

Meter Reader

A Weekly Analysis

June 26, 2000

Solid Natural Gas Investments

Steady Net Asset Values in the latest week balance the impact of lower natural gas futures prices, higher oil futures prices, higher nominal interest rates and higher implied inflation. As a result we continue to have confidence in the income prospects of trusts and partnerships concentrated on long-life natural gas. Currently among such investments with low financial and management risk, **San Juan Basin Royalty Trust** ranks most undervalued followed by **Cross Timbers Royalty Trust**, **Hugoton Royalty Trust** and **Dorchester Hugoton, Ltd.** (see table).

		Price				Net	
		(\$/unit)		Market		Asset	
		23-Jun	Units	Cap	Debt	Value	McDep
	Symbol	2000	(mm)	(\$mm)	(\$mm)	(\$/unit)	Ratio
Dorchester Hugoton, Ltd.	DHULZ	13.63	10.7	146	-	13.70	0.99
Hugoton RT (42.5%)	HGT	12.00	17.0	204	-	13.50	0.89
Cross Timbers Royalty Trust	CRT	14.00	6.0	84	-	17.80	0.79
San Juan Basin Royalty Trust	SJT	9.75	46.6	454	-	12.50	0.78

Expectations for the next four quarters point to Dynamic Distribution Yields as high as 17% in cash (see table). The steep acceleration in natural gas price gain in May will be first reflected in royalty trust distributions to be declared in the third week of July.

		Price	Distribution		Distribution Yield	
		(\$/unit)	(\$/unit)		(Percent per year)	
		23-Jun		Taxable		Taxable
	Symbol	2000	Cash	Equivalent	Cash	Equivalent
Dorchester Hugoton, Ltd.	DHULZ	13.63	1.59	2.12	11.7	15.6
Hugoton RT (42.5%)	HGT	12.00	1.95	2.30	16.2	19.1
Cross Timbers Royalty Trust	CRT	14.00	2.38	3.07	17.0	21.9
San Juan Basin Royalty Trust	SJT	9.75	1.69	2.35	17.4	24.1

Monthly disclosures last week for three royalty trusts were within a penny of expectations for CRT and HGT. There was a favorable surprise in the regular distribution for SJT and in the announcement of a special distribution (see Research Note, SJT, June 20, 2000)

Kurt H. Wulff, CFA

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Table CRT-1
Cross Timbers Royalty Trust
Present Value

Volume Decline (%/yr):	9	Price Escalation post 2007 (%/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	27	60	3.43	205	10	215	35.82	0.46	0.49	17.80
1999	3.3		3.3	1.99	6.5	0.0	6.6	1.09	0.16		
2000	3.0	0.0	3.0	3.38	10.2	2.0	12.2	2.04	0.15	0.96	2.11
2001	2.7	0.3	3.0	3.87	11.5	1.9	13.4	2.24	0.15	0.90	2.14
2002	2.5	0.4	2.9	3.31	9.7	1.1	10.8	1.81	0.15	0.83	1.63
2003	2.3	0.6	2.9	2.99	8.6	0.9	9.5	1.59		0.77	1.23
2004	2.1	0.8	2.8	2.95	8.4	0.7	9.1	1.52		0.72	1.10
2005	1.9	0.9	2.8	2.88	8.1	0.6	8.7	1.45		0.67	0.97
2006	1.8	1.0	2.8	2.82	7.8	0.5	8.3	1.38		0.62	0.86
2007	1.6	1.1	2.7	2.78	7.6	0.4	8.0	1.33		0.58	0.77
2008	1.5	1.2	2.7	2.86	7.7	0.4	8.0	1.34		0.54	0.72
2009	1.4	1.3	2.6	2.94	7.8	0.3	8.1	1.35		0.50	0.67
2010	1.3	1.3	2.6	3.03	7.9	0.3	8.1	1.36		0.46	0.63
2011	1.1	1.4	2.6	3.12	8.0	0.2	8.2	1.36		0.43	0.59
2012	1.1	1.5	2.5	3.21	8.0	0.2	8.2	1.37		0.40	0.55
2013	1.0	1.5	2.5	3.30	8.1	0.1	8.3	1.38		0.37	0.52
2014	0.9	1.5	2.4	3.40	8.2	0.1	8.3	1.39		0.35	0.48
2015	0.8	1.4	2.2	3.49	7.7		7.7	1.29		0.32	0.42
2016	0.7	1.3	2.0	3.59	7.3		7.3	1.21		0.30	0.36
2017	0.7	1.2	1.8	3.70	6.8		6.8	1.14		0.28	0.32
2018	0.6	1.1	1.7	3.80	6.4		6.4	1.07		0.26	0.28
2019	0.6	1.0	1.5	3.91	6.0		6.0	1.00		0.24	0.24
2020	0.5	0.9	1.4	4.03	5.6		5.6	0.94		0.22	0.21
2021	0.5	0.8	1.3	4.14	5.3		5.3	0.88		0.21	0.18
2022	0.4	0.7	1.2	4.26	5.0		5.0	0.83		0.19	0.16
2023	0.4	0.7	1.1	4.39	4.7		4.7	0.78		0.18	0.14
2024	0.4	0.6	1.0	4.51	4.4		4.4	0.73		0.17	0.12
2025	0.3	0.5	0.9	4.64	4.1		4.1	0.69		0.16	0.11
2026	0.3	0.5	0.8	4.78	3.9		3.9	0.65		0.14	0.09
2027	0.3	0.5	0.7	4.92	3.6		3.6	0.61		0.13	0.08
2028	0.3	0.4	0.7	5.06	3.4		3.4	0.57		0.12	0.07
2029	0.2	0.4	0.6	5.21	3.2		3.2	0.54		0.12	0.06

