

Contrasting Conflicts

Summary and Recommendation

The fundamental outlook for CRT, SJT and HGT remains strong, as each is concentrated on long life natural gas that, in our opinion, will become increasingly valuable in the next several years. SJT is our official recommendation and we will be the first to acknowledge that performance this year has been gratifying. Yet it comes off a depressed base a year ago and the improved volume trends seem to justify the better performance. At the same time we see CRT and HGT as attractive alternatives or supplements to SJT. Meanwhile there were no unusual changes during the past week. We were encouraged to see that CRT disclosed better volume for the third quarter than we had projected. Finally we reprint our answers to questions from investors including conflicts of interest in natural gas royalty trusts compared to a specific partnership.

Contrasting Conflicts of Interest

An investor asks, “What difference in principle do you find in El Paso Energy Partners that involves the same potential conflicts of interest that are found in our well established natural gas royalty trusts? “

We answered, “I see the conflicts at natural gas royalty trusts (CRT, HGT and SJT) as dwarfed by those at El Paso Energy Partners (EPN).

The question is particularly relevant because EPN proposes to acquire gathering lines in the San Juan Basin where SJT and CRT have their producing assets. Normally a gatherer might expect his business to last longer than that of a single producer because if some wells go dry the gatherer can look for other wells to hook up. In the San Juan Basin all the acreage on which new wells or new production is likely to be developed is already held by the existing producers. Thus, the gatherer and the producer face the same fundamental economic potential. The only difference is that the gatherer might prefer a fixed fee. Yet some gatherers are paid on a percentage of wellhead revenue. The producer takes his chances with commodity price. Over time that distinction becomes artificial, as the fixed fee the producers are willing to pay will depend on negotiation of a fair split of the economic rewards.

Those economic rewards are split differently with investors. The limited partners of EPN are responsible for the full price of the SJ acquisition. Yet the general partner gets 30% of the cash flow starting immediately. The trustee of SJT or CRT gets only a nominal portion of the cash flow.

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EPN finances its purchase with debt. Until the partnership can raise equity the risk is inordinately high. Even if the partnership can raise equity, the GP will likely do another deal and keep leverage at the max, I would say above the max. Highly leveraged energy infrastructure entities are failing like flies. Eventually the debt holders of EPN will probably own the whole thing in reorganization. SJT and CRT have no debt and are in no danger of financial failure.

Finally there are continuous financing fees as the partnership regularly does deals that serve to drive up the GP compensation to 50%. The limited partners essentially pay the underwriting fees for new equity and new debt as well as acquisition fees, possibly hidden. EPN's "deal velocity" seems to appeal to financial agents. There are no financing fees in SJT or CRT.

So, to conclude, the unit holders of CRT, HGT and SJT get all the cash flow indefinitely as long as we keep the other parties reasonably honest. The limited partners of EPN will likely get the distribution only for a limited number of years. The general partner is likely to take all the upside until the partnership fails. Then the debt holders are likely to end up with all the remaining assets."

Sell Hugoton?

An investor questioning the lagging stock price of Hugoton Royalty Trust seemed to be thinking of selling. We answered: "Judging from the disclosures, I would think a better time to sell would be in the winter. The spending may not change because it is deliberately being charged at a steady rate. What could change is better volume and better pricing from the trust's Rocky Mountain production presuming that with the low differentials in the summer months some volume was shut in and netbacks were less than they might have been. There will also be more pipeline capacity out of the Rockies in the spring.

Another possible reason to sell might be to free up funds for more aggressive investment if you think non-energy stocks are due for good performance for a while.

Otherwise I would be more inclined to buy HGT than sell HGT."

