

Natural Gas Royalty Trusts

A Weekly Analysis

July 17, 2003

Exaggerated Volatility

Summary and Recommendation

Considering that the trusts have no debt, stock price volatility seems unusually high. Present value tied to six-year natural gas futures is down about 8% in five weeks. Stock prices for recommended **San Juan Basin Royalty Trust (SJT)** and for **Hugoton Royalty Trust (HGT)** are down about 18%, about in line with projected distributions tied to one-year natural gas futures. The McDep Ratio only looks ahead and it points to attractive value in SJT. The current reading of 0.87 compares to an average of 0.79 for the past three and a half years within a range of 0.63 to 1.04. The ratio applies to a moving target that is in an uptrend. Six-year natural gas futures continue to be quoted well above the 40-week average though one-year futures have dipped to the moving average. Volatility that can be both frustrating and rewarding attracts trading that provides liquidity for investing.

Kurt H. Wulff, CFA

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

	<i>Symbol/ Rating</i>	<i>Price (\$/sh) 16-Jul 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>
Cross Timbers Royalty Trust	CRT	24.80	6.0	149	21.00	-	1.18
Hugoton RoyaltyTrust (46%)	HGT	17.38	18.4	320	15.80	-	1.10
San Juan Basin Royalty Trust	SJT	16.20	46.6	760	18.60	-	0.87

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

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

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

	<i>Symbol/ Rating</i>	<i>Price (\$/sh) 16-Jul 2003</i>	<i>EV/ Sales NTM</i>	<i>EV/ Ebitda NTM</i>	<i>Dividend or Distribution P/E NTM</i>	<i>NTM (%)</i>	<i>PV/ Ebitda NTM</i>
Cross Timbers Royalty Trust	CRT	24.80	7.9	11.2	11	8.7	9.5
Hugoton RoyaltyTrust (46%)	HGT	17.38	5.9	7.8	9	11.5	7.1
San Juan Basin Royalty Trust	SJT	16.20	5.8	7.2	8	12.3	8.2

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

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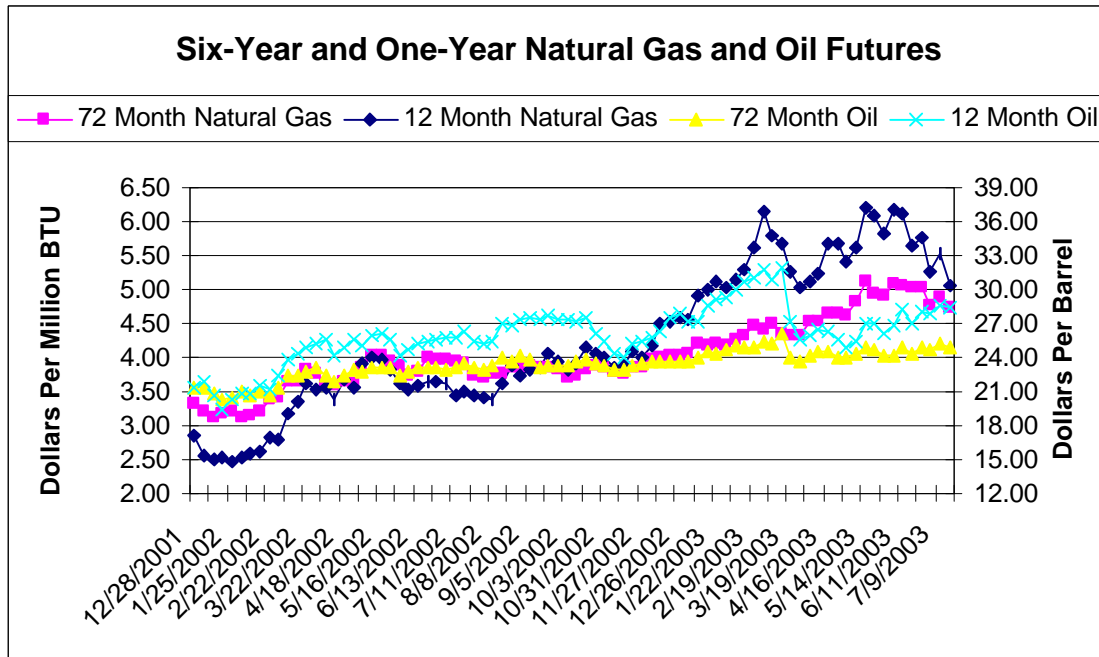
July 17, 2003

Natural Gas and Oil Futures

July 16, 2003

	Year Ending July						Six
	2004	2005	2006	2007	2008	2009	Year
Natural Gas (\$/mmbtu)	5.05	4.72	4.64	4.65	4.70	4.75	4.75
Light Sweet Crude Oil (\$/bbl)	28.41	25.12	24.14	24.02	23.97	23.94	24.93
Natural Gas/Oil (6:1 = 1.0)	1.07	1.13	1.15	1.16	1.18	1.19	1.14

