

TO OUR UNIT HOLDERS

We are pleased to present the 2023 1st Quarter Report (this "Report") of the San Juan Basin Royalty Trust (the "Trust") to the holders (the "Unit Holders") of units of beneficial interest in the Trust (the "Units"). The principal asset of the Trust is a 75% net overriding royalty interest (the "Royalty") that is 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"). The Subject Interests are owned by Hilcorp San Juan L.P. ("Hilcorp").

Royalty income distributed by Hilcorp to the Trust, which consists of 75% of the monthly net proceeds attributable to the Royalty, was approximately \$36.4 million for the three months ended March 31, 2023, compared to \$14.9 million during the same period in 2022. The average natural gas price increased from \$4.79 per Mcf for the three months ended March 31, 2022, to \$10.53 per Mcf for the three months ended March 31, 2023. Production of natural gas from the Subject Interests decreased from 6,231,076 Mcf for the three months ended March 31, 2022, to 5,863,499 Mcf for the three months ended March 31, 2023.

Distributable income, which is the amount that the Trust distributes to the Unit Holders from the Royalty income less the amount of expenses paid by the Trust and any changes in cash reserves, increased from \$14.4 million (\$0.308294 per Unit) for the three months ended March 31, 2022, to \$36.0 million (\$0.771771 per Unit) for the three months ended March 31, 2023. The increase in distributable income was primarily attributable to higher natural gas prices.

Based on 46,608,796 Units outstanding, the per-Unit distributions during the first quarter of 2023 were as follows:

January	\$ 0.112250
February	0.249833
March	0.409688
Quarter Total	\$ 0.771771

Interest income was higher for the three months ended March 31, 2023, as compared to the same period in 2022, due to an increase in funds available for investment and to higher yields on short-term investments.

General and administrative expenses decreased approximately 8% for the three months ended March 31, 2023, compared to the three months ended March 31, 2022. The decrease was primarily attributable to differences in timing of the receipt and payment for certain expenses by the Trust.

Total cash reserves were \$1.0 million as of March 31, 2023. The Trustee does not anticipate increasing or decreasing the established amount of cash reserves in 2023, although it cannot predict whether it will need to utilize some portion of those cash reserves during 2023.

Hilcorp's capital expenditures decreased approximately \$45,800 for the three months ended March 31, 2023, compared to the three months ended March 31, 2022. The decrease was primarily attributable to differences in timing of the payment for these expenditures along with capital expenditures attributable to the prior year's budget.

On February 17, 2023, the Trust announced that Hilcorp had provided the Trust with its 2023 capital project plan for the Subject Interests (the "2023 Plan"), and Hilcorp has estimated its 2023 capital expenditures for the Subject Interests to be \$4.4 million. Hilcorp informed the Trust that its 2023 Plan will allocate approximately \$3.7 million of the 2023 Plan's budget toward 25 well recompletions and workovers scheduled to be completed in the Mesaverde, Pictured Cliffs and Fruitland Coal formations. Approximately \$0.5 million of the 2023 Plan's budget will be allocated to facilities projects related to natural gas compression, and approximately \$0.2 million will be spent for permitting costs for potential future new drill projects. Hilcorp further informed the Trust that its planned project status for 2023 is subject to revision if Hilcorp revises its assumptions underlying the 2023 Plan and that actual capital costs may vary from these estimates.

Royalty income for the three months ended March 31, 2023, is associated with natural gas and oil production during November 2022 through January 2023 from the Subject Interests. Production of natural gas and oil and related average sales prices attributable to each of the Subject Interests and the Royalty for the three months ended March 31, 2023, and 2022 were as follows:

	For the Three Months Ended March 31,			
	2023		2022	
	Natural Gas (Mcf)	Oil and Condensate (Bbls)	Natural Gas (Mcf)	Oil and Condensate (Bbls)
Production				
Subject Interests	5,863,499	5,604	6,231,076	6,040
Royalty	3,702,362	3,382	3,299,952	3,537
Average Price (per Mcf/Bbl)	\$10.53	\$70.48	\$4.79	\$65.97

Based on Hilcorp's reporting methodology, the Trust recognizes production during the month in which the related Royalty Income is 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 natural gas and oil, 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 natural gas and oil 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.

