

PERMIAN BASIN ROYALTY TRUST

CONDENSED STATEMENTS OF ASSETS, LIABILITIES AND TRUST CORPUS

	June 30, 2000	December 31, 1999
	(Unaudited)	
ASSETS		
Cash and Short-term Investments	\$2,939,151	\$2,415,245
Net Overriding Royalty Interests in Producing Oil and Gas Properties (Net of Accumulated Amortization of \$8,232,065 and \$8,085,238 at June 30, 2000, and December 31, 1999, respectively)	2,743,151	2,889,978
	\$5,682,302	\$5,305,223
LIABILITIES AND TRUST CORPUS		
Distribution Payable to Unit Holders	\$2,939,151	\$2,415,245
Trust Corpus – 46,608,796 Units of Beneficial Interest Authorized and Outstanding	2,743,151	2,889,978
	\$5,682,302	\$5,305,223

CONDENSED STATEMENTS OF DISTRIBUTABLE INCOME (UNAUDITED)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2000	1999	2000	1999
Royalty Income	\$9,037,360	\$ 3,957,301	\$15,410,417	\$ 5,733,261
Interest Income	16,475	4,988	33,304	7,001
	9,053,835	3,962,289	15,443,721	5,740,262
General and Administrative Expenditures	158,847	116,677	282,668	260,340
Distributable Income	\$8,894,989	\$ 3,845,612	\$15,161,053	\$ 5,479,922
Distributable Income per Unit (46,608,796 Units)	\$.190844	\$.082509	\$.325283	\$.117573

CONDENSED STATEMENTS OF CHANGES IN TRUST CORPUS (UNAUDITED)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2000	1999	2000	1999
Trust Corpus, Beginning of Period	\$2,811,453	\$ 3,281,601	\$2,889,978	\$ 3,336,583
Amortization of Net Overriding Royalty Interests	(68,302)	(143,686)	(146,827)	(198,668)
Distributable Income	8,894,989	3,845,612	15,161,054	5,479,922
Distributions Declared	(8,894,989)	(3,845,612)	(15,161,054)	(5,479,922)
Trust Corpus, End of Period	\$2,743,151	\$ 3,137,915	\$2,743,151	\$ 3,137,915

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
SECOND 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 June 30, 2000, royalty income received by the Trust amounted to \$9,037,360 compared to royalty income of \$3,957,301 during the second quarter of 1999.

The increase in royalty income is primarily attributable to an increase in average oil and gas prices and production offset by an increase in allocated capital expenditures compared to the second quarter of 1999.

Interest income for the quarter ended June 30, 2000, was \$16,475 compared to \$4,988 during the second 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 second quarter of 2000 amounted to \$158,847 compared to \$116,677 during the first quarter of 1999. The increase 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 June 30, 2000, of \$8,894,989 or \$.190844 per Unit of beneficial interest. Distributions of \$.063643, \$.064140 and \$.063060 per Unit were made to Unit holders of record as of April 28, May 31 and June 30, 2000, respectively. For the second quarter of 1999, distributable income was \$3,845,612 or \$.082509 per Unit of beneficial interest.

Royalty income for the Trust for the second quarter of the calendar year is associated with actual

oil and gas production for the period of February, March and April 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:

Second Quarter	2000	1999
ROYALTIES		
Oil Sales (Bbls) _____	231,731	230,223
Gas Sales (Mcf) _____	858,916	820,461
PROPERTIES FROM WHICH THE ROYALTIES WERE CARVED		
Oil:		
Total Oil Sales (Bbls) _____	366,546	430,636
Average Per Day (Bbls) _____	4,073	4,839
Average Price Per Bbl _____	\$28.94	\$11.88
Gas:		
Total Gas Sales (Mcf) _____	1,481,134	1,706,705
Average Per Day (Mcf) _____	16,457	19,176
Average Price Per Mcf _____	\$3.31	\$1.70

The posted price of oil increased to an average price per barrel of \$28.94 in the second quarter of 2000 compared to \$11.88 in the second quarter of 1999. The Trustee has been advised by 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 \$1.70 in the second quarter of 1999 to \$3.31 in the second quarter of 2000 is primarily attributable to an increase in the spot prices of natural gas.

Since the oil and gas 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 above table do not provide a meaningful comparison. The oil and gas sales from the properties from which the Royalties are carved decreased for the applicable period in 2000 compared to 1999.

Capital expenditures for drilling, remedial and maintenance activities on the Waddell Ranch properties during the second quarter of 2000 totaled \$1,669,000 as compared to \$57,000 for the second 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 \$1.1 million. Through the second quarter of 2000, capital expenditures of \$3.4 million have been expended.

The Trustee has been advised that there were no wells completed or in progress during the three months ended June 30, 2000, on the Waddell Ranch properties. For the three months ended June 30, 1999, there were no gross wells completed and there were no wells in progress.

Lease operating expense and property taxes totaled \$1.9 million for the second quarter of 2000 compared to \$2.6 million in the second 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 March 31, 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 June 30, 2000 (Unaudited), and December 31, 1999, and the Unaudited Condensed Statements of Distributable Income and Changes in Trust Corpus for the periods ended June 30, 2000, and 1999.

Bank of America, N.A., Trustee



Ron E. Hooper
Vice President