

Natural Gas Royalty Trusts

A Weekly Analysis

December 2, 2002

Cold Thanksgiving Morn

Summary and Recommendation

Fifteen degrees Fahrenheit and six inches of snow on the ground early Thanksgiving in the land of the Pilgrims may be a sign of a particularly cold winter ahead and a particularly good business for natural gas producers. The positive trend for one-year natural gas futures that we showed last week remains positive. Six-year futures may be on the verge of turning positive again as we show this week. At 0.98 times the heating equivalent of oil, six-year futures have the potential to exceed oil by a fourth or so as the competitive interface moves to cleaner fuels and large new increments to supply are delayed. Otherwise there is little change in a week in our detailed calculations for recommended SJT and for CRT and HGT.

Kurt H. Wulff, CFA

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>Rating</i>		<i>(\$/sh)</i>	<i>Shares</i>	<i>Cap</i>	<i>Present</i>	<i>Present</i>	<i>McDep</i>
			<i>27-Nov</i>	<i>(mm)</i>	<i>(\$mm)</i>	<i>Value</i>	<i>Value</i>	<i>Ratio</i>
			<i>2002</i>			<i>(\$/sh)</i>		
Cross Timbers Royalty Trust	CRT		18.78	6.0	113	19.20	-	0.98
San Juan Basin Royalty Trust	SJT	B	13.34	46.6	620	15.70	-	0.85
Hugoton RoyaltyTrust (46%)	HGT		11.55	18.4	210	15.20	-	0.76

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/</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>27-Nov</i>	<i>NTM</i>	<i>NTM</i>	<i>P/E</i>	<i>NTM</i>
			<i>2002</i>			<i>NTM</i>	
						<i>(%)</i>	
Cross Timbers Royalty Trust	CRT		18.78	6.8	9.7	10	9.9
San Juan Basin Royalty Trust	SJT	B	13.34	5.6	7.1	10	8.4
Hugoton RoyaltyTrust (46%)	HGT		11.55	4.7	6.6	9	8.7

EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended December 31, 2003; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses

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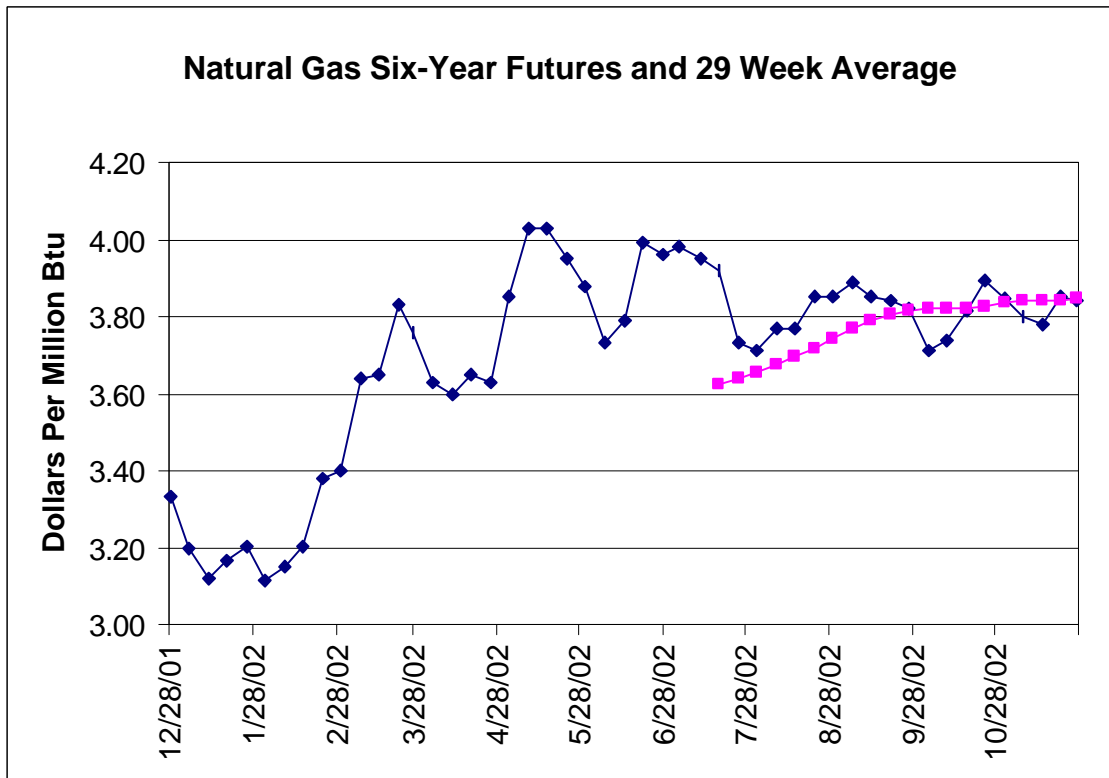
December 2, 2002

