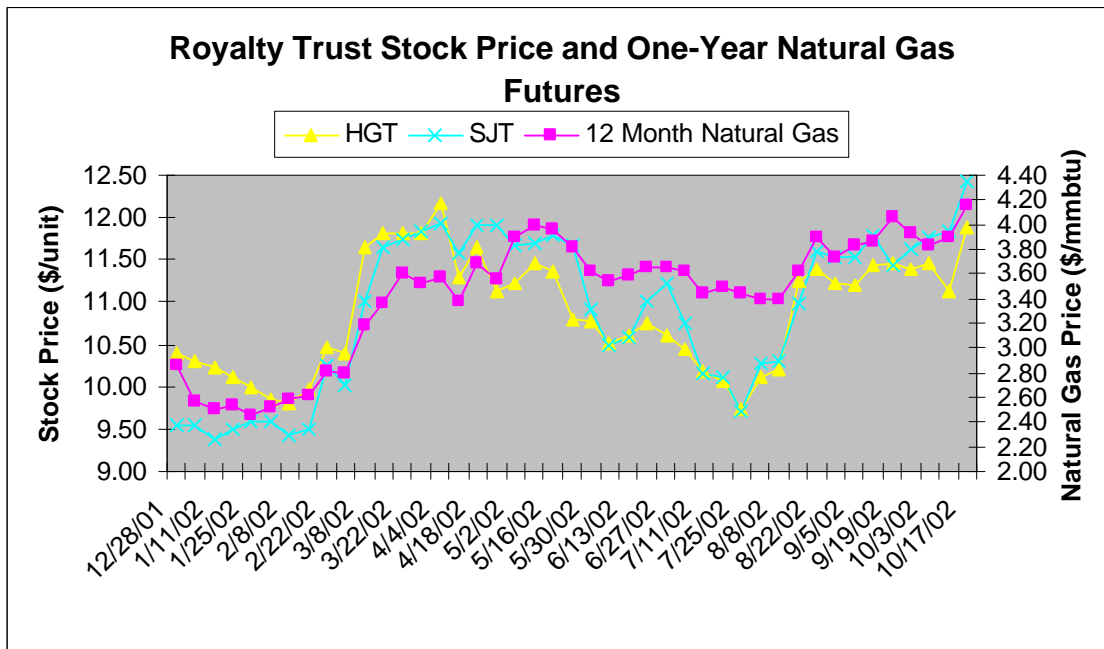


Seven Times Cash Flow

Summary and Recommendation

Natural gas royalty trust stock prices have been rising recently with one-year futures while six-year futures remain steady (see chart). Conditioned as we all are by recent stock price action, we may be too cautious on royalty trusts compared to high-greed energy partnerships. As we show in *Meter Reader*, the leading energy income promoter appears to be insolvent as its debt alone appears to be more than seven times cash flow. All of recommended San Juan Basin Royalty Trust is selling at only seven times cash flow and it has no debt and pays no 50% general partner tax. Moreover investors have been told repeatedly that the partnerships have reliable fee-based businesses that are not dependent on commodity pricing. Yet we see the second and third highest greed partnerships acquiring assets in the San Juan Basin where the economic potential can be no better than that of producers like SJT. We don't think SJT should sell at the overpriced levels of the high debt, high greed partnerships, but maybe seven times for quality is a little low compared to near 15 times for junk.

Kurt H. Wulff, CFA



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Natural Gas Royalty Trusts

A Weekly Analysis

October 21, 2002

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

	<i>Symbol/ Rating</i>	<i>Price (\$/sh) 17-Oct 2002</i>	<i>Shares (mm)</i>	<i>Market Cap (\$mm)</i>	<i>Net Present Value (\$/sh)</i>	<i>Debt/ Present Value</i>	<i>McDep Ratio</i>
Cross Timbers Royalty Trust	CRT	17.93	6.0	108	19.30	-	0.93
San Juan Basin Royalty Trust	SJT B	12.43	46.6	580	15.40	-	0.81
Hugoton RoyaltyTrust (46%)	HGT	11.88	18.4	220	15.10	-	0.79

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.