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



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Table CRT-1
Cross Timbers Royalty Trust
Present Value

Volume Decline (%/yr):	10	Price Escalation post 2009 (%/yr):	2.9
Volume Enhancement (%/yr):	10	Discount Rate (%/yr):	5.4
Variable Cost (%):	16	U.S. TIPS Inflation (%/yr):	2.1
		U.S. 10 Year Yield (%/yr):	4.0
PV/Volume (\$/mcf):	3.06	PV/EBITDA 2004:	9.6

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 6/30											
	25	17	41	5.21	214	34	20	200	33.34	0.63	21.00
2004	2.6	0.0	2.6	4.74	12.4	2.0	2.6	13.0	2.16	0.97	2.10
2005	2.3	0.3	2.6	4.54	11.8	1.9	1.8	11.7	1.95	0.92	1.80
2006	2.1	0.5	2.6	4.42	11.5	1.8	1.5	11.2	1.86	0.88	1.63
2007	1.9	0.7	2.6	4.38	11.4	1.8	1.4	11.0	1.83	0.83	1.53
2008	1.7	0.9	2.6	4.45	11.6	1.9	1.3	11.1	1.84	0.79	1.46
2009	1.5	1.1	2.6	4.50	11.7	1.9	1.2	11.1	1.85	0.75	1.39
2010	1.4	1.2	2.6	4.63	12.1	1.9	1.2	11.4	1.89	0.71	1.34
2011	1.2	1.4	2.6	4.76	12.4	2.0	1.2	11.6	1.94	0.67	1.31
2012	1.1	1.2	2.3	4.90	11.5	1.8	1.5	11.1	1.86	0.64	1.19
2013	1.0	1.1	2.1	5.04	10.7	1.7	1.3	10.2	1.71	0.61	1.04
2014	0.9	1.0	1.9	5.19	9.9	1.6	1.1	9.4	1.57	0.58	0.90
2015	0.8	0.9	1.7	5.34	9.1	1.5	1.0	8.6	1.44	0.55	0.79
2016	0.7	0.8	1.5	5.49	8.5	1.4	0.8	7.9	1.32	0.52	0.69
2017	0.7	0.7	1.4	5.65	7.8	1.3	0.7	7.3	1.21	0.49	0.60
2018	0.6	0.7	1.2	5.82	7.3	1.2	0.6	6.7	1.11	0.47	0.52
2019	0.5	0.6	1.1	5.99	6.7	1.1	0.4	6.1	1.02	0.44	0.45
2020	0.5	0.5	1.0	6.16	6.2	1.0	0.3	5.6	0.93	0.42	0.39
2021	0.4	0.5	0.9	6.34	5.8	0.9		4.8	0.81	0.40	0.32
2022	0.4	0.4	0.8	6.53	5.3	0.9		4.5	0.75	0.38	0.28
2023	0.4	0.4	0.7	6.72	4.9	0.8		4.2	0.69	0.36	0.25
2024	0.3	0.3	0.7	6.91	4.6	0.7		3.8	0.64	0.34	0.22
2025	0.3	0.3	0.6	7.11	4.2	0.7		3.6	0.59	0.32	0.19
2026	0.3	0.3	0.5	7.32	3.9	0.6		3.3	0.55	0.31	0.17
2027	0.2	0.3	0.5	7.53	3.6	0.6		3.1	0.51	0.29	0.15
2028	0.2	0.2	0.4	7.75	3.4	0.5		2.8	0.47	0.28	0.13
2029	0.2	0.2	0.4	7.98	3.1	0.5		2.6	0.44	0.26	0.11
2030	0.2	0.2	0.4	8.21	2.9	0.5		2.4	0.41	0.25	0.10

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Table CRT-2
Cross Timbers Royalty Trust
Distributable Income