Natural Gas and Oil Futures

November 27, 2002

	2003	2004	2005	2006	2007	2008	Six Year
Natural Gas (\$/mmbtu)							
Year ending December	3.99	3.86	3.74	3.75	3.83	3.85	3.84
Light Sweet Crude Oil (\$/bbl)							
Year ending December	25.42	23.45	23.05	22.93	22.84	22.76	23.41
Natural Gas/Oil (6:1 = 1.0)							
Year ending December	0.94	0.99	0.97	0.98	1.00	1.02	0.98

Source: Nymex, FutureSource, wsj.com, McDep Associates



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Natural Gas Royalty Trusts

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Table CRT-1
Cross Timbers Royalty Trust
Present Value

Volume Decline (%/yr):	10	Price Escalation post 2008 (%/yr):	2.5
Volume Enhancement (%/yr):	10	Discount Rate (%/yr):	5.7
		U.S. TIPS Inflation (%/yr):	1.7
		U.S. 10 Year Yield (%/yr):	4.3

PV/Volume (\$/mcf):	2.51	PV/EBITDA 2002:	10.1
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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 12/31											
	26	20	46	4.22	193	1	195	32.44	0.00	0.59	19.20
2003	2.7	0.0	2.7	3.84	10.3	0.4	10.8	1.80	0.00	0.97	1.75
2004	2.4	0.3	2.7	3.69	9.9	0.4	10.3	1.72		0.92	1.58
2005	2.2	0.5	2.7	3.57	9.6	0.3	9.9	1.65		0.87	1.44
2006	2.0	0.7	2.7	3.55	9.6	0.2	9.8	1.63		0.83	1.34
2007	1.8	0.9	2.7	3.63	9.8	0.1	9.9	1.65		0.78	1.29
2008	1.6	1.1	2.7	3.66	9.9	0.0	9.9	1.65		0.74	1.22
2009	1.4	1.3	2.7	3.75	10.1	0.0	10.1	1.69		0.70	1.18
2010	1.3	1.4	2.7	3.85	10.4	0.0	10.3	1.72		0.66	1.14
2011	1.2	1.5	2.7	3.94	10.6		10.6	1.77		0.63	1.11
2012	1.0	1.4	2.4	4.04	9.8		9.8	1.63		0.59	0.97
2013	0.9	1.2	2.2	4.14	9.0		9.0	1.51		0.56	0.85
2014	0.8	1.1	2.0	4.24	8.3		8.3	1.39		0.53	0.74
2015	0.8	1.0	1.8	4.35	7.7		7.7	1.28		0.50	0.64
2016	0.7	0.9	1.6	4.46	7.1		7.1	1.18		0.48	0.56
2017	0.6	0.8	1.4	4.57	6.5		6.5	1.09		0.45	0.49
2018	0.6	0.7	1.3	4.68	6.0		6.0	1.01		0.43	0.43
2019	0.5	0.7	1.2	4.80	5.6		5.6	0.93		0.40	0.37
2020	0.4	0.6	1.0	4.92	5.1		5.1	0.86		0.38	0.33
2021	0.4	0.5	0.9	5.04	4.7		4.7	0.79		0.36	0.29
2022	0.4	0.5	0.8	5.16	4.4		4.4	0.73		0.34	0.25
2023	0.3	0.4	0.8	5.29	4.0		4.0	0.67		0.32	0.22
2024	0.3	0.4	0.7	5.42	3.7		3.7	0.62		0.31	0.19
2025	0.3	0.4	0.6	5.56	3.4		3.4	0.57		0.29	0.17
2026	0.2	0.3	0.6	5.69	3.2		3.2	0.53		0.27	0.14
2027	0.2	0.3	0.5	5.84	2.9		2.9	0.49		0.26	0.13
2028	0.2	0.3	0.4	5.98	2.7		2.7	0.45		0.25	0.11
2029	0.2	0.2	0.4	6.13	2.5		2.5	0.41		0.23	0.10
2030	0.2	0.2	0.4	6.28	2.3		2.3	0.38		0.22	0.08
2031	0.1	0.2	0.3	6.44	2.1		2.1	0.35		0.21	0.07
2032	0.1	0.2	0.3	6.60	1.9		1.9	0.32		0.20	0.06

