

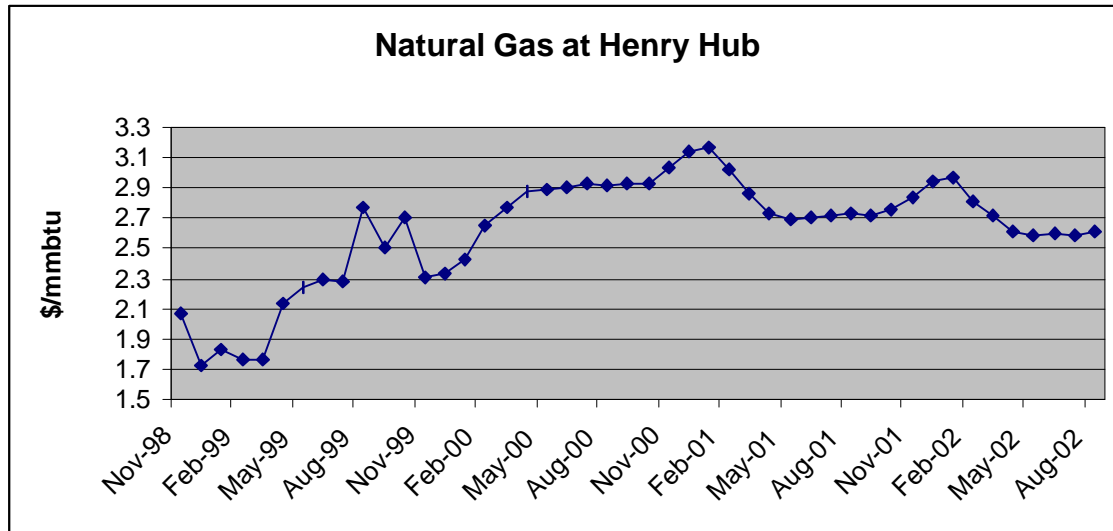
## Meter Reader

A Weekly Analysis

March 27, 2000

### Rising Futures Prices Boost Expected Distributions

Investors can look forward to richer payout from natural gas properties if prices anticipated by the futures markets materialize (see chart). Current rankings of some natural gas producers 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). Upwardly revised expectations for the next 12 months point to Dynamic Distribution Yields as high as 16% in cash (see table).



|                              |        | Price<br>(\$/unit) |               | Market        |                | Net<br>Asset       |                |
|------------------------------|--------|--------------------|---------------|---------------|----------------|--------------------|----------------|
|                              | Symbol | 24-Mar<br>2000     | Units<br>(mm) | Cap<br>(\$mm) | Debt<br>(\$mm) | Value<br>(\$/unit) | McDep<br>Ratio |
| San Juan Basin Royalty Trust | SJT    | 9.63               | 46.6          | 449           | -              | 11.70              | 0.82           |
| Dorchester Hugoton, Ltd.     | DHULZ  | 9.88               | 10.7          | 106           | -              | 12.50              | 0.79           |
| Cross Timbers Royalty Trust  | CRT    | 10.88              | 6.0           | 65            | -              | 17.80              | 0.61           |
| Hugoton RT (42.5%)           | HGT    | 8.38               | 17.0          | 142           | -              | 14.00              | 0.60           |

|                              |        | Price<br>(\$/unit) | Distribution<br>(\$/unit) |                       | Distribution Yield<br>(Percent per year) |                       |
|------------------------------|--------|--------------------|---------------------------|-----------------------|--|-----------------------|
|                              | Symbol | 24-Mar<br>2000     | Cash                      | Taxable<br>Equivalent | Cash                                     | Taxable<br>Equivalent |
| Dorchester Hugoton, Ltd.     | DHULZ  | 9.88               | 0.82                      | 1.20                  | 8.3                                      | 12.2                  |
| San Juan Basin Royalty Trust | SJT    | 9.63               | 1.06                      | 1.61                  | 10.2                                     | 16.7                  |
| Hugoton RT (42.5%)           | HGT    | 8.38               | 1.34                      | 1.49                  | 15.2                                     | 17.8                  |
| Cross Timbers Royalty Trust  | CRT    | 10.88              | 1.83                      | 2.29                  | 15.9                                     | 21.1                  |

