

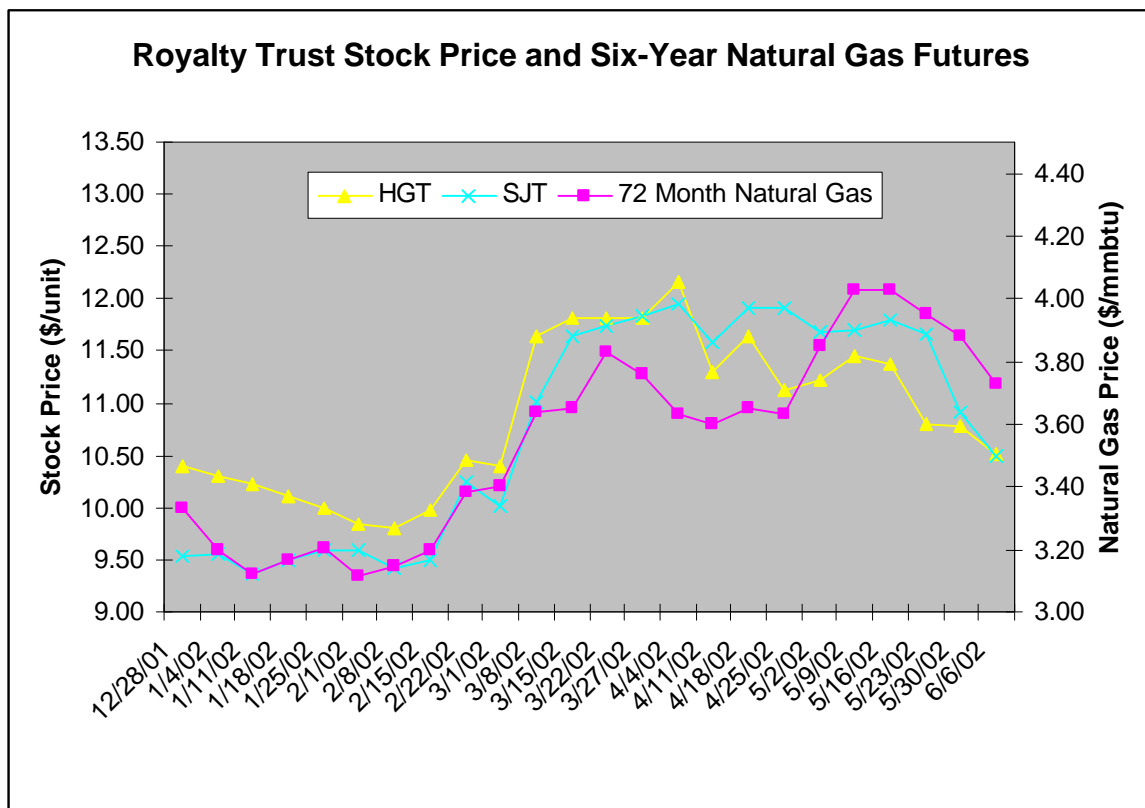
## Natural Gas Royalty Trusts

A Weekly Analysis

June 10, 2002

### Natural Gas Price Proxies

Stock prices for HGT and SJT seem to correlate closely with multi-year natural gas futures, as we would expect (see Chart). Futures point to a favorable outlook for natural gas and for the royalty trusts in our opinion. Yet stock prices seem to have declined more than futures in recent weeks. We think that might be explained in part by widening location differentials between the point where the trusts are paid and where futures are priced. The widening should reverse in the next few months, as more natural gas is demanded for electricity for air conditioning. Meanwhile six-year and one-year natural gas and oil futures changed less than one sigma in the past week. Estimated present value declined more than one sigma for HGT and SJT, but estimated next twelve months distribution changed less than one sigma.



Kurt H. Wulff, CFA

Analyses are prepared from original sources and data believed to be reliable, but no representation is made as to their accuracy or completeness. Independent energy investment analysis by Kurt Wulff doing business as McDep Associates is posted at [www.mcdep.com](http://www.mcdep.com). Mr. Wulff is not paid by covered companies. Owning shares in energy stocks, neither Mr. Wulff nor his spouse act contrary to a buy or sell rating.

