

CROSS TIMBERS ROYALTY TRUST

TAX INFORMATION 2013

*This booklet contains tax information relevant to ownership of
Units of Cross Timbers Royalty Trust and should be retained.*

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Post Office Box 830650
Dallas, Texas 75283-0650
Telephone (877) 228-5084

2013

February 14, 2014

TO UNITHOLDERS:

We enclose the following material, which provides unitholders with the information necessary to compute the 2013 federal and state taxable income attributable to their units:

- (a) Grantor Trust Schedule A for 2013.
- (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 2013 monthly trust distributions, your tax information includes a Unitholder Worksheet that shows amounts reportable by you on your 2013 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 2013 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, simple income/expense and cost depletion calculators are available on the Cross Timbers Royalty Trust website at: www.crosstimbertrust.com, on the "Home" page.**

To ensure compliance with Treasury Department Circular 230, unitholders are hereby notified that any discussion of U.S. federal income tax issues in this booklet is not intended or written to be relied upon, and cannot be relied upon, by unitholders for the purpose of avoiding penalties that may be imposed on such unitholders under the Internal Revenue Code of 1986.

Each unitholder should consult his or her individual tax advisor.

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

By:



Vice President

EIN 75-6415930

2013

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) |
|---|------------------------|-------------------------|----------------------------------|------------------------------------|--------------------------------|--------------------------------------|-------------------------------|
| ROYALTY PROPERTIES - 90% INTERESTS | | | | | | | |
| TEXAS | | | | | | | |
| 1. Oil | \$0.698219 | \$ 0.028707 | \$0.669512 | | | | 0.007783 Bbls |
| 2. Gas | 0.286815 | 0.024266 | 0.262549 | | | | 0.034466 Mcf |
| 3. Total Oil & Gas | <u>0.985034</u> | <u>0.052973</u> | <u>0.932061</u> | 0.121024 | \$0.147755 | 0.266089 | |
| OKLAHOMA | | | | | | | |
| 1. Oil | 0.122017 | 0.006864 | 0.115153 | | | | 0.001412 Bbls |
| 2. Gas | 0.137888 | 0.013272 | 0.124616 | | | | 0.032160 Mcf |
| 3. Total Oil & Gas | <u>0.259905</u> | <u>0.020136</u> | <u>0.239769</u> | 0.153464 | \$0.038986 | 0.046621 | |
| NEW MEXICO | | | | | | | |
| 1. Oil | 0.072688 | 0.004952 | 0.067736 | | | | 0.000674 Bbls |
| 2. Gas | 1.071528 | 0.320891 | 0.750637 | | | | 0.169507 Mcf |
| 3. Total Oil & Gas | <u>1.144216</u> | <u>0.325843</u> | <u>0.818373</u> | 0.057064 | \$0.171633 | 0.411029 | |
| ROYALTY PROPERTIES - 75% INTERESTS | | | | | | | |
| TEXAS | | | | | | | |
| 1. Oil | 0.071252 | 0.002986 | 0.068266 | | | | 0.000692 Bbls |
| 2. Gas | 0.002880 | (0.001228) | 0.004108 | | | | 0.000237 Mcf |
| 3. Total Oil & Gas | <u>0.074132</u> | <u>0.001758</u> | <u>0.072374</u> | 0.023495 | \$0.011120 | 0.104696 | |
| OKLAHOMA | | | | | | | |
| 1. Oil | 0.332542 | 0.018621 | 0.313921 | | | | 0.003737 Bbls |
| 2. Gas | 0.005577 | 0.000349 | 0.005228 | | | | 0.001484 Mcf |
| 3. Total Oil & Gas | <u>0.338119</u> | <u>0.018970</u> | <u>0.319149</u> | 0.068156 | \$0.050718 | 0.171565 | |
| TOTAL FOR YEAR | <u>\$2.801406</u> | <u>\$ 0.419680</u> | <u>\$2.381726</u> A | | | <u>1.000000</u> | 0.014298 Bbls 0.237854 Mcf |

PART II - OTHER INCOME AND EXPENSE PER UNIT

| | <u>Total</u> |
|-------------------------------------|---------------------|
| 1. Interest Income | \$0.000048 B |
| 2. Administration Expense | \$0.067175 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) | \$2.314599 |
| 2. Reconciling Items | — |
| 3. Cash Distribution per Unit | <u>\$2.314599</u> |

(CTRTR 2013 Tax)

Cross Timbers Royalty Trust

Post Office Box 830650
Dallas, Texas 75283-0650
Telephone (877) 228-5084

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 Cross Timbers 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 on February 12, 1991, when predecessors of XTO Energy Inc. conveyed five defined net profits interests carved out of certain mineral properties then owned by the predecessors. Each of the five conveyances entitles the trust to receive a percentage of the net proceeds of production from such properties. Limited partners in the predecessors of XTO Energy received trust units in two separate royalty distributions during 1991 and 1992 ("the 1991 and 1992 royalty distributions").

(b) *Taxable Year.* Because 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, 2014, and who has owned the same number of units during such year would combine the results of Schedules B-2 through B-12 for 2013 and Schedule B-1 for 2014. 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 Depletion Worksheet. Other than to calculate depletion, Schedules A and B-1 through B-12 are unnecessary for most unitholders because 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.crosstimberstrust.com or can contact the trustee.

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

(i) The trust holds five net overriding royalties – three are 90% defined net profits interests carved out of royalty interests in oil and gas properties located in Texas, Oklahoma and New Mexico and are known as the "Royalty Properties-90% Interests" and two are 75% defined net profits interests carved out of working interests in other oil and gas properties located in Texas and Oklahoma and are known as the "Royalty Properties-75% 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 overriding royalty 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) Estimated interest income to be earned on the monthly distribution amounts (from the last day of the month to the distribution date) for the period covered is reported in Item 1 of Part II. Other interest income received by the trustee during the period covered is also 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 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 2013, 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 18, Part I, Schedule E |
| Severance Tax | Line 16, Part I, Schedule E |
| Interest Income | Line 1, Part I, Schedule B |
| Administration Expense | Line 19, 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 2013, 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 (as explained below), the net taxable income excluding depletion (see instruction 2) will equal the cash distributions from the trust. Also, see page 8 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 is entitled to claim depletion allowable based on the greater of cost or percentage depletion. As further explained below, percentage depletion may not be available to a unitholder who received units in the 1991 and 1992 royalty distributions.

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 2013. Unitholders who use Part B should obtain their cost depletion factors from Tables V through IX and percentage depletion factors from Tables X through XIV for their applicable period of ownership in 2013. 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.

