

Meter Reader

A Weekly Analysis

August 21, 2000

Hedge Your Winter Heating Bill

Currently among investments concentrated on long-life natural gas 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). Weighing the week's changes in prices of oil, natural gas and money, our calculated asset values regain 5% while our projected distributions for the next year gain another 1%. Meanwhile, our annual natural gas bill here in Massachusetts last year was about \$3000 for about 400 mmbtu of natural gas. At the same time the market price is higher by \$1.40 per mmbtu for the next twelve months. As a result we can expect to pay some \$560 more for gas in the next year than otherwise. Noticing that SJT is selling for about \$3 per unit less than present value, we can capture unrecognized value equal to the expected increase in our natural gas bill by owning less than 200 units of SJT. Of course that conclusion depends on all the assumptions in the calculation. Nonetheless, we believe there is still time to profit from natural gas investments.

		<i>Price</i> (\$/unit) 18-Aug 2000	<i>Units</i> (mm)	<i>Market</i> <i>Cap</i> (\$mm)	<i>Debt</i> (\$mm)	<i>Net</i> <i>Present</i> Value (\$/unit)	<i>McDep</i> Ratio
Dorchester Hugoton, Ltd.	DHULZ	13.75	10.7	148	-	14.60	0.94
Hugoton RT (42.5%)	HGT	12.50	17.0	213	-	15.10	0.83
Cross Timbers Royalty Trust	CRT	14.44	6.0	87	-	18.30	0.79
San Juan Basin Royalty Trust	SJT	10.06	46.6	469	-	13.80	0.73

Our computations for the next four quarters point to Dynamic Distribution Yields exceeding 17% in cash (see table). The trustee's disclosure last week that the operator of the properties held by San Juan Basin Royalty Trust would spend less on development boosted the projected distribution by a few pennies per unit.

		<i>Price</i> (\$/unit) 18-Aug 2000	<i>Distribution</i> (\$/unit)		<i>Distribution Yield</i> (Percent per year)	
	<i>Symbol</i>		<i>Cash</i>	<i>Taxable</i> <i>Equivalent</i>	<i>Cash</i>	<i>Taxable</i> <i>Equivalent</i>
Dorchester Hugoton, Ltd.	DHULZ	13.75	1.41	1.95	10.3	14.2
Hugoton RT (42.5%)	HGT	12.50	1.96	2.32	15.7	18.6
Cross Timbers Royalty Trust	CRT	14.44	2.32	2.99	16.1	20.7
San Juan Basin Royalty Trust	SJT	10.06	1.73	2.40	17.2	23.9

New disclosures to expect in the next week are the monthly distributions for royalty trusts. Look for \$0.18, \$0.15, and \$0.13 per unit respectively for CRT, HGT and SJT. There may be a positive volume surprise for HGT, but we have not had the confidence to project higher levels.

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):	2.7
Volume Enhancement (%/yr):	7	Discount Rate (%/yr):	7.3
		U.S. TIPS Inflation (%/yr):	1.9
		U.S. 10 Year Yield (%/yr):	5.9