Production from the Subject Interests is influenced by the line pressure of the natural gas gathering systems in the San Juan Basin. As noted above, natural gas and oil sales attributable to the Royalty are based on an allocation formula dependent on many factors, including natural gas and oil prices and capital expenditures.

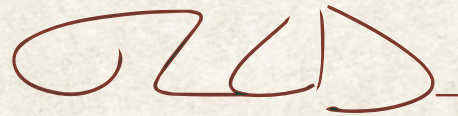
Included in this Report are the Condensed Statements of Assets, Liabilities and Trust Corpus as of March 31, 2023 (Unaudited), and December 31, 2022, and the Condensed Statements of Distributable Income and of Changes in Trust Corpus for the three months ended March 31, 2023 and 2022. (Unaudited).

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, 2023, are as follows:

	January	February	March
Gross Income	\$ 0.129623	\$ 0.284724	\$ 0.463887
Interest Income	\$ 0.000300	\$ 0.000242	\$ 0.000250
Severance Tax	(\$ 0.015617)	(\$ 0.030136)	(\$ 0.051154)
Administration Expense	(\$ 0.002056)	(\$ 0.004997)	(\$ 0.003295)
Distributable Income	\$ 0.112250	\$ 0.249833	\$ 0.409688
Percentage Depletion Factor	0.019443	0.042709	0.069583
Cost Depletion Factor	0.013122	0.015063	0.009076

PNC Bank, National Association, Trustee



BY: ROSS C. DURR, RPL
Senior Vice President
and Mineral Interest Director



CONDENSED STATEMENTS OF ASSETS, LIABILITIES AND TRUST CORPUS

	March 31, 2023	December 31, 2022
	(Unaudited)	(Audited)
Assets		
Cash and Short-term Investments	\$ 20,095,066	\$ 5,488,194
Net Overriding Royalty Interest in Producing Oil and Gas Properties (net of accumulated amortization of \$130,417,436 and \$130,306,821 at March 31, 2023 and December 31, 2022, respectively)	2,858,092	2,968,707
	\$ 22,953,158	\$ 8,456,901
Liabilities and Trust Corpus		
Distribution Payable to Unit Holders	\$ 19,095,066	\$ 4,488,194
Cash Reserves	1,000,000	1,000,000
Trust Corpus – 46,608,796 Units of Beneficial Interest Authorized and Outstanding	2,858,092	2,968,707
	\$ 22,953,158	\$ 8,456,901