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Table CRT-2
Cross Timbers Royalty Trust
Distributable Income Model

	Q2 6/30/99	Q3 9/30/99	Q4 12/31/99	Year 1999	Q1 3/31/00	Q2E 6/30/00	Q3E 9/30/00	Q4E 12/31/00	Year 2000E	Q1E 3/31/01	Q2E 6/30/01
Highlights											
Tax credit (\$mm)											
Per unit	0.04	0.04	0.03	0.16	0.03	0.04	0.04	0.04	0.15	0.04	0.04
Distributable Income (\$mm)	1.17	1.66	2.28	6.55	2.30	2.48	3.68	3.76	12.22	3.66	3.15
Per unit	0.20	0.28	0.38	1.09	0.38	0.41	0.61	0.63	2.04	0.61	0.52
Units (millions)	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Volume											
Natural Gas (bcf)	0.82	0.94	0.97	3.64	0.80	0.86	0.86	0.86	3.36	0.85	0.82
Natural Gas (mmcf)	9.1	10.3	10.6	10.0	8.7	9.5	9.4	9.3	9.2	9.2	9.1
Days	90	91	92	365	92	90	91	92	365	92	90
Oil (mb)	87	79	94	349	88	85	85	83	342	82	78
Oil (mbd)	0.98	0.86	1.03	0.96	0.96	0.9	0.9	0.9	0.93	0.9	0.9
Days	89	92	92	365	92	90	92	92	366	92	90
Total (bcf)	1.34	1.41	1.54	5.73	1.33	1.36	1.37	1.36	5.41	1.34	1.29
Price											
Natural Gas											
Henry Hub (\$/mmbtu)	1.89	2.27	2.66	2.17	2.35	2.82	4.09	4.43	3.42	4.50	4.03
CRT (\$/mcf)	1.79	2.02	2.39	1.99	2.72	2.62	3.89	4.23	3.38	4.30	3.83
Oil (\$/bbl)											
WTI Cushing	14.67	18.57	22.59	17.02	26.07	28.33	31.91	29.12	28.85	27.27	25.99
CRT	12.28	16.34	20.21	14.89	24.20	26.33	29.91	27.12	26.86	25.27	23.99
Total (\$/mcf)	1.89	2.26	2.75	2.17	3.25	3.28	4.30	4.33	3.79	4.27	3.89
Revenue (\$mm)											
Natural Gas	1.46	1.89	2.33	7.26	2.17	2.24	3.33	3.62	11.36	3.65	3.14
Oil	1.07	1.30	1.91	5.19	2.14	2.23	2.54	2.26	9.18	2.06	1.88
Total	2.53	3.19	4.23	12.45	4.31	4.48	5.87	5.88	20.54	5.71	5.02
Cost (\$mm)											
Tax, transport & other	0.40	0.48	0.50	1.61	0.58	0.60	0.77	0.75	2.69	0.72	0.63
Production	0.63	0.60	0.60	2.39	0.59	0.59	0.59	0.58	2.37	0.57	0.55
Total	1.02	1.08	1.09	4.00	1.17	1.20	1.36	1.33	5.06	1.29	1.18
Cash flow (\$mm)											
Development	1.50	2.11	3.14	8.46	3.13	3.28	4.51	4.55	15.48	4.42	3.84
Excess	0.08	0.18	0.12	0.74	0.21	0.21	0.21	0.21	0.86	0.21	0.21
Recovery of excess	(0.06)	(0.07)		(0.43)					-		
Net proceeds	0.14	0.10	0.40	0.63	0.24	0.15			0.39		
Net proceeds (\$mm)	1.35	1.91	2.62	7.52	2.68	2.92	4.30	4.34	14.23	4.21	3.62
Royalty income (\$mm)											
Royalty/Net proceeds	90%	89%	88%	89%	88%	87%	87%	88%	87%	88%	88%
Administration	0.04	0.04	0.02	0.14	0.05	0.04	0.04	0.04	0.17	0.04	0.04
Distributable income (\$mm)	1.17	1.66	2.28	6.55	2.30	2.48	3.68	3.76	12.22	3.66	3.15
Modeling ratios											
Tax and other/oil revenue	0.24	0.22	0.14	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Production exp (\$/bbl)	7.20	7.56	6.31	6.86	6.71	7.00	7.00	7.00	6.92	7.00	7.00
Accounting items											
Interest on excess costs	0.02	0.01	0.01	0.06							
Cumulative excess costs	0.77	0.76	0.37	0.37	0.15						

