash flow (\$mm) (75%)	14.1	14.1	15.7	15.9	59.8	19.6	19.1	18.2	72.9
Per unit	0.30	0.30	0.34	0.34	1.28	0.42	0.41	0.39	1.56
Tax credit (\$mm)	0.5	0.5	0.5	0.5	1.9				0.5
Per unit	0.01	0.01	0.01	0.01	0.04				0.01
Distributable Income (\$mm)	3.5	9.0	11.0	11.9	35.5	14.5	14.1	13.5	54.0
Per unit	0.08	0.19	0.24	0.25	0.76	0.31	0.30	0.29	1.16
Units (millions)	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6
Volume									
Natural gas (mmbtu)	12.5	12.0	11.6	11.6	47.8	11.6	11.3	11.6	46.1
Heat Content(btu/cf)	1,092	1,077	968	1,059	1,047	1,059	1,059	1,059	1,059
Natural gas (bcf)	11.5	11.1	12.0	11.0	45.6	11.0	10.6	11.0	43.6
Natural Gas (mmcf)	124.7	125.1	130.4	119.4	124.9	119.4	119.4	119.4	119.4
Days	92	89	92	92	365	92	89	92	365
Oil (mb)	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1
Oil (mbd)	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Total gas & oil (bcf)	11.6	11.3	12.2	11.2	46.2	11.2	10.8	11.2	44.3
Price									
Natural gas (\$/mmbtu) (Henry Hub lagged two months)									
Henry Hub (\$/mmbtu)	2.34	2.92	3.23	3.22	2.93	3.78	3.81	3.55	3.59
Differential (%)	14	31	32	25	26	25	25	25	26
Total	2.01	2.02	2.29	2.42	2.16	2.84	2.86	2.66	2.67
Natural gas (\$/mcf)	2.20	2.18	2.22	2.56	2.26	3.00	3.03	2.82	2.83
Oil (\$/bbl) (WTI Cushing lagged two months)									
WTI Cushing	19.56	23.80	26.49	28.50	24.59	28.52	27.54	28.72	28.32
SJT	15.78	19.14	22.49	24.50	20.73	24.52	23.54	24.72	24.33
Total gas & oil (\$/mcf)	2.20	2.19	2.24	2.49	2.28	3.02	3.04	2.84	2.85
Revenue (\$mm)									
Natural Gas	25.2	24.2	26.6	27.1	103.2	33.0	32.2	31.0	123.2
Oil	0.4	0.5	0.7	0.7	2.3	0.7	0.7	0.7	2.8
Total	25.6	24.8	27.3	27.8	105.4	33.7	32.8	31.7	126.0
Cost (\$mm)									
Severance tax	2.6	2.4	2.3	2.7	9.9	3.4	3.3	3.2	12.5
Operating	4.1	3.7	4.0	3.9	15.8	4.2	4.0	4.2	16.3
Total	6.7	6.0	6.3	6.6	25.7	7.5	7.3	7.3	28.8
Cash flow (\$mm)	18.8	18.8	21.0	21.1	79.7	26.2	25.5	24.3	97.1
Development	11.3	3.4	3.2	4.5	22.3	6.5	6.4	6.1	23.5
Net proceeds (\$mm)	7.5	15.4	17.8	16.6	57.4	19.6	19.1	18.2	73.6
Royalty income (\$mm)	5.6	11.5	13.4	12.5	43.0	14.7	14.3	13.7	55.2
Royalty/Net proceeds	75%	75%	75%	75%	75%	75%	75%	75%	3.0
Administration	0.4	0.5	0.7	0.2	1.8	0.2	0.2	0.2	0.8
One-time	1.7	2.0	1.6		5.3				-
Distributable income (\$mm)	3.5	9.0	11.0	11.9	35.5	14.5	14.1	13.5	54.0
<i>Modeling ratios</i>									
Severance tax/revenue	10.2%	9.5%	8.3%	9.7%	9.4%	10.0%	10.0%	10.0%	9.9%
Operating cost (\$/mcf)	0.36	0.32	0.33	0.35	0.34	0.37	0.37	0.37	0.37

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Natural Gas Royalty Trusts

A Weekly Analysis

September 2, 2002

Table SJT-3
San Juan Basin Royalty Trust
Monthly Declarations

	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02
Distribution (\$/unit)								
Declared	0.10	0.08	0.08	0.08				
Projected					0.08	0.08	0.09	0.09
Volume								
Natural gas (mmbtu)	4.29	3.88	3.92	3.77	3.92	3.92	3.79	3.92
Heat Content(btu/cf)	1,108	1,064	1,081	807	1,059	1,059	1,059	1,059
Natural gas (bcf)	3.87	3.65	3.63	4.67	3.70	3.70	3.58	3.70
Natural Gas (mmcf)	125	122	117	156	119	119	119	119
Days	31	30	31	30	31	31	30	31
Price								
Natural gas industry quotes lagged two months (\$/mmbtu)								
Henry Hub Daily/Futures	3.03	3.42	3.49	3.22	2.99	3.10	3.31	3.25
San Juan Monthly Index	2.14	3.04	2.39	2.24	2.62	2.50		
SJT/Henry Hub	0.64	0.78	0.65	0.75	0.74	0.71	0.73	0.73
SJT/San Juan Index	0.91	0.88	0.95	1.08	0.84	0.88		
SJT (\$/mmbtu)	1.95	2.68	2.27	2.41	2.20	2.20	2.42	2.37
SJT (\$/mcf)	2.16	2.85	2.45	1.95	2.33	2.32	2.56	2.51
Revenue (\$mm)								
Natural Gas	8.4	10.4	8.9	9.1	8.6	8.6	9.2	9.3
Other	0.3	(0.4)	(0.0)	(0.2)	(0.0)	(0.0)	(0.0)	(0.0)
Cost (\$mm)								
Severance tax	0.8	1.1	0.6	0.8	0.9	0.9	0.9	0.9
Operating	1.2	1.1	1.1	1.6	1.3	1.3	1.3	1.3
Total	2.1	2.1	1.8	2.4	2.2	2.2	2.2	2.2
Cash flow (\$mm)	6.6	7.9	7.1	6.5	6.4	6.4	6.9	7.0
Development	(0.9)	1.3	0.7	1.0	1.5	1.5	1.5	1.5
Net proceeds (\$mm)	7.5	6.6	6.4	5.5	4.9	4.9	5.4	5.5
Royalty income (\$mm)	5.6	5.0	4.8	4.1	3.7	3.7	4.1	4.1
Royalty/Net proceeds	75%	75%	75%	75%	75%	75%	75%	75%
One time	1.0	1.0	1.0	0.6				
Distributable income (\$mm)	4.6	4.0	3.8	3.5	3.7	3.7	4.1	4.1
Units (millions)	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6
Distribution (\$/unit)	0.10	0.08	0.08	0.08	0.08	0.08	0.09	0.09
<i>Latest Twelve Month Average</i>								
Heat Content(btu/cf)	1,092	1,086	1,091	1,059				
Natural Gas (mmcf)	120	120	121	124				
SJT/Henry Hub	0.75	0.75	0.73	0.73				
SJT/San Juan Index	0.85	0.85	0.85	0.87				
Other revenue	0.0	0.0	(0.0)	(0.0)				
Operating	1.3	1.3	1.3	1.3				
Development	2.9	2.9	2.7	2.5				
Severance tax/revenue	10.4%	10.5%	10.2%	10.0%				

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