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

| SCHEDULE E (Form 1040) | | Supplemental Income and Loss | | | | OMB No. 1545-0074 | |
|--|--|--|--|--|--|--------------------|--|
| Department of the Treasury Internal Revenue Service (99) | | (From rental real estate, royalties, partnerships, S corporations, estates, trusts, REMICs, etc.) ▶ Attach to Form 1040, 1040NR, or Form 1041. ▶ Information about Schedule E and its separate instructions is at www.irs.gov/schedule . | | | | 2013 | |
| Name(s) shown on return | | Your social security number | | | | | |
| 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 instructions). If you are an individual, report farm rental income or loss from Form 4835 on page 2, line 40. | | | | | | | |
| A Did you make any payments in 2013 that would require you to file Form(s) 1099? (see instructions) <input type="checkbox"/> Yes <input type="checkbox"/> No | | | | | | | |
| B If "Yes," did you or will you file required Forms 1099? <input type="checkbox"/> Yes <input type="checkbox"/> No | | | | | | | |
| 1a Physical address of each property (street, city, state, ZIP code) | | | | | | | |
| Name of Royalty | | A | | B | | C | |
| 1b | | Type of Property (from list below) | | 2 For each rental real estate property listed above, report the number of fair rental and personal use days. Check the QJV box only if you meet the requirements to file as a qualified joint venture. See instructions. | | Fair Rental Days | |
| | | A | | B | | Personal Use Days | |
| | | B | | C | | QJV | |
| | | C | | | | | |
| Type of Property: | | | | | | | |
| 1 Single Family Residence | | 3 Vacation/Short-Term Rental | | 5 Land | | 7 Self-Rental | |
| 2 Multi-Family Residence | | 4 Commercial | | 6 Royalties | | 8 Other (describe) | |
| Income: | | | | Properties: | | | |
| | | | | A | | | |
| | | | | B | | | |
| | | | | C | | | |
| 3 Rents received | | 4 | | 3 | | | |
| 4 Royalties received | | | | 4 | | | |
| Expenses: | | | | | | | |
| 5 Advertising | | 6 | | 5 | | | |
| 6 Auto and travel (see instructions) | | 7 | | 6 | | | |
| 7 Cleaning and maintenance | | 8 | | 7 | | | |
| 8 Commissions | | 9 | | 8 | | | |
| 9 Insurance | | 10 | | 9 | | | |
| 10 Legal and other professional fees | | 11 | | 10 | | | |
| 11 Management fees | | 12 | | 11 | | | |
| 12 Mortgage interest paid to banks, etc. (see instructions) | | 13 | | 12 | | | |
| 13 Other interest | | 14 | | 13 | | | |
| 14 Repairs | | 15 | | 14 | | | |
| 15 Supplies | | 16 | | 15 | | | |
| 16 Taxes | | 17 | | 16 | | | |
| 17 Utilities | | 18 | | 17 | | | |
| 18 Depreciation expense or depletion | | 19 | | 18 | | | |
| 19 Other (list) | | 20 | | 19 | | | |
| 20 Total expenses. Add lines 5 through 19 | | 21 | | 20 | | | |
| 21 Subtract line 20 from line 3 (rents) and/or 4 (royalties). If result is a loss, see instructions to find out if you must file Form 6198 | | 22 | | 21 | | | |
| 22 Deductible rental real estate loss after limitation, if any, on Form 8582 (see instructions) | | 23a | | 22 | | | |
| 23a Total of all amounts reported on line 3 for all rental properties | | 23b | | 23a | | | |
| 23b Total of all amounts reported on line 4 for all royalty properties | | 23c | | 23b | | | |
| 23c Total of all amounts reported on line 12 for all properties | | 23d | | 23c | | | |
| 23d Total of all amounts reported on line 18 for all properties | | 23e | | 23d | | | |
| 23e Total of all amounts reported on line 20 for all properties | | 24 | | 23e | | | |
| 24 Income. Add positive amounts shown on line 21. Do not include any losses | | 25 | | 24 | | | |
| 25 Losses. Add royalty losses from line 21 and rental real estate losses from line 22. Enter total losses here | | 26 | | 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 | | | |

| | | | | | | | | | | | | | | | |
|--|---|--|---|--|------------|-----------|-----------|--------------------------|--------------------------|----------|--------------------------|--------------------------|----------|--------------------------|--------------------------|
| <p>SCHEDULE B (Form 1040A or 1040)</p> <p>Department of the Treasury Internal Revenue Service (99)</p> <p>Name(s) shown on return _____</p> | <p>Interest and Ordinary Dividends</p> <p>▶ Attach to Form 1040A or 1040. ▶ Information about Schedule B (Form 1040A or 1040) and its instructions is at www.irs.gov/scheduleb.</p> | <p>OMB No. 1545-0074</p> <p>2013 Attachment Sequence No. 08</p> | | | | | | | | | | | | | |
| Your social security number _____ | | | | | | | | | | | | | | | |
| Part I Interest | | | | | | | | | | | | | | | |
| <p>1 List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see instructions on back and list this interest first. Also, show that buyer's social security number and address ▶</p> <p>(See instructions on back and the instructions for Form 1040A, or Form 1040, line 8a.)</p> <p>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.</p> | <p>Amount</p> <p>1</p> <p>2</p> <p>3</p> <p>4</p> | | | | | | | | | | | | | | |
| Note. If line 4 is over \$1,500, you must complete Part III. | | | | | | | | | | | | | | | |
| Part II Ordinary Dividends | | | | | | | | | | | | | | | |
| <p>5 List name of payer ▶</p> <p>(See instructions on back and the instructions for Form 1040A, or Form 1040, line 9a.)</p> <p>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.</p> | <p>Amount</p> <p>5</p> <p>6</p> | | | | | | | | | | | | | | |
| Note. If line 6 is over \$1,500, you must complete Part III. | | | | | | | | | | | | | | | |
| <p>Part III Foreign Accounts and Trusts</p> <p>(See instructions on back.)</p> <p>7a At any time during 2013, did you have a financial interest in or signature authority over a financial account (such as a bank account, securities account, or brokerage account) located in a foreign country? See instructions. If "Yes," are you required to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR), formerly TD F 90-22.1, to report that financial interest or signature authority? See FinCEN Form 114 and its instructions for filing requirements and exceptions to those requirements.</p> <p>b If you are required to file FinCEN Form 114, enter the name of the foreign country where the financial account is located ▶</p> <p>8 During 2013, 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.</p> | | | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;"></td> <td style="width: 50%; text-align: center;">Yes</td> <td style="width: 50%; text-align: center;">No</td> </tr> <tr> <td style="text-align: center;">7a</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td style="text-align: center;">b</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td style="text-align: center;">8</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table> | | Yes | No | 7a | <input type="checkbox"/> | <input type="checkbox"/> | b | <input type="checkbox"/> | <input type="checkbox"/> | 8 | <input type="checkbox"/> | <input type="checkbox"/> |
| | Yes | No | | | | | | | | | | | | | |
| 7a | <input type="checkbox"/> | <input type="checkbox"/> | | | | | | | | | | | | | |
| b | <input type="checkbox"/> | <input type="checkbox"/> | | | | | | | | | | | | | |
| 8 | <input type="checkbox"/> | <input type="checkbox"/> | | | | | | | | | | | | | |
| <p>For Paperwork Reduction Act Notice, see your tax return instructions. Cat. No. 17146N Schedule B (Form 1040A or 1040) 2013</p> | | | | | | | | | | | | | | | |

Interest Income

A unitholder who purchased his units or received units by gift, devise or inheritance from a unit-holder who purchased units is entitled to claim a depletion allowance based on the greater of cost or percentage depletion. As further explained below, percentage depletion may not be available to a unitholder who received units in the 1991 and 1992 royalty distributions. 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.