Kurt H. Wulff, CFA

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

|                            |   |                                    |     |
|----------------------------|---|------------------------------------|-----|
| Volume Decline (%/yr):     | 9 | Price Escalation post 2002 (%/yr): | 2.9 |
| Volume Enhancement (%/yr): | 7 | Discount Rate (%/yr):              | 7.6 |
|                            |   | U.S. TIPS Inflation (%/yr):        | 2.1 |
|                            |   | U.S. 10 Year Yield (%/yr):         | 6.2 |

| 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 2000 through 2029 |                    |                |             |                |                |                |                     |                      |             |                         |       |
|                         | 33                 | 31             | 64          | 3.37           | 215            | 11             | 226                 | 37.67                | 0.48        | 0.47                    | 17.80 |
| 1999                    | 3.3                |                | 3.3         | 2.04           | 6.7            | -0.1           | 6.6                 | 1.09                 | 0.16        |                         |       |
| 2000                    | 3.0                | 0.3            | 3.2         | 2.56           | 8.3            | 2.1            | 10.4                | 1.73                 | 0.16        | 0.96                    | 1.82  |
| 2001                    | 2.7                | 0.5            | 3.2         | 2.67           | 8.5            | 1.6            | 10.1                | 1.69                 | 0.16        | 0.90                    | 1.66  |
| 2002                    | 2.5                | 0.7            | 3.1         | 2.53           | 7.9            | 0.8            | 8.7                 | 1.45                 | 0.16        | 0.83                    | 1.34  |
| 2003                    | 2.3                | 0.8            | 3.1         | 2.60           | 8.0            | 0.9            | 9.0                 | 1.49                 |             | 0.77                    | 1.16  |
| 2004                    | 2.1                | 1.0            | 3.0         | 2.67           | 8.1            | 0.9            | 9.1                 | 1.52                 |             | 0.72                    | 1.09  |
| 2005                    | 1.9                | 1.1            | 3.0         | 2.75           | 8.3            | 0.8            | 9.0                 | 1.50                 |             | 0.67                    | 1.01  |
| 2006                    | 1.8                | 1.2            | 3.0         | 2.83           | 8.4            | 0.7            | 9.0                 | 1.51                 |             | 0.62                    | 0.94  |
| 2007                    | 1.6                | 1.3            | 2.9         | 2.91           | 8.5            | 0.6            | 9.1                 | 1.51                 |             | 0.58                    | 0.87  |
| 2008                    | 1.5                | 1.4            | 2.9         | 3.00           | 8.6            | 0.5            | 9.1                 | 1.52                 |             | 0.54                    | 0.82  |
| 2009                    | 1.4                | 1.5            | 2.8         | 3.08           | 8.7            | 0.5            | 9.2                 | 1.53                 |             | 0.50                    | 0.76  |
| 2010                    | 1.2                | 1.5            | 2.8         | 3.17           | 8.8            | 0.4            | 9.2                 | 1.54                 |             | 0.46                    | 0.71  |
| 2011                    | 1.1                | 1.6            | 2.7         | 3.27           | 8.9            | 0.4            | 9.3                 | 1.55                 |             | 0.43                    | 0.67  |
