

## A Weekly Analysis

### Meter Reader: Values Advance 3-5% for the Week

#### Summary and Conclusion

A 3-4% advance in future prices for natural gas and oil translate to a 3-5% increase in present value for the four producers on this website. Current rankings place Hugoton Royalty Trust and Cross Timbers Royalty Trust as most undervalued followed by Dorchester Hugoton, Ltd. and San Juan Basin Royalty Trust (see table).

		Price (\$/unit)		Market		Net Asset	
	Symbol	4-Feb 2000	Units (mm)	Cap (\$mm)	Debt (\$mm)	Value (\$/unit)	McDep Ratio
San Juan Basin Royalty Trust	SJT	10.06	46.6	470	-	10.50	0.96
Dorchester Hugoton, Ltd.	DHULZ	9.50	10.7	102	-	11.70	0.81
Cross Timbers Royalty Trust	CRT	12.00	6.0	72	-	17.60	0.68
Hugoton RT (42.5%)	HGT	8.81	17.0	150	-	13.20	0.67

Estimated distributions by royalty trusts for the next twelve months also advance by 3-4% supporting Dynamic Distribution Yields of 8-12% cash and higher taxable equivalent (see table).

		Price (\$/unit)	Distribution (\$/unit)		Distribution Yield (Percent)	
	Symbol	4-Feb 2000	Cash	Taxable Equivalent	Cash	Taxable Equivalent
Dorchester Hugoton, Ltd.	DHULZ	9.50	0.72	1.34	7.6	14.1
San Juan Basin Royalty Trust	SJT	10.06	0.82	1.78	8.3	17.7
Hugoton RT (42.5%)	HGT	8.81	1.11	1.74	12.7	19.7
Cross Timbers Royalty Trust	CRT	12.00	1.46	2.55	12.3	21.3

The four entities on this site offer direct participation in the commodity value of natural gas that in turn is partly dependent on the commodity value of oil. While natural gas price has not moved much for 20 years we believe that there are forces that could strengthen price without hurting consumption. On the demand side, natural gas is a clean fuel expected to power 80% of new electrical generation. On the supply side, new investment by operating companies was unprofitable for the last decade at the low historical commodity price.

We add updated models for each entity, but leave the old models available for matching with introductory text uploaded earlier.

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

Volume Decline (%/yr): 9 Price Escalation (%/yr): 3  
Volume Enhancement (%/yr): 7 Discount rate (%/yr): 8

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 2000 through 2029											
	33	30	63	3.36	212	20	232	38.69	0.51	0.45	17.60
1999	3.2		3.2	1.97	6.3	0.2	6.6	1.09	0.17		
2000	2.9	0.3	3.2	2.36	7.6	1.3	8.9	1.48	0.17	0.96	1.58
2001	2.7	0.5	3.1	2.43	7.6	1.8	9.4	1.57	0.17	0.89	1.55
2002	2.5	0.6	3.1	2.51	7.8	1.7	9.5	1.58	0.17	0.82	1.44
2003	2.3	0.8	3.1	2.58	7.9	1.6	9.5	1.58		0.76	1.21
2004	2.1	0.9	3.0	2.66	8.0	1.5	9.5	1.59		0.71	1.12
2005	1.9	1.1	3.0	2.74	8.1	1.4	9.6	1.59		0.65	1.04
2006	1.7	1.2	2.9	2.82	8.2	1.4	9.6	1.60		0.61	0.97
2007	1.6	1.3	2.9	2.91	8.4	1.3	9.6	1.60		0.56	0.90
2008	1.5	1.4	2.8	2.99	8.5	1.2	9.7	1.61		0.52	0.84
2009	1.3	1.4	2.8	3.08	8.6	1.1	9.7	1.62		0.48	0.78
2010	1.2	1.5	2.7	3.18	8.7	1.0	9.7	1.62		0.45	0.72
2011	1.1	1.6	2.7	3.27	8.8	1.0	9.8	1.63		0.41	0.67
2012	1.0	1.6	2.6	3.37	8.9	0.9	9.8	1.63		0.38	0.62
2013	1.0	1.6	2.6	3.47	9.0	0.8	9.8	1.64		0.35	0.58
2014	0.9	1.7	2.6	3.58	9.1	0.7	9.9	1.65		0.33	0.54
2015	0.8	1.5	2.3	3.68	8.6	0.8	9.3	1.56		0.30	0.47
2016	0.7	1.4	2.1	3.79	8.1	0.5	8.6	1.43		0.28	0.40
2017	0.7	1.3	1.9	3.91	7.6	0.3	7.9	1.32		0.26	0.34
2018	0.6	1.2	1.8	4.02	7.1	0.2	7.3	1.22		0.24	0.29
2019	0.6	1.0	1.6	4.14	6.7	0.0	6.7	1.12		0.22	0.25
2020	0.5	1.0	1.5	4.27	6.3		6.3	1.05		0.21	0.22
2021	0.5	0.9	1.3	4.40	5.9		5.9	0.99		0.19	0.19
2022	0.4	0.8	1.2	4.53	5.6		5.6	0.93		0.18	0.16
2023	0.4	0.7	1.1	4.66	5.2		5.2	0.87		0.16	0.14
2024	0.4	0.7	1.0	4.80	4.9		4.9	0.82		0.15	0.12
2025	0.3	0.6	0.9	4.95	4.6		4.6	0.77		0.14	0.11
2026	0.3	0.5	0.9	5.10	4.3		4.3	0.72		0.13	0.09
2027	0.3	0.5	0.8	5.25	4.1		4.1	0.68		0.12	0.08
2028	0.3	0.4	0.7	5.41	3.8		3.8	0.64		0.11	0.07
2029	0.2	0.4	0.6	5.57	3.6		3.6	0.60		0.10	0.06