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Table DHULZ-1
Dorchester Hugoton, Ltd.
Present Value

Volume Decline (%/yr):	11	Price Escalation Post 2006 (%/yr):	2.9
Volume Enhancement (%/yr):	8	Discount rate (%/yr):	7.6
Capex/Cash Flow (%):	13	U.S. TIPS Inflation (%/yr):	2.1
Variable Cost (%):	15	U.S. 10 Year Yield (%/yr):	6.2

Year	Basic (bcf)	Volume Enhanced (bcf)	Total (bcf)	Price (\$/mcf)	Revenue (\$mm)	Fixed Cost (\$mm)	Var Cost (\$mm)	Cap Ex (\$mm)	Free Cash Flow (\$mm)	Free Cash Flow (\$/unit)	Disc Factor	Present Value (\$/unit)
Total 2000 through 2029												
	61	56	117	3.70	434	69	65	25	275	25.37	0.54	13.70
1999	6.9		6.9	2.30	15.8	2.1	2.4	0.4	10.9	1.01		
						Other assets, net			10.4	0.96	1.00	0.96
2000	6.4	0.3	6.7	3.78	25.2	2.3	3.8	0.5	18.6	1.72	0.96	1.66
2001	5.7	0.8	6.5	3.78	24.5	2.3	3.7	2.4	16.1	1.48	0.90	1.33
2002	5.1	1.2	6.3	3.29	20.8	2.3	3.1	2.0	13.4	1.24	0.83	1.03
2003	4.6	1.6	6.2	2.98	18.5	2.3	2.8	1.7	11.7	1.08	0.77	0.83
2004	4.2	1.9	6.1	3.15	19.1	2.3	2.9	1.8	12.1	1.12	0.72	0.81
2005	3.7	2.2	5.9	3.08	18.3	2.3	2.7	1.7	11.5	1.06	0.67	0.71
2006	3.4	2.4	5.8	3.04	17.6	2.3	2.6	1.6	11.0	1.02	0.62	0.63
2007	3.0	2.6	5.7	3.13	17.7	2.3	2.7	1.7	11.1	1.02	0.58	0.59
2008	2.7	2.8	5.5	3.22	17.8	2.3	2.7	1.7	11.1	1.03	0.54	0.55
2009	2.5	2.9	5.4	3.31	17.8	2.3	2.7	1.7	11.2	1.03	0.50	0.52
2010	2.2	3.0	5.2	3.41	17.9	2.3	2.7	1.7	11.2	1.03	0.46	0.48
2011	2.0	3.1	5.1	3.51	17.9	2.3	2.7	1.7	11.3	1.04	0.43	0.45
2012	1.8	3.2	5.0	3.61	18.0	2.3	2.7	1.7	11.3	1.04	0.40	0.42
2013	1.6	3.2	4.9	3.71	18.0	2.3	2.7	1.7	11.3	1.04	0.37	0.39
2014	1.5	3.3	4.7	3.82	18.0	2.3	2.7	1.7	11.3	1.05	0.35	0.36
2015	1.3	2.9	4.2	3.93	16.6	2.3	2.5		11.8	1.09	0.32	0.35
2016	1.2	2.6	3.8	4.04	15.2	2.3	2.3		10.7	0.98	0.30	0.29
2017	1.1	2.3	3.4	4.16	14.0	2.3	2.1		9.6	0.89	0.28	0.25
2018	1.0	2.0	3.0	4.28	12.9	2.3	1.9		8.7	0.80	0.26	0.21
2019	0.9	1.8	2.7	4.40	11.8	2.3	1.8		7.8	0.72	0.24	0.17
2020	0.8	1.6	2.4	4.53	10.9	2.3	1.6		7.0	0.64	0.22	0.14
2021	0.7	1.4	2.1	4.66	10.0	2.3	1.5		6.2	0.57	0.21	0.12
2022	0.6	1.3	1.9	4.80	9.2	2.3	1.4		5.5	0.51	0.19	0.10
2023	0.6	1.1	1.7	4.93	8.5	2.3	1.3		4.9	0.45	0.18	0.08
2024	0.5	1.0	1.5	5.08	7.8	2.3	1.2		4.3	0.40	0.17	0.07
2025	0.5	0.9	1.4	5.22	7.2	2.3	1.1		3.8	0.35	0.16	0.05
2026	0.4	0.8	1.2	5.37	6.6	2.3	1.0		3.3	0.30	0.14	0.04
2027	0.4	0.7	1.1	5.53	6.0	2.3	0.9		2.8	0.26	0.13	0.04
2028	0.3	0.6	1.0	5.69	5.6	2.3	0.8		2.4	0.22	0.12	0.03
2029	0.3	0.6	0.9	5.85	5.1	2.3	0.8		2.1	0.19	0.12	0.02

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Table DHULZ-2
Dorchester Hugoton, Ltd.
Income Model

