

Data Integrity

Summary and Recommendation

Acknowledgement that traders at Dynegy provided false information to natural gas pricing services reminds us of the shortcomings of information sources. As some investors who use our work may be active enough in commodity trading to have a keener sense of the futures market, we provide more explicit detail on the prices we use for our projections (see Natural Gas and Oil Futures table). Of course, even the most accurate reading would still show a market that could change instantly. Meanwhile there was no one sigma change in commodity prices or estimates for the past week. SJT continues as our ongoing buy recommendation while CRT and HGT also offer attractive value.

Futures Prices by Year

We have been emphasizing the relationship between our projections of royalty trust cash flow and six-year natural gas and oil price. Our quotes come from wsj.com, which in turn is supplied by FutureSource, an Illinois-based provider. We presume that actual transactions on the New York Mercantile Exchange (Nymex) are faithfully reported. We can see that FutureSource, or wsj.com, applies smoothing techniques to fill in prices for months for which no trade has occurred recently enough to be consistent with the points that determine the latest curve. We take our weekly numbers after the close of regular trading at 3:00 pm on Thursday. A few after-hours quotes get included that may be slightly out of line with the curve determined as of 3:00 pm.

We recognize that Nymex quotes associated with little volume in the out years have an artificial character. Moreover we understand that there is more volume of natural gas for delivery five years or later in the future traded in undisclosed transactions away from Nymex. As a result, an active commodity investor can get multiple quotes from commodity trading houses that may more accurately represent the level of long-term futures than the data we present. Another source may be a proprietary service that gets regular input from several traders. The reliability of the latter data is also limited as we have Dynegy admitting providing false information to proprietary services collecting pricing data.

Where does regulation fit in all of this? Equity trading provides a model. Most trades take place on an organized exchange or on Nasdaq and all of those are reported publicly. It seems to us that our economy would benefit from more transparency in commodity pricing. The Dynegy transgression helps make that point. Where markets are sufficiently developed, real time public disclosure of pricing should be required by regulation. As in equity trading we would have a highly competitive free-market activity within a regulatory framework that keeps the players more honest.

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. Mr. Wulff is not paid by covered companies. He and his spouse do not sell short nor act contrary to a buy or sell rating except for tax loss purposes. 1

Natural Gas Royalty Trusts

A Weekly Analysis

September 30, 2002

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

	Symbol/ Rating	Price (\$/sh) 26-Sep 2002	Shares (mm)	Market Cap (\$mm)	Net Present Value (\$/sh)	Debt/ Present Value	McDep Ratio
Cross Timbers Royalty Trust	CRT	17.51	6.0	105	20.10	-	0.87
Hugoton RoyaltyTrust (46%)	HGT	11.40	18.4	210	15.60	-	0.73
San Juan Basin Royalty Trust	SJT B	11.63	46.6	540	16.10	-	0.72

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.

	Symbol/ Rating	Price (\$/sh) 26-Sep 2002	EV/ Sales NTM	EV/ Ebitda NTM	P/E NTM	Dividend or Distribution NTM (%)	PV/ Ebitda NTM
Cross Timbers Royalty Trust	CRT	17.51	6.1	8.5	9	10.9	9.8
San Juan Basin Royalty Trust	SJT B	11.63	5.4	6.9	9	10.7	9.6
Hugoton RoyaltyTrust (46%)	HGT	11.40	4.7	6.8	9	10.6	9.3

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

Natural Gas and Oil Futures

September 26, 2002

	2003	2004	2005	2006	2007	2008	Six Year
Natural Gas (\$/mmbtu)							
Year ending October	3.93	3.89	3.78	3.75	3.77	3.81	3.82
Year ending December	3.96	3.87	3.76	3.75	3.77		
Light Sweet Crude Oil (\$/bbl)							
Year ending October	27.42	23.65	22.85	22.31	21.94	21.71	23.31
Year ending December	26.45	23.43	22.76	22.24	21.89		

Source: Nymex, FutureSource, wsj.com

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. Mr. Wulff is not paid by covered companies. He and his spouse do not sell short nor act contrary to a buy or sell rating except for tax loss purposes. 2