**Table CRT-2  
Cross Timbers Royalty Trust  
Distributable Income Model**

	<i>Year</i> <i>1998</i>	<i>Q1</i> <i>3/31/99</i>	<i>Q2</i> <i>6/30/99</i>	<i>Q3</i> <i>9/30/99</i>	<i>Q4E</i> <i>12/31/99</i>	<i>Year</i> <i>1999E</i>	<i>Q1E</i> <i>3/31/00</i>	<i>Q2E</i> <i>6/30/00</i>	<i>Q3E</i> <i>9/30/00</i>	<i>Q4E</i> <i>12/31/00</i>	<i>Year</i> <i>2000E</i>
<b>Highlights</b>											
Tax credit (\$mm)											
Per unit	0.20	0.04	0.04	0.04	0.04	0.17	0.04	0.04	0.04	0.04	0.17
Distributable Income (\$mm)	6.93	1.44	1.17	1.66	2.28	6.55	2.02	2.34	2.28	2.21	8.85
Per unit	1.15	0.24	0.20	0.28	0.38	1.09	0.34	0.39	0.38	0.37	1.48
Units (millions)	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
<b>Volume</b>											
Natural Gas (bcf)	3.50	0.92	0.82	0.94	0.92	3.59	0.91	0.88	0.88	0.88	3.56
Natural Gas (mmcf)	9.6	10.0	9.1	10.3	10.0	9.8	9.9	9.8	9.7	9.6	9.8
Days	365	92	90	91	92	365	92	90	91	92	365
Oil (mb)	392	88	87	79	83	337	82	79	79	80	320
Oil (mbd)	1.08	0.96	0.98	0.86	0.90	0.92	0.9	0.9	0.9	0.9	0.88
Days	365	92	89	92	92	365	92	90	91	92	365
Total (bcf)	5.86	1.45	1.34	1.41	1.42	5.61	1.40	1.36	1.36	1.36	5.48
<b>Price</b>											
Natural Gas											
Henry Hub (\$/mmbtu)		1.87	1.89	2.27	2.66	2.17	2.35	2.73	2.59	2.59	2.57
CRT (\$/mcf)	2.03	1.73	1.79	2.02	2.30	1.97	2.15	2.53	2.39	2.39	2.36
Oil (\$/bbl)											
WTI Cushing		12.25	14.67	18.57	22.59	17.02	26.07	28.39	26.12	24.17	26.19
CRT	13.40	10.44	12.28	20.34	20.59	15.74	24.07	26.39	24.12	22.17	24.18
Total (\$/mcf)	2.11	1.73	1.89	2.48	2.70	2.20	2.81	3.18	2.96	2.85	2.95
<b>Revenue (\$mm)</b>											
Natural Gas	7.11	1.59	1.46	1.89	2.12	7.06	1.96	2.23	2.11	2.11	8.41
Oil	5.26	0.92	1.07	1.61	1.70	5.31	1.97	2.10	1.92	1.76	7.75
Total	12.37	2.51	2.53	3.50	3.82	12.36	3.94	4.32	4.02	3.88	16.16
<b>Cost (\$mm)</b>											
Tax, transport & other	1.19	0.23	0.40	0.48	0.51	1.62	0.59	0.63	0.58	0.53	2.32
Production	2.58	0.57	0.63	0.60	0.62	2.42	0.61	0.60	0.60	0.60	2.40
Total	3.78	0.80	1.02	1.08	1.13	4.04	1.21	1.22	1.17	1.13	4.73
<b>Cash flow (\$mm)</b>											
Development	1.14	0.36	0.08	0.18	0.18	0.80	0.18	0.18	0.18	0.18	0.72
Excess	(0.52)	(0.30)	(0.06)	(0.07)		(0.43)					-
Recovery of excess	0.02	0.01	0.14	0.10	0.39	0.63	0.19	0.19			0.38
<b>Net proceeds (\$mm)</b>	7.94	1.64	1.35	2.22	2.12	7.33	2.36	2.73	2.67	2.57	10.33
<b>Royalty income (\$mm)</b>											
Royalty/Net proceeds	7.08	1.48	1.21	1.70	2.32	6.71	2.06	2.38	2.32	2.25	9.01
Administration	0.15	0.04	0.04	0.04	0.04	0.16	0.04	0.04	0.04	0.04	0.16
<b>Distributable income (\$mm)</b>	6.93	1.44	1.17	1.66	2.28	6.55	2.02	2.34	2.28	2.21	8.85
<i>Modeling ratios</i>											
Tax and other/oil revenue	0.23	0.25	0.37	0.30	0.30	0.31	0.30	0.30	0.30	0.30	0.30
Production exp (\$/bbl)	6.58	6.48	7.20	7.56	7.50	7.17	7.50	7.50	7.50	7.50	7.50
<i>Accounting items</i>											
Interest on excess costs	0.01	0.02	0.02	0.01	0.01	0.06					
Cumulative excess costs	0.51	0.83	0.77	0.76	0.38	0.38					

