

San Juan Basin Royalty Trust

2200 Post Oak Blvd., Floor 18
Houston, Texas 77056
Telephone toll-free: 1-866-809-4553
Website: www.sjbrt.com

January 31, 2023

IMPORTANT TAX INFORMATION

To Unit holders:

We enclose the following material, which provides Unit holders with some of the information necessary to compute the 2022 federal income tax consequences of owning Units:

- (a) Grantor Trust Schedule A for 2022
- (b) Information and Instructions
- (c) Supplemental Tax Tables and Worksheet

Unit holders are encouraged to read the enclosed material very carefully and to retain it as part of their tax records. The information and instructions contained herein are designed to assist Unit holders who are U.S. citizens in complying with their federal and state tax reporting requirements and should not be construed as advice to any specific Unit holder. Unit holders should also consult any Internal Revenue (“IRS”) Forms 1099 and written tax statements issued by certain middlemen (discussed in more detail on page 4) that hold Trust Units on their behalf.

Unit holders will need to determine the following information from their records:

- Number of Units held in 2022 as of each monthly Record Date (the last business day of the month)
- Original basis (the total purchase price of the Units including any commissions paid)
- Dates Units were acquired or sold
- Amount of depletion allowed or allowable in prior years

All Unit holders must compute their depletion deduction for federal tax reporting purposes. See “Computation of Depletion” instructions on page 4. **For your convenience, simple income/expense and cost depletion calculators are available on the home page and in the tax information section of the San Juan Basin Royalty Trust website: www.sjbrt.com.**

Unit holders should consult their own tax advisors regarding all tax compliance matters relating to the Units.

PNC Bank, National Association, Trustee



Ross Durr, RPL
Senior Vice President
Oil, Gas, and Mineral Interest Director

SAN JUAN BASIN ROYALTY TRUST

EIN 75-6279898 Cusip # 798241105

**SCHEDULE A TO FORM 1041, GRANTOR TRUST
FOR YEAR ENDED DECEMBER 31, 2022**

Federal and State Income Tax Information
See Instructions Before Filing

**PART I
ROYALTY INFORMATION PER UNIT**

<u>Source</u>	(a)	(b)	(c)	(d)	(e)
	<u>Gross Income</u>	<u>Severance Tax</u>	<u>Net Royalty Payment</u>	<u>Cost Depletion Factor *</u>	<u>Production</u>
San Juan Basin Properties					
New Mexico					
1. Oil	\$ 0.044440	\$ 0.005121	\$ 0.039319	-	0.000509 BBLS
2. Gas	<u>1.886245</u>	<u>0.230411</u>	<u>1.655834</u>	-	0.299766 MCF
3. Total Oil and Gas for Year	<u>\$ 1.930685</u>	<u>\$ 0.235532</u>	<u>\$ 1.695153 A</u>	0.195657	

*Percentage Depletion per Unit of \$0.289605 may be claimed for Units purchased after October 11, 1990, if the Percentage Depletion amount is greater than the Cost Depletion amount.

**PART II
OTHER INCOME AND EXPENSE PER UNIT**

<u>Item</u>	<u>Total</u>
1. Interest Income	\$ 0.001226 B
2. Administration Expense	\$ 0.031471 C

**PART III
RECONCILIATION OF TAXABLE INCOME
AND CASH DISTRIBUTION PER UNIT**

<u>Item</u>	<u>Total</u>
1. Taxable Income Per Unit, Excluding Depletion (A + B - C)	\$ 1.664908
2. Reconciling Items	<u>0.000000</u>
3. Cash Distribution Per Unit	<u>\$ 1.664908</u>

San Juan Basin Royalty Trust

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I. FEDERAL INCOME TAX INFORMATION

