



TO OUR UNIT HOLDERS

We are pleased to present the 2018 1st Quarter Report of the San Juan Basin Royalty Trust (the "Trust"). The principal asset of the Trust is a 75% net overriding royalty interest (the "Royalty") carved out of certain oil and gas leasehold and royalty interests in properties located in the San Juan Basin of New Mexico (the "Subject Interests") owned by Hilcorp San Juan L.P. ("Hilcorp") and previously owned by Burlington Resources Oil & Gas Company LP ("Burlington"), a wholly-owned subsidiary of ConocoPhillips.

Royalty income of the Trust, which consists of monthly net proceeds attributable to the Royalty, was \$6,646,813 for the three months ended March 31, 2018, compared to \$8,608,220 during the same period in 2017. The decrease in royalty income is due primarily to lower natural gas prices.

Distributable income decreased by approximately \$1.92 million or approximately 24% to \$6.23 million (\$0.133610 per Unit) for the three months ended March 31, 2018 from \$8.15 million (\$0.174796 per Unit) for the three months ended March 31, 2017. The decrease in distributable income was primarily attributable to lower natural gas prices.

Based on 46,608,796 Units outstanding as of May 10, 2018, the per-Unit distributions during the first quarter of 2018 were as follows:

January	\$0.066844
February	0.035965
March	0.030801
Quarter Total	\$0.133610

Interest income was higher for the three months ended March 31, 2018 as compared to the same period in 2017 primarily due to higher yields on short-term investments.

General and administrative expenses decreased approximately \$0.04 million or approximately 8% for the three months ended March 31, 2018 compared to the three months ended March 31, 2017. The decrease was primarily attributable to differences in timing in the receipt and payment of certain expenses.

Total cash reserves were \$1.00 million as of March 31, 2018.

The Trustee did not increase the cash reserves during 2017 and does not anticipate any increases in 2018.

Hilcorp has informed the Trust that its 2018 budget for capital expenditures for the Subject Interests is estimated to be \$0.54 million and that it anticipates that it will continue to operate existing wells as planned.

Royalty income for the quarter ended March 31, 2018 is associated with estimated oil and natural gas production for November 2017 and actual oil and natural gas production for December 2017 and January 2018 from the Subject Interests. Production of oil and natural gas and related average sales prices attributable to each of the Subject Interests and the Royalty for the three months ended March 31, 2018 and 2017 were as follows:

	For the Three Months Ended March 31,			
	2018		2017	
	Natural Gas (Mcf)	Oil and Condensate (Bbls)	Natural Gas (Mcf)	Oil and Condensate (Bbls)
Production				
Subject Interests	7,660,516	14,373	6,605,953	13,100
Royalty	3,103,857	8,911	3,161,814	6,093
Average Price (per Mcf/Bbl)	\$2.03	\$46.01	\$2.93	\$35.77

The Trust recognizes production during the month in which the related net proceeds attributable to the Royalty are paid to the Trust. Royalty Income for a calendar year is based on the actual natural gas and oil production during the period beginning with November of the preceding calendar year through October of the current calendar year. Sales volumes attributable to the Royalty are determined by dividing the net profits by the Trust from the sale of oil and natural gas, respectively, by the prices received for sales of such volumes from the Subject Interests, taking into consideration production taxes attributable to the Subject Interests. Because the oil and natural gas sales attributable to the Royalty are based upon an allocation formula dependent on such factors as price and cost, including capital expenditures, the aggregate sales amounts from the Subject Interests may not provide a meaningful comparison to sales attributable to the Royalty.

The sale of San Juan Basin assets from Burlington to Hilcorp closed on July 31, 2017. Due to the transition, Hilcorp estimated revenue for the August 2017 through November 2017 production months (October 2017 through January 2018 Trust months). Hilcorp intends to reconcile the actual revenue and severance tax numbers versus the estimated numbers and true-up any distributions, as needed, but Hilcorp has not indicated when such reconciliation will occur. Such estimations and reconciliations by Hilcorp may result in adjustments to future distributions to the Unit Holders.

Included in this report are the Condensed Statements of Assets, Liabilities and Trust Corpus as of March 31, 2018, (Unaudited), and December 31, 2017, and the Condensed Statements of Distributable Income and of Changes in Trust Corpus for the three months ended March 31, 2018 and 2017 (Unaudited).

