

TO OUR UNIT HOLDERS

We are pleased to present the 2023 3rd 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 monthly net proceeds attributable to the Royalty, was approximately \$4.3 million for the three months ended September 30, 2023, compared to \$21.3 million for the three months ended September 30, 2022. The average natural gas price decreased from \$6.32 per Mcf for the three months ended September 30, 2022, to \$2.04 per Mcf for the three months ended September 30, 2023. Production of natural gas from the Subject Interests decreased from 6,032,747 Mcf for the three months ended September 30, 2022, to 5,989,625 Mcf for the three months ended September 30, 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, decreased from \$21.1 million (\$0.452950 per Unit) for the three months ended September 30, 2022, to \$3.9 million (\$0.084685 per Unit) for the three months ended September 30, 2023.

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

July	\$ 0.010201
August	0.020691
September	0.053793
Quarter Total	\$ 0.084685

Interest income was higher for the three months ended September 30, 2023, as compared to the same period in 2022 due primarily to higher yields on short-term investments.

General and administrative expenses increased approximately 59.28% for the three months ended September 30, 2023 compared to the three months ended September 30, 2022. The increase was primarily attributable to differences in timing in the receipt and payment of certain expenses by the Trust.

Total cash reserves were \$1.0 million as of September 30, 2023. The Trustee does not anticipate any increases to the cash reserve above a level of \$1.0 million in 2023, although it cannot guarantee that the Trustee will not increase such cash reserves in the future.

Hilcorp's capital expenditures increased approximately \$290,196, or 194.53%, for the three months ended September 30, 2023 compared to the three months ended September 30, 2022. The variances in capital costs in the three-month period was primarily due to a higher capital project spending budget for 2023 as compared to 2022 and to differences in timing of the payment for these expenditures along with capital expenditures attributable to the prior year's budget.

Royalty income for the three months ended September 30, 2023, is associated with natural gas and oil production during May through July 2023 from the Subject Interests. Production of oil and natural gas and related average sales prices attributable to each of the Subject Interests and the Royalty for the three months ended September 30, 2023, and 2022 were as follows:

	For the Three Months Ended September 30,			
	2023		2022	
	Natural Gas (Mcf)	Oil and Condensate (Bbls)	Natural Gas (Mcf)	Oil and Condensate (Bbls)
Production				
Subject Interests	5,989,625	17,292	6,032,747	12,971
Royalty	1,426,197	12,025	3,660,384	9,181
Average Price (per Mcf/Bbl)	\$2.04	\$62.00	\$6.32	\$97.93

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. Future true-ups will impact future royalty proceeds but will not change the reported amounts due to the accounting basis used.

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.

In the course of the most recent audit process by the Trustee, certain exceptions to the several different categories of expenses (specifically offsite labor, overhead, operator-owned compressors and saltwater disposal facilities) for the years 2017 through 2020 were identified that the Trustee believed resulted in an underpayment of royalties owed to the Trust for those years. The Trustee engaged in extensive discussions with Hilcorp regarding these exceptions that culminated in Hilcorp's payment of the sum of \$1,037,093.45, which included the accumulated interest incurred as a result of the underpayment. The audit settlement payment was included in the September 2023 distribution to Unit Holders.

On August 30, 2023, the Trustee entered into a First Amendment to the Conveyance of the Royalty (the "Amendment"). The Amendment was entered into (i) pursuant to the terms of the Compromise and Settlement Agreement entered into August 30, 2023, which resolved the 2017-2020 Disputed Expenses by payment to the Trust and (ii) to modify certain terms of the Conveyance of the Royalty with respect to expenses associated with the operator's saltwater disposal facilities.

On September 12, 2023, the Trustee announced that it entered into an Agreement of Conditional Resignation with Argent Trust Company, a Tennessee chartered trust company ("Argent"), pursuant to which the Trustee will be resigning as trustee of the Trust, and will nominate Argent as successor trustee. The Trustee's resignation as Trustee, and Argent's appointment as successor trustee, are subject to certain conditions set forth in the Agreement of Conditional Resignation, which include the Unit Holders' approval of the appointment of Argent as successor trustee and the approval of an amendment to the Indenture necessary to permit Argent to serve as successor trustee, together with two additional proposed amendments to the Indenture, at a special meeting of the Unit Holders expected to be held on December 1, 2023.

