

Natural Gas Royalty Trusts

A Weekly Analysis

February 20, 2003

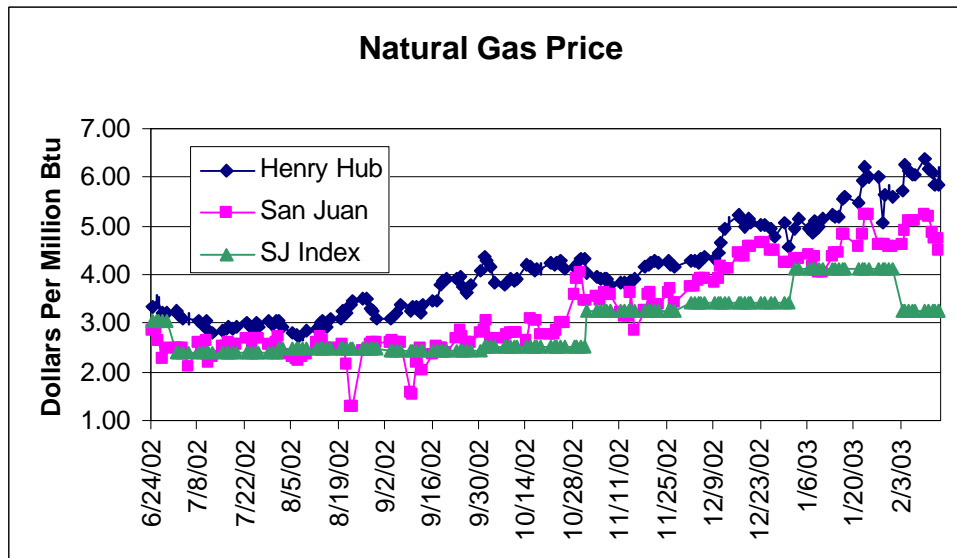
San Juan Basin Pricing Question

N.B. Since we wrote the paragraph below we have come to believe that the February index price in the San Juan Basin was more like \$4.58, which would be more reasonable than the \$3.25 we question below. KHW 2/24/03

Summary and Recommendation

There appears to be an as yet unexplained shortfall in the index price that may influence what some producers in the San Juan Basin receive for their natural gas this month. The difference for recommended **San Juan Basin Royalty Trust (SJT)** could be equivalent to about \$0.03 per unit of the expected April distribution or we may be mistaken. It looks like the monthly index should have been near \$4.50 per million btu rather than \$3.25 as reported by Bloomberg (see Chart). We will know in two months whether the distribution to be declared is shy as a result of a possibly faulty index price. We believe that if there is a problem there may be a remedy and it need not recur indefinitely. Meanwhile aside from the question we raise here, most of the signs for natural gas value are positive and we believe that owners of SJT will share in the long-term value of the clean energy resource. We attach tables of details for each of the three royalty trusts in our coverage this week as we incorporate latest distributions, roll our projections ahead by a quarter and make some adjustments that tend to offset some of the strong commodity price and interest rate trends.

Kurt H. Wulff, CFA



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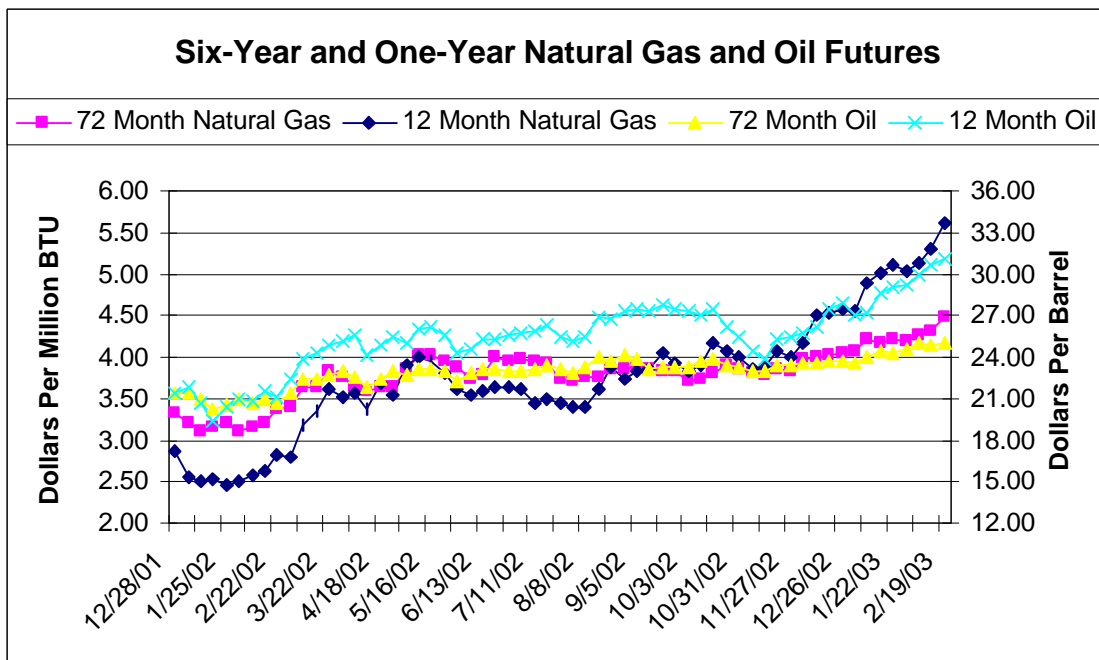
February 20, 2003