	<i>Q4</i>	<i>Year</i>	<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>12/31/02</i>	<i>2002</i>	<i>3/31/03</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>Twelve</i>
										<i>Months</i>
										<i>6/30/04</i>
Highlights										
Distributable Income (\$mm)	2.80	8.82	2.60	3.67	3.38	3.18	12.83	3.19	3.21	12.96
Per unit	0.47	1.47	0.43	0.61	0.56	0.53	2.14	0.53	0.54	2.16
Units (millions)	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Volume										
Natural Gas (bcf)	0.77	3.03	0.65	0.72	0.72	0.73	2.82	0.73	0.72	2.90
Natural Gas (mmcf)	8.4	8.3	7.1	8.0	7.9	7.9	7.7	7.9	7.9	7.9
Days	92	365	92	90	91	92	365	92	91	366
Oil (mb)	91	339	79	69	72	72	293	72	72	289
Oil (mbd)	0.99	0.93	0.86	0.78	0.78	0.78	0.80	0.78	0.78	0.78
Days	92	365	92	89	92	92	365	92	92	368
Total (bcf)	1.32	5.06	1.13	1.14	1.15	1.16	4.58	1.16	1.15	4.63
Price										
Natural Gas (HH lagged three months)										
Henry Hub (\$/mmbtu)	3.21	2.88	4.30	6.38	5.63	5.03	5.34	5.20	5.43	5.32
Differential (\$/mmbtu)	0.21	0.09	0.40	1.01	0.78	0.50	0.66	0.52	0.54	0.59
CRT (\$/mcf)	3.00	2.79	3.90	5.36	4.85	4.53	4.68	4.68	4.89	4.74
Oil (\$/bbl) (WTI lagged two months)										
WTI Cushing	28.96	24.70	29.55	32.51	30.02	30.44	30.63	28.94	27.62	29.25
CRT	26.30	22.31	26.89	29.88	27.61	28.00	28.05	26.62	25.41	26.91
Total (\$/mcf)	3.57	3.17	4.15	5.22	4.76	4.58	4.68	4.59	4.64	4.64
Revenue (\$mm)										
Natural Gas	2.32	8.45	2.54	3.88	3.50	3.30	13.22	3.41	3.52	13.73
Oil	2.40	7.55	2.14	2.06	1.99	2.02	8.21	1.92	1.83	7.77
Total	4.71	16.01	4.68	5.94	5.49	5.32	21.43	5.33	5.36	21.50
Cost (\$mm)										
Tax, transport & other										
Production	0.66	2.11	0.74	0.83	0.77	0.74	3.09	0.75	0.75	3.01
Total	0.75	3.01	0.82	0.82	0.82	0.82	3.29	0.82	0.82	3.29
Cash flow (\$mm)										
Development	1.41	5.13	1.56	1.65	1.59	1.57	6.37	1.57	1.57	6.30
Excess or other	3.30	10.88	3.12	4.29	3.90	3.75	15.06	3.76	3.79	15.20
Total	0.06	0.57	0.05	0.05	0.05	0.05	0.20	0.05	0.05	0.20
Net proceeds (\$mm)										
Development	(0.02)	(0.02)	-	-	-	-	-	-	-	-
Total	3.26	10.33	3.07	4.24	3.85	3.70	14.86	3.71	3.74	15.00
Royalty income (\$mm)										
Royalty/Net proceeds	2.82	9.05	2.66	3.71	3.42	3.22	13.01	3.23	3.25	13.12
Administration	86%	88%	87%	87%	89%	87%	88%	87%	87%	87%
Total	0.02	0.22	0.06	0.04	0.04	0.04	0.18	0.04	0.04	0.16
Distributable income (\$mm)										
Tax and other/revenue	2.80	8.82	2.60	3.67	3.38	3.18	12.83	3.19	3.21	12.96
Total	0.14	0.13	0.16	0.14	0.14	0.14	0.14	0.14	0.14	0.14
Distributable Inc/Rev (%)	59	55	55	62	62	60	60	60	60	60

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Table CRT-3
Cross Timbers Royalty Trust
Monthly Distributions

	<i>Apr-03</i>	<i>May-03</i>	<i>Jun-03</i>	<i>Jul-03</i>	<i>Aug-03</i>	<i>Sep-03</i>
Distribution (\$/unit)						
Declared	0.20	0.20	0.21			
Projected				0.17	0.19	0.21
Volume						
Natural Gas (bcf)	266	242	215	238	245	238
Natural Gas (mmcf/d)	8.58	8.64	6.94	7.92	7.92	7.92
Days	31	28	31	30	31	30
Oil (mb)	24.1	21.4	23.6	24.3	23.5	24.3
Oil (mbd)	0.86	0.69	0.79	0.78	0.78	0.78
Days	28	31	30	31	30	31
Total (bcf)	411	370	357	383	387	383
Price						
Natural gas industry quotes lagged three months (\$/mmbtu)						
Henry Hub Daily/Futures	5.41	7.77	5.95	5.26	5.81	5.82
San Juan Monthly Index	4.47	4.58	5.91	3.71	4.03	5.03
CRT/Henry Hub	0.83	0.66	1.13	0.82	0.81	0.95
CRT/San Juan Index	1.00	1.12	1.14	1.17	1.17	1.10
CRT (\$/mcf)	4.48	5.12	6.73	4.32	4.72	5.52
Oil (\$/bbl)						
WTI Cushing (lagged two months)	35.87	33.27	28.38	28.11	30.72	31.23
CRT/WTI Cushing	0.88	0.98	0.91	0.92	0.92	0.92
CRT	31.53	32.54	25.77	25.86	28.27	28.74
Total (\$/mcf)	4.75	5.23	5.76	4.32	4.72	5.24
Revenue (\$mm)						
Natural Gas	1.19	1.24	1.45	1.03	1.16	1.31
Oil	0.76	0.70	0.61	0.63	0.67	0.70
Total	1.95	1.94	2.06	1.66	1.82	2.01
Distributable income (\$mm)	1.23	1.18	1.26	1.01	1.12	1.25
Distributable Income/Revenue (%)						
Natural Gas (estimated)	75	75	75	75	75	75
Oil	44	36	29	38	38	38
Total	63	61	61	61	62	62