# Natural Gas Royalty Trusts

## A Weekly Analysis

June 10, 2002

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

	Symbol/ Rating	Price (\$/sh) 6-Jun 2002	Shares (mm)	Market Cap (\$mm)	Net Present Value (\$/sh)	Debt/ Present Value	McDep Ratio	
Cross Timbers Royalty Trust	CRT	16.25	6.0	98	19.20	-	0.85	
Hugoton RoyaltyTrust (46%)	HGT	10.51	18.4	190	14.50	-	0.72	
San Juan Basin Royalty Trust	SJT	2	10.49	46.6	490	15.00	-	0.70

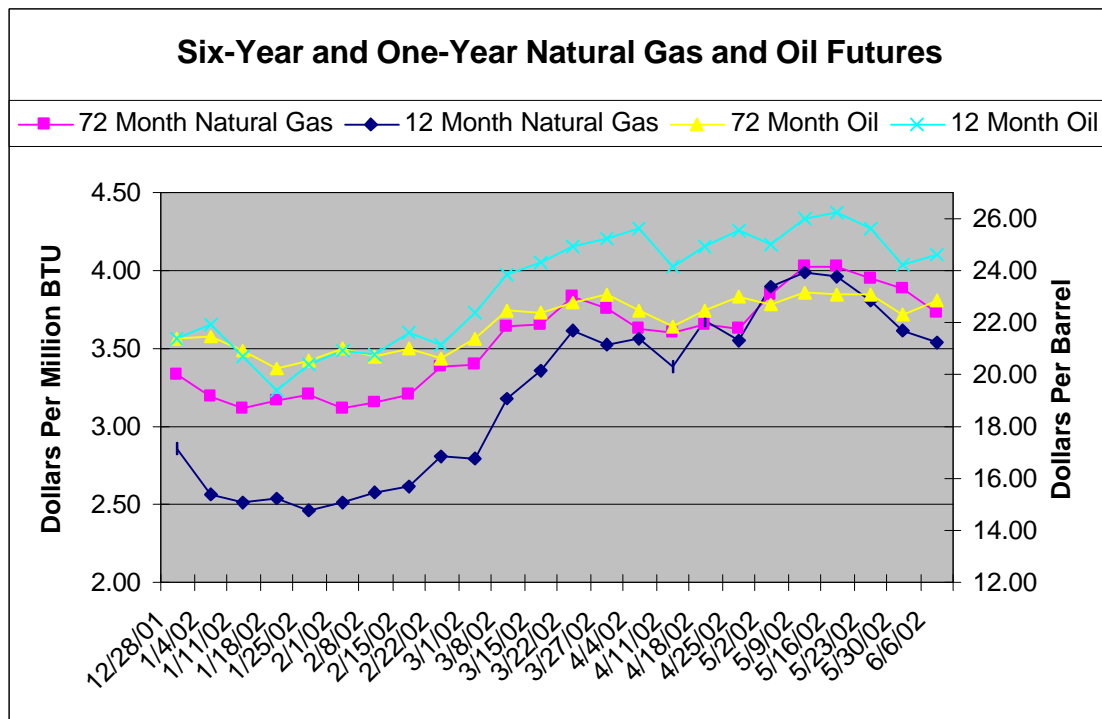
Buy/Sell rating after symbol: 1 - Strong Buy, 2 - Buy, 3 - Neutral, 4 - Sell, 5 - Strong Sell

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) 6-Jun 2002	EV/ Sales NTM	EV/ Ebitda NTM	P/E NTM	Dividend or Distribution NTM (%)	PV/ Ebitda NTM	
Cross Timbers Royalty Trust	CRT	16.25	6.2	8.9	10	10.4	10.4	
Hugoton RoyaltyTrust (46%)	HGT	10.51	4.6	6.8	10	10.2	9.4	
San Juan Basin Royalty Trust	SJT	2	10.49	5.1	6.5	9	10.9	9.4

EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended June 30, 2003; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses



Analyses are prepared from original sources and data believed to be reliable, but no representation is made as to their accuracy or completeness. Independent energy investment analysis by Kurt Wulff doing business as McDep Associates is posted at [www.mcdep.com](http://www.mcdep.com). Mr. Wulff is not paid by covered companies. Owning shares in energy stocks, neither Mr. Wulff nor his spouse act contrary to a buy or sell rating.

## Natural Gas Royalty Trusts

### A Weekly Analysis

June 10, 2002

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

Volume Decline (%/yr):	10	Price Escalation post 2007 (%/yr):	2.7
Volume Enhancement (%/yr):	10	Discount Rate (%/yr):	6.4
		U.S. TIPS Inflation (%/yr):	1.9
		U.S. 10 Year Yield (%/yr):	5.0

PV/Volume (\$/mcf):	2.35	PV/EBITDA 2002:	12.5
---------------------	------	-----------------	------