	<i>Q2</i>	<i>Q3</i>	<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>6/30/99</i>	<i>9/30/99</i>	<i>12/31/99</i>	<i>1999</i>	<i>3/31/00</i>	<i>6/30/00</i>	<i>9/30/00</i>	<i>12/31/00</i>	<i>2000E</i>	<i>3/31/01</i>	<i>6/30/01</i>
Highlights											
Revenue (\$mm)	3.51	4.34	4.39	15.3	4.16	5.82	7.09	7.07	24.1	6.55	5.65
Cash flow (\$mm)	2.35	3.25	3.25	10.9	3.09	4.57	5.74	5.71	19.1	5.23	4.41
Per unit	0.22	0.30	0.30	1.01	0.28	0.42	0.53	0.53	1.76	0.48	0.41
Earnings (\$mm)	1.89	2.77	2.78	9.0	2.64	4.11	5.27	5.25	17.3	4.78	3.96
Per unit	0.17	0.26	0.26	0.83	0.24	0.38	0.49	0.48	1.59	0.44	0.36
Distribution (\$mm)	1.93	1.93	1.93	7.7	3.01	3.61	4.64	4.62	15.9	4.21	3.49
Per unit	0.18	0.18	0.18	0.72	0.28	0.34	0.43	0.43	1.48	0.39	0.32
Units (millions)	10.74	10.74	10.74	10.7	10.74	10.74	10.74	10.74	10.7	10.74	10.74
Volume											
Natural gas (bcf)											
Oklahoma	1.33	1.40	1.43	5.6	1.39	1.37	1.37	1.36	5.5	1.31	1.32
Kansas	0.34	0.33	0.31	1.3	0.29	0.30	0.30	0.29	1.2	0.28	0.29
Total	1.67	1.72	1.74	6.9	1.68	1.67	1.67	1.65	6.7	1.60	1.60
Natural Gas (mmcf/d)	18.4	18.7	18.9	18.9	18.5	18.3	18.1	17.9	18.2	17.8	17.6
Days	91	92	92	365	91	91	92	92	366	90	91
Price											
Natural gas											
Henry Hub (\$/mmbtu)	2.22	2.52	2.45	2.24	2.62	3.63	4.43	4.46	3.79	4.27	3.67
Oklahoma (\$/mcf)	2.15	2.60	2.60	2.28	2.53	3.63	4.43	4.46	3.76	4.27	3.67
Kansas (\$/mcf)	2.26	2.68	2.70	2.36	2.72	3.70	4.50	4.53	3.87	4.34	3.74
Total (\$/mcf)	2.17	2.62	2.62	2.30	2.57	3.64	4.44	4.47	3.78	4.28	3.69
Revenue (\$mm)											
Natural Gas											
Oklahoma	2.87	3.63	3.73	12.7	3.53	4.97	6.07	6.05	20.6	5.61	4.83
Kansas	0.76	0.88	0.83	3.1	0.79	1.10	1.34	1.33	4.6	1.24	1.07
Other	0.05	0.05	0.05	0.2	0.05	0.05	0.05	0.05	0.2	0.05	0.05
Production payment (ORRI)	(0.17)	(0.22)	(0.23)	(0.8)	(0.21)	(0.30)	(0.37)	(0.37)	(1.3)	(0.34)	(0.29)
Total	3.51	4.34	4.39	15.3	4.16	5.82	7.09	7.07	24.1	6.55	5.65
Cost (\$mm)											
Operating	0.96	0.90	0.95	3.6	0.92	1.01	1.09	1.10	4.1	1.08	1.02
General and administrative	0.13	0.14	0.16	0.6	0.14	0.16	0.17	0.17	0.6	0.17	0.16
Management	0.12	0.13	0.13	0.5	0.13	0.15	0.16	0.16	0.6	0.15	0.14
Other	(0.05)	(0.08)	(0.10)	(0.3)	(0.11)	(0.08)	(0.08)	(0.08)	(0.3)	(0.08)	(0.08)
Total	1.16	1.09	1.13	4.4	1.07	1.24	1.35	1.35	5.0	1.32	1.25
Cash flow (\$mm)	2.35	3.25	3.25	10.9	3.09	4.57	5.74	5.71	19.1	5.23	4.41
Depletion, deprec. & amort.	0.46	0.48	0.48	1.9	0.45	0.47	0.47	0.46	1.8	0.45	0.45
Earnings (\$mm)	1.89	2.77	2.78	9.0	2.64	4.11	5.27	5.25	17.3	4.78	3.96
Capital expenditures (\$mm)	0.05	0.21	0.10	0.4	0.04	0.15	0.15	0.15	0.5	0.15	0.15
Cost ratios											
Prod pay/revenue	4.5%	4.9%	5.0%	4.7%	4.8%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Operating cost (\$/mcf)	0.57	0.52	0.54	0.52	0.54	0.61	0.66	0.66	0.62	0.67	0.64
Depletion (\$/mcf)	0.28	0.28	0.27	0.28	0.27	0.28	0.28	0.28	0.28	0.28	0.28

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Volume Enhancement (%/yr):	9	Discount rate (%/yr):	7.6
Capex/Cash Flow (%):	24	U.S. TIPS Inflation (%/yr):	2.1
Variable Cost (%):	14	U.S. 10 Year Yield (%/yr):	6.2