	<i>Symbol/ Rating</i>	<i>Price (\$/sh) 17-Oct 2002</i>	<i>EV/ Sales NTM</i>	<i>EV/ Ebitda NTM</i>	<i>P/E NTM</i>	<i>Dividend or Distribution NTM (%)</i>	<i>PV/ Ebitda NTM</i>
Cross Timbers Royalty Trust	CRT	17.93	6.1	8.5	9	11.1	9.1
San Juan Basin Royalty Trust	SJT B	12.43	5.4	6.8	9	10.9	8.5
Hugoton RoyaltyTrust (46%)	HGT	11.88	4.6	6.6	9	11.2	8.4

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

Natural Gas and Oil Futures

October 17, 2002

	2003	2004	2005	2006	2007	2008	Six Year
Natural Gas (\$/mmbtu)							
Year ending October	4.16	3.93	3.73	3.67	3.69	3.72	3.82
Year ending December	4.13	3.89	3.70	3.67	3.69		
Light Sweet Crude Oil (\$/bbl)							
Year ending October	27.45	24.03	23.25	22.93	22.65	22.43	23.79
Year ending December	26.66	23.78	23.19	22.88	22.61		

Source: Nymex, FutureSource, wsj.com

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Natural Gas Royalty Trusts

A Weekly Analysis

October 21, 2002

Table CRT-1
Cross Timbers Royalty Trust
Present Value

Volume Decline (%/yr):	10	Price Escalation post 2007 (%/yr):	2.4
Volume Enhancement (%/yr):	10	Discount Rate (%/yr):	5.5
		U.S. TIPS Inflation (%/yr):	1.6
		U.S. 10 Year Yield (%/yr):	4.1
PV/Volume (\$/mcf):	2.64	PV/EBITDA 2002:	9.3

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	4.12	181	9	190	31.61	0.02	0.61	19.30
2003	2.6	0.0	2.6	3.89	10.0	1.9	11.9	1.98	0.02	0.97	1.95
2004	2.3	0.3	2.6	3.87	10.0	1.6	11.6	1.94		0.92	1.79
2005	2.1	0.5	2.6	3.65	9.4	1.2	10.6	1.76		0.87	1.54
2006	1.9	0.7	2.6	3.48	9.0	1.0	10.0	1.67		0.83	1.38
2007	1.7	0.9	2.6	3.49	9.0	0.9	9.9	1.65		0.78	1.30
2008	1.5	1.1	2.6	3.57	9.2	0.8	10.0	1.67		0.74	1.24
2009	1.4	1.2	2.6	3.66	9.4	0.8	10.2	1.70		0.70	1.20
2010	1.2	1.3	2.6	3.74	9.7	0.7	10.4	1.73		0.67	1.16
2011	1.1	1.5	2.6	3.83	9.9		9.9	1.65		0.63	1.04
2012	1.0	1.3	2.3	3.92	9.1		9.1	1.52		0.60	0.91
2013	0.9	1.2	2.1	4.02	8.4		8.4	1.40		0.57	0.79
2014	0.8	1.1	1.9	4.11	7.7		7.7	1.29		0.54	0.69
2015	0.7	1.0	1.7	4.21	7.1		7.1	1.19		0.51	0.61
2016	0.7	0.9	1.5	4.31	6.6		6.6	1.09		0.48	0.53
2017	0.6	0.8	1.4	4.41	6.0		6.0	1.01		0.46	0.46
2018	0.5	0.7	1.2	4.52	5.6		5.6	0.93		0.43	0.40
2019	0.5	0.6	1.1	4.63	5.1		5.1	0.86		0.41	0.35
2020	0.4	0.6	1.0	4.74	4.7		4.7	0.79		0.39	0.31
2021	0.4	0.5	0.9	4.85	4.4		4.4	0.73		0.37	0.27
2022	0.3	0.5	0.8	4.97	4.0		4.0	0.67		0.35	0.23
2023	0.3	0.4	0.7	5.08	3.7		3.7	0.62		0.33	0.20
2024	0.3	0.4	0.7	5.20	3.4		3.4	0.57		0.31	0.18
2025	0.3	0.3	0.6	5.33	3.1		3.1	0.52		0.30	0.16
2026	0.2	0.3	0.5	5.46	2.9		2.9	0.48		0.28	0.14
2027	0.2	0.3	0.5	5.59	2.7		2.7	0.44		0.27	0.12
2028	0.2	0.2	0.4	5.72	2.5		2.5	0.41		0.25	0.10
2029	0.2	0.2	0.4	5.85	2.3		2.3	0.38		0.24	0.09
2030	0.1	0.2	0.3	5.99	2.1		2.1	0.35		0.23	0.08
2031	0.1	0.2	0.3	6.14	1.9		1.9	0.32		0.22	0.07
2032	0.1	0.2	0.3	6.28	1.8		1.8	0.30		0.20	0.06