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 2002 through 2031											
	26	23	49	4.21	207	4	211	35.12	0.10	0.55	19.20
2002	2.7	0.0	2.7	2.87	7.9	0.7	8.6	1.43	0.10	0.97	1.48
2003	2.5	0.3	2.7	3.49	9.6	0.8	10.4	1.73		0.91	1.58
2004	2.2	0.5	2.7	3.56	9.8	0.6	10.4	1.73		0.86	1.48
2005	2.0	0.7	2.7	3.54	9.7	0.5	10.2	1.70		0.80	1.37
2006	1.8	0.9	2.7	3.56	9.8	0.4	10.2	1.70		0.76	1.28
2007	1.6	1.1	2.7	3.62	9.9	0.3	10.2	1.71		0.71	1.21
2008	1.5	1.3	2.7	3.72	10.2	0.3	10.5	1.75		0.67	1.17
2009	1.3	1.4	2.7	3.83	10.5	0.3	10.7	1.79		0.63	1.12
2010	1.2	1.6	2.7	3.93	10.8	0.2	11.0	1.83		0.59	1.08
2011	1.1	1.7	2.7	4.04	11.1		11.1	1.84		0.55	1.02
2012	1.0	1.5	2.5	4.15	10.2		10.2	1.71		0.52	0.89
2013	0.9	1.4	2.2	4.26	9.5		9.5	1.58		0.49	0.77
2014	0.8	1.2	2.0	4.38	8.7		8.7	1.46		0.46	0.67
2015	0.7	1.1	1.8	4.50	8.1		8.1	1.35		0.43	0.58
2016	0.6	1.0	1.6	4.62	7.5		7.5	1.25		0.41	0.51
2017	0.6	0.9	1.5	4.74	6.9		6.9	1.15		0.38	0.44
2018	0.5	0.8	1.3	4.87	6.4		6.4	1.07		0.36	0.38
2019	0.5	0.7	1.2	5.01	5.9		5.9	0.99		0.34	0.33
2020	0.4	0.7	1.1	5.14	5.5		5.5	0.91		0.32	0.29
2021	0.4	0.6	1.0	5.28	5.1		5.1	0.84		0.30	0.25
2022	0.3	0.5	0.9	5.43	4.7		4.7	0.78		0.28	0.22
2023	0.3	0.5	0.8	5.58	4.3		4.3	0.72		0.26	0.19
2024	0.3	0.4	0.7	5.73	4.0		4.0	0.67		0.25	0.16
2025	0.2	0.4	0.6	5.89	3.7		3.7	0.62		0.23	0.14
2026	0.2	0.3	0.6	6.05	3.4		3.4	0.57		0.22	0.12
2027	0.2	0.3	0.5	6.21	3.2		3.2	0.53		0.21	0.11
2028	0.2	0.3	0.5	6.38	2.9		2.9	0.49		0.19	0.09
2029	0.2	0.3	0.4	6.56	2.7		2.7	0.45		0.18	0.08
2030	0.1	0.2	0.4	6.73	2.5		2.5	0.42		0.17	0.07
2031	0.1	0.2	0.3	6.92	2.3		2.3	0.38		0.16	0.06

Analyses are prepared from original sources and data believed to be reliable, but no representation is made as to their accuracy or completeness. Independent energy investment analysis by Kurt Wulff doing business as McDep Associates is posted at [www.mcdep.com](http://www.mcdep.com). Mr. Wulff is not paid by covered companies. Owning shares in energy stocks, neither Mr. Wulff nor his spouse act contrary to a buy or sell rating.

# Natural Gas Royalty Trusts

## A Weekly Analysis

June 10, 2002

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

	<i>Q1</i>	<i>Q2E</i>	<i>Q3E</i>	<i>Q4E</i>	<i>Year</i>	<i>Q1E</i>	<i>Q2E</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>Twelve</i>
								<i>Months</i>
								<i>6/30/03</i>
<b>Highlights</b>								
Tax credit (\$mm)								
Per unit	0.03	0.03	0.03	0.03	0.10			0.05
Distributable Income (\$mm)	1.80	1.85	2.51	2.42	8.59	2.60	2.63	10.16
Per unit	0.30	0.31	0.42	0.40	1.43	0.43	0.44	1.69
<b>Units</b> (millions)	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
<b>Volume</b>								
Natural Gas (bcf)	0.78	0.75	0.76	0.76	3.05	0.76	0.75	3.03
Natural Gas (mmcf)	8.5	8.3	8.3	8.3	8.3	8.3	8.3	8.3
Days	92	90	91	92	365	92	90	365
Oil (mb)	83	80	83	83	330	83	80	330
Oil (mbd)	0.90	0.90	0.90	0.90	0.90	0.90	0.90	3.61
Days	92	89	92	92	365	92	89	365
Total (bcf)	1.28	1.23	1.25	1.26	5.02	1.26	1.23	5.01
<b>Price</b>								
Natural Gas (HH lagged three months)								
Henry Hub (\$/mmbtu)	2.41	2.53	3.37	3.23	2.88	3.55	3.82	3.49
Differential (\$/mmbtu)	(0.13)	0.05	0.07	0.06	0.01	0.07	0.08	0.07
CRT (\$/mcf)	2.54	2.48	3.30	3.17	2.87	3.48	3.74	3.42
Oil (\$/bbl) (WTI lagged two months)								
WTI Cushing	19.56	23.80	25.38	24.98	23.43	24.81	24.41	24.90
CRT	17.28	21.80	23.38	22.98	21.36	22.81	22.41	22.90
Total (\$/mcf)	2.67	2.93	3.54	3.43	3.14	3.61	3.74	3.58
<b>Revenue</b> (\$mm)								
Natural Gas	1.98	1.85	2.49	2.42	8.75	2.66	2.79	10.36
Oil	1.44	1.75	1.94	1.91	7.04	1.90	1.80	7.55
Total	3.42	3.60	4.43	4.33	15.78	4.56	4.59	17.91
<b>Cost</b> (\$mm)								
Tax, transport & other	0.34	0.50	0.62	0.61	2.07	0.64	0.64	2.51
Production	0.75	0.75	0.75	0.75	3.00	0.75	0.75	3.00
Total	1.09	1.26	1.37	1.36	5.07	1.39	1.39	5.51
<b>Cash flow</b> (\$mm)								
Development	0.28	0.20	0.20	0.20	0.88	0.20	0.20	0.80
Excess	(0.07)							
<b>Net proceeds</b> (\$mm)	2.11	2.15	2.86	2.77	9.90	2.97	3.00	11.60
<b>Royalty income</b> (\$mm)								
Royalty/Net proceeds	89%	89%	89%	89%	89%	89%	89%	89%
Administration	0.08	0.06	0.04	0.04	0.21	0.04	0.04	0.16
<b>Distributable income</b> (\$mm)	1.80	1.85	2.51	2.42	8.59	2.60	2.63	10.16
<i>Modeling ratios</i>								
Tax and other/revenue	0.10	0.14	0.14	0.14	0.13	0.14	0.14	0.14