1. Reporting of Income and Deductions.

- (a) *Direct Ownership Reporting.* The San Juan Basin Royalty Trust (the "Trust") is a grantor trust for federal income tax purposes. Each Unit holder of the Trust is taxable on his pro rata share of the income and expenses of the Trust as if he were the direct owner of a pro rata share of the Trust income and assets. Thus, the taxable year for reporting a Unit holder's share of the Trust's income and expense is controlled by his taxable year and his method of accounting, not by the taxable year and method of accounting of the Trust. Therefore, a cash-basis Unit holder should report his pro rata share of income or expense of the Trust, received or paid by the Trust, during his tax year. An accrual-basis Unit holder should report his pro rata share of income or expense of the Trust accrued during his tax year. **The income of the Trust is deemed to have been received or accrued by each Unit holder at the time such income is received or accrued by the Trust on each monthly Record Date (the last business day of each month) rather than when such income is distributed by the Trust (10 business days following each monthly Record Date). In either case, the income to be reported for 2022 is associated with amounts distributed in February 2022 through January 2023.** Because the Trust is a grantor trust for federal income tax purposes, proper classification of Trust income and expense will be dependent upon the relevant facts and circumstances of each Unit holder. Accordingly, Unit holders should consult their own tax advisors regarding all tax compliance matters relating to the Units.
- (b) *Taxable Year.*
- Units held through a broker or nominee:**
- Unit holders owning Units through a broker or nominee who report on a calendar year basis and who have owned the same number of Units throughout such calendar year should refer to Schedule A on page 2.
 - Unit holders who purchased or sold Units in the calendar year should refer to the information on pages 8 through 10.
 - Unit holders who report on the basis of a fiscal year other than the calendar year may contact the Trustee for further information.
- Units held in direct registration or certificate form:** An individualized letter summarizing taxable income for the calendar year is enclosed.
- (c) *Types and Reporting of Trust Income and Deductions.* The Trust holds a net overriding royalty in oil and gas properties known as the San Juan Basin Properties-New Mexico (hereinafter referred to as the Royalty). In general, the net overriding royalty income is computed monthly based on proceeds realized in the preceding month by the owner of the interests from which the Royalty was created from oil and gas produced in an earlier month less the applicable costs and expenses. The Trustee receives such net overriding royalty income on the last day of the month.
- (i) *Gross Income.* The gross amount of net overriding royalty income received by the Trust from the Royalty during the 12-month period is reported on a per-Unit basis in Column (a) of Part 1 on page 2.
- (ii) *Severance tax.* Severance tax paid by the Trust during the 12-month period is reported on a per-Unit basis in Column (b) of Part I on page 2.
- (iii) *Interest Income.* Interest income received by the Trustee during the 12-month period is reported on a per-Unit basis as Item 1 of Part II on page 2.
- (iv) *Administration Expenses.* Administration expenses are paid on the last day of the month in which they accrue. The amount so accrued and paid during the 12-month period is reported on a per-Unit basis as Item 2 of Part II on page 2.
- (d) *Unit Multiplication.* Because each schedule reflects only results on a per-Unit basis, each Unit holder must determine the aggregate amounts for all Units held by him to obtain the amounts to report on his tax return. Each Unit holder who held the same number of Units for all 12 months of the calendar year should multiply the gross royalty income and severance tax shown in Part I and the interest income and administration expense shown in Part II by the number of Units owned by a Unit holder during the 12-month period to obtain the amounts to be reported on his tax return. For the convenience of Unit holders who acquired or sold Units during 2022, Tables 1 through 6 are included to assist in the computation of gross royalty income, severance tax, interest income,

administration expenses, and depletion. These tables are only for those Unit holders who have a calendar year as their taxable year. Depletion per Unit must be computed as provided in the Computation of Depletion instructions below.

- (e) *Individual Taxpayers.* For Unit holders who hold the Units as an investment and who file *Form 1040* for 2022, it is suggested that the items of income and deduction computed from the appropriate schedules be reported in the following manner:

<u>Item</u>	<u>Form 1040</u>
Gross Royalty Income	Line 4, Part I, Schedule E
Depletion	Line 18, Part I, Schedule E
Severance Tax	Line 16, Part I, Schedule E
Administration Expense	Line 19, Part I, Schedule E
Interest Income	Line 1, Part I, Schedule B

On pages 5 and 6, we have reproduced page one of *Schedule E to Form 1040*, and *Schedule B to Form 1040* and identified the specific location of each item of income and expense listed above.

- (f) *Nominee Reporting.* Nominees, brokers, custodians, and certain joint owners holding an interest for a client in street name, referred to herein collectively as “middlemen,” should report the distributions from the Trust as royalty income on *Form 1099-MISC*, and report interest income on *Form 1099-INT*. The taxable amount before depletion should be reported in accordance with the attached schedules. In years where there are no reconciling items, the net taxable income, excluding depletion, will equal the cash distributions from the Trust.
- (g) *WHFIT Classification.* The Trust is a widely-held fixed investment trust (“WHFIT”) classified as a non-mortgage widely held fixed investment trust (“NMWHFIT”) for U.S. federal income tax purposes. PNC Bank, National Association, 2200 Post Oak Blvd., Floor 18, Houston, TX 77056, telephone number 1-866-809-4553, e-mail address: sjt@pnc.com, is the representative of the Trust that will provide tax information in accordance with the applicable U.S. Treasury Regulations governing the information reporting requirements of the Trust as a WHFIT and a NMWHFIT. Tax information is also posted by the Trustee at www.sjbtr.com.