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Natural Gas Royalty Trusts

A Weekly Analysis

October 21, 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>
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	2.49	2.65	8.68	3.24	3.12	2.88	11.89
Per unit	0.30	0.29	0.42	0.44	1.45	0.54	0.52	0.48	1.98
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	3.21	2.88	4.28	4.41	3.99	3.97
Differential (\$/mmbtu)	(0.13)	(0.04)	0.07	0.06	(0.00)	0.09	0.09	0.08	0.08
CRT (\$/mcf)	2.54	2.57	3.31	3.15	2.89	4.19	4.32	3.91	3.89
Oil (\$/bbl) (WTI lagged two months)									
WTI Cushing	19.56	23.80	26.49	29.22	24.77	29.48	28.19	26.64	28.38
CRT	17.28	20.50	24.49	27.22	22.42	27.48	26.19	24.64	26.39
Total (\$/mcf)	2.67	2.92	3.63	3.72	3.23	4.35	4.34	3.99	4.10
Revenue (\$mm)									
Natural Gas	1.98	1.82	2.37	2.27	8.43	3.03	3.05	2.79	11.14
Oil	1.44	1.69	2.09	2.32	7.53	2.34	2.16	2.10	8.92
Total	3.42	3.50	4.45	4.59	15.97	5.37	5.21	4.89	20.06
Cost (\$mm)									
Tax, transport & other	0.34	0.51	0.62	0.64	2.12	0.75	0.73	0.68	2.81
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	1.36	5.03	1.47	1.45	1.41	5.69
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	3.03	10.17	3.70	3.56	3.29	13.57
Royalty income (\$mm)									
Royalty/Net proceeds	89%	89%	89%	89%	89%	89%	89%	89%	89%
Administration	0.08	0.09	0.14	0.04	0.35	0.04	0.04	0.04	0.16
Distributable income (\$mm)	1.80	1.72	2.49	2.65	8.68	3.24	3.12	2.88	11.89
<i>Modeling ratios</i>									
Tax and other/revenue	0.10	0.15	0.14	0.14	0.13	0.14	0.14	0.14	0.14

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Natural Gas Royalty Trusts

A Weekly Analysis

October 21, 2002

Table HGT-1
Hugoton Royalty Trust
Present Value

Volume Decline (%/yr):	10	Price Escalation Post 2007 (%/yr):	2.4
Volume Enhancement (%/yr):	10	Discount rate (%/yr):	6.1
Capex/Cash Flow (%):	30	U.S. TIPS Inflation (%/yr):	1.6
Variable Cost (%):	17	U.S. 10 Year Yield (%/yr):	4.1
PV/Volume (\$/mcf):	1.22	PV/EBITDA 2002:	8.5