Prior to the Revenue Reconciliation Act of 1990 (“1990 Act”), the benefit of percentage depletion generally did not extend to “independent producers” who were transferees of a “proven” oil or gas property with respect to production from that property. As a result of the 1990 Act, the proven property transfer rule is not applicable to transferees of “proven” properties after October 11, 1990. There were a number of statutory and regulatory provisions in addition to the proven property transfer rule, however, which continue to apply after that date, including an exception for certain transfers between partnerships and their partners. The trustee has been informed that virtually all properties included in the royalties were proven properties in the hands of XTO Energy predecessors immediately prior to their transfer to the trust. Hence, even though the 1991 and 1992 royalty distributions occurred after October 11, 1990, it appears that a unitholder who received his units in the 1991 and 1992 royalty distributions may only be entitled to claim percentage depletion on his share of the portion of the royalties which was derived from XTO Energy predecessors in which he had no interest. No percentage depletion is allowable to such a unitholder under the exemption for certain gas wells provided by IRC Section 613A(b), because none of the gross income from the royalties constitutes income from “natural gas sold under a fixed contract” under that section.

(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.

With respect to units acquired by purchase, 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 royalty 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 (other than one who acquired units in the 1991 and 1992 royalty distributions) 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.

Unitholders who acquired their units in the 1991 and 1992 royalty distributions and continue to hold such units have previously received schedules from XTO Energy reflecting the allocation of the basis in the units received to each royalty.

For your convenience, a simple cost depletion calculator is available on the Cross Timbers Royalty Trust website at: www.crosstimberstrust.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 that are not currently deductible, such as increases in cash reserves established by the trustee for the payment of future expenditures, capital items and items that do not constitute taxable income, such as reductions in previously established cash reserves. There were no such reconciling items in 2013.

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 that reduced the taxpayer's basis in the property. The balance of any gain or any loss from the disposition of oil and gas properties will be a capital gain or loss if such unit was held by the unitholder as a capital asset. The capital gain or loss will be long-term, if the unit was held more than 12 months, or short-term if held for 12 months or less.

6. Portfolio Income

Royalty income is generally considered portfolio income under the passive loss rules enacted by the Tax Reform Act of 1986. Therefore, 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

Some trust units are held by middlemen, as such term is broadly defined in U.S. Treasury Regulations (and includes custodians, nominees, certain joint owners, and brokers holding an interest for a customer in street name, collectively referred to herein as "middlemen"). Therefore, the trustee considers the trust to be a non-mortgage widely held fixed investment trust ("WHFIT") for U.S. federal income tax purposes. U.S. Trust, Bank of America Private Wealth Management, EIN: 56-0906609, Post Office Box 830650, Dallas, Texas, 75283-0650, telephone number 1-877-228-5084, email address trustee1@crosstimbertrust.com, is the representative of the trust that will provide tax information in accordance with applicable U.S. Treasury Regulations governing the information reporting requirements of the trust as a WHFIT. Tax information is also posted by the trustee at www.crosstimbertrust.com. Notwithstanding the foregoing, the middlemen holding trust units on behalf of unitholders, and not the trustee of the trust, are solely responsible for complying with the information reporting requirements under the U.S. Treasury Regulations with respect to such trust units, including the issuance of IRS Forms 1099 and certain written tax statements. Unitholders whose trust units are held by middlemen should consult with such middlemen regarding the information that will be reported to them by the middlemen with respect to the trust units.

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. 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.

9. Net Investment Income Tax

IRC Section 1411 imposes a 3.8% Medicare tax on certain investment income earned by individuals, estates, and trusts for taxable years beginning after December 31, 2012. For these purposes, investment income generally will include a unitholder's allocable share of the trust's interest and royalty income plus the gain recognized from a sale of trust units. In the case of an individual, the tax is imposed on the lesser of (i) the individual's net investment income from all investments, or (ii) the amount by which the individual's modified adjusted gross income exceeds specified threshold levels depending on such individual's federal income tax filing status (\$250,000 for married persons filing a joint return and \$200,000 in most other cases). In the case of an estate or trust, the tax is imposed on the lesser of (i) undistributed net investment income, or (ii) the excess adjusted gross income over the dollar amount at which the highest income tax bracket applicable to an estate or trust begins (\$7,500 for 2013).

10. Backup Withholding

A payor is required under specified circumstances to withhold tax at the rate of 28 percent on "reportable interest or dividend payments" and "other reportable payments" (including certain oil and gas royalty payments). Generally, this "backup withholding" is required on payments if the payee has failed to furnish the payor a taxpayer identification number or if the payor is notified by the Secretary of the Treasury to withhold taxes on such payments with respect to the payee. Amounts withheld by payors pursuant to the backup withholding provisions are remitted to the Internal Revenue Service and are considered a credit against the payee's federal income tax liability. If the payee does not incur a federal income tax liability for the year in which the taxes are withheld, the payee will be required to file the appropriate income tax return to claim a refund of the taxes withheld.

Unitholders, other than foreign taxpayers, who have had amounts withheld in 2013 pursuant to the federal backup withholding provisions should have received a Form 1099-MISC from the trust. The Form 1099-MISC reflects the total federal income tax withheld from distributions. Unlike other Forms 1099 that you may receive, the amount reported on the Form 1099-MISC received from the trust should not be included as additional income in computing taxable income, as such amount is already included in the per-unit income items on the income and expense schedules included herein. The federal income tax withheld, as reported on the Form 1099-MISC, should be considered as a credit by the unitholder in computing any federal income tax liability. Individual unitholders should include the amount of backup withholding in the "Payments" section of the unitholder's 2013 Form 1040.

II. STATE TAX RETURNS

All revenues from the trust are from sources within Texas, Oklahoma or New Mexico, as reflected on Schedules A and B. Because it distributes all of its net income to unitholders, the trust has not been taxed at the trust level in New Mexico or Oklahoma. While the trust is not expected to owe tax, the trustee is required to file a return with Oklahoma reflecting the income and deductions of the trust attributable to properties located in that state, along with a schedule that includes information regarding distributions to unitholders. Texas does not impose a state income tax, so no part of the trust's income is subject to income tax at the trust level in Texas. Oklahoma and New Mexico tax the income of nonresidents from real property located within those states, and the trust has been advised by counsel that those states each tax nonresidents on income from the royalties located in those states. Oklahoma and New Mexico also impose a corporate income tax that may apply to unitholders organized as corporations (subject to certain exceptions for S corporations and limited liability companies, depending on their treatment for federal tax purposes).