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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>Q4E</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>12/31/03</i>	<i>Twelve</i>
										<i>Months</i>
										<i>12/31/03</i>
Highlights										
Tax credit (\$mm)										
Per unit	0.03	0.02	0.03	0.03	0.10					
Distributable Income (\$mm)	1.80	1.72	2.49	2.49	8.52	2.82	2.71	2.58	2.66	10.77
Per unit	0.30	0.29	0.42	0.42	1.42	0.47	0.45	0.43	0.44	1.80
Units (millions)	6.0	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	0.75	2.99
Natural Gas (mmcf/d)	8.5	7.8	8.4	8.2	8.2	8.2	8.2	8.2	8.2	8.2
Days	92	90	91	92	365	92	90	91	92	365
Oil (mb)	83	82	82	82	330	81	78	80	79	318
Oil (mbd)	0.90	0.93	0.89	0.89	0.90	0.88	0.87	0.87	0.86	0.87
Days	92	89	92	92	365	92	89	92	92	365
Total (bcf)	1.28	1.20	1.26	1.25	4.98	1.24	1.20	1.22	1.23	4.90
Price										
Natural Gas (HH lagged three months)										
Henry Hub (\$/mmbtu)	2.41	2.53	3.38	3.21	2.88	4.10	4.14	3.88	3.89	4.00
Differential (\$/mmbtu)	(0.13)	(0.04)	0.33	0.13	0.07	0.16	0.17	0.16	0.16	0.16
CRT (\$/mcf)	2.54	2.57	3.05	3.08	2.81	3.94	3.97	3.72	3.74	3.84
Oil (\$/bbl) (WTI lagged two months)										
WTI Cushing	19.56	23.80	26.49	28.96	24.70	26.68	26.43	25.49	26.68	26.32
CRT	17.28	20.50	24.79	26.96	22.37	24.68	24.43	23.49	24.68	24.32
Total (\$/mcf)	2.67	2.92	3.47	3.64	3.18	4.01	4.01	3.80	3.88	3.92
Revenue (\$mm)										
Natural Gas	1.98	1.82	2.33	2.32	8.46	2.97	2.93	2.78	2.82	11.50
Oil	1.44	1.69	2.03	2.21	7.37	2.00	1.90	1.87	1.95	7.72
Total	3.42	3.50	4.37	4.54	15.83	4.98	4.83	4.65	4.76	19.22
Cost (\$mm)										
Tax, transport & other	0.34	0.51	0.60	0.64	2.09	0.70	0.68	0.65	0.67	2.69
Production	0.75	0.72	0.79	0.79	3.05	0.79	0.79	0.79	0.79	3.16
Total	1.09	1.23	1.40	1.43	5.14	1.49	1.47	1.44	1.46	5.85
Cash flow (\$mm)										
Development	0.28	0.14	0.08	0.20	0.71	0.20	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	3.29	3.16	3.01	3.11	12.56
Royalty income (\$mm)										
Royalty/Net proceeds	89%	88%	87%	87%	88%	87%	87%	87%	87%	87%
Administration	0.08	0.09	0.04	0.04	0.24	0.04	0.04	0.04	0.04	0.16
Distributable income (\$mm)										
	1.80	1.72	2.49	2.49	8.52	2.82	2.71	2.58	2.66	10.77
<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	0.14

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Table HGT-1
Hugoton Royalty Trust
Present Value

