

## Tax Information Per Unit

## Second Quarter Report 2023

### MONTHLY DISTRIBUTIONS PAID ON: (\$/UNIT EXCEPT COST DEPLETION FACTORS)

	May 12, 2023	June 14, 2023	July 17, 2023	Total
Gross income.....	\$ 0.016013	\$ 0.013544	\$ 0.001944	\$ 0.031501
Less severance taxes.....	(0.003367)	(0.002569)	(0.000361)	(0.006297)
Interest income .....	0.000288	0.000271	0.000118	0.000677
Less administration expenses .....	(0.000571)	(0.001243)	(0.001048)	(0.002862)
Reconciling items.....	0.000000	0.000000	0.000000	0.000000
Net cash distribution.....	\$ 0.012363	\$ 0.010003	\$ 0.000653	\$ 0.023019
Cost depletion factors:				
Kansas - 80%.....	0.000000	0.000000	0.000000	0.000000
Oklahoma - 80%.....	0.000000	0.000312	0.000000	0.000312
Wyoming - 80%.....	0.006191	0.007347	0.001685	0.015223

Unitholders owning units in nominee name may obtain monthly tax information from the Trustee upon request or from the Trust's web site at [www.hgt-hugoton.com](http://www.hgt-hugoton.com).

Hugoton Royalty Trust 3838 Oak Lawn Ave, Ste 1720, Dallas, TX 75219-4518  
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2<sup>nd</sup>  
Quarter Report  
2023



## To Unitholders:

For the quarter ended June 30, 2023, net profits income was \$1,008,161 as compared to \$1,856,317 for second quarter 2022 primarily due to lower oil and gas prices (\$4.4 million), decreased oil and gas production (\$3.8 million), increased production expenses (\$0.9 million), and increased development costs (\$0.4 million), partially offset by net excess costs activity (\$8.1 million), and decreased taxes, transportation and other costs (\$0.6 million).

After adding interest income of \$27,104, and deducting administration expense of \$114,505, distributable income for the quarter ended June 30, 2023, was \$920,760, or \$0.023019 per unit of beneficial interest. Administration expense for the quarter decreased \$51,513 as compared to the prior year quarter, primarily related to the timing of receipt and payment of Trust expenses and terms of professional services. Changes in interest income are attributable to fluctuations in net profits income, cash reserve and interest rates. For second quarter 2022, distributable income was \$0, or \$0.000000 per unit.

Distributions to unitholders for the quarter ended June 30, 2023 were:

RECORD DATE	PAYMENT DATE	DISTRIBUTION PER UNIT
April 28, 2023	May 12, 2023	\$ 0.012363
May 31, 2023	June 14, 2023	0.010003
June 30, 2023	July 17, 2023	0.000653
		<u>\$ 0.023019</u>

Please see Note 3 to the Condensed Financial Statements included in the Trust's Form 10-Q filing for quarter ending June 30, 2023, for information regarding the arbitration proceeding relating to the *Chieftain* class action royalty case.

This letter, and all communications to unitholders, includes information provided to the Trustee by XTO Energy Inc.

**Hugoton Royalty Trust**  
By: **Argent Trust Company, Trustee**



By: **Nancy Willis**  
Vice President

## Hugoton Royalty Trust Financial Statements

### Condensed Statements of Assets, Liabilities and Trust Corpus (Unaudited)

	June 30, 2023	December 31, 2022
<b>Assets</b>		
Cash and short-term investments .....	\$ 1,021,382	\$ 2,829,458
Interest to be received .....	4,738	4,902
Net profits interests in oil and gas properties – net .....	—	—
	<u>\$ 1,026,120</u>	<u>\$ 2,834,360</u>
<b>Liabilities and Trust Corpus</b>		
Distribution payable to unitholders .....	\$ 26,120	\$ 1,834,360
Expense reserve <sup>(a)</sup> .....	1,000,000	1,000,000
Trust corpus (40,000,000 units of beneficial interest authorized and outstanding) .....	—	—
	<u>\$ 1,026,120</u>	<u>\$ 2,834,360</u>

<sup>(a)</sup> The expense reserve allows the Trustee to pay its obligations should it be unable to pay them out of the net profits income.

### Condensed Statements of Distributable Income (Unaudited)

	Three Months Ended June 30		Six Months Ended June 30	
	2023	2022	2023	2022
Net profits income .....	\$ 1,008,161	\$ 1,856,317	\$ 11,467,914	\$ 2,203,727
Interest income .....	27,104	—	44,648	—
Total income .....	1,035,265	1,856,317	11,512,562	2,203,727
Administration expense .....	114,505	166,018	416,042	333,419
Cash reserves withheld (used) for Trust expenses .....	—	652,451	—	652,451
Change in accounts payable to the Trustee (increase)/decrease .....	\$ —	\$ 1,037,848	\$ —	\$ 1,217,857
Distributable income .....	<u>\$ 920,760</u>	<u>\$ —</u>	<u>\$ 11,096,520</u>	<u>\$ —</u>
Distributable income per unit (40,000,000 units) .....	<u>\$ 0.023019</u>	<u>\$ 0.000000</u>	<u>\$ 0.277413</u>	<u>\$ 0.000000</u>

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

	Three Months Ended June 30		Six Months Ended June 30	
	2023	2022	2023	2022
Trust corpus, beginning of period .....	\$ —	\$ (1,037,848)	—	\$ (1,217,857)
Distributable income .....	920,760	—	11,096,520	—
Distributions declared .....	(920,760)	—	(11,096,520)	—
Change in accounts payable to the Trustee (increase)/decrease .....	\$ —	\$ 1,037,848	\$ —	\$ 1,217,857
Trust corpus, end of period .....	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

These Condensed Financial Statements should be read in conjunction with the Condensed Financial Statements and notes thereto included in the Trust's quarterly report on Form 10-Q for the quarter ended June 30, 2023.