

CONDENSED STATEMENTS OF ASSETS, LIABILITIES AND TRUST CORPUS

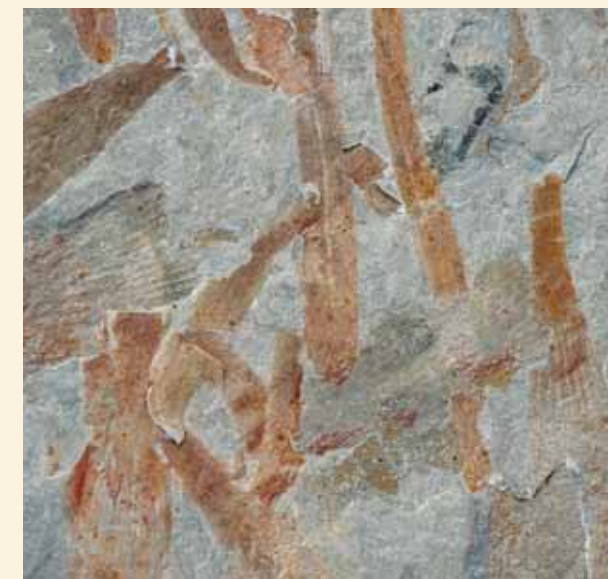
	June 30, 2013 (Unaudited)	December 31, 2012
Assets		
Cash and Short-term Investments	\$ 3,658,721	\$ 2,573,993
Net overriding royalty interests in producing oil and gas properties (net of accumulated amortization of \$10,169,263 and \$10,149,267 at June 30, 2013 and December 31, 2012, respectively)	805,953	825,949
TOTAL ASSETS	\$ 4,464,674	\$ 3,399,942
Liabilities and Trust Corpus		
Distribution Payable to Unit Holders	\$ 3,658,721	\$ 2,573,993
Trust Corpus — 46,608,796 Units of Beneficial Interest		
Authorized and Outstanding	805,953	825,949
TOTAL LIABILITIES AND TRUST CORPUS	\$ 4,464,674	\$ 3,399,942

CONDENSED STATEMENTS OF DISTRIBUTABLE INCOME (UNAUDITED)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Royalty Income	\$ 11,154,510	\$ 16,142,279	\$ 18,177,556	\$ 36,563,959
Interest Income	58	149	255	535
	11,154,568	16,142,428	18,177,811	36,564,494
General and Administrative Expenditures	(533,935)	(485,146)	(858,583)	(810,743)
Distributable Income	\$ 10,620,633	\$ 15,657,282	17,319,228	35,753,751
Distributable Income per Unit (46,608,796 Units)	\$.23	\$.34	\$.37	\$.77

CONDENSED STATEMENTS OF CHANGE IN TRUST CORPUS (UNAUDITED)

	Six Months Ended June 30,	
	2013	2012
Trust Corpus, Beginning of Period	\$ 825,949	\$ 891,576
Amortization of Net Overriding Royalty Interests	(19,996)	(40,300)
Distributable Income	17,319,228	35,753,751
Distributions Declared	(17,319,228)	(35,753,751)
Trust Corpus, End of Period	\$ 805,953	\$ 851,276
Distributions per Unit	\$.37	\$.77



2nd
Quarter Report
2013

TO UNIT HOLDERS:

For the quarter ended June 30, 2013, royalty income received by the Trust amounted to \$11,154,510 compared to royalty income of \$16,142,279 during the second 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 June 30, 2013 to \$84.50 and \$4.49, respectively, as compared to the quarter ending June 30, 2012 of \$98.65 and \$6.19, respectively.

Interest income for the quarter ended June 30, 2013, was \$58 compared to \$149 during the second quarter of 2012. The decrease in interest income is primarily attributable to less funds available for investment. General and administrative expenses during the second quarter of 2013 amounted to \$533,935 compared to \$485,146 during the second quarter of 2012. The increase in general and administrative expenses can be primarily attributed to increased professional expenses.