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

Volume Decline (%/yr):	11	Price Escalation Post 2008 (%/yr):	2.9
Volume Enhancement (%/yr):	8	Discount rate (%/yr):	6.0
Capex/Cash Flow (%):	30	U.S. TIPS Inflation (%/yr):	2.1
Variable Cost (%):	17	U.S. 10 Year Yield (%/yr):	4.0
PV/Volume (\$/mcf):	1.73	PV/EBITDA 2004:	7.1

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 6/30												
	243	122	365	4.87	1779	270	302	170	1037	25.93	0.61	15.80
2004	27.1	0.0	27.1	4.38	118.7	10.0	20.2	8.6	79.9	2.00	0.97	1.94
2005	24.2	2.2	26.4	4.28	112.9	10.0	19.2	25.1	58.6	1.47	0.92	1.34
2006	21.6	4.0	25.7	4.18	107.3	10.0	18.2	23.7	55.4	1.38	0.86	1.20
2007	19.3	5.7	25.0	4.15	103.9	10.0	17.7	22.9	53.4	1.33	0.82	1.09
2008	17.3	7.1	24.4	4.22	102.7	10.0	17.5	22.6	52.7	1.32	0.77	1.01
2009	15.5	8.3	23.7	4.26	101.2	10.0	17.2	22.2	51.8	1.29	0.73	0.94
2010	13.8	9.3	23.1	4.39	101.4	10.0	17.2	22.3	51.9	1.30	0.69	0.89
2011	12.4	10.2	22.5	4.52	101.6	10.0	17.3	22.3	52.1	1.30	0.65	0.84
2012	11.0	9.1	20.1	4.65	93.5	10.0	15.9		67.6	1.69	0.61	1.03
2013	9.9	8.1	18.0	4.78	86.0	10.0	14.6		61.4	1.54	0.58	0.88
2014	8.8	7.3	16.1	4.92	79.1	10.0	13.5		55.7	1.39	0.54	0.76
2015	7.9	6.5	14.4	5.06	72.8	10.0	12.4		50.5	1.26	0.51	0.65
2016	7.1	5.8	12.9	5.21	67.0	10.0	11.4		45.6	1.14	0.48	0.55
2017	6.3	5.2	11.5	5.36	61.6	10.0	10.5		41.2	1.03	0.46	0.47
2018	5.6	4.6	10.3	5.52	56.7	10.0	9.6		37.1	0.93	0.43	0.40
2019	5.0	4.1	9.2	5.68	52.2	10.0	8.9		33.3	0.83	0.41	0.34
2020	4.5	3.7	8.2	5.85	48.0	10.0	8.2		29.9	0.75	0.38	0.29
2021	4.0	3.3	7.3	6.02	44.2	10.0	7.5		26.7	0.67	0.36	0.24
2022	3.6	3.0	6.6	6.19	40.6	10.0	6.9		23.7	0.59	0.34	0.20
2023	3.2	2.6	5.9	6.37	37.4	10.0	6.4		21.0	0.53	0.32	0.17
2024	2.9	2.4	5.2	6.56	34.4	10.0	5.8		18.6	0.46	0.30	0.14
2025	2.6	2.1	4.7	6.75	31.6	10.0	5.4		16.3	0.41	0.29	0.12
2026	2.3	1.9	4.2	6.94	29.1	10.0	4.9		14.2	0.35	0.27	0.10
2027	2.1	1.7	3.7	7.15	26.8	10.0	4.6		12.2	0.31	0.25	0.08
2028	1.8	1.5	3.4	7.35	24.6	10.0	4.2		10.5	0.26	0.24	0.06
2029	1.6	1.4	3.0	7.57	22.7	10.0	3.9		8.8	0.22	0.23	0.05
2030	1.5	1.2	2.7	7.79	20.9	10.0	3.5		7.3	0.18	0.21	0.04

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Table HGT-2
Hugoton Royalty Trust
Distributable Income