Kurt H. Wulff, CFA

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

	Symbol/ Rating	Price (\$/sh) 14-Nov 2002	Shares (mm)	Market Cap (\$mm)	Net Present Value (\$/sh)	Debt/ Present Value	McDep Ratio
Cross Timbers Royalty Trust	CRT	17.92	6.0	108	19.70	-	0.91
San Juan Basin Royalty Trust	SJT B	13.30	46.6	620	15.90	-	0.84
Hugoton RoyaltyTrust (46%)	HGT	11.30	18.4	210	15.30	-	0.74

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) 14-Nov 2002	EV/ Sales NTM	EV/ Ebitda NTM	P/E NTM	Dividend or Distribution NTM (%)	PV/ Ebitda NTM
Natural Gas Royalty Trusts							
Cross Timbers Royalty Trust	CRT	17.92	6.7	9.7	10	9.5	10.6
San Juan Basin Royalty Trust	SJT B	13.30	5.9	7.5	10	10.0	9.0
Hugoton RoyaltyTrust (46%)	HGT	11.30	4.7	6.9	10	10.4	9.3

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

November 14, 2002

	2003	2004	2005	2006	2007	2008	Six Year
Natural Gas (\$/mmbtu)							
Year ending November	3.87	3.82	3.72	3.72	3.75	3.79	3.78
Year ending December	3.89	3.81	3.71	3.72	3.75		
Light Sweet Crude Oil (\$/bbl)							
Year ending November	24.11	22.76	22.57	22.83	22.80	22.79	22.98
Year ending December	23.93	22.72	22.59	22.83	22.79		

Source: Nymex, FutureSource, wsj.com

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Table CRT-1
Cross Timbers Royalty Trust
Present Value

Volume Decline (%/yr):	10	Price Escalation post 2007 (%/yr):	2.3
Volume Enhancement (%/yr):	10	Discount Rate (%/yr):	5.2
		U.S. TIPS Inflation (%/yr):	1.5
		U.S. 10 Year Yield (%/yr):	3.8
PV/Volume (\$/mcf):	2.58	PV/EBITDA 2002:	10.9

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											
	26	20	46	4.12	189	2	191	31.87	0.03	0.62	19.70
2003	2.7	0.0	2.7	3.63	9.8	0.5	10.3	1.71	0.03	0.97	1.69
2004	2.4	0.3	2.7	3.73	10.0	0.6	10.6	1.77		0.93	1.64
2005	2.2	0.5	2.7	3.59	9.7	0.4	10.0	1.67		0.88	1.47
2006	2.0	0.7	2.7	3.51	9.4	0.3	9.7	1.62		0.84	1.36
2007	1.8	0.9	2.7	3.54	9.5	0.2	9.8	1.63		0.80	1.29
2008	1.6	1.1	2.7	3.62	9.8	0.1	9.9	1.65		0.76	1.25
2009	1.4	1.3	2.7	3.71	10.0	0.1	10.1	1.68		0.72	1.21
2010	1.3	1.4	2.7	3.79	10.2	0.1	10.3	1.71		0.68	1.17
2011	1.2	1.5	2.7	3.88	10.5		10.5	1.74		0.65	1.13
2012	1.0	1.4	2.4	3.97	9.6		9.6	1.60		0.62	0.99
2013	0.9	1.2	2.2	4.06	8.9		8.9	1.48		0.59	0.87
2014	0.8	1.1	2.0	4.16	8.2		8.2	1.36		0.56	0.76
2015	0.8	1.0	1.8	4.25	7.5		7.5	1.25		0.53	0.66
2016	0.7	0.9	1.6	4.35	6.9		6.9	1.15		0.50	0.58
2017	0.6	0.8	1.4	4.45	6.4		6.4	1.06		0.48	0.51
2018	0.6	0.7	1.3	4.56	5.9		5.9	0.98		0.45	0.44
2019	0.5	0.7	1.2	4.66	5.4		5.4	0.90		0.43	0.39
2020	0.4	0.6	1.0	4.77	5.0		5.0	0.83		0.41	0.34
2021	0.4	0.5	0.9	4.88	4.6		4.6	0.76		0.39	0.30
2022	0.4	0.5	0.8	4.99	4.2		4.2	0.70		0.37	0.26
2023	0.3	0.4	0.8	5.11	3.9		3.9	0.65		0.35	0.23
2024	0.3	0.4	0.7	5.23	3.6		3.6	0.60		0.33	0.20
2025	0.3	0.4	0.6	5.35	3.3		3.3	0.55		0.32	0.17
2026	0.2	0.3	0.6	5.47	3.0		3.0	0.51		0.30	0.15
2027	0.2	0.3	0.5	5.60	2.8		2.8	0.47		0.29	0.13
2028	0.2	0.3	0.4	5.73	2.6		2.6	0.43		0.27	0.12
2029	0.2	0.2	0.4	5.86	2.4		2.4	0.40		0.26	0.10
2030	0.2	0.2	0.4	6.00	2.2		2.2	0.36		0.25	0.09
2031	0.1	0.2	0.3	6.14	2.0		2.0	0.34		0.23	0.08
2032	0.1	0.2	0.3	6.28	1.9		1.9	0.31		0.22	0.07