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	31	24	55	3.75	206	11	217	36.13	0.37	0.50	18.30
1999	3.3		3.3	1.99	6.5	0.0	6.6	1.09	0.16		
2000	2.8	0.0	2.8	3.45	9.6	2.0	11.6	1.93	0.12	0.97	1.98
2001	2.5	0.2	2.7	4.36	11.9	2.1	14.0	2.34	0.12	0.90	2.21
2002	2.3	0.4	2.7	3.74	10.1	1.3	11.4	1.90	0.12	0.84	1.69
2003	2.1	0.5	2.7	3.37	9.0	1.0	10.0	1.67		0.78	1.30
2004	2.0	0.7	2.6	3.31	8.7	0.8	9.5	1.58		0.73	1.15
2005	1.8	0.8	2.6	3.22	8.3	0.7	9.0	1.50		0.68	1.02
2006	1.6	0.9	2.5	3.13	8.0	0.5	8.5	1.42		0.63	0.90
2007	1.5	1.0	2.5	3.07	7.7	0.5	8.2	1.36		0.59	0.80
2008	1.4	1.1	2.5	3.16	7.8	0.4	8.2	1.37		0.55	0.75
2009	1.3	1.2	2.4	3.24	7.9	0.4	8.2	1.37		0.51	0.70
2010	1.2	1.2	2.4	3.33	7.9	0.3	8.2	1.37		0.48	0.65
2011	1.1	1.3	2.3	3.42	8.0	0.2	8.3	1.38		0.44	0.61
2012	1.0	1.3	2.3	3.51	8.1	0.2	8.3	1.38		0.41	0.57
2013	0.9	1.4	2.3	3.60	8.2	0.1	8.3	1.39		0.39	0.53
2014	0.8	1.4	2.2	3.70	8.3	0.1	8.3	1.39		0.36	0.50
2015	0.8	1.3	2.0	3.80	7.7		7.7	1.29		0.34	0.43
2016	0.7	1.2	1.9	3.90	7.3		7.3	1.21		0.31	0.38
2017	0.6	1.1	1.7	4.01	6.8		6.8	1.13		0.29	0.33
2018	0.6	1.0	1.5	4.11	6.4		6.4	1.06		0.27	0.29
2019	0.5	0.9	1.4	4.23	6.0		6.0	1.00		0.25	0.25
2020	0.5	0.8	1.3	4.34	5.6		5.6	0.93		0.24	0.22
2021	0.5	0.7	1.2	4.46	5.3		5.3	0.88		0.22	0.19
2022	0.4	0.7	1.1	4.58	4.9		4.9	0.82		0.20	0.17
2023	0.4	0.6	1.0	4.70	4.6		4.6	0.77		0.19	0.15
2024	0.3	0.5	0.9	4.83	4.3		4.3	0.72		0.18	0.13
2025	0.3	0.5	0.8	4.96	4.1		4.1	0.68		0.17	0.11
2026	0.3	0.5	0.7	5.09	3.8		3.8	0.63		0.15	0.10
2027	0.3	0.4	0.7	5.23	3.6		3.6	0.59		0.14	0.09
2028	0.2	0.4	0.6	5.37	3.3		3.3	0.56		0.13	0.07
2029	0.2	0.3	0.6	5.51	3.1		3.1	0.52		0.12	0.07

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A Weekly Analysis

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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	Q2 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	0.03	0.03	0.03	0.12	0.03	0.03
Distributable Income (\$mm)	1.17	1.66	2.28	6.55	2.30	2.42	3.22	3.63	11.57	3.72	3.38
Per unit	0.20	0.28	0.38	1.09	0.38	0.40	0.54	0.60	1.93	0.62	0.56
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	0.77	0.76	0.76	3.09	0.76	0.73
Natural Gas (mmcf)	9.1	10.3	10.6	10.0	8.7	8.5	8.4	8.3	8.5	8.2	8.1
Days	90	91	92	365	92	91	91	92	366	92	90
Oil (mb)	87	79	94	349	88	81	85	83	337	81	78
Oil (mbd)	0.98	0.86	1.03	0.96	0.96	0.90	0.92	0.90	0.92	0.88	0.87
Days	89	92	92	365	92	90	92	92	366	92	90
Total (bcf)	1.34	1.41	1.54	5.73	1.33	1.26	1.27	1.26	5.12	1.24	1.20
Price											
Natural Gas (HH lagged three months)											
Henry Hub (\$/mmbtu)	1.79	2.22	2.52	2.12	2.45	2.62	3.63	4.22	3.23	4.53	4.33
CRT (\$/mcf)	1.79	2.02	2.39	1.99	2.72	2.88	3.83	4.42	3.45	4.73	4.53
Oil (\$/bbl) (WTI lagged two months)											
WTI Cushing	14.67	18.57	22.59	17.02	26.07	28.33	30.12	31.51	29.00	30.46	28.91
CRT	12.28	16.34	20.21	14.89	24.20	26.86	28.12	29.51	27.13	28.46	26.91
Total (\$/mcf)	1.89	2.26	2.75	2.17	3.25	3.50	4.17	4.61	3.88	4.74	4.51
Revenue (\$mm)											
Natural Gas	1.46	1.89	2.33	7.26	2.17	2.22	2.92	3.37	10.68	3.58	3.32
Oil	1.07	1.30	1.91	5.19	2.14	2.18	2.38	2.45	9.15	2.32	2.10
Total	2.53	3.19	4.23	12.45	4.31	4.40	5.31	5.83	19.84	5.90	5.42
Cost (\$mm)											
Tax, transport & other	0.40	0.48	0.50	1.61	0.58	0.61	0.74	0.82	2.75	0.83	0.76
Production	0.63	0.60	0.60	2.39	0.59	0.65	0.64	0.62	2.50	0.61	0.59
Total	1.02	1.08	1.09	4.00	1.17	1.26	1.38	1.44	5.25	1.44	1.34
Cash flow (\$mm)											
Development	0.08	0.18	0.12	0.74	0.21	0.13	0.17	0.17	0.69	0.17	0.17
Excess	(0.06)	(0.07)		(0.43)					-		
Recovery of excess	0.14	0.10	0.40	0.63	0.24	0.15			0.38		
Net proceeds (\$mm)	1.35	1.91	2.62	7.52	2.68	2.86	3.76	4.22	13.52	4.29	3.90
Royalty income (\$mm)											
Royalty/Net proceeds	90%	89%	88%	89%	88%	87%	87%	87%	87%	88%	88%
Administration	0.04	0.04	0.02	0.14	0.05	0.05	0.04	0.04	0.18	0.04	0.04
Distributable income (\$mm)	1.17	1.66	2.28	6.55	2.30	2.42	3.22	3.63	11.57	3.72	3.38
Modeling ratios											
Tax and other/revenue	0.16	0.15	0.12	0.13	0.13	0.14	0.14	0.14	0.14	0.14	0.14
Production exp (\$/bbl)	7.20	7.56	6.31	6.86	6.71	8.00	7.50	7.50	7.41	7.50	7.50
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):	2.7
Volume Enhancement (%/yr):	8	Discount rate (%/yr):	7.3
Capex/Cash Flow (%):	13	U.S. TIPS Inflation (%/yr):	1.9
Variable Cost (%):	15	U.S. 10 Year Yield (%/yr):	5.9

