

Damper Opens

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 gain 1% while our projected distributions for the next year are unchanged on average. Trading before the announcement of President Clinton's decision to release 30 million barrels in 30 days from strategic storage took short-term oil prices down. While the government action dampens short-term price the underlying long-term pressures are still there. We remain positive on high quality natural gas investments.

	<i>Symbol</i>	<i>Price</i>	<i>Market</i>			<i>Net</i>	
		<i>(\$/unit)</i>	<i>Units</i>	<i>Cap</i>	<i>Debt</i>	<i>Present</i>	<i>McDep</i>
		<i>22-Sep</i>	<i>(mm)</i>	<i>(\$mm)</i>	<i>(\$mm)</i>	<i>Value</i>	<i>Ratio</i>
		<i>2000</i>				<i>(\$/unit)</i>	
Dorchester Hugoton, Ltd.	DHULZ	15.13	10.7	163	-	16.10	0.94
Hugoton RT (42.5%)	HGT	13.75	17.0	234	-	16.80	0.82
Cross Timbers Royalty Trust	CRT	16.19	6.0	97	-	19.80	0.82
San Juan Basin Royalty Trust	SJT	11.19	46.6	521	-	15.10	0.74

Our computations for the next four quarters point to Dynamic Distribution Yields approaching 19% in cash (see table).

	<i>Symbol</i>	<i>Price</i>	<i>Distribution</i>		<i>Distribution Yield</i>	
		<i>(\$/unit)</i>	<i>(\$/unit)</i>		<i>(Percent per year)</i>	
		<i>22-Sep</i>	<i>Cash</i>	<i>Taxable</i>	<i>Cash</i>	<i>Taxable</i>
		<i>2000</i>		<i>Equivalent</i>		<i>Equivalent</i>
Dorchester Hugoton, Ltd.	DHULZ	15.13	1.83	2.42	12.1	16.0
Hugoton RT (42.5%)	HGT	13.75	2.33	2.72	16.9	19.8
Cross Timbers Royalty Trust	CRT	16.19	2.54	3.27	15.7	20.2
San Juan Basin Royalty Trust	SJT	11.19	2.14	2.86	19.1	25.6

Monthly distributions disclosed on September 19 were \$0.21, \$0.13 and \$0.16 per unit for CRT, HGT and SJT respectively. The amounts were +0.02, -0.05 and +0.02 compared to our expectations. The extra in CRT apparently reflected advance payment for future production. Much of the shortfall for HGT was attributed to additional development expenditures, which could signal higher future distributions. Some of the extra in SJT may be compensation for past underpayment

The tables that follow present details of the latest present value and distributions estimates for each of the three royalty trusts and the one partnership.

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Table CRT-1
Cross Timbers Royalty Trust
Present Value

Volume Decline (%/yr):	9	Price Escalation post 2007 (%/yr):	2.8
Volume Enhancement (%/yr):	7	Discount Rate (%/yr):	7.4
		U.S. TIPS Inflation (%/yr):	2.0
		U.S. 10 Year Yield (%/yr):	6.0

Year	Natural Gas Volume			Price (\$/mcf)	Revenue (\$mm)	Oil			Tax	Disc Factor	Present Value (\$/unit)
	Basic (bcf)	Enhanced (bcf)	Total (bcf)			Net (\$mm)	Distribution (\$/unit)	Credit (\$/unit)			
Total 2000 through 2029											
	31	24	55	4.04	222	12	234	39.00	0.37	0.50	19.80
1999	3.3		3.3	1.99	6.5	0.0	6.6	1.09	0.16		
2000	2.8	0.0	2.8	3.47	9.7	1.9	11.6	1.93	0.12	0.97	1.98
2001	2.5	0.2	2.7	5.09	13.9	2.4	16.3	2.71	0.12	0.90	2.55
2002	2.3	0.4	2.7	4.43	11.9	1.4	13.3	2.22	0.12	0.84	1.97
2003	2.1	0.5	2.7	3.86	10.3	1.1	11.4	1.90		0.78	1.48
2004	2.0	0.7	2.6	3.48	9.1	0.9	10.0	1.67		0.73	1.21
2005	1.8	0.8	2.6	3.36	8.7	0.7	9.4	1.57		0.68	1.06
2006	1.6	0.9	2.5	3.25	8.3	0.6	8.9	1.48		0.63	0.93
2007	1.5	1.0	2.5	3.26	8.2	0.6	8.7	1.45		0.59	0.85
2008	1.4	1.1	2.5	3.35	8.3	0.5	8.8	1.46		0.55	0.80
2009	1.3	1.2	2.4	3.45	8.4	0.4	8.8	1.47		0.51	0.75
2010	1.2	1.2	2.4	3.54	8.5	0.4	8.8	1.47		0.47	0.70
2011	1.1	1.3	2.3	3.64	8.5	0.3	8.9	1.48		0.44	0.65
2012	1.0	1.3	2.3	3.74	8.6	0.3	8.9	1.48		0.41	0.61
2013	0.9	1.4	2.3	3.84	8.7	0.2	8.9	1.49		0.38	0.57
2014	0.8	1.4	2.2	3.95	8.8	0.1	9.0	1.49		0.36	0.53
2015	0.8	1.3	2.0	4.06	8.3		8.3	1.38		0.33	0.46
2016	0.7	1.2	1.9	4.17	7.8		7.8	1.29		0.31	0.40
2017	0.6	1.1	1.7	4.29	7.3		7.3	1.21		0.29	0.35
2018	0.6	1.0	1.5	4.41	6.8		6.8	1.14		0.27	0.31
2019	0.5	0.9	1.4	4.53	6.4		6.4	1.07		0.25	0.27
2020	0.5	0.8	1.3	4.65	6.0		6.0	1.00		0.23	0.23
2021	0.5	0.7	1.2	4.78	5.6		5.6	0.94		0.22	0.20
2022	0.4	0.7	1.1	4.92	5.3		5.3	0.88		0.20	0.18
2023	0.4	0.6	1.0	5.05	5.0		5.0	0.83		0.19	0.16
2024	0.3	0.5	0.9	5.19	4.7		4.7	0.78		0.18	0.14
2025	0.3	0.5	0.8	5.34	4.4		4.4	0.73		0.16	0.12
2026	0.3	0.5	0.7	5.48	4.1		4.1	0.68		0.15	0.10
2027	0.3	0.4	0.7	5.63	3.8		3.8	0.64		0.14	0.09
2028	0.2	0.4	0.6	5.79	3.6		3.6	0.60		0.13	0.08
2029	0.2	0.3	0.6	5.95	3.4		3.4	0.56		0.12	0.07