Natural Gas and Oil Futures

February 19, 2003

	2004	2005	2006	2007	2008	2009	Six Year
Natural Gas (\$/mmbtu)							
Year ending February	5.62	4.63	4.17	4.07	4.15	4.16	4.47
Light Sweet Crude Oil (\$/bbl)							
Year ending February	31.06	25.03	23.64	23.44	23.29	23.21	24.95
Natural Gas/Oil (6:1 = 1.0)							
Year ending February	1.08	1.11	1.06	1.04	1.07	1.08	1.07

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



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Table MEII-1
McDep Energy Income Ideas
Dividends, Debt and McDep Ratio

	Symbol/ Rating	Price (\$/sh) 19-Feb 2003	Shares (mm)	Market Cap (\$mm)	Div or Distrib. NTM (%)	Debt/ Present Value	McDep Ratio	
High Greed Partnerships								
El Paso Energy Partners	EPN	S	30.25	57.0	1,720	8.9	0.64	2.57
Kinder Morgan Energy Partners, L.P.	KMP	S	35.16	141	4,960	7.1	0.47	1.79
Enbridge Energy Partners, L.P.	EEP	S	44.90	35.0	1,570	8.0	0.64	1.73
Kinder Morgan Management, LLC	KMR	S	30.90	39.5	1,220	8.1	0.47	1.64
Plains All Amer. Pipeline	PAA		25.70	50.0	1,290	8.4	0.49	1.62
Enbridge Energy Management, L.L.C	EEQ	S	38.90	9.0	350	9.3	0.64	1.59
Northern Border Partners	NBP		37.46	44.0	1,650	8.5	0.62	1.31
TEPPCO Partners, L.P.	TPP		29.76	50.0	1,490	8.1	0.56	1.30
Penn Virginia Res. Part, L.P.	PVR		23.23	15.3	360	8.6	-	1.29
AmeriGas Partners, L.P.	APU		24.43	49.4	1,210	9.0	0.51	1.16
Alliance Res. Part, L.P.	ARLP		22.55	15.9	360	8.9	0.45	1.07
<i>Total or Median</i>					16,200	8.5	0.51	1.59
U.S. Master Limiter Partnerships								
Enterprise Products Part (16%)	EPD		19.10	29	540	7.2	0.63	1.67
Dorchester Minerals, L.P.	DMLP		13.67	27.0	369	11.5	-	1.18
Canadian Royalty Trusts								
Provident Energy Trust	PVX		7.33	63.5	470	19.6	0.24	1.35
Pengrowth Energy Trust	PGH		9.82	110.0	1,080	15.4	0.19	1.03
Enerplus Resources Fund	ERF		18.14	75.0	1,360	12.9	0.16	1.01
Canadian Oil Sands Trust (US\$)	COS_u.TO	B	23.28	57.3	1,330	5.5	0.13	0.63
<i>Total or Median</i>					4,200	14.1	0.17	1.02
U.S. Natural Gas Royalty Trusts								
Cross Timbers Royalty Trust	CRT		19.09	6.0	115	12.5	-	0.93
Hugoton Royalty Trust (46%)	HGT		14.03	18.4	260	13.4	-	0.82
San Juan Basin Royalty Trust	SJT	B	14.29	46.6	670	13.7	-	0.81
<i>Total or Median</i>					1,050	13.4	-	0.82
Additional McDep Recommendations								
PetroChina Company Ltd (10%)	PTR	B	20.72	176	3,600	6.1	0.17	0.74
Marathon Oil Corporation	MRO	B	22.08	310	6,800	4.2	0.37	0.72
Royal Dutch/Shell	RD	B	39.56	3,481	137,700	4.3	0.15	0.71
ChevronTexaco Corporation	CVX	B	64.41	1,062	68,400	4.3	0.17	0.70
<i>Total or Median</i>					217,000	4.3	0.17	0.71

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

NTM = Next Twelve Months Ended December 31, 2003

McDep Ratio = Market cap and Debt to present value of oil and gas and other businesses

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Table MEII-2
McDep Energy Income Ideas
Distribution Validity, Fees and Cash flow Multiples