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	3.96	463	75	69	27	292	26.87	0.54	14.60
1999	6.9		6.9	2.30	15.8	2.1	2.4	0.4	10.9	1.01		
									10.4	0.96	1.00	0.96
2000	6.4	0.2	6.6	3.71	24.6	2.5	3.7	0.5	17.9	1.65	0.97	1.60
2001	5.7	0.8	6.4	3.83	24.7	2.5	3.7	2.4	16.1	1.48	0.90	1.33
2002	5.1	1.2	6.3	3.37	21.2	2.5	3.2	2.0	13.5	1.25	0.84	1.04
2003	4.6	1.6	6.2	3.04	18.8	2.5	2.8	1.8	11.7	1.08	0.78	0.84
2004	4.2	1.9	6.0	3.51	21.2	2.5	3.2	2.0	13.5	1.24	0.73	0.90
2005	3.7	2.2	5.9	3.42	20.2	2.5	3.0	1.9	12.7	1.17	0.68	0.80
2006	3.4	2.4	5.8	3.35	19.3	2.5	2.9	1.8	12.1	1.12	0.63	0.71
2007	3.0	2.6	5.6	3.44	19.4	2.5	2.9	1.8	12.2	1.12	0.59	0.66
2008	2.7	2.8	5.5	3.53	19.4	2.5	2.9	1.8	12.2	1.12	0.55	0.62
2009	2.5	2.9	5.4	3.63	19.4	2.5	2.9	1.8	12.2	1.13	0.51	0.58
2010	2.2	3.0	5.2	3.73	19.5	2.5	2.9	1.8	12.2	1.13	0.48	0.54
2011	2.0	3.1	5.1	3.83	19.5	2.5	2.9	1.8	12.2	1.13	0.44	0.50
2012	1.8	3.2	5.0	3.93	19.5	2.5	2.9	1.8	12.2	1.13	0.41	0.47
2013	1.6	3.2	4.8	4.03	19.5	2.5	2.9	1.8	12.2	1.13	0.39	0.44
2014	1.5	3.2	4.7	4.14	19.5	2.5	2.9	1.8	12.2	1.13	0.36	0.41
2015	1.3	2.9	4.2	4.25	17.9	2.5	2.7		12.7	1.17	0.34	0.39
2016	1.2	2.6	3.8	4.37	16.4	2.5	2.5		11.4	1.06	0.31	0.33
2017	1.1	2.3	3.4	4.49	15.1	2.5	2.3		10.3	0.95	0.29	0.28
2018	1.0	2.0	3.0	4.61	13.8	2.5	2.1		9.2	0.85	0.27	0.23
2019	0.9	1.8	2.7	4.73	12.7	2.5	1.9		8.3	0.76	0.25	0.19
2020	0.8	1.6	2.4	4.86	11.6	2.5	1.7		7.4	0.68	0.24	0.16
2021	0.7	1.4	2.1	4.99	10.7	2.5	1.6		6.6	0.61	0.22	0.13
2022	0.6	1.3	1.9	5.12	9.8	2.5	1.5		5.8	0.54	0.20	0.11
2023	0.6	1.1	1.7	5.26	9.0	2.5	1.3		5.1	0.47	0.19	0.09
2024	0.5	1.0	1.5	5.40	8.2	2.5	1.2		4.5	0.42	0.18	0.07
2025	0.5	0.9	1.4	5.55	7.6	2.5	1.1		3.9	0.36	0.17	0.06
2026	0.4	0.8	1.2	5.70	6.9	2.5	1.0		3.4	0.31	0.15	0.05
2027	0.4	0.7	1.1	5.85	6.4	2.5	1.0		2.9	0.27	0.14	0.04
2028	0.3	0.6	1.0	6.01	5.9	2.5	0.9		2.5	0.23	0.13	0.03
2029	0.3	0.6	0.9	6.17	5.4	2.5	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> 6/30/99	<i>Q3</i> 9/30/99	<i>Q4</i> 12/31/99	<i>Year</i> 1999	<i>Q1</i> 3/31/00	<i>Q2</i> 6/30/00	<i>Q3E</i> 9/30/00	<i>Q4E</i> 12/31/00	<i>Year</i> 2000E	<i>Q1E</i> 3/31/01	<i>Q2E</i> 6/30/01
Highlights											
Revenue (\$mm)	3.51	4.34	4.39	15.3	4.16	5.57	6.71	7.14	23.6	6.60	5.74