Volume Decline (%/yr):	10	Price Escalation Post 2008 (%/yr):	2.5
Volume Enhancement (%/yr):	10	Discount rate (%/yr):	6.3
Capex/Cash Flow (%):	30	U.S. TIPS Inflation (%/yr):	1.7
Variable Cost (%):	17	U.S. 10 Year Yield (%/yr):	4.3
PV/Volume (\$/mcf):	1.25	PV/EBITDA 2002:	8.7

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 12/31													
	274	212	486	4.10	1992	380	339	196	1077	26.93	0.00	0.56	15.20
2003	28.8	0.0	28.8	3.43	99.0	12.7	16.8	19.6	49.9	1.25	0.00	0.97	1.21
2004	25.9	2.9	28.8	3.61	103.9	12.7	17.7	22.1	51.5	1.29		0.91	1.18
2005	23.3	5.5	28.8	3.49	100.5	12.7	17.1	21.2	49.5	1.24		0.86	1.06
2006	20.9	7.8	28.7	3.48	99.9	12.7	17.0	21.1	49.2	1.23		0.81	0.99
2007	18.8	9.9	28.7	3.55	101.9	12.7	17.3	21.6	50.3	1.26		0.76	0.96
2008	16.9	11.8	28.7	3.59	102.9	12.7	17.5	21.8	50.9	1.27		0.72	0.91
2009	15.2	13.4	28.6	3.68	105.3	12.7	17.9	22.4	52.3	1.31		0.67	0.88
2010	13.7	14.9	28.6	3.77	107.8	12.7	18.3	23.0	53.8	1.34		0.63	0.85
2011	12.3	16.3	28.6	3.86	110.4	12.7	18.8	23.7	55.3	1.38		0.60	0.83
2012	11.1	14.6	25.7	3.96	101.7	12.7	17.3		71.7	1.79		0.56	1.01
2013	9.9	13.2	23.1	4.05	93.7	12.7	15.9		65.1	1.63		0.53	0.86
2014	8.9	11.8	20.8	4.15	86.3	12.7	14.7		59.0	1.47		0.50	0.73
2015	8.0	10.6	18.7	4.26	79.5	12.7	13.5		53.3	1.33		0.47	0.62
2016	7.2	9.6	16.8	4.36	73.3	12.7	12.5		48.1	1.20		0.44	0.53
2017	6.5	8.6	15.1	4.47	67.5	12.7	11.5		43.3	1.08		0.42	0.45
2018	5.8	7.7	13.6	4.58	62.2	12.7	10.6		38.9	0.97		0.39	0.38
2019	5.2	7.0	12.2	4.70	57.3	12.7	9.7		34.9	0.87		0.37	0.32
2020	4.7	6.2	11.0	4.81	52.8	12.7	9.0		31.1	0.78		0.35	0.27
2021	4.2	5.6	9.9	4.93	48.6	12.7	8.3		27.7	0.69		0.33	0.23
2022	3.8	5.1	8.9	5.05	44.8	12.7	7.6		24.5	0.61		0.31	0.19
2023	3.4	4.5	8.0	5.18	41.3	12.7	7.0		21.6	0.54		0.29	0.16
2024	3.1	4.1	7.2	5.31	38.0	12.7	6.5		18.9	0.47		0.27	0.13
2025	2.8	3.7	6.4	5.44	35.0	12.7	6.0		16.4	0.41		0.26	0.10
2026	2.5	3.3	5.8	5.57	32.3	12.7	5.5		14.1	0.35		0.24	0.08
2027	2.2	3.0	5.2	5.71	29.7	12.7	5.1		12.0	0.30		0.23	0.07
2028	2.0	2.7	4.7	5.85	27.4	12.7	4.7		10.1	0.25		0.21	0.05
2029	1.8	2.4	4.2	6.00	25.2	12.7	4.3		8.3	0.21		0.20	0.04
2030	1.6	2.2	3.8	6.15	23.2	12.7	4.0		6.6	0.17		0.19	0.03
2031	1.5	1.9	3.4	6.30	21.4	12.7	3.6		5.1	0.13		0.18	0.02
2032	1.3	1.7	3.1	6.46	19.7	12.7	3.4		3.7	0.09		0.17	0.02

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Table HGT-2
Hugoton Royalty Trust
Distributable Income

