

# San Juan Basin Royalty Trust

2525 Ridgmar Boulevard, Suite 100  
Fort Worth, Texas 76116  
Telephone: 866/809-4553  
Website: [www.sjbirt.com](http://www.sjbirt.com)

January 31, 2009

## IMPORTANT TAX INFORMATION

### TO UNIT HOLDERS:

We enclose the following material, which provides Unit holders with information necessary to compute the 2008 Federal income tax consequences of owning Units:

- (a) Grantor Trust Schedule A for 2008.
- (b) Information and Instructions.
- (c) Supplemental Tax Tables and Worksheet.

Compass Bank, Trustee

By:



Vice President and Senior Trust Officer

# San Juan Basin Royalty Trust

EIN: 75-6279898

## SCHEDULE A TO FORM 1041, GRANTOR TRUST FOR YEAR ENDED DECEMBER 31, 2008

Federal and State Income Tax Information  
See Instructions Before Filing

### PART I ROYALTY INFORMATION PER UNIT

Source	( a )	( b )	( c )	( d )	( e )
	Gross Income	Severance Tax	Net Royalty Payment	Cost Depletion Factor*	Production
San Juan Basin Properties					
New Mexico					
1. Oil	\$0.060135	\$0.005880	\$0.054255	-	0.000605 BBLs
2. Gas	3.356925	0.309019	3.047906	-	0.419169 MCF
3. Total Oil and Gas for Year	\$3.417060	\$0.314899	\$3.102161 <b>A</b>	0.098254	

\*Percentage Depletion per Unit of \$0.512560 may be claimed for Units purchased after October 11, 1990, if greater than Cost Depletion.

### PART II OTHER INCOME AND EXPENSE PER UNIT

Item	Total
1. Interest Income	\$0.008336 <b>B</b>
2. Administration Expense	\$0.040667 <b>C</b>

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

Item	Total
1. Taxable Income Per Unit, Excluding Depletion ( <b>A+B-C</b> )	\$3.069830
2. Reconciling Items	0.000003
3. Cash Distribution Per Unit	\$3.069833

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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 2008 is associated with amounts distributed in February 2008 through January 2009, which in the aggregate correspond to the amount reported as "Cash Distribution Per Unit" in Part III on Schedule A (page 2).**

(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 certificate form:** An individualized letter summarizing taxable income for the calendar year is enclosed.

(c) *Types and Reporting of Trust Income and Deductions.*

- (i) 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, and is received by the Trustee on the last day of the monthly period. The gross amount of net overriding royalty income received by the Trust from the Royalty during the period covered is reported in Column (a) of Part I (page 2).
- (ii) Severance tax paid by the Trust during the period covered is reported in Column (b) of Part I (page 2).
- (iii) Interest income received by the Trustee during the period covered is reported as Item 1 of Part II (page 2).

- (iv) Administration expenses are paid on the last day of the month in which they accrue. The amount so accrued and paid during the period covered is reported as Item 2 of Part II (page 2).
- (d) *Unit Multiplication.* Because each schedule reflects only results on a per-Unit basis, it will be necessary to multiply the gross royalty income, severance tax, and percentage depletion 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 applicable period to obtain the amount to be reported on his tax return. Income and expenses (other than depletion) may be computed directly from the appropriate schedules. Cost 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 a period beginning in 2008, it is suggested that the items of income and deduction computed from the appropriate schedules be reported in the following manner:

Item	Form 1040
Gross Royalty Income	Line 4, Part I, Schedule E
Depletion	Line 20, Part I, Schedule E
Severance Tax	Line 16, Part I, Schedule E
Interest Income	Line 1, Part I, Schedule B
Administration Expense	Line 18, Part I, Schedule E

On the following pages, we have reproduced page 1 of *Schedule E to Form 1040*, and page 2 of *Schedule B to Form 1040*. The specific location of each item of income and expense above are identified on each form. These pages are entitled “Individual Unit Holder’s Specific Location of Items of Income and Expense on Schedules E and B.”

For the convenience of Unit holders who acquired or sold Units during 2008, Tables 1 through 6 are included on pages 9, 10 and 11 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.

- (f) *Nominee Reporting.* Nominees and brokers should report the distributions from the Trust as royalty income on Form 1099-MISC. The taxable amount before depletion should be reported per the attached schedules. In years where there are no reconciling items, the net taxable income excluding depletion, see instruction 2, will equal the cash distributions from the Trust.
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. The percentage depletion factors are provided in Table 3.
- 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 2008 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.