Notwithstanding the foregoing, the middlemen holding Trust Units on behalf of Unit holders, and not the Trustee of the Trust, are solely responsible for complying with the information reporting requirements under the U.S. Treasury Regulations with respect to such Trust Units, including the issuance of IRS Forms 1099 and certain written tax statements. Unit holders whose Trust Units are held by middlemen should consult with such middlemen regarding the information that will be received from and reported by the middlemen with respect to the Trust Units.

2. **Computation of Depletion.** Each Unit holder's allowable depletion on Units acquired before October 12, 1990, is his cost depletion with respect to the Royalty. For Units acquired after October 11, 1990, each Unit holder's allowable depletion is the greater of cost depletion or percentage depletion with respect to the Royalty.

- (a) *Percentage Depletion.* The tax law allows percentage depletion on proven properties acquired after October 11, 1990. For Units acquired after such date, the Unit holder should compute both percentage depletion and cost depletion and claim the larger amount as a deduction on his or her income tax return. Unlike cost depletion, the allowance for percentage depletion may continue after the Unit holder's basis is reduced to zero. The percentage depletion amount for each Unit holder who acquired Units after October 11, 1990, should equal the gross royalty income amount multiplied by 15%. A Unit holder who may be entitled to a percentage depletion deduction should use Table 5 to compute his depletion deduction. The worksheet and instructions provided on pages 11 and 12 assume a Unit holder will take the cost depletion deduction.

For Unit holders who acquired their Units before October 12, 1990, no percentage depletion is allowable under the exemption for independent producers and royalty owners provided by IRC Section 613A (c), because the Royalties were proven properties at the time of their transfer. No percentage depletion is allowable under the exemption for certain gas wells provided by IRC Section 613A (b), because none of the gross income from the Royalties constitutes income from "fixed contract gas" under that section.

- (b) *Cost Depletion.* To compute cost depletion, each Unit holder who owned the same number of Units throughout all 12 months of the calendar year should multiply his basis in the Royalty (reduced by prior years' depletion, if any) by the factor indicated on Column (d) of Part I of Schedule A on page 2, which factor was obtained by dividing the estimated quantity of reserves at the beginning of the year into the quantity produced and sold during the period.

A Cost Depletion Worksheet is included on page 12 to assist Unit holders in computing their cost depletion deduction. The Worksheet is divided into two parts. Part A pertains to Units that have been held the entire calendar year and Part B pertains to Units that were acquired or sold during the year. Unit holders who use Part B should obtain their cost depletion factors for their applicable period of ownership in 2022 from Table 6. Notes are contained in the Specific Instructions for Cost Depletion Worksheet on page 11 to explain certain aspects of the depletion calculation.

Note: A cost depletion calculator is available on the San Juan Basin Royalty Trust website: www.sjbtr.com

**Individual Unit Holder's
Specific Location of Income and Expense
on Schedule E**

**SCHEDULE E
(Form 1040)**

Supplemental Income and Loss
(From rental real estate, royalties, partnerships, S corporations, estates, trusts, REMICs, etc.)

OMB No. 1545-0074

Department of the Treasury
Internal Revenue Service

Attach to Form 1040, 1040-SR, 1040-NR, or 1041.
Go to www.irs.gov/ScheduleE for instructions and the latest information.

2022
Attachment
Sequence No. **13**

Name(s) shown on return

Your social security number

Part I Income or Loss From Rental Real Estate and Royalties

Note: If you are in the business of renting personal property, use **Schedule C**. See instructions. If you are an individual, report farm rental income or loss from **Form 4835** on page 2, line 40.

A Did you make any payments in 2022 that would require you to file Form(s) 1099? See instructions Yes No

B If "Yes," did you or will you file required Form(s) 1099? Yes No

1a Physical address of each property (street, city, state, ZIP code)

A	
B	
C	

1b Type of Property (from list below)	2 For each rental real estate property listed above, report the number of fair rental and personal use days. Check the QJV box only if you meet the requirements to file as a qualified joint venture. See instructions.	Fair Rental Days		Personal Use Days	QJV
		A	B		<input type="checkbox"/>
A					<input type="checkbox"/>
B					<input type="checkbox"/>
C					<input type="checkbox"/>

Type of Property:

- | | | | |
|---------------------------|------------------------------|-------------|--------------------------|
| 1 Single Family Residence | 3 Vacation/Short-Term Rental | 5 Land | 7 Self-Rental |
| 2 Multi-Family Residence | 4 Commercial | 6 Royalties | 8 Other (describe) _____ |