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Natural Gas Royalty Trusts

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Table CRT-2
Cross Timbers Royalty Trust
Distributable Income

	<i>Q1</i>	<i>Q2</i>	<i>Q3</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	0.03	0.03	0.10					0.03
Distributable Income (\$mm)	1.80	1.72	2.49	2.49	8.52	2.70	2.55	2.51		10.25
Per unit	0.30	0.29	0.42	0.42	1.42	0.45	0.42	0.42		1.71
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	0.77	0.75	3.01	0.75	0.74	0.75		2.99
Natural Gas (mmcf)	8.5	7.8	8.4	8.2	8.2	8.2	8.2	8.2		8.2
Days	92	90	91	92	365	92	90	91		365
Oil (mb)	83	82	82	82	330	82	79	82		326
Oil (mbd)	0.90	0.93	0.89	0.89	0.90	0.89	0.89	0.89		0.89
Days	92	89	92	92	365	92	89	92		365
Total (bcf)	1.28	1.20	1.26	1.25	4.98	1.25	1.21	1.24		4.95
Price										
Natural Gas (HH lagged three months)										
Henry Hub (\$/mmbtu)	2.41	2.53	3.38	3.21	2.88	3.95	3.94	3.80		3.72
Differential (\$/mmbtu)	(0.13)	(0.04)	0.33	0.13	0.07	0.08	0.08	0.08		0.09
CRT (\$/mcf)	2.54	2.57	3.05	3.08	2.81	3.87	3.86	3.72		3.63
Oil (\$/bbl) (WTI lagged two months)										
WTI Cushing	19.56	23.80	26.49	28.96	24.70	25.11	24.13	23.77		25.50
CRT	17.28	20.50	24.79	26.96	22.37	23.11	22.13	21.77		23.51
Total (\$/mcf)	2.67	2.92	3.47	3.64	3.18	3.86	3.80	3.68		3.74
Revenue (\$mm)										
Natural Gas	1.98	1.82	2.33	2.32	8.46	2.92	2.85	2.78		10.87
Oil	1.44	1.69	2.03	2.21	7.37	1.90	1.76	1.79		7.65
Total	3.42	3.50	4.37	4.54	15.83	4.81	4.61	4.56		18.52
Cost (\$mm)										
Tax, transport & other	0.34	0.51	0.60	0.64	2.09	0.67	0.65	0.64		2.59
Production	0.75	0.72	0.79	0.79	3.05	0.79	0.79	0.79		3.16
Total	1.09	1.23	1.40	1.43	5.14	1.47	1.44	1.43		5.76
Cash flow (\$mm)										
Development	0.28	0.14	0.08	0.20	0.71	0.20	0.20	0.20		0.80
Excess	(0.07)	0.07								
Net proceeds (\$mm)	2.11	2.06	2.89	2.91	9.98	3.15	2.97	2.93		11.97
Royalty income (\$mm)										
Royalty/Net proceeds	89%	88%	87%	87%	88%	87%	87%	87%		87%
Administration	0.08	0.09	0.04	0.04	0.24	0.04	0.04	0.04		0.16
Distributable income (\$mm)	1.80	1.72	2.49	2.49	8.52	2.70	2.55	2.51		10.25
<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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Table HGT-1
Hugoton Royalty Trust
Present Value

Volume Decline (%/yr):	10	Price Escalation Post 2007 (%/yr):	2.3
Volume Enhancement (%/yr):	10	Discount rate (%/yr):	5.8
Capex/Cash Flow (%):	30	U.S. TIPS Inflation (%/yr):	1.5
Variable Cost (%):	17	U.S. 10 Year Yield (%/yr):	3.8
PV/Volume (\$/mcf):	1.23	PV/EBITDA 2002:	9.4