Cash flow (\$mm)	2.35	3.25	3.25	10.9	3.09	3.87	5.39	5.77	18.1	5.27	4.49
Per unit	0.22	0.30	0.30	1.01	0.28	0.36	0.50	0.53	1.67	0.49	0.41
Earnings (\$mm)	1.89	2.77	2.78	9.0	2.64	3.40	4.92	5.31	16.3	4.82	4.04
Per unit	0.17	0.26	0.26	0.83	0.24	0.32	0.45	0.49	1.50	0.44	0.37
Distribution (\$mm)	1.93	1.93	1.93	7.7	3.01	1.93	4.33	4.68	14.0	4.24	3.56
Per unit	0.18	0.18	0.18	0.72	0.28	0.18	0.40	0.44	1.30	0.39	0.33
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	1.38	1.37	5.5	1.33	1.34
Kansas	0.34	0.33	0.31	1.3	0.29	0.28	0.28	0.27	1.1	0.25	0.25
Total	1.67	1.72	1.74	6.9	1.68	1.66	1.66	1.64	6.6	1.59	1.59
Natural Gas (mmcf)	18.4	18.7	18.9	18.9	18.5	18.2	18.0	17.8	18.1	17.7	17.5
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	4.22	4.53	3.75	4.33	3.76
Oklahoma (\$/mcf)	2.15	2.60	2.60	2.28	2.53	3.50	4.22	4.53	3.69	4.33	3.76
Kansas (\$/mcf)	2.26	2.68	2.70	2.36	2.72	3.58	4.29	4.60	3.78	4.40	3.83
Total (\$/mcf)	2.17	2.62	2.62	2.30	2.57	3.51	4.23	4.55	3.71	4.34	3.77
Revenue (\$mm)											
Natural Gas											
Oklahoma	2.87	3.63	3.73	12.7	3.53	4.81	5.82	6.22	20.4	5.77	5.04
Kansas	0.76	0.88	0.83	3.1	0.79	1.01	1.19	1.24	4.2	1.12	0.96
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)	(0.35)	(0.37)	(1.2)	(0.34)	(0.30)
Total	3.51	4.34	4.39	15.3	4.16	5.57	6.71	7.14	23.6	6.60	5.74
Cost (\$mm)											
Operating	0.96	0.90	0.95	3.6	0.92	1.04	1.07	1.10	4.1	1.08	1.03
General and administrative	0.13	0.14	0.16	0.6	0.14	0.18	0.17	0.17	0.7	0.17	0.16
Management	0.12	0.13	0.13	0.5	0.13	0.14	0.15	0.16	0.6	0.15	0.14
Other	(0.05)	(0.08)	(0.10)	(0.3)	(0.11)	0.35	(0.08)	(0.08)	0.1	(0.08)	(0.08)
Total	1.16	1.09	1.13	4.4	1.07	1.70	1.32	1.36	5.5	1.33	1.26
Cash flow (\$mm)	2.35	3.25	3.25	10.9	3.09	3.87	5.39	5.77	18.1	5.27	4.49
Depletion, deprec. & amort.	0.46	0.48	0.48	1.9	0.45	0.46	0.46	0.46	1.8	0.44	0.45
Earnings (\$mm)	1.89	2.77	2.78	9.0	2.64	3.40	4.92	5.31	16.3	4.82	4.04
Capital expenditures (\$mm)	0.05	0.21	0.10	0.4	0.04	0.13	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%	5.1%	5.0%	5.0%	5.0%	5.0%	5.0%
Operating cost (\$/mcf)	0.57	0.52	0.54	0.52	0.54	0.63	0.65	0.67	0.62	0.68	0.65
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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A Weekly Analysis