Natural Gas Royalty Trusts

A Weekly Analysis

September 30, 2002

Table CRT-1
Cross Timbers Royalty Trust
Present Value

Volume Decline (%/yr):	10	Price Escalation post 2007 (%/yr):	2.4
Volume Enhancement (%/yr):	10	Discount Rate (%/yr):	5.2
		U.S. TIPS Inflation (%/yr):	1.6
		U.S. 10 Year Yield (%/yr):	3.8
PV/Volume (\$/mcf):	2.75	PV/EBITDA 2002:	10.0

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 2003 through 2032; years ending on 9/30											
	25	19	44	4.17	183	9	192	32.05	0.02	0.63	20.10
2003	2.6	0.0	2.6	3.67	9.5	2.0	11.5	1.91	0.02	0.98	1.88
2004	2.3	0.3	2.6	3.77	9.7	1.7	11.4	1.91		0.93	1.77
2005	2.1	0.5	2.6	3.64	9.4	1.2	10.6	1.77		0.88	1.56
2006	1.9	0.7	2.6	3.55	9.2	1.1	10.2	1.70		0.84	1.43
2007	1.7	0.9	2.6	3.57	9.2	0.9	10.1	1.69		0.80	1.35
2008	1.5	1.1	2.6	3.65	9.4	0.8	10.2	1.71		0.76	1.29
2009	1.4	1.2	2.6	3.74	9.6	0.8	10.4	1.74		0.72	1.25
2010	1.2	1.3	2.6	3.83	9.9	0.7	10.6	1.77		0.69	1.21
2011	1.1	1.5	2.6	3.92	10.1		10.1	1.68		0.65	1.10
2012	1.0	1.3	2.3	4.01	9.3		9.3	1.55		0.62	0.96
2013	0.9	1.2	2.1	4.10	8.6		8.6	1.43		0.59	0.84
2014	0.8	1.1	1.9	4.20	7.9		7.9	1.32		0.56	0.74
2015	0.7	1.0	1.7	4.30	7.3		7.3	1.21		0.53	0.65
2016	0.7	0.9	1.5	4.40	6.7		6.7	1.12		0.51	0.57
2017	0.6	0.8	1.4	4.51	6.2		6.2	1.03		0.48	0.50
2018	0.5	0.7	1.2	4.61	5.7		5.7	0.95		0.46	0.44
2019	0.5	0.6	1.1	4.72	5.2		5.2	0.87		0.44	0.38
2020	0.4	0.6	1.0	4.84	4.8		4.8	0.81		0.42	0.33
2021	0.4	0.5	0.9	4.95	4.5		4.5	0.74		0.39	0.29
2022	0.3	0.5	0.8	5.07	4.1		4.1	0.68		0.38	0.26
2023	0.3	0.4	0.7	5.19	3.8		3.8	0.63		0.36	0.22
2024	0.3	0.4	0.7	5.31	3.5		3.5	0.58		0.34	0.20
2025	0.3	0.3	0.6	5.44	3.2		3.2	0.53		0.32	0.17
2026	0.2	0.3	0.5	5.57	3.0		3.0	0.49		0.31	0.15
2027	0.2	0.3	0.5	5.70	2.7		2.7	0.45		0.29	0.13
2028	0.2	0.2	0.4	5.83	2.5		2.5	0.42		0.28	0.12
2029	0.2	0.2	0.4	5.97	2.3		2.3	0.39		0.26	0.10
2030	0.1	0.2	0.3	6.11	2.1		2.1	0.35		0.25	0.09
2031	0.1	0.2	0.3	6.26	2.0		2.0	0.33		0.24	0.08
2032	0.1	0.2	0.3	6.41	1.8		1.8	0.30		0.23	0.07

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. Mr. Wulff is not paid by covered companies. He and his spouse do not sell short nor act contrary to a buy or sell rating except for tax loss purposes. 3