Texas imposes a franchise tax at a rate of 1% on gross revenues less certain deductions, as specifically set forth in the Texas franchise tax statutes. Entities subject to tax generally include trusts and most other types of entities that provide limited liability protection, unless otherwise exempt. Trusts that receive at least 90% of their federal gross income from designated passive sources, including royalties from mineral properties and other non-operated mineral interest income, and do not receive more than 10% of their income from operating an active trade or business generally are exempt from the Texas franchise tax as "passive entities." The trust has been and expects to continue to be exempt from Texas franchise tax as a passive entity. Because the trust should be exempt from Texas franchise tax at the trust level as a passive entity, each unitholder that is considered a taxable entity under the Texas franchise tax will generally be required to include its Texas portion of trust revenues in its own Texas franchise tax computation. This revenue is sourced to Texas under provisions of the Texas Administrative Code providing that such income is sourced according to the principal place of business of the trust, which is Texas.

III. CERTAIN TAX MATTERS

Under current law (i) the trust should be treated as a grantor trust for federal income tax purposes and 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 should be entitled to depletion deductions equal to the greater of cost depletion based on his basis in the units or (under certain circumstances) percentage depletion. The Internal Revenue Service 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, there can be no assurance that the IRS will not challenge this treatment.

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 TAX 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 the Instructions for Schedules A and B-1 through B-12, the Supplemental Tax Tables and Worksheet are provided for certain unitholders. The Supplemental Tax Tables and Worksheet comprise 14 tables and a Depletion Worksheet.

Use of Supplemental Tax Tables I through IV is unnecessary for many unitholders because 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, 2013, or sold or exchanged units any time during 2013. Unitholders who have a taxable year-end other than December 31, as well as unitholders subject to state income tax who did not own units for 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 XIV 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 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 that cause the original basis to be revised. For example, the original basis of units passing through an estate generally will be changed to reflect the fair market value of the units on the date of death. Basis amounts have been supplied to you by XTO Energy for units received in the 1991 and 1992 royalty distributions. 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 five basis allocation factors for the Cross Timbers Royalty Trust because the trust has five separate properties for depletion purposes. Each conveyance agreement created separate and distinct properties for tax purposes, and each property is depleting at a different rate.

The following basis allocation factors are to be used only in the year in which units are purchased or otherwise acquired. Once the basis allocation factor is applied to the original basis of the units, the basis allocation is generally not changed again. By multiplying the original basis of the units 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 1996-2004 | | | | | | | | | |
|------------------|-----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--|
| | 01/96 - 12/96 | 01/97 - 12/97 | 01/98 - 12/98 | 01/99 - 12/99 | 01/00 - 12/00 | 01/01 - 12/01 | 01/02 - 12/02 | 01/03 - 12/03 | 01/04 - 12/04 | |
| Texas - 90% | 0.190636 | 0.163652 | 0.202218 | 0.163929 | 0.161621 | 0.135315 | 0.181690 | 0.179639 | 0.174722 | |
| Oklahoma - 90% | 0.067070 | 0.061521 | 0.070819 | 0.059869 | 0.046075 | 0.052941 | 0.056488 | 0.068511 | 0.078473 | |
| New Mexico - 90% | 0.477761 | 0.489023 | 0.546590 | 0.742891 | 0.511100 | 0.701558 | 0.626700 | 0.551146 | 0.579938 | |
| Texas - 75% | 0.151302 | 0.147590 | 0.102886 | 0.032193 | 0.160292 | 0.058591 | 0.087507 | 0.124101 | 0.102171 | |
| Oklahoma - 75% | 0.113231 | 0.138214 | 0.077487 | 0.001118 | 0.120912 | 0.051595 | 0.047615 | 0.076603 | 0.064696 | |

| ROYALTY | ACQUISITION DATES 2005-2013 | | | | | | | | | |
|------------------|-----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--|
| | 01/05 - 12/05 | 01/06 - 12/06 | 01/07 - 12/07 | 01/08 - 12/08 | 01/09 - 12/09 | 01/10 - 12/10 | 01/11 - 12/11 | 01/12 - 12/12 | 01/13 - 12/13 | |
| Texas - 90% | 0.189101 | 0.151506 | 0.186603 | 0.178961 | 0.239499 | 0.231012 | 0.225653 | 0.224251 | 0.266089 | |
| Oklahoma - 90% | 0.072584 | 0.068003 | 0.062717 | 0.048966 | 0.064204 | 0.051536 | 0.049241 | 0.048273 | 0.046621 | |
| New Mexico - 90% | 0.522236 | 0.550813 | 0.505947 | 0.436435 | 0.589858 | 0.561407 | 0.511333 | 0.486140 | 0.411029 | |
| Texas - 75% | 0.123235 | 0.110484 | 0.114304 | 0.153051 | 0.051271 | 0.081035 | 0.105726 | 0.105867 | 0.104696 | |
| Oklahoma - 75% | 0.092844 | 0.119194 | 0.130429 | 0.182587 | 0.055168 | 0.075010 | 0.108047 | 0.135469 | 0.171565 | |

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 2013 AND SOLD DURING 2013.*

Example: A unitholder acquired units prior to 2013 that he sold in September 2013. To calculate his depletion for each of the five royalties for 2013, the unitholder would use the January through August 2013 cost depletion factors (Tables V through IX) and percentage depletion amounts (Tables X through XIV), as follows:

| Royalty | Cost Depletion | | Percentage Depletion | |
|------------------|----------------|----------|----------------------|------------|
| | Table | Factor | Table | Per Unit |
| Texas - 90% | V | 0.078824 | X | \$0.094382 |
| Oklahoma - 90% | VI | 0.098772 | XI | \$0.023262 |
| New Mexico - 90% | VII | 0.036748 | XII | \$0.103963 |
| Texas - 75% | VIII | 0.002840 | XIII | \$0.001263 |
| Oklahoma - 75% | IX | 0.044231 | XIV | \$0.031027 |

(b) *UNITS ACQUIRED AND SOLD DURING 2013.*

Example: A unitholder acquired units in July 2013 and sold them in September 2013. To calculate his depletion for each of the five royalties for 2013, the unitholder would use the July through August 2013 cost depletion factors (Tables V through IX) and percentage depletion amounts (Tables X through XIV), as follows:

| Royalty | Cost Depletion | | Percentage Depletion | |
|------------------|----------------|----------|----------------------|------------|
| | Table | Factor | Table | Per Unit |
| Texas - 90% | V | 0.023233 | X | \$0.029796 |
| Oklahoma - 90% | VI | 0.022901 | XI | \$0.006000 |
| New Mexico - 90% | VII | 0.010557 | XII | \$0.032960 |
| Texas - 75% | VIII | 0.002840 | XIII | \$0.001263 |
| Oklahoma - 75% | IX | 0.011838 | XIV | \$0.008701 |