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Meter Reader
A Weekly Analysis
September 25, 2000

Table CRT-2
Cross Timbers Royalty Trust
Distributable Income Model

	Q3	Q4	Year	Q1	Q2	Q3E	Q4E	Year	Q1E	Q2E	Q3E
	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	9/30/01
Highlights											
Tax credit (\$mm)											
Per unit	0.04	0.03	0.16	0.03	0.03	0.03	0.03	0.12	0.03	0.03	0.03
Distributable Income (\$mm)	1.66	2.28	6.55	2.30	2.42	3.35	3.53	11.60	4.13	3.94	3.63
Per unit	0.28	0.38	1.09	0.38	0.40	0.56	0.59	1.93	0.69	0.66	0.60
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)	0.94	0.97	3.64	0.80	0.77	0.76	0.76	3.09	0.76	0.73	0.73
Natural Gas (mmcf)	10.3	10.6	10.0	8.7	8.5	8.4	8.3	8.5	8.2	8.1	8.1
Days	91	92	365	92	91	91	92	366	92	90	91
Oil (mb)	79	94	349	88	81	85	83	337	81	78	85
Oil (mbd)	0.86	1.03	0.96	0.96	0.90	0.92	0.90	0.92	0.88	0.87	0.92
Days	92	92	365	92	90	92	92	366	92	90	92
Total (bcf)	1.41	1.54	5.73	1.33	1.26	1.27	1.26	5.12	1.24	1.20	1.24
Price											
Natural Gas (HH lagged three months)											
Henry Hub (\$/mmbtu)	2.22	2.52	2.12	2.45	2.62	3.63	4.49	3.30	5.27	5.10	4.52
Differential (\$/mmbtu)	0.20	0.13	0.13	(0.27)	(0.26)	(0.20)	-	(0.17)	-	(0.20)	(0.20)
CRT (\$/mcf)	2.02	2.39	1.99	2.72	2.88	3.83	4.49	3.47	5.27	5.30	4.72
Oil (\$/bbl) (WTI lagged two months)											
WTI Cushing	18.57	22.59	17.02	26.07	28.33	30.12	32.46	29.24	32.27	31.01	29.83
CRT	16.34	20.21	14.89	24.20	26.86	28.12	30.46	27.36	30.27	29.01	27.83
Total (\$/mcf)	2.26	2.75	2.17	3.25	3.50	4.17	4.72	3.90	5.18	5.12	4.69
Revenue (\$mm)											
Natural Gas	1.89	2.33	7.26	2.17	2.22	2.92	3.43	10.74	3.99	3.88	3.46
Oil	1.30	1.91	5.19	2.14	2.18	2.38	2.53	9.23	2.46	2.26	2.36
Total	3.19	4.23	12.45	4.31	4.40	5.31	5.96	19.97	6.45	6.14	5.82
Cost (\$mm)											
Tax, transport & other	0.48	0.50	1.61	0.58	0.61	0.74	0.83	2.77	0.90	0.86	0.81
Production	0.60	0.60	2.39	0.59	0.65	0.64	0.62	2.50	0.61	0.59	0.64
Total	1.08	1.09	4.00	1.17	1.26	1.38	1.46	5.27	1.51	1.45	1.45
Cash flow (\$mm)											
Development	0.18	0.12	0.74	0.21	0.13	0.17	0.17	0.69	0.17	0.17	0.17
Excess	(0.07)		(0.43)					-			
Recovery of excess	0.10	0.40	0.63	0.24	0.15			0.38			
Net proceeds (\$mm)	1.91	2.62	7.52	2.68	2.86	3.76	4.34	13.63	4.77	4.53	4.20
Royalty income (\$mm)											
Royalty/Net proceeds	89%	88%	89%	88%	87%	87%	87%	87%	88%	88%	87%
Administration	0.04	0.02	0.14	0.05	0.05	(0.09)	0.24	0.26	0.04	0.04	0.04
Distributable income (\$mm)	1.66	2.28	6.55	2.30	2.42	3.35	3.53	11.60	4.13	3.94	3.63
Modeling ratios											
Tax and other/revenue	0.15	0.12	0.13	0.13	0.14	0.14	0.14	0.14	0.14	0.14	0.14
Production exp (\$/bbl)	7.56	6.31	6.86	6.71	8.00	7.50	7.50	7.41	7.50	7.50	7.50
Accounting items											
Interest on excess costs	0.01	0.01	0.06								
Cumulative excess costs	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):	2.8
Volume Enhancement (%/yr):	8	Discount rate (%/yr):	7.4
Capex/Cash Flow (%):	13	U.S. TIPS Inflation (%/yr):	2.0
Variable Cost (%):	15	U.S. 10 Year Yield (%/yr):	6.0

