

# Natural Gas Royalty Trusts

A Weekly Analysis

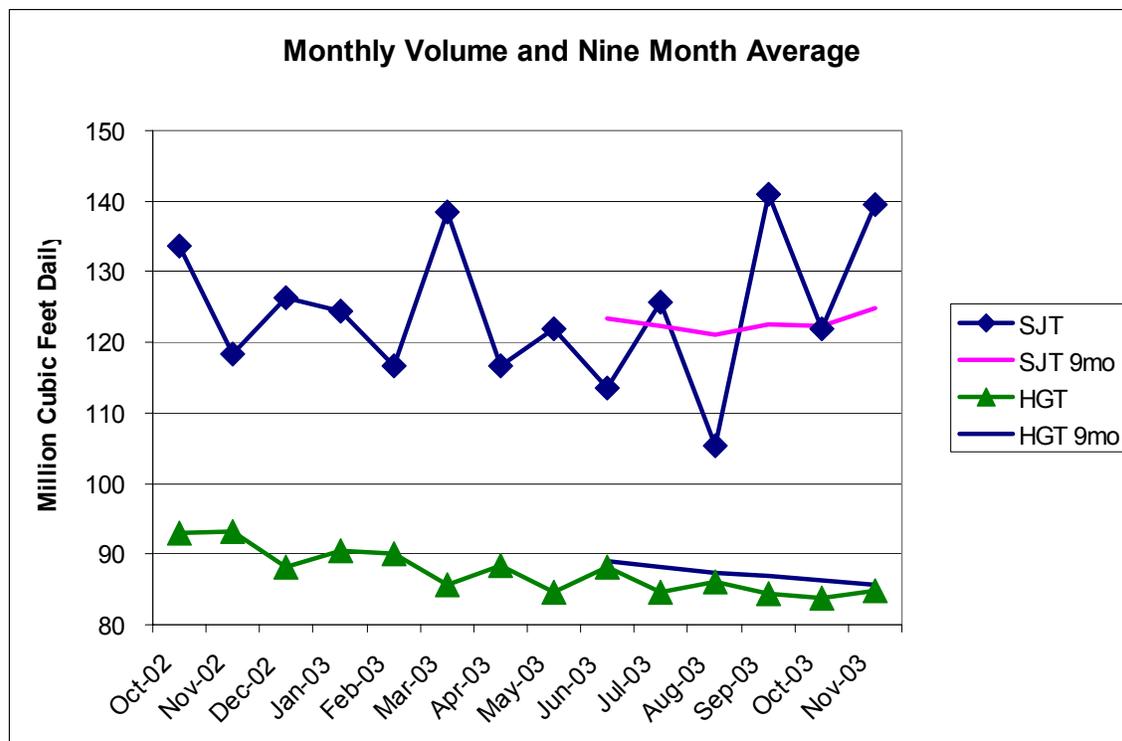
November 20, 2003

## Trifecta

### Summary and Recommendation

In a trifecta performance, unlikely to be repeated soon, distributions declared on Monday, November 17 matched projected amounts at \$0.17, \$0.14 and \$0.17 per unit respectively for **Cross Timbers Royalty Trust (CRT)**, **Hugoton Royalty Trust (HGT)** and recommended **San Juan Basin Royalty Trust (SJT)**. After declining gradually from record levels in 2002, volumes have been growing again for SJT for the past three months (see Chart below). Facing a declining volume trend for the past few years, HGT increases development expenditures. The trusts continue to offer attractive current distributions from long-life production of North American natural gas (see page 2). We print the details of our calculations of present value, 2004 distributions and projected declarations for the last month of 2003 (see pages 3 to 11).