(c) *UNITS ACQUIRED DURING 2013 AND STILL OWNED AT THE END OF 2013.*

Example: A unitholder acquired units in August 2013 and still owned them at the end of the year. To calculate his depletion for each of the five royalties for 2013, the unitholder would use the August through December 2013 cost depletion factors (Tables V through IX) and percentage depletion amounts (Tables X through XIV), as follows:

| Royalty | Cost Depletion | | Percentage Depletion | |
|------------------|----------------|----------|----------------------|------------|
| | Table | Factor | Table | Per Unit |
| Texas - 90% | V | 0.053459 | X | \$0.068224 |
| Oklahoma - 90% | VI | 0.067708 | XI | \$0.018936 |
| New Mexico - 90% | VII | 0.025922 | XII | \$0.087534 |
| Texas - 75% | VIII | 0.023495 | XIII | \$0.011120 |
| Oklahoma - 75% | IX | 0.029020 | XIV | \$0.023486 |

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

Cross Timbers Royalty Trust

Depletion Worksheet

The following may help you calculate your depletion to be reported on your federal income tax return.

2013

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

| Royalty | (a) Original Basis (NOTE 1) × | (b) Basis Allocation Factors (NOTE 2) = | (c) Basis Allocated | (d) Depletion Allowed or Allowed in Prior Years (NOTE 3) = | (e) Basis Allocated Less Depletion Allowed or Allowed in Prior Years | (f) Cost Depletion Factor | (g) Cost Depletion | (h) Percentage Depletion Per Unit × | (i) Units | (j) Percentage Depletion | (k) Greater of Cost Depletion (Col. (g)) or Percentage Depletion (Col. (j)) (NOTE 5) |
|------------------|-------------------------------------|---|------------------------|--|---|------------------------------|-----------------------|--|--------------|-----------------------------|--|
| Texas - 90% | × | = | = | - | × | 0.121024 | = | \$0.147755 | × | = | = |
| Oklahoma - 90% | × | = | = | - | × | 0.153464 | = | \$0.038986 | × | = | = |
| New Mexico - 90% | × | = | = | - | × | 0.057064 | = | \$0.171633 | × | = | = |
| Texas - 75% | × | = | = | - | × | 0.023495 | = | \$0.011120 | × | = | = |
| Oklahoma - 75% | × | = | = | - | × | 0.068156 | = | \$0.050718 | × | = | = |

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:

| Royalty | (a) Original Basis (NOTE 1) × | (b) Basis Allocation Factors (NOTE 2) = | (c) Basis Allocated | (d) Depletion Allowed or Allowed in Prior Years (NOTE 3) = | (e) Basis Allocated Less Depletion Allowed or Allowed in Prior Years | (f) Partial Year Cost Depletion Factor (NOTE 4) = | (g) Cost Depletion | (h) Percentage Depletion Per Unit × | (i) Units | (j) Percentage Depletion | (k) Greater of Cost Depletion (Col. (g)) or Percentage Depletion (Col. (j)) (NOTE 5) |
|------------------|-------------------------------------|---|------------------------|--|---|---|-----------------------|--|--------------|-----------------------------|--|
| Texas - 90% | × | = | = | - | × | | = | | × | = | = |
| Oklahoma - 90% | × | = | = | - | × | | = | | × | = | = |
| New Mexico - 90% | × | = | = | - | × | | = | | × | = | = |
| Texas - 75% | × | = | = | - | × | | = | | × | = | = |
| Oklahoma - 75% | × | = | = | - | × | | = | | × | = | = |

Total Depletion

(CTRT 2013 Tax)

(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 | 0.193681 | 0.388480 | 0.551138 | 0.719954 | 0.942951 | 1.167845 | 1.406080 | 1.692642 | 1.999858 | 2.306254 | 2.568980 | 2.801406 |
| February | | 0.194799 | 0.357457 | 0.526273 | 0.749270 | 0.974164 | 1.212399 | 1.498961 | 1.806177 | 2.112573 | 2.375299 | 2.607725 |
| March | | | 0.162658 | 0.331474 | 0.554471 | 0.779365 | 1.017600 | 1.304162 | 1.611378 | 1.917774 | 2.180500 | 2.412926 |
| April | | | | 0.168816 | 0.391813 | 0.616707 | 0.854942 | 1.141504 | 1.448720 | 1.755116 | 2.017842 | 2.250268 |
| May | | | | | 0.222997 | 0.447891 | 0.686126 | 0.972688 | 1.279904 | 1.586300 | 1.849026 | 2.081452 |
| June | | | | | | 0.224894 | 0.463129 | 0.749691 | 1.056907 | 1.363303 | 1.626029 | 1.858455 |
| July | | | | | | | 0.238235 | 0.524797 | 0.832013 | 1.138409 | 1.401135 | 1.633561 |
| August | | | | | | | | 0.286562 | 0.593778 | 0.900174 | 1.162900 | 1.395326 |
| September | | | | | | | | | 0.307216 | 0.613612 | 0.876338 | 1.108764 |
| October | | | | | | | | | | 0.306396 | 0.569122 | 0.801548 |
| November | | | | | | | | | | | 0.262726 | 0.495152 |
| December | | | | | | | | | | | | 0.232426 |

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 | 0.024635 | 0.055650 | 0.085705 | 0.112459 | 0.141134 | 0.164909 | 0.198636 | 0.242666 | 0.292373 | 0.344633 | 0.380931 | 0.419680 |
| February | | 0.031015 | 0.061070 | 0.087824 | 0.116499 | 0.140274 | 0.174001 | 0.218031 | 0.267738 | 0.319998 | 0.356296 | 0.395045 |
| March | | | 0.030055 | 0.056809 | 0.085484 | 0.109259 | 0.142986 | 0.187016 | 0.236723 | 0.288983 | 0.325281 | 0.364030 |
| April | | | | 0.026754 | 0.055429 | 0.079204 | 0.112931 | 0.156961 | 0.206668 | 0.258928 | 0.295226 | 0.333975 |
| May | | | | | 0.028675 | 0.052450 | 0.086177 | 0.130207 | 0.179914 | 0.232174 | 0.268472 | 0.307221 |
| June | | | | | | 0.023775 | 0.057502 | 0.101532 | 0.151239 | 0.203499 | 0.239797 | 0.278546 |
| July | | | | | | | 0.033727 | 0.077757 | 0.127464 | 0.179724 | 0.216022 | 0.254771 |
| August | | | | | | | | 0.044030 | 0.093737 | 0.145997 | 0.182295 | 0.221044 |
| September | | | | | | | | | 0.049707 | 0.101967 | 0.138265 | 0.177014 |
| October | | | | | | | | | | 0.052260 | 0.088558 | 0.127307 |
| November | | | | | | | | | | | 0.036298 | 0.075047 |
| December | | | | | | | | | | | | 0.038749 |