	Properties:		
	A	B	C
Income:			
3 Rents received	3		
4 Royalties received	4		
Expenses:			
5 Advertising	5		
6 Auto and travel (see instructions)	6		
7 Cleaning and maintenance	7		
8 Commissions	8		
9 Insurance	9		
10 Legal and other professional fees	10		
11 Management fees	11		
12 Mortgage interest paid to banks, etc. (see instructions)	12		
13 Other interest	13		
14 Repairs	14		
15 Supplies	15		
16 Taxes	16		
17 Utilities	17		
18 Depreciation expense or depletion	18		
19 Other (list)	19		
20 Total expenses. Add lines 5 through 19	20		
21 Subtract line 20 from line 3 (rents) and/or 4 (royalties). If result is a (loss), see instructions to find out if you must file Form 6198	21		
22 Deductible rental real estate loss after limitation, if any, on Form 8582 (see instructions)	22	()	()
23a Total of all amounts reported on line 3 for all rental properties	23a		
b Total of all amounts reported on line 4 for all royalty properties	23b		
c Total of all amounts reported on line 12 for all properties	23c		
d Total of all amounts reported on line 18 for all properties	23d		
e Total of all amounts reported on line 20 for all properties	23e		
24 Income. Add positive amounts shown on line 21. Do not include any losses	24		
25 Losses. Add royalty losses from line 21 and rental real estate losses from line 22. Enter total losses here	25		
26 Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Schedule 1 (Form 1040), line 5. Otherwise, include this amount in the total on line 41 on page 2	26		

Gross Royalty Income
Line 4

Severance Tax
Line 16

Depletion
Line 18

Administration Expenses
Line 19

For Paperwork Reduction Act Notice, see the separate instructions.

Cat. No. 11344L

Schedule E (Form 1040) 2022

**Individual Unit Holder's
Specific Location of Interest Income
on Schedule B**

Interest Income
Line 1

**SCHEDULE B
(Form 1040)**

Department of the Treasury
Internal Revenue Service
Name(s) shown on return

Interest and Ordinary Dividends

Go to www.irs.gov/ScheduleB for instructions and the latest information.
Attach to Form 1040 or 1040-SR.

OMB No. 1545-0074

2022
Attachment
Sequence No. **08**

Your social security number

**Part I
Interest**

(See instructions and the Instructions for Form 1040, line 2b.)

Note: If you received a Form 1099-INT, Form 1099-OID, or substitute statement from a brokerage firm, list the firm's name as the payer and enter the total interest shown on that form.

- | | | |
|---|--|--------|
| 1 | List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see the instructions and list this interest first. Also, show that buyer's social security number and address:
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
..... | Amount |
| 2 | Add the amounts on line 1 | 2 |
| 3 | Excludable interest on series EE and I U.S. savings bonds issued after 1989. Attach Form 8815 | 3 |
| 4 | Subtract line 3 from line 2. Enter the result here and on Form 1040 or 1040-SR, line 2b | 4 |

Note: If line 4 is over \$1,500, you must complete Part III.

**Part II
Ordinary Dividends**

(See instructions and the Instructions for Form 1040, line 3b.)

Note: If you received a Form 1099-DIV or substitute statement from a brokerage firm, list the firm's name as the payer and enter the ordinary dividends shown on that form.

- | | | |
|---|--|--------|
| 5 | List name of payer:
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
..... | Amount |
| 6 | Add the amounts on line 5. Enter the total here and on Form 1040 or 1040-SR, line 3b | 6 |

**Part III
Foreign Accounts and Trusts**

Caution: If required, failure to file FinCEN Form 114 may result in substantial penalties. Additionally, you may be required to file Form 8938, Statement of Specified Foreign Financial Assets. See instructions.

- You must complete this part if you (a) had over \$1,500 of taxable interest or ordinary dividends; (b) had a foreign account; or (c) received a distribution from, or were a grantor of, or a transferor to, a foreign trust.
- | | | | |
|----|--|-----|----|
| 7a | At any time during 2022, did you have a financial interest in or signature authority over a financial account (such as a bank account, securities account, or brokerage account) located in a foreign country? See instructions
If "Yes," are you required to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR), to report that financial interest or signature authority? See FinCEN Form 114 and its instructions for filing requirements and exceptions to those requirements | Yes | No |
| b | If you are required to file FinCEN Form 114, list the name(s) of the foreign country(-ies) where the financial account(s) are located: | | |
| 8 | During 2022, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust? If "Yes," you may have to file Form 3520. See instructions | | |