**Table DHULZ-1  
Dorchester Hugoton, Ltd.  
Present Value**

Volume Decline (%/yr):	11	Price Escalation (%/yr):	3
Volume Enhancement (%/yr):	8	Variable Cost (%):	13
Capex/Cash Flow (%):	15	Discount rate (%/yr):	8

Year	Basic (bcf)	Volume Enhanced (bcf)	Total (bcf)	Price (\$/mcf)	Revenue (\$mm)	Fixed Cost (\$mm)	Var Cost (\$mm)	Cap Ex (\$mm)	Cash Flow (\$mm)	(\$/unit)	Disc Factor	Present Value (\$/unit)
Total 2000 through 2029												
	65	44	108	3.67	399	60	52	27	260	24.17	0.48	<b>11.70</b>
1999	6.8		6.8	2.25	15.3	2.5	2.0	0.4	10.4	0.97		
						Working Capital			9.0	0.84	1.00	0.84
2000	6.8	-0.7	6.1	2.64	16.2	2.0	2.1	0.4	11.7	1.09	0.96	1.05
2001	6.0	-0.1	5.9	2.72	16.1	2.0	2.1	1.8	10.2	0.95	0.89	0.85
2002	5.4	0.4	5.8	2.81	16.3	2.0	2.1	1.8	10.4	0.97	0.82	0.80
2003	4.9	0.8	5.7	2.89	16.5	2.0	2.1	1.9	10.5	0.98	0.76	0.75
2004	4.4	1.2	5.6	2.98	16.6	2.0	2.2	1.9	10.6	0.99	0.71	0.70
2005	4.0	1.5	5.5	3.07	16.8	2.0	2.2	1.9	10.7	1.00	0.65	0.65
2006	3.6	1.8	5.3	3.16	16.9	2.0	2.2	1.9	10.8	1.00	0.61	0.61
2007	3.2	2.0	5.2	3.25	17.0	2.0	2.2	1.9	10.9	1.01	0.56	0.57
2008	2.9	2.2	5.1	3.35	17.1	2.0	2.2	1.9	10.9	1.02	0.52	0.53
2009	2.6	2.4	5.0	3.45	17.2	2.0	2.2	1.9	11.0	1.02	0.48	0.49
2010	2.4	2.5	4.9	3.55	17.3	2.0	2.2	2.0	11.1	1.03	0.45	0.46
2011	2.1	2.6	4.7	3.66	17.3	2.0	2.3	2.0	11.1	1.04	0.41	0.43
2012	1.9	2.7	4.6	3.77	17.4	2.0	2.3	2.0	11.2	1.04	0.38	0.40
2013	1.7	2.8	4.5	3.88	17.5	2.0	2.3	2.0	11.2	1.05	0.35	0.37
2014	1.6	2.8	4.4	4.00	17.5	2.0	2.3	2.0	11.3	1.05	0.33	0.34
2015	1.4	2.5	3.9	4.12	16.2	2.0	2.1		12.1	1.12	0.30	0.34
2016	1.3	2.2	3.5	4.24	14.9	2.0	1.9		10.9	1.02	0.28	0.29
2017	1.1	2.0	3.1	4.37	13.7	2.0	1.8		9.9	0.92	0.26	0.24
2018	1.0	1.8	2.8	4.50	12.6	2.0	1.6		9.0	0.84	0.24	0.20
2019	0.9	1.6	2.5	4.64	11.6	2.0	1.5		8.1	0.75	0.22	0.17
2020	0.8	1.4	2.2	4.78	10.7	2.0	1.4		7.3	0.68	0.21	0.14
2021	0.7	1.3	2.0	4.92	9.8	2.0	1.3		6.6	0.61	0.19	0.12
2022	0.7	1.1	1.8	5.07	9.1	2.0	1.2		5.9	0.55	0.18	0.10
2023	0.6	1.0	1.6	5.22	8.4	2.0	1.1		5.3	0.49	0.16	0.08
2024	0.5	0.9	1.4	5.38	7.7	2.0	1.0		4.7	0.44	0.15	0.07
2025	0.5	0.8	1.3	5.54	7.1	2.0	0.9		4.2	0.39	0.14	0.05
2026	0.4	0.7	1.1	5.70	6.5	2.0	0.8		3.7	0.34	0.13	0.04
2027	0.4	0.6	1.0	5.87	6.0	2.0	0.8		3.2	0.30	0.12	0.04
2028	0.4	0.6	0.9	6.05	5.5	2.0	0.7		2.8	0.26	0.11	0.03
2029	0.3	0.5	0.8	6.23	5.1	2.0	0.7		2.4	0.23	0.10	0.02

