

# Permian Basin Royalty Trust Financial Statements

## Condensed Statements of Assets, Liabilities and Trust Corpus

	March 31, 2024 <i>(Unaudited)</i>	December 31, 2023
<b>Assets</b>		
Cash and short-term investments.....	\$ 3,027,056	\$ 6,051,350
Net overriding royalty interests in producing oil and gas properties (net of accumulated amortization of \$10,765,591 and \$10,753,742 at March 31, 2024 and December 31, 2023, respectively).....	209,625	221,474
<b>TOTAL ASSETS</b> .....	<b>\$ 3,236,681</b>	<b>\$ 6,272,824</b>
<b>Liabilities and Trust Corpus</b>		
Distribution payable to Unit Holders .....	\$ 1,927,056	\$ 4,951,350
Commitments and reserves for contingencies.....	1,100,000	1,100,000
Trust corpus – 46,608,796 Units of beneficial interest authorized and outstanding .....	209,625	221,474
<b>TOTAL LIABILITIES AND TRUST CORPUS</b> .....	<b>\$ 3,236,681</b>	<b>\$ 6,272,824</b>

## Condensed Statements of Distributable Income *(Unaudited)*

	Three Months Ended March 31, 2024	2023
Royalty income .....	\$ 6,005,642	\$ 5,206,602
Interest income .....	39,048	14,107
	<b>6,044,690</b>	5,220,709
General and administrative expenditures	<b>(552,484)</b>	(480,094)
Distributable income .....	<b>\$ 5,492,206</b>	\$ 4,740,615
Distributable income per Unit (46,608,796 Units) .....	<b>\$ .12</b>	\$ .10

## Condensed Statements of Changes in Trust Corpus *(Unaudited)*

	Three Months Ended March 31, 2024	2023
Trust corpus, beginning of period.....	\$ 221,474	\$ 279,433
Amortization of net overriding royalty interests.....	(11,849)	(40,000)
Distributable income .....	5,492,206	4,740,615
Distributions declared.....	(5,492,206)	(4,740,615)
Total Trust Corpus, end of period .....	<b>\$ 209,625</b>	\$ 239,433
Distributions per Unit.....	<b>\$ .12</b>	\$ .10

# Permian Basin Royalty Trust

1<sup>st</sup>  
Quarter Report  
**2024**

## To Unit Holders:

For the quarter ended March 31, 2024, royalty income received by the Trust amounted to \$6,005,642 compared to royalty income of \$5,206,602 during the first quarter of 2023. The increase in royalty income is primarily attributable to an increase in oil and natural gas production. Average oil and gas prices were \$73.17 and \$2.05, respectively, for the quarter ended March 31, 2024 compared to \$77.63 and \$3.19, respectively, for the quarter ending March 31, 2023.

Interest income for the quarter ended March 31, 2024, was \$39,048 compared to \$14,107 during the first quarter of 2023. The increase in interest income is primarily attributable to increased amounts of funds available for investment. Total expenses during the first quarter of 2024 amounted to \$552,484 compared to \$480,094 during the first quarter of 2023. The increase in total expenses can be primarily attributed to increased expense for professional services, printing expenses and the timing of payment of expenses.

These transactions resulted in distributable income for the quarter ended March 31, 2024, of \$5,492,206 or \$.12 per Unit of beneficial interest. Distributions of \$0.031031, \$0.045460 and \$0.041340 per Unit were made to Unit holders of record as of January 31, 2024, February 29, 2024, and March 28, 2024, respectively. For the first quarter of 2023, distributable income was \$4,740,615 or \$.10 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 2023 and January 2024 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	2024	2023
<b>Royalties:</b>		
Oil sales (Bbls)	606,955	519,492
Gas sales (Mcf)	3,226,052	2,829,662
<b>Properties From Which The Royalties Were Carved:</b>		
<b>Oil:</b>		
Total oil sales (Bbls)	799,806	676,790
Average per day (Bbls)	8,789	7,520
Average price per Bbl \$	73.17	\$ 77.63
<b>Gas:</b>		
Total gas sales (Mcf)	4,296,765	3,754,816
Average per day (Mcf)	47,217	41,720
Average price per Mcf \$	2.05	\$ 3.19

The average received price of oil decreased to an average price of \$73.17 per Bbl in the first quarter of 2024, compared to \$77.63 per Bbl in the first quarter of 2023 due to worldwide market variables. The average price of gas (including natural gas liquids) decreased from \$3.19 per Mcf in the first quarter of 2023 to \$2.05 per Mcf in the first quarter of 2024 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. However, both oil and gas sales and volumes increased from the Underlying Properties (as defined in the Trust's Annual Report on Form 10-K for the year ended December 31, 2023) for the applicable period in 2024 compared to 2023.

Capital expenditures for drilling, remedial and maintenance activities on the Waddell Ranch properties during the first quarter of 2024 totaled \$28.4 million (gross) as compared to \$35.2 million (gross) for the first quarter of 2023. Blackbeard has previously informed the Trustee that the 2024 capital expenditures budget has not been finalized; however, Blackbeard provided the Trustee with a preliminary capital expenditures budget of approximately \$301.4 million (gross), \$106.1 million (net) for the Waddell Ranch properties. The total amount of capital expenditures for 2023 with regard to the Waddell Ranch Properties totaled \$135.3 million (net).

The Trustee has been advised that there were 8.7 workover wells completed, 6.0 new wells completed, 5.3 new wells in progress and 8.7 workover wells in progress during the three months ended March 31, 2024, as compared to 6.8 (net to the Trust) workover wells completed, 11.3 new wells completed, 10.9 new wells in progress and 8.0 workover wells in progress for the three months ended

March 31, 2023, on the Waddell Ranch properties.

Lease operating expenses and property taxes totaled \$22.8 million (gross) for the first quarter of 2024, compared to \$16.4 million (gross) for the same period in 2023 on the Waddell Ranch properties due to increased maintenance work.

Argent Trust Company, Trustee

By:



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