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													
	279	217	496	4.01	1989	406	338	194	1051	26.29	0.00	0.57	15.10
2003	29.1	0.0	29.1	3.52	102.4	13.5	17.4	18.2	53.2	1.33	0.00	0.97	1.30
2004	26.2	2.9	29.1	3.77	109.8	13.5	18.7	23.3	54.3	1.36		0.91	1.24
2005	23.6	5.5	29.1	3.56	103.6	13.5	17.6	21.7	50.7	1.27		0.86	1.09
2006	21.2	7.9	29.1	3.40	99.1	13.5	16.8	20.6	48.1	1.20		0.81	0.98
2007	19.1	10.0	29.1	3.42	99.6	13.5	16.9	20.7	48.4	1.21		0.76	0.92
2008	17.2	11.9	29.1	3.50	101.9	13.5	17.3	21.3	49.7	1.24		0.72	0.90
2009	15.5	13.6	29.1	3.58	104.3	13.5	17.7	21.9	51.1	1.28		0.68	0.87
2010	13.9	15.2	29.1	3.67	106.8	13.5	18.2	22.5	52.6	1.31		0.64	0.84
2011	12.5	16.6	29.1	3.75	109.4	13.5	18.6	23.2	54.1	1.35		0.60	0.81
2012	11.3	14.9	26.2	3.84	100.8	13.5	17.1		70.1	1.75		0.57	1.00
2013	10.2	13.4	23.6	3.94	92.9	13.5	15.8		63.5	1.59		0.53	0.85
2014	9.1	12.1	21.2	4.03	85.6	13.5	14.5		57.5	1.44		0.50	0.72
2015	8.2	10.9	19.1	4.13	78.8	13.5	13.4		51.9	1.30		0.47	0.62
2016	7.4	9.8	17.2	4.22	72.6	13.5	12.3		46.8	1.17		0.45	0.52
2017	6.7	8.8	15.5	4.32	66.9	13.5	11.4		42.0	1.05		0.42	0.44
2018	6.0	7.9	13.9	4.43	61.7	13.5	10.5		37.6	0.94		0.40	0.37
2019	5.4	7.1	12.5	4.53	56.8	13.5	9.7		33.6	0.84		0.37	0.31
2020	4.9	6.4	11.3	4.64	52.4	13.5	8.9		29.9	0.75		0.35	0.26
2021	4.4	5.8	10.2	4.75	48.2	13.5	8.2		26.5	0.66		0.33	0.22
2022	3.9	5.2	9.1	4.86	44.5	13.5	7.6		23.4	0.58		0.31	0.18
2023	3.5	4.7	8.2	4.98	41.0	13.5	7.0		20.5	0.51		0.29	0.15
2024	3.2	4.2	7.4	5.10	37.7	13.5	6.4		17.8	0.44		0.28	0.12
2025	2.9	3.8	6.7	5.22	34.8	13.5	5.9		15.3	0.38		0.26	0.10
2026	2.6	3.4	6.0	5.34	32.0	13.5	5.4		13.1	0.33		0.25	0.08
2027	2.3	3.1	5.4	5.47	29.5	13.5	5.0		11.0	0.27		0.23	0.06
2028	2.1	2.8	4.9	5.60	27.2	13.5	4.6		9.0	0.23		0.22	0.05
2029	1.9	2.5	4.4	5.73	25.1	13.5	4.3		7.3	0.18		0.21	0.04
2030	1.7	2.2	3.9	5.87	23.1	13.5	3.9		5.6	0.14		0.19	0.03
2031	1.5	2.0	3.5	6.01	21.3	13.5	3.6		4.1	0.10		0.18	0.02
2032	1.4	1.8	3.2	6.15	19.6	13.5	3.3		2.7	0.07		0.17	0.01