	<i>Symbol/</i>		<i>Price</i>	<i>Dist/</i>	<i>Mgt</i>	<i>Fin</i>	<i>EV/</i>	<i>PV/</i>
	<i>Rating</i>		<i>(\$/sh)</i>	<i>Equity</i>	<i>Fee</i>	<i>Fee</i>	<i>Ebitda</i>	<i>Ebitda</i>
			<i>19-Feb</i>	<i>Ebitda</i>	<i>(%)</i>	<i>(%)</i>	<i>NTM</i>	<i>NTM</i>
			<i>2003</i>					
High Greed Partnerships								
El Paso Energy Partners	EPN	S	30.25	4.3	71	6	23.1	9.0
Kinder Morgan Energy Partners, L.P.	KMP	S	35.16	1.5	46	6	15.6	8.7
Enbridge Energy Partners, L.P.	EEP	S	44.90	2.2	21	6	15.6	9.0
Plains All Amer. Pipeline	PAA		25.70	1.7	9	6	14.6	9.0
Enbridge Energy Management, L.L.C	EEQ	S	38.90	2.2	21	6	14.3	9.0
Kinder Morgan Management, LLC	KMR	S	30.90	1.5	46	6	14.2	8.7
Northern Border Partners	NBP		37.46	1.4	8	6	11.8	9.0
TEPPCO Partners, L.P.	TPP		29.76	1.2	25	6	11.7	9.0
Penn Virginia Res. Part, L.P.	PVR		23.23	1.0	2	8	11.1	8.6
AmeriGas Partners, L.P.	APU		24.43	1.1	1	6	10.5	9.0
Alliance Res. Part, L.P.	ARLP		22.55	0.7	2	8	7.5	7.0
		<i>Median</i>					<i>14.2</i>	<i>9.0</i>
U.S. Master Limiter Partnerships								
Enterprise Products Part (16%)	EPD		19.10	1.8	10	6	15.0	9.0
Dorchester Minerals, L.P.	DMLP		13.67	0.9	3		7.8	6.6
Canadian Royalty Trusts								
Canadian Oil Sands Trust (US\$)	COS_u.TO	B	23.28	0.4			7.1	11.2
Enerplus Resources Fund	ERF		18.14	0.8	10	6	6.5	6.5
Provident Energy Trust	PVX		7.33	1.3	20	8	6.1	4.5
Pengrowth Energy Trust	PGH		9.82	0.9	9	6	6.0	5.9
		<i>Median</i>					<i>6.3</i>	<i>6.2</i>
U.S. Natural Gas Royalty Trusts								
Cross Timbers Royalty Trust	CRT		19.09	0.9			7.6	8.1
San Juan Basin Royalty Trust	SJT	B	14.29	0.8			5.9	7.4
Hugoton RoyaltyTrust (46%)	HGT		14.03	0.8			5.7	7.0
Additional McDep Recommendations								
Royal Dutch/Shell	RD	B	39.56	0.2			6.1	8.6
ChevronTexaco Corporation	CVX	B	64.41	0.2			5.8	8.2
Marathon Oil Corporation	MRO	B	22.08	0.1			4.4	6.2
PetroChina Company Ltd (10%)	PTR	B	20.72	0.2			3.8	5.1
		<i>Median</i>					<i>5.1</i>	<i>7.2</i>

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**Table CRT-1
Cross Timbers Royalty Trust
Present Value**

Volume Decline (%/yr):	10	Price Escalation post 2008 (%/yr):	2.8
Volume Enhancement (%/yr):	10	Discount Rate (%/yr):	5.3
		U.S. TIPS Inflation (%/yr):	2.0
		U.S. 10 Year Yield (%/yr):	3.9

PV/Volume (\$/mcf):	3.00	PV/EBITDA 2004:	8.2
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Year	Natural Gas Volume			Price (\$/mcf)	Revenue (\$mm)	Oil			Disc Factor	Present Value (\$/unit)
	Basic (bcf)	Enhanced (bcf)	Total (bcf)			Net (\$mm)	Distribution (\$/unit)	Distribution (\$/unit)		
Total 2004 through 2030; years ending on 3/31										
	24	17	41	4.64	190	3	193	32.13	0.64	20.50
2004	2.6	0.0	2.6	5.05	13.1	1.3	14.4	2.39	0.97	2.33
2005	2.3	0.3	2.6	4.46	11.6	0.7	12.3	2.04	0.93	1.89
2006	2.1	0.5	2.6	3.99	10.4	0.4	10.7	1.79	0.88	1.57
2007	1.9	0.7	2.6	3.88	10.1	0.2	10.3	1.72	0.83	1.43
2008	1.7	0.9	2.6	3.93	10.2	0.2	10.4	1.73	0.79	1.37
2009	1.5	1.1	2.6	3.95	10.3	0.1	10.3	1.72	0.75	1.30
2010	1.4	1.2	2.6	4.06	10.5	0.0	10.6	1.76	0.72	1.26
2011	1.2	1.4	2.6	4.17	10.8	0.0	10.8	1.81	0.68	1.23
2012	1.1	1.2	2.3	4.29	10.0		10.0	1.67	0.65	1.08
2013	1.0	1.1	2.1	4.41	9.3		9.3	1.54	0.61	0.95
2014	0.9	1.0	1.9	4.53	8.6		8.6	1.43	0.58	0.83
2015	0.8	0.9	1.7	4.65	7.9		7.9	1.32	0.55	0.73
2016	0.7	0.8	1.5	4.78	7.3		7.3	1.22	0.53	0.64
2017	0.7	0.7	1.4	4.91	6.8		6.8	1.13	0.50	0.56
2018	0.6	0.6	1.2	5.05	6.3		6.3	1.04	0.47	0.49
2019	0.5	0.6	1.1	5.19	5.8		5.8	0.97	0.45	0.43
2020	0.5	0.5	1.0	5.33	5.4		5.4	0.89	0.43	0.38
2021	0.4	0.5	0.9	5.47	5.0		5.0	0.83	0.41	0.33
2022	0.4	0.4	0.8	5.63	4.6		4.6	0.76	0.39	0.29
2023	0.4	0.4	0.7	5.78	4.2		4.2	0.71	0.37	0.26
2024	0.3	0.3	0.7	5.94	3.9		3.9	0.65	0.35	0.23
2025	0.3	0.3	0.6	6.10	3.6		3.6	0.60	0.33	0.20
2026	0.3	0.3	0.5	6.27	3.4		3.4	0.56	0.31	0.18
2027	0.2	0.3	0.5	6.44	3.1		3.1	0.52	0.30	0.15
2028	0.2	0.2	0.4	6.62	2.9		2.9	0.48	0.28	0.14
2029	0.2	0.2	0.4	6.80	2.6		2.6	0.44	0.27	0.12
2030	0.2	0.2	0.4	6.99	2.4		2.4	0.41	0.26	0.10