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													
	279	217	496	4.02	1994	421	339	193	1041	26.02	0.00	0.59	15.30
2003	29.1	0.0	29.1	3.28	95.5	14.0	16.2	18.2	47.0	1.18	0.00	0.97	1.15
2004	26.2	2.9	29.1	3.64	106.1	14.0	18.0	22.2	51.8	1.30		0.92	1.19
2005	23.6	5.5	29.1	3.51	102.1	14.0	17.4	21.2	49.5	1.24		0.87	1.07
2006	21.2	7.9	29.1	3.43	100.0	14.0	17.0	20.7	48.3	1.21		0.82	0.99
2007	19.1	10.0	29.1	3.47	101.0	14.0	17.2	21.0	48.9	1.22		0.78	0.95
2008	17.2	11.9	29.1	3.55	103.4	14.0	17.6	21.5	50.3	1.26		0.73	0.92
2009	15.5	13.6	29.1	3.63	105.8	14.0	18.0	22.1	51.6	1.29		0.69	0.89
2010	13.9	15.2	29.1	3.72	108.2	14.0	18.4	22.7	53.1	1.33		0.65	0.87
2011	12.5	16.6	29.1	3.80	110.8	14.0	18.8	23.4	54.5	1.36		0.62	0.84
2012	11.3	14.9	26.2	3.89	102.0	14.0	17.3		70.6	1.77		0.58	1.03
2013	10.2	13.4	23.6	3.98	93.9	14.0	16.0		63.9	1.60		0.55	0.88
2014	9.1	12.1	21.2	4.07	86.5	14.0	14.7		57.8	1.44		0.52	0.75
2015	8.2	10.9	19.1	4.17	79.6	14.0	13.5		52.1	1.30		0.49	0.64
2016	7.4	9.8	17.2	4.26	73.3	14.0	12.5		46.9	1.17		0.47	0.55
2017	6.7	8.8	15.5	4.36	67.5	14.0	11.5		42.0	1.05		0.44	0.46
2018	6.0	7.9	13.9	4.46	62.2	14.0	10.6		37.6	0.94		0.42	0.39
2019	5.4	7.1	12.5	4.57	57.3	14.0	9.7		33.5	0.84		0.39	0.33
2020	4.9	6.4	11.3	4.67	52.7	14.0	9.0		29.8	0.74		0.37	0.28
2021	4.4	5.8	10.2	4.78	48.6	14.0	8.3		26.3	0.66		0.35	0.23
2022	3.9	5.2	9.1	4.89	44.7	14.0	7.6		23.1	0.58		0.33	0.19
2023	3.5	4.7	8.2	5.01	41.2	14.0	7.0		20.2	0.50		0.31	0.16
2024	3.2	4.2	7.4	5.12	37.9	14.0	6.4		17.5	0.44		0.30	0.13
2025	2.9	3.8	6.7	5.24	34.9	14.0	5.9		15.0	0.37		0.28	0.10
2026	2.6	3.4	6.0	5.36	32.2	14.0	5.5		12.7	0.32		0.26	0.08
2027	2.3	3.1	5.4	5.49	29.6	14.0	5.0		10.6	0.26		0.25	0.07
2028	2.1	2.8	4.9	5.62	27.3	14.0	4.6		8.6	0.22		0.24	0.05
2029	1.9	2.5	4.4	5.75	25.1	14.0	4.3		6.8	0.17		0.22	0.04
2030	1.7	2.2	3.9	5.88	23.1	14.0	3.9		5.2	0.13		0.21	0.03
2031	1.5	2.0	3.5	6.02	21.3	14.0	3.6		3.7	0.09		0.20	0.02
2032	1.4	1.8	3.2	6.15	19.6	14.0	3.3		2.3	0.06		0.19	0.01

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Table HGT-2
Hugoton Royalty Trust
Distributable Income