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Natural Gas Royalty Trusts

A Weekly Analysis

October 21, 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	19.7	23.1	77.8	28.1	26.0	25.2	102.4
Cash flow (\$mm) (80%)	12.0	10.1	13.2	15.6	51.0	20.2	18.4	17.6	71.8
Per unit	0.30	0.25	0.33	0.39	1.28	0.50	0.46	0.44	1.79
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	8.6	11.0	32.3	15.6	13.8	12.9	53.2
Per unit	0.18	0.13	0.22	0.27	0.81	0.39	0.34	0.32	1.33
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	8.6	8.6	34.6	8.6	8.4	8.6	34.3
Natural Gas (mmcf)	98.1	93.1	93.4	94.0	94.7	94.0	94.0	94.0	94.0
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	9.1	9.2	36.7	9.2	8.9	9.2	36.4
Price									
Natural Gas (HH lagged two months)									
Henry Hub (\$/mmbtu)	2.34	2.92	3.23	3.57	3.02	4.44	4.23	3.98	4.06
Differential (\$/mmbtu)	(0.03)	0.67	0.49	0.54	0.45	0.67	0.63	0.60	0.61
HGT (\$/mcf)	2.38	2.25	2.60	3.04	2.57	3.77	3.60	3.38	3.45
Oil (\$/bbl) (WTI Cushing lagged two months)									
WTI Cushing	19.56	23.80	26.49	29.22	24.77	29.48	28.19	26.64	28.38
HGT	18.80	22.27	25.99	28.72	23.95	28.98	27.69	26.14	27.90
Total (\$/mcf)	2.42	2.33	2.70	3.14	2.65	3.83	3.66	3.44	3.52
Revenue (\$mm)									
Natural Gas	21.5	18.6	22.3	26.3	88.7	32.6	30.1	29.2	118.2
Oil	1.7	2.0	2.4	2.6	8.6	2.6	2.4	2.3	9.8
Total	23.2	20.6	24.7	28.8	97.2	35.2	32.5	31.5	128.0
Cost (\$mm)									
Tax, transport & other	1.7	1.9	2.2	2.9	8.7	3.5	3.2	3.2	12.8
Production	4.4	4.0	3.8	4.6	16.8	4.6	4.4	4.6	18.2
Overhead	2.0	2.0	2.1	1.8	7.9	1.8	1.8	1.8	7.3
Total	8.1	7.9	8.1	9.3	33.4	9.9	9.5	9.6	38.3
Cash flow (\$mm)									
Development	5.8	5.8	5.8	5.7	23.1	5.7	5.7	5.7	22.8
Net proceeds (\$mm)	9.3	6.9	10.8	13.8	40.8	19.5	17.3	16.2	66.9
Royalty income (\$mm)									
Royalty/Net proceeds	80%	80%	80%	80%	80%	80%	80%	80%	80%
Administration	0.1	0.2	(0.0)	0.1	0.3	0.1	0.1	0.1	0.3
Distributable income (\$mm)									
	7.4	5.3	8.6	11.0	32.3	15.6	13.8	12.9	53.2
<i>Cost ratios</i>									
Tax and other/revenue	7%	9%	9%	10%	9%	10%	10%	10%	10%
Production cost (\$/mcf)	0.46	0.46	0.42	0.50	0.46	0.50	0.50	0.50	0.50
Overhead cost (\$/mcf)	0.21	0.23	0.23	0.20	0.22	0.20	0.20	0.20	0.20
Development/Cash flow	0.38	0.46	0.35	0.29	0.36	0.23	0.25	0.26	0.25

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Natural Gas Royalty Trusts

A Weekly Analysis

October 21, 2002

Table SJT-1
San Juan Basin Royalty Trust
Present Value

Volume Decline (%/yr):	10	Price Escalation Post 2007 (%/yr):	2.4
Volume Enhancement (%/yr):	10	Discount rate (%/yr):	6.1
Capex/Cash Flow (%):	25	U.S. TIPS Inflation (%/yr):	1.6
Variable Cost (%):	12	U.S. 10 Year Yield (%/yr):	4.1
PV/Volume (\$/mcf):	1.27	PV/EBITDA 2002:	8.6