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

<b>SCHEDULE E</b> <b>(Form 1040)</b> <small>Department of the Treasury Internal Revenue Service (99)</small>	<b>Supplemental Income and Loss</b> (From rental real estate, royalties, partnerships, S corporations, estates, trusts, REMICs, etc.)	<small>OMB No. 1545-0074</small> <div style="border: 1px solid black; padding: 2px; display: inline-block;"> <b>2008</b>  <small>Attachment Sequence No. 13</small> </div>																																																																																																																																					
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<b>Part I Income or Loss From Rental Real Estate and Royalties</b> <small>Note. If you are in the business of renting personal property, use Schedule C or C-EZ (see page E-3). If you are an individual, report farm rental income or loss from Form 4835 on page 2, line 40.</small>																																																																																																																																							
<b>1</b> List the type and address of each <b>rental real estate property</b> :	<b>2</b> For each rental real estate property listed on line 1, did you or your family use it during the tax year for personal purposes for more than the greater of:	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th style="width:50%;">Yes</th> <th style="width:50%;">No</th> </tr> <tr> <td style="text-align: center;">A</td> <td style="text-align: center;">A</td> </tr> <tr> <td style="text-align: center;">B</td> <td style="text-align: center;">B</td> </tr> <tr> <td style="text-align: center;">C</td> <td style="text-align: center;">C</td> </tr> </table>	Yes	No	A	A	B	B	C	C																																																																																																																													
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Line 4

Severance Tax \_\_\_\_\_  
Line 16

Administration Expenses \_\_\_\_\_  
Line 18

Depletion \_\_\_\_\_  
Line 20



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 to the extent of the depletion which reduced the adjusted basis of such Unit. 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. **WHFIT Classification.** The Trust is a widely held fixed investment trust (“WHFIT”) classified as a non-mortgage widely held fixed investment trust (“NMWHFIT”) for federal income tax purposes. The Trustee, 2525 Ridgmar Boulevard, Suite 100, Fort Worth, Texas 76116, telephone number 1-866-809-4553, e-mail address: sjt@compassbank.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.sjbrt.com](http://www.sjbrt.com).

## 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 [www.state.nm.us/tax](http://www.state.nm.us/tax). Forms and instructions can be printed from the website. For information and general assistance with filing a New Mexico return, call (505) 827-0827.

The Trustee has been informed that the New Mexico Oil and Gas Proceeds Withholding Tax Act requires remitters who pay certain oil and gas proceeds from production on New Mexico properties on or after October 1, 2003, 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 interest, the extent of which cannot be determined with respect to a specific share of the oil and gas production, are excluded from the withholding requirements of the Withholding Tax Act.

### III.

## TAX ISSUES

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.

### SUPPLEMENTAL TAX TABLES AND WORKSHEET

In addition to Schedule A and Instructions, the Supplemental Tax Tables and Worksheet are provided for certain Unit holders. For purposes of computing income and expenses (excluding cost depletion), Tables 1-6 should only be used by calendar-year Unit holders who acquired, sold or exchanged Units during 2008. 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 should use Schedule A on page 2. The Supplemental Tax Tables and Worksheet are comprised of six tables and a Cost Depletion Worksheet.

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.

#### 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 \$40,000 (the holder's Basis) on May 12, 2008 and sold these Units on November 14, 2008. For these Units the Unit holder received cash distributions for May through October; 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 fifth line (May) and across the page to the column titled October. This procedure would be repeated on each of the six tables. The income and expense in the above example are summarized below.

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

<u>DESCRIPTION</u>	<u>TABLE</u>	<u>AMOUNT PER UNIT</u>	<u>X</u>	<u>UNITS OR BASIS</u>	<u>=</u>	<u>AMOUNT</u>
Gross Royalty Income	1	2.197214	X	1,000 UNITS	=	\$2,197.21
Severance Tax	2	0.198908	X	1,000 UNITS	=	198.91
Interest Income	4	0.002341	X	1,000 UNITS	=	2.34
Administration Expense	5	0.018072	X	1,000 UNITS	=	18.07
Percentage Depletion*	3	0.329583	X	1,000 UNITS	=	329.58
Cost Depletion**	6	0.053723	X	\$40,000 BASIS	=	\$2,148.92

\* 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**  
**2008 Gross Royalty Income**  
**(Cumulative \$ per Unit)**