3. **Reconciliation of Net Income and Cash Distributions.** The difference between the per-Unit taxable income for a period and the per-Unit cash distributions, if any, reported for such period (even though distributed in a later period) is attributable to adjustments in Part III, Line 2 of Schedule A on page 2, labeled Reconciling Items. The Reconciling Items consist of items which are not currently deductible, such as increases in the cash reserves established by the Trustee for the payment of future expenditures, capital items and items which do not constitute taxable income such as reductions in previously established cash reserves. It is expected that normally the Reconciling Items will be negligible.
4. **Adjustments to Basis.** Each Unit holder should reduce his tax basis in the Royalty and in his Units by the amount of depletion allowable with respect to such Royalty.
5. **Federal Income Tax Reporting of Units Sold.** The sale, exchange, or other disposition of a Unit is a taxable transaction for federal income tax purposes. Gain or loss is computed under the usual tax principles as the difference between the selling price and the adjusted basis of a Unit. The adjusted basis in a Unit is the original cost or other basis of the Unit reduced (but not below zero) by any depletion which reduced the adjusted basis of the interest in the Royalty represented by such Unit. For Unit holders who acquired their Units after 1986, upon subsequent disposition of such Unit, a portion of the gain (if any) will be recaptured as ordinary income. The depletion recapture amount is an amount equal to the lesser of (i) the gain on such sale attributable to the disposition of the Royalty or (ii) the sum of the prior depletion deductions taken with respect to the Royalty (but not in excess of the initial basis of such Units allocated to the Royalty). The balance of any gain or any loss from the disposition of a Unit will be a capital gain or loss if such Unit was held by the Unit holder as a capital asset. The capital gain or loss will be long-term, if held more than 12 months or short-term, if held for 12 months or less. Unit holders should consult their tax advisers for further information.
6. **Portfolio Income.** Royalty Income is generally considered portfolio income under the passive loss rules enacted by the Tax Reform Act of 1986. Therefore, it appears that Unit holders should not consider the taxable income from the Trust to be passive income in determining net passive income or loss. Unit holders should consult their tax advisers for further information.
7. **Tax Shelter Registration.** A tax shelter registration number is not a requirement for the San Juan Basin Royalty Trust. The rules for tax shelter registration apply only to those entities whose public offering occurred after August 31, 1984. Since the San Juan Basin Royalty Trust was established in 1980, the Trust is not subject to the 1984 rule.
8. **Units held in an IRA.** In most cases, payments from Units held in an IRA are tax-deferred, and no tax reporting is required. However, Unit holders should consult their tax advisers regarding their particular circumstances.
9. **Unrelated Business Taxable Income.** In general, royalty income is not taxable as unrelated business taxable income. However, certain organizations that are generally exempt from tax under IRS Section 501 are subject to tax on certain types of business income defined in IRC Section 512 as unrelated business income. The income of the Trust should not be unrelated business taxable income to such organizations, so long as the Trust Units are not “debt-financed property” within the meaning of IRC Section 514(b). In general, a Trust Unit would be debt-financed if the Trust Unit holder incurs debt to acquire a Trust Unit or otherwise incurs or maintains a debt that would not have been incurred or maintained if the Trust Unit had not been acquired.

II. STATE INCOME TAX RETURNS

All revenues from the Trust are from sources within New Mexico, which has an income tax calculated similarly to the federal income tax. Royalty income of the Trust will be subject to New Mexico income tax. Unit holders should consult their tax advisers regarding state income tax filing requirements. **The website for the New Mexico Taxation & Revenue Department is <http://www.tax.newmexico.gov>.** Forms and instructions can be printed from the website. For information and general assistance with filing a New Mexico return, call 1-866-285-2996.

The Trustee has been informed that the New Mexico Oil and Gas Proceeds and Pass-Through Entity Withholding Tax Act requires remitters who pay certain oil and gas proceeds from production on New Mexico wells to withhold income taxes from such proceeds in the case of certain nonresident recipients. The Trustee, on advice of New Mexico counsel, has observed that “net profits interests,” such as the Royalty, and other types of interests, the extent of which cannot be determined with respect to a specific share of the oil and gas production as well as amounts deducted from payments that are for expenses related to oil and gas production are excluded from the withholding requirements of the above-described Act.

III.
TAX ISSUES

Under current law, the Trust should be treated as a grantor trust for federal income tax purposes, and the income of the Trust should be taxable to the Unit holders as if amounts owed or paid to the Trust were owed or paid directly to the Unit holders pro rata; and each Unit holder should be entitled to depletion deductions equal to the greater of cost depletion based on his basis in the Units, or under certain circumstances, percentage depletion. The IRS has issued private letter rulings and technical advice memoranda indicating that royalty trusts similar to the Trust are taxable as grantor trusts. However, no rulings have been issued to the Trust and private rulings issued to other taxpayers do not bind the IRS in connection with the Trust. Hence, there can be no assurance that the IRS will not challenge this treatment.