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	3.67	2073	388	249	185	1250	26.83	0.03	0.57	15.40
2003	33.2	0.0	33.2	3.25	107.9	11.2	12.9	20.3	63.4	1.36	0.03	0.97	1.35
2004	29.9	3.3	33.2	3.45	114.4	13.0	13.7	21.9	65.7	1.41		0.91	1.29
2005	26.9	6.3	33.2	3.25	107.9	13.0	12.9	20.5	61.5	1.32		0.86	1.14
2006	24.2	9.0	33.2	3.11	103.2	13.0	12.4	19.5	58.4	1.25		0.81	1.02
2007	21.8	11.4	33.2	3.12	103.7	13.0	12.4	19.6	58.7	1.26		0.76	0.96
2008	19.6	13.6	33.2	3.20	106.1	13.0	12.7	20.1	60.3	1.29		0.72	0.93
2009	17.6	15.5	33.2	3.27	108.7	13.0	13.0	20.7	62.0	1.33		0.68	0.90
2010	15.9	17.3	33.2	3.35	111.2	13.0	13.3	21.2	63.7	1.37		0.64	0.87
2011	14.3	18.9	33.2	3.43	113.9	13.0	13.7	21.8	65.4	1.40		0.60	0.85
2012	12.9	17.0	29.9	3.51	104.9	13.0	12.6		79.3	1.70		0.57	0.97
2013	11.6	15.3	26.9	3.60	96.7	13.0	11.6		72.1	1.55		0.53	0.83
2014	10.4	13.8	24.2	3.68	89.1	13.0	10.7		65.4	1.40		0.50	0.71
2015	9.4	12.4	21.8	3.77	82.1	13.0	9.9		59.2	1.27		0.47	0.60
2016	8.4	11.2	19.6	3.86	75.6	13.0	9.1		53.6	1.15		0.45	0.51
2017	7.6	10.0	17.6	3.95	69.7	13.0	8.4		48.3	1.04		0.42	0.44
2018	6.8	9.0	15.9	4.05	64.2	13.0	7.7		43.5	0.93		0.40	0.37
2019	6.1	8.1	14.3	4.14	59.2	13.0	7.1		39.1	0.84		0.37	0.31
2020	5.5	7.3	12.9	4.24	54.5	13.0	6.5		35.0	0.75		0.35	0.26
2021	5.0	6.6	11.6	4.34	50.2	13.0	6.0		31.2	0.67		0.33	0.22
2022	4.5	5.9	10.4	4.45	46.3	13.0	5.6		27.7	0.60		0.31	0.19
2023	4.0	5.3	9.4	4.55	42.7	13.0	5.1		24.5	0.53		0.29	0.16
2024	3.6	4.8	8.4	4.66	39.3	13.0	4.7		21.6	0.46		0.28	0.13
2025	3.3	4.3	7.6	4.77	36.2	13.0	4.3		18.9	0.40		0.26	0.11
2026	2.9	3.9	6.8	4.88	33.4	13.0	4.0		16.4	0.35		0.25	0.09
2027	2.6	3.5	6.1	5.00	30.7	13.0	3.7		14.1	0.30		0.23	0.07
2028	2.4	3.2	5.5	5.12	28.3	13.0	3.4		11.9	0.26		0.22	0.06
2029	2.1	2.8	5.0	5.24	26.1	13.0	3.1		10.0	0.21		0.21	0.04
2030	1.9	2.6	4.5	5.37	24.1	13.0	2.9		8.2	0.18		0.19	0.03
2031	1.7	2.3	4.0	5.49	22.2	13.0	2.7		6.5	0.14		0.18	0.03
2032	1.6	2.1	3.6	5.62	20.4	13.0	2.5		5.0	0.11		0.17	0.02