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 | 0.000004 | 0.000007 | 0.000010 | 0.000013 | 0.000016 | 0.000020 | 0.000025 | 0.000029 | 0.000035 | 0.000038 | 0.000043 | 0.000048 |
| February | | 0.000003 | 0.000006 | 0.000009 | 0.000012 | 0.000016 | 0.000021 | 0.000025 | 0.000031 | 0.000034 | 0.000039 | 0.000044 |
| March | | | 0.000003 | 0.000006 | 0.000009 | 0.000013 | 0.000018 | 0.000022 | 0.000028 | 0.000031 | 0.000036 | 0.000041 |
| April | | | | 0.000003 | 0.000006 | 0.000010 | 0.000015 | 0.000019 | 0.000025 | 0.000028 | 0.000033 | 0.000038 |
| May | | | | | 0.000003 | 0.000007 | 0.000012 | 0.000016 | 0.000022 | 0.000025 | 0.000030 | 0.000035 |
| June | | | | | | 0.000004 | 0.000009 | 0.000013 | 0.000019 | 0.000022 | 0.000027 | 0.000032 |
| July | | | | | | | 0.000005 | 0.000009 | 0.000015 | 0.000018 | 0.000023 | 0.000028 |
| August | | | | | | | | 0.000004 | 0.000010 | 0.000013 | 0.000018 | 0.000023 |
| September | | | | | | | | | 0.000006 | 0.000009 | 0.000014 | 0.000019 |
| October | | | | | | | | | | 0.000003 | 0.000008 | 0.000013 |
| November | | | | | | | | | | | 0.000005 | 0.000010 |
| December | | | | | | | | | | | | 0.000005 |

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 | 0.011211 | 0.020323 | 0.022197 | 0.028972 | 0.041554 | 0.043505 | 0.045398 | 0.052239 | 0.053975 | 0.062000 | 0.064063 | 0.067175 |
| February | | 0.009112 | 0.010986 | 0.017761 | 0.030343 | 0.032294 | 0.034187 | 0.041028 | 0.042764 | 0.050789 | 0.052852 | 0.055964 |
| March | | | 0.001874 | 0.008649 | 0.021231 | 0.023182 | 0.025075 | 0.031916 | 0.033652 | 0.041677 | 0.043740 | 0.046852 |
| April | | | | 0.006775 | 0.019357 | 0.021308 | 0.023201 | 0.030042 | 0.031778 | 0.039803 | 0.041866 | 0.044978 |
| May | | | | | 0.012582 | 0.014533 | 0.016426 | 0.023267 | 0.025003 | 0.033028 | 0.035091 | 0.038203 |
| June | | | | | | 0.001951 | 0.003844 | 0.010685 | 0.012421 | 0.020446 | 0.022509 | 0.025621 |
| July | | | | | | | 0.001893 | 0.008734 | 0.010470 | 0.018495 | 0.020558 | 0.023670 |
| August | | | | | | | | 0.006841 | 0.008577 | 0.016602 | 0.018665 | 0.021777 |
| September | | | | | | | | | 0.001736 | 0.009761 | 0.011824 | 0.014936 |
| October | | | | | | | | | | 0.008025 | 0.010088 | 0.013200 |
| November | | | | | | | | | | | 0.002063 | 0.005175 |
| December | | | | | | | | | | | | 0.003112 |

Table V Cost Depletion Factor - Texas Royalty - 90%

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 | 0.010399 | 0.018550 | 0.025704 | 0.033804 | 0.044376 | 0.055591 | 0.067565 | 0.078824 | 0.090645 | 0.100302 | 0.109985 | 0.121024 |
| February | | 0.008151 | 0.015305 | 0.023405 | 0.033977 | 0.045192 | 0.057166 | 0.068425 | 0.080246 | 0.089903 | 0.099586 | 0.110625 |
| March | | | 0.007154 | 0.015254 | 0.025826 | 0.037041 | 0.049015 | 0.060274 | 0.072095 | 0.081752 | 0.091435 | 0.102474 |
| April | | | | 0.008100 | 0.018672 | 0.029887 | 0.041861 | 0.053120 | 0.064941 | 0.074598 | 0.084281 | 0.095320 |
| May | | | | | 0.010572 | 0.021787 | 0.033761 | 0.045020 | 0.056841 | 0.066498 | 0.076181 | 0.087220 |
| June | | | | | | 0.011215 | 0.023189 | 0.034448 | 0.046269 | 0.055926 | 0.065609 | 0.076648 |
| July | | | | | | | 0.011974 | 0.023233 | 0.035054 | 0.044711 | 0.054394 | 0.065433 |
| August | | | | | | | | 0.011259 | 0.023080 | 0.032737 | 0.042420 | 0.053459 |
| September | | | | | | | | | 0.011821 | 0.021478 | 0.031161 | 0.042200 |
| October | | | | | | | | | | 0.009657 | 0.019340 | 0.030379 |
| November | | | | | | | | | | | 0.009683 | 0.020722 |
| December | | | | | | | | | | | | 0.011039 |

Table VI Cost Depletion Factor - Oklahoma Royalty - 90%

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 | 0.013587 | 0.032256 | 0.039327 | 0.053105 | 0.063677 | 0.075871 | 0.085756 | 0.098772 | 0.119610 | 0.130850 | 0.142203 | 0.153464 |
| February | | 0.018669 | 0.025740 | 0.039518 | 0.050090 | 0.062284 | 0.072169 | 0.085185 | 0.106023 | 0.117263 | 0.128616 | 0.139877 |
| March | | | 0.007071 | 0.020849 | 0.031421 | 0.043615 | 0.053500 | 0.066516 | 0.087354 | 0.098594 | 0.109947 | 0.121208 |
| April | | | | 0.013778 | 0.024350 | 0.036544 | 0.046429 | 0.059445 | 0.080283 | 0.091523 | 0.102876 | 0.114137 |
| May | | | | | 0.010572 | 0.022766 | 0.032651 | 0.045667 | 0.066505 | 0.077745 | 0.089098 | 0.100359 |
| June | | | | | | 0.012194 | 0.022079 | 0.035095 | 0.055933 | 0.067173 | 0.078526 | 0.089787 |
| July | | | | | | | 0.009885 | 0.022901 | 0.043739 | 0.054979 | 0.066332 | 0.077593 |
| August | | | | | | | | 0.013016 | 0.033854 | 0.045094 | 0.056447 | 0.067708 |
| September | | | | | | | | | 0.020838 | 0.032078 | 0.043431 | 0.054692 |
| October | | | | | | | | | | 0.011240 | 0.022593 | 0.033854 |
| November | | | | | | | | | | | 0.011353 | 0.022614 |
| December | | | | | | | | | | | | 0.011261 |

