

Hugoton Royalty Trust

Important Tax Information

Post Office Box 830650
Dallas, Texas 75283-0650
Telephone (877) 228-5083

2009

February 12, 2010

TO UNITHOLDERS:

We enclose the following material which provides unitholders with the information necessary to compute the 2009 federal and state taxable income attributable to their units:

- (a) Grantor Trust Schedule A for 2009.
- (b) Instructions for Schedules A and B-1 through B-12.
- (c) Supplemental Tax Tables and Worksheet.

As explained in the attached instructions, distributions from the trust are taxable as royalties and not as dividends.

Unitholder Worksheet

If you owned trust units as of the record date for any of the 2009 monthly trust distributions, your tax information includes a Unitholder Worksheet that shows amounts reportable by you on your 2009 Federal Form 1040. If you own units through more than one broker, you will receive a separate worksheet for each ownership position and you should add the amounts by line on all worksheets to determine the amounts reportable on your 2009 Federal Form 1040. These amounts have been computed based on the number of units you owned at each monthly record date, as shown on the Unitholder Worksheet. If the number of units you owned at each monthly record date does not agree with the number shown, you should disregard the amounts reported on the Unitholder Worksheet and compute your individual amounts for federal tax reporting using the information in this tax booklet.

All unitholders must compute their depletion deduction for federal tax reporting purposes. See Part I, Instruction 2 in the attached instructions. **For your convenience, a simple cost depletion calculator is now available on the Hugoton Royalty Trust website at: www.hugotontrust.com, on the "Home" page.**

Each unitholder should consult his or her individual tax advisor.

U.S. Trust, Bank of America Private Wealth Management, Trustee

By:



Vice President

Hugoton Royalty Trust

Form 1041, GRANTOR TRUST

Schedule A

EIN 58-6379215

Tax Shelter Reg. No. 99064000013

2009

Federal and State Income Tax Information - See Instructions Before Filing

PART I - ROYALTY INFORMATION PER UNIT

	Gross Income (a)	Severance Tax (b)	Net Royalty Payment (c)	Cost Depletion Factor (d)	Percentage Depletion (e)	Basis Allocation Factor (f)	Production (g)
80% NET PROFITS INTERESTS							
KANSAS							
1. Oil	\$0.001755	\$0.000079	\$0.001676				0.000040 Bbls
2. Gas	<u>0.027736</u>	<u>0.003172</u>	<u>0.024564</u>				0.009793 Mcf
3. Total Oil & Gas	<u>0.029491</u>	<u>0.003251</u>	<u>0.026240</u>	0.034355	\$0.004423	0.056948	
OKLAHOMA							
1. Oil	0.127624	0.009209	0.118415				0.002146 Bbls
2. Gas	<u>0.575934</u>	<u>0.060573</u>	<u>0.515361</u>				0.163546 Mcf
3. Total Oil & Gas	<u>0.703558</u>	<u>0.069782</u>	<u>0.633776</u>	0.053168	\$0.105533	0.733572	
WYOMING							
1. Oil	0.004042	0.000607	0.003435				0.000079 Bbls
2. Gas	<u>0.115912</u>	<u>0.024840</u>	<u>0.091072</u>				0.034815 Mcf
3. Total Oil & Gas	<u>0.119954</u>	<u>0.025447</u>	<u>0.094507</u>	0.031620	\$0.017992	<u>0.209480</u>	
TOTAL FOR YEAR	<u>\$0.853003</u>	<u>\$0.098480</u>	<u>\$0.754523</u> A			<u>1.000000</u>	0.002265 Bbls 0.208154 Mcf

PART II - OTHER INCOME AND EXPENSE PER UNIT

	<u>Total</u>
1. Interest Income	\$0.000012 B
2. Administration Expense	\$0.021879 C

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

	<u>Total</u>
1. Taxable Income per Unit, Excluding Depletion (A+B-C)	\$0.732656
2. Reconciling Items	<u>0.000000</u>
3. Cash Distribution per Unit	<u>\$0.732656</u>

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Instructions for Schedules A and B-1 through B-12

I. FEDERAL INCOME TAX INFORMATION

1. Reporting of Income and Expense

(a) *Direct Ownership Reporting.* The Hugoton Royalty Trust is taxable as a grantor trust for federal income tax purposes. Each unitholder 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 unitholder'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 unitholder would 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 unitholder should report his pro rata share of income and expenses of the trust accrued during his tax year.

The trust was created in December 1998, when XTO Energy Inc. conveyed to the trust three defined net profits interests carved out of certain predominantly gas-producing properties. Each of the three conveyances entitles the trust to receive a percentage of the net proceeds of production from such properties.