Natural Gas Royalty Trusts

A Weekly Analysis

September 30, 2002

Table CRT-2
Cross Timbers Royalty Trust
Distributable Income

	<i>Q1</i>	<i>Q2</i>	<i>Q3E</i>	<i>Q4E</i>	<i>Year</i>	<i>Q1E</i>	<i>Q2E</i>	<i>Q3E</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>9/30/03</i>	<i>Twelve</i>	
									<i>Months</i>	
									<i>9/30/03</i>	
Highlights										
Tax credit (\$mm)										
Per unit	0.03	0.02	0.02	0.02	0.09					0.02
Distributable Income (\$mm)	1.80	1.72	2.49	2.67	8.69	3.07	2.95	2.77		11.46
Per unit	0.30	0.29	0.42	0.44	1.45	0.51	0.49	0.46		1.91
Units (millions)	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0		6.0
Volume										
Natural Gas (bcf)	0.78	0.71	0.71	0.72	2.92	0.72	0.71	0.71		2.86
Natural Gas (mmcf)	8.5	7.8	7.8	7.8	8.0	7.8	7.8	7.8		7.8
Days	92	90	91	92	365	92	90	91		365
Oil (mb)	83	82	85	85	336	85	82	85		338
Oil (mbd)	0.90	0.93	0.93	0.93	0.92	0.93	0.93	0.93		3.70
Days	92	89	92	92	365	92	89	92		365
Total (bcf)	1.28	1.20	1.23	1.23	4.94	1.23	1.20	1.23		4.89
Price										
Natural Gas (HH lagged three months)										
Henry Hub (\$/mmbtu)	2.41	2.53	3.38	3.21	2.88	3.90	4.08	3.82		3.75
Differential (\$/mmbtu)	(0.13)	(0.04)	0.07	0.06	(0.00)	0.08	0.08	0.08		0.08
CRT (\$/mcf)	2.54	2.57	3.31	3.14	2.88	3.82	4.00	3.74		3.67
Oil (\$/bbl) (WTI lagged two months)										
WTI Cushing	19.56	23.80	26.49	29.49	24.84	29.97	28.25	26.37		28.52
CRT	17.28	20.50	24.49	27.49	22.49	27.97	26.25	24.37		26.52
Total (\$/mcf)	2.67	2.92	3.63	3.74	3.24	4.17	4.15	3.88		3.98
Revenue (\$mm)										
Natural Gas	1.98	1.82	2.37	2.27	8.43	2.76	2.82	2.67		10.52
Oil	1.44	1.69	2.09	2.34	7.55	2.38	2.16	2.08		8.96
Total	3.42	3.50	4.45	4.61	15.99	5.14	4.99	4.75		19.49
Cost (\$mm)										
Tax, transport & other	0.34	0.51	0.62	0.65	2.12	0.72	0.70	0.67		2.73
Production	0.75	0.72	0.72	0.72	2.91	0.72	0.72	0.72		2.88
Total	1.09	1.23	1.34	1.37	5.03	1.44	1.42	1.39		5.61
Cash flow (\$mm)										
Development	0.28	0.14	0.14	0.20	0.77	0.20	0.20	0.20		0.80
Excess	(0.07)	0.07								
Net proceeds (\$mm)	2.11	2.06	2.96	3.04	10.18	3.50	3.37	3.17		13.08
Royalty income (\$mm)										
Royalty/Net proceeds	89%	89%	89%	89%	89%	89%	89%	89%		89%
Administration	0.08	0.09	0.14	0.04	0.35	0.04	0.04	0.04		0.16
Distributable income (\$mm)	1.80	1.72	2.49	2.67	8.69	3.07	2.95	2.77		11.46
<i>Modeling ratios</i>										
Tax and other/revenue	0.10	0.15	0.14	0.14	0.13	0.14	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. Mr. Wulff is not paid by covered companies. He and his spouse do not sell short nor act contrary to a buy or sell rating except for tax loss purposes. 4

Natural Gas Royalty Trusts

A Weekly Analysis

September 30, 2002

Table HGT-1
Hugoton Royalty Trust
Present Value

Volume Decline (%/yr):	10	Price Escalation Post 2007 (%/yr):	2.4
Volume Enhancement (%/yr):	10	Discount rate (%/yr):	5.8
Capex/Cash Flow (%):	30	U.S. TIPS Inflation (%/yr):	1.6
Variable Cost (%):	17	U.S. 10 Year Yield (%/yr):	3.8
PV/Volume (\$/mcf):	1.26	PV/EBITDA 2002:	9.4