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Table CRT-2
Cross Timbers Royalty Trust
Distributable Income

	Q2	Q3	Q4E	Year	Q1E	Q2E	Q3E	Q4E	Year	Q1E	Next Twelve Months
	6/30/02	9/30/02	12/31/02	2002E	3/31/03	6/30/03	9/30/03	12/31/03	2003E	3/31/04	3/31/04
Highlights											
Tax credit (\$mm)											
Per unit	0.02	0.03	0.03	0.10					-		
Distributable Income (\$mm)	1.72	2.49	2.80	8.82	2.88	3.90	3.68	3.46	13.93	3.31	14.36
Per unit	0.29	0.42	0.47	1.47	0.48	0.65	0.61	0.58	2.32	0.55	2.39
Units (millions)	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Volume											
Natural Gas (bcf)	0.71	0.77	0.75	3.01	0.73	0.71	0.72	0.73	2.88	0.73	2.88
Natural Gas (mmcf)	7.8	8.4	8.2	8.2	7.9	7.9	7.9	7.9	7.9	7.9	7.9
Days	90	91	92	365	92	90	91	92	365	92	365
Oil (mb)	82	82	82	330	81	78	80	79	318	78	314
Oil (mbd)	0.93	0.89	0.89	0.90	0.88	0.87	0.87	0.86	0.87	0.85	0.86
Days	89	92	92	365	92	89	92	92	365	92	365
Total (bcf)	1.20	1.26	1.25	4.98	1.21	1.18	1.20	1.20	4.79	1.20	4.77
Price											
Natural Gas (HH lagged three months)											
Henry Hub (\$/mmbtu)	2.53	3.38	3.21	2.88	4.30	5.88	5.68	5.47	5.33	5.43	5.61
Differential (\$/mmbtu)	(0.04)	0.33	0.13	0.07	0.43	0.59	0.57	0.55	0.54	0.54	0.56
CRT (\$/mcf)	2.57	3.05	3.08	2.81	3.87	5.29	5.11	4.92	4.79	4.89	5.05
Oil (\$/bbl) (WTI lagged two months)											
WTI Cushing	23.80	26.49	28.96	24.70	29.55	36.21	32.84	30.63	32.31	28.68	32.09
CRT	20.50	24.79	26.96	22.37	27.55	34.21	30.84	28.63	30.27	26.68	30.09
Total (\$/mcf)	2.92	3.47	3.64	3.18	4.16	5.45	5.12	4.86	4.89	4.72	5.04
Revenue (\$mm)											
Natural Gas	1.82	2.33	2.32	8.46	2.81	3.76	3.67	3.58	13.82	3.55	14.56
Oil	1.69	2.03	2.21	7.37	2.24	2.66	2.46	2.26	9.61	2.08	9.46
Total	3.50	4.37	4.54	15.83	5.05	6.42	6.13	5.83	23.44	5.64	24.02
Cost (\$mm)											
Tax, transport & other											
Production	0.72	0.79	0.79	3.05	0.79	0.79	0.79	0.79	3.16	0.79	3.16
Total	1.23	1.40	1.43	5.14	1.50	1.69	1.65	1.61	6.44	1.58	6.53
Cash flow (\$mm)											
Development	0.14	0.08	0.20	0.71	0.20	0.20	0.20	0.20	0.80	0.20	0.80
Excess or other	0.07		(0.48)	(0.48)					-		
Net proceeds (\$mm)	2.06	2.89	3.39	10.46	3.35	4.53	4.28	4.02	16.19	3.86	16.69
Royalty income (\$mm)											
Royalty/Net proceeds	88%	87%	87%	88%	87%	87%	87%	87%	87%	87%	87%
Administration	0.09	0.04	0.15	0.35	0.04	0.04	0.04	0.04	0.16	0.04	0.16
Distributable income (\$mm)	1.72	2.49	2.80	8.82	2.88	3.90	3.68	3.46	13.93	3.31	14.36
Modeling ratios											
Tax and other/revenue	0.15	0.14	0.14	0.13	0.14	0.14	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):	2.8
Volume Enhancement (%/yr):	10	Discount rate (%/yr):	5.9
Capex/Cash Flow (%):	30	U.S. TIPS Inflation (%/yr):	2.0
Variable Cost (%):	17	U.S. 10 Year Yield (%/yr):	3.9
PV/Volume (\$/mcf):	1.55	PV/EBITDA 2004:	7.0