(b) *Taxable Year.* Since the trust distributes its income monthly to unitholders of record at the end of each month, Schedules B-1 through B-12 are prepared for each month during the year to permit unitholders using a fiscal year to develop their own tax data by computing the relevant information for each month the unitholder owned units during his taxable year. For example, a unitholder with a fiscal year ending January 31, 2010, and who has owned the same number of units during such year would combine the results of Schedules B-2 through B-12 for 2009 and Schedule B-1 for 2010. For the convenience of unitholders who report on the calendar year and who have owned the same number of units during such calendar year, Schedule A, which combines the results of Schedules B-1 through B-12, is attached. Calendar year unitholders who purchased or sold units during the year should consult the Supplemental Tax Tables and Cost Depletion Worksheet. Other than to calculate depletion, Schedules A and B-1 through B-12 are unnecessary for most unitholders since individualized unitholder worksheets are provided to unitholders summarizing federal reportable amounts for the calendar year. Any unitholders requiring Schedules B-1 through B-12 can obtain them from the trust website at www.hugotontrust.com or can contact the trustee.

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

(i) The trust holds three 80% defined net profits interests carved out of working interests in predominantly gas-producing properties located in Kansas, Oklahoma and Wyoming and known as the 80% Net Profits Interests (herein referred to collectively as the royalties and individually as a royalty). In general, the income attributable to each royalty is computed for each monthly period based on proceeds collected in the preceding month by the owner of the interests burdened by such royalty from oil and gas produced from such interests and sold in an earlier month, less certain designated costs and expenses paid or in some cases accrued. Such royalty income generally is received by the trustee on the last business day of such monthly period. The gross amount of net income received by the trust from each royalty during the period is reported in Column (a) of Part I.

(ii) Severance tax allocated to the trust during the period is reported in Column (b) of Part I.

(iii) Production quantities provided in Column (g) of Part I are for information only.

(iv) Interest income received by the trustee during the period covered is reported in Item 1 of Part II.

(v) Administration expenses generally are paid on the last day of the month in which they were incurred. The amount so incurred and paid during the period covered is reported as Item 2 of Part II.

(d) *Unit Multiplication.* Because each schedule shows only results on a per-unit basis, it will be necessary to multiply the gross royalty income and severance tax shown in Part I and the interest income and administration expense shown in Part II by the number of units owned by a unitholder on the monthly record date of the applicable period to obtain the amount to be reported on his tax return for that period. Income and expenses (other than depletion) may be computed directly from the appropriate schedules. Depletion per unit must be computed as provided in instruction 2 below.

(e) *Individual Taxpayers.* For unitholders who hold the units as an investment and who file Form 1040 for a period beginning in 2009, it is suggested that the items of income and expense computed from the appropriate schedules be reported in the following manner:

Item	Form 1040
Name of Royalty	Line 1, Part I, Schedule E
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 Form 1040 Schedules E and B and identified the specific location of each item of income and expense listed above. These pages are entitled "Individual Unitholder's Specific Location of Items of Income and Expense on Form 1040 Schedules E and B."

For the convenience of unitholders who acquired or sold units during 2009, Tables I through IV are enclosed to assist in the computation of Gross Royalty Income, Severance Tax, Interest Income, and Administration Expense. These tables are only for those unitholders who have a calendar year as their taxable year.

(f) *Nominee Reporting.* Nominees 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. Also, see pages 8-9 regarding tax information reporting by middlemen.

2. Computation of Depletion

Each unitholder should determine his depletion allowance by computing depletion for each royalty. A taxpayer who purchased his units or received units from XTO Energy on May 12, 2006, is entitled to claim depletion allowable based on the greater of cost or percentage depletion.

A Depletion Worksheet is enclosed to assist unitholders in computing their cost or percentage depletion deduction. The Worksheet is divided into two parts. Part A pertains to units that were held the entire calendar year, and Part B pertains to units that were acquired or sold in 2009. Unitholders who use Part B should obtain their cost depletion factors from Tables V through VII and percentage depletion per unit from Tables VIII through X for their applicable period of ownership in 2009. Notes are contained in the Specific Instructions for Depletion Worksheet to explain certain aspects of the depletion calculation.

(a) *Percentage Depletion.* If available, percentage depletion is equal to 15% of the gross income attributable to a royalty, limited to 100% of the net income from such royalty, and may continue after basis is reduced to zero.

A unitholder who purchased his units or received units by gift, devise or inheritance from a unitholder who purchased units is entitled to claim a depletion allowance based on the greater of cost or percentage depletion. The trust has provided percentage depletion amounts in Column (e) of Part I so that a unitholder who has held his units for the entire year may determine whether cost or percentage depletion produces the greater deduction in his particular circumstances.

(b) *Cost Depletion and Apportionment of Basis.* Each unitholder is entitled to compute cost depletion with respect to his share of royalty income received by the trust from each royalty on his basis in such royalty. To compute cost depletion for the period covered, each unitholder should multiply his basis in each royalty (reduced by prior years' depletion, if any) by the factor indicated in Column (d) of Part I, which factor was calculated by dividing the quantity produced and sold during the period by the estimated quantity of reserves at the beginning of the year.

