

PERMIAN BASIN ROYALTY TRUST

CONDENSED STATEMENTS OF ASSETS, LIABILITIES AND TRUST CORPUS

	March 31, 2001 (Unaudited)	December 31, 2000
ASSETS		
Cash and Short-term Investments _____	\$ 4,294,102	\$3,056,122
Net Overriding Royalty Interests in Producing Oil and Gas Properties (Net of Accumulated Amortization of \$8,438,214 and \$8,379,962 at March 31, 2001, and December 31, 2000, respectively) _____	<u>2,537,002</u>	<u>2,595,254</u>
	<u>\$ 6,831,104</u>	<u>\$5,651,326</u>
LIABILITIES AND TRUST CORPUS		
Distribution Payable to Unit Holders _____	\$ 4,294,102	\$3,056,122
Trust Corpus – 46,608,796 Units of Beneficial Interest Authorized and Outstanding _____	<u>2,537,002</u>	<u>2,595,254</u>
	<u>\$ 6,831,104</u>	<u>\$5,651,376</u>

CONDENSED STATEMENTS OF DISTRIBUTABLE INCOME (UNAUDITED)

	Three Months Ended March 31,	
	2001	2000
Royalty Income _____	\$12,092,419	\$6,373,057
Interest Income _____	<u>26,177</u>	<u>16,829</u>
	12,118,596	6,389,886
General and Administrative Expenditures _____	<u>165,982</u>	<u>123,821</u>
Distributable Income _____	<u>\$11,952,614</u>	<u>\$6,266,065</u>
Distributable Income per Unit (46,608,796 Units) _____	<u>\$.26</u>	<u>\$.13</u>

CONDENSED STATEMENTS OF CHANGES IN TRUST CORPUS (UNAUDITED)

	Three Months Ended March 31,	
	2001	2000
Trust Corpus, Beginning of Period _____	\$ 2,595,254	\$2,889,978
Amortization of Net Overriding Royalty Interests _____	(58,252)	(78,525)
Distributable Income _____	11,952,614	6,266,065
Distributions Declared _____	<u>(11,952,614)</u>	<u>(6,266,065)</u>
Trust Corpus, End of Period _____	<u>\$ 2,537,002</u>	<u>\$2,811,453</u>

These financial statements should be read in conjunction with the financial statements and notes thereto included in the Trust's 2000 Annual Report.

PERMIAN BASIN ROYALTY TRUST



FIRST QUARTER REPORT 2001

PERMIAN BASIN ROYALTY TRUST
901 MAIN STREET, SUITE 1700
P.O. BOX 830650
DALLAS, TEXAS 75283-0650

TO UNIT HOLDERS

For the quarter ended March 31, 2001, royalty income received by the Trust amounted to \$12,092,419 compared to royalty income of \$6,373,057 during the first quarter of 2000. The increase in royalty income is primarily attributable to significant increases in both oil and gas prices.

Interest income for the quarter ended March 31, 2001, was \$26,177 compared to \$16,829 during the first quarter of 2000. The increase in interest income is primarily attributable to more funds available for investment. General and administrative expenses during the first quarter of 2001 amounted to \$165,981 compared to \$123,821 during the first quarter of 2000. The increase in general and administrative expenses can be primarily attributed to the timing of payment of year-end expenses.

These transactions resulted in distributable income for the quarter ended March 31, 2001, of \$11,952,614, or \$.256445 per Unit of beneficial interest. Distributions of \$.077108, \$.087205 and \$.092130 per Unit were made to Unit holders of record as of January 31, February 28 and March 31, 2001, respectively. For the first quarter of 2000, distributable income was \$6,266,065, or \$.134440 per Unit of beneficial interest.

Royalty income for the Trust for the first quarter of the calendar year is associated with actual oil and gas production for the period November and

December of 2000 and January 2001 from the properties from which the Trust's net overriding royalty interests ("Royalties") were carved. Oil and gas sales attributable to the Royalties and the properties from which the Royalties were carved are as follows:

First Quarter	2001	2000
ROYALTIES		
Oil Sales (Bbls) _____	227,230	198,848
Gas Sales (Mcf) _____	927,704	720,243
PROPERTIES FROM WHICH THE ROYALTIES WERE CARVED		
Oil:		
Total Oil Sales (Bbls) _____	382,186	375,389
Average Per Day (Bbls) _____	4,154	4,080
Average Price Per Bbl _____	\$27.90	\$23.64
Gas:		
Total Gas Sales (Mcf) _____	1,590,793	1,519,812
Average Per Day (Mcf) _____	17,291	16,520
Average Price Per Mcf _____	\$6.69	\$2.89

The posted price of oil increased to an average price per barrel of \$27.90 per Bbl in the first quarter of 2001 compared to \$23.64 per Bbl in the first quarter of 2000. The Trustee has been advised by Burlington Resources Oil & Gas (BROG) that for the period August 1, 1993, through March 31, 2001, the oil from the Waddell Ranch properties was being sold under a competitive bid to a third party. The average price of gas increased from \$2.89 per Mcf in the first quarter of 2000 to \$6.69 per Mcf in the first quarter of 2001.

Since the oil and gas sales attributable to the Royalties are based on an allocation formula that is dependent on such factors as price and cost (including capital expenditures), the production amounts in the Royalties section of the above table do not provide meaningful comparison. Oil and gas sales volumes from the Underlying Properties increased for the applicable period in 2001 compared to 2000.

Capital expenditures for drilling, remedial and maintenance activities on the Waddell Ranch properties during the first quarter of 2001 totaled \$2,379,000 as compared to \$1,717,000 for the first quarter of 2000. BROG has informed the Trustee that the 2001 capital expenditures budget has been revised to \$4.6 million for the Waddell Ranch. The total amount of capital expenditures for 2000 was \$4.6 million. Through the first quarter of 2001, capital expenditures of \$2.4 million have been expended.

The Trustee has been advised that there were no wells completed or in progress during the three months ended March 31, 2001, or three months ended March 31, 2000, on Waddell Ranch properties.

Lease operating expense and property taxes totaled \$2.7 million for the first quarter of 2001 compared to \$2.9 million in the first quarter of 2000 on the Waddell Ranch properties. This

decrease is primarily attributable to lower maintenance costs for the quarter.

Bank of America, N.A., Trustee

By: 

Ron E. Hooper
Senior Vice President