	<i>Q1</i>	<i>Q2</i>	<i>Q3</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	24.7	23.7	24.0	95.5
Cash flow (\$mm) (80%)	12.0	10.1	13.2	15.7	51.1	17.1	16.3	16.5	65.6
Per unit	0.30	0.25	0.33	0.39	1.28	0.43	0.41	0.41	1.64
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	12.5	11.7	11.8	47.0
Per unit	0.18	0.13	0.22	0.28	0.81	0.31	0.29	0.30	1.18
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	3.59	3.02	3.91	3.88	3.81	3.79
Differential (\$/mmbtu)	(0.03)	0.67	0.49	0.54	0.45	0.59	0.58	0.57	0.57
HGT (\$/mcf)	2.38	2.25	2.60	3.05	2.57	3.32	3.30	3.23	3.22
Oil (\$/bbl) (WTI Cushing lagged two months)									
WTI Cushing	19.56	23.80	26.49	28.96	24.70	25.11	24.13	23.77	25.50
HGT	18.80	22.27	25.84	28.46	23.85	24.61	23.63	23.27	25.03
Total (\$/mcf)	2.42	2.33	2.70	3.15	2.65	3.37	3.33	3.27	3.28
Revenue (\$mm)									
Natural Gas	21.5	18.6	22.3	26.4	88.8	28.7	27.6	28.0	110.6
Oil	1.7	2.0	2.3	2.5	8.5	2.2	2.0	2.0	8.8
Total	23.2	20.6	24.6	28.9	97.3	30.9	29.6	30.0	119.4
Cost (\$mm)									
Tax, transport & other	1.7	1.9	2.2	2.9	8.7	3.1	3.0	3.0	11.9
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	9.5	9.2	9.4	37.4
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	10.7	13.9	40.8	15.7	14.7	14.9	59.2
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	12.5	11.7	11.8	47.0
<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	0.27	0.28	0.28	0.28

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Natural Gas Royalty Trusts

A Weekly Analysis

November 18, 2002

Table SJT-1
San Juan Basin Royalty Trust
Present Value

Volume Decline (%/yr):	11	Price Escalation Post 2007 (%/yr):	2.3
Volume Enhancement (%/yr):	10	Discount rate (%/yr):	5.8
Capex/Cash Flow (%):	25	U.S. TIPS Inflation (%/yr):	1.5
Variable Cost (%):	12	U.S. 10 Year Yield (%/yr):	3.8
PV/Volume (\$/mcf):	1.31	PV/EBITDA 2002:	9.1

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													
	321	244	565	3.64	2059	389	247	192	1232	26.43	0.03	0.60	15.90
2003	35.5	0.0	35.5	2.97	105.6	11.7	12.7	19.0	62.2	1.34	0.03	0.97	1.33
2004	31.7	3.6	35.3	3.33	117.4	13.0	14.1	22.6	67.7	1.45		0.92	1.34
2005	28.3	6.7	35.0	3.20	112.2	13.0	13.5	21.4	64.3	1.38		0.87	1.20
2006	25.3	9.5	34.8	3.14	109.1	13.0	13.1	20.8	62.3	1.34		0.82	1.10
2007	22.6	11.9	34.5	3.17	109.5	13.0	13.1	20.8	62.5	1.34		0.78	1.04
2008	20.2	14.1	34.3	3.24	111.2	13.0	13.3	21.2	63.7	1.37		0.73	1.00
2009	18.0	16.0	34.0	3.32	113.0	13.0	13.6	21.6	64.8	1.39		0.69	0.96
2010	16.1	17.7	33.8	3.40	114.8	13.0	13.8	22.0	66.0	1.42		0.65	0.93
2011	14.4	19.2	33.6	3.48	116.7	13.0	14.0	22.4	67.3	1.44		0.62	0.89
2012	12.8	17.2	30.0	3.56	106.6	13.0	12.8		80.8	1.73		0.58	1.01
2013	11.5	15.3	26.8	3.64	97.4	13.0	11.7		72.7	1.56		0.55	0.86
2014	10.2	13.7	23.9	3.72	89.0	13.0	10.7		65.3	1.40		0.52	0.73
2015	9.1	12.2	21.3	3.81	81.3	13.0	9.8		58.6	1.26		0.49	0.62
2016	8.2	10.9	19.1	3.90	74.3	13.0	8.9		52.4	1.12		0.47	0.52
2017	7.3	9.7	17.0	3.99	67.9	13.0	8.1		46.7	1.00		0.44	0.44
2018	6.5	8.7	15.2	4.08	62.0	13.0	7.4		41.6	0.89		0.42	0.37
2019	5.8	7.8	13.6	4.18	56.7	13.0	6.8		36.9	0.79		0.39	0.31
2020	5.2	6.9	12.1	4.27	51.8	13.0	6.2		32.6	0.70		0.37	0.26
2021	4.6	6.2	10.8	4.37	47.3	13.0	5.7		28.6	0.61		0.35	0.22
2022	4.1	5.5	9.7	4.47	43.2	13.0	5.2		25.1	0.54		0.33	0.18
2023	3.7	4.9	8.6	4.58	39.5	13.0	4.7		21.8	0.47		0.31	0.15
2024	3.3	4.4	7.7	4.68	36.1	13.0	4.3		18.8	0.40		0.30	0.12
2025	2.9	3.9	6.9	4.79	33.0	13.0	4.0		16.0	0.34		0.28	0.10
2026	2.6	3.5	6.1	4.90	30.1	13.0	3.6		13.5	0.29		0.26	0.08
2027	2.3	3.1	5.5	5.02	27.5	13.0	3.3		11.2	0.24		0.25	0.06
2028	2.1	2.8	4.9	5.13	25.2	13.0	3.0		9.1	0.20		0.24	0.05
2029	1.9	2.5	4.4	5.25	23.0	13.0	2.8		7.2	0.16		0.22	0.03
2030	1.7	2.2	3.9	5.37	21.0	13.0	2.5		5.5	0.12		0.21	0.02
2031	1.5	2.0	3.5	5.50	19.2	13.0	2.3		3.9	0.08		0.20	0.02
2032	1.3	1.8	3.1	5.63	17.5	13.0	2.1		2.4	0.05		0.19	0.01