Year	Basic (bcf)	Volume Enhanced (bcf)	Total (bcf)	Price (\$/mcf)	Revenue (\$mm)	Fixed Cost (\$mm)	Var Cost (\$mm)	Cap Ex (\$mm)	Distribution (\$mm)	(\$/unit)	Disc Factor	Present Value (\$/unit)
Total 2004 through 2030; years ending on 3/31												
	262	177	438	4.38	1919	269	326	189	1135	28.37	0.60	17.00
2004	28.0	0.0	28.0	4.62	129.3	10.0	22.0	22.3	75.0	1.88	0.97	1.82
2005	25.2	2.8	28.0	4.23	118.4	10.0	20.1	26.5	61.8	1.54	0.92	1.42
2006	22.6	5.3	28.0	3.78	105.8	10.0	18.0	23.3	54.5	1.36	0.87	1.18
2007	20.4	7.6	27.9	3.67	102.6	10.0	17.4	22.6	52.6	1.32	0.82	1.08
2008	18.3	9.6	27.9	3.73	104.0	10.0	17.7	22.9	53.5	1.34	0.77	1.03
2009	16.5	11.4	27.9	3.75	104.4	10.0	17.8	23.0	53.7	1.34	0.73	0.98
2010	14.8	13.1	27.9	3.85	107.2	10.0	18.2	23.7	55.3	1.38	0.69	0.95
2011	13.3	14.5	27.8	3.95	110.0	10.0	18.7	24.4	56.9	1.42	0.65	0.93
2012	12.0	13.1	25.0	4.06	101.6	10.0	17.3		74.4	1.86	0.61	1.14
2013	10.7	11.7	22.5	4.17	93.9	10.0	16.0		68.0	1.70	0.58	0.99
2014	9.7	10.6	20.2	4.29	86.7	10.0	14.7		62.0	1.55	0.55	0.85
2015	8.7	9.5	18.2	4.41	80.1	10.0	13.6		56.5	1.41	0.52	0.73
2016	7.8	8.5	16.3	4.53	74.0	10.0	12.6		51.4	1.29	0.49	0.63
2017	7.0	7.7	14.7	4.65	68.4	10.0	11.6		46.8	1.17	0.46	0.54
2018	6.3	6.9	13.2	4.78	63.1	10.0	10.7		42.4	1.06	0.44	0.46
2019	5.7	6.2	11.9	4.91	58.3	10.0	9.9		38.4	0.96	0.41	0.40
2020	5.1	5.6	10.7	5.05	53.9	10.0	9.2		34.7	0.87	0.39	0.34
2021	4.6	5.0	9.6	5.19	49.8	10.0	8.5		31.3	0.78	0.37	0.29
2022	4.1	4.5	8.6	5.33	46.0	10.0	7.8		28.2	0.70	0.35	0.24
2023	3.7	4.0	7.8	5.48	42.5	10.0	7.2		25.3	0.63	0.33	0.21
2024	3.3	3.6	7.0	5.63	39.2	10.0	6.7		22.6	0.56	0.31	0.17
2025	3.0	3.3	6.3	5.78	36.2	10.0	6.2		20.1	0.50	0.29	0.15
2026	2.7	2.9	5.6	5.94	33.5	10.0	5.7		17.8	0.45	0.28	0.12
2027	2.4	2.6	5.1	6.10	30.9	10.0	5.3		15.7	0.39	0.26	0.10
2028	2.2	2.4	4.6	6.27	28.6	10.0	4.9		13.7	0.34	0.25	0.08
2029	2.0	2.1	4.1	6.44	26.4	10.0	4.5		11.9	0.30	0.23	0.07
2030	1.8	1.9	3.7	6.62	24.4	10.0	4.1		10.3	0.26	0.22	0.06