	Q1	Q2	Q3	Q4E	Year	Q1E	Q2E	Q3E	Q4E	Next Twelve Months
	3/31/02	6/30/02	9/30/02	12/31/02	2002E	3/31/03	6/30/03	9/30/03	12/31/03	12/31/03
Highlights										
Revenue (\$mm) (80%)	18.5	16.5	19.7	20.4	75.1	25.9	24.5	24.3	24.4	99.0
Cash flow (\$mm) (80%)	12.0	10.1	13.2	13.5	49.0	18.5	17.3	17.0	17.1	69.8
Per unit	0.30	0.25	0.33	0.34	1.22	0.46	0.43	0.42	0.43	1.75
Tax credit (\$mm)	0.2	0.2	0.2	0.2	0.7					
Per unit	0.00	0.00	0.00	0.00	0.02					
Distributable Income (\$mm)	7.4	5.3	8.6	9.1	30.5	14.2	12.0	11.8	11.9	49.9
Per unit	0.18	0.13	0.22	0.23	0.76	0.36	0.30	0.30	0.30	1.25
Units (millions)	40.0	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	34.5	8.6	8.3	8.6	8.6	33.9
Natural Gas (mmcf)	98.1	93.1	93.4	93.0	94.4	93.0	93.0	93.0	93.0	93.0
Days	92	89	92	92	365	92	89	92	92	365
Oil (mb)	90	88	90	90	358	89	85	87	86	346
Oil (mbd)	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.9	0.9	0.9
Days	92	89	92	92	365	92	89	92	92	365
Total (bcf)	9.6	8.8	9.1	9.1	36.6	9.1	8.8	9.1	9.1	36.0
Price										
Natural Gas (HH lagged two months)										
Henry Hub (\$/mmbtu)	2.34	2.92	3.23	3.59	3.02	4.13	4.04	3.87	3.90	3.98
Differential (\$/mmbtu)	(0.03)	0.67	0.64	0.91	0.55	0.62	0.61	0.58	0.58	0.60
HGT (\$/mcf)	2.38	2.25	2.60	2.68	2.48	3.51	3.43	3.29	3.31	3.39
Oil (\$/bbl) (WTI Cushing lagged two months)										
WTI Cushing	19.56	23.80	26.49	28.96	24.70	26.68	26.43	25.49	24.67	25.82
HGT	18.80	22.27	25.84	28.46	23.85	26.18	25.93	24.99	24.17	25.32
Total (\$/mcf)	2.42	2.33	2.70	2.80	2.56	3.56	3.48	3.34	3.36	3.43
Revenue (\$mm)										
Natural Gas	21.5	18.6	22.3	22.9	85.3	30.1	28.4	28.2	28.4	115.0
Oil	1.7	2.0	2.3	2.5	8.5	2.3	2.2	2.2	2.1	8.8
Total	23.2	20.6	24.6	25.5	93.9	32.4	30.6	30.3	30.4	123.7
Cost (\$mm)										
Tax, transport & other										
Production	4.4	4.0	3.8	4.0	16.2	4.0	3.9	4.0	4.0	15.9
Overhead	2.0	2.0	2.1	2.1	8.1	2.1	2.1	2.1	2.1	8.2
Total	8.1	7.9	8.1	8.6	32.7	9.3	9.0	9.1	9.1	36.5
Cash flow (\$mm)										
Development	5.8	5.8	5.8	5.4	22.7	5.2	6.5	6.4	6.4	24.4
Net proceeds (\$mm)										
	9.3	6.9	10.7	11.5	38.5	17.9	15.1	14.9	14.9	62.8
Royalty income (\$mm)										
Royalty/Net proceeds	80%	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	0.1	0.3
Distributable income (\$mm)										
	7.4	5.3	8.6	9.1	30.5	14.2	12.0	11.8	11.9	49.9
<i>Cost ratios</i>										
Tax and other/revenue	7%	9%	9%	10%	9%	10%	10%	10%	10%	10%
Production cost (\$/mcf)	0.46	0.46	0.42	0.43	0.44	0.44	0.44	0.44	0.44	0.44
Overhead cost (\$/mcf)	0.21	0.23	0.23	0.23	0.22	0.23	0.23	0.23	0.23	0.23
Development/Cash flow	0.38	0.46	0.35	0.32	0.37	0.22	0.30	0.30	0.30	0.28