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)	(\$/unit)	Disc Factor	Present Value (\$/unit)	
Total 2000 through 2029													
	61	56	117	4.30	503	74	75	30	323	29.80	0.54	16.10	
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	0.2	6.6	3.96	26.3	2.5	3.9	0.5	19.4	1.79	0.97	1.73	
2001	5.7	0.8	6.4	4.61	29.7	2.5	4.5	3.0	19.8	1.82	0.90	1.64	
2002	5.1	1.2	6.3	4.01	25.3	2.5	3.8	2.5	16.5	1.52	0.84	1.28	
2003	4.6	1.6	6.2	3.53	21.8	2.5	3.3	2.1	14.0	1.29	0.78	1.00	
2004	4.2	1.9	6.0	3.68	22.2	2.5	3.3	2.1	14.3	1.32	0.73	0.96	
2005	3.7	2.2	5.9	3.56	21.0	2.5	3.2	2.0	13.4	1.23	0.68	0.84	
2006	3.4	2.4	5.8	3.57	20.6	2.5	3.1	2.0	13.1	1.20	0.63	0.76	
2007	3.0	2.6	5.6	3.67	20.6	2.5	3.1	2.0	13.1	1.21	0.59	0.71	
2008	2.7	2.8	5.5	3.77	20.7	2.5	3.1	2.0	13.2	1.21	0.55	0.66	
2009	2.5	2.9	5.4	3.87	20.8	2.5	3.1	2.0	13.2	1.22	0.51	0.62	
2010	2.2	3.0	5.2	3.98	20.8	2.5	3.1	2.0	13.2	1.22	0.47	0.58	
2011	2.0	3.1	5.1	4.09	20.8	2.5	3.1	2.0	13.3	1.22	0.44	0.54	
2012	1.8	3.2	5.0	4.20	20.9	2.5	3.1	2.0	13.3	1.22	0.41	0.50	
2013	1.6	3.2	4.8	4.32	20.9	2.5	3.1	2.0	13.3	1.23	0.38	0.47	
2014	1.5	3.2	4.7	4.44	20.9	2.5	3.1	2.0	13.3	1.23	0.36	0.44	
2015	1.3	2.9	4.2	4.56	19.2	2.5	2.9		13.8	1.28	0.33	0.42	
2016	1.2	2.6	3.8	4.69	17.6	2.5	2.6		12.5	1.15	0.31	0.36	
2017	1.1	2.3	3.4	4.82	16.2	2.5	2.4		11.3	1.04	0.29	0.30	
2018	1.0	2.0	3.0	4.95	14.9	2.5	2.2		10.2	0.94	0.27	0.25	
2019	0.9	1.8	2.7	5.09	13.6	2.5	2.0		9.1	0.84	0.25	0.21	
2020	0.8	1.6	2.4	5.23	12.5	2.5	1.9		8.2	0.75	0.23	0.18	
2021	0.7	1.4	2.1	5.38	11.5	2.5	1.7		7.3	0.67	0.22	0.15	
2022	0.6	1.3	1.9	5.52	10.6	2.5	1.6		6.5	0.60	0.20	0.12	
2023	0.6	1.1	1.7	5.68	9.7	2.5	1.5		5.8	0.53	0.19	0.10	
2024	0.5	1.0	1.5	5.84	8.9	2.5	1.3		5.1	0.47	0.18	0.08	
2025	0.5	0.9	1.4	6.00	8.2	2.5	1.2		4.5	0.41	0.16	0.07	
2026	0.4	0.8	1.2	6.16	7.5	2.5	1.1		3.9	0.36	0.15	0.06	
2027	0.4	0.7	1.1	6.33	6.9	2.5	1.0		3.4	0.31	0.14	0.04	
2028	0.3	0.6	1.0	6.51	6.3	2.5	1.0		2.9	0.27	0.13	0.04	
2029	0.3	0.6	0.9	6.69	5.8	2.5	0.9		2.5	0.23	0.12	0.03	