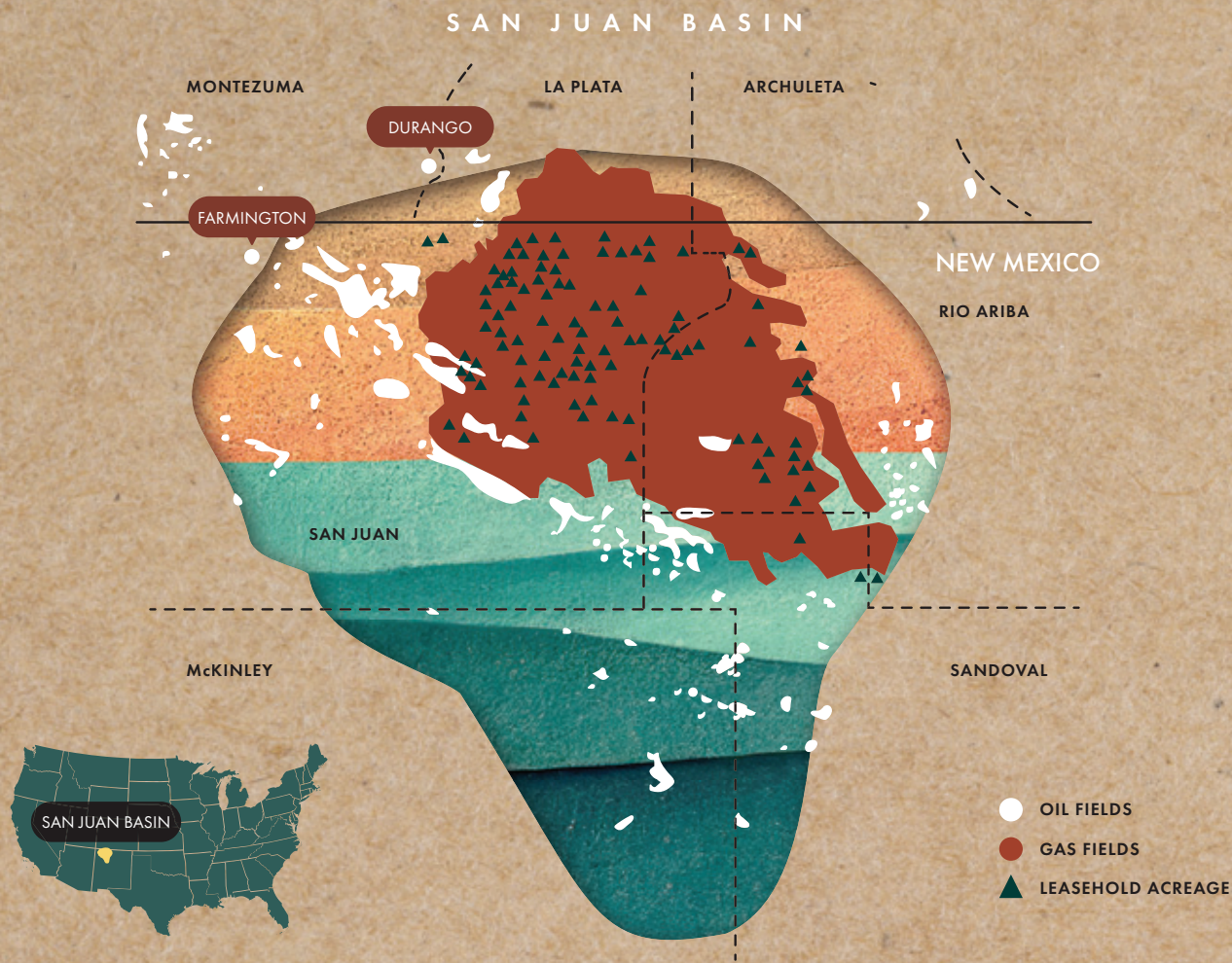
CONDENSED STATEMENTS OF DISTRIBUTABLE INCOME (UNAUDITED)

	Three Months Ended March 31,	
	2023	2022
Royalty Income	\$ 36,416,704	\$ 14,890,491
Interest Income	36,936	207
Total Income	36,453,640	14,890,698
General and Administrative Expenses	(482,364)	(521,471)
Distributable Income	\$ 35,971,276	\$ 14,369,227
Distributable Income Per Unit (46,608,796 Units)	\$ 0.771771	\$ 0.308294

CONDENSED STATEMENTS OF CHANGES IN TRUST CORPUS (UNAUDITED)

	Three Months Ended March 31,	
	2022	2021
Trust Corpus, Beginning of Period	\$ 2,968,707	\$ 3,690,847
Amortization of Net Overriding Royalty Interest	(110,615)	(254,027)
Distributable Income	35,971,276	14,369,227
Distributions Declared	(35,971,276)	(14,369,227)
Trust Corpus, End of Period	\$ 2,858,092	\$ 3,436,820
Distributions Declared (Per Unit)	\$ 0.771771	\$ 0.308294

These Condensed Financial Statements and the other information presented in this Report should be read in conjunction with the information in the Trust's Quarterly Report on Form 10-Q (including, but not limited to, the Condensed Financial Statements and notes thereto) for the quarterly period ending March 31, 2023, as filed with the U.S. Securities and Exchange Commission on May 15, 2023.



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. Such statements are based on certain assumptions of PNC Bank, NA, the Trustee and by Hilcorp, the owner of the working interest through the reporting period, with respect to future events; are based on an assessment of, and are subject to, a variety of factors deemed relevant by the Trustee and Hilcorp; and involve risks and uncertainties. However, whether actual results and developments will conform with such expectations and predictions is subject to a number of risks and uncertainties which could affect the future results of the energy industry in general, and the Trust and Hilcorp in particular, and could cause those results to differ materially from those expressed in such forward-looking statements. The actual results or developments anticipated may not be realized or, even if substantially realized, they may not have the expected consequences to or effects on Hilcorp’s business and the Trust. Such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in such forward-looking statements. The Trust undertakes no obligation to publicly update or revise any forward-looking statements, except as required by applicable law.

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