Included in this Report are the Condensed Statements of Assets, Liabilities and Trust Corpus as of September 30, 2023 (Unaudited), and December 31, 2022, and the Condensed Statements of Distributable Income and of Changes in Trust Corpus for the three and nine months ended September 30, 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.sjbtr.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 September 30, 2023, are as follows:

	July	August	September
Gross Income	\$ 0.013611	\$ 0.027098	\$ 0.067530
Interest Income	\$ 0.000182	\$ 0.000126	\$ 0.000116
Severance Tax	(\$ 0.001835)	(\$ 0.003890)	(\$ 0.009825)
Administration Expense	(\$ 0.001757)	(\$ 0.002643)	(\$ 0.004028)
Distributable Income	\$ 0.010201	\$ 0.020691	\$ 0.053793
Percentage Depletion Factor	0.002042	0.004065	0.010130
Cost Depletion Factor	0.001431	0.003744	0.004550

PNC Bank, National Association, Trustee



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



CONDENSED STATEMENTS OF ASSETS, LIABILITIES AND TRUST CORPUS

	September 30, 2023	December 31, 2022
	(Unaudited)	(Audited)
Assets		
Cash and Short-term Investments	\$ 3,507,213	\$ 5,488,194
Net Overriding Royalty Interest in Producing Oil and Gas Properties (net of accumulated amortization of \$130,491,750 and \$130,306,821 at September 30, 2023 and December 31, 2022, respectively)	2,783,778	2,968,707
	\$ 6,290,991	\$ 8,456,901
Liabilities and Trust Corpus		
Distribution Payable to Unit Holders	\$ 2,507,213	\$ 4,488,194
Cash Reserves	1,000,000	1,000,000
Trust Corpus – 46,608,796 Units of Beneficial Interest Authorized and Outstanding	2,783,778	2,968,707
	\$ 6,290,991	\$ 8,456,901