Individual Unitholder's Specific Location of Items of Income and Expense on Form 1040 Schedules E and B

Name of Royalty

Gross Royalty Income

Severance Tax

Administration Expense

Depletion

SCHEDULE E (Form 1040)		Supplemental Income and Loss (From rental real estate, royalties, partnerships, S corporations, estates, trusts, REMICs, etc.)			OMB No. 1545-0074 2009 Attachment Sequence No. 13
Department of the Treasury Internal Revenue Service (99)		▶ Attach to Form 1040, 1040NR, or Form 1041. ▶ See Instructions for Schedule E (Form 1040).			Your social security number
Name(s) shown on return					
Part I Income or Loss From Rental Real Estate and Royalties <small>Note.</small> 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.					
1	List the type and address of each rental real estate property:	2			
	A	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: • 14 days or • 10% of the total days rented at fair rental value? (See page E-3)	Yes	No	
	B		A	B	
	C		C		
Income:		Properties			Totals <small>(Add columns A, B, and C.)</small>
3	Rents received	3			3
4	Royalties received	4			4
Expenses:					
5	Advertising	5			
6	Auto and travel (see page E-4)	6			
7	Cleaning and maintenance	7			
8	Commissions	8			
9	Insurance	9			
10	Legal and other professional fees	10			
11	Management fees	11			
12	Mortgage interest paid to banks, etc. (see page E-5)	12			12
13	Other interest	13			
14	Repairs	14			
15	Supplies	15			
16	Taxes	16			
17	Utilities	17			
18	Other (list) ▶	18			
19	Add lines 5 through 18.	19			19
20	Depreciation expense or depletion (see page E-5)	20			20
21	Total expenses. Add lines 19 and 20	21			
22	Income or (loss) from rental real estate or royalty properties. Subtract line 21 from line 3 (rents) or line 4 (royalties). If the result is a (loss), see page E-5 to find out if you must file Form 6198.	22			
23	Deductible rental real estate loss. Caution. Your rental real estate loss on line 22 may be limited. See page E-5 to find out if you must file Form 8582. Real estate professionals must complete line 43 on page 2	23			
24	Income. Add positive amounts shown on line 22. Do not include any losses	24			24
25	Losses. Add royalty losses from line 22 and rental real estate losses from line 23. Enter total losses here	25			25
26	Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Form 1040, line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2.	26			26

SCHEDULE B (Form 1040A or 1040) Department of the Treasury Internal Revenue Service (99)	Interest and Ordinary Dividends Attach to Form 1040A or 1040. See instructions on back.																
Name(s) shown on return		Your social security number															
Part I Interest (See instructions on back and the instructions for Form 1040A, or Form 1040, line 8a.) Note. If you received a Form 1099-INT, Form 1099-OID, or substitute statement from a brokerage firm, list the firm's name as the payer and enter the total interest shown on that form.		<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:5%;"></th> <th style="width:15%; text-align: center;">Amount</th> <th style="width:80%;"></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td></td> <td></td> </tr> <tr> <td style="text-align: center;">2</td> <td></td> <td></td> </tr> <tr> <td style="text-align: center;">3</td> <td></td> <td></td> </tr> <tr> <td style="text-align: center;">4</td> <td></td> <td></td> </tr> </tbody> </table>		Amount		1			2			3			4		
	Amount																
1																	
2																	
3																	
4																	
Part II Ordinary Dividends (See instructions on back and the instructions for Form 1040A, or Form 1040, line 9a.) Note. If you received a Form 1099-DIV or substitute statement from a brokerage firm, list the firm's name as the payer and enter the ordinary dividends shown on that form.		<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:5%;"></th> <th style="width:15%; text-align: center;">Amount</th> <th style="width:80%;"></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">5</td> <td></td> <td></td> </tr> <tr> <td style="text-align: center;">6</td> <td></td> <td></td> </tr> </tbody> </table>		Amount		5			6								
	Amount																
5																	
6																	
Part III Foreign Accounts and Trusts (See instructions on back.)		<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:5%;"></th> <th style="width:15%;"></th> <th style="width:15%; text-align: center;">Yes</th> <th style="width:15%; text-align: center;">No</th> <th style="width:55%;"></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">7a</td> <td>At any time during 2009, did you have an interest in or a signature or other authority over a financial account in a foreign country, such as a bank account, securities account, or other financial account? See instructions on back for exceptions and filing requirements for Form TD F 90-22.1</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td></td> </tr> <tr> <td style="text-align: center;">8</td> <td>During 2009, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust? If "Yes," you may have to file Form 3520. See instructions on back</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td></td> </tr> </tbody> </table>			Yes	No		7a	At any time during 2009, did you have an interest in or a signature or other authority over a financial account in a foreign country, such as a bank account, securities account, or other financial account? See instructions on back for exceptions and filing requirements for Form TD F 90-22.1	<input type="checkbox"/>	<input type="checkbox"/>		8	During 2009, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust? If "Yes," you may have to file Form 3520. See instructions on back	<input type="checkbox"/>	<input type="checkbox"/>	
		Yes	No														
7a	At any time during 2009, did you have an interest in or a signature or other authority over a financial account in a foreign country, such as a bank account, securities account, or other financial account? See instructions on back for exceptions and filing requirements for Form TD F 90-22.1	<input type="checkbox"/>	<input type="checkbox"/>														
8	During 2009, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust? If "Yes," you may have to file Form 3520. See instructions on back	<input type="checkbox"/>	<input type="checkbox"/>														

