

CONDENSED STATEMENTS OF ASSETS, LIABILITIES AND TRUST CORPUS

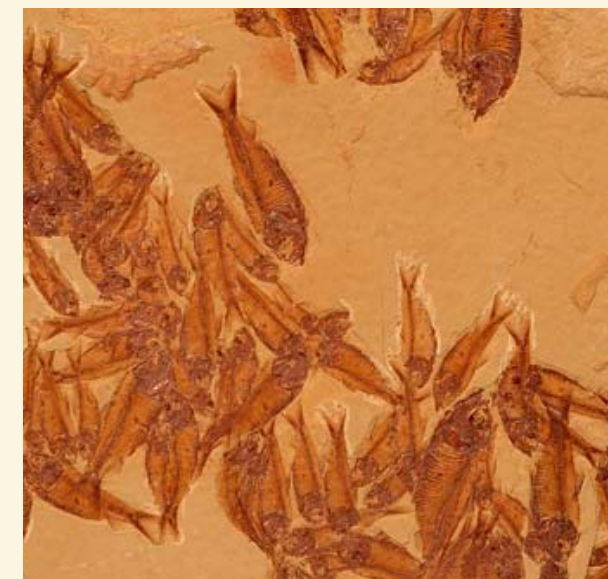
	March 31, 2013	December 31, 2012
Assets	(Unaudited)	
Cash and Short-term Investments	\$ 2,703,246	\$ 2,573,993
Net overriding royalty interests in producing oil and gas properties (net of accumulated amortization of \$10,158,839 and \$10,149,267 at March 31, 2013 and December 31, 2012, respectively)	816,377	825,949
TOTAL ASSETS	\$ 3,519,623	\$ 3,399,942
Liabilities and Trust Corpus		
Distribution Payable to Unit Holders	\$ 2,703,246	\$ 2,573,993
Trust Corpus — 46,608,796 Units of Beneficial Interest Authorized and Outstanding	816,377	825,949
TOTAL LIABILITIES AND TRUST CORPUS	\$ 3,519,623	\$ 3,399,942

CONDENSED STATEMENTS OF DISTRIBUTABLE INCOME (UNAUDITED)

	Three Months Ended March 31, 2013	2012
Royalty Income	\$ 7,023,046	\$ 20,421,681
Interest Income	196	385
	7,023,242	20,422,066
General and Administrative Expenditures	(324,648)	(325,596)
Distributable Income	\$ 6,698,594	\$ 20,096,470
Distributable Income per Unit (46,608,796 Units)	\$.14	\$.43

CONDENSED STATEMENTS OF CHANGE IN TRUST CORPUS (UNAUDITED)

	Three Months Ended March 31, 2013	2012
Trust Corpus, Beginning of Period	\$ 825,949	\$ 891,576
Amortization of Net Overriding Royalty Interests	(9,572)	(22,055)
Distributable Income	6,698,594	20,096,470
Distributions Declared	(6,698,594)	(20,096,470)
Trust Corpus, End of Period	\$ 816,377	\$ 869,521
Distributions per Unit	\$.14	\$.43



1st
Quarter Report
2013

TO UNIT HOLDERS:

For the quarter ended March 31, 2013, royalty income received by the Trust amounted to \$7,023,046 compared to royalty income of \$20,421,681 during the first quarter of 2012. The decrease in royalty income is primarily attributable to a substantially increased capital expenditure program carried over from 2012, which has decreased production to the Trust due to the net profit interest calculation. Also, this reflects a decrease in oil and gas prices for the quarter ending March 31, 2013 to \$79.19 and \$4.33, respectively, as compared to the quarter ending March 31, 2012 of \$95.28 and \$7.61, respectively.

Interest income for the quarter ended March 31, 2013, was \$196 compared to \$385 during the first quarter of 2012. The decrease in interest income is primarily attributable to fewer funds available for investment. General and administrative expenses during the first quarter of 2013 amounted to \$324,648 compared to \$325,596 during the first quarter of 2012. 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, 2013 of \$6,698,594 or \$.14 per Unit of beneficial interest. Distributions of \$0.049757, \$0.035963 and \$0.057998 per Unit were made to Unit holders of record as of January 31, 2013, February 28, 2013 and March 28, 2013, respectively. For the first quarter of 2012, distributable income was \$20,096,470, or \$.43 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 2012 and January 2013 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	2013	2012
PRODUCTION:		
Oil sales (Bbls)	81,047	174,841
Gas sales (Mcf)	118,747	657,540
PRODUCT FROM WHICH THE ROYALTIES WERE CARVED:		
<i>Oil:</i>		
Total oil sales (Bbls)	267,890	263,002
Average per day (Bbls)	2,912	2,859
Average price per Bbl	\$ 79.19	\$ 95.28
<i>Gas:</i>		
Total gas sales (Mcf)	982,828	1,141,796
Average per day (Mcf)	10,683	12,411
Average price per Mcf	\$ 4.33	\$ 7.61

The average received price of oil decreased to an average price per barrel of \$79.19 per Bbl in the first quarter of 2013, compared to \$95.28 per Bbl in the first quarter of 2012 due to worldwide market variables. The Trustee has been advised by ConocoPhillips that for the period of August 1, 1993, through March 31, 2013, the oil from the Waddell Ranch properties was being sold under a competitive bid to a third party. The average price of gas (including natural gas liquids) decreased from \$7.61 per Mcf in the first quarter of 2012 to \$4.33 per Mcf in the first quarter of 2013 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 decreased from the Underlying Properties (as defined in the Trust's Annual Report on Form 10-K for the year ended December 31, 2012) for the applicable period in 2013 compared to 2012.

Capital expenditures for drilling, remedial and maintenance activities on the Waddell Ranch properties during the first quarter of 2013 totaled \$11.7 million as compared to \$2.3 million for the first quarter of 2012. ConocoPhillips has informed the Trustee that the 2013 capital expenditures budget has been approved at \$93.9 million (gross) for the Waddell Ranch properties. The total amount of capital expenditures for 2012 with regard to the Waddell Ranch properties totaled \$65.8 million (gross).

The Trustee has been advised that there were 14 workover wells completed, 1 new well completed, 2 new wells in progress and 13 workover wells in progress during the three months ended March 31, 2013 as compared to 10 workover wells completed, 0 new wells completed, 0 new wells in progress and 10 workover wells in progress for the three months ended March 31, 2012 on the Waddell Ranch properties.

Lease operating expenses and property taxes were \$6 million for the first quarter of 2013 as compared to \$4.5 million for the first quarter of 2012. The increase in lease operating expenses and property taxes is primarily attributable to increased activity of drilling and facilities maintenance.

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



Ron E. Hooper
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