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Natural Gas Royalty Trusts

A Weekly Analysis

December 2, 2002

Table SJT-1
San Juan Basin Royalty Trust
Present Value

Volume Decline (%/yr):	11	Price Escalation Post 2008 (%/yr):	2.5
Volume Enhancement (%/yr):	10	Discount rate (%/yr):	6.3
Capex/Cash Flow (%):	25	U.S. TIPS Inflation (%/yr):	1.7
Variable Cost (%):	12	U.S. 10 Year Yield (%/yr):	4.3
PV/Volume (\$/mcf):	1.30	PV/EBITDA 2002:	8.4

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 12/31													
	319	244	563	3.73	2103	389	252	195	1267	27.19	0.00	0.58	15.70
2003	34.9	0.0	34.9	3.20	111.6	11.6	13.4	21.8	64.7	1.39	0.00	0.97	1.35
2004	31.2	3.5	34.7	3.30	114.5	13.0	13.7	21.9	65.8	1.41		0.91	1.29
2005	27.9	6.6	34.5	3.19	110.2	13.0	13.2	21.0	63.0	1.35		0.86	1.16
2006	25.0	9.4	34.3	3.18	109.1	13.0	13.1	20.8	62.3	1.34		0.81	1.08
2007	22.3	11.8	34.1	3.24	110.8	13.0	13.3	21.1	63.4	1.36		0.76	1.04
2008	20.0	14.0	34.0	3.28	111.3	13.0	13.4	21.2	63.7	1.37		0.72	0.98
2009	17.9	15.9	33.8	3.36	113.5	13.0	13.6	21.7	65.1	1.40		0.67	0.94
2010	16.0	17.6	33.6	3.44	115.6	13.0	13.9	22.2	66.6	1.43		0.63	0.91
2011	14.3	19.1	33.4	3.53	117.9	13.0	14.1	22.7	68.0	1.46		0.60	0.87
2012	12.8	17.1	29.9	3.62	108.0	13.0	13.0		82.1	1.76		0.56	0.99
2013	11.4	15.3	26.7	3.71	99.0	13.0	11.9		74.1	1.59		0.53	0.84
2014	10.2	13.7	23.9	3.80	90.8	13.0	10.9		66.9	1.44		0.50	0.71
2015	9.2	12.2	21.4	3.89	83.2	13.0	10.0		60.2	1.29		0.47	0.61
2016	8.2	10.9	19.1	3.99	76.3	13.0	9.2		54.1	1.16		0.44	0.51
2017	7.3	9.8	17.1	4.09	69.9	13.0	8.4		48.5	1.04		0.42	0.43
2018	6.6	8.7	15.3	4.19	64.1	13.0	7.7		43.4	0.93		0.39	0.36
2019	5.9	7.8	13.7	4.29	58.8	13.0	7.1		38.7	0.83		0.37	0.31
2020	5.2	7.0	12.2	4.40	53.9	13.0	6.5		34.4	0.74		0.35	0.26
2021	4.7	6.3	11.0	4.51	49.4	13.0	5.9		30.5	0.65		0.33	0.21
2022	4.2	5.6	9.8	4.62	45.3	13.0	5.4		26.8	0.58		0.31	0.18
2023	3.8	5.0	8.8	4.73	41.5	13.0	5.0		23.5	0.50		0.29	0.15
2024	3.4	4.5	7.8	4.85	38.0	13.0	4.6		20.5	0.44		0.27	0.12
2025	3.0	4.0	7.0	4.97	34.9	13.0	4.2		17.7	0.38		0.26	0.10
2026	2.7	3.6	6.3	5.10	32.0	13.0	3.8		15.1	0.32		0.24	0.08
2027	2.4	3.2	5.6	5.22	29.3	13.0	3.5		12.8	0.27		0.23	0.06
2028	2.2	2.9	5.0	5.35	26.9	13.0	3.2		10.6	0.23		0.21	0.05
2029	1.9	2.6	4.5	5.48	24.6	13.0	3.0		8.7	0.19		0.20	0.04
2030	1.7	2.3	4.0	5.62	22.6	13.0	2.7		6.9	0.15		0.19	0.03
2031	1.5	2.1	3.6	5.76	20.7	13.0	2.5		5.2	0.11		0.18	0.02
2032	1.4	1.8	3.2	5.90	19.0	13.0	2.3		3.7	0.08		0.17	0.01