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Table HGT-1
Hugoton Royalty Trust
Present Value

Volume Decline (%/yr):	11	Price Escalation Post 2006 (%/yr):	2.7
Volume Enhancement (%/yr):	9	Discount rate (%/yr):	7.3
Capex/Cash Flow (%):	24	U.S. TIPS Inflation (%/yr):	1.9
Variable Cost (%):	14	U.S. 10 Year Yield (%/yr):	5.9

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	310	588	3.68	2163	391	303	236	1234	30.84	0.06	0.49	15.10
1999	29.2		29.2	2.16	63.1	12.1	8.8	9.1	33.1	0.83	0.02		
2000	29.2	1.5	30.7	3.22	99.1	13.0	13.9	10.9	61.3	1.53	0.02	0.97	1.50
2001	26.0	4.1	30.1	3.83	115.3	13.0	16.1	20.7	65.5	1.64	0.02	0.90	1.49
2002	23.4	6.4	29.8	3.32	98.8	13.0	13.8	17.3	54.7	1.37	0.02	0.84	1.16
2003	21.1	8.4	29.5	2.99	88.1	13.0	12.3	15.1	47.7	1.19		0.78	0.93
2004	19.0	10.1	29.1	3.21	93.3	13.0	13.1	16.1	51.1	1.28		0.73	0.93
2005	17.1	11.6	28.7	3.12	89.7	13.0	12.6	15.4	48.8	1.22		0.68	0.83
2006	15.4	12.9	28.3	3.06	86.8	13.0	12.2	14.8	46.8	1.17		0.63	0.74
2007	13.9	14.0	27.9	3.15	87.9	13.0	12.3	15.0	47.5	1.19		0.59	0.70
2008	12.5	15.0	27.5	3.23	88.9	13.0	12.5	15.2	48.2	1.21		0.55	0.66
2009	11.3	15.8	27.1	3.32	90.0	13.0	12.6	15.4	48.9	1.22		0.51	0.63
2010	10.2	16.5	26.7	3.41	90.9	13.0	12.7	15.6	49.5	1.24		0.48	0.59
2011	9.2	17.1	26.3	3.50	91.9	13.0	12.9	15.8	50.2	1.25		0.44	0.56
2012	8.2	17.6	25.8	3.59	92.9	13.0	13.0	16.0	50.8	1.27		0.41	0.53
2013	7.4	18.0	25.4	3.69	93.8	13.0	13.1	16.2	51.4	1.28		0.39	0.50
2014	6.7	18.3	25.0	3.79	94.7	13.0	13.3	16.4	52.0	1.30		0.36	0.47
2015	6.0	16.3	22.3	3.89	86.8	13.0	12.2		61.6	1.54		0.34	0.52
2016	5.4	14.5	19.9	3.99	79.6	13.0	11.1		55.4	1.39		0.31	0.43
2017	4.9	12.9	17.8	4.10	73.0	13.0	10.2		49.8	1.24		0.29	0.36
2018	4.4	11.5	15.9	4.21	66.9	13.0	9.4		44.5	1.11		0.27	0.30
2019	4.0	10.2	14.2	4.33	61.4	13.0	8.6		39.8	0.99		0.25	0.25
2020	3.6	9.1	12.7	4.44	56.3	13.0	7.9		35.4	0.88		0.24	0.21
2021	3.2	8.1	11.3	4.56	51.6	13.0	7.2		31.4	0.78		0.22	0.17
2022	2.9	7.2	10.1	4.68	47.4	13.0	6.6		27.7	0.69		0.20	0.14
2023	2.6	6.4	9.0	4.81	43.4	13.0	6.1		24.3	0.61		0.19	0.12
2024	2.4	5.7	8.1	4.94	39.8	13.0	5.6		21.2	0.53		0.18	0.09
2025	2.1	5.1	7.2	5.07	36.5	13.0	5.1		18.4	0.46		0.17	0.08
2026	1.9	4.5	6.4	5.21	33.5	13.0	4.7		15.8	0.39		0.15	0.06
2027	1.7	4.0	5.7	5.35	30.7	13.0	4.3		13.4	0.34		0.14	0.05
2028	1.6	3.6	5.1	5.49	28.2	13.0	3.9		11.2	0.28		0.13	0.04
2029	1.4	3.2	4.6	5.64	25.9	13.0	3.6		9.2	0.23		0.12	0.03