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Table DHULZ-2
Dorchester Hugoton, Ltd.
Income Model

	<i>Q3</i>	<i>Q4</i>	<i>Year</i>	<i>Q1</i>	<i>Q2</i>	<i>Q3E</i>	<i>Q4E</i>	<i>Year</i>	<i>Q1E</i>	<i>Q2E</i>	<i>Q3E</i>
	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	9/30/01
Highlights											
Revenue (\$mm)	4.34	4.39	15.3	4.16	5.57	7.14	8.28	25.2	7.76	6.90	6.81
Cash flow (\$mm)	3.25	3.25	10.9	3.09	3.87	5.79	6.82	19.6	6.33	5.54	5.46
Per unit	0.30	0.30	1.01	0.28	0.36	0.53	0.63	1.80	0.58	0.51	0.50
Earnings (\$mm)	2.77	2.78	9.0	2.64	3.40	5.32	6.36	17.7	5.88	5.10	5.02
Per unit	0.26	0.26	0.83	0.24	0.32	0.49	0.59	1.63	0.54	0.47	0.46
Distribution (\$mm)	1.93	1.93	7.7	3.01	1.93	2.36	5.60	12.9	5.18	4.48	4.42
Per unit	0.18	0.18	0.72	0.28	0.18	0.22	0.52	1.20	0.48	0.42	0.41
Units (millions)	10.74	10.74	10.7	10.74	10.74	10.74	10.74	10.7	10.74	10.74	10.74
Volume											
Natural gas (bcf)											
Oklahoma	1.40	1.43	5.6	1.39	1.37	1.38	1.37	5.5	1.33	1.34	1.35
Kansas	0.33	0.31	1.3	0.29	0.28	0.28	0.27	1.1	0.25	0.25	0.24
Total	1.72	1.74	6.9	1.68	1.66	1.66	1.64	6.6	1.59	1.59	1.59
Natural Gas (mmcf/d)											
Days	92	92	365	91	91	92	92	366	90	91	92
Price											
Natural gas											
Henry Hub (\$/mmbtu)	2.52	2.45	2.24	2.62	3.63	4.49	5.27	4.00	5.10	4.52	4.46
Oklahoma (\$/mcf)	2.60	2.60	2.28	2.53	3.50	4.49	5.27	3.95	5.10	4.52	4.46
Kansas (\$/mcf)	2.68	2.70	2.36	2.72	3.58	4.56	5.34	4.02	5.17	4.59	4.53
Total (\$/mcf)	2.62	2.62	2.30	2.57	3.51	4.51	5.28	3.96	5.11	4.53	4.47
Revenue (\$mm)											
Natural Gas											
Oklahoma	3.63	3.73	12.7	3.53	4.81	6.21	7.23	21.8	6.80	6.06	6.01
Kansas	0.88	0.83	3.1	0.79	1.01	1.26	1.43	4.5	1.32	1.15	1.11
Other	0.05	0.05	0.2	0.05	0.05	0.05	0.05	0.2	0.05	0.05	0.05
Production payment (ORRI)	(0.22)	(0.23)	(0.8)	(0.21)	(0.30)	(0.37)	(0.43)	(1.3)	(0.41)	(0.36)	(0.36)
Total	4.34	4.39	15.3	4.16	5.57	7.14	8.28	25.2	7.76	6.90	6.81
Cost (\$mm)											
Operating	0.90	0.95	3.6	0.92	1.04	1.10	1.18	4.2	1.16	1.10	1.10
General and administrative	0.14	0.16	0.6	0.14	0.18	0.17	0.19	0.7	0.18	0.17	0.17
Management	0.13	0.13	0.5	0.13	0.14	0.16	0.17	0.6	0.17	0.16	0.16
Other	(0.08)	(0.10)	(0.3)	(0.11)	0.35	(0.08)	(0.08)	0.1	(0.08)	(0.08)	(0.08)
Total	1.09	1.13	4.4	1.07	1.70	1.36	1.46	5.6	1.43	1.36	1.35
Cash flow (\$mm)	3.25	3.25	10.9	3.09	3.87	5.79	6.82	19.6	6.33	5.54	5.46
Depletion, deprec. & amort.	0.48	0.48	1.9	0.45	0.46	0.46	0.46	1.8	0.44	0.45	0.45
Earnings (\$mm)	2.77	2.78	9.0	2.64	3.40	5.32	6.36	17.7	5.88	5.10	5.02
Capital expenditures (\$mm)	0.21	0.10	0.4	0.04	0.13	0.15	0.15	0.5	0.15	0.15	0.15
Cost ratios											
Prod pay/revenue	4.9%	5.0%	4.7%	4.8%	5.1%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Operating cost (\$/mcf)	0.52	0.54	0.52	0.54	0.63	0.66	0.72	0.64	0.73	0.69	0.69
Depletion (\$/mcf)	0.28	0.27	0.28	0.27	0.28	0.28	0.28	0.28	0.28	0.28	0.28