Kurt H. Wulff, CFA

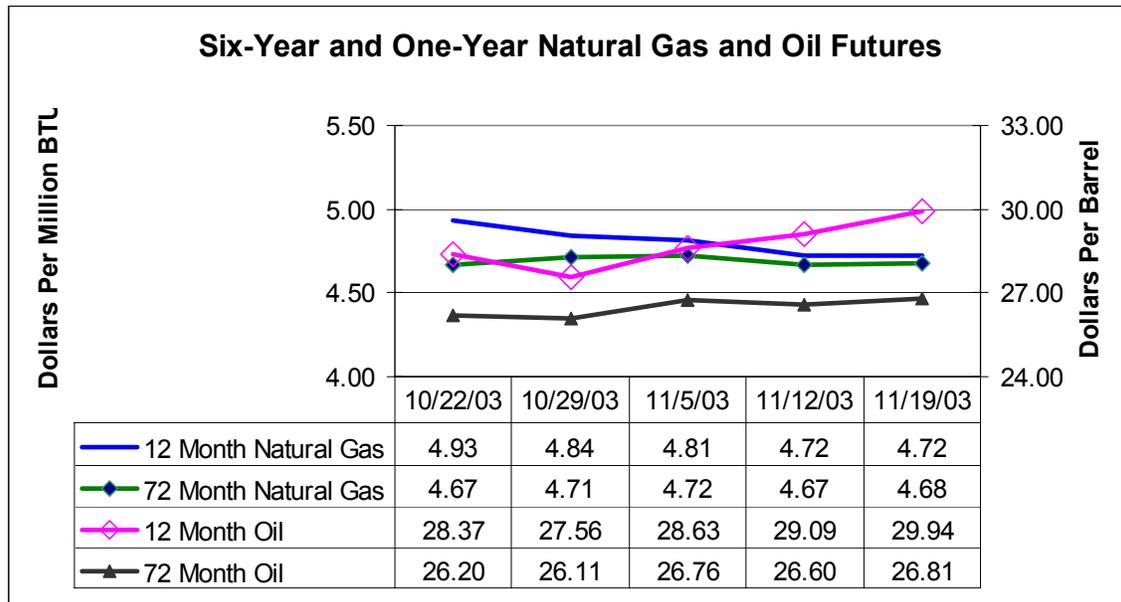


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## Rank by McDep Ratio: Market Cap and Debt to Present Value

	<i>Symbol/ Rating</i>	<i>Price (\$/sh) 19-Nov 2003</i>	<i>Shares (mm)</i>	<i>Market Cap (\$mm)</i>	<i>Net Present Value (\$/sh)</i>	<i>Debt/ Present Value</i>	<i>McDep Ratio</i>
Hugoton RoyaltyTrust (46%)	HGT	20.99	18.4	390	15.40	-	1.36
Cross Timbers Royalty Trust	CRT	26.60	6.0	160	20.30	-	1.31
Permian Basin RT (41%)	PBT	8.20	19.1	160	6.50	-	1.26
Sabine Royalty Trust	SBR	27.20	14.6	400	22.00	-	1.24
San Juan Basin Royalty Trust	SJT	B	19.03	46.6	890	18.10	1.05
<i>Total or Median</i>				<i>2,000</i>		-	<i>1.26</i>

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

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

## Rank by EV/Ebitda: Enterprise Value to Earnings Before Interest, Tax, Deprec.

	<i>Symbol/ Rating</i>	<i>Price (\$/sh) 19-Nov 2003</i>	<i>EV/ Sales NTM</i>	<i>EV/ Ebitda NTM</i>	<i>P/E NTM</i>	<i>Dividend or Distribution NTM (%)</i>	<i>PV/ Ebitda NTM</i>
Cross Timbers Royalty Trust	CRT	26.60	8.9	12.8	13	7.7	9.7
Permian Basin RT (41%)	PBT	8.20	7.7	11.0	13	9.1	8.7
Sabine Royalty Trust	SBR	27.20	10.4	10.8	11	9.2	8.8
Hugoton RoyaltyTrust (46%)	HGT	20.99	7.7	10.6	13	7.5	7.8
San Juan Basin Royalty Trust	SJT	B	19.03	7.1	8.8	11	9.5

EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended September 30, 2004; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses

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

Volume Decline (%/yr):	10	Price Escalation post 2009 (%/yr):	3.2
Volume Enhancement (%/yr):	10	Discount Rate (%/yr):	5.6
Variable Cost (%):	16	U.S. TIPS Inflation (%/yr):	2.4
		U.S. 10 Year Yield (%/yr):	4.2
PV/Volume (\$/mcf):	3.12	PV/EBITDA 2004:	9.9

Year	Natural Gas Volume			Price (\$/mcf)	Revenue (\$mm)	Cost (\$mm)	Oil			Disc Factor	Present Value (\$/unit)
	Basic (bcf)	Enhanced (bcf)	Total (bcf)				Net (\$mm)	Distribution (\$mm)	(\$/unit)		
Total 2004 through 2030; years ending on 12/31											
	23	16	39	5.23	204	33	26	197	32.85	0.62	20.30
2004	2.5	0.0	2.5	4.46	11.0	1.8	3.0	12.2	2.04	0.97	1.98
2005	2.2	0.2	2.5	4.45	11.0	1.8	2.0	11.2	1.87	0.92	1.72
2006	2.0	0.5	2.5	4.41	10.9	1.7	1.8	10.9	1.82	0.87	1.59
2007	1.8	0.7	2.5	4.43	10.9	1.8	1.7	10.9	1.82	0.83	1.50
2008	1.6	0.8	2.5	4.43	10.9	1.8	1.6	10.8	1.80	0.78	1.41
2009	1.5	1.0	2.5	4.46	11.0	1.8	1.6	10.8	1.81	0.74	1.34
2010	1.3	1.2	2.5	4.60	11.4	1.8	1.6	11.1	1.85	0.70	1.30
2011	1.2	1.3	2.5	4.75	11.7	1.9	1.5	11.4	1.90	0.66	1.26
2012	1.1	1.2	2.2	4.90	10.9	1.7	1.9	11.1	1.84	0.63	1.16
2013	1.0	1.0	2.0	5.05	10.1	1.6	1.7	10.2	1.70	0.59	1.01
2014	0.9	0.9	1.8	5.21	9.4	1.5	1.5	9.4	1.57	0.56	0.88
2015	0.8	0.8	1.6	5.38	8.7	1.4	1.3	8.7	1.44	0.53	0.77
2016	0.7	0.8	1.5	5.55	8.1	1.3	1.2	8.0	1.33	0.50	0.67
2017	0.6	0.7	1.3	5.73	7.5	1.2	1.0	7.3	1.22	0.48	0.58
2018	0.6	0.6	1.2	5.91	7.0	1.1	0.9	6.7	1.12	0.45	0.51
2019	0.5	0.6	1.1	6.09	6.5	1.0	0.7	6.2	1.03	0.43	0.44
2020	0.5	0.5	1.0	6.29	6.0	1.0	0.6	5.7	0.95	0.40	0.38
2021	0.4	0.4	0.9	6.49	5.6	0.9		4.7	0.78	0.38	0.30
2022	0.4	0.4	0.8	6.69	5.2	0.8		4.4	0.73	0.36	0.26
2023	0.3	0.4	0.7	6.90	4.8	0.8		4.0	0.67	0.34	0.23
2024	0.3	0.3	0.6	7.12	4.5	0.7		3.8	0.63	0.32	0.20
2025	0.3	0.3	0.6	7.35	4.2	0.7		3.5	0.58	0.31	0.18
2026	0.2	0.3	0.5	7.58	3.9	0.6		3.2	0.54	0.29	0.16
2027	0.2	0.2	0.5	7.82	3.6	0.6		3.0	0.50	0.28	0.14
2028	0.2	0.2	0.4	8.07	3.3	0.5		2.8	0.47	0.26	0.12
2029	0.2	0.2	0.4	8.33	3.1	0.5		2.6	0.43	0.25	0.11
2030	0.2	0.2	0.3	8.59	2.9	0.5		2.4	0.40	0.23	0.09