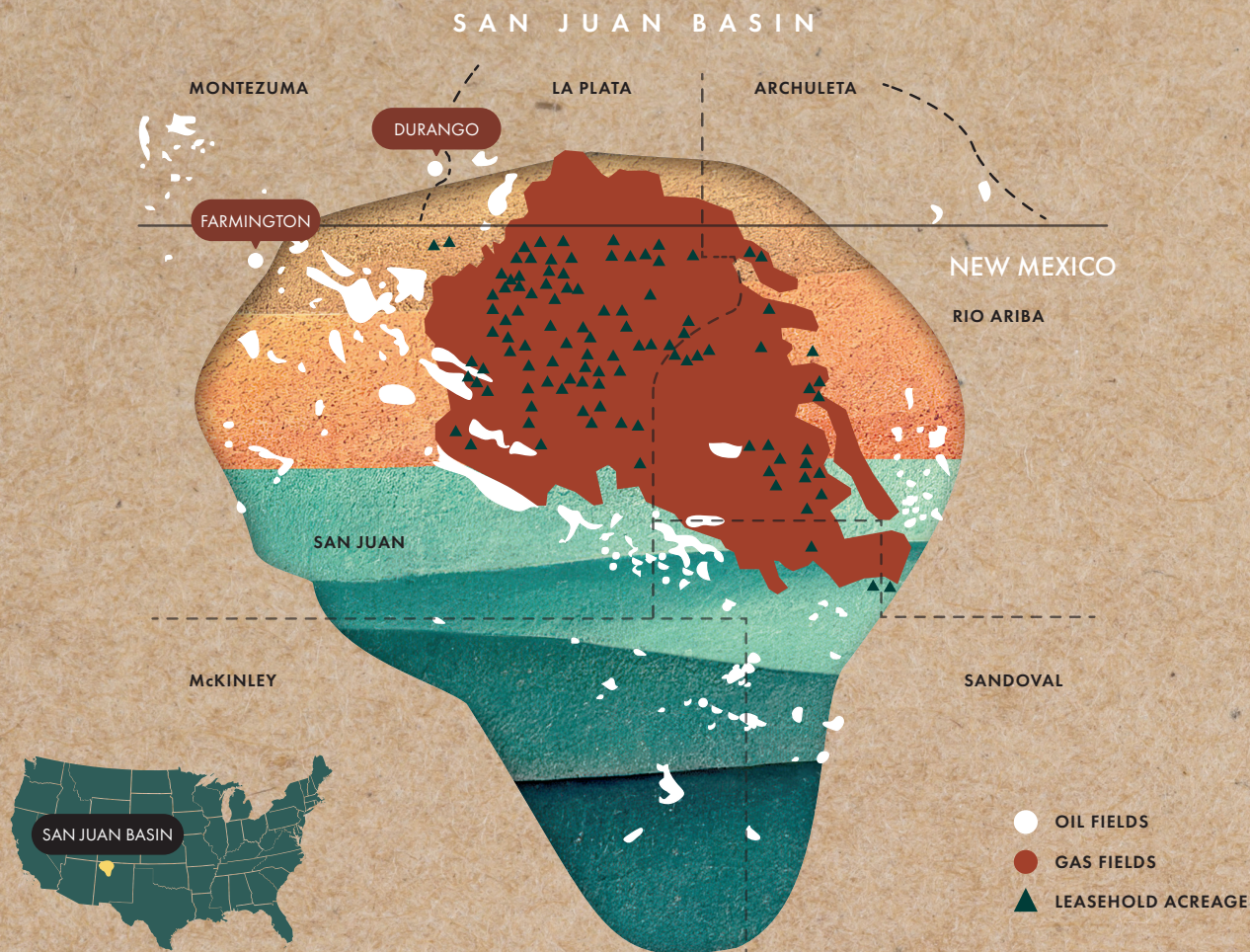
CONDENSED STATEMENTS OF DISTRIBUTABLE INCOME (UNAUDITED)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Royalty Income	\$ 4,320,039	\$ 21,345,765	\$ 49,256,075	\$ 49,959,187
Interest Income	19,773	12,293	119,075	14,329
Total Income	4,339,812	21,358,058	49,375,150	49,973,516
General and Administrative Expenses	(392,762)	(246,581)	(1,369,320)	(1,149,770)
Distributable Income	\$ 3,947,050	\$ 21,111,477	\$ 48,005,830	\$ 48,823,746
Distributable Income Per Unit (46,608,796 Units)	\$ 0.084685	\$ 0.452950	\$ 1.029974	\$ 1.047521

CONDENSED STATEMENTS OF CHANGES IN TRUST CORPUS (UNAUDITED)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Trust Corpus, Beginning of Period	\$ 2,812,651	\$ 3,291,011	\$ 2,968,707	\$ 3,690,847
Amortization of Net Overriding Royalty Interest	(28,873)	(160,561)	(184,929)	(560,397)
Distributable Income	3,947,050	21,111,477	48,005,830	48,823,746
Distributions Declared	(3,947,050)	(21,111,477)	(48,005,830)	(48,823,746)
Trust Corpus, End of Period	\$ 2,783,778	\$ 3,130,450	\$ 2,783,778	\$ 3,130,450
Distributions Declared (Per Unit)	\$ 0.084685	\$ 0.452950	\$ 1.029974	\$ 1.047521

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 September 30, 2023, as filed with the U.S. Securities and Exchange Commission on November 14, 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.

SAN JUAN BASIN ROYALTY TRUST

PNC Bank, National Association, Trustee
 2200 Post Oak Blvd., Floor 18
 Houston, Texas 77056
 Toll-free telephone: (866) 809-4553
 Outside U.S. telephone: (904) 230-3401
www.sjbrt.com
sjt@pnc.com

PAYING AGENT / TRANSFER AGENT / REGISTRAR

Computershare Investor Services
www.computershare.com
 Customer Service: (877) 373-6374