Analyses are prepared from original sources and data believed to be reliable, but no representation is made as to their accuracy or completeness. Independent energy investment analysis by Kurt Wulff doing business as McDep Associates is posted at [www.mcdep.com](http://www.mcdep.com). Mr. Wulff is not paid by covered companies. Owning shares in energy stocks, neither Mr. Wulff nor his spouse act contrary to a buy or sell rating.

# Natural Gas Royalty Trusts

## A Weekly Analysis

June 10, 2002

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

Volume Decline (%/yr):	10	Price Escalation Post 2007 (%/yr):	2.7
Volume Enhancement (%/yr):	10	Discount rate (%/yr):	7.0
Capex/Cash Flow (%):	30	U.S. TIPS Inflation (%/yr):	1.9
Variable Cost (%):	17	U.S. 10 Year Yield (%/yr):	5.0
PV/Volume (\$/mcf):	1.08	PV/EBITDA 2002:	11.8

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 2002 through 2031													
	286	249	535	4.11	2196	455	373	220	1148	28.70	0.02	0.51	14.50
2002	29.9	0.0	29.9	2.60	77.7	15.2	13.2	18.4	30.9	0.77	0.02	0.97	0.76
2003	26.9	3.0	29.9	3.42	102.0	15.2	17.3	20.8	48.6	1.22		0.90	1.10
2004	24.2	5.7	29.9	3.49	104.1	15.2	17.7	21.4	49.9	1.25		0.84	1.05
2005	21.8	8.1	29.9	3.46	103.4	15.2	17.6	21.2	49.5	1.24		0.79	0.98
2006	19.6	10.3	29.9	3.49	104.2	15.2	17.7	21.4	49.9	1.25		0.74	0.92
2007	17.6	12.2	29.9	3.55	106.0	15.2	18.0	21.8	50.9	1.27		0.69	0.88
2008	15.9	14.0	29.9	3.64	108.9	15.2	18.5	22.6	52.6	1.32		0.64	0.85
2009	14.3	15.6	29.9	3.74	111.8	15.2	19.0	23.3	54.3	1.36		0.60	0.82
2010	12.9	17.0	29.9	3.85	114.9	15.2	19.5	24.1	56.1	1.40		0.56	0.79
2011	11.6	18.3	29.9	3.95	118.0	15.2	20.1	24.8	57.9	1.45		0.53	0.76
2012	10.4	16.5	26.9	4.06	109.1	15.2	18.5		75.4	1.88		0.49	0.93
2013	9.4	14.8	24.2	4.17	100.9	15.2	17.1		68.6	1.71		0.46	0.79
2014	8.4	13.3	21.8	4.28	93.3	15.2	15.9		62.2	1.56		0.43	0.67
2015	7.6	12.0	19.6	4.40	86.2	15.2	14.7		56.4	1.41		0.40	0.56
2016	6.8	10.8	17.6	4.52	79.7	15.2	13.6		51.0	1.28		0.37	0.48
2017	6.1	9.7	15.9	4.64	73.7	15.2	12.5		46.0	1.15		0.35	0.40
2018	5.5	8.7	14.3	4.77	68.2	15.2	11.6		41.4	1.03		0.33	0.34
2019	5.0	7.9	12.9	4.90	63.0	15.2	10.7		37.1	0.93		0.31	0.28
2020	4.5	7.1	11.6	5.04	58.3	15.2	9.9		33.2	0.83		0.29	0.24
2021	4.0	6.4	10.4	5.17	53.9	15.2	9.2		29.5	0.74		0.27	0.20
2022	3.6	5.7	9.4	5.31	49.8	15.2	8.5		26.2	0.65		0.25	0.16
2023	3.3	5.2	8.4	5.46	46.0	15.2	7.8		23.0	0.58		0.23	0.13
2024	2.9	4.7	7.6	5.61	42.6	15.2	7.2		20.2	0.50		0.22	0.11
2025	2.6	4.2	6.8	5.76	39.4	15.2	6.7		17.5	0.44		0.20	0.09
2026	2.4	3.8	6.1	5.92	36.4	15.2	6.2		15.0	0.38		0.19	0.07
2027	2.1	3.4	5.5	6.08	33.6	15.2	5.7		12.8	0.32		0.18	0.06
2028	1.9	3.1	5.0	6.25	31.1	15.2	5.3		10.6	0.27		0.17	0.04
2029	1.7	2.7	4.5	6.42	28.8	15.2	4.9		8.7	0.22		0.16	0.03
2030	1.6	2.5	4.0	6.59	26.6	15.2	4.5		6.9	0.17		0.15	0.03
2031	1.4	2.2	3.6	6.77	24.6	15.2	4.2		5.2	0.13		0.14	0.02

