

CONDENSED STATEMENTS OF ASSETS, LIABILITIES AND TRUST CORPUS

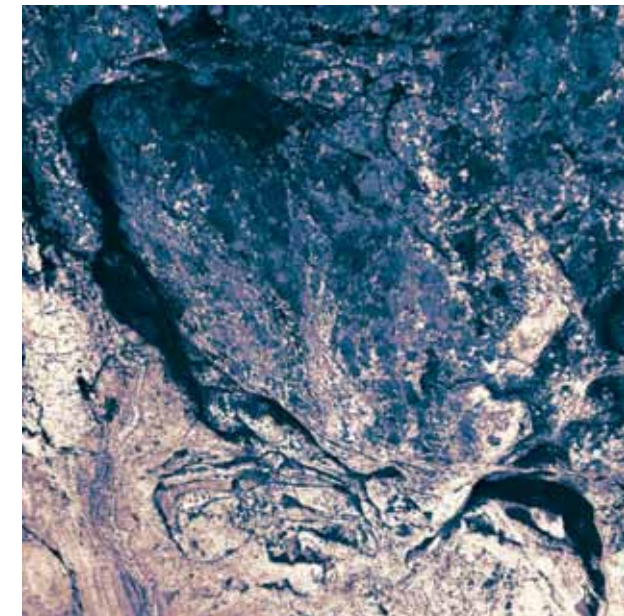
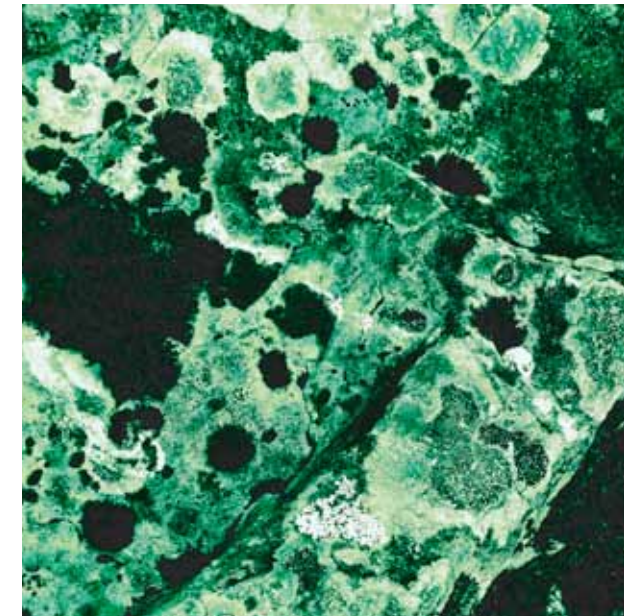
	March 31, 2010 (Unaudited)	December 31, 2009
ASSETS		
Cash and Short-term Investments	\$ 5,848,497	\$ 5,483,148
Net overriding royalty interests in producing oil and gas properties (net of accumulated amortization of \$9,921,631 and \$9,895,230 at March 31, 2010 and December 31, 2009, respectively)	1,053,585	1,079,986
TOTAL ASSETS	\$ 6,902,082	\$ 6,563,134
LIABILITIES AND TRUST CORPUS		
Distribution Payable to Unit Holders	\$ 5,848,497	\$ 5,483,148
Trust Corpus – 46,608,796 Units of Beneficial Interest		
Authorized and Outstanding	1,053,585	1,079,986
TOTAL LIABILITIES AND TRUST CORPUS	\$ 6,902,082	\$ 6,563,134

CONDENSED STATEMENTS OF DISTRIBUTABLE INCOME (UNAUDITED)

	Three Months Ended March 31, 2010	2009
Royalty Income	\$ 16,508,736	\$ 7,713,387
Interest Income	137	2,235
	16,508,873	7,715,622
General and Administrative Expenditures	(403,797)	(442,416)
Distributable Income	\$ 16,105,076	\$ 7,273,206
Distributable Income per Unit (46,608,796 Units)	\$.35	\$.16