**Table DHULZ-2**  
**Dorchester Hugoton, Ltd.**  
**Income Model**

	<i>Year</i> 1998	<i>Q1</i> 3/31/99	<i>Q2</i> 6/30/99	<i>Q3</i> 9/30/99	<i>Q4E</i> 12/31/99	<i>Year</i> 1999E	<i>Q1E</i> 3/31/00	<i>Q2E</i> 6/30/00	<i>Q3E</i> 9/30/00	<i>Q4E</i> 12/31/00	<i>Year</i> 2000E
<b>Highlights</b>											
Revenue (\$mm)	15.37	3.06	3.51	4.34	3.85	14.8	3.92	3.85	3.82	3.97	15.6
Cash flow (\$mm)	11.02	2.09	2.35	3.25	2.76	10.4	2.95	2.88	2.85	3.00	11.7
Per unit	1.03	0.19	0.22	0.30	0.26	0.97	0.27	0.27	0.27	0.28	1.09
Earnings (\$mm)	9.01	1.60	1.89	2.77	2.28	8.5	2.52	2.45	2.42	2.58	10.0
Per unit	0.84	0.15	0.18	0.26	0.21	0.80	0.23	0.23	0.23	0.24	0.93
Distribution (\$mm)	7.74	1.93	1.93	1.93	1.93	7.7	1.93	1.93	1.93	1.93	7.7
Per unit	0.72	0.18	0.18	0.18	0.18	0.72	0.18	0.18	0.18	0.18	0.72
Units (millions)	10.74	10.74	10.74	10.74	10.74	10.7	10.74	10.74	10.74	10.74	10.7
<b>Volume</b>											
Natural gas (bcf)											
Oklahoma	5.74	1.42	1.33	1.40	1.32	5.5	1.24	1.24	1.24	1.23	4.9
Kansas	1.70	0.35	0.34	0.33	0.31	1.3	0.29	0.29	0.29	0.29	1.2
Total	7.44	1.76	1.67	1.72	1.63	6.8	1.53	1.53	1.53	1.52	6.1
Natural Gas (mmcf)	20.4	19.6	18.4	18.7	17.7	18.6	17.0	16.8	16.7	16.5	16.7
Days	365	90	91	92	92	365	90	91	92	92	365
<b>Price</b>											
Natural gas											
Henry Hub (\$/mmbtu)		1.79	2.22	2.52	2.45	2.24	2.65	2.61	2.59	2.71	2.64
Oklahoma (\$/mcf)	2.11	1.77	2.15	2.60	2.44	2.24	2.64	2.60	2.58	2.70	2.63
Kansas (\$/mcf)	2.22	1.85	2.26	2.68	2.52	2.32	2.72	2.68	2.66	2.78	2.71
Total (\$/mcf)	2.14	1.79	2.17	2.62	2.46	2.25	2.66	2.61	2.59	2.72	2.64
<b>Revenue (\$mm)</b>											
Natural Gas											
Oklahoma	12.11	2.50	2.87	3.63	3.22	12.2	3.27	3.21	3.19	3.31	13.0
Kansas	3.77	0.64	0.76	0.88	0.78	3.1	0.80	0.79	0.78	0.81	3.2
Other	0.23	0.05	0.05	0.05	0.05	0.2	0.05	0.05	0.05	0.05	0.2
Production payment (ORRI)	(0.73)	(0.14)	(0.17)	(0.22)	(0.20)	(0.7)	(0.20)	(0.20)	(0.20)	(0.21)	(0.8)
Total	15.37	3.06	3.51	4.34	3.85	14.8	3.92	3.85	3.82	3.97	15.6
<b>Cost (\$mm)</b>											
Operating											
General and administrative	0.53	0.14	0.13	0.14	0.14	0.5	0.14	0.14	0.14	0.14	0.6
Management	0.49	0.12	0.12	0.13	0.13	0.5	0.13	0.13	0.13	0.13	0.5
Other	(0.22)	(0.06)	(0.05)	(0.08)	(0.08)	(0.3)	(0.08)	(0.08)	(0.08)	(0.08)	(0.3)
Total	4.35	0.98	1.16	1.09	1.09	4.3	0.97	0.97	0.97	0.96	3.9
<b>Cash flow (\$mm)</b>											
Depletion, deprec. & amort.	2.02	0.49	0.46	0.48	0.48	1.9	0.43	0.43	0.43	0.42	1.7
<b>Earnings (\$mm)</b>											
Capital expenditures (\$mm)	1.14	0.04	0.05	0.21	0.06	0.4	0.10	0.10	0.10	0.10	0.4
<b>Modeling ratios</b>											
Prod pay/revenue	4.6%	4.3%	4.5%	4.9%	5.0%	4.7%	5.0%	5.0%	5.0%	5.0%	5.0%
Operating cost (\$/mcf)	0.48	0.45	0.57	0.52	0.55	0.52	0.51	0.51	0.51	0.51	0.51
Depletion (\$/mcf)	0.27	0.28	0.28	0.28	0.29	0.28	0.28	0.28	0.28	0.28	0.28