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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	23.3	81.9	28.0	26.9	27.3	105.6
Cash flow (\$mm) (75%)	14.1	14.1	16.1	18.4	62.7	21.9	21.0	21.3	82.5
Per unit	0.30	0.30	0.35	0.39	1.34	0.47	0.45	0.46	1.77
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	14.8	39.5	16.2	15.5	15.7	62.2
Per unit	0.08	0.19	0.26	0.32	0.85	0.35	0.33	0.34	1.34
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	12.5	48.7	12.5	12.1	12.5	49.8
Heat Content(btu/cf)	1,092	1,077	970	1,066	1,050	1,066	1,066	1,066	1,066
Natural gas (bcf)	11.5	11.1	12.0	11.8	46.4	11.8	11.4	11.8	46.7
Natural Gas (mmcf)	124.7	125.1	130.4	127.8	127.0	127.8	127.8	127.8	127.8
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	11.9	47.0	11.9	11.5	11.9	47.4
Price									
Natural gas (\$/mmbtu) (Henry Hub lagged two months)									
Henry Hub (\$/mmbtu)	2.34	2.92	3.23	3.59	3.02	3.91	3.88	3.81	3.79
Differential (%)	14	31	32	25	27	25	25	25	27
Total	2.01	2.02	2.33	2.69	2.20	2.93	2.91	2.85	2.78
Natural gas (\$/mcf)	2.20	2.18	2.26	2.87	2.31	3.13	3.10	3.04	2.96
Oil (\$/bbl) (WTI Cushing lagged two months)									
WTI Cushing	19.56	23.80	26.49	28.96	24.70	25.11	24.13	26.57	26.19
SJT	15.78	19.14	22.49	24.96	20.86	21.11	20.13	22.57	22.21
Total gas & oil (\$/mcf)	2.20	2.19	2.28	2.60	2.32	3.13	3.11	3.05	2.97
Revenue (\$mm)									
Natural Gas	25.2	24.2	27.1	30.3	106.9	36.8	35.3	35.8	138.2
Oil	0.4	0.5	0.7	0.7	2.3	0.6	0.6	0.7	2.6
Total	25.6	24.8	27.8	31.1	109.2	37.4	35.9	36.5	140.7
Cost (\$mm)									
Severance tax	2.6	2.4	2.3	2.9	10.2	3.7	3.6	3.6	13.8
Operating	4.1	3.7	4.0	3.7	15.5	4.5	4.3	4.5	16.9
Total	6.7	6.0	6.3	6.5	25.6	8.2	7.9	8.1	30.8
Cash flow (\$mm)	18.8	18.8	21.5	24.5	83.6	29.2	28.0	28.3	110.0
Development	11.3	3.4	2.1	4.0	20.8	7.3	7.0	7.1	25.3
Net proceeds (\$mm)	7.5	15.4	19.4	20.5	62.8	21.9	21.0	21.3	84.6
Royalty income (\$mm)	5.6	11.5	14.5	15.4	47.1	16.4	15.7	15.9	63.5
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	14.8	39.5	16.2	15.5	15.7	62.2
<i>Modeling ratios</i>									
Severance tax/revenue	10.2%	9.5%	8.4%	9.2%	9.3%	10.0%	10.0%	10.0%	9.8%
Operating cost (\$/mcf)	0.36	0.32	0.33	0.31	0.33	0.37	0.37	0.37	0.36