The information and instructions contained in this booklet are designed to assist Unit Holders who are U.S. Citizens in complying with their federal income tax reporting requirements based on the treatment of the Trust as a grantor trust and should not be construed as tax advice to any specific Unit holder. A Unit holder should consult his own tax advisor regarding all tax compliance matters relating to such Unit holder's Units. To our knowledge, all other major Federal income tax issues relating to the Trust have been resolved by the Internal Revenue Service in a manner consistent with the tax consequences described in these instructions.

IV.
SUPPLEMENTAL TAX TABLES AND WORKSHEET

For calendar-year Unit holders who acquired, sold, or exchanged Units during 2022, Supplemental Tax Tables 1-5 should be used to compute income, expenses, and if applicable, percentage depletion. Unit holders who have a taxable year other than December 31 should continue to use monthly tax Schedules B-1 through B-12 which are available on the Trust's website. Unit holders who have held the same number of Units the entire year and report on the calendar year should use Schedule A on page 2.

To assist all Unit holders in calculating their cost depletion deduction, Table 6 and the Cost Depletion Worksheet are provided on pages 11 and 12. Notes are contained in the Specific Instructions for the Cost Depletion Worksheet to explain and assist in preparing a Unit holder's cost depletion deduction. This worksheet assumes a Unit holder will take the cost depletion deduction. Some Unit holders may be entitled to a percentage depletion deduction in lieu of a cost depletion deduction, in which case Table 5 should be used to compute such Unit holder's depletion deduction.

Note: Simple income/expense and cost depletion calculators are posted on the San Juan Basin Royalty Trust website: www.sjbtr.com

EXAMPLE:

A brief example to illustrate the computation of the income, expenses, and depletion deduction should be helpful. Assume a Unit holder purchased 1,000 Units for \$6,700 (the holder's Basis) on February 11, 2022 and sold these Units on June 16, 2022. For these Units the Unit holder received cash distributions for February through May; therefore, the income, expenses, and depletion deduction attributable to these Units will be for this same period.

To use each table (1-6) for this example, a Unit holder should go down the left-hand column to the specific month when the Units were purchased and then across the page to the column which corresponds to the month for which the last cash distribution was received. In the above example, the Unit holder should go down the left-hand column to the second line (February) and across the page to the column titled May. This procedure would be repeated on each of the six tables.

The income, expense and depletion deduction calculations for the above example are summarized below:

EXAMPLE – FOR ILLUSTRATION ONLY

DESCRIPTION	TABLE	AMOUNT PER UNIT	X	UNITS OR BASIS	=	AMOUNT
Gross Royalty Income	1	0.450448	x	1,000 Units	=	\$ 450.45
Severance Tax	2	0.057691	x	1,000 Units	=	\$ 57.69
Interest Income	3	0.000016	x	1,000 Units	=	\$ 0 .01
Administration Expense	4	0.013261	x	1,000 Units	=	\$ 13.26
Percentage Depletion *	5	0.067568	x	1,000 Units	=	\$ 67.57
Cost Depletion **	6	0.062502	x	\$ 6,700 Basis	=	\$ 418.76

* Percentage Depletion may be claimed for Units purchased after October 11, 1990, if greater than Cost Depletion. For units acquired after such date, the Unit holder should compute both percentage depletion and cost depletion and claim the larger amount. Taxpayers should consult their tax advisors regarding deductibility of percentage depletion.

** See Specific Instructions for Cost Depletion Worksheet on page 11 and the Cost Depletion Worksheet on page 12.

San Juan Basin Royalty Trust

**Table 1
2022 Gross Royalty Income
(Cumulative \$ per Unit)**

For a Unit
acquired of record And the last cash distribution on such Unit was
during the month of: attributable to the monthly record date for the month of:

2022												
	January	February	March	April	May	June	July	August	September	October	November	December
January	0.122379	0.223083	0.366501	0.464906	0.572827	0.704299	0.871577	1.082592	1.227107	1.623537	1.819787	1.930685
February		0.100704	0.244122	0.342527	0.450448	0.581920	0.749198	0.960213	1.104728	1.501158	1.697408	1.808306
March			0.143418	0.241823	0.349744	0.481216	0.648494	0.859509	1.004024	1.400454	1.596704	1.707602
April				0.098405	0.206326	0.337798	0.505076	0.716091	0.860606	1.257036	1.453286	1.564184
May					0.107921	0.239393	0.406671	0.617686	0.762201	1.158631	1.354881	1.465779
June						0.131472	0.298750	0.509765	0.654280	1.050710	1.246960	1.357858
July							0.167278	0.378293	0.522808	0.919238	1.115488	1.226386
August								0.211015	0.355530	0.751960	0.948210	1.059108
September									0.144515	0.540945	0.737195	0.848093
October										0.396430	0.592680	0.703578
November											0.196250	0.307148
December												0.110898