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

	<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>6/30/03</i>	<i>9/30/03</i>	<i>12/31/03</i>	<i>2003E</i>	<i>3/31/04</i>	<i>6/30/04</i>	<i>9/30/04</i>	<i>12/31/03</i>	<i>Twelve</i>
									<i>Months</i>
									<i>12/31/04</i>
<b>Highlights</b>									
Distributable Income (\$mm)	3.67	3.07	3.43	12.76	3.15	3.19	2.97	2.94	12.24
Per unit	0.61	0.51	0.57	2.13	0.52	0.53	0.49	0.49	2.04
<b>Units</b> (millions)	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
<b>Volume</b>									
Natural Gas (bcf)	0.72	0.64	0.68	2.69	0.69	0.68	0.68	0.69	2.75
Natural Gas (mmcf/d)	8.0	7.0	7.4	7.4	7.5	7.5	7.5	7.5	7.5
Days	90	91	92	365	92	91	91	92	366
Oil (mb)	69	69	81	299	75	74	75	75	299
Oil (mbd)	0.78	0.75	0.88	0.82	0.82	0.82	0.82	0.82	0.82
Days	89	92	92	365	92	90	92	92	366
Total (bcf)	1.14	1.05	1.17	4.49	1.14	1.12	1.13	1.14	4.54
<b>Price</b>									
Natural Gas (HH lagged three months)									
Henry Hub (\$/mmbtu)	6.38	5.63	4.87	5.30	4.62	4.96	4.59	4.61	4.70
Differential (\$/mmbtu)	1.01	0.58	(0.12)	0.46	0.23	0.25	0.23	0.23	0.24
CRT (\$/mcf)	5.36	5.05	4.99	4.84	4.39	4.71	4.36	4.38	4.46
Oil (\$/bbl) (WTI lagged two months)									
WTI Cushing	32.51	29.86	30.08	30.50	32.25	31.07	29.50	28.31	30.28
CRT	29.88	28.05	28.02	28.16	30.03	28.93	27.47	26.36	28.19
Total (\$/mcf)	5.22	4.90	4.86	4.78	4.63	4.76	4.45	4.39	4.55
<b>Revenue</b> (\$mm)									
Natural Gas	3.88	3.23	3.39	13.04	3.03	3.22	2.98	3.02	12.24
Oil	2.06	1.93	2.28	8.41	2.26	2.13	2.07	1.98	8.44
Total	5.94	5.15	5.67	21.44	5.29	5.35	5.04	5.01	20.69
<b>Cost</b> (\$mm)									
Tax, transport & other	0.80	0.68	0.79	3.01	0.74	0.75	0.71	0.70	2.90
Production	0.83	0.88	0.88	3.42	0.85	0.85	0.85	0.85	3.42
Total	1.62	1.56	1.68	6.43	1.59	1.60	1.56	1.55	6.31
<b>Cash flow</b> (\$mm)									
Development	0.05	0.03	0.03	0.16	0.03	0.03	0.03	0.03	0.12
Excess or other				-					
<b>Net proceeds</b> (\$mm)	4.27	3.56	3.96	14.86	3.66	3.71	3.45	3.42	14.25
<b>Royalty income</b> (\$mm)									
Royalty/Net proceeds	88%	87%	87%	87%	87%	87%	87%	87%	87%
Administration	0.09	0.03	0.03	0.21	0.04	0.04	0.04	0.04	0.16
<b>Distributable income</b> (\$mm)									
Tax and other/revenue	0.13	0.13	0.14	0.14	0.14	0.14	0.14	0.14	0.14
Distributable Inc/Rev (%)	62	60	60	60	60	60	59	59	59

