

Meter Reader

A Weekly Analysis

The Oil and Gas Surprise of 2000

Summary and Conclusion

Trusts and partnerships can be superior vehicles for investors to participate in a possible surprise upward shift in oil and gas prices in 2000. We believe that the high current oil price will roll forward in the futures market contrary to the lack of such action so far. Natural gas still has a way to go to catch up with oil. We see a possible price crunch in the summer when electrical generators facing peak air conditioning load compete for tight natural gas supply with resellers trying to build seasonal storage. Little changed in the past week, current rankings place **Hugoton Royalty Trust** and **Cross Timbers Royalty Trust** as most undervalued followed by **Dorchester Hugoton, Ltd.** and **San Juan Basin Royalty Trust** (see table).

		Price				Net	
		(\$/unit)		Market		Asset	
		25-Feb	Units	Cap	Debt	Value	McDep
	Symbol	2000	(mm)	(\$mm)	(\$mm)	(\$/unit)	Ratio
San Juan Basin Royalty Trust	SJT	9.69	46.6	451	-	10.70	0.91
Dorchester Hugoton, Ltd.	DHULZ	9.94	10.7	107	-	11.70	0.85
Cross Timbers Royalty Trust	CRT	11.63	6.0	70	-	16.70	0.70
Hugoton RT (42.5%)	HGT	8.44	17.0	143	-	13.30	0.63

Dynamic Distribution Yields are 8-14% for the year ahead in cash and higher on a taxable equivalent basis (see table). The taxable equivalent comparison may be overstated for investors who pay less than the highest rate.

		Price	Distribution		Distribution Yield	
		(\$/unit)	(\$/unit)		(Percent)	
		25-Feb		Taxable		Taxable
	Symbol	2000	Cash	Equivalent	Cash	Equivalent
Dorchester Hugoton, Ltd.	DHULZ	9.94	0.82	1.47	8.3	14.8
San Juan Basin Royalty Trust	SJT	9.69	0.87	1.78	9.0	18.4
Hugoton RT (42.5%)	HGT	8.44	1.19	1.76	14.0	20.8
Cross Timbers Royalty Trust	CRT	11.63	1.69	2.71	14.4	23.3

If you have some questions or thoughts, click on [list](#) at *Group Discussions*, click on *Reactions to Meter Reader* and add your message.

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