| 2012                    | 1.1                | 1.6            | 2.7         | 3.36           | 9.0            | 0.3            | 9.3                 | 1.55                 |             | 0.40                    | 0.62  |
| 2013                    | 1.0                | 1.7            | 2.6         | 3.46           | 9.1            | 0.3            | 9.4                 | 1.56                 |             | 0.37                    | 0.58  |
| 2014                    | 0.9                | 1.7            | 2.6         | 3.56           | 9.2            | 0.2            | 9.4                 | 1.57                 |             | 0.35                    | 0.54  |
| 2015                    | 0.8                | 1.6            | 2.4         | 3.66           | 8.6            |                | 8.6                 | 1.44                 |             | 0.32                    | 0.46  |
| 2016                    | 0.7                | 1.4            | 2.2         | 3.77           | 8.1            |                | 8.1                 | 1.35                 |             | 0.30                    | 0.41  |
| 2017                    | 0.7                | 1.3            | 2.0         | 3.88           | 7.6            |                | 7.6                 | 1.27                 |             | 0.28                    | 0.35  |
| 2018                    | 0.6                | 1.2            | 1.8         | 3.99           | 7.2            |                | 7.2                 | 1.19                 |             | 0.26                    | 0.31  |
| 2019                    | 0.6                | 1.1            | 1.6         | 4.11           | 6.7            |                | 6.7                 | 1.12                 |             | 0.24                    | 0.27  |
| 2020                    | 0.5                | 1.0            | 1.5         | 4.22           | 6.3            |                | 6.3                 | 1.05                 |             | 0.22                    | 0.24  |
| 2021                    | 0.5                | 0.9            | 1.4         | 4.35           | 5.9            |                | 5.9                 | 0.99                 |             | 0.21                    | 0.21  |
| 2022                    | 0.4                | 0.8            | 1.2         | 4.47           | 5.6            |                | 5.6                 | 0.93                 |             | 0.19                    | 0.18  |
| 2023                    | 0.4                | 0.7            | 1.1         | 4.60           | 5.2            |                | 5.2                 | 0.87                 |             | 0.18                    | 0.16  |
| 2024                    | 0.4                | 0.7            | 1.0         | 4.74           | 4.9            |                | 4.9                 | 0.82                 |             | 0.17                    | 0.14  |
| 2025                    | 0.3                | 0.6            | 0.9         | 4.87           | 4.6            |                | 4.6                 | 0.77                 |             | 0.16                    | 0.12  |
| 2026                    | 0.3                | 0.5            | 0.9         | 5.01           | 4.3            |                | 4.3                 | 0.72                 |             | 0.14                    | 0.10  |
| 2027                    | 0.3                | 0.5            | 0.8         | 5.16           | 4.1            |                | 4.1                 | 0.68                 |             | 0.13                    | 0.09  |
| 2028                    | 0.3                | 0.5            | 0.7         | 5.31           | 3.8            |                | 3.8                 | 0.64                 |             | 0.12                    | 0.08  |
| 2029                    | 0.2                | 0.4            | 0.7         | 5.46           | 3.6            |                | 3.6                 | 0.60                 |             | 0.12                    | 0.07  |