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Table HGT-1
Hugoton Royalty Trust
Present Value

Volume Decline (%/yr):	11	Price Escalation Post 2006 (%/yr):	2.8
Volume Enhancement (%/yr):	9	Discount rate (%/yr):	7.4
Capex/Cash Flow (%):	24	U.S. TIPS Inflation (%/yr):	2.0
Variable Cost (%):	14	U.S. 10 Year Yield (%/yr):	6.0

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	316	595	4.00	2378	398	333	267	1380	34.50	0.06	0.49	16.80
1999	29.2		29.2	2.16	63.1	12.1	8.8	9.1	33.1	0.83	0.02		
2000	29.2	1.9	31.1	3.34	103.7	13.3	14.5	13.5	62.4	1.56	0.02	0.97	1.52
2001	26.0	4.5	30.5	4.55	138.6	13.3	19.4	25.4	80.5	2.01	0.02	0.90	1.83
2002	23.4	6.7	30.1	3.96	119.3	13.3	16.7	21.4	67.9	1.70	0.02	0.84	1.44
2003	21.1	8.7	29.8	3.47	103.3	13.3	14.5	18.1	57.4	1.44		0.78	1.12
2004	19.0	10.4	29.4	3.38	99.3	13.3	13.9	17.3	54.8	1.37		0.73	1.00
2005	17.1	11.9	29.0	3.27	94.9	13.3	13.3	16.4	52.0	1.30		0.68	0.88
2006	15.4	13.2	28.6	3.28	93.9	13.3	13.1	16.2	51.3	1.28		0.63	0.81
2007	13.9	14.3	28.2	3.37	95.1	13.3	13.3	16.4	52.1	1.30		0.59	0.76
2008	12.5	15.3	27.8	3.46	96.3	13.3	13.5	16.7	52.9	1.32		0.55	0.72
2009	11.3	16.1	27.4	3.56	97.5	13.3	13.6	16.9	53.6	1.34		0.51	0.68
2010	10.2	16.8	27.0	3.66	98.6	13.3	13.8	17.2	54.4	1.36		0.47	0.64
2011	9.2	17.4	26.6	3.76	99.7	13.3	14.0	17.4	55.1	1.38		0.44	0.61
2012	8.2	17.9	26.1	3.86	100.8	13.3	14.1	17.6	55.8	1.40		0.41	0.57
2013	7.4	18.3	25.7	3.97	101.9	13.3	14.3	17.8	56.5	1.41		0.38	0.54
2014	6.7	18.6	25.3	4.08	103.0	13.3	14.4	18.1	57.2	1.43		0.36	0.51
2015	6.0	16.5	22.5	4.19	94.5	13.3	13.2		68.0	1.70		0.33	0.57
2016	5.4	14.7	20.1	4.31	86.7	13.3	12.1		61.3	1.53		0.31	0.47
2017	4.9	13.1	18.0	4.43	79.6	13.3	11.1		55.2	1.38		0.29	0.40
2018	4.4	11.6	16.1	4.55	73.0	13.3	10.2		49.5	1.24		0.27	0.33
2019	4.0	10.4	14.3	4.67	67.0	13.3	9.4		44.4	1.11		0.25	0.28
2020	3.6	9.2	12.8	4.80	61.5	13.3	8.6		39.6	0.99		0.23	0.23
2021	3.2	8.2	11.4	4.94	56.5	13.3	7.9		35.3	0.88		0.22	0.19
2022	2.9	7.3	10.2	5.07	51.8	13.3	7.3		31.3	0.78		0.20	0.16
2023	2.6	6.5	9.1	5.21	47.6	13.3	6.7		27.6	0.69		0.19	0.13
2024	2.4	5.8	8.1	5.36	43.6	13.3	6.1		24.3	0.61		0.18	0.11
2025	2.1	5.2	7.3	5.51	40.1	13.3	5.6		21.2	0.53		0.16	0.09
2026	1.9	4.6	6.5	5.66	36.8	13.3	5.1		18.4	0.46		0.15	0.07
2027	1.7	4.1	5.8	5.82	33.8	13.3	4.7		15.8	0.39		0.14	0.06
2028	1.6	3.6	5.2	5.98	31.0	13.3	4.3		13.4	0.33		0.13	0.04
2029	1.4	3.2	4.6	6.14	28.4	13.3	4.0		11.2	0.28		0.12	0.03

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Table HGT-2
Hugoton Royalty Trust
Distributable Income Model