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**Table CRT-3**  
**Cross Timbers Royalty Trust**  
**Monthly Distributions**

	<i>Aug-03</i>	<i>Sep-03</i>	<i>Oct-03</i>	<i>Nov-03</i>	<i>Dec-03</i>
<b>Distribution (\$/unit)</b>					
Declared	0.16	0.19	0.22	0.17	
Projected					0.18
<b>Volume</b>					
Natural Gas (bcf)	202	204	234	221	225
Natural Gas (mmcf)	6.52	6.80	7.55	7.13	7.49
Days	31	30	31	31	30
Oil (mb)	20.2	24.7	32.3	24.1	24.9
Oil (mbd)	0.67	0.80	1.04	0.80	0.80
Days	30	31	31	30	31
Total (bcf)	323	352	428	366	374
<b>Price</b>					
Natural gas industry quotes lagged three months (\$/mmbtu)					
Henry Hub Daily/Futures	5.81	5.82	5.03	4.97	4.62
San Juan Monthly Index	4.03	5.03	4.70	4.03	4.44
CRT/Henry Hub	0.87	0.94	1.03	1.02	1.02
CRT/San Juan Index	1.26	1.09	1.10	1.26	1.06
CRT (\$/mcf)	5.07	5.49	5.18	5.08	4.70
Oil (\$/bbl)					
WTI Cushing (lagged two months)	30.72	30.74	31.61	28.32	30.33
CRT/WTI Cushing	0.95	0.94	0.93	0.91	0.93
CRT	29.27	28.79	29.51	25.82	28.21
Total (\$/mcf)	5.00	5.20	5.06	4.77	4.70
<b>Revenue (\$mm)</b>					
Natural Gas	1.02	1.12	1.21	1.12	1.06
Oil	0.59	0.71	0.95	0.62	0.70
Total	1.62	1.83	2.17	1.74	1.76
<b>Distributable income (\$mm)</b>					
Natural Gas (at 75% of nat gas rev)	0.77	0.84	0.91	0.84	0.79
Oil	0.20	0.29	0.41	0.20	0.27
Total	0.97	1.13	1.32	1.04	1.07
Distributable Income/Revenue (%)	60	62	61	59	61
<i>Monthly Average Since March 2003</i>					
Natural Gas (mmcf)	7.66	7.54	7.54	7.49	
Oil (mbd)	0.76	0.77	0.80	0.80	
CRT/Henry Hub	0.88	0.89	0.91	0.92	
CRT/San Juan Index	1.17	1.16	1.15	1.16	
CRT/WTI Cushing	0.93	0.93	0.93	0.93	
Distributable Income/Revenue (%)	61	61	61	61	

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

Volume Decline (%/yr):	11	Price Escalation Post 2009 (%/yr):	3.2
Volume Enhancement (%/yr):	8	Discount rate (%/yr):	6.2
Capex/Cash Flow (%):	25	U.S. TIPS Inflation (%/yr):	2.4
Variable Cost (%):	18	U.S. 10 Year Yield (%/yr):	4.2
PV/Volume (\$/mcf):	1.70	PV/EBITDA 2004:	7.8

Year	Basic (bcf)	Enhanced (bcf)	Total (bcf)	Price (\$/mcf)	Revenue (\$mm)	Fixed Cost (\$mm)	Var Cost (\$mm)	Cap Ex (\$mm)	Distribution (\$/unit)	Disc Factor	Present Value (\$/unit)	
Total 2004 through 2030; years ending on 12/31												
	241	121	362	4.89	1769	272	318	147	1032	25.81	0.60	15.40
2004	26.8	0.0	26.8	4.05	108.5	10.1	19.5	16.3	62.6	1.57	0.97	1.52
2005	24.0	2.1	26.1	4.21	110.0	10.1	19.8	20.0	60.1	1.50	0.91	1.37
2006	21.4	4.0	25.4	4.17	106.2	10.1	19.1	19.2	57.7	1.44	0.86	1.24
2007	19.2	5.6	24.8	4.20	104.1	10.1	18.7	18.8	56.5	1.41	0.81	1.14
2008	17.1	7.0	24.1	4.20	101.4	10.1	18.3	18.3	54.8	1.37	0.76	1.04
2009	15.3	8.2	23.5	4.24	99.7	10.1	17.9	17.9	53.8	1.34	0.72	0.96
2010	13.7	9.2	22.9	4.37	100.2	10.1	18.0	18.0	54.1	1.35	0.67	0.91
2011	12.2	10.1	22.3	4.51	100.7	10.1	18.1	18.1	54.4	1.36	0.64	0.86
2012	10.9	9.0	19.9	4.66	92.9	10.1	16.7		66.1	1.65	0.60	0.99
2013	9.8	8.0	17.8	4.80	85.6	10.1	15.4		60.2	1.50	0.56	0.85
2014	8.7	7.2	15.9	4.96	79.0	10.1	14.2		54.7	1.37	0.53	0.72
2015	7.8	6.4	14.3	5.11	72.9	10.1	13.1		49.7	1.24	0.50	0.62
2016	7.0	5.7	12.7	5.28	67.2	10.1	12.1		45.0	1.13	0.47	0.53
2017	6.3	5.1	11.4	5.44	62.0	10.1	11.2		40.8	1.02	0.44	0.45
2018	5.6	4.6	10.2	5.61	57.2	10.1	10.3		36.8	0.92	0.42	0.38
2019	5.0	4.1	9.1	5.79	52.7	10.1	9.5		33.2	0.83	0.39	0.32
2020	4.5	3.7	8.1	5.98	48.6	10.1	8.8		29.8	0.75	0.37	0.27
2021	4.0	3.3	7.3	6.17	44.9	10.1	8.1		26.7	0.67	0.35	0.23
2022	3.6	2.9	6.5	6.36	41.4	10.1	7.4		23.9	0.60	0.33	0.19
2023	3.2	2.6	5.8	6.56	38.2	10.1	6.9		21.2	0.53	0.31	0.16
2024	2.9	2.3	5.2	6.77	35.2	10.1	6.3		18.8	0.47	0.29	0.14
2025	2.6	2.1	4.6	6.99	32.5	10.1	5.8		16.6	0.41	0.27	0.11
2026	2.3	1.9	4.2	7.21	29.9	10.1	5.4		14.5	0.36	0.26	0.09
2027	2.0	1.7	3.7	7.44	27.6	10.1	5.0		12.6	0.31	0.24	0.08
2028	1.8	1.5	3.3	7.67	25.5	10.1	4.6		10.8	0.27	0.23	0.06
2029	1.6	1.3	3.0	7.91	23.5	10.1	4.2		9.2	0.23	0.21	0.05
2030	1.5	1.2	2.7	8.17	21.7	10.1	3.9		7.7	0.19	0.20	0.04