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

|                                    | <i>Year</i><br><i>1998</i> | <i>Q1</i><br><i>3/31/99</i> | <i>Q2</i><br><i>6/30/99</i> | <i>Q3</i><br><i>9/30/99</i> | <i>Q4E</i><br><i>12/31/99</i> | <i>Year</i><br><i>1999E</i> | <i>Q1E</i><br><i>3/31/00</i> | <i>Q2E</i><br><i>6/30/00</i> | <i>Q3E</i><br><i>9/30/00</i> | <i>Q4E</i><br><i>12/31/00</i> | <i>Year</i><br><i>2000E</i> | <i>Q1E</i><br><i>3/31/01</i> |
|------------------------------------|----------------------------|-----------------------------|-----------------------------|-----------------------------|-------------------------------|-----------------------------|------------------------------|------------------------------|------------------------------|-------------------------------|-----------------------------|------------------------------|
| <b>Highlights</b>                  |                            |                             |                             |                             |                               |                             |                              |                              |                              |                               |                             |                              |
| Tax credit (\$mm)                  |                            |                             |                             |                             |                               |                             |                              |                              |                              |                               |                             |                              |
| Per unit                           | 0.20                       | 0.04                        | 0.04                        | 0.04                        | 0.03                          | 0.16                        | 0.04                         | 0.04                         | 0.04                         | 0.04                          | 0.16                        | 0.04                         |
| Distributable Income (\$mm)        | 6.93                       | 1.44                        | 1.17                        | 1.66                        | 2.28                          | 6.55                        | 2.30                         | 2.64                         | 2.75                         | 2.70                          | 10.39                       | 2.86                         |
| Per unit                           | 1.15                       | 0.24                        | 0.20                        | 0.28                        | 0.38                          | 1.09                        | 0.38                         | 0.44                         | 0.46                         | 0.45                          | 1.73                        | 0.48                         |
| Units (millions)                   | 6.0                        | 6.0                         | 6.0                         | 6.0                         | 6.0                           | 6.0                         | 6.0                          | 6.0                          | 6.0                          | 6.0                           | 6.0                         | 6.0                          |
| <b>Volume</b>                      |                            |                             |                             |                             |                               |                             |                              |                              |                              |                               |                             |                              |
| Natural Gas (bcf)                  | 3.50                       | 0.92                        | 0.82                        | 0.94                        | 0.97                          | 3.64                        | 0.96                         | 0.88                         | 0.88                         | 0.88                          | 3.60                        | 0.87                         |
| Natural Gas (mmcf)                 | 9.6                        | 10.0                        | 9.1                         | 10.3                        | 10.5                          | 10.0                        | 10.4                         | 9.8                          | 9.7                          | 9.6                           | 9.9                         | 9.5                          |
| Days                               | 365                        | 92                          | 90                          | 91                          | 92                            | 365                         | 92                           | 90                           | 91                           | 92                            | 365                         | 92                           |
| Oil (mb)                           | 392                        | 88                          | 87                          | 79                          | 92                            | 346                         | 91                           | 87                           | 87                           | 86                            | 351                         | 85                           |
| Oil (mbd)                          | 1.08                       | 0.96                        | 0.98                        | 0.86                        | 1.00                          | 0.95                        | 1.0                          | 1.0                          | 1.0                          | 0.9                           | 0.96                        | 0.9                          |
| Days                               | 365                        | 92                          | 89                          | 92                          | 92                            | 365                         | 92                           | 90                           | 91                           | 92                            | 365                         | 92                           |
| Total (bcf)                        | 5.86                       | 1.45                        | 1.34                        | 1.41                        | 1.52                          | 5.71                        | 1.50                         | 1.41                         | 1.40                         | 1.40                          | 5.71                        | 1.38                         |
| <b>Price</b>                       |                            |                             |                             |                             |                               |                             |                              |                              |                              |                               |                             |                              |
| Natural Gas                        |                            |                             |                             |                             |                               |                             |                              |                              |                              |                               |                             |                              |
| Henry Hub (\$/mmbtu)               |                            | 1.87                        | 1.89                        | 2.27                        | 2.66                          | 2.17                        | 2.35                         | 2.77                         | 2.91                         | 2.93                          | 2.74                        | 3.12                         |
| CRT (\$/mcf)                       | 2.03                       | 1.73                        | 1.79                        | 2.02                        | 2.56                          | 2.04                        | 2.25                         | 2.57                         | 2.71                         | 2.73                          | 2.56                        | 3.02                         |
| Oil (\$/bbl)                       |                            |                             |                             |                             |                               |                             |                              |                              |                              |                               |                             |                              |
| WTI Cushing                        |                            | 12.25                       | 14.67                       | 18.57                       | 22.59                         | 17.02                       | 26.07                        | 29.14                        | 26.71                        | 25.28                         | 26.80                       | 24.18                        |
| CRT                                | 13.40                      | 10.44                       | 12.28                       | 20.34                       | 21.59                         | 16.13                       | 25.07                        | 28.14                        | 25.71                        | 24.28                         | 25.80                       | 23.18                        |