	Q4 12/31	Year 2002	Q1 3/31/03	Q2E 6/30/03	Q3E 9/30/03	Q4E 12/31	Year 2003E	Q1E 3/31/04	Q2E 6/30/04	Next Twelve Months 6/30/04
Highlights										
Revenue (\$mm) (80%)	18.9	73.6	26.8	34.5	31.8	28.4	121.4	30.6	27.9	118.7
Cash flow (\$mm) (80%)	12.6	48.1	19.4	26.8	24.1	21.1	91.4	23.0	20.7	88.9
Per unit	0.32	1.20	0.49	0.67	0.60	0.53	2.28	0.58	0.52	2.22
Distributable Income (\$mm)	8.3	29.6	16.4	24.5	22.1	19.2	82.2	21.2	17.5	79.9
Per unit	0.21	0.74	0.41	0.61	0.55	0.48	2.06	0.53	0.44	2.00
Units (millions)	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
Volume										
Natural Gas (bcf)	8.4	34.3	8.2	7.7	8.0	8.0	31.9	8.0	7.8	31.8
Natural Gas (mmcf)	91.4	94.0	88.8	87.0	87.0	87.0	87.4	87.4	87.4	87.2
Days	92	365	92	89	92	92	365	92	89	365
Oil (mb)	84	353	86	83	84	84	337	84	81	333
Oil (mbd)	0.9	1.0	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Days	92	365	92	89	92	92	365	92	89	365
Total (bcf)	8.9	36.4	8.7	8.2	8.5	8.5	33.9	8.5	8.3	33.8
Price										
Natural Gas (HH lagged two months)										
Henry Hub (\$/mmbtu)	3.59	3.02	4.73	6.33	5.61	4.97	5.41	5.38	5.03	5.25
Differential (%)	30	19	20	17	17	17	18	17	17	17
HGT (\$/mcf)	2.52	2.44	3.80	5.23	4.65	4.12	4.44	4.46	4.18	4.35
Oil (\$/bbl) (WTI Cushing lagged two months)										
WTI Cushing	28.96	24.70	29.55	32.51	30.02	30.44	30.63	28.94	30.90	30.07
HGT	28.16	23.70	28.76	31.64	29.22	29.63	29.80	28.17	30.08	29.27
Total (\$/mcf)	2.65	2.52	3.86	5.23	4.66	4.17	4.47	4.47	4.22	4.38
Revenue (\$mm)										
Natural Gas	21.2	83.6	31.0	40.5	37.2	33.0	141.7	35.9	32.5	138.6
Oil	2.4	8.4	2.5	2.6	2.5	2.5	10.0	2.4	2.4	9.7
Total	23.6	92.0	33.5	43.1	39.7	35.5	151.8	38.3	34.9	148.3
Cost (\$mm)										
Tax, transport & other										
	2.5	8.2	3.3	3.5	3.8	3.5	14.1	3.8	3.5	14.7
Production										
	3.9	16.1	4.0	4.1	3.9	3.7	15.8	3.8	3.6	15.1
Overhead										
	1.5	7.6	1.9	2.0	1.9	1.9	7.7	1.9	1.9	7.5
Total	7.8	31.8	9.2	9.6	9.6	9.2	37.6	9.5	9.0	37.2
Cash flow (\$mm)										
	15.8	60.2	24.3	33.5	30.1	26.3	114.2	28.8	25.9	111.1
Development										
	5.4	22.7	3.7	2.8	2.3	2.3	11.0	2.3	4.0	10.8
Net proceeds (\$mm)										
	10.4	37.4	20.6	30.8	27.8	24.1	103.2	26.5	21.9	100.4
Royalty income (\$mm)										
	8.3	29.9	16.5	24.6	22.3	19.3	82.6	21.2	17.5	80.3
Royalty/Net proceeds										
	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%
Administration										
	0.0	0.4	0.1	0.1	0.1	0.1	0.4	0.1	0.1	0.4
Distributable income (\$mm)										
	8.3	29.6	16.4	24.5	22.1	19.2	82.2	21.2	17.5	79.9
Tax and other/revenue										
	11%	9%	10%	8%	10%	10%	9%	10%	10%	10%
Production cost (\$/mcf)										
	0.43	0.44	0.46	0.50	0.46	0.44	0.47	0.44	0.44	0.45
Overhead cost (\$/mcf)										
	0.17	0.21	0.22	0.24	0.22	0.22	0.23	0.22	0.23	0.22
Development/Cash flow										
	0.34	0.38	0.15	0.08	0.07	0.09	0.10	0.08	0.15	0.10