	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	Q3E 9/30/01
Highlights											
Revenue (\$mm) (80%)	16.8	20.4	63.1	20.0	19.8	28.3	35.5	103.7	38.3	33.2	31.4
Cash flow (\$mm) (80%)	11.5	14.4	42.2	14.1	13.9	20.9	27.3	76.1	29.7	25.5	23.8
Per unit	0.29	0.36	1.06	0.35	0.35	0.52	0.68	1.90	0.74	0.64	0.60
Tax credit (\$mm)	0.2	0.2	0.8	0.2	0.2	0.2	0.2	0.8	0.2	0.2	0.2
Per unit	0.01	0.01	0.02	0.01	0.01	0.01	0.01	0.02	0.01	0.01	0.01
Distributable Income (\$mm)	8.5	12.2	33.1	10.9	11.3	16.2	24.0	62.4	26.4	22.2	20.5
Per unit	0.21	0.30	0.83	0.27	0.28	0.40	0.60	1.56	0.66	0.55	0.51
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)	9.5	9.6	34.2	9.7	8.6	9.1	9.0	36.4	8.9	8.5	8.7
Natural Gas (mmcf)	103.4	104.2	102.1	105.5	96.0	98.4	97.4	99.6	96.4	95.4	94.5
Days	92	92	335	92	90	92	92	366	92	89	92
Oil (mb)	104	103	388	100	105	106	105	415	104	99	102
Oil (mmbd)	1.1	1.1	1.1	1.1	1.2	1.1	1.1	1.1	1.1	1.1	1.1
Days	92	92	342	92	90	92	92	366	92	89	92
Total (bcf)	10.1	10.2	36.5	10.3	9.3	9.7	9.6	38.8	9.5	9.1	9.3
Price											
Natural Gas (HH lagged two months)											
Henry Hub (\$/mmbtu)	2.27	2.66	2.18	2.35	2.82	3.94	4.89	3.50	5.33	4.84	4.48
HGT (\$/mcf)	2.01	2.42	2.12	2.32	2.54	3.57	4.59	3.24	5.03	4.54	4.18
Oil (\$/bbl) (WTI Cushing lagged two months)											
WTI Cushing	18.57	22.59	17.39	26.07	28.33	30.12	32.17	29.17	32.27	31.01	29.83
HGT	18.18	21.72	16.53	25.19	27.63	29.12	31.17	28.31	31.27	30.01	28.83
Total (\$/mcf)	2.07	2.49	2.16	2.43	2.68	3.65	4.63	3.34	5.04	4.57	4.22
Revenue (\$mm)											
Natural Gas	19.1	23.2	72.5	22.5	21.9	32.3	41.2	117.9	44.6	38.6	36.4
Oil	1.9	2.2	6.4	2.5	2.9	3.1	3.3	11.8	3.2	3.0	2.9
Total	21.0	25.4	78.9	25.0	24.8	35.4	44.4	129.6	47.9	41.5	39.3
Cost (\$mm)											
Tax, transport & other	2.1	2.6	8.3	2.4	2.4	3.5	4.4	12.8	4.8	4.2	3.9
Production	2.8	3.0	11.0	3.3	3.2	3.9	4.1	14.5	4.2	3.8	3.8
Overhead	1.8	1.7	6.9	1.7	1.8	1.9	1.8	7.2	1.8	1.7	1.8
Total	6.6	7.4	26.2	7.4	7.4	9.3	10.3	34.5	10.8	9.7	9.5
Cash flow (\$mm)											
Development	3.7	2.8	11.3	3.9	3.3	5.8	4.0	16.9	4.0	4.0	4.0
Net proceeds (\$mm)	10.7	15.2	41.4	13.7	14.1	20.3	30.1	78.2	33.1	27.8	25.8
Royalty income (\$mm)											
Royalty/Net proceeds	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%
Administration	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.2	0.1	0.1	0.1
Distributable income (\$mm)	8.5	12.2	33.1	10.9	11.3	16.2	24.0	62.4	26.4	22.2	20.5
Cost ratios											
Tax and other/revenue	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Production cost (\$/mcf)	0.28	0.29	0.30	0.32	0.35	0.40	0.43	0.37	0.44	0.42	0.41
Overhead cost (\$/mcf)	0.17	0.17	0.19	0.17	0.19	0.20	0.19	0.19	0.19	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):	2.8
Volume Enhancement (%/yr):	7	Discount rate (%/yr):	7.4
Capex/Cash Flow (%):	24	U.S. TIPS Inflation (%/yr):	2.0
Variable Cost (%):	12	U.S. 10 Year Yield (%/yr):	6.0

