

	MONTHLY DISTRIBUTIONS PAID ON:				Total
	(\$/UNIT EXCEPT COST DEPLETION FACTORS)				
	May 14, 2020	June 12, 2020	July 14, 2020		
Gross Income.....	\$ 0.000000	\$ 0.000000	\$ 0.000000	\$ 0.000000	\$ 0.000000
Less Severance Taxes .....	(0.000000)	(0.000000)	(0.000000)	(0.000000)	(0.000000)
Interest Income .....	0.000009	0.000002	0.000001	0.000001	0.000012
Less Administration Expenses.....	(0.000980)	(0.001179)	(0.002791)	(0.002791)	(0.004950)
Reconciling Items .....	0.000971	0.001177	0.002790	0.002790	0.004938
<b>NET CASH DISTRIBUTION .....</b>	<b>\$ 0.000000</b>	<b>\$ 0.000000</b>	<b>\$ 0.000000</b>	<b>\$ 0.000000</b>	<b>\$ 0.000000</b>
Cost Depletion Factors:					
Kansas - 80% .....	0.000000	0.000000	0.000000	0.000000	0.000000
Oklahoma - 80% .....	0.000000	0.000000	0.000000	0.000000	0.000000
Wyoming - 80% .....	0.000000	0.000000	0.000000	0.000000	0.000000

Unitholders owning units in nominee name may obtain monthly tax information from the Trustee upon request or from the Trust's web site at [www.hgt-hugoton.com](http://www.hgt-hugoton.com).

Hugoton Royalty Trust 2911 Turtle Creek Blvd, Ste 850, Dallas, TX 75219  
 855.588.7839 • Simmons Bank, Trustee • [www.hgt-hugoton.com](http://www.hgt-hugoton.com)

# Hugoton Royalty Trust



2<sup>nd</sup>  
 Quarter Report  
 2020

## To Unitholders:

For the quarter ended June 30, 2020, net profits income was \$0 as compared to \$238,725 for second quarter 2019. This decrease in net profits income is primarily the result of lower oil and gas prices (\$4.0 million) and increased development costs (\$0.4 million), partially offset by net excess costs activity (\$1.7 million), increased oil and gas production (\$1.4 million), decreased production expenses (\$0.8 million), and decreased taxes, transportation and other costs (\$0.3 million).

After adding interest income of \$502, deducting administration expense of \$198,010, and reducing the cash reserve \$197,508 for the payment of Trust expenses, distributable income for the quarter ended June 30, 2020 was \$0, or \$0.000000 per unit of beneficial interest. Administration expense for the quarter increased \$51,374 as compared to the prior year quarter, primarily related to the timing of receipt and payment of Trust expenses and terms of professional services. Changes in interest income are attributable to fluctuations in net profits income and interest rates. For second quarter 2019, distributable income was \$0 or \$0.000000 per unit. Distributions to unitholders for the quarter ended June 30, 2020 were:

RECORD DATE	PAYMENT DATE	DISTRIBUTION PER UNIT
April 30, 2020	May 14, 2020	\$ 0.000000
May 29, 2020	June 12, 2020	0.000000
June 30, 2020	July 14, 2020	0.000000
		<u>\$ 0.000000</u>

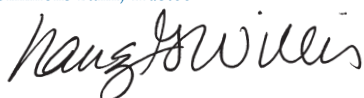
### Liquidity and Going Concern

The accompanying condensed financial statements have been prepared assuming that the Trust will continue as a going concern. Financial statements prepared on a going concern basis assume the realization of assets and the settlement of liabilities in the normal course of business. Increases in excess costs for the Kansas, Oklahoma and Wyoming conveyances have resulted in insufficient net proceeds to the Trust and a reduction in the Trust's expense reserve. These conditions raise substantial doubt about the Trust's ability to continue as a going concern as the Trust may not have, based on the current estimated administrative expenses, sufficient cash to meet its obligations during the one year period after the date the condensed financial statements are issued. Please see Note 1 to the Condensed Financial Statements included in the Trust's Form 10-Q filing for quarter ending June 30, 2020, for additional information regarding the liquidity and going concern of the Trust.

Please see Note 4 to the Condensed Financial Statements included in the Trust's Form 10-Q filing for quarter ending June 30, 2020, for information regarding the arbitration proceeding relating to the *Chieftain* class action royalty case.

This letter, and all communications to unitholders, includes information provided to the Trustee by XTO Energy Inc.

Hugoton Royalty Trust  
By: Simmons Bank, Trustee



By: Nancy Willis  
Vice President

## Hugoton Royalty Trust Financial Statements

### Condensed Statements of Assets, Liabilities and Trust Corpus (Unaudited)

	June 30, 2020	December 31, 2019
<b>Assets</b>		
Cash and Short-term Investments .....	\$ 258,938	\$ 605,646
Net Profits Interests in Oil and Gas Properties – Net.....	—	—
	<u>\$ 258,938</u>	<u>\$ 605,646</u>
<b>Liabilities and Trust Corpus</b>		
Distribution Payable to Unitholders .....	\$ —	\$ —
Expense Reserve <sup>(a)</sup> .....	258,938	605,646
Trust Corpus (40,000,000 Units of Beneficial Interest Authorized and Outstanding) .....	—	—
	<u>\$ 258,938</u>	<u>\$ 605,646</u>

<sup>(a)</sup> The expense reserve allows the Trustee to pay its obligations should it be unable to pay them out of the net profits income.

### Condensed Statements of Distributable Income (Unaudited)

	Three Months Ended June 30		Six Months Ended June 30	
	2020	2019	2020	2019
Net Profits Income .....	\$ —	\$ 238,725	\$ —	\$ 369,458
Interest Income .....	502	5,632	2,750	11,912
TOTAL INCOME .....	502	244,357	2,750	381,370
Administration Expense .....	198,010	146,636	349,458	438,328
Cash Reserves Withheld (used) for Trust Expenses	(197,508)	97,721	(346,708)	(56,958)
Distributable Income .....	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Distributable Income per Unit (40,000,000 Units) .....	<u>\$ 0.000000</u>	<u>\$ 0.000000</u>	<u>\$ 0.000000</u>	<u>\$ 0.000000</u>

### Condensed Statements of Changes in Trust Corpus (Unaudited)

	Three Months Ended June 30		Six Months Ended June 30	
	2020	2019	2020	2019
Trust Corpus, Beginning of Period .....	\$ —	\$ 15,773,557	\$ —	\$ 15,816,990
Amortization of Net Profits Interests .....	—	(92,024)	—	(135,457)
Distributable Income .....	—	—	—	—
Distributions Declared .....	—	—	—	—
Trust Corpus, End of Period .....	<u>\$ —</u>	<u>\$ 15,681,533</u>	<u>\$ —</u>	<u>\$ 15,681,533</u>

These Condensed Financial Statements should be read in conjunction with the Condensed Financial Statements and notes thereto included in the Trust's quarterly report on Form 10-Q for the quarter ended June 30, 2020.