Analyses are prepared from original sources and data believed to be reliable, but no representation is made as to their accuracy or completeness. Independent energy investment analysis by Kurt Wulff doing business as McDep Associates is posted at [www.mcdep.com](http://www.mcdep.com). Mr. Wulff is not paid by covered companies. Owning shares in energy stocks, neither Mr. Wulff nor his spouse act contrary to a buy or sell rating.

# Natural Gas Royalty Trusts

## A Weekly Analysis

June 10, 2002

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

	<i>Q1</i>	<i>Q2E</i>	<i>Q3E</i>	<i>Q4E</i>	<i>Year</i>	<i>Q1E</i>	<i>Q2E</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>Twelve</i>
								<i>Months</i>
								<i>6/30/03</i>
<b>Highlights</b>								
Revenue (\$mm) (80%)	18.5	15.6	21.9	21.7	77.7	24.6	23.6	91.8
Cash flow (\$mm) (80%)	12.0	9.2	14.4	14.2	49.8	16.8	16.0	61.4
Per unit	0.30	0.23	0.36	0.36	1.24	0.42	0.40	1.54
Tax credit (\$mm)	0.2	0.2	0.2	0.2	0.7			0.3
Per unit	0.00	0.00	0.00	0.00	0.02			0.01
Distributable Income (\$mm)	7.4	4.3	9.7	9.6	30.9	12.2	11.4	42.9
Per unit	0.18	0.11	0.24	0.24	0.77	0.31	0.29	1.07
<b>Units</b> (millions)	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
<b>Volume</b>								
Natural Gas (bcf)	9.0	8.2	9.0	9.0	35.2	9.0	8.7	35.7
Natural Gas (mmcf)	98.1	92.1	97.8	97.8	96.5	97.8	97.8	97.8
Days	92	89	92	92	365	92	89	365
Oil (mb)	90	86	88	87	352	87	83	345
Oil (mbd)	1.0	1.0	1.0	0.9	1.0	0.9	0.9	0.9
Days	92	89	92	92	365	92	89	365
Total (bcf)	9.6	8.7	9.5	9.5	37.3	9.5	9.2	37.8
<b>Price</b>								
Natural Gas (HH lagged two months)								
Henry Hub (\$/mmbtu)	2.34	2.92	3.29	3.27	2.95	3.75	3.71	3.50
Differential (\$/mmbtu)	(0.03)	0.79	0.49	0.49	0.42	0.56	0.56	0.53
HGT (\$/mcf)	2.38	2.13	2.79	2.78	2.53	3.19	3.16	2.98
Oil (\$/bbl) (WTI Cushing lagged two months)								
WTI Cushing	19.56	23.80	25.38	24.98	23.43	24.81	24.41	24.90
HGT	18.80	23.30	24.88	24.48	22.84	24.31	23.91	24.40
Total (\$/mcf)	2.42	2.24	2.87	2.85	2.60	3.24	3.20	3.04
<b>Revenue</b> (\$mm)								
Natural Gas	21.5	17.5	25.1	25.0	89.1	28.7	27.5	106.3
Oil	1.7	2.0	2.2	2.1	8.0	2.1	2.0	8.4
Total	23.2	19.5	27.3	27.1	97.1	30.8	29.4	114.7
<b>Cost</b> (\$mm)								
Tax, transport & other	1.7	1.9	2.7	2.7	9.1	3.1	2.9	11.5
Production	4.4	4.1	4.8	4.8	18.0	4.8	4.6	18.9
Overhead	2.0	2.0	1.9	1.9	7.8	1.9	1.8	7.6
Total	8.1	8.0	9.4	9.4	34.9	9.7	9.4	37.9
<b>Cash flow</b> (\$mm)	15.1	11.5	17.9	17.8	62.2	21.1	20.1	76.8
Development	5.8	5.8	5.7	5.7	23.0	5.7	5.7	22.8
<b>Net proceeds</b> (\$mm)	9.3	5.7	12.2	12.1	39.3	15.4	14.4	54.0
<b>Royalty income</b> (\$mm)	7.4	4.5	9.8	9.6	31.4	12.3	11.5	43.2
Royalty/Net proceeds	80%	80%	80%	80%	80%	80%	80%	80%
Administration	0.1	0.2	0.1	0.1	0.5	0.1	0.1	0.3
<b>Distributable income</b> (\$mm)	7.4	4.3	9.7	9.6	30.9	12.2	11.4	42.9
<i>Cost ratios</i>								
Tax and other/revenue	7%	10%	10%	10%	9%	10%	10%	10%
Production cost (\$/mcf)	0.46	0.47	0.50	0.50	0.48	0.50	0.50	0.50
Overhead cost (\$/mcf)	0.21	0.23	0.20	0.20	0.21	0.20	0.20	0.20
Development/Cash flow	0.38	0.50	0.32	0.32	0.37	0.27	0.28	0.30