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A Weekly Analysis

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Table HGT-2
Hugoton Royalty Trust
Distributable Income Model

	Q2	Q3	Q4	Year	Q1	Q2	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) (80%)	16.6	16.8	20.4	63.1	20.0	19.8	28.2	31.1	99.1	32.1	27.3
Cash flow (\$mm) (80%)	11.1	11.5	14.4	42.2	14.1	13.9	21.0	23.5	72.4	24.4	20.4
Per unit	0.28	0.29	0.36	1.06	0.35	0.35	0.52	0.59	1.81	0.61	0.51
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	18.3	20.8	61.3	21.7	17.7
Per unit	0.22	0.21	0.30	0.83	0.27	0.28	0.46	0.52	1.53	0.54	0.44
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/d)	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	105	106	105	415	104	99
Oil (mbd)	1.2	1.1	1.1	1.1	1.1	1.2	1.1	1.1	1.1	1.1	1.1
Days	96	92	92	342	92	90	92	92	366	92	89
Total (bcf)	10.3	10.1	10.2	36.5	10.3	9.3	9.5	9.4	38.4	9.3	8.9
Price											
Natural Gas (HH lagged two months)											
Henry Hub (\$/mmbtu)	1.89	2.27	2.66	2.18	2.35	2.82	3.94	4.38	3.38	4.58	4.07
HGT (\$/mcf)	2.00	2.01	2.42	2.12	2.32	2.54	3.64	4.08	3.12	4.28	3.77
Oil (\$/bbl) (WTI Cushing lagged two months)											
WTI Cushing	14.67	18.57	22.59	17.39	26.07	28.33	30.12	30.95	28.87	30.46	28.91
HGT	13.64	18.18	21.72	16.53	25.19	27.63	29.12	29.95	28.01	29.46	27.91
Total (\$/mcf)	2.02	2.07	2.49	2.16	2.43	2.68	3.72	4.14	3.22	4.32	3.83
Revenue (\$mm)											
Natural Gas	19.1	19.1	23.2	72.5	22.5	21.9	32.1	35.7	112.3	37.0	31.3
Oil	1.6	1.9	2.2	6.4	2.5	2.9	3.1	3.1	11.6	3.1	2.8
Total	20.7	21.0	25.4	78.9	25.0	24.8	35.2	38.8	123.9	40.1	34.1
Cost (\$mm)											
Tax, transport & other											
Production	2.1	2.1	2.6	8.3	2.4	2.4	3.5	3.9	12.2	4.0	3.4
Overhead	2.9	2.8	3.0	11.0	3.3	3.2	3.7	3.8	14.0	3.8	3.5
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	7.4	9.0	9.5	33.3	9.6	8.6
Cash flow (\$mm)											
Development	13.9	14.4	18.1	52.8	17.6	17.4	26.2	29.4	90.6	30.5	25.5
Total	2.8	3.7	2.8	11.3	3.9	3.3	3.3	3.3	13.6	3.3	3.3
Net proceeds (\$mm)											
Total	11.1	10.7	15.2	41.4	13.7	14.1	23.0	26.1	76.9	27.2	22.2
Royalty income (\$mm)											
Royalty/Net proceeds	8.9	8.5	12.2	33.2	11.0	11.3	18.4	20.9	61.5	21.8	17.7
Administration	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%
Total	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.1	0.2	0.1	0.1
Distributable income (\$mm)											
Total	8.8	8.5	12.2	33.1	10.9	11.3	18.3	20.8	61.3	21.7	17.7
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	0.39	0.41	0.36	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 year of operations includes only eleven months of actual production from December 1998 through October 1999.