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Natural Gas Royalty Trusts

A Weekly Analysis

December 2, 2002

Table SJT-2
San Juan Basin Royalty Trust
Distributable Income

	Q1	Q2	Q3E	Q4E	Year	Q1E	Q2E	Q3E	Q4E	Next Twelve Months
	3/31/02	6/30/02	9/30/02	12/31/02	2002E	3/31/03	6/30/03	9/30/03	12/31/03	12/31/03
Highlights										
Revenue (\$mm) (75%)	19.2	18.6	20.8	21.5	80.1	29.2	27.6	27.4	27.5	111.6
Cash flow (\$mm) (75%)	14.1	14.1	16.1	16.4	60.7	23.0	21.6	21.3	21.5	87.4
Per unit	0.30	0.30	0.35	0.35	1.30	0.49	0.46	0.46	0.46	1.88
Tax credit (\$mm)	0.5	1.4	1.4	1.4	4.7					-
Per unit	0.01	0.03	0.03	0.03	0.10					-
Distributable Income (\$mm)	3.5	9.0	12.2	11.9	36.7	17.0	16.0	15.8	15.9	64.7
Per unit	0.08	0.19	0.26	0.26	0.79	0.37	0.34	0.34	0.34	1.39
Units (millions)	46.6	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	12.3	48.5	12.3	11.9	12.3	12.3	49.0
Heat Content(btu/cf)	1,092	1,077	970	1,068	1,051	1,068	1,068	1,068	1,068	1,068
Natural gas (bcf)	11.5	11.1	12.0	11.6	46.2	11.6	11.2	11.6	11.6	45.9
Natural Gas (mmcf)	124.7	125.1	130.4	125.6	126.5	125.6	125.6	125.6	125.6	125.6
Days	92	89	92	92	365	92	89	92	92	365
Oil (mb)	0.0	0.0	0.0	0.0	0.1	0.0	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	0.3
Total gas & oil (bcf)	11.6	11.3	12.2	11.7	46.8	11.7	11.3	11.7	11.7	46.5
Price										
Natural gas (\$/mmbtu) (Henry Hub lagged two months)										
Henry Hub (\$/mmbtu)	2.34	2.92	3.23	3.59	3.02	4.13	4.04	3.87	3.90	3.98
Differential (%)	14	31	32	25	29	25	25	25	25	25
Total	2.01	2.02	2.33	2.69	2.16	3.10	3.03	2.90	2.92	2.99
Natural gas (\$/mcf)	2.20	2.18	2.26	2.87	2.26	3.31	3.23	3.10	3.12	3.19
Oil (\$/bbl) (WTI Cushing lagged two months)										
WTI Cushing	19.56	23.80	26.49	28.96	24.70	26.68	26.43	25.49	24.67	25.82
SJT	15.78	19.14	22.49	24.96	20.86	22.68	22.43	21.49	20.67	21.81
Total gas & oil (\$/mcf)	2.20	2.19	2.28	2.44	2.28	3.32	3.24	3.11	3.13	3.20
Revenue (\$mm)										
Natural Gas	25.2	24.2	27.1	28.0	104.5	38.2	36.1	35.8	36.1	146.3
Oil	0.4	0.5	0.7	0.7	2.3	0.7	0.6	0.6	0.6	2.5
Total	25.6	24.8	27.8	28.7	106.8	38.9	36.8	36.5	36.7	148.8
Cost (\$mm)										
Severance tax	2.6	2.4	2.3	2.6	9.9	3.9	3.7	3.6	3.7	14.9
Operating	4.1	3.7	4.0	4.2	16.0	4.4	4.2	4.4	4.4	17.4
Total	6.7	6.0	6.3	6.8	25.9	8.3	7.9	8.0	8.1	32.3
Cash flow (\$mm)	18.8	18.8	21.5	21.8	80.9	30.6	28.8	28.4	28.6	116.5
Development	11.3	3.4	2.1	5.1	21.9	7.7	7.2	7.1	7.2	29.1
Net proceeds (\$mm)	7.5	15.4	19.4	16.8	59.0	23.0	21.6	21.3	21.5	87.4
Royalty income (\$mm)	5.6	11.5	14.5	12.6	44.3	17.2	16.2	16.0	16.1	65.5
Royalty/Net proceeds	75%	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	0.2	0.8
One-time	1.7	2.0	1.6		5.3					-
Distributable income (\$mm)	3.5	9.0	12.2	11.9	36.7	17.0	16.0	15.8	15.9	64.7
<i>Modeling ratios</i>										
Severance tax/revenue	10.2%	9.5%	8.4%	9.2%	9.3%	10.0%	10.0%	10.0%	10.0%	10.0%
Operating cost (\$/mcf)	0.36	0.32	0.33	0.36	0.34	0.37	0.37	0.37	0.37	0.37