Analyses are prepared from original sources and data believed to be reliable, but no representation is made as to their accuracy or completeness. Independent energy investment analysis by Kurt Wulff doing business as McDep Associates is posted at [www.mcdep.com](http://www.mcdep.com). Mr. Wulff is not paid by covered companies. Owning shares in energy stocks, neither Mr. Wulff nor his spouse act contrary to a buy or sell rating.

# Natural Gas Royalty Trusts

## A Weekly Analysis

June 10, 2002

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

Volume Decline (%/yr):	10	Price Escalation Post 2007 (%/yr):	2.7
Volume Enhancement (%/yr):	10	Discount rate (%/yr):	7.0
Capex/Cash Flow (%):	25	U.S. TIPS Inflation (%/yr):	1.9
Variable Cost (%):	12	U.S. 10 Year Yield (%/yr):	5.0
PV/Volume (\$/mcf):	1.15	PV/EBITDA 2002:	12.4

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 2002 through 2031													
	324	282	606	3.74	2264	393	272	210	1389	29.81	0.04	0.50	15.00
2002	33.8	0.0	33.8	2.44	82.6	16.4	9.9	19.9	36.3	0.78	0.04	0.97	0.79
2003	30.5	3.4	33.8	2.75	93.2	13.0	11.2	17.3	51.8	1.11		0.90	1.00
2004	27.4	6.4	33.8	3.19	107.8	13.0	12.9	20.5	61.4	1.32		0.84	1.11
2005	24.7	9.2	33.8	3.17	107.1	13.0	12.9	20.3	60.9	1.31		0.79	1.03
2006	22.2	11.6	33.8	3.19	107.9	13.0	12.9	20.5	61.4	1.32		0.74	0.97
2007	20.0	13.9	33.8	3.24	109.7	13.0	13.2	20.9	62.7	1.34		0.69	0.93
2008	18.0	15.9	33.8	3.33	112.7	13.0	13.5	21.5	64.6	1.39		0.64	0.89
2009	16.2	17.7	33.8	3.42	115.8	13.0	13.9	22.2	66.7	1.43		0.60	0.86
2010	14.6	19.3	33.8	3.52	119.0	13.0	14.3	22.9	68.8	1.48		0.56	0.83
2011	13.1	20.7	33.8	3.61	122.2	13.0	14.7	23.6	70.9	1.52		0.53	0.80
2012	11.8	18.7	30.5	3.71	113.0	13.0	13.6		86.4	1.85		0.49	0.91
2013	10.6	16.8	27.4	3.81	104.5	13.0	12.5		78.9	1.69		0.46	0.78
2014	9.6	15.1	24.7	3.92	96.6	13.0	11.6		72.0	1.54		0.43	0.66
2015	8.6	13.6	22.2	4.02	89.3	13.0	10.7		65.6	1.41		0.40	0.56
2016	7.7	12.2	20.0	4.13	82.6	13.0	9.9		59.7	1.28		0.37	0.48
2017	7.0	11.0	18.0	4.25	76.3	13.0	9.2		54.2	1.16		0.35	0.41
2018	6.3	9.9	16.2	4.36	70.6	13.0	8.5		49.1	1.05		0.33	0.34
2019	5.6	8.9	14.6	4.48	65.3	13.0	7.8		44.4	0.95		0.31	0.29
2020	5.1	8.0	13.1	4.60	60.3	13.0	7.2		40.1	0.86		0.29	0.25
2021	4.6	7.2	11.8	4.73	55.8	13.0	6.7		36.1	0.77		0.27	0.21
2022	4.1	6.5	10.6	4.86	51.6	13.0	6.2		32.4	0.69		0.25	0.17
2023	3.7	5.9	9.6	4.99	47.7	13.0	5.7		29.0	0.62		0.23	0.14
2024	3.3	5.3	8.6	5.13	44.1	13.0	5.3		25.8	0.55		0.22	0.12
2025	3.0	4.7	7.7	5.27	40.8	13.0	4.9		22.9	0.49		0.20	0.10
2026	2.7	4.3	7.0	5.41	37.7	13.0	4.5		20.2	0.43		0.19	0.08
2027	2.4	3.8	6.3	5.56	34.8	13.0	4.2		17.7	0.38		0.18	0.07
2028	2.2	3.5	5.6	5.71	32.2	13.0	3.9		15.3	0.33		0.17	0.05
2029	2.0	3.1	5.1	5.87	29.8	13.0	3.6		13.2	0.28		0.16	0.04
2030	1.8	2.8	4.6	6.03	27.5	13.0	3.3		11.2	0.24		0.15	0.03
2031	1.6	2.5	4.1	6.19	25.5	13.0	3.1		9.4	0.20		0.14	0.03