Table VII Cost Depletion Factor - New Mexico Royalty - 90%

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 | 0.005391 | 0.010162 | 0.013947 | 0.018123 | 0.022457 | 0.026191 | 0.031142 | 0.036748 | 0.042605 | 0.048301 | 0.053373 | 0.057064 |
| February | | 0.004771 | 0.008556 | 0.012732 | 0.017066 | 0.020800 | 0.025751 | 0.031357 | 0.037214 | 0.042910 | 0.047982 | 0.051673 |
| March | | | 0.003785 | 0.007961 | 0.012295 | 0.016029 | 0.020980 | 0.026586 | 0.032443 | 0.038139 | 0.043211 | 0.046902 |
| April | | | | 0.004176 | 0.008510 | 0.012244 | 0.017195 | 0.022801 | 0.028658 | 0.034354 | 0.039426 | 0.043117 |
| May | | | | | 0.004334 | 0.008068 | 0.013019 | 0.018625 | 0.024482 | 0.030178 | 0.035250 | 0.038941 |
| June | | | | | | 0.003734 | 0.008685 | 0.014291 | 0.020148 | 0.025844 | 0.030916 | 0.034607 |
| July | | | | | | | 0.004951 | 0.010557 | 0.016414 | 0.022110 | 0.027182 | 0.030873 |
| August | | | | | | | | 0.005606 | 0.011463 | 0.017159 | 0.022231 | 0.025922 |
| September | | | | | | | | | 0.005857 | 0.011553 | 0.016625 | 0.020316 |
| October | | | | | | | | | | 0.005696 | 0.010768 | 0.014459 |
| November | | | | | | | | | | | 0.005072 | 0.008763 |
| December | | | | | | | | | | | | 0.003691 |

Table VIII Cost Depletion Factor - Texas Royalty - 75%

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 | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.002840 | 0.008701 | 0.017289 | 0.022154 | 0.023495 |
| February | | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.002840 | 0.008701 | 0.017289 | 0.022154 | 0.023495 |
| March | | | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.002840 | 0.008701 | 0.017289 | 0.022154 | 0.023495 |
| April | | | | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.002840 | 0.008701 | 0.017289 | 0.022154 | 0.023495 |
| May | | | | | 0.000000 | 0.000000 | 0.000000 | 0.002840 | 0.008701 | 0.017289 | 0.022154 | 0.023495 |
| June | | | | | | 0.000000 | 0.000000 | 0.002840 | 0.008701 | 0.017289 | 0.022154 | 0.023495 |
| July | | | | | | | 0.000000 | 0.002840 | 0.008701 | 0.017289 | 0.022154 | 0.023495 |
| August | | | | | | | | 0.002840 | 0.008701 | 0.017289 | 0.022154 | 0.023495 |
| September | | | | | | | | | 0.005861 | 0.014449 | 0.019314 | 0.020655 |
| October | | | | | | | | | | 0.008588 | 0.013453 | 0.014794 |
| November | | | | | | | | | | | 0.004865 | 0.006206 |
| December | | | | | | | | | | | | 0.001341 |

Table IX Cost Depletion Factor - Oklahoma Royalty - 75%

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 | 0.004320 | 0.007135 | 0.011427 | 0.014655 | 0.022568 | 0.032393 | 0.039136 | 0.044231 | 0.049986 | 0.058732 | 0.063438 | 0.068156 |
| February | | 0.002815 | 0.007107 | 0.010335 | 0.018248 | 0.028073 | 0.034816 | 0.039911 | 0.045666 | 0.054412 | 0.059118 | 0.063836 |
| March | | | 0.004292 | 0.007520 | 0.015433 | 0.025258 | 0.032001 | 0.037096 | 0.042851 | 0.051597 | 0.056303 | 0.061021 |
| April | | | | 0.003228 | 0.011141 | 0.020966 | 0.027709 | 0.032804 | 0.038559 | 0.047305 | 0.052011 | 0.056729 |
| May | | | | | 0.007913 | 0.017738 | 0.024481 | 0.029576 | 0.035331 | 0.044077 | 0.048783 | 0.053501 |
| June | | | | | | 0.009825 | 0.016568 | 0.021663 | 0.027418 | 0.036164 | 0.040870 | 0.045588 |
| July | | | | | | | 0.006743 | 0.011838 | 0.017593 | 0.026339 | 0.031045 | 0.035763 |
| August | | | | | | | | 0.005095 | 0.010850 | 0.019596 | 0.024302 | 0.029020 |
| September | | | | | | | | | 0.005755 | 0.014501 | 0.019207 | 0.023925 |
| October | | | | | | | | | | 0.008746 | 0.013452 | 0.018170 |
| November | | | | | | | | | | | 0.004706 | 0.009424 |
| December | | | | | | | | | | | | 0.004718 |

Table X Percentage Depletion - Texas Royalty - 90%

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 | 0.010361 | 0.020519 | 0.029991 | 0.039221 | 0.051399 | 0.064586 | 0.079531 | 0.094382 | 0.109111 | 0.122306 | 0.134059 | 0.147755 |
| February | | 0.010158 | 0.019630 | 0.028860 | 0.041038 | 0.054225 | 0.069170 | 0.084021 | 0.098750 | 0.111945 | 0.123698 | 0.137394 |
| March | | | 0.009472 | 0.018702 | 0.030880 | 0.044067 | 0.059012 | 0.073863 | 0.088592 | 0.101787 | 0.113540 | 0.127236 |
| April | | | | 0.009230 | 0.021408 | 0.034595 | 0.049540 | 0.064391 | 0.079120 | 0.092315 | 0.104068 | 0.117764 |
| May | | | | | 0.012178 | 0.025365 | 0.040310 | 0.055161 | 0.069890 | 0.083085 | 0.094838 | 0.108534 |
| June | | | | | | 0.013187 | 0.028132 | 0.042983 | 0.057712 | 0.070907 | 0.082660 | 0.096356 |
| July | | | | | | | 0.014945 | 0.029796 | 0.044525 | 0.057720 | 0.069473 | 0.083169 |
| August | | | | | | | | 0.014851 | 0.029580 | 0.042775 | 0.054528 | 0.068224 |
| September | | | | | | | | | 0.014729 | 0.027924 | 0.039677 | 0.053373 |
| October | | | | | | | | | | 0.013195 | 0.024948 | 0.038644 |
| November | | | | | | | | | | | 0.011753 | 0.025449 |
| December | | | | | | | | | | | | 0.013696 |