**Table HGT-1  
Hugoton Royalty Trust  
Present Value**

Volume Decline (%/yr):	10	Price Escalation (%/yr):	3
Volume Enhancement (%/yr):	8	Variable Cost (%):	16
Capex/Cash Flow (%):	24	Discount rate (%/yr):	8

Year	Basic (bcf)	Enhanced (bcf)	Total (bcf)	Price (\$/mcf)	Revenue (\$mm)	Fixed Cost (\$mm)	Var Cost (\$mm)	Cap Ex (\$mm)	Distribution (\$/unit)	Tax Credit (\$/unit)	Disc Factor	Present Value (\$/unit)
Total 2000 through 2029												
	300	314	614	3.45	2120	312	339	219	1250	31.25	0.06	13.20
1999	29.2		29.2	2.16	63.1	10.9	10.1	9.1	33.1	0.83	0.02	
2000	29.2	2.5	31.7	2.45	77.5	10.4	12.4	9.6	45.3	1.13	0.02	1.11
2001	26.3	4.8	31.1	2.52	78.3	10.4	12.5	13.3	42.1	1.05	0.02	0.95
2002	23.9	6.8	30.7	2.60	79.6	10.4	12.7	13.6	42.9	1.07	0.02	0.90
2003	21.7	8.5	30.3	2.67	81.0	10.4	13.0	13.8	43.8	1.09		0.76
2004	19.8	10.1	29.9	2.75	82.3	10.4	13.2	14.1	44.6	1.12		0.71
2005	18.0	11.5	29.4	2.84	83.5	10.4	13.4	14.3	45.4	1.14		0.65
2006	16.3	12.7	29.0	2.92	84.8	10.4	13.6	14.6	46.2	1.16		0.61
2007	14.8	13.7	28.6	3.01	86.1	10.4	13.8	14.9	47.0	1.18		0.56
2008	13.5	14.7	28.2	3.10	87.3	10.4	14.0	15.1	47.8	1.20		0.52
2009	12.3	15.4	27.7	3.19	88.5	10.4	14.2	15.3	48.6	1.21		0.48
2010	11.2	16.1	27.3	3.29	89.7	10.4	14.4	15.6	49.4	1.23		0.45
2011	10.1	16.7	26.8	3.39	90.9	10.4	14.5	15.8	50.1	1.25		0.41
2012	9.2	17.2	26.4	3.49	92.1	10.4	14.7	16.1	50.9	1.27		0.38
2013	8.4	17.6	25.9	3.59	93.2	10.4	14.9	16.3	51.6	1.29		0.35
2014	7.6	17.9	25.5	3.70	94.4	10.4	15.1	16.5	52.3	1.31		0.33
2015	6.9	16.1	23.0	3.81	87.8	10.4	14.0		63.3	1.58		0.30
2016	6.3	14.5	20.8	3.93	81.6	10.4	13.1		58.1	1.45		0.28
2017	5.7	13.0	18.8	4.05	75.9	10.4	12.1		53.3	1.33		0.26
2018	5.2	11.7	16.9	4.17	70.5	10.4	11.3		48.9	1.22		0.24
2019	4.7	10.6	15.3	4.29	65.6	10.4	10.5		44.7	1.12		0.22
2020	4.3	9.5	13.8	4.42	61.0	10.4	9.8		40.8	1.02		0.21
2021	3.9	8.6	12.5	4.55	56.7	10.4	9.1		37.3	0.93		0.19
2022	3.6	7.7	11.2	4.69	52.8	10.4	8.4		33.9	0.85		0.18
2023	3.2	6.9	10.2	4.83	49.1	10.4	7.8		30.8	0.77		0.16
2024	2.9	6.2	9.2	4.98	45.6	10.4	7.3		27.9	0.70		0.15
2025	2.7	5.6	8.3	5.12	42.4	10.4	6.8		25.2	0.63		0.14
2026	2.4	5.0	7.5	5.28	39.5	10.4	6.3		22.7	0.57		0.13
2027	2.2	4.5	6.8	5.44	36.7	10.4	5.9		20.4	0.51		0.12
2028	2.0	4.1	6.1	5.60	34.1	10.4	5.5		18.3	0.46		0.11
2029	1.8	3.7	5.5	5.77	31.7	10.4	5.1		16.3	0.41		0.10