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 2000 through 2029													
	279	308	587	3.40	1993	385	279	214	1115	27.88	0.06	0.48	13.50
1999	29.2		29.2	2.16	63.1	12.1	8.8	9.1	33.1	0.83	0.02		
2000	29.2	1.4	30.6	3.26	99.9	12.8	14.0	10.9	62.2	1.55	0.02	0.96	1.52
2001	26.0	4.0	30.0	3.74	112.2	12.8	15.7	20.1	63.6	1.59	0.02	0.90	1.44
2002	23.4	6.3	29.7	3.20	95.0	12.8	13.3	16.5	52.3	1.31	0.02	0.83	1.11
2003	21.1	8.3	29.4	2.89	84.9	12.8	11.9	14.4	45.7	1.14		0.77	0.89
2004	19.0	10.0	29.0	2.85	82.7	12.8	11.6	14.0	44.3	1.11		0.72	0.80
2005	17.1	11.5	28.6	2.79	79.9	12.8	11.2	13.4	42.4	1.06		0.67	0.71
2006	15.4	12.8	28.2	2.75	77.7	12.8	10.9	13.0	41.0	1.03		0.62	0.64
2007	13.9	13.9	27.8	2.83	78.8	12.8	11.0	13.2	41.8	1.04		0.58	0.60
2008	12.5	14.9	27.4	2.91	79.9	12.8	11.2	13.4	42.5	1.06		0.54	0.57
2009	11.3	15.7	27.0	3.00	81.0	12.8	11.3	13.6	43.2	1.08		0.50	0.54
2010	10.2	16.4	26.6	3.08	82.0	12.8	11.5	13.9	43.9	1.10		0.46	0.51
2011	9.2	17.0	26.2	3.17	83.1	12.8	11.6	14.1	44.5	1.11		0.43	0.48
2012	8.2	17.5	25.8	3.26	84.1	12.8	11.8	14.3	45.2	1.13		0.40	0.45
2013	7.4	17.9	25.3	3.36	85.1	12.8	11.9	14.5	45.9	1.15		0.37	0.43
2014	6.7	18.2	24.9	3.45	86.1	12.8	12.0	14.7	46.5	1.16		0.35	0.40
2015	6.0	16.2	22.2	3.55	79.1	12.8	11.1		55.2	1.38		0.32	0.45
2016	5.4	14.4	19.9	3.66	72.6	12.8	10.2		49.6	1.24		0.30	0.37
2017	4.9	12.8	17.7	3.76	66.7	12.8	9.3		44.6	1.11		0.28	0.31
2018	4.4	11.4	15.8	3.87	61.3	12.8	8.6		39.9	1.00		0.26	0.26
2019	4.0	10.2	14.1	3.98	56.4	12.8	7.9		35.6	0.89		0.24	0.21
2020	3.6	9.1	12.6	4.10	51.8	12.8	7.2		31.7	0.79		0.22	0.18
2021	3.2	8.1	11.3	4.22	47.6	12.8	6.7		28.1	0.70		0.21	0.15
2022	2.9	7.2	10.1	4.34	43.7	12.8	6.1		24.8	0.62		0.19	0.12
2023	2.6	6.4	9.0	4.46	40.2	12.8	5.6		21.7	0.54		0.18	0.10
2024	2.4	5.7	8.0	4.59	36.9	12.8	5.2		18.9	0.47		0.17	0.08
2025	2.1	5.1	7.2	4.73	33.9	12.8	4.8		16.4	0.41		0.16	0.06
2026	1.9	4.5	6.4	4.86	31.2	12.8	4.4		14.0	0.35		0.14	0.05
2027	1.7	4.0	5.7	5.00	28.7	12.8	4.0		11.8	0.30		0.13	0.04
2028	1.6	3.6	5.1	5.15	26.3	12.8	3.7		9.8	0.25		0.12	0.03
2029	1.4	3.2	4.6	5.30	24.2	12.8	3.4		8.0	0.20		0.12	0.02

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Table HGT-2
Hugoton Royalty Trust
Distributable Income Model