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Natural Gas Royalty Trusts

A Weekly Analysis

July 17, 2003

Table HGT-3
Hugoton Royalty Trust
Monthly Declarations

	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03
Distribution (\$/unit)						
Declared	0.15	0.29	0.17			
Projected				0.20	0.19	0.17
Volume						
Natural Gas (bcf)	2.48	2.62	2.64	2.70	2.61	2.70
Natural Gas (mmcf)	88	85	88	87	87	87
Days	28	31	30	31	30	31
Price						
Natural gas industry quotes lagged two months (\$/mmbtu)						
Henry Hub Daily/Futures	7.77	5.95	5.26	5.81	5.82	5.19
HGT/Henry Hub	0.57	1.15	0.83	0.83	0.83	0.83
HGT (\$/mcf)	4.43	6.83	4.39	4.82	4.83	4.31
Revenue (\$mm)						
Natural Gas	11.0	17.9	11.6	13.0	12.6	11.6
Other	0.2	0.4	0.3	0.5	0.5	0.5
Total	10.8	17.5	11.3	12.5	12.1	11.1
Cost (\$mm)						
Production	1.5	1.3	1.3	1.3	1.3	1.3
Overhead	0.7	0.6	0.7	0.6	0.6	0.6
Total	2.1	1.9	2.0	1.9	1.9	1.9
Cash flow (\$mm)	8.7	15.5	9.2	10.6	10.2	9.2
Development	1.0	1.0	0.8	0.8	0.8	0.8
Net proceeds (\$mm)	7.7	14.5	8.5	9.8	9.4	8.4
Royalty income (\$mm)	6.1	11.6	6.8	7.8	7.5	6.7
Royalty/Net proceeds	80%	80%	80%	80%	80%	80%
Distributable income (\$mm)	6.1	11.6	6.8	7.8	7.5	6.7
Units (millions)	40.0	40.0	40.0	40.0	40.0	40.0
Distribution (\$/unit)	0.15	0.29	0.17	0.20	0.19	0.17

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Natural Gas Royalty Trusts

A Weekly Analysis

July 17, 2003

Table SJT-1
San Juan Basin Royalty Trust
Present Value

Volume Decline (%/yr):	11	Price Escalation Post 2009 (%/yr):	2.9
Volume Enhancement (%/yr):	10	Discount rate (%/yr):	6.0
Capex/Cash Flow (%):	25	U.S. TIPS Inflation (%/yr):	2.1
Variable Cost (%):	12	U.S. 10 Year Yield (%/yr):	4.0
PV/Volume (\$/mcf):	1.68	PV/EBITDA 2004:	8.4

Year	Basic (bcf)	Volume Enhanced (bcf)	Total (bcf)	Price (\$/mcf)	Revenue (\$mm)	Fixed Cost (\$mm)	Var Cost (\$mm)	Cap Ex (\$mm)	Distribution (\$mm)	(\$/unit)	Disc Factor	Present Value (\$/unit)
Total 2004 through 2030; years ending on 6/30												
	310	207	517	4.34	2246	349	269	186	1441	30.92	0.60	18.60
2004	34.6	0.0	34.6	3.77	130.2	10.9	15.6	11.1	92.6	1.99	0.97	1.93
2005	30.9	3.5	34.4	3.81	130.8	13.0	15.7	25.5	76.6	1.64	0.92	1.51
2006	27.6	6.5	34.1	3.72	126.9	13.0	15.2	24.7	74.0	1.59	0.86	1.37
2007	24.7	9.2	33.9	3.69	125.3	13.0	15.0	24.3	73.0	1.57	0.82	1.28
2008	22.1	11.7	33.7	3.75	126.5	13.0	15.2	24.6	73.7	1.58	0.77	1.22
2009	19.7	13.8	33.5	3.79	127.1	13.0	15.3	24.7	74.1	1.59	0.73	1.16
2010	17.6	15.7	33.3	3.90	130.0	13.0	15.6	25.4	76.1	1.63	0.69	1.12
2011	15.8	17.4	33.1	4.01	133.0	13.0	16.0	26.0	78.0	1.67	0.65	1.08
2012	14.1	15.5	29.6	4.13	122.4	13.0	14.7		94.7	2.03	0.61	1.24
2013	12.6	13.9	26.5	4.25	112.6	13.0	13.5		86.1	1.85	0.58	1.06
2014	11.3	12.4	23.7	4.37	103.6	13.0	12.4		78.1	1.68	0.54	0.91
2015	10.1	11.1	21.2	4.50	95.3	13.0	11.4		70.8	1.52	0.51	0.78
2016	9.0	9.9	18.9	4.63	87.7	13.0	10.5		64.1	1.38	0.48	0.67
2017	8.1	8.9	16.9	4.77	80.6	13.0	9.7		58.0	1.24	0.46	0.57
2018	7.2	7.9	15.1	4.91	74.2	13.0	8.9		52.3	1.12	0.43	0.48
2019	6.4	7.1	13.5	5.05	68.3	13.0	8.2		47.1	1.01	0.41	0.41
2020	5.8	6.3	12.1	5.20	62.8	13.0	7.5		42.3	0.91	0.38	0.35
2021	5.1	5.7	10.8	5.35	57.8	13.0	6.9		37.8	0.81	0.36	0.29
2022	4.6	5.1	9.7	5.50	53.2	13.0	6.4		33.8	0.72	0.34	0.25
2023	4.1	4.5	8.6	5.66	48.9	13.0	5.9		30.0	0.64	0.32	0.21
2024	3.7	4.0	7.7	5.83	45.0	13.0	5.4		26.6	0.57	0.30	0.17
2025	3.3	3.6	6.9	6.00	41.4	13.0	5.0		23.4	0.50	0.29	0.14
2026	2.9	3.2	6.2	6.17	38.1	13.0	4.6		20.5	0.44	0.27	0.12
2027	2.6	2.9	5.5	6.35	35.0	13.0	4.2		17.8	0.38	0.25	0.10
2028	2.3	2.6	4.9	6.54	32.2	13.0	3.9		15.4	0.33	0.24	0.08
2029	2.1	2.3	4.4	6.73	29.7	13.0	3.6		13.1	0.28	0.23	0.06
2030	1.9	2.1	3.9	6.92	27.3	13.0	3.3		11.0	0.24	0.21	0.05