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

	Q2	Q3	Q4E	Year	Q1E	Q2E	Q3E	Q4E	Next Twelve Months
	6/30/03	9/30/03	12/31/03	2003E	3/31/04	6/30/04	9/30/04	12/31/04	12/31/04
<b>Highlights</b>									
Revenue (\$mm) (80%)	34.6	32.0	29.1	122.5	27.6	27.5	26.7	26.7	108.5
Cash flow (\$mm) (80%)	26.9	24.1	21.2	91.7	20.3	20.2	19.4	19.4	79.3
Per unit	0.67	0.60	0.53	2.29	0.51	0.50	0.48	0.49	1.98
Distributable Income (\$mm)	24.5	21.4	17.8	80.1	16.1	16.0	15.2	15.3	62.6
Per unit	0.61	0.53	0.45	2.00	0.40	0.40	0.38	0.38	1.57
Units (millions)	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
<b>Volume</b>									
Natural Gas (bcf)	7.7	7.8	7.8	31.6	8.0	7.8	8.0	8.0	31.6
Natural Gas (mmcf/d)	87.0	85.0	85.0	86.4	86.4	86.4	86.4	86.4	86.4
Days	89	92	92	365	92	90	92	92	366
Oil (mb)	84	77	76	324	81	77	79	78	316
Oil (mbd)	0.9	0.8	0.8	0.9	0.9	0.9	0.9	0.9	0.9
Days	89	92	92	365	92	89	92	92	365
Total (bcf)	8.2	8.3	8.3	33.5	8.4	8.2	8.4	8.4	33.5
<b>Price</b>									
Natural Gas (HH lagged two months)									
Henry Hub (\$/mmbtu)	6.33	5.55	4.75	5.34	4.73	4.84	4.59	4.62	4.69
Differential (%)	17	13	8	15	15	15	15	15	15
HGT (\$/mcf)	5.23	4.83	4.36	4.54	4.02	4.11	3.90	3.93	3.99
Oil (\$/bbl) (WTI Cushing lagged two months)									
WTI Cushing	32.51	29.86	30.08	30.50	32.25	31.07	29.50	28.31	30.28
HGT	32.56	29.58	29.81	30.19	31.95	30.78	29.22	28.04	30.01
Total (\$/mcf)	5.24	4.83	4.40	4.57	4.10	4.17	3.96	3.97	4.05
<b>Revenue (\$mm)</b>									
Natural Gas	40.5	37.7	34.1	143.4	32.0	32.0	31.0	31.2	126.2
Oil	2.7	2.3	2.3	9.8	2.6	2.4	2.3	2.2	9.5
Total	43.2	40.0	36.4	153.1	34.6	34.4	33.3	33.4	135.7
<b>Cost (\$mm)</b>									
Tax, transport & other	3.5	3.5	3.6	13.9	3.5	3.4	3.3	3.3	13.6
Production	4.1	4.5	4.4	17.0	4.0	3.9	4.0	4.0	15.8
Overhead	2.0	1.8	1.8	7.6	1.8	1.8	1.8	1.8	7.3
Total	9.6	9.9	9.9	38.5	9.2	9.1	9.1	9.1	36.6
<b>Cash flow (\$mm)</b>	33.6	30.1	26.6	114.6	25.3	25.2	24.2	24.3	99.1
Development	2.8	2.3	4.2	12.9	5.1	5.1	5.1	5.1	20.4
<b>Net proceeds (\$mm)</b>	30.9	27.9	22.4	101.7	20.2	20.1	19.1	19.2	78.7
<b>Royalty income (\$mm)</b>	24.7	22.3	17.9	81.4	16.2	16.1	15.3	15.4	62.9
Royalty/Net proceeds	80%	80%	80%	80%	80%	80%	80%	80%	80%
Administration	0.2	0.9	0.1	1.3	0.1	0.1	0.1	0.1	0.3
<b>Distributable income (\$mm)</b>	24.5	21.4	17.8	80.1	16.1	16.0	15.2	15.3	62.6
Tax and other/revenue	8%	9%	10%	9%	10%	10%	10%	10%	10%
Production cost (\$/mcf)	0.50	0.55	0.53	0.51	0.47	0.47	0.47	0.47	0.47
Overhead cost (\$/mcf)	0.24	0.22	0.22	0.23	0.22	0.22	0.22	0.22	0.22
Development/Cash flow	0.08	0.07	0.16	0.11	0.20	0.20	0.21	0.21	0.21