Unit Holders of record will continue to receive an annual individualized tax information letter. All Unit Holders may obtain monthly tax information from the Trust's website at www.sjbrt.com, or from the Trustee upon request by calling

toll-free or writing the Trustee at the contact information at the bottom of this report.

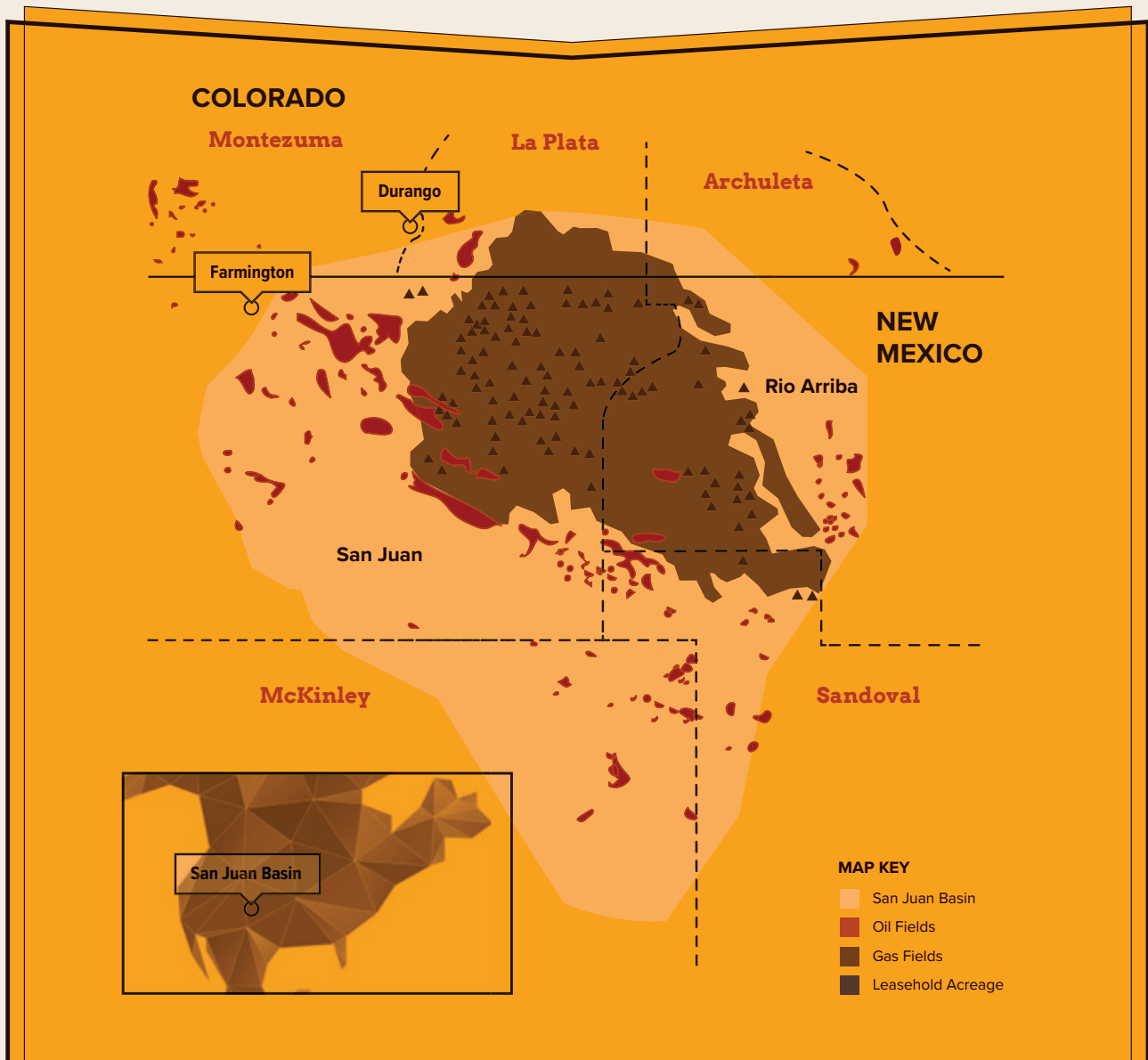
Income and expense (per Unit) and depletion factors for the three months ended March 31, 2018 are as follows:

