

PERMIAN BASIN ROYALTY TRUST

CONDENSED STATEMENTS OF ASSETS, LIABILITIES AND TRUST CORPUS

	September 30, 2000	December 31, 1999
	(Unaudited)	
ASSETS		
Cash and Short-term Investments	\$3,194,201	\$2,415,245
Net Overriding Royalty Interests in Producing Oil and Gas Properties (Net of Accumulated Amortization of \$8,301,631 and \$8,085,238 at September 30, 2000, and December 31, 1999, respectively)	2,673,585	2,889,978
	\$5,867,786	\$5,305,223
LIABILITIES AND TRUST CORPUS		
Distribution Payable to Unit Holders	\$3,194,201	\$2,415,245
Trust Corpus – 46,608,796 Units of Beneficial Interest Authorized and Outstanding	2,673,585	2,889,978
	\$5,867,786	\$5,305,223

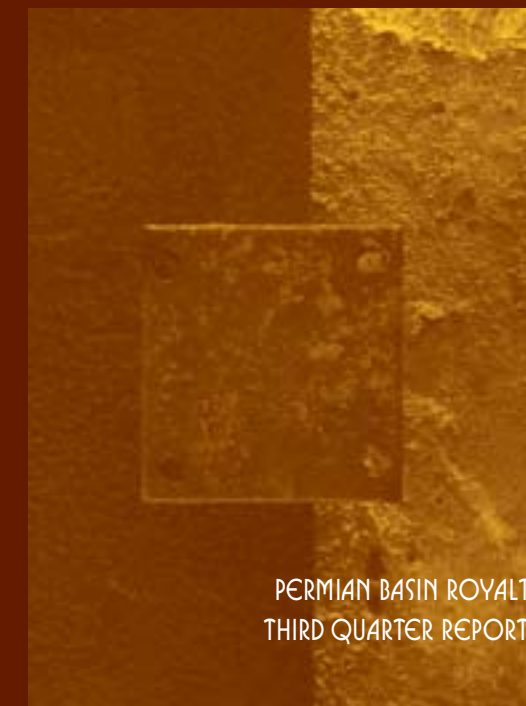
CONDENSED STATEMENTS OF DISTRIBUTABLE INCOME (UNAUDITED)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2000	1999	2000	1999
Royalty Income	\$9,486,867	\$ 5,965,535	\$24,897,284	\$ 11,698,796
Interest Income	23,172	7,821	56,476	14,822
	9,510,039	5,973,356	24,953,760	11,713,618
General and Administrative Expenditures	46,978	48,635	329,646	308,975
Distributable Income	\$9,463,060	\$ 5,924,721	\$24,624,114	\$ 11,404,643
Distributable Income per Unit (46,608,796 Units)	\$.203032	\$.127115	\$.528315	\$.244688

CONDENSED STATEMENTS OF CHANGES IN TRUST CORPUS (UNAUDITED)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2000	1999	2000	1999
Trust Corpus, Beginning of Period	\$2,743,157	\$ 3,137,915	\$2,889,978	\$ 3,336,583
Amortization of Net Overriding Royalty Interests	(69,572)	(127,207)	(216,393)	(325,875)
Distributable Income	9,463,060	5,924,721	24,624,114	11,404,643
Distributions Declared	(9,463,060)	(5,924,721)	(24,624,114)	(11,404,643)
Trust Corpus, End of Period	\$2,673,585	\$ 3,010,708	\$2,673,585	\$ 3,010,708

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
THIRD 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 September 30, 2000, royalty income received by the Trust amounted to \$9,486,867 compared to royalty income of \$5,965,535 during the third 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 third quarter of 1999.

Interest income for the quarter ended September 30, 2000, was \$23,172 compared to \$7,821 during the third 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 third quarter of 2000 amounted to \$46,979 compared to \$48,635 during the third 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 September 30, 2000, of \$9,463,061 or \$.20 per Unit of beneficial interest. Distributions of \$.062815, \$.071684 and \$.068532 per Unit were made to Unit holders of record as of July 31, August 31 and September 29, 2000, respectively. For the third quarter of 1999, distributable income was \$5,924,721 or \$.127115 per Unit of beneficial interest.

Royalty income for the Trust for the third quarter of the calendar year is associated with actual oil and gas production for the period of May, June and July 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:

Third Quarter	2000	1999
ROYALTIES		
Oil Sales (Bbls) _____	231,820	247,834
Gas Sales (Mcf) _____	893,292	1,007,978
PROPERTIES FROM WHICH THE ROYALTIES WERE CARVED		
Oil:		
Total Oil Sales (Bbls) _____	367,470	410,051
Average Per Day (Bbls) _____	3,994	4,457
Average Price Per Bbl _____	\$28.44	\$16.14
Gas:		
Total Gas Sales (Mcf) _____	1,528,344	1,749,773
Average Per Day (Mcf) _____	16,612	19,019
Average Price Per Mcf _____	\$3.75	\$2.18

The posted price of oil increased to an average price per barrel of \$28.44 in the third quarter of 2000 compared to \$16.14 in the third quarter of 1999. The Trustee has been advised by Burlington Resources Oil & Gas (BROG) that for the period August 1, 1993, through July 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 \$2.18 in the third quarter of 1999 to \$3.75 in the third 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 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 third quarter of 2000 totaled \$1.1 million as compared to \$60,000 for the third 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 third quarter of 2000, capital expenditures of \$4.5 million have been expended.

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

completed, and there were no wells in progress.

Lease operating expense and property taxes totaled \$2.3 million for the third quarter of 2000 compared to \$2.3 million in the third quarter of 1999 on the Waddell Ranch properties.

Bank of America, N.A., Trustee



Ron E. Hooper
Senior Vice President