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	287	596	3.83	2281	255	274	262	1493	32.03	0.48	0.46	15.10
1999	30.3		30.3	1.76	53.2	7.2	6.4	7.9	31.8	0.68	0.16		
2000	27.8	4.5	32.3	3.04	98.3	8.5	11.8	14.5	65.9	1.41	0.16	0.97	1.52
2001	25.3	4.3	29.6	4.15	122.6	8.5	14.7	23.9	75.5	1.62	0.16	0.90	1.60
2002	23.2	6.0	29.2	3.61	105.3	8.5	12.6	20.2	64.0	1.37	0.16	0.84	1.28
2003	21.3	7.5	28.8	3.16	90.9	8.5	10.9	17.2	54.3	1.17		0.78	0.91
2004	19.5	8.8	28.3	3.23	91.4	8.5	11.0	17.3	54.7	1.17		0.73	0.85
2005	17.9	10.0	27.9	3.12	87.2	8.5	10.5	16.4	51.9	1.11		0.68	0.75
2006	16.4	11.1	27.5	3.13	86.1	8.5	10.3	16.1	51.1	1.10		0.63	0.69
2007	15.1	12.0	27.1	3.22	87.1	8.5	10.5	16.4	51.8	1.11		0.59	0.65
2008	13.8	12.8	26.6	3.31	88.1	8.5	10.6	16.6	52.5	1.13		0.55	0.62
2009	12.7	13.5	26.2	3.40	89.1	8.5	10.7	16.8	53.1	1.14		0.51	0.58
2010	11.6	14.1	25.8	3.49	90.1	8.5	10.8	17.0	53.8	1.15		0.47	0.55
2011	10.7	14.7	25.4	3.59	91.0	8.5	10.9	17.2	54.4	1.17		0.44	0.52
2012	9.8	15.1	24.9	3.69	92.0	8.5	11.0	17.4	55.0	1.18		0.41	0.49
2013	9.0	15.5	24.5	3.79	92.9	8.5	11.1	17.6	55.7	1.19		0.38	0.46
2014	8.2	15.8	24.1	3.90	93.8	8.5	11.3	17.8	56.3	1.21		0.36	0.43
2015	7.6	14.4	22.0	4.00	88.0	8.5	10.6		68.9	1.48		0.33	0.49
2016	6.9	13.1	20.1	4.12	82.5	8.5	9.9		64.1	1.38		0.31	0.43
2017	6.4	11.9	18.3	4.23	77.4	8.5	9.3		59.6	1.28		0.29	0.37
2018	5.8	10.9	16.7	4.35	72.6	8.5	8.7		55.4	1.19		0.27	0.32
2019	5.4	9.9	15.2	4.47	68.1	8.5	8.2		51.4	1.10		0.25	0.28
2020	4.9	9.0	13.9	4.59	63.8	8.5	7.7		47.7	1.02		0.23	0.24
2021	4.5	8.2	12.7	4.72	59.9	8.5	7.2		44.2	0.95		0.22	0.21
2022	4.1	7.4	11.6	4.85	56.2	8.5	6.7		40.9	0.88		0.20	0.18
2023	3.8	6.8	10.6	4.98	52.7	8.5	6.3		37.9	0.81		0.19	0.15
2024	3.5	6.2	9.6	5.12	49.4	8.5	5.9		35.0	0.75		0.18	0.13
2025	3.2	5.6	8.8	5.26	46.3	8.5	5.6		32.3	0.69		0.16	0.11
2026	2.9	5.1	8.0	5.41	43.5	8.5	5.2		29.7	0.64		0.15	0.10
2027	2.7	4.6	7.3	5.56	40.8	8.5	4.9		27.4	0.59		0.14	0.08
2028	2.5	4.2	6.7	5.71	38.2	8.5	4.6		25.2	0.54		0.13	0.07
2029	2.3	3.8	6.1	5.87	35.9	8.5	4.3		23.1	0.50		0.12	0.06