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Natural Gas Royalty Trusts

A Weekly Analysis

July 17, 2003

Table SJT-2
San Juan Basin Royalty Trust
Distributable Income

	Q4	Year	Q1	Q2E	Q3E	Q4E	Year	Q1E	Q2E	Next
	12/31/02	2002	3/31/03	6/30/03	9/30/03	12/31/03	2003E	3/31/04	6/30/04	Twelve
										Months
										6/30/04
Highlights										
Revenue (\$mm) (75%)	20.4	78.9	31.0	35.5	35.8	30.5	132.8	33.0	30.8	130.2
Cash flow (\$mm) (75%)	15.6	59.7	24.9	28.9	29.4	24.5	107.7	26.7	24.8	105.4
Per unit	0.33	1.28	0.53	0.62	0.63	0.52	2.31	0.57	0.53	2.26
Tax credit (\$mm)	1.9	5.6					-			
Per unit	0.04	0.12					-			
Distributable Income (\$mm)	11.6	36.3	19.5	25.6	26.2	21.3	92.6	23.5	21.6	92.6
Per unit	0.25	0.78	0.42	0.55	0.56	0.46	1.99	0.50	0.46	1.99
Units (millions)	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6
Volume										
Natural gas (mmbtu)	12.4	48.5	12.6	11.4	12.1	12.1	48.3	12.1	11.7	48.0
Heat Content(btu/cf)	1,064	1,050	1,084	1,094	1,051	1,051	1,070	1,051	1,051	1,051
Natural gas (bcf)	11.6	46.2	11.6	10.5	11.5	11.5	45.1	11.5	11.1	45.7
Natural Gas (mmcf)	126.2	126.6	126.5	117.5	125.2	125.2	123.6	125.2	125.2	125.2
Days	92	365	92	89	92	92	365	92	89	365
Oil (mb)	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1
Oil (mbd)	0.2	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Total gas & oil (bcf)	11.7	46.8	11.7	10.5	11.6	11.6	45.5	11.6	11.2	46.1
Price										
Natural gas (\$/mmbtu) (Henry Hub lagged two months)										
Henry Hub (\$/mmbtu)	3.59	3.02	4.73	6.33	5.61	4.97	5.41	5.38	5.19	5.29
Differential (%)	40	30	32	35	33	33	33	33	33	32
Total	2.16	2.13	3.24	4.10	3.76	3.33	3.63	3.60	3.48	3.58
Natural gas (\$/mcf)	2.30	2.24	3.51	4.48	3.95	3.50	3.89	3.79	3.66	3.77
Oil (\$/bbl) (WTI Cushing lagged two months)										
WTI Cushing	28.96	24.70	29.55	32.51	30.02	30.44	30.63	28.94	27.62	29.25
SJT	28.35	20.90	24.44	26.89	24.83	25.18	25.32	23.94	22.85	24.21
Total gas & oil (\$/mcf)	2.32	2.25	3.52	4.48	4.11	3.51	3.89	3.79	3.66	3.77
Revenue (\$mm)										
Natural Gas	26.7	103.3	40.9	46.9	47.4	40.3	175.5	43.6	40.8	172.1
Oil	0.6	2.0	0.4	0.4	0.4	0.4	1.6	0.4	0.4	1.5
Total	27.3	105.2	41.3	47.3	47.8	40.7	177.1	44.0	41.1	173.6
Cost (\$mm)										
Severance tax	3.1	10.5	4.2	4.8	4.8	4.1	17.9	4.4	4.1	17.4
Operating	3.4	15.2	3.9	3.9	3.7	4.0	15.6	4.0	3.9	15.7
Total	6.5	25.6	8.1	8.7	8.5	8.1	33.5	8.4	8.0	33.1
Cash flow (\$mm)										
Development	4.7	21.5	6.6	2.9	3.7	3.7	16.8	3.7	3.7	14.8
Net proceeds (\$mm)										
Royalty/Net proceeds	16.1	58.2	26.6	35.7	35.6	28.9	126.8	31.9	29.4	125.8
Royalty income (\$mm)										
Royalty/Net proceeds	12.1	43.6	19.9	26.8	26.7	21.7	95.1	23.9	22.1	94.3
Administration	0.5	2.0	0.4	0.2	0.4	0.4	1.5	0.4	0.4	1.7
One-time		5.3		0.9			0.9			-
Distributable income (\$mm)										
Distributable income	11.6	36.3	19.5	25.6	26.2	21.3	92.6	23.5	21.6	92.6
Severance tax/revenue	11.5%	9.9%	10.2%	10.2%	10.1%	10.0%	10.1%	10.0%	10.0%	10.0%
Operating cost (\$/mcf)	0.29	0.32	0.33	0.37	0.32	0.35	0.34	0.35	0.35	0.34
Development/Cash flow	22%	27%	20%	7%	9%	11%	12%	10%	11%	11%