**Table HGT-2  
Hugoton Royalty Trust  
Distributable Income Model**

	<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>Year</i>
	<i>3/31/99</i>	<i>6/30/99</i>	<i>9/30/99</i>	<i>12/31/99</i>	<i>1999E</i>	<i>3/31/00</i>	<i>6/30/00</i>	<i>9/30/00</i>	<i>12/31/00</i>	<i>2000E</i>
<b>Highlights</b>										
Revenue (\$mm) (80%)	9.4	16.6	16.8	20.4	63.1	17.9	20.7	19.3	19.6	77.5
Cash flow (\$mm) (80%)	5.1	11.1	11.5	14.5	42.3	12.4	15.0	13.8	14.0	55.2
Per unit	0.13	0.28	0.29	0.36	1.06	0.31	0.37	0.34	0.35	1.38
Tax credit (\$mm)	0.2	0.2	0.2	0.2	0.8	0.2	0.2	0.2	0.2	0.8
Per unit	0.01	0.01	0.01	0.01	0.02	0.01	0.01	0.01	0.01	0.02
Distributable Income (\$mm)	3.6	8.8	8.5	12.2	33.1	9.9	12.5	11.3	11.6	45.3
Per unit	0.09	0.22	0.21	0.30	0.83	0.25	0.31	0.28	0.29	1.13
<b>Units (millions)</b>	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
<b>Volume</b>										
Natural Gas (bcf)	5.5	9.6	9.5	9.6	34.2	9.4	9.3	9.3	9.2	37.2
Natural Gas (mmcf)	89.0	107.6	103.4	104.2	102.1	103.4	102.4	101.4	100.4	101.9
Days	62	89	92	92	335	91	91	91	91	365
Oil (mb)	66	115	104	104	389	101	101	101	100	403
Oil (mbd)	1.1	1.2	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Days	62	96	92	92	342	90	91	92	92	365
Total (bcf)	5.9	10.3	10.1	10.2	36.5	10.0	9.9	9.9	9.8	39.6
<b>Price</b>										
Natural Gas (HH lagged two months)										
Henry Hub (\$/mmbtu)	1.78	1.89	2.27	2.66	2.18	2.35	2.73	2.59	2.67	2.59
HGT (\$/mcf)	2.00	2.00	2.01	2.42	2.12	2.10	2.48	2.34	2.42	2.33
Oil (\$/bbl) (WTI Cushing lagged two months)										
WTI Cushing	11.90	14.67	18.57	22.59	17.39	26.07	28.39	26.12	23.78	26.09
HGT	10.86	13.64	18.18	21.59	16.51	25.07	27.39	25.12	22.78	25.10
Total (\$/mcf)	1.99	2.02	2.07	2.49	2.16	2.23	2.60	2.45	2.51	2.45
<b>Revenue (\$mm)</b>										
Natural Gas	11.0	19.1	19.1	23.2	72.5	19.9	23.2	21.6	22.2	86.8
Oil	0.7	1.6	1.9	2.2	6.4	2.5	2.8	2.5	2.3	10.1
Total	11.7	20.7	21.0	25.5	78.9	22.4	25.9	24.2	24.5	96.9
<b>Cost (\$mm)</b>										
Tax, transport & other										
Production	2.3	2.9	2.8	3.0	11.0	2.9	2.9	2.9	2.8	11.5
Overhead	1.6	1.7	1.8	1.7	6.9	1.7	1.7	1.7	1.7	6.7
Total	5.3	6.8	6.6	7.3	26.1	6.9	7.2	6.9	6.9	27.9
<b>Cash flow (\$mm)</b>										
Development	2.0	2.8	3.7	2.8	11.3	3.0	3.0	3.0	3.0	12.0
<b>Net proceeds (\$mm)</b>										
Royalty/Net proceeds	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%
Administration	0.0	0.0	0.0	0.1	0.2	0.1	0.1	0.1	0.1	0.3
<b>Distributable income (\$mm)</b>										
	3.6	8.8	8.5	12.2	33.1	9.9	12.5	11.3	11.6	45.3
<i>Modeling ratios</i>										
Tax and other/revenue	12%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Production cost (\$/mcf)	0.39	0.29	0.28	0.29	0.30	0.29	0.29	0.29	0.29	0.29
Overhead cost (\$/mcf)	0.28	0.17	0.17	0.17	0.19	0.17	0.17	0.17	0.17	0.17

Note: The trust was formed on December 1, 1998. Also there is a two month lag between actual and reported production. As a result, the first quarter of operations includes only the two months of December 1998 and January 1999.

**Table SJT-1  
San Juan Basin Royalty Trust  
Present Value**

Volume Decline (%/yr):	9	Price Escalation (%/yr):	3
Volume Enhancement (%/yr):	7	Variable Cost (%):	12
Capex/Cash Flow (%):	24	Discount rate (%/yr):	8