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 2003 through 2032; years ending on 9/30													
	279	217	496	4.07	2017	418	343	195	1061	26.53	0.00	0.59	15.60
2003	29.1	0.0	29.1	3.33	97.0	13.9	16.5	18.2	48.3	1.21	0.00	0.97	1.18
2004	26.2	2.9	29.1	3.69	107.4	13.9	18.3	22.6	52.7	1.32		0.92	1.21
2005	23.6	5.5	29.1	3.56	103.6	13.9	17.6	21.6	50.4	1.26		0.87	1.10
2006	21.2	7.9	29.1	3.47	101.2	13.9	17.2	21.0	49.0	1.23		0.82	1.01
2007	19.1	10.0	29.1	3.49	101.7	13.9	17.3	21.2	49.4	1.23		0.78	0.96
2008	17.2	11.9	29.1	3.58	104.2	13.9	17.7	21.8	50.8	1.27		0.74	0.93
2009	15.5	13.6	29.1	3.66	106.6	13.9	18.1	22.4	52.2	1.31		0.70	0.91
2010	13.9	15.2	29.1	3.75	109.2	13.9	18.6	23.0	53.7	1.34		0.66	0.88
2011	12.5	16.6	29.1	3.84	111.7	13.9	19.0	23.6	55.2	1.38		0.62	0.86
2012	11.3	14.9	26.2	3.93	102.9	13.9	17.5		71.5	1.79		0.59	1.05
2013	10.2	13.4	23.6	4.02	94.8	13.9	16.1		64.8	1.62		0.56	0.90
2014	9.1	12.1	21.2	4.12	87.4	13.9	14.9		58.6	1.47		0.53	0.77
2015	8.2	10.9	19.1	4.21	80.5	13.9	13.7		52.9	1.32		0.50	0.66
2016	7.4	9.8	17.2	4.31	74.2	13.9	12.6		47.6	1.19		0.47	0.56
2017	6.7	8.8	15.5	4.42	68.3	13.9	11.6		42.8	1.07		0.44	0.48
2018	6.0	7.9	13.9	4.52	63.0	13.9	10.7		38.3	0.96		0.42	0.40
2019	5.4	7.1	12.5	4.63	58.0	13.9	9.9		34.2	0.86		0.40	0.34
2020	4.9	6.4	11.3	4.74	53.4	13.9	9.1		30.4	0.76		0.38	0.29
2021	4.4	5.8	10.2	4.85	49.2	13.9	8.4		27.0	0.67		0.36	0.24
2022	3.9	5.2	9.1	4.96	45.4	13.9	7.7		23.7	0.59		0.34	0.20
2023	3.5	4.7	8.2	5.08	41.8	13.9	7.1		20.8	0.52		0.32	0.17
2024	3.2	4.2	7.4	5.20	38.5	13.9	6.5		18.0	0.45		0.30	0.14
2025	2.9	3.8	6.7	5.32	35.5	13.9	6.0		15.5	0.39		0.28	0.11
2026	2.6	3.4	6.0	5.45	32.7	13.9	5.6		13.2	0.33		0.27	0.09
2027	2.3	3.1	5.4	5.58	30.1	13.9	5.1		11.1	0.28		0.25	0.07
2028	2.1	2.8	4.9	5.71	27.8	13.9	4.7		9.1	0.23		0.24	0.05
2029	1.9	2.5	4.4	5.85	25.6	13.9	4.3		7.3	0.18		0.23	0.04
2030	1.7	2.2	3.9	5.99	23.6	13.9	4.0		5.6	0.14		0.21	0.03
2031	1.5	2.0	3.5	6.13	21.7	13.9	3.7		4.1	0.10		0.20	0.02
2032	1.4	1.8	3.2	6.27	20.0	13.9	3.4		2.7	0.07		0.19	0.01

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. Mr. Wulff is not paid by covered companies. He and his spouse do not sell short nor act contrary to a buy or sell rating except for tax loss purposes. 5