Interest Income →

With respect to units acquired by purchase or from XTO Energy on May 12, 2006, a unitholder's basis in each royalty is determined by apportioning his basis in such units among each royalty in proportion to the relative fair market values of each on the date the units were acquired by him. Note 2 of the Specific Instructions for Depletion Worksheet and Column (f) of Part I set forth a factor for apportioning basis based on the trustee's determination of the relative fair market value of the royalties. A unitholder should allocate his basis in accordance with the basis allocation factor in Note 2 of the Specific Instructions for Depletion Worksheet or in Column (f) of Part I for the year in which he acquires units and should not thereafter reallocate his basis. The trustee intends to redetermine the relative values of the royalties annually, and change the basis allocation factor in Note 2 of the Specific Instructions for Depletion Worksheet and in Column (f) of Part I based on such redetermination.

For your convenience, a simple cost depletion calculator is now available on the Hugoton Royalty Trust web site at: www.hugotontrust.com, on the "Home" page.

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, labeled Reconciling Items. The Reconciling Items consist of items which are not currently deductible, such as increases in 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. There were no such reconciling items in 2009.

4. Adjustments to Basis

Each unitholder should reduce his tax basis (but not below zero) in each royalty by the amount of depletion allowable with respect to such royalty and in his units by the amount of depletion allowable with respect to the royalties.

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 the unit. The adjusted basis of a unit is the original cost or other basis of the unit reduced by any depletion allowed or allowable. The amount of gain, if any, realized upon the disposition of an oil and gas property is treated as ordinary income to the extent of the depletion previously claimed with respect to such property which reduced the taxpayer's basis in the property. The balance of any gain or any loss will be a capital gain or loss if such unit was held by the unitholder as a capital asset – either long-term, if held more than 12 months, or short-term if held less than 12 months.

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 unitholders should not consider the taxable income from the trust to be passive income in determining net passive income or loss. Unitholders should consult their tax advisors for further information.

7. 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 is U.S. Trust, Bank of America Private Wealth Management (EIN: 56-0906609), Post Office Box 830650, Dallas, Texas, 75283-0650, telephone number 1-877-228-5083, email address: trustee@hugotontrust.com. Nancy Willis 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.hugotontrust.com. Middlemen holding units on behalf of the actual owners are solely

responsible for certain tax information reporting for such units to these unitholders (such as Form 1099's). Such middlemen may include custodians, nominees, certain joint owners and brokers holding units for custodians in street name. These unitholders should consult with these middlemen concerning any tax information reporting provided by these middlemen.

8. Unrelated Business Taxable Income

Certain organizations that are generally exempt from tax under IRC Section 501 are subject to tax on certain types of business income defined in IRC Section 512 as unrelated business income. In the opinion of the trust's tax counsel, Winstead PC, the income of the trust will not be unrelated business taxable income to such organizations so long as the trust units are not "debt-financed property" within the meaning of IRC Section 514(b). In general, a trust unit would be debt-financed if the trust unitholder incurs debt to acquire a trust unit or otherwise incurs or maintains a debt that would not have been incurred or maintained if the trust unit had not been acquired.

II. STATE INCOME TAX RETURNS

All revenues from the trust are from sources within either Kansas, Oklahoma or Wyoming, as reflected on Schedules A and B. Kansas currently does not tax nonresident unitholders if they do not use their units in conducting a trade, business, profession or occupation in Kansas and the unitholder is not subject to Kansas income tax for some other reason. Oklahoma presently has an income tax which taxes income of nonresidents from real property located within that state. The trust has been advised by Oklahoma tax counsel that Oklahoma will tax nonresidents on royalty income from the royalties located in that state. Wyoming does not have a state income tax. Kansas and Oklahoma also impose a corporate income tax which may apply to unitholders organized as corporations. The revenues and expenses attributable to the royalties located in each state are reflected in Part I to assist unitholders in complying with state tax obligations. If units were owned less than a full year, the unitholder must obtain state income tax information from Schedule B for each of the months units were owned. Monthly Schedule Bs are provided to unitholders by the trustee upon request and are available on the trust website at www.hugotontrust.com. Each unitholder should consult his tax advisor regarding the requirements for filing state income tax returns for his state of residence, and the states from which the trust's income is derived.