	Q2 6/30/99	Q3 9/30/99	Q4 12/31/99	Year 1999	Q1 3/31/00	Q2E 6/30/00	Q3E 9/30/00	Q4E 12/31/00	Year 2000E	Q1E 3/31/01	Q2E 6/30/01
Highlights											
Revenue (\$mm) (80%)	16.6	16.8	20.4	63.1	20.0	19.6	29.2	31.0	99.9	31.1	26.5
Cash flow (\$mm) (80%)	11.1	11.5	14.4	42.2	14.1	13.7	21.9	23.5	73.1	23.6	19.8
Per unit	0.28	0.29	0.36	1.06	0.35	0.34	0.55	0.59	1.83	0.59	0.49
Tax credit (\$mm)	0.2	0.2	0.2	0.8	0.2	0.2	0.2	0.2	0.8	0.2	0.2
Per unit	0.01	0.01	0.01	0.02	0.01	0.01	0.01	0.01	0.02	0.01	0.01
Distributable Income (\$mm)	8.8	8.5	12.2	33.1	10.9	11.3	19.2	20.8	62.2	20.9	17.1
Per unit	0.22	0.21	0.30	0.83	0.27	0.28	0.48	0.52	1.55	0.52	0.43
Units (millions)	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
Volume											
Natural Gas (bcf)	9.6	9.5	9.6	34.2	9.7	8.6	8.8	8.7	35.9	8.7	8.3
Natural Gas (mmcf)	107.6	103.4	104.2	102.1	105.5	96.0	96.0	95.0	98.4	94.1	93.1
Days	89	92	92	335	92	90	92	92	366	92	89
Oil (mb)	115	104	103	388	100	97	98	97	393	96	92
Oil (mbd)	1.2	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.0	1.0
Days	96	92	92	342	92	90	92	92	366	92	89
Total (bcf)	10.3	10.1	10.2	36.5	10.3	9.2	9.4	9.3	38.3	9.2	8.8
Price											
Natural Gas (HH lagged two months)											
Henry Hub (\$/mmbtu)	1.89	2.27	2.66	2.18	2.35	2.82	4.09	4.43	3.42	4.50	4.03
HGT (\$/mcf)	2.00	2.01	2.42	2.12	2.32	2.54	3.79	4.13	3.17	4.20	3.73
Oil (\$/bbl) (WTI Cushing lagged two months)											
WTI Cushing	14.67	18.57	22.59	17.39	26.07	28.33	31.91	28.61	28.73	27.27	25.99
HGT	13.64	18.18	21.72	16.53	25.19	27.33	30.91	27.61	27.75	26.27	24.99
Total (\$/mcf)	2.02	2.07	2.49	2.16	2.43	2.66	3.88	4.16	3.26	4.21	3.75
Revenue (\$mm)											
Natural Gas	19.1	19.1	23.2	72.5	22.5	21.9	33.5	36.1	114.0	36.4	30.9
Oil	1.6	1.9	2.2	6.4	2.5	2.7	3.0	2.7	10.9	2.5	2.3
Total	20.7	21.0	25.4	78.9	25.0	24.6	36.5	38.8	124.9	38.9	33.2
Cost (\$mm)											
Tax, transport & other											
Production	2.1	2.1	2.6	8.3	2.4	2.5	3.7	3.9	12.4	3.9	3.3
Overhead	2.9	2.8	3.0	11.0	3.3	3.2	3.7	3.8	14.0	3.8	3.4
Total	1.7	1.8	1.7	6.9	1.7	1.8	1.8	1.8	7.1	1.8	1.7
Total	6.8	6.6	7.4	26.2	7.4	7.5	9.2	9.4	33.5	9.4	8.4
Cash flow (\$mm)											
Development	13.9	14.4	18.1	52.8	17.6	17.1	27.3	29.3	91.4	29.5	24.7
Net proceeds (\$mm)	2.8	3.7	2.8	11.3	3.9	3.3	3.3	3.3	13.6	3.3	3.3
Royalty income (\$mm)											
Royalty/Net proceeds	11.1	10.7	15.2	41.4	13.7	13.8	24.1	26.1	77.7	26.2	21.4
Administration	8.9	8.5	12.2	33.2	11.0	11.1	19.3	20.9	62.2	21.0	17.2
Royalty/Net proceeds	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%
Administration	0.0	0.0	0.0	0.1	0.0	(0.2)	0.1	0.1	0.0	0.1	0.1
Distributable income (\$mm)											
	8.8	8.5	12.2	33.1	10.9	11.3	19.2	20.8	62.2	20.9	17.1
Cost ratios											
Tax and other/revenue	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Production cost (\$/mcf)	0.29	0.28	0.29	0.30	0.32	0.35	0.40	0.41	0.37	0.41	0.39
Overhead cost (\$/mcf)	0.17	0.17	0.17	0.19	0.17	0.19	0.19	0.19	0.18	0.19	0.19

Note: The trust was formed on December 1, 1998. Also there is a two month lag between actual and reported production. As a result, the first quarter of operations includes only the two months of December 1998 and January 1999.

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Table SJT-1
San Juan Basin Royalty Trust
Present Value

Volume Decline (%/yr):	9	Price Escalation Post 2006 (%/yr):	2.9
Volume Enhancement (%/yr):	7	Discount rate (%/yr):	7.6
Capex/Cash Flow (%):	24	U.S. TIPS Inflation (%/yr):	2.1
Variable Cost (%):	12	U.S. 10 Year Yield (%/yr):	6.2