Natural Gas Royalty Trusts

A Weekly Analysis

September 30, 2002

Table HGT-2
Hugoton Royalty Trust
Distributable Income

	<i>Q1</i>	<i>Q2</i>	<i>Q3E</i>	<i>Q4E</i>	<i>Year</i>	<i>Q1E</i>	<i>Q2E</i>	<i>Q3E</i>	<i>Next Twelve Months</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>9/30/03</i>	<i>9/30/03</i>
Highlights									
Revenue (\$mm) (80%)	18.5	16.5	19.7	22.5	77.2	25.8	24.4	24.3	97.0
Cash flow (\$mm) (80%)	12.0	10.1	13.2	15.1	50.5	18.1	17.0	16.7	66.9
Per unit	0.30	0.25	0.33	0.38	1.26	0.45	0.43	0.42	1.67
Tax credit (\$mm)	0.2	0.2	0.2	0.2	0.7				0.2
Per unit	0.00	0.00	0.00	0.00	0.02				0.00
Distributable Income (\$mm)	7.4	5.3	8.6	10.4	31.7	13.5	12.4	12.1	48.3
Per unit	0.18	0.13	0.22	0.26	0.79	0.34	0.31	0.30	1.21
Units (millions)	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
Volume									
Natural Gas (bcf)	9.0	8.3	8.6	8.6	34.6	8.6	8.4	8.6	34.3
Natural Gas (mmcf)	98.1	93.1	93.4	94.0	94.7	94.0	94.0	94.0	94.0
Days	92	89	92	92	365	92	89	92	365
Oil (mb)	90	88	90	90	358	89	85	87	350
Oil (mbd)	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.9	1.0
Days	92	89	92	92	365	92	89	92	365
Total (bcf)	9.6	8.8	9.1	9.2	36.7	9.2	8.9	9.2	36.4
Price									
Natural Gas (HH lagged two months)									
Henry Hub (\$/mmbtu)	2.34	2.92	3.23	3.47	2.99	4.04	3.96	3.82	3.82
Differential (\$/mmbtu)	(0.03)	0.67	0.49	0.52	0.45	0.61	0.59	0.57	0.57
HGT (\$/mcf)	2.38	2.25	2.60	2.95	2.54	3.43	3.37	3.25	3.25
Oil (\$/bbl) (WTI Cushing lagged two months)									
WTI Cushing	19.56	23.80	26.49	29.49	24.84	29.97	28.25	26.37	28.52
HGT	18.80	22.27	25.99	28.99	24.02	29.47	27.75	25.87	28.04
Total (\$/mcf)	2.42	2.33	2.70	3.06	2.63	3.52	3.44	3.31	3.33
Revenue (\$mm)									
Natural Gas	21.5	18.6	22.3	25.5	87.9	29.7	28.2	28.1	111.4
Oil	1.7	2.0	2.4	2.6	8.6	2.6	2.4	2.2	9.8
Total	23.2	20.6	24.7	28.1	96.5	32.3	30.5	30.4	121.2
Cost (\$mm)									
Tax, transport & other	1.7	1.9	2.2	2.8	8.6	3.2	3.1	3.0	12.1
Production	4.4	4.0	3.8	4.6	16.8	4.6	4.4	4.6	18.2
Overhead	2.0	2.0	2.1	1.8	7.9	1.8	1.8	1.8	7.3
Total	8.1	7.9	8.1	9.2	33.4	9.7	9.3	9.5	37.6
Cash flow (\$mm)									
Development	5.8	5.8	5.8	5.7	23.1	5.7	5.7	5.7	22.8
Net proceeds (\$mm)	9.3	6.9	10.8	13.1	40.1	16.9	15.6	15.2	60.8
Royalty income (\$mm)									
Royalty/Net proceeds	80%	80%	80%	80%	80%	80%	80%	80%	80%
Administration	0.1	0.2	(0.0)	0.1	0.3	0.1	0.1	0.1	0.3
Distributable income (\$mm)	7.4	5.3	8.6	10.4	31.7	13.5	12.4	12.1	48.3
<i>Cost ratios</i>									
Tax and other/revenue	7%	9%	9%	10%	9%	10%	10%	10%	10%
Production cost (\$/mcf)	0.46	0.46	0.42	0.50	0.46	0.50	0.50	0.50	0.50
Overhead cost (\$/mcf)	0.21	0.23	0.23	0.20	0.22	0.20	0.20	0.20	0.20
Development/Cash flow	0.38	0.46	0.35	0.30	0.37	0.25	0.27	0.27	0.27

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. Mr. Wulff is not paid by covered companies. He and his spouse do not sell short nor act contrary to a buy or sell rating except for tax loss purposes. 6