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Natural Gas Royalty Trusts

A Weekly Analysis

February 20, 2003

Table HGT-2
Hugoton Royalty Trust
Distributable Income

	Q2	Q3	Q4E	Year	Q1E	Q2E	Q3E	Q4E	Year	Q1E	Next Twelve Months
	6/30/02	9/30/02	12/31/02	2002E	3/31/03	6/30/03	9/30/03	12/31/03	2003E	3/31/04	3/31/04
Highlights											
Revenue (\$mm) (80%)	16.5	19.7	19.0	73.7	27.9	35.4	33.5	32.5	129.3	33.8	135.3
Cash flow (\$mm) (80%)	10.1	13.2	12.8	48.3	20.3	27.3	25.5	24.6	97.7	25.8	103.2
Per unit	0.25	0.33	0.32	1.21	0.51	0.68	0.64	0.62	2.44	0.65	2.58
Tax credit (\$mm)	0.2	0.2	0.2	0.7							
Per unit	0.00	0.00	0.00	0.02							
Distributable Income (\$mm)	5.3	8.6	8.3	29.6	17.2	20.4	19.0	18.4	75.0	19.3	77.1
Per unit	0.13	0.22	0.21	0.74	0.43	0.51	0.48	0.46	1.88	0.48	1.93
Units (millions)	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
Volume											
Natural Gas (bcf)	8.3	8.6	8.4	34.3	8.3	8.0	8.3	8.3	32.9	8.3	32.9
Natural Gas (mmcf)	93.1	93.4	91.4	94.0	90.3	90.3	90.3	90.3	90.3	90.3	90.3
Days	89	92	92	365	92	89	92	92	365	92	365
Oil (mb)	88	90	90	358	89	85	87	86	346	86	344
Oil (mbd)	1.0	1.0	1.0	1.0	1.0	1.0	0.9	0.9	0.9	0.9	0.9
Days	89	92	92	365	92	89	92	92	365	92	365
Total (bcf)	8.8	9.1	8.9	36.5	8.8	8.5	8.8	8.8	35.0	8.8	35.0
Price											
Natural Gas (HH lagged two months)											
Henry Hub (\$/mmbtu)	2.92	3.23	3.59	3.02	4.73	6.04	5.53	5.40	5.43	5.65	5.66
Differential (\$/mmbtu)	0.67	0.64	1.06	0.58	0.84	0.91	0.83	0.81	0.85	0.85	0.85
HGT (\$/mcf)	2.25	2.60	2.52	2.44	3.89	5.13	4.70	4.59	4.57	4.80	4.80
Oil (\$/bbl) (WTI Cushing lagged two months)											
WTI Cushing	23.80	26.49	28.96	24.70	29.55	36.21	32.84	29.82	32.10	28.22	31.77
HGT	22.27	25.84	28.46	23.85	29.05	35.71	32.34	29.32	31.57	27.72	31.26
Total (\$/mcf)	2.33	2.70	2.66	2.53	3.95	5.18	4.74	4.61	4.62	4.79	4.83
Revenue (\$mm)											
Natural Gas	18.6	22.3	21.2	83.6	32.3	41.3	39.1	38.1	150.7	39.9	158.3
Oil	2.0	2.3	2.5	8.5	2.6	3.0	2.8	2.5	10.9	2.4	10.8
Total	20.6	24.6	23.8	92.2	34.9	44.3	41.9	40.6	161.7	42.3	169.1
Cost (\$mm)											
Tax, transport & other	1.9	2.2	2.4	8.2	3.5	4.4	4.2	4.1	16.2	4.2	16.9
Production	4.0	3.8	3.9	16.1	4.1	3.8	3.9	3.9	15.7	3.9	15.4
Overhead	2.0	2.1	1.5	7.6	1.9	1.9	1.9	1.9	7.7	1.9	7.7
Total	7.9	8.1	7.7	31.8	9.6	10.1	10.0	9.9	39.5	10.0	40.0
Cash flow (\$mm)	12.7	16.5	16.1	60.3	25.3	34.2	31.9	30.8	122.1	32.3	129.0
Development	5.8	5.8	5.4	22.7	3.7	8.5	8.0	7.7	27.9	8.1	32.3
Net proceeds (\$mm)	6.9	10.7	10.7	37.6	21.6	25.6	23.9	23.1	94.2	24.2	96.8
Royalty income (\$mm)	5.5	8.6	8.5	30.1	17.3	20.5	19.1	18.5	75.4	19.4	77.4
Royalty/Net proceeds	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%
Administration	0.2	(0.0)	0.3	0.5	0.1	0.1	0.1	0.1	0.3	0.1	0.3
Distributable income (\$mm)	5.3	8.6	8.3	29.6	17.2	20.4	19.0	18.4	75.0	19.3	77.1
Cost ratios											
Tax and other/revenue	9%	9%	10%	9%	10%	10%	10%	10%	10%	10%	10%
Production cost (\$/mcf)	0.46	0.42	0.43	0.44	0.47	0.44	0.44	0.44	0.45	0.44	0.44
Overhead cost (\$/mcf)	0.23	0.23	0.17	0.21	0.22	0.23	0.22	0.22	0.22	0.22	0.22
Development/Cash flow	0.46	0.35	0.34	0.38	0.15	0.25	0.25	0.25	0.23	0.25	0.25

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Natural Gas Royalty Trusts

A Weekly Analysis

February 20, 2003

Table SJT-1
San Juan Basin Royalty Trust
Present Value

Volume Decline (%/yr):	11	Price Escalation Post 2008 (%/yr):	2.8
Volume Enhancement (%/yr):	10	Discount rate (%/yr):	5.9
Capex/Cash Flow (%):	25	U.S. TIPS Inflation (%/yr):	2.0
Variable Cost (%):	12	U.S. 10 Year Yield (%/yr):	3.9
PV/Volume (\$/mcf):	1.58	PV/EBITDA 2004:	7.5