	January	February	March
Gross Income	\$ 0.076364	\$ 0.045929	\$ 0.037900
Interest Income	\$ 0.000040	\$ 0.000040	\$ 0.000033
Severance Tax	(\$ 0.007980)	(\$ 0.006108)	(\$ 0.003497)
Administration Expense	(\$ 0.001580)	(\$ 0.003896)	(\$ 0.003635)
Distributable Income	\$ 0.066844	\$ 0.035965	\$ 0.030801
Percentage Depletion Factor	0.011455	0.006889	0.005685
Cost Depletion Factor	0.014612	0.010792	0.011288

Compass Bank, Trustee



BY: JOSHUA R. PETERSON
Vice President and Senior Trust Officer



CONDENSED STATEMENTS OF ASSETS, LIABILITIES AND TRUST CORPUS

	March 31, 2018	December 31, 2017
	(Unaudited)	
Assets		
Cash and Short-Term Investments	\$ 2,435,597	\$ 4,415,851
Net Overriding Royalty Interest in Producing Oil and Natural Gas Properties (net of accumulated amortization of \$126,939,485 and \$126,698,148 at March 31, 2018 and December 31, 2017, respectively)	6,336,043	6,577,380
	\$ 8,771,640	\$ 10,993,231
Liabilities And Trust Corpus		
Distribution Payable to Unit Holders	\$ 1,435,597	\$ 3,415,851
Cash Reserves	1,000,000	1,000,000
Trust Corpus – 46,608,796 Units of Beneficial Interest Authorized and Outstanding	6,336,043	6,577,380
	\$ 8,771,640	\$ 10,993,231

CONDENSED STATEMENTS OF DISTRIBUTABLE INCOME (UNAUDITED)

	Three Months Ended March 31,	
	2018	2017
Royalty Income	\$ 6,646,813	\$ 8,608,220
Interest Income	5,288	1,383
Total Income	6,652,101	8,609,603
Expenditures – General and Administrative	(424,702)	(462,593)
Distributable Income	\$ 6,227,399	\$ 8,147,010
Distributable Income per Unit (46,608,796 Units)	\$ 0.133610	\$ 0.174796

CONDENSED STATEMENTS OF CHANGES IN TRUST CORPUS (UNAUDITED)

	Three Months Ended March 31,	
	2018	2017
Trust Corpus, Beginning of Period	\$ 6,577,380	\$ 7,784,379
Amortization of Net Overriding Royalty Interest	(241,337)	(321,093)
Distributable Income	6,227,399	8,147,010
Distributions Declared	(6,227,399)	(8,147,010)
Trust Corpus, End of Period	\$ 6,336,043	\$ 7,463,286

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 March 31, 2018, as filed with the U.S. Securities and Exchange Commission on May 10, 2018.



Except for historical information contained in this report, the statements in this report may contain or include forward-looking statements that are made pursuant to the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements generally are accompanied by words such as “may,” “will,” “estimate,” “anticipate,” “should,” “plan,” “intend,” or other words that convey the uncertainty of future events or outcomes. Forward-looking statements and the financial prospects of San Juan Basin Royalty Trust are subject to a number of risks and uncertainties that may cause actual results in future periods to differ materially from the forward-looking statements. These risks and uncertainties include, among other things, volatility of oil and gas prices, governmental regulation or action, litigation, uncertainties about estimates of reserves, capital expenditures, drilling activity, development activities, production efforts and volumes, and the results of the Trust’s activities. These and other risks are described in the Trust’s reports and other filings with the Securities and Exchange Commission. The Trust undertakes no obligation to publicly update or revise any forward-looking statements, except as required by applicable law.

SAN JUAN BASIN ROYALTY TRUST

Compass Bank, Trustee
300 West Seventh Street, Suite B
Fort Worth, Texas 76102
Toll-free telephone: 866.809.4553
Outside U.S. telephone: 904.230.3401
www.sjbirt.com
slt.us@bbva.com

PAYING AGENT / TRANSFER AGENT / REGISTRAR

Computershare Investor Services
www.computershare.com
Customer Service: 312.360.5154