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

	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	Q3E 9/30/01
Highlights											
Revenue (\$mm) (75%)	13.0	17.4	53.2	17.3	19.3	28.8	32.9	98.3	38.6	35.1	32.6
Cash flow (\$mm) (75%)	9.9	13.4	39.6	13.3	13.7	23.9	27.1	78.0	32.2	29.2	26.9
Per unit	0.21	0.29	0.85	0.28	0.29	0.51	0.58	1.67	0.69	0.63	0.58
Tax credit (\$mm)	1.9	2.5	7.6	1.9	1.9	1.9	1.9	7.5	1.9	1.9	1.9
Per unit	0.04	0.05	0.16	0.04	0.04	0.04	0.04	0.16	0.04	0.04	0.04
Distributable Income (\$mm)	7.8	11.3	31.8	9.9	13.2	19.7	23.2	65.9	28.3	25.0	23.3
Per unit	0.17	0.24	0.68	0.21	0.28	0.42	0.50	1.41	0.61	0.54	0.50
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	5.5	6.7	26.9	7.0	7.1	8.4	7.2	29.6	7.1	6.9	7.0
Coal Seam	3.3	3.5	14.4	3.6	3.9	4.0	3.9	15.3	3.8	3.7	3.7
Total	8.8	10.3	41.3	10.6	11.0	12.4	11.0	45.0	10.9	10.6	10.7
Natural gas (btu/cf)											
Conventional	1,006	1,159	1,142	1,173	1,130	1,257	1,142	1,177	1,142	1,142	1,142
Coal Seam	881	881	881	881	881	878	881	880	881	881	881
Natural gas (bcf)											
Conventional	5.5	5.8	23.5	5.9	6.3	6.7	6.3	25.2	6.2	6.0	6.1
Coal Seam	3.8	4.0	16.4	4.1	4.4	4.5	4.4	17.4	4.3	4.2	4.2
Total	9.3	9.8	39.9	10.1	10.7	11.2	10.7	42.6	10.6	10.2	10.4
Natural Gas (mmcf)											
Days	92	92	365	92	90	92	92	366	92	90	92
Oil (mb)	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0
Oil (mbd)	0.2	0.2	0.2	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Days	92	92	365	92	90	92	92	366	92	90	92
Total gas & oil (bcf)	9.4	9.9	40.4	10.2	10.8	11.3	10.8	43.1	10.7	10.3	10.5
Price											
Natural gas (\$/mmbtu) (Henry Hub lagged two months)											
Henry Hub (\$/mmbtu)	2.27	2.66	2.17	2.35	2.82	3.94	4.89	3.50	5.33	4.84	4.48
Differential (\$/mmbtu)	0.04	0.38	0.35	0.19	0.47	0.80	0.90	0.57	0.60	0.40	0.40
SJT Conventional	2.09	2.27	1.75	2.17	2.36	3.14	3.99	2.93	4.73	4.44	4.08
SJT Coal Seam	1.65	2.13	1.58	2.03	2.20	2.92	3.79	2.75	4.53	4.24	3.88
Total	1.93	2.22	1.69	2.12	2.30	3.07	3.92	2.87	4.66	4.37	4.01
Natural gas (\$/mcf)											
Conventional	2.11	2.63	2.00	2.54	2.67	3.95	4.56	3.45	5.41	5.07	4.66
Coal Seam	1.45	1.88	1.39	1.79	1.94	2.56	3.34	2.42	3.99	3.74	3.42
Total	1.84	2.32	1.75	2.23	2.37	3.39	4.06	3.03	4.83	4.52	4.15
Oil (\$/bbl) (WTI Cushing lagged two months)											
WTI Cushing	18.57	22.59	17.02	26.07	28.33	30.12	32.46	29.24	28.79	31.01	29.83
SJT	15.71	20.66	14.25	22.48	21.66	26.12	28.46	24.42	24.79	27.01	25.83
Total gas & oil (\$/mcf)	1.85	2.33	1.76	2.25	2.38	3.40	4.07	3.04	4.82	4.52	4.15
Revenue (\$mm)											
Natural Gas - Conventional											
	11.5	15.2	47.1	15.1	16.8	26.3	28.7	86.9	33.7	30.6	28.5
Coal Seam											
	5.5	7.6	22.8	7.4	8.5	11.6	14.6	42.1	17.3	15.7	14.5
Total	17.0	22.8	69.9	22.5	25.2	37.9	43.3	129.0	51.0	46.3	43.0
Oil											
Total	0.3	0.4	1.0	0.5	0.5	0.5	0.5	2.0	0.5	0.5	0.5
Total	17.3	23.2	71.0	23.0	25.7	38.4	43.9	131.0	51.4	46.8	43.5
Cost (\$mm)											
Severance tax											
	1.8	2.4	7.3	2.2	2.3	3.5	4.5	12.5	5.3	4.8	4.5
Operating											
Total	2.2	2.9	10.8	3.1	5.2	3.1	3.2	14.5	3.2	3.1	3.1
Total	4.0	5.3	18.1	5.4	7.5	6.5	7.7	27.1	8.5	7.9	7.6
Cash flow (\$mm)											
Development	13.3	17.9	52.8	17.7	18.2	31.9	36.1	103.9	43.0	38.9	35.9
Development	2.7	2.6	10.6	4.6	4.8	5.0	5.0	19.4	5.0	5.3	4.6
Net proceeds (\$mm)											
Royalty income (\$mm)	10.5	15.3	42.3	13.1	13.5	26.9	31.1	84.6	38.0	33.6	31.3
Royalty/Net proceeds	7.9	11.5	31.7	9.8	10.1	20.2	23.4	63.4	28.5	25.2	23.5
Royalty/Net proceeds	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Administration	0.1	0.2	0.8	0.2	0.4	0.5	0.2	1.3	0.2	0.2	0.2
One-time			0.9	0.3	3.5			3.7			
Distributable income (\$mm)	7.8	11.3	31.8	9.9	13.2	19.7	23.2	65.9	28.3	25.0	23.3
Modeling ratios											
Severance tax/revenue	10.4%	10.3%	10.3%	9.8%	9.0%	9.0%	10.3%	9.6%	10.3%	10.3%	10.3%
Operating cost (\$/mcf)	0.24	0.29	0.27	0.30	0.48	0.27	0.30	0.34	0.30	0.30	0.30

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