

**PROSPECTUS**

**SOUTHLAND ROYALTY COMPANY**

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**46,616,496 UNITS OF BENEFICIAL INTEREST IN  
PERMIAN BASIN ROYALTY TRUST**

**— AND —**

**46,616,496 UNITS OF BENEFICIAL INTEREST IN  
SAN JUAN BASIN ROYALTY TRUST**

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Southland Royalty Company ("Southland") proposes to transfer net overriding royalty interests (equivalent to net profits interests) in certain producing oil and gas properties to two trusts ("Trusts") and to distribute all the units of beneficial interest ("Units") in the Trusts to the holders of its Common Stock. This Prospectus describes the issuance and distribution of Units in these two Trusts, the Permian Basin Royalty Trust and the San Juan Basin Royalty Trust, and related matters. The Units offered hereby are to be issued to the stockholders of Southland as described in the Proxy Statement included in this Prospectus.

Units in the Trusts will be freely transferable independently of each other and independently of the Common Stock. Application will be made to list the Units of each Trust on the New York Stock Exchange, Inc.

The principal executive offices of Southland are located at 1000 Fort Worth Club Tower, Fort Worth, Texas 76102, and its telephone number is (817) 390-9200.

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**THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE  
SECURITIES AND EXCHANGE COMMISSION NOR HAS THE COMMISSION  
PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS.  
ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

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**The date of this Prospectus is September 26, 1980**

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**NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS NOT CONTAINED IN THIS PROSPECTUS IN CONNECTION WITH THE TRANSACTION DESCRIBED HEREIN, AND IF GIVEN OR MADE SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER OF ANY SECURITIES OTHER THAN THE REGISTERED SECURITIES TO WHICH IT RELATES OR AN OFFER TO ANY PERSON IN ANY STATE WHERE SUCH OFFER WOULD BE UNLAWFUL. THE DELIVERY OF THIS PROSPECTUS AT ANY TIME DOES NOT IMPLY THAT INFORMATION HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO ITS DATE.**