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# Natural Gas Royalty Trusts

A Weekly Analysis

November 20, 2003

**Table HGT-3**  
**Hugoton Royalty Trust**  
**Monthly Declarations**

	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03
<b>Distribution (\$/unit)</b>					
Declared	0.18	0.18	0.17	0.14	
Projected					0.14
<b>Volume</b>					
Natural Gas (bcf)	2.58	2.62	2.60	2.54	2.68
Natural Gas (mmcf)	86	84	84	85	87
Days	30	32	32	33	31
<b>Price</b>					
Natural gas industry quotes lagged two months (\$/mmbtu)					
Henry Hub Daily/Futures	5.82	5.03	4.97	4.62	4.65
HGT/Henry Hub	0.88	0.96	0.86	0.98	0.92
HGT (\$/mcf)	5.13	4.85	4.30	4.52	4.27
<b>Revenue (\$mm)</b>					
Natural Gas	13.2	12.7	11.2	11.5	11.5
Other	1.5	0.6	0.1	0.4	0.5
Total	11.7	12.1	11.1	11.1	11.0
<b>Cost (\$mm)</b>					
Production	1.6	1.5	1.5	1.5	1.4
Overhead	0.6	0.6	0.6	0.6	0.6
Total	2.2	2.1	2.0	2.2	2.0
<b>Cash flow (\$mm)</b>					
Development	0.8	0.8	0.8	1.7	1.7
<b>Net proceeds (\$mm)</b>	8.8	9.2	8.3	7.2	7.3
<b>Royalty income (\$mm)</b>	7.0	7.4	6.6	5.8	5.8
Royalty/Net proceeds	80%	80%	80%	80%	80%
<b>Distributable income (\$mm)</b>	7.0	7.4	6.6	5.8	5.8
<b>Units (millions)</b>	40.0	40.0	40.0	40.0	43.0
<b>Distribution (\$/unit)</b>	0.18	0.18	0.17	0.14	0.14
<i>Latest Twelve Month Average</i>					
Natural Gas (mmcf)	89	88	87	87	
HGT/Henry Hub	0.80	0.81	0.82	0.84	
Other revenue (\$mm)	0.5	0.5	0.5	0.5	
Development (\$mm)	1.3	1.2	1.1	1.1	
Production (\$mm)	1.4	1.4	1.4	1.4	
Overhead (\$mm)	0.6	0.6	0.6	0.6	

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# Natural Gas Royalty Trusts

## A Weekly Analysis

November 20, 2003

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

Volume Decline (%/yr):	11	Price Escalation Post 2009 (%/yr):	3.2
Volume Enhancement (%/yr):	10	Discount rate (%/yr):	6.2
Capex/Cash Flow (%):	25	U.S. TIPS Inflation (%/yr):	2.4
Variable Cost (%):	12	U.S. 10 Year Yield (%/yr):	4.2
PV/Volume (\$/mcf):	1.64	PV/EBITDA 2004:	8.5