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Natural Gas Royalty Trusts

A Weekly Analysis

July 17, 2003

Table SJT-3
San Juan Basin Royalty Trust
Monthly Declarations

	<i>Apr-03</i>	<i>May-03</i>	<i>Jun-03</i>	<i>Jul-03</i>	<i>Aug-03</i>	<i>Sep-03</i>
Distribution (\$/unit)						
Declared	0.16	0.26	0.13			
<i>Projected</i>				<i>0.17</i>	<i>0.20</i>	<i>0.19</i>
Volume						
Natural gas (mmbtu)	3.62	4.06	3.76	4.08	3.95	4.08
Heat Content(btu/cf)	1,107	1,075	1,102	1,051	1,051	1,051
Natural gas (bcf)	3.27	3.78	3.41	3.88	3.76	3.88
Natural Gas (mmcf)	117	122	114	125	125	125
Days	28	31	30	31	30	31
Price						
Natural gas industry quotes lagged two months (\$/mmbtu)						
Henry Hub Daily/Futures	7.77	5.95	5.26	5.81	5.82	5.19
San Juan Monthly Index	4.58	5.91	3.71	4.03	5.03	4.70
SJT/Henry Hub	0.54	0.84	0.59	0.62	0.73	0.75
SJT/San Juan Index	0.91	0.84	0.84	0.90	0.84	0.83
SJT (\$/mmbtu)	4.16	4.97	3.10	3.63	4.24	3.88
SJT (\$/mcf)	4.60	5.34	3.42	3.81	4.46	4.08
Revenue (\$mm)						
Natural Gas	15.0	20.2	11.7	14.8	16.8	15.8
Other	0.1	0.1	(0.1)	(0.1)	(0.1)	(0.1)
Cost (\$mm)						
Severance tax	1.6	2.1	1.2	1.5	1.7	1.6
Operating	1.4	1.3	1.2	1.2	1.2	1.2
Total	3.0	3.3	2.4	2.7	2.9	2.8
Cash flow (\$mm)	12.1	16.9	9.2	12.0	13.8	12.9
Development	1.1	0.5	1.2	1.2	1.2	1.2
Net proceeds (\$mm)	11.0	16.4	7.9	10.8	12.5	11.7
Royalty income (\$mm)	8.3	12.3	6.0	8.1	9.4	8.8
Royalty/Net proceeds	75%	75%	75%	75%	75%	75%
One time	0.9					
Distributable income (\$mm)	7.4	12.3	6.0	8.1	9.4	8.8
Units (millions)	46.6	46.6	46.6	46.6	46.6	46.6
Distribution (\$/unit)	0.16	0.26	0.13	0.17	0.20	0.19
<i>Latest Twelve Month Average</i>						
Heat Content(btu/cf)	1,051	1,049	1,051			
Natural Gas (mmcf)	126	126	125			
SJT/Henry Hub	0.67	0.68	0.67			
SJT/San Juan Index	0.90	0.90	0.89			
Other revenue	(0.0)	(0.1)	(0.0)			
Operating	1.3	1.3	1.3			
Development	1.2	1.4	1.4			
Severance tax/revenue	10.2%	10.3%	10.3%			

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