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Table SJT-1
San Juan Basin Royalty Trust
Present Value

Volume Decline (%/yr):	9	Price Escalation Post 2006 (%/yr):	2.7
Volume Enhancement (%/yr):	7	Discount rate (%/yr):	7.3
Capex/Cash Flow (%):	24	U.S. TIPS Inflation (%/yr):	1.9
Variable Cost (%):	12	U.S. 10 Year Yield (%/yr):	5.9

Year	Basic (bcf)	Volume Enhanced (bcf)	Total (bcf)	Price (\$/mcf)	Revenue (\$mm)	Fixed Cost (\$mm)	Var Cost (\$mm)	Cap Ex (\$mm)	Distribution (\$/unit)	Tax Credit (\$/unit)	Disc Factor	Present Value (\$/unit)
Total 2000 through 2029												
	309	286	594	3.54	2105	262	253	239	1354	29.07	0.48	0.47 13.80
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	3.06	94.4	8.7	11.3	13.9	63.3	1.36	0.16	0.97
2001	25.3	4.3	29.6	3.63	107.4	8.7	12.9	20.6	65.2	1.40	0.16	0.90
2002	23.2	6.0	29.2	3.14	91.7	8.7	11.0	17.3	54.7	1.17	0.16	0.84
2003	21.3	7.5	28.8	2.84	81.6	8.7	9.8	15.1	47.9	1.03		0.78
2004	19.5	8.8	28.3	3.06	86.6	8.7	10.4	16.2	51.3	1.10		0.73
2005	17.9	10.0	27.9	2.98	83.2	8.7	10.0	15.5	49.0	1.05		0.68
2006	16.4	11.1	27.5	2.92	80.3	8.7	9.6	14.9	47.1	1.01		0.63
2007	15.1	12.0	27.1	3.00	81.2	8.7	9.7	15.1	47.7	1.02		0.59
2008	13.8	12.8	26.6	3.08	82.0	8.7	9.8	15.2	48.2	1.04		0.55
2009	12.7	13.5	26.2	3.16	82.9	8.7	9.9	15.4	48.8	1.05		0.51
2010	11.6	14.1	25.8	3.25	83.7	8.7	10.0	15.6	49.4	1.06		0.48
2011	10.7	14.7	25.4	3.33	84.5	8.7	10.1	15.8	49.9	1.07		0.44
2012	9.8	15.1	24.9	3.42	85.4	8.7	10.2	15.9	50.5	1.08		0.41
2013	9.0	15.5	24.5	3.52	86.2	8.7	10.3	16.1	51.0	1.09		0.39
2014	8.2	15.8	24.1	3.61	86.9	8.7	10.4	16.3	51.5	1.11		0.36
2015	7.6	14.4	22.0	3.71	81.5	8.7	9.8		63.0	1.35		0.34
2016	6.9	13.1	20.1	3.81	76.3	8.7	9.2		58.5	1.25		0.31
2017	6.4	11.9	18.3	3.91	71.5	8.7	8.6		54.2	1.16		0.29
2018	5.8	10.9	16.7	4.02	67.0	8.7	8.0		50.3	1.08		0.27
2019	5.4	9.9	15.2	4.12	62.8	8.7	7.5		46.6	1.00		0.25
2020	4.9	9.0	13.9	4.23	58.9	8.7	7.1		43.1	0.92		0.24
2021	4.5	8.2	12.7	4.35	55.2	8.7	6.6		39.8	0.85		0.22
2022	4.1	7.4	11.6	4.47	51.7	8.7	6.2		36.8	0.79		0.20
2023	3.8	6.8	10.6	4.59	48.5	8.7	5.8		33.9	0.73		0.19
2024	3.5	6.2	9.6	4.71	45.4	8.7	5.5		31.3	0.67		0.18
2025	3.2	5.6	8.8	4.84	42.6	8.7	5.1		28.7	0.62		0.17
2026	2.9	5.1	8.0	4.97	39.9	8.7	4.8		26.4	0.57		0.15
2027	2.7	4.6	7.3	5.10	37.4	8.7	4.5		24.2	0.52		0.14
2028	2.5	4.2	6.7	5.24	35.1	8.7	4.2		22.1	0.47		0.13
2029	2.3	3.8	6.1	5.38	32.9	8.7	3.9		20.2	0.43		0.12