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 2000 through 2029													
	309	286	594	3.26	1938	264	233	218	1226	26.31	0.48	0.47	12.50
1999	30.3		30.3	1.76	53.2	7.2	6.4	7.9	31.8	0.68	0.16		
2000	27.8	3.1	30.9	3.11	95.9	8.8	11.5	15.3	63.2	1.36	0.16	0.96	1.46
2001	25.3	4.3	29.6	3.56	105.4	8.8	12.6	20.1	63.8	1.37	0.16	0.90	1.37
2002	23.2	6.0	29.2	3.05	88.9	8.8	10.7	16.7	52.8	1.13	0.16	0.83	1.08
2003	21.3	7.5	28.8	2.75	79.2	8.8	9.5	14.6	46.3	0.99		0.77	0.77
2004	19.5	8.8	28.3	2.70	76.6	8.8	9.2	14.1	44.5	0.96		0.72	0.69
2005	17.9	10.0	27.9	2.64	73.8	8.8	8.9	13.5	42.7	0.92		0.67	0.61
2006	16.4	11.1	27.5	2.61	71.7	8.8	8.6	13.0	41.2	0.88		0.62	0.55
2007	15.1	12.0	27.1	2.68	72.6	8.8	8.7	13.2	41.9	0.90		0.58	0.52
2008	13.8	12.8	26.6	2.76	73.5	8.8	8.8	13.4	42.5	0.91		0.54	0.49
2009	12.7	13.5	26.2	2.84	74.4	8.8	8.9	13.6	43.1	0.92		0.50	0.46
2010	11.6	14.1	25.8	2.92	75.3	8.8	9.0	13.8	43.7	0.94		0.46	0.44
2011	10.7	14.7	25.4	3.00	76.2	8.8	9.1	14.0	44.3	0.95		0.43	0.41
2012	9.8	15.1	24.9	3.09	77.1	8.8	9.2	14.2	44.8	0.96		0.40	0.39
2013	9.0	15.5	24.5	3.18	77.9	8.8	9.4	14.3	45.4	0.97		0.37	0.36
2014	8.2	15.8	24.1	3.27	78.8	8.8	9.5	14.5	46.0	0.99		0.35	0.34
2015	7.6	14.4	22.0	3.37	74.0	8.8	8.9		56.3	1.21		0.32	0.39
2016	6.9	13.1	20.1	3.46	69.5	8.8	8.3		52.3	1.12		0.30	0.34
2017	6.4	11.9	18.3	3.57	65.2	8.8	7.8		48.6	1.04		0.28	0.29
2018	5.8	10.9	16.7	3.67	61.2	8.8	7.3		45.1	0.97		0.26	0.25
2019	5.4	9.9	15.2	3.77	57.5	8.8	6.9		41.8	0.90		0.24	0.22
2020	4.9	9.0	13.9	3.88	54.0	8.8	6.5		38.7	0.83		0.22	0.19
2021	4.5	8.2	12.7	4.00	50.7	8.8	6.1		35.8	0.77		0.21	0.16
2022	4.1	7.4	11.6	4.11	47.6	8.8	5.7		33.1	0.71		0.19	0.14
2023	3.8	6.8	10.6	4.23	44.7	8.8	5.4		30.5	0.66		0.18	0.12
2024	3.5	6.2	9.6	4.35	42.0	8.8	5.0		28.1	0.60		0.17	0.10
2025	3.2	5.6	8.8	4.48	39.4	8.8	4.7		25.9	0.56		0.16	0.09
2026	2.9	5.1	8.0	4.61	37.0	8.8	4.4		23.8	0.51		0.14	0.07
2027	2.7	4.6	7.3	4.74	34.8	8.8	4.2		21.8	0.47		0.13	0.06
2028	2.5	4.2	6.7	4.88	32.7	8.8	3.9		19.9	0.43		0.12	0.05
2029	2.3	3.8	6.1	5.02	30.7	8.8	3.7		18.2	0.39		0.12	0.05