Year	Basic (bcf)	Volume Enhanced (bcf)	Total (bcf)	Price (\$/mcf)	Revenue (\$mm)	Fixed Cost (\$mm)	Var Cost (\$mm)	Cap Ex (\$mm)	Distribution (\$/unit)		Disc Factor	Present Value (\$/unit)
Total 2004 through 2030; years ending on 12/31												
	308	205	513	4.38	2246	349	269	189	1439	30.88	0.59	<b>18.10</b>
2004	34.3	0.0	34.3	3.65	125.2	10.6	15.0	15.4	84.2	1.81	0.97	1.75
2005	30.7	3.4	34.1	3.74	127.6	13.0	15.3	24.8	74.5	1.60	0.91	1.46
2006	27.4	6.5	33.9	3.71	125.7	13.0	15.1	24.4	73.2	1.57	0.86	1.35
2007	24.5	9.2	33.7	3.73	125.8	13.0	15.1	24.4	73.3	1.57	0.81	1.27
2008	21.9	11.6	33.5	3.74	125.1	13.0	15.0	24.3	72.8	1.56	0.76	1.19
2009	19.6	13.7	33.3	3.77	125.5	13.0	15.1	24.4	73.1	1.57	0.72	1.12
2010	17.5	15.6	33.1	3.89	128.7	13.0	15.4	25.1	75.2	1.61	0.67	1.09
2011	15.7	17.2	32.9	4.01	132.0	13.0	15.8	25.8	77.3	1.66	0.64	1.05
2012	14.0	15.4	29.4	4.14	121.7	13.0	14.6		94.1	2.02	0.60	1.21
2013	12.5	13.8	26.3	4.27	112.3	13.0	13.5		85.8	1.84	0.56	1.04
2014	11.2	12.3	23.5	4.41	103.5	13.0	12.4		78.1	1.68	0.53	0.89
2015	10.0	11.0	21.0	4.54	95.5	13.0	11.5		71.0	1.52	0.50	0.76
2016	8.9	9.8	18.8	4.69	88.1	13.0	10.6		64.5	1.38	0.47	0.65
2017	8.0	8.8	16.8	4.84	81.2	13.0	9.7		58.5	1.26	0.44	0.55
2018	7.1	7.9	15.0	4.99	74.9	13.0	9.0		52.9	1.14	0.42	0.47
2019	6.4	7.0	13.4	5.15	69.1	13.0	8.3		47.8	1.03	0.39	0.40
2020	5.7	6.3	12.0	5.31	63.8	13.0	7.7		43.1	0.92	0.37	0.34
2021	5.1	5.6	10.7	5.48	58.8	13.0	7.1		38.7	0.83	0.35	0.29
2022	4.6	5.0	9.6	5.65	54.2	13.0	6.5		34.7	0.75	0.33	0.24
2023	4.1	4.5	8.6	5.83	50.0	13.0	6.0		31.0	0.67	0.31	0.20
2024	3.6	4.0	7.7	6.02	46.1	13.0	5.5		27.6	0.59	0.29	0.17
2025	3.3	3.6	6.9	6.21	42.6	13.0	5.1		24.4	0.52	0.27	0.14
2026	2.9	3.2	6.1	6.41	39.2	13.0	4.7		21.5	0.46	0.26	0.12
2027	2.6	2.9	5.5	6.61	36.2	13.0	4.3		18.9	0.40	0.24	0.10
2028	2.3	2.6	4.9	6.82	33.4	13.0	4.0		16.4	0.35	0.23	0.08
2029	2.1	2.3	4.4	7.04	30.8	13.0	3.7		14.1	0.30	0.21	0.06
2030	1.9	2.1	3.9	7.26	28.4	13.0	3.4		12.0	0.26	0.20	0.05

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# Natural Gas Royalty Trusts

A Weekly Analysis

November 20, 2003

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

	Q2	Q3	Q4E	Year	Q1E	Q2E	Q3E	Q4E	Next Twelve Months
	6/30/03	9/30/03	12/31/03	2003E	3/31/04	6/30/04	9/30/04	12/31/04	12/31/04
<b>Highlights</b>									
Revenue (\$mm) (75%)	35.7	33.7	33.0	133.3	31.8	31.5	30.9	31.0	125.2
Cash flow (\$mm) (75%)	29.1	27.6	27.0	108.5	25.8	25.4	24.9	25.1	101.2
Per unit	0.62	0.59	0.58	2.33	0.55	0.55	0.53	0.54	2.17
Distributable Income (\$mm)	25.6	23.8	21.5	90.5	21.5	21.2	20.7	20.8	84.2
Per unit	0.55	0.51	0.46	1.94	0.46	0.45	0.44	0.45	1.81
<b>Units</b> (millions)	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6
<b>Volume</b>									
Natural gas (mmbtu)	11.4	12.3	12.8	49.2	12.4	12.0	12.4	12.4	49.2
Heat Content(btu/cf)	1,094	1,078	1,084	1,085	1,085	1,085	1,085	1,085	1,085
Natural gas (bcf)	10.5	11.4	11.8	45.3	11.4	11.1	11.4	11.4	45.3
Natural Gas (mmcf)	117.5	124.3	128.5	124.2	124.2	124.2	124.2	124.2	124.2
Days	89	92	92	365	92	89	92	92	365
Oil (mb)	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1
Oil (mbd)	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Total gas & oil (bcf)	10.6	11.5	11.9	45.8	11.5	11.2	11.5	11.5	45.8
<b>Price</b>									
Natural gas (\$/mmbtu) (Henry Hub lagged two months)									
Henry Hub (\$/mmbtu)	6.33	5.55	4.75	5.34	4.73	4.84	4.59	4.62	4.69
Differential (%)	35	35	28	33	28	28	28	28	28
Net to SJT (\$/mmbtu)	4.10	3.62	3.40	3.57	3.39	3.46	3.29	3.31	3.36
Natural gas (\$/mcf)	4.48	3.90	3.68	3.88	3.67	3.76	3.56	3.59	3.64
Oil (\$/bbl) (WTI Cushing lagged two months)									
WTI Cushing	32.51	29.86	30.08	30.50	32.25	31.07	29.50	28.31	30.28
SJT	27.91	24.74	24.93	25.76	26.72	25.74	24.44	23.46	25.08
Total gas & oil (\$/mcf)	4.49	3.90	3.69	3.88	3.68	3.76	3.57	3.59	3.65
<b>Revenue (\$mm)</b>									
Natural Gas	46.9	44.6	43.5	175.8	42.0	41.5	40.7	41.0	165.2
Oil	0.7	0.4	0.4	1.9	0.5	0.4	0.4	0.4	1.7
Total	47.5	45.0	43.9	177.8	42.4	41.9	41.2	41.4	166.9
<b>Cost (\$mm)</b>									
Severance tax	4.8	4.6	4.7	18.4	4.4	4.3	4.3	4.3	17.2
Operating	3.9	3.6	3.3	14.7	3.7	3.7	3.7	3.7	14.7
Total	8.7	8.2	8.0	33.1	8.1	8.0	7.9	8.0	32.0
<b>Cash flow (\$mm)</b>									
Development	2.9	4.3	6.8	20.6	5.1	5.1	5.1	5.1	20.6
<b>Net proceeds (\$mm)</b>	35.9	32.4	29.2	124.1	29.2	28.8	28.1	28.3	114.4
<b>Royalty income (\$mm)</b>									
Royalty/Net proceeds	75%	75%	75%	75%	75%	75%	75%	75%	75%
Administration	0.4	0.5	0.3	1.7	0.4	0.4	0.4	0.4	1.6
One-time	0.9			0.9					-
<b>Distributable income (\$mm)</b>	25.6	23.8	21.5	90.5	21.5	21.2	20.7	20.8	84.2
Severance tax/revenue	10.2%	10.3%	10.7%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%
Operating cost (\$/mcf)	0.37	0.31	0.27	0.32	0.32	0.33	0.32	0.32	0.32
Development/Cash flow	7%	12%	19%	14%	15%	15%	15%	15%	15%