**Table 2
2022 Severance Tax
(Cumulative \$ per Unit)**

For a Unit
acquired of record And the last cash distribution on such Unit was
during the month of: attributable to the monthly record date for the month of:

2022												
	January	February	March	April	May	June	July	August	September	October	November	December
January	0.016072	0.029081	0.047023	0.059541	0.073763	0.090393	0.110900	0.136250	0.155223	0.200607	0.222029	0.235532
February		0.013009	0.030951	0.043469	0.057691	0.074321	0.094828	0.120178	0.139151	0.184535	0.205957	0.219460
March			0.017942	0.030460	0.044682	0.061312	0.081819	0.107169	0.126142	0.171526	0.192948	0.206451
April				0.012518	0.026740	0.043370	0.063877	0.089227	0.108200	0.153584	0.175006	0.188509
May					0.014222	0.030852	0.051359	0.076709	0.095682	0.141066	0.162488	0.175991
June						0.016630	0.037137	0.062487	0.081460	0.126844	0.148266	0.161769
July							0.020507	0.045857	0.064830	0.110214	0.131636	0.145139
August								0.025350	0.044323	0.089707	0.111129	0.124632
September									0.018973	0.064357	0.085779	0.099282
October										0.045384	0.066806	0.080309
November											0.021422	0.034925
December												0.013503

**Table 3
2022 Interest Income
(Cumulative \$ per Unit)**

For a Unit
acquired of record And the last cash distribution on such Unit was
during the month of: attributable to the monthly record date for the month of:

2022												
	January	February	March	April	May	June	July	August	September	October	November	December
January	0.000002	0.000003	0.000004	0.000006	0.000018	0.000043	0.000085	0.000175	0.000307	0.000503	0.000694	0.001226
February		0.000001	0.000002	0.000004	0.000016	0.000041	0.000083	0.000173	0.000305	0.000501	0.000692	0.001224
March			0.000001	0.000003	0.000015	0.000040	0.000082	0.000172	0.000304	0.000500	0.000691	0.001223
April				0.000002	0.000014	0.000039	0.000081	0.000171	0.000303	0.000499	0.000690	0.001222
May					0.000012	0.000037	0.000079	0.000169	0.000301	0.000497	0.000688	0.001220
June						0.000025	0.000067	0.000157	0.000289	0.000485	0.000676	0.001208
July							0.000042	0.000132	0.000264	0.000460	0.000651	0.001183
August								0.000090	0.000222	0.000418	0.000609	0.001141
September									0.000132	0.000328	0.000519	0.001051
October										0.000196	0.000387	0.000919
November											0.000191	0.000723
December												0.000532

San Juan Basin Royalty Trust

**Table 4
2022 Trust Administration Expense
(Cumulative \$ per Unit)**

For a Unit
acquired of record And the last cash distribution on such Unit was
during the month of: attributable to the monthly record date for the month of:

2022												
	January	February	March	April	May	June	July	August	September	October	November	December
January	0.002863	0.004815	0.011188	0.014194	0.016124	0.019378	0.021006	0.023313	0.024670	0.026791	0.029839	0.031471
February		0.001952	0.008325	0.011331	0.013261	0.016515	0.018143	0.020450	0.021807	0.023928	0.026976	0.028608
March			0.006373	0.009379	0.011309	0.014563	0.016191	0.018498	0.019855	0.021976	0.025024	0.026656
April				0.003006	0.004936	0.008190	0.009818	0.012125	0.013482	0.015603	0.018651	0.020283
May					0.001930	0.005184	0.006812	0.009119	0.010476	0.012597	0.015645	0.017277
June						0.003254	0.004882	0.007189	0.008546	0.010667	0.013715	0.015347
July							0.001628	0.003935	0.005292	0.007413	0.010461	0.012093
August								0.002307	0.003664	0.005785	0.008833	0.010465
September									0.001357	0.003478	0.006526	0.008158
October										0.002121	0.005169	0.006801
November											0.003048	0.004680
December												0.001632

**Table 5
2022 Percentage Depletion Factors
(Cumulative)**

For a Unit
acquired of record And the last cash distribution on such Unit was
during the month of: attributable to the monthly record date for the month of:

2022												
	January	February	March	April	May	June	July	August	September	October	November	December
January	0.018357	0.033463	0.054976	0.069737	0.085925	0.105646	0.130738	0.162390	0.184067	0.243532	0.272970	0.289605
February		0.015106	0.036619	0.051380	0.067568	0.087289	0.112381	0.144033	0.165710	0.225175	0.254613	0.271248
March			0.021513	0.036274	0.052462	0.072183	0.097275	0.128927	0.150604	0.210069	0.239507	0.256142
April				0.014761	0.030949	0.050670	0.075762	0.107414	0.129091	0.188556	0.217994	0.234629
May					0.016188	0.035909	0.061001	0.092653	0.114330	0.173795	0.203233	0.219868
June						0.019721	0.044813	0.076465	0.098142	0.157607	0.187045	0.203680
July							0.025092	0.056744	0.078421	0.137886	0.167324	0.183959
August								0.031652	0.053329	0.112794	0.142232	0.158867
September									0.021677	0.081142	0.110580	0.127215
October										0.059465	0.088903	0.105538
November											0.029438	0.046073
December												0.016635

