

	MONTHLY DISTRIBUTIONS PAID ON:			
	(\$/UNIT EXCEPT COST DEPLETION FACTORS)			
	May 14, 2018	June 14, 2018	July 16, 2018	Total
Gross Income	\$ 0.000000	\$ 0.000000	\$ 0.000000	\$ 0.000000
Less Severance Taxes	(0.000000)	(0.000000)	(0.000000)	(0.000000)
Interest Income	0.000046	0.000058	0.000057	0.000161
Less Administration Expenses.....	(0.004076)	(0.003713)	(0.001177)	(0.008966)
Reconciling Items.....	0.004030	0.003655	0.001120	0.008805
NET CASH DISTRIBUTION	\$ 0.000000	\$ 0.000000	\$ 0.000000	\$ 0.000000

Cost Depletion Factors:

Kansas - 80%	0.000000	0.000000	0.000000	0.000000
Oklahoma - 80%	0.000000	0.000000	0.000000	0.000000
Wyoming - 80%	0.000000	0.000000	0.000000	0.000000

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.

Hugoton Royalty Trust PO Box 470727, Fort Worth, TX 76147
 855.588.7839 ■ Simmons Bank, Trustee ■ www.hgt-hugoton.com

Hugoton Royalty Trust



2nd
 Quarter Report
2018

To Unitholders:

For the quarter ended June 30, 2018, net profits income was \$0, as compared to \$1,324,846 for second quarter 2017. This decrease in net profits income is primarily the result of increased development costs (\$4.8 million), decreased gas production (\$0.6 million), decreased gas prices (\$0.5 million), partially offset by net excess costs activity (\$4.1 million), increased oil prices (\$0.4 million), and decreased production and property taxes (\$0.1 million).

After adding interest income of \$6,457, deducting administration expense of \$358,657, and reducing the cash reserve \$352,200 for the payment of Trust expenses, distributable income for the quarter ended June 30, 2018 was \$0, or \$0.000000 per unit of beneficial interest. Administration expense for the quarter increased \$182,486 as compared to the prior year quarter, primarily related to an increase in legal fees and 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 and interest rates. For second quarter 2017, distributable income was \$1,150,280 or \$0.028757 per unit. Distributions to unitholders for the quarter ended June 30, 2018 were:

RECORD DATE	PAYMENT DATE	PER UNIT
April 30, 2018	May 14, 2018	\$ 0.000000
May 31, 2018	June 14, 2018	0.000000
June 29, 2018	July 16, 2018	0.000000
TOTAL		\$ 0.000000

Please see Note 4 to the Condensed Financial Statements included in the Trust's Form 10-Q filing for quarter ending June 30, 2018, 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: **Simmons Bank, Trustee**



By: **Lee Ann Anderson**
Senior Vice President

Hugoton Royalty Trust Financial Statements

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

	June 30, 2018	December 31, 2017
Assets		
Cash and Short-term Investments.....	\$ 1,570,209	\$ 1,433,640
Net Profits Interests in Oil and Gas Properties – Net	15,816,990	16,379,749
	<u>\$ 17,387,199</u>	<u>\$ 17,813,389</u>
Liabilities and Trust Corpus		
Distribution Payable to Unitholders.....	\$ --	\$ 433,640
Expense Reserve ^(a)	1,570,209	1,000,000
Trust Corpus (40,000,000 Units of Beneficial Interest Authorized and Outstanding).....	15,816,990	16,379,749
	<u>\$ 17,387,199</u>	<u>\$ 17,813,389</u>

^(a)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,	
	2018	2017	2018	2017
Net Profits Income.....	\$ --	\$ 1,324,846	\$ 1,590,949	\$ 3,548,472
Interest Income	6,457	1,605	9,755	2,525
TOTAL INCOME	6,457	1,326,451	1,600,704	3,550,997
Administration Expense	358,657	176,171	660,455	514,037
Cash Reserves Withheld (used) for Trust Expenses.....	(352,200)	--	570,209	--
Distributable Income.....	\$ --	\$ 1,150,280	\$ 370,040	\$ 3,036,960
Distributable Income per Unit (40,000,000 Units)	\$ 0.000000	\$ 0.028757	\$ 0.009251	\$ 0.075924

Condensed Statements of Change in Trust Corpus (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Trust Corpus, Beginning of Period.....	\$ 15,816,990	\$ 22,781,888	\$ 16,379,749	\$ 26,885,503
Amortization of Net Profits Interests.....	--	(2,718,797)	(562,759)	(6,822,412)
Distributable Income.....	--	1,150,280	370,040	3,036,960
Distributions Declared	--	(1,150,280)	(370,040)	(3,036,960)
Trust Corpus, End of Period	\$ 15,816,990	\$ 20,063,091	\$ 15,816,990	\$ 20,063,091

These Condensed Financial Statements should be read in conjunction with the Condensed Financial Statements and notes thereto included in the Trust's Form 10-Q filing for the quarterly period ending June 30, 2018.