III. CERTAIN TAX MATTERS

The trust's tax counsel, Winstead PC, is of the opinion that under current law (i) the trust will be treated as a grantor trust for federal income tax purposes and that the income of the trust will be taxable to the unitholders as if amounts owed or paid to the trust were owed or paid directly to the unitholders pro rata and (ii) each unitholder will be entitled to depletion deductions equal to the greater of cost depletion based on his basis in the units or percentage depletion. The opinion of tax counsel is not binding on the Internal Revenue Service ("IRS"). In recent years, the IRS has issued private letter rulings and technical advice memoranda indicating that royalty trusts similar to the trust are taxable as grantor trusts. However, no rulings have been issued to the trust and private rulings issued to other taxpayers do not bind the IRS in connection with the trust. Hence, tax counsel cannot provide assurance that the IRS will not challenge such opinion.

THE INSTRUCTIONS CONTAINED IN THIS BOOKLET ARE DESIGNED TO ASSIST UNITHOLDERS WHO ARE U.S. CITIZENS IN COMPLYING WITH THEIR FEDERAL AND STATE INCOME TAX REPORTING REQUIREMENTS BASED ON THE TREATMENT OF THE TRUST AS A GRANTOR TRUST AND SHOULD NOT BE CONSTRUED AS ADVICE TO ANY SPECIFIC UNITHOLDER. A UNITHOLDER SHOULD CONSULT HIS OWN TAX ADVISOR REGARDING ALL TAX COMPLIANCE MATTERS RELATING TO THE TRUST.

Supplemental Tax Tables and Worksheet

In addition to Schedule A and Instructions, the Supplemental Tax Tables and Worksheet are provided for certain unitholders. The Supplemental Tax Tables and Worksheet comprise ten tables and a Depletion Worksheet.

Use of Supplemental Tax Tables I through IV is unnecessary for many unitholders since an individualized unitholder worksheet is provided to unitholders of record summarizing taxable income for the calendar year. For purposes of computing income and expenses (excluding depletion), Tables I through IV should only be used by calendar-year unitholders who acquired units after January 31, 2009, or sold or exchanged units any time during 2009. Unitholders who have a taxable year other than December 31, as well as unitholders subject to state income tax who did not own units the full calendar year, should continue to use Schedules B-1 through B-12. Unitholders who have held units the entire year should use Schedule A.

To assist unitholders in calculating their depletion deduction, Tables V through X and the Depletion Worksheet are provided. Notes are contained in the Specific Instructions for Depletion Worksheet to explain and assist in preparing a unitholder's cost depletion deduction.

Specific Instructions for 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, if any. 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 will be changed to reflect the fair market value of the units on date of death. Please consult your tax advisor concerning your original basis. The original basis should be entered in each blank of the first column of the Depletion Worksheet.

Note 2: There are three basis allocation factors for the Hugoton Royalty Trust because the trust has three separate properties for depletion purposes. Each conveyance agreement created separate and distinct properties for tax purposes. Each property is depleting at a different rate.

The following basis allocation factors are to be used only in the year units are purchased or otherwise acquired. Once the basis allocation factor is applied to the original basis of the units acquired (cost or other basis), generally, the basis allocation is not changed again. By multiplying the original basis of the units acquired by the basis allocation factors, a unitholder has computed the portion of his original basis applicable to each depletable royalty held by the trust which will be depleted over the remaining productive life of that property.

ROYALTY	ACQUISITION DATES								
	1/01 - 12/01	1/02 - 12/02	1/03 - 12/03	1/04 - 12/04	1/05 - 12/05	1/06 - 12/06	1/07 - 12/07	1/08 - 12/08	1/09 - 12/09
Kansas - 80%	0.081117	0.063651	0.069446	0.068006	0.066427	0.068382	0.053949	0.047339	0.056948
Oklahoma - 80%	0.642693	0.669292	0.683939	0.657062	0.687159	0.669578	0.712475	0.745432	0.733572
Wyoming - 80%	0.276190	0.267057	0.246615	0.274932	0.246414	0.262040	0.233576	0.207229	0.209480

Note 3: Depletion allowed or allowable in prior years is the cumulative depletion amount, whether cost depletion or percentage depletion.

Note 4: When units are acquired, sold or exchanged during the year, the cost depletion factor and percentage depletion amount for each royalty are determined using one of the following procedures:

- (a) UNITS ACQUIRED PRIOR TO 2009 AND SOLD DURING 2009.

Example: A unitholder acquired units prior to 2009 that he sold in September 2009. To calculate his depletion for each of the three royalties for 2009, the unitholder would use the January through August 2009 cost depletion factors (Tables V through VII) and percentage depletion amounts (Tables VIII through X), as follows:

Royalty	Cost Depletion		Percentage Depletion	
	Table	Factor	Table	Per Unit
Kansas - 80%	V	0.031712	VIII	\$ 0.004095
Oklahoma - 80%	VI	0.028179	IX	\$ 0.053663
Wyoming - 80%	VII	0.009373	X	\$ 0.005673

(b) *UNITS ACQUIRED AND SOLD DURING 2009.*

Example: A unitholder acquired units in July 2009 and sold in September 2009. To calculate his depletion for each of the three royalties for 2009, the unitholder would use the July through August 2009 cost depletion factors (Tables V through VII) and percentage depletion amounts (Tables VIII through X), as follows:

<u>Royalty</u>	<u>Cost Depletion</u>		<u>Percentage Depletion</u>	
	<u>Table</u>	<u>Factor</u>	<u>Table</u>	<u>Per Unit</u>
Kansas - 80%	V	0.005028	VIII	\$ 0.000525
Oklahoma - 80%	VI	0.009820	IX	\$ 0.018461
Wyoming - 80%	VII	0.002278	X	\$ 0.001053

(c) *UNITS ACQUIRED DURING 2009 AND STILL OWNED AT THE END OF 2009.*

Example: A unitholder acquired units in May 2009 and still owned them at the end of the year. To calculate his depletion for each of the three royalties for 2009, the unitholder would use the May through December 2009 cost depletion factors (Tables V through VII) and percentage depletion amounts (Tables VIII through X), as follows:

<u>Royalty</u>	<u>Cost Depletion</u>		<u>Percentage Depletion</u>	
	<u>Table</u>	<u>Factor</u>	<u>Table</u>	<u>Per Unit</u>
Kansas - 80%	V	0.011632	VIII	\$ 0.001264
Oklahoma - 80%	VI	0.042254	IX	\$ 0.082896
Wyoming - 80%	VII	0.026159	X	\$ 0.014089

Note 5: After cost depletion and percentage depletion are calculated, the unitholder is entitled to deduct the greater of the two for each royalty.

Hugoton Royalty Trust

Depletion Worksheet

2009

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

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

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(k)
Original Basis (NOTE 1) X	Basis Allocation Factors (NOTE 2)	Basis Allocated	Depletion Allowed or Allowable In Prior Years (NOTE 3)	Basis Allocated Less Depletion Allowed or Allowable In Prior Years X	Cost Depletion Factor	Cost Depletion	Percentage Depletion Per Unit X	Units	Greater of Cost Depletion (Col. (g)) or Percentage Depletion (Col. (i))
		=	=	=	=	=	=	=	=
Kansas - 80%	X	=	-	=	X 0.034355	=	0.004423	X	=
Oklahoma - 80%	X	=	-	=	X 0.053168	=	0.105533	X	=
Wyoming - 80%	X	=	-	=	X 0.031620	=	0.017992	X	=
Total Depletion									_____

B. If you sold or acquired the units during the year, your depletion for the portion of the year that you held the units would be calculated as follows:

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(k)
Original Basis (NOTE 1) X	Basis Allocation Factors (NOTE 2)	Basis Allocated	Depletion Allowed or Allowable In Prior Years (NOTE 3)	Basis Allocated Less Depletion Allowed or Allowable In Prior Years X	Partial Year Cost Depletion Factor (NOTE 4)	Cost Depletion	Percentage Depletion Per Unit (NOTE 4) X	Units	Greater of Cost Depletion (Col. (g)) or Percentage Depletion (Col. (i))
		=	=	=	=	=	=	=	=
Kansas - 80%	X	=	-	=	X	=	X	=	=
Oklahoma - 80%	X	=	-	=	X	=	X	=	=
Wyoming - 80%	X	=	-	=	X	=	X	=	=
Total Depletion									_____

(Notes 1, 2, 3, 4 and 5 are contained in the Specific Instructions for Depletion Worksheet.)

Table I Gross Royalty Income

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	February	March	April	May	June	July	August	September	October	November	December
January	0.040542	0.105473	0.162199	0.198000	0.234367	0.289289	0.352088	0.422888	0.529469	0.641964	0.731419	0.853003
February		0.064931	0.121657	0.157458	0.193825	0.248747	0.311546	0.382346	0.488927	0.601422	0.690877	0.812461
March			0.056726	0.092527	0.128894	0.183816	0.246615	0.317415	0.423996	0.536491	0.625946	0.747530
April				0.035801	0.072168	0.127090	0.189889	0.260689	0.367270	0.479765	0.569220	0.690804
May					0.036367	0.091289	0.154088	0.224888	0.331469	0.443964	0.533419	0.655003
June						0.054922	0.117721	0.188521	0.295102	0.407597	0.497052	0.618636
July							0.062799	0.133599	0.240180	0.352675	0.442130	0.563714
August								0.070800	0.177381	0.289876	0.379331	0.500915
September									0.106581	0.219076	0.308531	0.430115
October										0.112495	0.201950	0.323534
November											0.089455	0.211039
December												0.121584