| Total (\$/mcf)                     | 2.11                       | 1.73                        | 1.89                        | 2.48                        | 2.94                          | 2.28                        | 2.95                         | 3.36                         | 3.29                         | 3.21                          | 3.20                        | 3.33                         |
| <b>Revenue (\$mm)</b>              |                            |                             |                             |                             |                               |                             |                              |                              |                              |                               |                             |                              |
| Natural Gas                        | 7.11                       | 1.59                        | 1.46                        | 1.89                        | 2.47                          | 7.41                        | 2.16                         | 2.26                         | 2.39                         | 2.41                          | 9.22                        | 2.64                         |
| Oil                                | 5.26                       | 0.92                        | 1.07                        | 1.61                        | 1.99                          | 5.59                        | 2.28                         | 2.46                         | 2.22                         | 2.08                          | 9.05                        | 1.97                         |
| Total                              | 12.37                      | 2.51                        | 2.53                        | 3.50                        | 4.46                          | 13.00                       | 4.44                         | 4.72                         | 4.62                         | 4.49                          | 18.27                       | 4.61                         |
| <b>Cost (\$mm)</b>                 |                            |                             |                             |                             |                               |                             |                              |                              |                              |                               |                             |                              |
| Tax, transport & other             | 1.19                       | 0.23                        | 0.40                        | 0.48                        | 0.60                          | 1.70                        | 0.68                         | 0.74                         | 0.67                         | 0.62                          | 2.71                        | 0.59                         |
| Production                         | 2.58                       | 0.57                        | 0.63                        | 0.60                        | 0.69                          | 2.49                        | 0.64                         | 0.61                         | 0.61                         | 0.60                          | 2.45                        | 0.59                         |
| Total                              | 3.78                       | 0.80                        | 1.02                        | 1.08                        | 1.29                          | 4.19                        | 1.32                         | 1.35                         | 1.27                         | 1.22                          | 5.17                        | 1.18                         |
| <b>Cash flow (\$mm)</b>            |                            |                             |                             |                             |                               |                             |                              |                              |                              |                               |                             |                              |
| Development                        | 1.14                       | 0.36                        | 0.08                        | 0.18                        | 0.18                          | 0.80                        | 0.20                         | 0.10                         | 0.10                         | 0.10                          | 0.50                        | 0.08                         |
| Excess                             | (0.52)                     | (0.30)                      | (0.06)                      | (0.07)                      |                               | (0.43)                      |                              |                              |                              |                               | -                           |                              |
| Recovery of excess                 | 0.02                       | 0.01                        | 0.14                        | 0.10                        | 0.39                          | 0.63                        | 0.23                         | 0.15                         |                              |                               | 0.38                        |                              |
| <b>Net proceeds (\$mm)</b>         | <b>7.94</b>                | <b>1.64</b>                 | <b>1.35</b>                 | <b>2.22</b>                 | <b>2.60</b>                   | <b>7.82</b>                 | <b>2.69</b>                  | <b>3.12</b>                  | <b>3.24</b>                  | <b>3.17</b>                   | <b>12.22</b>                | <b>3.34</b>                  |
| <b>Royalty income (\$mm)</b>       |                            |                             |                             |                             |                               |                             |                              |                              |                              |                               |                             |                              |
| Royalty/Net proceeds               | 89%                        | 90%                         | 90%                         | 76%                         | 89%                           | 86%                         | 87%                          | 86%                          | 86%                          | 86%                           | 86%                         | 87%                          |
| Administration                     | 0.15                       | 0.04                        | 0.04                        | 0.04                        | 0.04                          | 0.16                        | 0.04                         | 0.04                         | 0.04                         | 0.04                          | 0.16                        | 0.04                         |
| <b>Distributable income (\$mm)</b> | <b>6.93</b>                | <b>1.44</b>                 | <b>1.17</b>                 | <b>1.66</b>                 | <b>2.28</b>                   | <b>6.55</b>                 | <b>2.30</b>                  | <b>2.64</b>                  | <b>2.75</b>                  | <b>2.70</b>                   | <b>10.39</b>                | <b>2.86</b>                  |
| <i>Modeling ratios</i>             |                            |                             |                             |                             |                               |                             |                              |                              |                              |                               |                             |                              |
| Tax and other/oil revenue          | 0.10                       | 0.09                        | 0.16                        | 0.14                        | 0.13                          | 0.13                        | 0.15                         | 0.16                         | 0.14                         | 0.14                          | 0.15                        | 0.13                         |
| Production exp (\$/bbl)            | 6.58                       | 6.48                        | 7.20                        | 7.56                        | 7.50                          | 7.18                        | 7.00                         | 7.00                         | 7.00                         | 7.00                          | 7.00                        | 7.00                         |
| <i>Accounting items</i>            |                            |                             |                             |                             |                               |                             |                              |                              |                              |                               |                             |                              |
| Interest on excess costs           | 0.01                       | 0.02                        | 0.02                        | 0.01                        | 0.01                          | 0.06                        |                              |                              |                              |                               |                             |                              |
| Cumulative excess costs            | 0.51                       | 0.83                        | 0.77                        | 0.76                        | 0.38                          | 0.38                        | 0.15                         |                              |                              |                               |                             |                              |

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