CONDENSED STATEMENTS OF CHANGES IN TRUST CORPUS (UNAUDITED)

	Three Months Ended March 31, 2010	2009
Trust Corpus, Beginning of Period	\$ 1,079,986	\$ 1,170,793
Amortization of Net Overriding Royalty Interests	(26,401)	(18,881)
Distributable Income	16,105,076	7,273,206
Distributions Declared	(16,105,076)	(7,273,206)
Trust Corpus, End of Period	\$ 1,053,585	\$ 1,151,912
Distributions per Unit	\$.35	\$.16



TO UNIT HOLDERS:

For the quarter ended March 31, 2010, royalty income received by the Trust amounted to \$16,508,736 compared to royalty income of \$7,713,387 during the first quarter of 2009. The increase in royalty income is primarily attributable to increases in both oil and gas prices and related production.

Interest income for the quarter ended March 31, 2010, was \$137 compared to \$2,235 during the first quarter of 2009. The decrease in interest income is primarily attributable to significantly lowered interest rates. General and administrative expenses during the first quarter of 2010 amounted to \$403,797 compared to \$442,416 during the first quarter of 2009. The decrease in general and administrative expenses can be primarily attributed to decreased professional expenses.

These transactions resulted in distributable income for the quarter ended March 31, 2010 of \$16,105,076 or \$.35 per Unit of beneficial interest. Distributions of \$0.110049, \$0.110007 and \$0.125480 per Unit were made to Unit holders of record as of January 29, 2010, February 26, 2010 and March 31, 2010, respectively. For the first quarter of 2009, distributable income was \$7,273,206, or \$.16 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 of November and December 2009

and January 2010 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	2010	2009
Royalties		
Oil sales (Bbls).....	164,086	125,302
Gas sales (Mcf).....	729,090	510,082
Product From Which The Royalties Were Carved:		
<i>Oil:</i>		
Total oil sales (Bbls).....	262,710	283,752
Average per day (Bbls).....	2,856	3,084
Average price per Bbl.....	\$ 72.16	\$ 41.10
<i>Gas:</i>		
Total gas sales (Mcf).....	1,329,681	1,506,867
Average per day (Mcf).....	14,453	16,371
Average price per Mcf.....	\$ 7.31	\$ 4.87

The average received price of oil increased to an average price per barrel of \$72.16 per Bbl in the first quarter of 2010, compared to \$41.10 per Bbl in the first quarter of 2009 due to worldwide market variables. The Trustee has been advised by ConocoPhillips that for the period of August 1, 1993, through March 31, 2010, 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 \$4.87 per Mcf in the first quarter of 2009 to \$7.31 per Mcf in the first quarter of 2010 due to change in overall market variables.

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 a meaningful comparison. Oil sales volumes increased and gas sales volumes increased from the Underlying Properties (as defined in the Trust's Annual Report on Form 10-K for the year ended December 31, 2009) for the applicable period in 2010 compared to 2009.

Capital expenditures for drilling, remedial and maintenance activities on the Waddell Ranch properties during the first quarter of 2010 totaled \$1.1 million as compared to \$2.7 million for the first quarter of 2009. ConocoPhillips has informed the Trustee that the 2010 capital expenditures budget has been revised to \$43.0 million for the Waddell Ranch properties. The total amount of capital expenditures for 2009 was \$43.1 million. Through the first quarter of 2010, capital expenditures of \$1.1 million have been expended.

The Trustee has been advised that there were 6 workover wells completed, no new wells completed, no new wells in progress and 6 workover wells in progress during the three months ended March 31, 2010 as compared to 1 workover well completed, 0 new wells completed, 0 new wells in progress and 3 workover wells in progress for the three months ended March 31,

2009 on the Waddell Ranch properties.

Lease operating expense and property taxes totaled \$4.4 million for the first quarter of 2010, compared to \$3.84 million in the first quarter of 2009 on the Waddell Ranch properties. This increase is primarily attributable to increased maintenance work.

Bank of America, N.A., Trustee
By:



Ron E. Hooper
Senior Vice President