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A Weekly Analysis

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

	Q2	Q3	Q4	Year	Q1	Q2	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	19.3	27.4	30.5	94.4	31.7	27.0
Cash flow (\$mm) (75%)	7.5	9.9	13.4	39.6	13.3	13.7	22.3	25.1	74.4	26.2	22.1
Per unit	0.16	0.21	0.29	0.85	0.28	0.29	0.48	0.54	1.60	0.56	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	18.7	21.5	63.3	22.6	17.9
Per unit	0.13	0.17	0.24	0.68	0.21	0.28	0.40	0.46	1.36	0.48	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
Natural gas (btu/cf)											
Conventional	1,196	1,006	1,159	1,142	1,173	1,130	1,142	1,142	1,147	1,142	1,142
Coal Seam	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)											
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	3.94	4.38	3.38	4.58	4.07
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	3.54	3.98	2.99	4.18	3.67
SJT Coal Seam	1.20	1.65	2.13	1.58	2.03	2.20	3.34	3.78	2.82	3.98	3.47
Total	1.26	1.93	2.22	1.69	2.12	2.30	3.47	3.91	2.94	4.11	3.60
Natural gas (\$/mcf)											
Conventional	1.54	2.11	2.63	2.00	2.54	2.67	4.04	4.55	3.43	4.77	4.20
Coal Seam	1.06	1.45	1.88	1.39	1.79	1.94	2.94	3.33	2.49	3.50	3.06
Total	1.34	1.84	2.32	1.75	2.23	2.37	3.59	4.05	3.05	4.25	3.73
Oil (\$/bbl) (WTI Cushing lagged two months)											
WTI Cushing	14.67	18.57	22.59	17.02	26.07	28.33	30.12	31.51	29.00	28.79	28.91
SJT	12.72	15.71	20.66	14.25	22.48	21.66	26.12	27.51	24.21	24.79	24.91
Total gas & oil (\$/mcf)	1.35	1.85	2.33	1.76	2.25	2.38	3.60	4.05	3.06	4.25	3.74
Revenue (\$mm)											
Natural Gas - Conventional											
	9.6	11.5	15.2	47.1	15.1	16.8	23.9	26.6	82.4	27.7	23.6
Coal Seam											
	4.6	5.5	7.6	22.8	7.4	8.5	12.1	13.6	41.5	14.1	11.9
Total	14.1	17.0	22.8	69.9	22.5	25.2	36.0	40.2	123.9	41.8	35.5
Oil											
	0.2	0.3	0.4	1.0	0.5	0.5	0.5	0.5	2.0	0.5	0.4
Total	14.4	17.3	23.2	71.0	23.0	25.7	36.5	40.7	125.9	42.2	36.0
Cost (\$mm)											
Severance tax											
	1.5	1.8	2.4	7.3	2.2	2.3	3.8	4.2	12.5	4.3	3.7
Operating											
	2.8	2.2	2.9	10.8	3.1	5.2	3.0	3.0	14.2	2.9	2.9
Total	4.3	4.0	5.3	18.1	5.4	7.5	6.8	7.2	26.7	7.3	6.6
Cash flow (\$mm)											
	10.0	13.3	17.9	52.8	17.7	18.2	29.7	33.5	99.2	34.9	29.4
Development											
	3.0	2.7	2.6	10.6	4.6	4.8	4.6	4.6	18.5	4.6	5.3
Net proceeds (\$mm)											
	7.1	10.5	15.3	42.3	13.1	13.5	25.2	29.0	80.7	30.4	24.1
Royalty income (\$mm)											
	5.3	7.9	11.5	31.7	9.8	10.1	18.9	21.7	60.5	22.8	18.1
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	0.4	0.2	0.2	1.0	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	18.7	21.5	63.3	22.6	17.9
Modeling ratios											
Severance tax/revenue	10.2%	10.4%	10.3%	10.3%	9.8%	9.0%	10.3%	10.3%	9.9%	10.3%	10.3%
Operating cost (\$/mcf)	0.27	0.24	0.29	0.27	0.30	0.48	0.30	0.30	0.35	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