Year	Volume		Total (bcf)	Price (\$/mcf)	Revenue (\$mm)	Fixed Cost (\$mm)	Var Cost (\$mm)	Cap Ex (\$mm)	Distribution (\$/unit)	Tax Credit (\$/unit)	Disc Factor	Present Value (\$/unit)	
	Basic (bcf)	Enhanced (bcf)											
Total 2000 through 2029													
	309	260	569	3.11	1769	224	212	191	1142	24.50	0.48	0.42	<b>10.50</b>
1999	30.3		30.3	1.76	53.2	7.1	6.4	7.9	31.8	0.68	0.16		
2000	27.8	1.1	28.9	2.18	63.1	7.5	7.6	9.0	39.1	0.84	0.16	0.96	0.96
2001	25.3	3.0	28.3	2.25	63.7	7.5	7.6	11.7	36.9	0.79	0.16	0.89	0.85
2002	23.2	4.7	27.9	2.32	64.7	7.5	7.8	11.9	37.6	0.81	0.16	0.82	0.80
2003	21.3	6.3	27.5	2.39	65.8	7.5	7.9	12.1	38.3	0.82		0.76	0.63
2004	19.5	7.6	27.2	2.46	66.8	7.5	8.0	12.3	39.0	0.84		0.71	0.59
2005	17.9	8.8	26.8	2.53	67.8	7.5	8.1	12.5	39.7	0.85		0.65	0.56
2006	16.4	9.9	26.4	2.61	68.7	7.5	8.2	12.7	40.3	0.87		0.61	0.52
2007	15.1	10.9	26.0	2.69	69.7	7.5	8.4	12.9	41.0	0.88		0.56	0.49
2008	13.8	11.7	25.5	2.77	70.7	7.5	8.5	13.1	41.6	0.89		0.52	0.46
2009	12.7	12.4	25.1	2.85	71.6	7.5	8.6	13.3	42.3	0.91		0.48	0.44
2010	11.6	13.1	24.7	2.94	72.6	7.5	8.7	13.5	42.9	0.92		0.45	0.41
2011	10.7	13.6	24.3	3.02	73.5	7.5	8.8	13.7	43.5	0.93		0.41	0.39
2012	9.8	14.1	23.9	3.11	74.5	7.5	8.9	13.9	44.1	0.95		0.38	0.36
2013	9.0	14.5	23.5	3.21	75.4	7.5	9.0	14.1	44.8	0.96		0.35	0.34
2014	8.2	14.9	23.1	3.30	76.3	7.5	9.2	14.3	45.4	0.97		0.33	0.32
2015	7.6	13.5	21.1	3.40	71.8	7.5	8.6		55.7	1.20		0.30	0.36
2016	6.9	12.3	19.2	3.51	67.5	7.5	8.1		51.9	1.11		0.28	0.31
2017	6.4	11.2	17.6	3.61	63.4	7.5	7.6		48.4	1.04		0.26	0.27
2018	5.8	10.2	16.0	3.72	59.6	7.5	7.2		45.0	0.97		0.24	0.23
2019	5.4	9.3	14.6	3.83	56.0	7.5	6.7		41.9	0.90		0.22	0.20
2020	4.9	8.4	13.4	3.95	52.7	7.5	6.3		38.9	0.84		0.21	0.17
2021	4.5	7.7	12.2	4.06	49.5	7.5	5.9		36.1	0.78		0.19	0.15
2022	4.1	7.0	11.1	4.19	46.6	7.5	5.6		33.5	0.72		0.18	0.13
2023	3.8	6.4	10.2	4.31	43.8	7.5	5.3		31.1	0.67		0.16	0.11
2024	3.5	5.8	9.3	4.44	41.2	7.5	4.9		28.8	0.62		0.15	0.09
2025	3.2	5.3	8.5	4.57	38.7	7.5	4.6		26.6	0.57		0.14	0.08
2026	2.9	4.8	7.7	4.71	36.4	7.5	4.4		24.6	0.53		0.13	0.07
2027	2.7	4.4	7.1	4.85	34.2	7.5	4.1		22.7	0.49		0.12	0.06
2028	2.5	4.0	6.4	5.00	32.2	7.5	3.9		20.9	0.45		0.11	0.05
2029	2.3	3.6	5.9	5.15	30.2	7.5	3.6		19.2	0.41		0.10	0.04



