

PERMIAN BASIN ROYALTY TRUST

CONDENSED STATEMENTS OF ASSETS, LIABILITIES AND TRUST CORPUS

	March 31, 2000 (Unaudited)	December 31, 1999
ASSETS		
Cash and Short-term Investments _____	\$2,056,411	\$2,415,245
Net Overriding Royalty Interests in Producing Oil and Gas Properties (Net of Accumulated Amortization of \$8,163,762 and \$8,085,238 at March 31, 2000, and December 31, 1999, respectively) _____	<u>2,811,453</u>	<u>2,889,978</u>
	<u>\$4,867,864</u>	<u>\$5,305,223</u>
LIABILITIES AND TRUST CORPUS		
Distribution Payable to Unit Holders _____	\$2,056,411	\$2,415,245
Trust Corpus – 46,608,796 Units of Beneficial Interest Authorized and Outstanding _____	<u>2,811,453</u>	<u>2,889,979</u>
	<u>\$4,867,864</u>	<u>\$5,305,223</u>

CONDENSED STATEMENTS OF DISTRIBUTABLE INCOME (UNAUDITED)

	Three Months Ended March 31,	
	2000	1999
Royalty Income _____	\$6,373,057	\$1,775,960
Interest Income _____	<u>16,829</u>	<u>2,013</u>
	<u>6,389,886</u>	<u>1,777,973</u>
General and Administrative Expenditures _____	<u>123,821</u>	<u>143,663</u>
Distributable Income _____	<u>\$6,266,065</u>	<u>\$1,634,310</u>
Distributable Income per Unit (46,608,796 Units) _____	<u>\$.134440</u>	<u>\$.035064</u>

CONDENSED STATEMENTS OF CHANGES IN TRUST CORPUS (UNAUDITED)

	Three Months Ended March 31,	
	2000	1999
Trust Corpus, Beginning of Period _____	\$2,889,978	\$3,336,583
Amortization of Net Overriding Royalty Interests _____	(78,525)	(54,982)
Distributable Income _____	<u>6,266,065</u>	<u>1,634,310</u>
Distributions Declared _____	<u>(6,266,065)</u>	<u>(1,634,310)</u>
Trust Corpus, End of Period _____	<u>\$2,811,453</u>	<u>\$3,281,601</u>

These financial statements should be read in conjunction with the financial statements and notes thereto included in the Trust's 1999 Annual Report.



PERMIAN BASIN ROYALTY TRUST
FIRST QUARTER REPORT 2000

PERMIAN BASIN ROYALTY TRUST
901 MAIN STREET, SUITE 1700, POST OFFICE BOX 830650
DALLAS, TEXAS 75202
BANK OF AMERICA, N.A., TRUSTEE

TO UNIT HOLDERS

For the quarter ended March 31, 2000, royalty income received by the Trust amounted to \$6,373,057 compared to royalty income of \$1,775,960 during the first quarter of 1999. The increase in royalty income is primarily attributable to an increase in average oil and gas prices as well as a decrease in allocated capital expenditures compared to the first quarter of 1999. In the calculation of royalty income for the months of July through December 1998, costs exceeded revenues for the Waddell Ranch properties underlying the Waddell Ranch Net Overriding Royalty Conveyance by \$1,218,732. Such excess costs were recovered from net proceeds of the underlying Waddell Ranch properties during the first quarter of 1999, and these properties are again contributing trust royalty income.

Interest income for the quarter ended March 31, 2000, was \$16,829 compared to \$2,013 during the first quarter of 1999. The increase in interest income is primarily attributable to an increase in funds available for investment. General and administrative expenses during the first quarter of 2000 amounted to \$123,821 compared to \$143,663 during the first quarter of 1999. The decrease in general and administrative expenses can be primarily attributed to timing differences in the receipt and payment of these expenses.

These transactions resulted in distributable

income for the quarter ended March 31, 2000, of \$6,266,065 or \$.134440 per Unit of beneficial interest. Distributions of \$.044802, \$.045517 and \$.044121 per Unit were made to Unit holders of record as of January 31, February 29 and March 31, 2000, respectively. For the first quarter of 1999, distributable income was \$1,634,310 or \$.035064 per Unit of beneficial interest.

Royalty income for the Trust for the first quarter of the calendar year is associated with actual oil and gas production for the period November and December of 1999 and January 2000 from the properties from which the Trust's net overriding royalty interests ("Royalties") were carved. Oil and gas sales attributable to the Royalties and the properties from which the Royalties were carved are as follows:

First Quarter	2000	1999
ROYALTIES		
Oil Sales (Bbls) _____	198,848	123,698
Gas Sales (Mcf) _____	720,243	435,162
PROPERTIES FROM WHICH THE ROYALTIES WERE CARVED		
Oil:		
Total Oil Sales (Bbls) _____	375,389	454,626
Average Per Day (Bbls) _____	4,080	4,942
Average Price Per Bbl _____	\$23.64	\$9.73
Gas:		
Total Gas Sales (Mcf) _____	1,519,812	1,827,302
Average Per Day (Mcf) _____	16,520	19,862
Average Price Per Mcf _____	\$2.89	\$1.81

The posted price of oil increased to an average price per barrel of \$23.64 in the first quarter of 2000 compared to \$9.73 in the first quarter of 1999. The Trustee has been advised by Burlington Resources Oil & Gas (BROG) that for the period August 1, 1993, through March 31, 2000, the oil from the Waddell Ranch properties was being sold under a competitive bid to a third party. The increase in the average price of gas from \$1.81 in the first quarter of 1999 to \$2.89 in the first quarter of 2000 is primarily attributable to an increase in the spot prices of natural gas.

Since the oil and gas sales attributable to the Royalties are based on an allocation formula that is dependent on such factors as price and cost (including capital expenditures), the production amounts in the Royalties Section of the table do not provide a meaningful comparison. Oil sales from the properties from which the Royalties are carved were relatively unchanged for the first quarter of 2000 compared to the first quarter of 1999. The gas sales from the properties from which the Royalties were carved increased slightly in the first quarter of 2000 compared to the first quarter of 1999.

Capital expenditures for drilling, remedial and maintenance activities on the Waddell Ranch properties during the first quarter of 2000 totaled \$1,717,000 as compared to \$460,000 for the first

quarter of 1999. BROG has informed the Trustee that the 2000 capital expenditures budget has been revised to \$14.2 million for the Waddell Ranch. The total amount of capital expenditures for 1999 was \$1.6 million. Through the first quarter of 2000, capital expenditures of \$1,717,000 have been expended.

The Trustee has been advised that there were no wells completed or in progress during the three months ended March 31, 2000, on the Waddell Ranch properties. For the three months ended March 31, 1999, there were six gross (2.63 net) wells completed and there were no wells in progress.

Lease operating expense and property taxes totaled \$2.9 million for the first quarter of 2000 compared to \$3.1 million in the first quarter of 1999 on the Waddell Ranch properties. This decrease is primarily attributable to more efficient field operations on the Waddell Ranch properties.

Unit holders of record will continue to receive an individualized tax information letter for the quarters ended June 30 and September 30, 2000, and for the year ending December 31, 2000. Unit holders owning Units in nominee name may obtain monthly tax information from the Trustee upon request.

Included in this report are the Condensed Statements of Assets, Liabilities and Trust Corpus

as of March 31, 2000 (Unaudited), and December 31, 1999, and the Unaudited Condensed Statements of Distributable Income and Changes in Trust Corpus for the periods ended March 31, 2000 and 1999.

Bank of America, N.A., Trustee

By:



Ron E. Hooper
Vice President