Year	Basic (bcf)	Volume Enhanced (bcf)	Total (bcf)	Price (\$/mcf)	Revenue (\$mm)	Fixed Cost (\$mm)	Var Cost (\$mm)	Cap Ex (\$mm)	Distribution (\$mm)	(\$/unit)	Disc Factor	Present Value (\$/unit)
Total 2004 through 2030; years ending on 3/31												
	313	208	521	4.09	2132	350	256	186	1340	28.76	0.62	17.70
2004	34.9	0.0	34.9	3.95	137.7	11.7	16.5	18.0	91.5	1.96	0.97	1.91
2005	31.2	3.5	34.6	3.99	138.3	13.0	16.6	27.2	81.6	1.75	0.92	1.61
2006	27.9	6.6	34.4	3.57	123.0	13.0	14.8	23.8	71.4	1.53	0.87	1.33
2007	24.9	9.3	34.2	3.47	118.7	13.0	14.2	22.9	68.6	1.47	0.82	1.20
2008	22.3	11.8	34.0	3.52	119.8	13.0	14.4	23.1	69.3	1.49	0.77	1.15
2009	19.9	13.9	33.8	3.54	119.6	13.0	14.4	23.1	69.2	1.49	0.73	1.08
2010	17.8	15.8	33.6	3.63	122.2	13.0	14.7	23.6	70.9	1.52	0.69	1.05
2011	15.9	17.5	33.4	3.73	124.8	13.0	15.0	24.2	72.6	1.56	0.65	1.01
2012	14.2	15.7	29.9	3.84	114.6	13.0	13.8		87.9	1.89	0.61	1.16
2013	12.7	14.0	26.7	3.94	105.3	13.0	12.6		79.7	1.71	0.58	0.99
2014	11.4	12.5	23.9	4.05	96.7	13.0	11.6		72.1	1.55	0.55	0.85
2015	10.2	11.2	21.3	4.16	88.8	13.0	10.7		65.2	1.40	0.52	0.72
2016	9.1	10.0	19.1	4.28	81.6	13.0	9.8		58.8	1.26	0.49	0.62
2017	8.1	8.9	17.1	4.39	75.0	13.0	9.0		53.0	1.14	0.46	0.52
2018	7.3	8.0	15.3	4.52	68.9	13.0	8.3		47.6	1.02	0.44	0.45
2019	6.5	7.1	13.6	4.64	63.3	13.0	7.6		42.7	0.92	0.41	0.38
2020	5.8	6.4	12.2	4.77	58.1	13.0	7.0		38.1	0.82	0.39	0.32
2021	5.2	5.7	10.9	4.90	53.4	13.0	6.4		34.0	0.73	0.37	0.27
2022	4.6	5.1	9.7	5.03	49.0	13.0	5.9		30.1	0.65	0.35	0.22
2023	4.1	4.6	8.7	5.17	45.0	13.0	5.4		26.6	0.57	0.33	0.19
2024	3.7	4.1	7.8	5.31	41.4	13.0	5.0		23.4	0.50	0.31	0.16
2025	3.3	3.6	7.0	5.46	38.0	13.0	4.6		20.4	0.44	0.29	0.13
2026	3.0	3.3	6.2	5.61	34.9	13.0	4.2		17.7	0.38	0.28	0.10
2027	2.6	2.9	5.6	5.76	32.1	13.0	3.8		15.2	0.33	0.26	0.09
2028	2.4	2.6	5.0	5.92	29.5	13.0	3.5		12.9	0.28	0.25	0.07
2029	2.1	2.3	4.4	6.09	27.1	13.0	3.2		10.8	0.23	0.23	0.05
2030	1.9	2.1	4.0	6.25	24.9	13.0	3.0		8.9	0.19	0.22	0.04

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Natural Gas Royalty Trusts

A Weekly Analysis

February 20, 2003

Table SJT-2
San Juan Basin Royalty Trust
Distributable Income

	Q2	Q3	Q4E	Year	Q1E	Q2E	Q3E	Q4E	Year	Q1E	Next	
	6/30/02	9/30/02	12/31/02	2002E	3/31/03	6/30/03	9/30/03	12/31/03	2003E	3/31/04	Twelve	
											Months	
											3/31/04	
Highlights												
Revenue (\$mm) (75%)	18.6	20.7	20.4	78.9	30.0	35.9	34.0	33.1	133.1	34.7	137.7	
Cash flow (\$mm) (75%)	14.1	16.0	15.5	59.7	24.0	29.5	27.6	26.8	107.8	28.2	112.0	
Per unit	0.30	0.34	0.33	1.28	0.51	0.63	0.59	0.57	2.31	0.60	2.40	
Tax credit (\$mm)	1.4	1.9	1.9	5.6					-			
Per unit	0.03	0.04	0.04	0.12					-			
Distributable Income (\$mm)	9.0	12.2	11.6	36.3	18.1	24.4	22.4	21.7	86.6	23.0	91.5	
Per unit	0.19	0.26	0.25	0.78	0.39	0.52	0.48	0.46	1.86	0.49	1.96	
Units (millions)	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6	
Volume												
Natural gas (mmbtu)	12.0	11.6	12.4	48.5	12.1	11.8	12.2	12.2	48.2	12.2	48.2	
Heat Content(btu/cf)	1,077	970	1,064	1,050	1,079	1,050	1,050	1,050	1,057	1,050	1,050	
Natural gas (bcf)	11.1	12.0	11.6	46.2	11.2	11.2	11.6	11.6	45.6	11.6	45.9	
Natural Gas (mmcf)	125.1	130.4	126.2	126.6	122.3	125.9	125.9	125.9	124.9	125.9	125.9	
Days	89	92	92	365	92	89	92	92	365	92	365	
Oil (mb)	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.1	
Oil (mmbd)	0.3	0.2	0.2	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	
Total gas & oil (bcf)	11.3	12.1	11.7	46.8	11.4	11.3	11.7	11.7	46.1	11.7	46.5	
Price												
Natural gas (\$/mmbtu) (Henry Hub lagged two months)												
Henry Hub (\$/mmbtu)	2.92	3.23	3.59	3.02	4.73	6.04	5.53	5.40	5.43	5.65	5.66	
Differential (%)	31	28	40	30	31	33	33	33	33	33	34	
Total	2.02	2.33	2.16	2.13	3.25	4.02	3.68	3.59	3.63	3.76	3.76	
Natural gas (\$/mcf)	2.18	2.26	2.30	2.24	3.51	4.22	3.86	3.77	3.84	3.95	3.95	
Oil (\$/bbl) (WTI Cushing lagged two months)												
WTI Cushing	23.80	26.49	28.96	24.70	29.55	36.21	32.84	29.82	32.10	28.22	31.77	
SJT	19.14	21.95	24.00	20.10	24.48	30.00	27.21	24.70	26.57	23.38	26.29	
Total gas & oil (\$/mcf)	2.19	2.28	2.32	2.25	3.52	4.23	3.87	3.77	3.85	3.95	3.95	
Revenue (\$mm)												
Natural Gas	24.2	27.1	26.7	103.3	39.5	47.2	44.7	43.6	175.1	45.7	181.3	
Oil	0.5	0.5	0.5	1.9	0.5	0.6	0.6	0.6	2.4	0.5	2.3	
Total	24.8	27.6	27.2	105.2	40.0	47.9	45.3	44.2	177.5	46.2	183.6	
Cost (\$mm)												
Severance tax	2.4	2.3	3.1	10.5	4.1	4.8	4.5	4.4	17.8	4.6	18.4	
Operating	3.7	4.0	3.4	15.2	4.0	3.8	4.1	4.1	15.9	4.1	15.9	
Total	6.0	6.3	6.5	25.6	8.1	8.5	8.6	8.5	33.7	8.7	34.3	
Cash flow (\$mm)	18.8	21.3	20.7	79.6	31.9	39.4	36.7	35.7	143.8	37.5	149.4	
Development	3.4	2.1	4.7	21.5	7.1	6.0	6.0	6.0	25.1	6.0	24.0	
Net proceeds (\$mm)	15.4	19.2	16.1	58.2	24.8	33.4	30.7	29.7	118.6	31.5	125.4	
Royalty income (\$mm)	11.5	14.4	12.1	43.6	18.6	25.0	23.1	22.3	89.0	23.7	94.0	
Royalty/Net proceeds	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	
Administration	0.5	0.6	0.5	2.0	0.5	0.6	0.6	0.6	2.4	0.6	2.5	
One-time	2.0	1.6		5.3					-		-	
Distributable income (\$mm)	9.0	12.2	11.6	36.3	18.1	24.4	22.4	21.7	86.6	23.0	91.5	
Modeling ratios												
Severance tax/revenue	9.5%	8.5%	11.5%	9.9%	10.1%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	
Operating cost (\$/mcf)	0.32	0.33	0.29	0.32	0.36	0.33	0.35	0.35	0.34	0.35	0.34	
Development/Cash flow	18%	10%	22%	27%	22%	15%	16%	17%	17%	16%	16%	