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Natural Gas Royalty Trusts

A Weekly Analysis

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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	20.8	22.5	81.1	29.6	27.3	28.5	107.9
Cash flow (\$mm) (75%)	14.1	14.1	16.1	17.3	61.6	23.5	21.5	22.5	84.9
Per unit	0.30	0.30	0.35	0.37	1.32	0.50	0.46	0.48	1.82
Tax credit (\$mm)	0.5	1.4	1.4	1.4	4.7				1.4
Per unit	0.01	0.03	0.03	0.03	0.10				0.03
Distributable Income (\$mm)	3.5	9.0	12.2	13.3	38.1	17.4	15.9	16.7	63.4
Per unit	0.08	0.19	0.26	0.29	0.82	0.37	0.34	0.36	1.36
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	11.2	11.6	46.1
Heat Content(btu/cf)	1,092	1,077	970	1,059	1,048	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	119.3	124.9	119.3	119.3	119.3	119.3
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	44.2
Price									
Natural gas (\$/mmbtu) (Henry Hub lagged two months)									
Henry Hub (\$/mmbtu)	2.34	2.92	3.23	3.57	3.02	4.44	4.23	4.28	4.13
Differential (%)	14	31	32	25	27	25	25	25	26
Total	2.01	2.02	2.33	2.68	2.22	3.33	3.17	3.21	3.06
Natural gas (\$/mcf)	2.20	2.18	2.26	2.84	2.32	3.52	3.36	3.40	3.24
Oil (\$/bbl) (WTI Cushing lagged two months)									
WTI Cushing	19.56	23.80	26.49	29.22	24.77	29.48	28.19	29.60	29.12
SJT	15.78	19.14	22.49	25.22	20.92	25.48	24.19	25.60	25.13
Total gas & oil (\$/mcf)	2.20	2.19	2.28	2.69	2.34	3.53	3.37	3.41	3.25
Revenue (\$mm)									
Natural Gas	25.2	24.2	27.1	29.2	105.8	38.7	35.7	37.3	140.9
Oil	0.4	0.5	0.7	0.7	2.3	0.7	0.7	0.7	2.9
Total	25.6	24.8	27.8	30.0	108.1	39.4	36.4	38.0	143.8
Cost (\$mm)									
Severance tax	2.6	2.4	2.3	2.9	10.2	3.9	3.6	3.8	14.2
Operating	4.1	3.7	4.0	4.0	15.8	4.2	4.0	4.2	16.4
Total	6.7	6.0	6.3	6.8	25.9	8.1	7.7	8.0	30.6
Cash flow (\$mm)	18.8	18.8	21.5	23.1	82.2	31.3	28.7	30.1	113.2
Development	11.3	3.4	2.1	4.5	21.3	7.8	7.2	7.5	27.0
Net proceeds (\$mm)	7.5	15.4	19.4	18.6	60.9	23.5	21.5	22.5	86.2
Royalty income (\$mm)	5.6	11.5	14.5	14.0	45.7	17.6	16.1	16.9	64.6
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	12.2	13.3	38.1	17.4	15.9	16.7	63.4
<i>Modeling ratios</i>									
Severance tax/revenue	10.2%	9.5%	8.4%	9.6%	9.4%	10.0%	10.0%	10.0%	9.9%
Operating cost (\$/mcf)	0.36	0.32	0.33	0.36	0.34	0.37	0.37	0.37	0.37

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Natural Gas Royalty Trusts

A Weekly Analysis

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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	0.10			
Projected						0.08	0.08	0.12
Volume								
Natural gas (mmbtu)	4.29	3.88	3.92	3.77	3.95	3.92	3.79	3.92
Heat Content(btu/cf)	1,108	1,064	1,081	807	1,068	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 (mmcfd)	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	3.09	3.55	4.08
San Juan Monthly Index	2.14	3.04	2.39	2.24	2.62	2.50	2.42	
SJT/Henry Hub	0.64	0.78	0.65	0.75	0.78	0.72	0.66	0.73
SJT/San Juan Index	0.91	0.88	0.95	1.08	0.89	0.89	0.97	
SJT (\$/mmbtu)	1.95	2.68	2.27	2.41	2.32	2.22	2.35	2.98
SJT (\$/mcf)	2.16	2.85	2.45	1.95	2.47	2.35	2.49	3.15
Revenue (\$mm)								
Natural Gas	8.4	10.4	8.9	9.1	9.1	8.7	8.9	11.7
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	0.8	0.9	1.1
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	2.5
Cash flow (\$mm)	6.6	7.9	7.1	6.5	6.9	6.5	6.7	9.2
Development	(0.9)	1.3	0.7	1.0	0.5	1.5	1.5	1.5
Net proceeds (\$mm)	7.5	6.6	6.4	5.5	6.5	5.0	5.2	7.7
Royalty income (\$mm)	5.6	5.0	4.8	4.1	4.9	3.7	3.9	5.7
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	4.9	3.7	3.9	5.7
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	0.10	0.08	0.08	0.12
<i>Latest Twelve Month Average</i>								
Heat Content(btu/cf)	1,092	1,086	1,091	1,059	1,059			
Natural Gas (mmcfd)	120	120	121	124	123			
SJT/Henry Hub	0.75	0.75	0.73	0.73	0.73			
SJT/San Juan Index	0.85	0.85	0.85	0.87	0.87			
Other revenue	0.0	0.0	(0.0)	(0.0)	(0.0)			
Operating	1.3	1.3	1.3	1.3	1.3			
Development	2.9	2.9	2.7	2.5	2.4			
Severance tax/revenue	10.4%	10.5%	10.2%	10.0%	9.8%			

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