Natural Gas Royalty Trusts

A Weekly Analysis

September 30, 2002

Table SJT-1
San Juan Basin Royalty Trust
Present Value

Volume Decline (%/yr):	10	Price Escalation Post 2007 (%/yr):	2.4
Volume Enhancement (%/yr):	10	Discount rate (%/yr):	5.8
Capex/Cash Flow (%):	25	U.S. TIPS Inflation (%/yr):	1.6
Variable Cost (%):	12	U.S. 10 Year Yield (%/yr):	3.8
PV/Volume (\$/mcf):	1.33	PV/EBITDA 2002:	9.8

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 2003 through 2032; years ending on 9/30													
	318	247	565	3.72	2100	388	252	186	1273	27.31	0.01	0.59	16.10
2003	33.2	0.0	33.2	3.02	100.4	11.4	12.0	18.7	58.2	1.25	0.01	0.97	1.22
2004	29.9	3.3	33.2	3.37	111.8	13.0	13.4	21.4	64.1	1.37		0.92	1.26
2005	26.9	6.3	33.2	3.25	107.9	13.0	12.9	20.5	61.4	1.32		0.87	1.15
2006	24.2	9.0	33.2	3.17	105.3	13.0	12.6	19.9	59.8	1.28		0.82	1.05
2007	21.8	11.4	33.2	3.19	105.9	13.0	12.7	20.1	60.2	1.29		0.78	1.00
2008	19.6	13.6	33.2	3.27	108.5	13.0	13.0	20.6	61.8	1.33		0.74	0.98
2009	17.6	15.5	33.2	3.35	111.0	13.0	13.3	21.2	63.5	1.36		0.70	0.95
2010	15.9	17.3	33.2	3.43	113.7	13.0	13.6	21.8	65.3	1.40		0.66	0.92
2011	14.3	18.9	33.2	3.51	116.4	13.0	14.0	22.3	67.0	1.44		0.62	0.89
2012	12.9	17.0	29.9	3.59	107.2	13.0	12.9		81.3	1.75		0.59	1.03
2013	11.6	15.3	26.9	3.67	98.8	13.0	11.9		73.9	1.59		0.56	0.88
2014	10.4	13.8	24.2	3.76	91.0	13.0	10.9		67.1	1.44		0.53	0.76
2015	9.4	12.4	21.8	3.85	83.8	13.0	10.1		60.8	1.30		0.50	0.65
2016	8.4	11.2	19.6	3.94	77.2	13.0	9.3		55.0	1.18		0.47	0.55
2017	7.6	10.0	17.6	4.04	71.2	13.0	8.5		49.6	1.06		0.44	0.47
2018	6.8	9.0	15.9	4.13	65.6	13.0	7.9		44.7	0.96		0.42	0.40
2019	6.1	8.1	14.3	4.23	60.4	13.0	7.2		40.2	0.86		0.40	0.34
2020	5.5	7.3	12.9	4.33	55.7	13.0	6.7		36.0	0.77		0.38	0.29
2021	5.0	6.6	11.6	4.43	51.3	13.0	6.2		32.1	0.69		0.36	0.25
2022	4.5	5.9	10.4	4.54	47.2	13.0	5.7		28.6	0.61		0.34	0.21
2023	4.0	5.3	9.4	4.64	43.5	13.0	5.2		25.3	0.54		0.32	0.17
2024	3.6	4.8	8.4	4.75	40.1	13.0	4.8		22.3	0.48		0.30	0.14
2025	3.3	4.3	7.6	4.87	36.9	13.0	4.4		19.5	0.42		0.28	0.12
2026	2.9	3.9	6.8	4.98	34.0	13.0	4.1		17.0	0.36		0.27	0.10
2027	2.6	3.5	6.1	5.10	31.4	13.0	3.8		14.6	0.31		0.25	0.08
2028	2.4	3.2	5.5	5.22	28.9	13.0	3.5		12.4	0.27		0.24	0.06
2029	2.1	2.8	5.0	5.34	26.6	13.0	3.2		10.4	0.22		0.23	0.05
2030	1.9	2.6	4.5	5.47	24.5	13.0	2.9		8.6	0.18		0.21	0.04
2031	1.7	2.3	4.0	5.60	22.6	13.0	2.7		6.9	0.15		0.20	0.03
2032	1.6	2.1	3.6	5.73	20.8	13.0	2.5		5.3	0.11		0.19	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. Mr. Wulff is not paid by covered companies. He and his spouse do not sell short nor act contrary to a buy or sell rating except for tax loss purposes. 7