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Natural Gas Royalty Trusts

A Weekly Analysis

February 20, 2003

Table SJT-3
San Juan Basin Royalty Trust
Monthly Declarations

	<i>Dec-02</i>	<i>Jan-03</i>	<i>Feb-03</i>	<i>Mar-03</i>	<i>Apr-03</i>	<i>May-03</i>	<i>Jun-03</i>
Distribution (\$/unit)							
Declared	0.09	0.10	0.12				
Projected				0.17	0.14	0.20	0.18
Volume							
Natural gas (mmbtu)	4.08	4.07	3.97	4.09	3.70	4.09	3.96
Heat Content(btu/cf)	1,043	1,092	1,097	1,050	1,050	1,050	1,050
Natural gas (bcf)	3.91	3.73	3.62	3.90	3.52	3.90	3.78
Natural Gas (mmcf)	126	124	117	126	126	126	126
Days	31	30	31	31	28	31	30
Price							
Natural gas industry quotes lagged two months (\$/mmbtu)							
Henry Hub Daily/Futures	4.12	4.03	4.76	5.41	6.08	6.14	5.91
San Juan Monthly Index	2.52	3.25	3.45	4.14	3.25		
SJT/Henry Hub	0.54	0.71	0.66	0.69	0.59	0.70	0.70
SJT/San Juan Index	0.89	0.88	0.91	0.91			
SJT (\$/mmbtu)	2.24	2.85	3.14	3.76	3.59	4.29	4.13
SJT (\$/mcf)	2.33	3.12	3.45	3.94	3.77	4.51	4.34
Revenue (\$mm)							
Natural Gas	9.1	11.6	12.5	15.4	13.3	17.6	16.4
Other	0.0	0.1	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Cost (\$mm)							
Severance tax	1.5	1.2	1.3	1.6	1.3	1.8	1.7
Operating	0.5	1.5	1.3	1.3	1.3	1.3	1.3
Total	2.0	2.7	2.6	2.8	2.6	3.0	2.9
Cash flow (\$mm)	7.1	9.0	9.8	12.5	10.6	14.5	13.4
Development	1.6	2.7	2.4	2.0	2.0	2.0	2.0
Net proceeds (\$mm)	5.5	6.3	7.4	10.5	8.6	12.5	11.4
Royalty income (\$mm)	4.2	4.7	5.5	7.9	6.5	9.4	8.6
Royalty/Net proceeds	75%	75%	75%	75%	75%	75%	75%
One time							
Distributable income (\$mm)	4.2	4.7	5.5	7.9	6.5	9.4	8.6
Units (millions)	46.6	46.6	46.6	46.6	46.6	46.6	46.6
Distribution (\$/unit)	0.09	0.10	0.12	0.17	0.14	0.20	0.18
<i>Latest Twelve Month Average</i>							
Heat Content(btu/cf)	1,050	1,050	1,050				
Natural Gas (mmcf)	127	127	126				
SJT/Henry Hub	0.72	0.70	0.70				
SJT/San Juan Index	0.88	0.89	0.90				
Other revenue	(0.2)	(0.1)	(0.1)				
Operating	1.3	1.3	1.3				
Development	1.8	1.7	1.5				
Severance tax/revenue	10.1%	10.1%	10.1%				

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