SPECIFIC INSTRUCTIONS FOR COST DEPLETION WORKSHEET

Note 1: The original basis of your Units must be determined from your records and generally will be the amount paid for the Units including broker's commissions or the fair market value of such Units on the date they were distributed (November 3, 1980). However, there could be other taxable events which cause the original basis to be revised. For example, the original basis of Units passing through an estate could be changed to reflect the fair market value of the Units on date of death. Please consult your tax advisor concerning your original basis.

Note 2: When Units are acquired, sold or exchanged during the year, the cost depletion factor is calculated using one of the following procedures:

(a) UNITS *ACQUIRED* PRIOR TO 2022 AND *SOLD* DURING 2022:

Example: A Unit holder acquired Units prior to 2022 and sold them in June 2022. To calculate his cost depletion for the year, the Unit holder would use the cost depletion factor for January through May obtained from Table 6. In this example, the cost depletion factor would be 0.093881.

(b) UNITS *ACQUIRED* AND *SOLD* DURING 2022:

Example: A Unit holder acquired Units in February 2022 and sold them in November 2022. To calculate her cost depletion for the year, the Unit holder would use the cost depletion factor for February through October obtained from Table 6. In this example, the cost depletion factor would be 0.135823.

(c) UNITS *ACQUIRED* DURING 2022 AND *STILL OWNED* AT THE END OF 2022:

Example: A Unit holder acquired Units in March 2022 and still owned them at the end of 2022. To calculate his cost depletion for the year, the Unit holder would use the cost depletion factor for March through December obtained from Table 6. In this example, the cost depletion factor would be 0.141664.

Note: A cost depletion calculator is available on the San Juan Basin Royalty Trust website: www.sjbtr.com

**Table 6
2022 Cost Depletion Factors
(Cumulative)**

For a Unit
acquired of record And the last cash distribution on such Unit was
during the month of: attributable to the monthly record date for the month of:

	2022											
	January	February	March	April	May	June	July	August	September	October	November	December
January	0.031379	0.053993	0.068826	0.080003	0.093881	0.108331	0.122703	0.137926	0.151834	0.167202	0.181833	0.195657
February		0.022614	0.037447	0.048624	0.062502	0.076952	0.091324	0.106547	0.120455	0.135823	0.150454	0.164278
March			0.014833	0.026010	0.039888	0.054338	0.068710	0.083933	0.097841	0.113209	0.127840	0.141664
April				0.011177	0.025055	0.039505	0.053877	0.069100	0.083008	0.098376	0.113007	0.126831
May					0.013878	0.028328	0.042700	0.057923	0.071831	0.087199	0.101830	0.115654
June						0.014450	0.028822	0.044045	0.057953	0.073321	0.087952	0.101776
July							0.014372	0.029595	0.043503	0.058871	0.073502	0.087326
August								0.015223	0.029131	0.044499	0.059130	0.072954
September									0.013908	0.029276	0.043907	0.057731
October										0.015368	0.029999	0.043823
November											0.014631	0.028455
December												0.013824

San Juan Basin Royalty Trust

2022 Cost Depletion Worksheet

The following may help you calculate your cost depletion to be reported on your federal income tax return.

For your convenience, a cost depletion calculator is available on the San Juan Basin Royalty Trust website: <https://www.sjbrt.com>

A. If you *owned* the Units for the *entire year*, your cost depletion would be calculated as follows:

Original Basis (Note 1)	-	Cost Depletion Allowed or Allowable in Prior Years	=	Original Basis Less Cost Depletion Allowed or Allowable in Prior Years	x	Cost Depletion Factor	=	Cost Depletion
San Juan Basin	-		=		x	0.195657	=	

B. If you *sold* or *acquired* Units *during the year*, your cost depletion for the portion of the year the Units were held would be calculated as follows:

Original Basis (Note 1)	-	Cost Depletion Allowed or Allowable in Prior Years	=	Original Basis Less Cost Depletion Allowed or Allowable in Prior Years	x	Partial Year Cost Depletion Factor (Note 2)	=	Cost Depletion
San Juan Basin	-		=		x		=	

Notes 1 and 2 are contained in the Specific Instructions for the Cost Depletion Worksheet on page 11.