Table II Severance Tax

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	February	March	April	May	June	July	August	September	October	November	December
January	0.004626	0.011454	0.017763	0.021721	0.025601	0.031425	0.037954	0.045323	0.058265	0.072397	0.084588	0.098480
February		0.006828	0.013137	0.017095	0.020975	0.026799	0.033328	0.040697	0.053639	0.067771	0.079962	0.093854
March			0.006309	0.010267	0.014147	0.019971	0.026500	0.033869	0.046811	0.060943	0.073134	0.087026
April				0.003958	0.007838	0.013662	0.020191	0.027560	0.040502	0.054634	0.066825	0.080717
May					0.003880	0.009704	0.016233	0.023602	0.036544	0.050676	0.062867	0.076759
June						0.005824	0.012353	0.019722	0.032664	0.046796	0.058987	0.072879
July							0.006529	0.013898	0.026840	0.040972	0.053163	0.067055
August								0.007369	0.020311	0.034443	0.046634	0.060526
September									0.012942	0.027074	0.039265	0.053157
October										0.014132	0.026323	0.040215
November											0.012191	0.026083
December												0.013892

Table III Interest Income

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	February	March	April	May	June	July	August	September	October	November	December
January	0.000000	0.000001	0.000003	0.000004	0.000006	0.000007	0.000007	0.000008	0.000009	0.000010	0.000011	0.000012
February		0.000001	0.000003	0.000004	0.000006	0.000007	0.000007	0.000008	0.000009	0.000010	0.000011	0.000012
March			0.000002	0.000003	0.000005	0.000006	0.000006	0.000007	0.000008	0.000009	0.000010	0.000011
April				0.000001	0.000003	0.000004	0.000004	0.000005	0.000006	0.000007	0.000008	0.000009
May					0.000002	0.000003	0.000003	0.000004	0.000005	0.000006	0.000007	0.000008
June						0.000001	0.000001	0.000002	0.000003	0.000004	0.000005	0.000006
July							0.000000	0.000001	0.000002	0.000003	0.000004	0.000005
August								0.000001	0.000002	0.000003	0.000004	0.000005
September									0.000001	0.000002	0.000003	0.000004
October										0.000001	0.000002	0.000003
November											0.000001	0.000002
December												0.000001

Table IV Administration Expense

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	February	March	April	May	June	July	August	September	October	November	December
January	0.003161	0.005107	0.007805	0.008748	0.012031	0.014644	0.016722	0.017768	0.018696	0.020517	0.021306	0.021879
February		0.001946	0.004644	0.005587	0.008870	0.011483	0.013561	0.014607	0.015535	0.017356	0.018145	0.018718
March			0.002698	0.003641	0.006924	0.009537	0.011615	0.012661	0.013589	0.015410	0.016199	0.016772
April				0.000943	0.004226	0.006839	0.008917	0.009963	0.010891	0.012712	0.013501	0.014074
May					0.003283	0.005896	0.007974	0.009020	0.009948	0.011769	0.012558	0.013131
June						0.002613	0.004691	0.005737	0.006665	0.008486	0.009275	0.009848
July							0.002078	0.003124	0.004052	0.005873	0.006662	0.007235
August								0.001046	0.001974	0.003795	0.004584	0.005157
September									0.000928	0.002749	0.003538	0.004111
October										0.001821	0.002610	0.003183
November											0.000789	0.001362
December												0.000573

Table V Cost Depletion Factor – Kansas 80% Net Profits Interests

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	February	March	April	May	June	July	August	September	October	November	December
January	0.008561	0.015340	0.020137	0.022723	0.025290	0.026684	0.029406	0.031712	0.034355	0.034355	0.034355	0.034355
February		0.006779	0.011576	0.014162	0.016729	0.018123	0.020845	0.023151	0.025794	0.025794	0.025794	0.025794
March			0.004797	0.007383	0.009950	0.011344	0.014066	0.016372	0.019015	0.019015	0.019015	0.019015
April				0.002586	0.005153	0.006547	0.009269	0.011575	0.014218	0.014218	0.014218	0.014218
May					0.002567	0.003961	0.006683	0.008989	0.011632	0.011632	0.011632	0.011632
June						0.001394	0.004116	0.006422	0.009065	0.009065	0.009065	0.009065
July							0.002722	0.005028	0.007671	0.007671	0.007671	0.007671
August								0.002306	0.004949	0.004949	0.004949	0.004949
September									0.002643	0.002643	0.002643	0.002643
October										0.000000	0.000000	0.000000
November											0.000000	0.000000
December												0.000000

Table VI Cost Depletion Factor – Oklahoma 80% Net Profits Interests

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	February	March	April	May	June	July	August	September	October	November	December
January	0.002488	0.005099	0.008393	0.010914	0.013878	0.018359	0.023327	0.028179	0.034579	0.041000	0.047139	0.053168
February		0.002611	0.005905	0.008426	0.011390	0.015871	0.020839	0.025691	0.032091	0.038512	0.044651	0.050680
March			0.003294	0.005815	0.008779	0.013260	0.018228	0.023080	0.029480	0.035901	0.042040	0.048069
April				0.002521	0.005485	0.009966	0.014934	0.019786	0.026186	0.032607	0.038746	0.044775
May					0.002964	0.007445	0.012413	0.017265	0.023665	0.030086	0.036225	0.042254
June						0.004481	0.009449	0.014301	0.020701	0.027122	0.033261	0.039290
July							0.004968	0.009820	0.016220	0.022641	0.028780	0.034809
August								0.004852	0.011252	0.017673	0.023812	0.029841
September									0.006400	0.012821	0.018960	0.024989
October										0.006421	0.012560	0.018589
November											0.006139	0.012168
December												0.006029