Natural Gas Royalty Trusts

A Weekly Analysis

September 30, 2002

Table SJT-2
San Juan Basin Royalty Trust
Distributable Income

	<i>Q1</i>	<i>Q2</i>	<i>Q3E</i>	<i>Q4E</i>	<i>Year</i>	<i>Q1E</i>	<i>Q2E</i>	<i>Q3E</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>9/30/03</i>	<i>Twelve</i>
									<i>Months</i>
Highlights									
Revenue (\$mm) (75%)	19.2	18.6	20.8	21.8	80.4	26.9	25.6	26.0	100.4
Cash flow (\$mm) (75%)	14.1	14.1	16.1	16.7	61.0	21.1	20.0	20.3	78.2
Per unit	0.30	0.30	0.35	0.36	1.31	0.45	0.43	0.44	1.68
Tax credit (\$mm)	0.5	0.5	0.5	0.5	1.9				0.5
Per unit	0.01	0.01	0.01	0.01	0.04				0.01
Distributable Income (\$mm)	3.5	9.0	12.2	12.7	37.5	15.6	14.8	15.0	58.2
Per unit	0.08	0.19	0.26	0.27	0.80	0.34	0.32	0.32	1.25
Units (millions)	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6
Volume									
Natural gas (mmbtu)	12.5	12.0	11.6	11.6	47.8	11.6	11.2	11.6	46.1
Heat Content(btu/cf)	1,092	1,077	970	1,059	1,048	1,059	1,059	1,059	1,059
Natural gas (bcf)	11.5	11.1	12.0	11.0	45.6	11.0	10.6	11.0	43.6
Natural Gas (mmcf)	124.7	125.1	130.4	119.3	124.9	119.3	119.3	119.3	119.3
Days	92	89	92	92	365	92	89	92	365
Oil (mb)	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1
Oil (mbd)	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Total gas & oil (bcf)	11.6	11.3	12.2	11.2	46.2	11.2	10.8	11.2	44.2
Price									
Natural gas (\$/mmbtu) (Henry Hub lagged two months)									
Henry Hub (\$/mmbtu)	2.34	2.92	3.23	3.47	2.99	4.04	3.96	3.90	3.84
Differential (%)	14	31	32	25	27	25	25	25	26
Total	2.01	2.02	2.33	2.60	2.20	3.03	2.97	2.92	2.84
Natural gas (\$/mcf)	2.20	2.18	2.26	2.75	2.30	3.20	3.15	3.09	3.01
Oil (\$/bbl) (WTI Cushing lagged two months)									
WTI Cushing	19.56	23.80	26.49	29.49	24.84	29.97	28.25	30.24	29.49
SJT	15.78	19.14	22.49	25.49	21.00	25.97	24.25	26.24	25.50
Total gas & oil (\$/mcf)	2.20	2.19	2.28	2.61	2.32	3.22	3.16	3.11	3.02
Revenue (\$mm)									
Natural Gas	25.2	24.2	27.1	28.3	104.9	35.2	33.4	34.0	130.9
Oil	0.4	0.5	0.7	0.7	2.3	0.8	0.7	0.8	3.0
Total	25.6	24.8	27.8	29.1	107.2	35.9	34.1	34.7	133.8
Cost (\$mm)									
Severance tax	2.6	2.4	2.3	2.8	10.1	3.6	3.4	3.5	13.3
Operating	4.1	3.7	4.0	4.0	15.8	4.2	4.0	4.2	16.4
Total	6.7	6.0	6.3	6.8	25.8	7.8	7.4	7.6	29.6
Cash flow (\$mm)	18.8	18.8	21.5	22.3	81.4	28.2	26.7	27.1	104.2
Development	11.3	3.4	2.1	4.5	21.3	7.0	6.7	6.8	25.0
Net proceeds (\$mm)	7.5	15.4	19.4	17.8	60.1	21.1	20.0	20.3	79.2
Royalty income (\$mm)	5.6	11.5	14.5	13.4	45.0	15.8	15.0	15.2	59.4
Royalty/Net proceeds	75%	75%	75%	75%	75%	75%	75%	75%	3.0
Administration	0.4	0.5	0.7	0.2	1.8	0.2	0.2	0.2	0.8
One-time	1.7	2.0	1.6		5.3				-
Distributable income (\$mm)	3.5	9.0	12.2	12.7	37.5	15.6	14.8	15.0	58.2
<i>Modeling ratios</i>									
Severance tax/revenue	10.2%	9.5%	8.4%	9.5%	9.4%	10.0%	10.0%	10.0%	9.9%
Operating cost (\$/mcf)	0.36	0.32	0.33	0.36	0.34	0.37	0.37	0.37	0.37