**Table SJT-2**  
**San Juan Basin Royalty Trust**  
**Distributable Income Model**

	<i>Year</i> 1998	<i>Q1</i> 3/31/99	<i>Q2</i> 6/30/99	<i>Q3</i> 9/30/99	<i>Q4E</i> 12/31/99	<i>Year</i> 1999E	<i>Q1E</i> 3/31/00	<i>Q2E</i> 6/30/00	<i>Q3E</i> 9/30/00	<i>Q4E</i> 12/31/00	<i>Year</i> 2000E
<b>Highlights</b>											
Revenue (\$mm) (75%)	54.3	12.1	10.8	13.0	17.4	53.2	14.5	16.8	16.0	15.8	63.1
Cash flow (\$mm) (75%)	39.9	8.8	7.5	9.9	13.4	39.6	11.1	13.2	12.4	12.3	48.9
Per unit	0.86	0.19	0.16	0.21	0.29	0.85	0.24	0.28	0.27	0.26	1.05
Tax credit (\$mm)	7.8	1.9	1.4	1.9	2.3	7.5	1.9	1.4	1.9	2.3	7.5
Per unit	0.17	0.04	0.03	0.04	0.05	0.16	0.04	0.03	0.04	0.05	0.16
Distributable Income (\$mm)	29.6	6.8	5.9	7.8	11.3	31.8	8.6	10.7	9.9	9.8	39.1
Per unit	0.64	0.15	0.13	0.17	0.24	0.68	0.18	0.23	0.21	0.21	0.84
<b>Units</b> (millions)	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6
<b>Volume</b>											
Natural gas (mmbtu)											
Conventional		7.3	7.4	5.5	6.7	26.9	6.5	6.3	6.4	6.4	25.7
Coal Seam		3.7	3.8	3.3	3.5	14.4	3.5	3.4	3.4	3.4	13.8
Total		11.0	11.2	8.8	10.3	41.3	10.1	9.7	9.9	9.8	39.4
Conventional (btu/cf)		1,194	1,196	1,006	1,159	1,142	1,142	1,142	1,142	1,142	1,142
Coal Seam (btu/cf)		881	881	881	881	881	881	881	881	881	881
Natural gas (bcf)											
Conventional		6.1	6.2	5.5	5.8	23.5	5.7	5.6	5.6	5.6	22.5
Coal Seam		4.2	4.3	3.8	4.0	16.4	4.0	3.9	3.9	3.9	15.6
Total	41.5	10.3	10.5	9.3	9.8	39.9	9.7	9.4	9.5	9.4	38.1
Natural Gas (mmcf)	113.7	112.4	118.4	100.6	106.7	109.4	105.6	104.6	103.5	102.5	104.1
Days	365	92	89	92	92	365	92	90	92	92	366
Oil (mb)	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1
Oil (mbd)	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Days	366	92	89	92	92	364	92	90	92	92	366
Total gas & oil (bcf)	42.0	10.4	10.6	9.4	9.9	40.4	9.8	9.5	9.6	9.5	38.5
<b>Price</b>											
Natural gas (\$/mmbtu) (Hubs lagged two months)											
Henry Hub (\$/mmbtu)		1.87	1.89	2.27	2.66	2.17	2.35	2.73	2.59	2.59	2.57
Blanco Hub (\$/mmbtu)		1.78	1.68	2.02	2.46	1.98					
SJT Conventional		1.48	1.29	2.09	2.27	1.75	1.95	2.33	2.19	2.19	2.16
SJT Coal Seam		1.38	1.20	1.65	2.13	1.58	1.75	2.13	1.99	1.99	1.96
Total		1.45	1.26	1.93	2.22	1.69	1.88	2.26	2.12	2.12	2.09
Natural gas (\$/mcf)											
Conventional		1.77	1.54	2.11	2.63	2.00	2.23	2.66	2.50	2.50	2.47
Coal Seam		1.22	1.06	1.45	1.88	1.39	1.55	1.87	1.75	1.75	1.73
Total	1.72	1.54	1.34	1.84	2.32	1.75	1.95	2.34	2.19	2.20	2.17
Oil (\$/bbl) (WTI Cushing lagged two months)											
WTI Cushing		12.25	14.67	18.57	22.59	17.02	26.07	28.39	26.12	24.17	26.19
SJT	13.29	9.65	12.72	15.71	17.50	13.99	22.07	24.39	22.12	20.17	22.17
Total gas & oil (\$/mcf)		1.54	1.35	1.85	2.33	1.76	1.97	2.36	2.21	2.21	2.18
<b>Revenue (\$mm)</b>											
Natural Gas - Conventional		10.8	9.6	11.5	15.2	47.1	12.8	14.8	14.0	13.9	55.5
Coal Seam		5.2	4.6	5.5	7.6	22.8	6.2	7.2	6.8	6.8	27.0
Total	71.2	16.0	14.1	17.0	22.8	69.9	19.0	22.0	20.9	20.7	82.5
Oil	1.1	0.2	0.2	0.3	0.4	1.1	0.4	0.4	0.4	0.4	1.6
Total	72.3	16.1	14.4	17.3	23.2	71.0	19.4	22.4	21.3	21.1	84.2
<b>Cost (\$mm)</b>											
Severance tax	7.5	1.7	1.5	1.8	2.4	7.3	2.0	2.3	2.2	2.2	8.7
Operating	11.6	2.8	2.8	2.2	2.9	10.8	2.6	2.5	2.6	2.5	10.3
Total	19.1	4.5	4.3	4.0	5.3	18.1	4.6	4.9	4.8	4.7	19.0
<b>Cash flow (\$mm)</b>	53.3	11.7	10.0	13.3	17.9	52.8	14.7	17.6	16.5	16.4	65.2
Development	12.8	2.3	3.0	2.7	2.6	10.6	3.0	3.0	3.0	3.0	12.0
<b>Net proceeds (\$mm)</b>	40.4	9.4	7.1	10.5	15.3	42.3	11.7	14.6	13.5	13.4	53.2
<b>Royalty income (\$mm)</b>											
Royalty/Net proceeds	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Administration	0.7	0.3	0.2	0.1	0.2	0.8	0.2	0.2	0.2	0.2	0.8
One-time			0.9			0.9					-
<b>Distributable income (\$mm)</b>	29.6	6.8	5.9	7.8	11.3	31.8	8.6	10.7	9.9	9.8	39.1
<i>Modeling ratios</i>											
Severance tax/revenue	10.3%	10.3%	10.2%	10.4%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%
Operating cost (\$/mcf)	0.28	0.27	0.27	0.24	0.29	0.27	0.27	0.27	0.27	0.27	0.27