Table VII Cost Depletion Factor – Wyoming 80% Net Profits Interests

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	February	March	April	May	June	July	August	September	October	November	December
January	0.000110	0.003894	0.004353	0.005461	0.005977	0.007095	0.007915	0.009373	0.014212	0.020867	0.025027	0.031620
February		0.003784	0.004243	0.005351	0.005867	0.006985	0.007805	0.009263	0.014102	0.020757	0.024917	0.031510
March			0.000459	0.001567	0.002083	0.003201	0.004021	0.005479	0.010318	0.016973	0.021133	0.027726
April				0.001108	0.001624	0.002742	0.003562	0.005020	0.009859	0.016514	0.020674	0.027267
May					0.000516	0.001634	0.002454	0.003912	0.008751	0.015406	0.019566	0.026159
June						0.001118	0.001938	0.003396	0.008235	0.014890	0.019050	0.025643
July							0.000820	0.002278	0.007117	0.013772	0.017932	0.024525
August								0.001458	0.006297	0.012952	0.017112	0.023705
September									0.004839	0.011494	0.015654	0.022247
October										0.006655	0.010815	0.017408
November											0.004160	0.010753
December												0.006593

Table VIII Percentage Depletion – Kansas 80% Net Profits Interests

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	February	March	April	May	June	July	August	September	October	November	December
January	0.001141	0.002139	0.002850	0.003159	0.003431	0.003570	0.003846	0.004095	0.004423	0.004423	0.004423	0.004423
February		0.000998	0.001709	0.002018	0.002290	0.002429	0.002705	0.002954	0.003282	0.003282	0.003282	0.003282
March			0.000711	0.001020	0.001292	0.001431	0.001707	0.001956	0.002284	0.002284	0.002284	0.002284
April				0.000309	0.000581	0.000720	0.000996	0.001245	0.001573	0.001573	0.001573	0.001573
May					0.000272	0.000411	0.000687	0.000936	0.001264	0.001264	0.001264	0.001264
June						0.000139	0.000415	0.000664	0.000992	0.000992	0.000992	0.000992
July							0.000276	0.000525	0.000853	0.000853	0.000853	0.000853
August								0.000249	0.000577	0.000577	0.000577	0.000577
September									0.000328	0.000328	0.000328	0.000328
October										0.000000	0.000000	0.000000
November											0.000000	0.000000
December												0.000000

Table IX Percentage Depletion – Oklahoma 80% Net Profits InterestsFor 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	February	March	April	May	June	July	August	September	October	November	December
January	0.004887	0.010708	0.018163	0.022637	0.027591	0.035202	0.043986	0.053663	0.066837	0.080010	0.091437	0.105533
February		0.005821	0.013276	0.017750	0.022704	0.030315	0.039099	0.048776	0.061950	0.075123	0.086550	0.100646
March			0.007455	0.011929	0.016883	0.024494	0.033278	0.042955	0.056129	0.069302	0.080729	0.094825
April				0.004474	0.009428	0.017039	0.025823	0.035500	0.048674	0.061847	0.073274	0.087370
May					0.004954	0.012565	0.021349	0.031026	0.044200	0.057373	0.068800	0.082896
June						0.007611	0.016395	0.026072	0.039246	0.052419	0.063846	0.077942
July							0.008784	0.018461	0.031635	0.044808	0.056235	0.070331
August								0.009677	0.022851	0.036024	0.047451	0.061547
September									0.013174	0.026347	0.037774	0.051870
October										0.013173	0.024600	0.038696
November											0.011427	0.025523
December												0.014096

Table X Percentage Depletion – Wyoming 80% Net Profits InterestsFor 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	February	March	April	May	June	July	August	September	October	November	December
January	0.000054	0.002974	0.003316	0.003903	0.004132	0.004620	0.004980	0.005673	0.008158	0.011859	0.013850	0.017992
February		0.002920	0.003262	0.003849	0.004078	0.004566	0.004926	0.005619	0.008104	0.011805	0.013796	0.017938
March			0.000342	0.000929	0.001158	0.001646	0.002006	0.002699	0.005184	0.008885	0.010876	0.015018
April				0.000587	0.000816	0.001304	0.001664	0.002357	0.004842	0.008543	0.010534	0.014676
May					0.000229	0.000717	0.001077	0.001770	0.004255	0.007956	0.009947	0.014089
June						0.000488	0.000848	0.001541	0.004026	0.007727	0.009718	0.013860
July							0.000360	0.001053	0.003538	0.007239	0.009230	0.013372
August								0.000693	0.003178	0.006879	0.008870	0.013012
September									0.002485	0.006186	0.008177	0.012319
October										0.003701	0.005692	0.009834
November											0.001991	0.006133
December												0.004142