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Natural Gas Royalty Trusts

A Weekly Analysis

November 18, 2002

Table SJT-3
San Juan Basin Royalty Trust
Monthly Declarations

	<i>Aug-02</i>	<i>Sep-02</i>	<i>Oct-02</i>	<i>Nov-02</i>	<i>Dec-02</i>	<i>Jan-03</i>
Distribution (\$/unit)						
Declared	0.08	0.10	0.12			
<i>Projected</i>				0.09	0.11	0.12
Volume						
Natural gas (mmbtu)	3.77	3.95	4.49	3.96	4.09	3.96
Heat Content(btu/cf)	807	1,068	1,084	1,057	1,057	1,057
Natural gas (bcf)	4.67	3.70	4.15	3.74	3.87	3.74
Natural Gas (mmcf)	156	119	134	125	125	125
Days	30	31	31	30	31	30
Price						
Natural gas industry quotes lagged two months (\$/mmbtu)						
Henry Hub Daily/Futures	3.22	2.99	3.09	3.55	4.12	3.85
San Juan Monthly Index	2.24	2.62	2.50	2.42	2.52	3.24
SJT/Henry Hub	0.75	0.78	0.74	0.67	0.64	0.74
SJT/San Juan Index	1.08	0.89	0.91	0.98	1.04	0.87
SJT (\$/mmbtu)	2.41	2.32	2.28	2.37	2.62	2.83
SJT (\$/mcf)	1.95	2.47	2.47	2.50	2.77	2.99
Revenue (\$mm)						
Natural Gas	9.1	9.1	10.2	9.4	10.7	11.2
Other	(0.2)	0.0	(0.1)	(0.0)	(0.0)	(0.0)
Cost (\$mm)						
Severance tax	0.8	0.9	0.9	0.9	1.0	1.1
Operating	1.6	1.3	1.1	1.3	1.3	1.3
Total	2.4	2.2	2.0	2.2	2.3	2.4
Cash flow (\$mm)	6.5	6.9	8.2	7.1	8.3	8.8
Development	1.0	0.5	1.0	1.5	1.5	1.5
Net proceeds (\$mm)	5.5	6.5	7.2	5.6	6.8	7.3
Royalty income (\$mm)	4.1	4.9	5.4	4.2	5.1	5.4
Royalty/Net proceeds	75%	75%	75%	75%	75%	75%
One time	0.6					
Distributable income (\$mm)	3.5	4.9	5.4	4.2	5.1	5.4
Units (millions)	46.6	46.6	46.6	46.6	46.6	46.6
Distribution (\$/unit)	0.08	0.10	0.12	0.09	0.11	0.12
<i>Latest Twelve Month Average</i>						
Heat Content(btu/cf)	1,059	1,059	1,057			
Natural Gas (mmcf)	124	123	125			
SJT/Henry Hub	0.73	0.73	0.74			
SJT/San Juan Index	0.87	0.87	0.87			
Other revenue	(0.0)	(0.0)	(0.0)			
Operating	1.3	1.3	1.3			
Development	2.5	2.4	2.2			
Severance tax/revenue	10.0%	9.8%	9.7%			

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