Table XI Percentage Depletion - Oklahoma Royalty - 90%

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 | 0.003297 | 0.007089 | 0.008826 | 0.011720 | 0.014606 | 0.017262 | 0.020050 | 0.023262 | 0.028256 | 0.031599 | 0.034823 | 0.038986 |
| February | | 0.003792 | 0.005529 | 0.008423 | 0.011309 | 0.013965 | 0.016753 | 0.019965 | 0.024959 | 0.028302 | 0.031526 | 0.035689 |
| March | | | 0.001737 | 0.004631 | 0.007517 | 0.010173 | 0.012961 | 0.016173 | 0.021167 | 0.024510 | 0.027734 | 0.031897 |
| April | | | | 0.002894 | 0.005780 | 0.008436 | 0.011224 | 0.014436 | 0.019430 | 0.022773 | 0.025997 | 0.030160 |
| May | | | | | 0.002886 | 0.005542 | 0.008330 | 0.011542 | 0.016536 | 0.019879 | 0.023103 | 0.027266 |
| June | | | | | | 0.002656 | 0.005444 | 0.008656 | 0.013650 | 0.016993 | 0.020217 | 0.024380 |
| July | | | | | | | 0.002788 | 0.006000 | 0.010994 | 0.014337 | 0.017561 | 0.021724 |
| August | | | | | | | | 0.003212 | 0.008206 | 0.011549 | 0.014773 | 0.018936 |
| September | | | | | | | | | 0.004994 | 0.008337 | 0.011561 | 0.015724 |
| October | | | | | | | | | | 0.003343 | 0.006567 | 0.010730 |
| November | | | | | | | | | | | 0.003224 | 0.007387 |
| December | | | | | | | | | | | | 0.004163 |

Table XII Percentage Depletion - New Mexico Royalty - 90%

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 | 0.013326 | 0.026098 | 0.036487 | 0.047515 | 0.060147 | 0.071003 | 0.084099 | 0.103963 | 0.122779 | 0.140757 | 0.159040 | 0.171633 |
| February | | 0.012772 | 0.023161 | 0.034189 | 0.046821 | 0.057677 | 0.070773 | 0.090637 | 0.109453 | 0.127431 | 0.145714 | 0.158307 |
| March | | | 0.010389 | 0.021417 | 0.034049 | 0.044905 | 0.058001 | 0.077865 | 0.096681 | 0.114659 | 0.132942 | 0.145535 |
| April | | | | 0.011028 | 0.023660 | 0.034516 | 0.047612 | 0.067476 | 0.086292 | 0.104270 | 0.122553 | 0.135146 |
| May | | | | | 0.012632 | 0.023488 | 0.036584 | 0.056448 | 0.075264 | 0.093242 | 0.111525 | 0.124118 |
| June | | | | | | 0.010856 | 0.023952 | 0.043816 | 0.062632 | 0.080610 | 0.098893 | 0.111486 |
| July | | | | | | | 0.013096 | 0.032960 | 0.051776 | 0.069754 | 0.088037 | 0.100630 |
| August | | | | | | | | 0.019864 | 0.038680 | 0.056658 | 0.074941 | 0.087534 |
| September | | | | | | | | | 0.018816 | 0.036794 | 0.055077 | 0.067670 |
| October | | | | | | | | | | 0.017978 | 0.036261 | 0.048854 |
| November | | | | | | | | | | | 0.018283 | 0.030876 |
| December | | | | | | | | | | | | 0.012593 |

Table XIII Percentage Depletion - Texas Royalty - 75%

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 | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.001263 | 0.004016 | 0.008145 | 0.010508 | 0.011120 |
| February | | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.001263 | 0.004016 | 0.008145 | 0.010508 | 0.011120 |
| March | | | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.001263 | 0.004016 | 0.008145 | 0.010508 | 0.011120 |
| April | | | | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.001263 | 0.004016 | 0.008145 | 0.010508 | 0.011120 |
| May | | | | | 0.000000 | 0.000000 | 0.000000 | 0.001263 | 0.004016 | 0.008145 | 0.010508 | 0.011120 |
| June | | | | | | 0.000000 | 0.000000 | 0.001263 | 0.004016 | 0.008145 | 0.010508 | 0.011120 |
| July | | | | | | | 0.000000 | 0.001263 | 0.004016 | 0.008145 | 0.010508 | 0.011120 |
| August | | | | | | | | 0.001263 | 0.004016 | 0.008145 | 0.010508 | 0.011120 |
| September | | | | | | | | | 0.002753 | 0.006882 | 0.009245 | 0.009857 |
| October | | | | | | | | | | 0.004129 | 0.006492 | 0.007104 |
| November | | | | | | | | | | | 0.002363 | 0.002975 |
| December | | | | | | | | | | | | 0.000612 |

Table XIV Percentage Depletion - Oklahoma Royalty - 75%

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 | 0.002069 | 0.004567 | 0.007367 | 0.009537 | 0.015291 | 0.022326 | 0.027232 | 0.031027 | 0.035818 | 0.043132 | 0.046918 | 0.050718 |
| February | | 0.002498 | 0.005298 | 0.007468 | 0.013222 | 0.020257 | 0.025163 | 0.028958 | 0.033749 | 0.041063 | 0.044849 | 0.048649 |
| March | | | 0.002800 | 0.004970 | 0.010724 | 0.017759 | 0.022665 | 0.026460 | 0.031251 | 0.038565 | 0.042351 | 0.046151 |
| April | | | | 0.002170 | 0.007924 | 0.014959 | 0.019865 | 0.023660 | 0.028451 | 0.035765 | 0.039551 | 0.043351 |
| May | | | | | 0.005754 | 0.012789 | 0.017695 | 0.021490 | 0.026281 | 0.033595 | 0.037381 | 0.041181 |
| June | | | | | | 0.007035 | 0.011941 | 0.015736 | 0.020527 | 0.027841 | 0.031627 | 0.035427 |
| July | | | | | | | 0.004906 | 0.008701 | 0.013492 | 0.020806 | 0.024592 | 0.028392 |
| August | | | | | | | | 0.003795 | 0.008586 | 0.015900 | 0.019686 | 0.023486 |
| September | | | | | | | | | 0.004791 | 0.012105 | 0.015891 | 0.019691 |
| October | | | | | | | | | | 0.007314 | 0.011100 | 0.014900 |
| November | | | | | | | | | | | 0.003786 | 0.007586 |
| December | | | | | | | | | | | | 0.003800 |

CROSS TIMBERS ROYALTY TRUST

TAX INFORMATION 2013

Cross Timbers Royalty Trust
P.O. Box 830650
Dallas, Texas 75283-0650
U.S. Trust, Bank of America Private Wealth Management, Trustee
1-877-228-5084
Fax: 214-209-2431
www.crosstimmerstrust.com