	2008											
	January	February	March	April	May	June	July	August	September	October	November	December
For a Unit acquired of record during the month of:	And the last cash distribution on such Unit was attributable to the monthly record date for the month of:											
January	0.247984	0.506892	0.609280	0.813331	1.117281	1.449387	1.805405	2.191771	2.688890	3.010545	3.243647	3.417060
February		0.258908	0.361296	0.565347	0.869297	1.201403	1.557421	1.943787	2.440906	2.762561	2.995663	3.169076
March			0.102388	0.306439	0.610389	0.942495	1.298513	1.684879	2.181998	2.503653	2.736755	2.910168
April				0.204051	0.508001	0.840107	1.196125	1.582491	2.079610	2.401265	2.634367	2.807780
May					0.303950	0.636056	0.992074	1.378440	1.875559	2.197214	2.430316	2.603729
June						0.332106	0.688124	1.074490	1.571609	1.893264	2.126366	2.299779
July							0.356018	0.742384	1.239503	1.561158	1.794260	1.967673
August								0.386366	0.883485	1.205140	1.438242	1.611655
September									0.497119	0.818774	1.051876	1.225289
October										0.321655	0.554757	0.728170
November											0.233102	0.406515
December												0.173413

**Table 2**  
**2008 Severance Tax**  
**(Cumulative \$ per Unit)**

	2008											
	January	February	March	April	May	June	July	August	September	October	November	December
For a Unit acquired of record during the month of:	And the last cash distribution on such Unit was attributable to the monthly record date for the month of:											
January	0.022441	0.046034	0.060535	0.079013	0.106536	0.136578	0.168908	0.203944	0.248789	0.277921	0.299129	0.314899
February		0.023593	0.038094	0.056572	0.084095	0.114137	0.146467	0.181503	0.226348	0.255480	0.276688	0.292458
March			0.014501	0.032979	0.060502	0.090544	0.122874	0.157910	0.202755	0.231887	0.253095	0.268865
April				0.018478	0.046001	0.076043	0.108373	0.143409	0.188254	0.217386	0.238594	0.254364
May					0.027523	0.057565	0.089895	0.124931	0.169776	0.198908	0.220116	0.235886
June						0.030042	0.062372	0.097408	0.142253	0.171385	0.192593	0.208363
July							0.032330	0.067366	0.112211	0.141343	0.162551	0.178321
August								0.035036	0.079881	0.109013	0.130221	0.145991
September									0.044845	0.073977	0.095185	0.110955
October										0.029132	0.050340	0.066110
November											0.021208	0.036978
December												0.015770

**Table 3**  
**2008 Percentage Depletion Factors**  
**(Cumulative)**

	2008											
	January	February	March	April	May	June	July	August	September	October	November	December
For a Unit acquired of record during the month of:	And the last cash distribution on such Unit was attributable to the monthly record date for the month of:											
January	0.037198	0.076034	0.091392	0.122000	0.167593	0.217409	0.270812	0.328767	0.403335	0.451583	0.486548	0.512560
February		0.038836	0.054194	0.084802	0.130395	0.180211	0.233614	0.291569	0.366137	0.414385	0.449350	0.475362
March			0.015358	0.045966	0.091559	0.141375	0.194778	0.252733	0.327301	0.375549	0.410514	0.436526
April				0.030608	0.076201	0.126017	0.179420	0.237375	0.311943	0.360191	0.395156	0.421168
May					0.045593	0.095409	0.148812	0.206767	0.281335	0.329583	0.364548	0.390560
June						0.049816	0.103219	0.161174	0.235742	0.283990	0.318955	0.344967
July							0.053403	0.111358	0.185926	0.234174	0.269139	0.295151
August								0.057955	0.132523	0.180771	0.215736	0.241748
September									0.074568	0.122816	0.157781	0.183793
October										0.048248	0.083213	0.109225
November											0.034965	0.060977
December												0.026012

**Table 4**  
**2008 Interest Income**  
**(Cumulative \$ per Unit)**

For a Unit  
acquired of record  
during the month of:

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

		2008											
		January	February	March	April	May	June	July	August	September	October	November	December
January	_____	0.000264	0.003320	0.003527	0.003728	0.003800	0.003951	0.004143	0.004380	0.004649	0.006069	0.006491	0.008336
February	_____		0.003056	0.003263	0.003464	0.003536	0.003687	0.003879	0.004116	0.004385	0.005805	0.006227	0.008072
March	_____			0.000207	0.000408	0.000480	0.000631	0.000823	0.001060	0.001329	0.002749	0.003171	0.005016
April	_____				0.000201	0.000273	0.000424	0.000616	0.000853	0.001122	0.002542	0.002964	0.004809
May	_____					0.000072	0.000223	0.000415	0.000652	0.000921	0.002341	0.002763	0.004608
June	_____						0.000151	0.000343	0.000580	0.000849	0.002269	0.002691	0.004536
July	_____							0.000192	0.000429	0.000698	0.002118	0.002540	0.004385
August	_____								0.000237	0.000506	0.001926	0.002348	0.004193
September	_____									0.000269	0.001689	0.002111	0.003956
October	_____										0.001420	0.001842	0.003687
November	_____											0.000422	0.002267
December	_____												0.001845

**Table 5**  
**2008 Trust Administration Expense**  
**(Cumulative \$ per Unit)**

For a Unit  
acquired of record  
during the month of:

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

		2008											
		January	February	March	April	May	June	July	August	September	October	November	December
January	_____	0.003212	0.005627	0.013090	0.018207	0.022992	0.025809	0.028172	0.030888	0.033345	0.036279	0.037673	0.040667
February	_____		0.002415	0.009878	0.014995	0.019780	0.022597	0.024960	0.027676	0.030133	0.033067	0.034461	0.037455
March	_____			0.007463	0.012580	0.017365	0.020182	0.022545	0.025261	0.027718	0.030652	0.032046	0.035040
April	_____				0.005117	0.009902	0.012719	0.015082	0.017798	0.020255	0.023189	0.024583	0.027577
May	_____					0.004785	0.007602	0.009965	0.012681	0.015138	0.018072	0.019466	0.022460
June	_____						0.002817	0.005180	0.007896	0.010353	0.013287	0.014681	0.017675
July	_____							0.002363	0.005079	0.007536	0.010470	0.011864	0.014858
August	_____								0.002716	0.005173	0.008107	0.009501	0.012495
September	_____									0.002457	0.005391	0.006785	0.009779
October	_____										0.002934	0.004328	0.007322
November	_____											0.001394	0.004388
December	_____												0.002994

## 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 adviser 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 2008 AND SOLD DURING 2008.*

*Example:* A Unit holder acquired Units prior to 2008 and sold them in June 2008. 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 0.036537.

(b) *UNITS ACQUIRED AND SOLD DURING 2008.*

*Example:* A Unit holder acquired Units in February 2008 and sold them in November 2008. 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 0.074566.

(c) *UNITS ACQUIRED DURING 2008 AND STILL OWNED AT THE END OF 2008.*

*Example:* A Unit holder acquired Units in March 2008 and still owned them at the end of 2008. 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 0.083273.

**Table 6**  
**2008 Cost Depletion Factors**  
**(Cumulative)**

For a Unit acquired of record during the month of:	2008											
And the last cash distribution on such Unit was attributable to the monthly record date for the month of:	January	February	March	April	May	June	July	August	September	October	November	December
January	0.007374	0.014981	0.022273	0.028217	0.036537	0.045518	0.054089	0.062824	0.072854	0.081940	0.089742	0.098254
February		0.007607	0.014899	0.020843	0.029163	0.038144	0.046715	0.055450	0.065480	0.074566	0.082368	0.090880
March			0.007292	0.013236	0.021556	0.030537	0.039108	0.047843	0.057873	0.066959	0.074761	0.083273
April				0.005944	0.014264	0.023245	0.031816	0.040551	0.050581	0.059667	0.067469	0.075981
May					0.008320	0.017301	0.025872	0.034607	0.044637	0.053723	0.061525	0.070037
June						0.008981	0.017552	0.026287	0.036317	0.045403	0.053205	0.061717
July							0.008571	0.017306	0.027336	0.036422	0.044224	0.052736
August								0.008735	0.018765	0.027851	0.035653	0.044165
September									0.010030	0.019116	0.026918	0.035430
October										0.009086	0.016888	0.025400
November											0.007802	0.016314
December												0.008512

**San Juan Basin Royalty Trust**

**2008 Cost Depletion Worksheet**

The following may help you calculate your cost depletion to be reported on your Federal Income Tax Return.

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

Original Basis (NOTE 1)	Depletion Allowed or Allowable in Prior Years	Original Basis Less Depletion Allowed or Allowable in Prior Years	Cost Depletion Factor	Cost Depletion
-	=	X	=	=
San Juan Basin	-	=	X 0.098254	=

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

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