Analyses are prepared from original sources and data believed to be reliable, but no representation is made as to their accuracy or completeness. Independent energy investment analysis by Kurt Wulff doing business as McDep Associates is posted at [www.mcdep.com](http://www.mcdep.com). Mr. Wulff is not paid by covered companies. Owning shares in energy stocks, neither Mr. Wulff nor his spouse act contrary to a buy or sell rating.

# Natural Gas Royalty Trusts

## A Weekly Analysis

June 10, 2002

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

	<i>Q1</i>	<i>Q2E</i>	<i>Q3E</i>	<i>Q4E</i>	<i>Year</i>	<i>Q1E</i>	<i>Q2E</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>Twelve</i>
								<i>Months</i>
								<i>6/30/03</i>
<b>Highlights</b>								
Revenue (\$mm) (75%)	19.2	18.3	22.6	22.5	82.6	25.7	24.6	95.4
Cash flow (\$mm) (75%)	14.1	13.7	17.5	17.4	62.7	20.4	19.5	74.8
Per unit	0.30	0.29	0.38	0.37	1.35	0.44	0.42	1.60
Tax credit (\$mm)	0.5	0.5	0.5	0.5	1.9			0.9
Per unit	0.01	0.01	0.01	0.01	0.04			0.02
Distributable Income (\$mm)	3.5	9.0	11.0	12.9	36.3	15.1	14.4	53.3
Per unit	0.08	0.19	0.24	0.28	0.78	0.32	0.31	1.14
<b>Units</b> (millions)	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6
<b>Volume</b>								
Natural gas (mmbtu)	12.5	12.0	12.0	12.0	48.6	12.0	11.6	47.7
Heat Content(btu/cf)	1,092	1,086	1,092	1,092	1,091	1,092	1,092	1,092
Natural gas (bcf)	11.5	11.1	11.0	11.0	44.6	11.0	10.6	43.7
Natural Gas (mmcf)	124.7	124.4	119.6	119.6	122.1	119.6	119.6	119.6
Days	92	89	92	92	365	92	89	365
Oil (mb)	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1
Oil (mbd)	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Total gas & oil (bcf)	11.6	11.2	11.1	11.1	45.1	11.1	10.8	44.2
<b>Price</b>								
Natural gas (\$/mmbtu) (Henry Hub lagged two months)								
Henry Hub (\$/mmbtu)	2.34	2.92	3.29	3.27	2.95	3.75	3.71	3.50
Differential (%)	14	32	25	25	25	25	25	25
Total	2.01	1.99	2.47	2.45	2.23	2.81	2.78	2.63
Natural gas (\$/mcf)	2.20	2.16	2.69	2.68	2.43	3.07	3.04	2.87
Oil (\$/bbl) (WTI Cushing lagged two months)								
WTI Cushing	19.56	23.80	25.38	24.98	23.43	24.81	24.41	24.90
SJT	15.78	19.80	21.38	20.98	19.48	20.81	20.41	20.90
Total gas & oil (\$/mcf)	2.20	2.18	2.70	2.69	2.44	3.08	3.05	2.88
<b>Revenue</b> (\$mm)								
Natural Gas	25.2	24.0	29.6	29.5	108.3	33.8	32.4	125.3
Oil	0.4	0.4	0.5	0.5	1.8	0.5	0.5	1.9
Total	25.6	24.4	30.1	30.0	110.1	34.3	32.8	127.3
<b>Cost</b> (\$mm)								
Severance tax	2.6	2.3	3.0	3.0	11.0	3.4	3.3	12.7
Operating	4.1	3.8	3.7	3.7	15.5	3.7	3.6	14.8
Total	6.7	6.2	6.8	6.7	26.4	7.2	6.9	27.6
<b>Cash flow</b> (\$mm)								
Development	11.3	3.6	5.8	5.8	26.6	6.8	6.5	24.9
<b>Net proceeds</b> (\$mm)	7.5	14.6	17.5	17.4	57.1	20.4	19.5	74.8
<b>Royalty income</b> (\$mm)								
Royalty/Net proceeds	75%	75%	75%	75%	75%	75%	75%	3.0
Administration	0.4	0.0	0.2	0.2	0.8	0.2	0.2	0.8
One-time	1.7	2.0	2.0		5.7			2.0
<b>Distributable income</b> (\$mm)	3.5	9.0	11.0	12.9	36.3	15.1	14.4	53.3
<i>Modeling ratios</i>								
Severance tax/revenue	10.2%	9.6%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Operating cost (\$/mcf)	0.36	0.34	0.34	0.34	0.34	0.34	0.34	0.34