These transactions resulted in distributable income for the quarter ended June 30, 2013 of \$10,620,633 or \$.23 per Unit of beneficial interest. Distributions of \$.060880, \$.088488 and \$.078498 per Unit were made to Unit holders of record as of April 30, 2013, May 31, 2013 and June 28, 2013, respectively. For the second quarter of 2012, distributable income was \$15,657,282, or \$.335929 per Unit of beneficial interest.

Royalty income for the Trust for the second quarter of the calendar year is associated with actual oil and gas

production for the period of February, March and April of 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:

SECOND QUARTER	2013	2012
PRODUCTION:		
Oil sales (Bbls)	88,336	143,036
Gas sales (Mcf)	185,198	470,327
PRODUCT FROM WHICH THE ROYALTIES WERE CARVED:		
<i>Oil:</i>		
Total oil sales (Bbls)	270,421	257,526
Average per day (Bbls)	3,038	2,861
Average price per Bbl	\$ 84.50	\$ 98.65
<i>Gas:</i>		
Total gas sales (Mcf)	790,218	1,097,989
Average per day (Mcf)	8,879	12,200
Average price per Mcf	\$ 4.49	\$ 6.19

The average received price of oil decreased to an average price per barrel of \$84.50 per Bbl in the second quarter of 2013, compared to \$98.65 per Bbl in the second quarter of 2012 due to worldwide market variables. The Trustee has been advised by ConocoPhillips that for the period of August 1, 1993, through June 30, 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 \$6.19 per Mcf in the second quarter of 2012 to \$4.49 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 second quarter of 2013 totaled \$8.4 million (gross) as compared to \$5.6 million (gross) for the second quarter of 2012. ConocoPhillips has informed the Trustee that the 2013 capital expenditures budget has been stated 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). Through the second quarter of 2013, capital expenditures of \$20.1 million (gross) have been expended.

The Trustee has been advised that there were 15 workover wells completed, 12 new horizontal wells completed, 10 new wells in progress and 17 workover wells in progress during the three months ended June 30, 2013 as compared to 12 workover wells completed, 0 new wells completed, 0 new wells in progress and 14 workover wells in progress for the three months ended June 30, 2012 on the Waddell Ranch properties.

Lease operating expenses and property taxes of \$6.3 million (gross) for the second quarter of 2013 increased compared to \$5.4 million (gross) for the same period in 2012 on the Waddell Ranch properties due to increased maintenance and work on the Waddell Ranch.

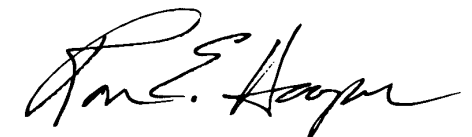
SIX MONTHS ENDED JUNE 30, 2013

For the six months ended June 30, 2013, royalty income received by the Trust amounted to \$18,177,556 compared to royalty income of \$36,563,959 for the six months ended June 30, 2012. This reflects a decrease in oil and gas prices for the six months ending June 30, 2013 to \$81.86 and \$4.40, respectively as compared to the six months ending June 30, 2012 of \$96.95 and \$6.91, respectively. Also, capital expenditures increased in 2013 compared to 2012.

Interest income for the six months ended June 30, 2013 was \$255 compared to \$535 for the six months ended June 30, 2012. The decrease in interest income is attributable primarily to less funds available to invest. General and administrative expenses for the six months ended June 30, 2013 were \$858,583. During the six months ended June 30, 2012, general and administrative expenses were \$810,743. The increase in general and administrative expenses is primarily due to increased professional expenses.

These transactions resulted in distributable income for the six months ended June 30, 2013 of \$17,319,228, or \$.37, per Unit. For the six months ended June 30, 2012, distributable income was \$35,753,751, or \$.77, per Unit.

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



**Ron E. Hooper
Senior Vice President**