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# Natural Gas Royalty Trusts

A Weekly Analysis

November 20, 2003

**Table SJT-3**  
**San Juan Basin Royalty Trust**  
**Monthly Declarations**

	<i>Aug-03</i>	<i>Sep-03</i>	<i>Oct-03</i>	<i>Nov-03</i>	<i>Dec-03</i>
<b>Distribution</b> (\$/unit)					
Declared	0.17	0.19	0.14	0.17	
Projected					0.15
<b>Volume</b>					
Natural gas (mmbtu)	3.48	4.64	4.19	4.45	4.17
Heat Content(btu/cf)	1,101	1,062	1,109	1,064	1,082
Natural gas (bcf)	3.16	4.37	3.78	4.19	3.86
Natural Gas (mmcf)	105	141	122	140	124
Days	30	31	31	30	31
<b>Price</b>					
Natural gas industry quotes lagged two months (\$/mmbtu)					
Henry Hub Daily/Futures	5.82	5.03	4.97	4.62	4.65
San Juan Monthly Index	5.03	4.70	4.03	4.44	3.95
San Juan Index/Henry Hub	0.86	0.93	0.81	0.96	0.85
SJT/San Juan Index	0.87	0.76	0.85	0.78	0.84
SJT (\$/mmbtu)	4.39	3.59	3.41	3.46	3.32
SJT (\$/mcf)	4.83	3.81	3.78	3.68	3.59
<b>Revenue</b> (\$mm)					
Natural Gas	15.3	16.7	14.3	15.4	13.8
Other	(0.2)	(0.0)	(0.0)	0.1	(0.0)
<b>Cost</b> (\$mm)					
Severance tax	1.4	1.7	1.6	1.6	1.5
Operating	1.2	1.2	1.0	1.1	1.2
Total	2.5	2.9	2.6	2.8	2.7
<b>Cash flow</b> (\$mm)	12.5	13.7	11.7	12.7	11.2
Development	1.7	1.8	2.8	2.4	1.7
<b>Net proceeds</b> (\$mm)	10.8	11.9	8.9	10.3	9.5
<b>Royalty income</b> (\$mm)	8.1	8.9	6.7	7.8	7.1
Royalty/Net proceeds	75%	75%	75%	75%	75%
One time					
<b>Distributable income</b> (\$mm)	8.1	8.9	6.7	7.8	7.1
<b>Units</b> (millions)	46.6	46.6	46.6	46.6	46.6
<b>Distribution</b> (\$/unit)	0.17	0.19	0.14	0.17	0.15
<i>Latest Twelve Month Average</i>					
Heat Content(btu/cf)	1,080	1,080	1,082	1,082	
Natural Gas (mmcf)	122	124	123	124	
San Juan Index/Henry Hub	0.77	0.77	0.77	0.79	
SJT/San Juan Index	0.86	0.85	0.84	0.84	
Other revenue	(0.0)	(0.0)	(0.0)	(0.0)	
Operating	1.2	1.2	1.2	1.2	
Development	1.4	1.5	1.7	1.7	
Severance tax/revenue	10.6%	10.6%	10.7%	10.7%	

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