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

	Q2	Q3	Q4	Year	Q1	Q2E	Q3E	Q4E	Year	Q1E	Q2E
	6/30/99	9/30/99	12/31/99	1999	3/31/00	6/30/00	9/30/00	12/31/00	2000E	3/31/01	6/30/01
Highlights											
Revenue (\$mm) (75%)	10.8	13.0	17.4	53.2	17.3	19.2	28.6	30.8	95.9	31.1	26.6
Cash flow (\$mm) (75%)	7.5	9.9	13.4	39.6	13.3	13.6	23.4	25.4	75.6	25.7	21.7
Per unit	0.16	0.21	0.29	0.85	0.28	0.29	0.50	0.55	1.62	0.55	0.47
Tax credit (\$mm)	1.4	1.9	2.5	7.6	1.9	1.9	1.9	1.9	7.5	1.9	1.9
Per unit	0.03	0.04	0.05	0.16	0.04	0.04	0.04	0.04	0.16	0.04	0.04
Distributable Income (\$mm)	5.9	7.8	11.3	31.8	9.9	13.2	19.0	21.1	63.2	21.3	17.5
Per unit	0.13	0.17	0.24	0.68	0.21	0.28	0.41	0.45	1.36	0.46	0.38
Units (millions)	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6
Volume											
Natural gas (mmbtu)											
Conventional	7.4	5.5	6.7	26.9	7.0	7.1	6.8	6.7	27.5	6.6	6.4
Coal Seam	3.8	3.3	3.5	14.4	3.6	3.9	3.6	3.6	14.7	3.5	3.4
Total	11.2	8.8	10.3	41.3	10.6	11.0	10.4	10.3	42.2	10.2	9.9
Conventional (btu/cf)	1,196	1,006	1,159	1,142	1,173	1,130	1,142	1,142	1,147	1,142	1,142
Coal Seam (btu/cf)	881	881	881	881	881	881	881	881	881	881	881
Natural gas (bcf)											
Conventional	6.2	5.5	5.8	23.5	5.9	6.3	5.9	5.9	24.0	5.8	5.6
Coal Seam	4.3	3.8	4.0	16.4	4.1	4.4	4.1	4.1	16.7	4.0	3.9
Total	10.5	9.3	9.8	39.9	10.1	10.7	10.0	9.9	40.7	9.8	9.5
Natural Gas (mmcf)	118.4	100.6	106.7	109.4	109.6	118.5	109.0	107.9	111.2	106.8	105.8
Days	89	92	92	365	92	90	92	92	366	92	90
Oil (mb)	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0
Oil (mbd)	0.2	0.2	0.2	0.2	0.3	0.2	0.2	0.2	0.2	0.2	0.2
Days	89	92	92	365	92	90	92	92	366	92	90
Total gas & oil (bcf)	10.6	9.4	9.9	40.4	10.2	10.8	10.1	10.0	41.2	9.9	9.6
Price											
Natural gas (\$/mmbtu) (Henry Hub lagged two months)											
Henry Hub (\$/mmbtu)	1.89	2.27	2.66	2.17	2.35	2.82	4.09	4.43	3.42	4.50	4.03
Differential (\$/mmbtu)	0.60	0.04	0.38	0.35	0.19	0.47	0.40	0.40	0.38	0.40	0.40
SJT Conventional	1.29	2.09	2.27	1.75	2.17	2.35	3.69	4.03	3.04	4.10	3.63
SJT Coal Seam	1.20	1.65	2.13	1.58	2.03	2.20	3.49	3.83	2.87	3.90	3.43
Total	1.26	1.93	2.22	1.69	2.12	2.30	3.62	3.96	2.98	4.03	3.56
Natural gas (\$/mcf)											
Conventional	1.54	2.11	2.63	2.00	2.54	2.67	4.21	4.60	3.49	4.68	4.14
Coal Seam	1.06	1.45	1.88	1.39	1.79	1.94	3.07	3.37	2.53	3.44	3.02
Total	1.34	1.84	2.32	1.75	2.23	2.37	3.75	4.10	3.10	4.17	3.68
Oil (\$/bbl) (WTI Cushing lagged two months)											
WTI Cushing	14.67	18.57	22.59	17.02	26.07	28.33	31.91	29.12	28.85	28.97	25.99
SJT	12.72	15.71	20.66	14.25	22.48	24.33	27.91	25.12	24.81	24.97	21.99
Total gas & oil (\$/mcf)	1.35	1.85	2.33	1.76	2.25	2.38	3.76	4.10	3.11	4.17	3.68
Revenue (\$mm)											
Natural Gas - Conventional	9.6	11.5	15.2	47.1	15.1	16.8	24.9	26.9	83.7	27.1	23.3
Coal Seam	4.6	5.5	7.6	22.8	7.4	8.5	12.6	13.7	42.2	13.8	11.8
Total	14.1	17.0	22.8	69.9	22.5	25.2	37.6	40.7	126.0	41.0	35.0
Oil	0.2	0.3	0.4	1.0	0.5	0.4	0.5	0.5	1.9	0.5	0.4
Total	14.4	17.3	23.2	71.0	23.0	25.7	38.1	41.1	127.9	41.4	35.4
Cost (\$mm)											
Severance tax	1.5	1.8	2.4	7.3	2.2	2.6	3.9	4.2	13.0	4.3	3.6
Operating	2.8	2.2	2.9	10.8	3.1	4.9	3.0	3.0	14.0	2.9	2.9
Total	4.3	4.0	5.3	18.1	5.4	7.6	6.9	7.2	27.1	7.2	6.5
Cash flow (\$mm)	10.0	13.3	17.9	52.8	17.7	18.1	31.2	33.9	100.8	34.2	28.9
Development	3.0	2.7	2.6	10.6	4.6	4.8	5.6	5.6	20.5	5.6	5.3
Net proceeds (\$mm)	7.1	10.5	15.3	42.3	13.1	13.3	25.6	28.4	80.4	28.7	23.6
Royalty income (\$mm)	5.3	7.9	11.5	31.7	9.8	10.0	19.2	21.3	60.3	21.5	17.7
Royalty/Net proceeds	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Administration	0.2	0.1	0.2	0.8	0.2	0.3	0.2	0.2	0.9	0.2	0.2
One-time	0.9			0.9	0.3	3.5			3.7		
Distributable income (\$mm)	5.9	7.8	11.3	31.8	9.9	13.2	19.0	21.1	63.2	21.3	17.5
Modeling ratios											
Severance tax/revenue	10.2%	10.4%	10.3%	10.3%	9.8%	10.3%	10.3%	10.3%	10.2%	10.3%	10.3%
Operating cost (\$/mcf)	0.27	0.24	0.29	0.27	0.30	0.46	0.30	0.30	0.34	0.30	0.30

Analyses are prepared from original sources and data believed to be reliable, but no representations are made as to their accuracy or completeness. This summary with supporting documentation is available free at <http://royaltytrusts.intranets.com>. Registration code: sanjuan 9