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Natural Gas Royalty Trusts

A Weekly Analysis

December 2, 2002

Table SJT-3
San Juan Basin Royalty Trust
Monthly Declarations

	<i>Jul-02</i>	<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	0.08	0.10	0.12	0.04		
Projected						0.10	0.11
Volume							
Natural gas (mmbtu)	3.92	3.77	3.95	4.49	3.77	4.07	3.94
Heat Content(btu/cf)	1,081	807	1,068	1,084	1,064	1,054	1,054
Natural gas (bcf)	3.63	4.67	3.70	4.15	3.55	3.86	3.74
Natural Gas (mmcf)	117	156	119	134	118	125	125
Days	31	30	31	31	30	31	30
Price							
Natural gas industry quotes lagged two months (\$/mmbtu)							
Henry Hub Daily/Futures	3.49	3.22	2.99	3.09	3.55	4.12	4.03
San Juan Monthly Index	2.39	2.24	2.62	2.50	2.42	2.52	3.25
SJT/Henry Hub	0.65	0.75	0.78	0.74	0.55	0.62	0.70
SJT/San Juan Index	0.95	1.08	0.89	0.91	0.81	1.01	0.87
SJT (\$/mmbtu)	2.27	2.41	2.32	2.28	1.95	2.55	2.83
SJT (\$/mcf)	2.45	1.95	2.47	2.47	2.07	2.68	2.98
Revenue (\$mm)							
Natural Gas	8.9	9.1	9.1	10.2	7.3	10.4	11.1
Other	(0.0)	(0.2)	0.0	(0.1)	(0.0)	(0.0)	(0.0)
Cost (\$mm)							
Severance tax	0.6	0.8	0.9	0.9	0.7	1.0	1.1
Operating	1.1	1.6	1.3	1.1	1.8	1.3	1.3
Total	1.8	2.4	2.2	2.0	2.5	2.3	2.4
Cash flow (\$mm)	7.1	6.5	6.9	8.2	4.8	8.0	8.7
Development	0.7	1.0	0.5	1.0	2.1	2.0	2.0
Net proceeds (\$mm)	6.4	5.5	6.5	7.2	2.7	6.0	6.7
Royalty income (\$mm)	4.8	4.1	4.9	5.4	2.0	4.5	5.0
Royalty/Net proceeds	75%	75%	75%	75%	75%	75%	75%
One time	1.0	0.6					
Distributable income (\$mm)	3.8	3.5	4.9	5.4	2.0	4.5	5.0
Units (millions)	46.6	46.6	46.6	46.6	46.6	46.6	46.6
Distribution (\$/unit)	0.08	0.08	0.10	0.12	0.04	0.10	0.11
<i>Latest Twelve Month Average</i>							
Heat Content(btu/cf)	1,091	1,059	1,059	1,057	1,054		
Natural Gas (mmcf)	121	124	123	125	125		
SJT/Henry Hub	0.73	0.73	0.73	0.74	0.71		
SJT/San Juan Index	0.85	0.87	0.87	0.87	0.86		
Other revenue	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)		
Operating	1.3	1.3	1.3	1.3	1.3		
Development	2.7	2.5	2.4	2.2	2.0		
Severance tax/revenue	10.2%	10.0%	9.8%	9.7%	9.6%		

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