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. Mr. Wulff is not paid by covered companies. He and his spouse do not sell short nor act contrary to a buy or sell rating except for tax loss purposes. 8

Natural Gas Royalty Trusts

A Weekly Analysis

September 30, 2002

Table SJT-3
San Juan Basin Royalty Trust
Monthly Declarations

	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02
Distribution (\$/unit)								
Declared	0.10	0.08	0.08	0.08	0.10			
Projected						0.08	0.08	0.11
Volume								
Natural gas (mmbtu)	4.29	3.88	3.92	3.77	3.95	3.92	3.79	3.92
Heat Content(btu/cf)	1,108	1,064	1,081	807	1,068	1,059	1,059	1,059
Natural gas (bcf)	3.87	3.65	3.63	4.67	3.70	3.70	3.58	3.70
Natural Gas (mmcfd)	125	122	117	156	119	119	119	119
Days	31	30	31	30	31	31	30	31
Price								
Natural gas industry quotes lagged two months (\$/mmbtu)								
Henry Hub Daily/Futures	3.03	3.42	3.49	3.22	2.99	3.09	3.54	3.77
San Juan Monthly Index	2.14	3.04	2.39	2.24	2.62	2.50	2.42	
SJT/Henry Hub	0.64	0.78	0.65	0.75	0.78	0.72	0.66	0.73
SJT/San Juan Index	0.91	0.88	0.95	1.08	0.89	0.89	0.97	
SJT (\$/mmbtu)	1.95	2.68	2.27	2.41	2.32	2.22	2.34	2.75
SJT (\$/mcf)	2.16	2.85	2.45	1.95	2.47	2.35	2.48	2.91
Revenue (\$mm)								
Natural Gas	8.4	10.4	8.9	9.1	9.1	8.7	8.9	10.8
Other	0.3	(0.4)	(0.0)	(0.2)	0.0	(0.0)	(0.0)	(0.0)
Cost (\$mm)								
Severance tax	0.8	1.1	0.6	0.8	0.9	0.8	0.9	1.1
Operating	1.2	1.1	1.1	1.6	1.3	1.3	1.3	1.3
Total	2.1	2.1	1.8	2.4	2.2	2.2	2.2	2.4
Cash flow (\$mm)	6.6	7.9	7.1	6.5	6.9	6.5	6.7	8.3
Development	(0.9)	1.3	0.7	1.0	0.5	1.5	1.5	1.5
Net proceeds (\$mm)	7.5	6.6	6.4	5.5	6.5	5.0	5.2	6.8
Royalty income (\$mm)	5.6	5.0	4.8	4.1	4.9	3.7	3.9	5.1
Royalty/Net proceeds	75%	75%	75%	75%	75%	75%	75%	75%
One time	1.0	1.0	1.0	0.6				
Distributable income (\$mm)	4.6	4.0	3.8	3.5	4.9	3.7	3.9	5.1
Units (millions)	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6
Distribution (\$/unit)	0.10	0.08	0.08	0.08	0.10	0.08	0.08	0.11
<i>Latest Twelve Month Average</i>								
Heat Content(btu/cf)	1,092	1,086	1,091	1,059	1,059			
Natural Gas (mmcfd)	120	120	121	124	123			
SJT/Henry Hub	0.75	0.75	0.73	0.73	0.73			
SJT/San Juan Index	0.85	0.85	0.85	0.87	0.87			
Other revenue	0.0	0.0	(0.0)	(0.0)	(0.0)			
Operating	1.3	1.3	1.3	1.3	1.3			
Development	2.9	2.9	2.7	2.5	2.4			
Severance tax/revenue	10.4%	10.5%	10.2%	10.0%	9.8%			

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. Mr. Wulff is not paid by covered companies. He and his spouse do not sell short nor act contrary to a buy or sell rating except for tax loss purposes. 9