Analyses are prepared from original sources and data believed to be reliable, but no representation is made as to their accuracy or completeness. Independent energy investment analysis by Kurt Wulff doing business as McDep Associates is posted at [www.mcdep.com](http://www.mcdep.com). Mr. Wulff is not paid by covered companies. Owning shares in energy stocks, neither Mr. Wulff nor his spouse act contrary to a buy or sell rating.



## Natural Gas Royalty Trusts

A Weekly Analysis

June 10, 2002

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

	<i>Mar-02</i>	<i>Apr-02</i>	<i>May-02</i>	<i>Jun-02</i>	<i>Jul-02</i>	<i>Aug-02</i>
<b>Distribution</b> (\$/unit)						
Declared	0.06	0.01	0.10			
<i>Projected</i>				0.08	0.07	0.07
<b>Volume</b>						
Natural gas (mmbtu)	4.19	3.82	4.29	3.92	4.05	3.92
Heat Content(btu/cf)	1,087	1,057	1,108	1,092	1,092	1,092
Natural gas (bcf)	3.86	3.62	3.87	3.59	3.71	3.59
Natural Gas (mmcf)	124	129	125	120	120	120
Days	31	28	31	30	31	30
<b>Price</b>						
Natural gas industry quotes lagged two months (\$/mmbtu)						
Henry Hub Daily/Futures	2.25	2.31	3.03	3.42	3.49	3.19
San Juan Monthly Index	2.42	1.81	2.14	3.04	2.39	
SJT/Henry Hub	0.92	0.62	0.64	0.75	0.62	0.75
SJT/San Juan Index	0.86	0.80	0.91	0.85	0.91	
SJT (\$/mmbtu)	2.08	1.44	1.95	2.58	2.17	2.39
SJT (\$/mcf)	2.26	1.52	2.16	2.82	2.38	2.61
<b>Revenue</b> (\$mm)						
Natural Gas	8.7	5.5	8.4	10.1	8.8	9.4
Other	(0.2)	(0.1)	(1.1)	(1.1)	(1.1)	(1.1)
<b>Cost</b> (\$mm)						
Severance tax	0.9	0.5	0.8	1.1	0.9	1.0
Operating	1.2	1.4	1.2	1.2	1.2	1.2
Total	2.1	1.8	2.1	2.3	2.2	2.2
<b>Cash flow</b> (\$mm)	6.4	3.6	5.2	6.7	5.5	6.0
Development	2.4	3.0	(0.9)	1.5	1.5	1.5
<b>Net proceeds</b> (\$mm)	4.0	0.6	6.1	5.2	4.0	4.5
<b>Royalty income</b> (\$mm)	3.0	0.5	4.6	3.9	3.0	3.4
Royalty/Net proceeds	75%	75%	75%	75%	75%	75%
<b>Distributable income</b> (\$mm)	3.0	0.5	4.6	3.9	3.0	3.4
<b>Units</b> (millions)	46.6	46.6	46.6	46.6	46.6	46.6
<i>Latest Twelve Month Average</i>						
Heat Content(btu/cf)	1,090	1,088	1,092			
Natural Gas (mmcf)	118	120	120			
SJT/Henry Hub	0.79	0.76	0.75			
SJT/San Juan Index	0.85	0.84	0.85			
Other revenue	0.0	0.0	(0.1)			
Operating	1.3	1.3	1.3			
Development	3.2	3.3	2.9			
Severance tax/revenue	10.5%	10.4%	10.4%			

Analyses are prepared from original sources and data believed to be reliable, but no representation is made as to their accuracy or completeness. Independent energy investment analysis by Kurt Wulff doing business as McDep Associates is posted at [www.mcdep.com](http://www.mcdep.com). Mr. Wulff is not paid by covered companies. Owning shares in energy stocks, neither Mr. Wulff nor his spouse act contrary to a buy or sell rating.