

PERMIAN BASIN ROYALTY TRUST

Form 10-K/A

July 25, 2005

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**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-K/A

Amendment No. 2

(Mark One)

**☐ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES
EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2004**

OR

**☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number 1-8033

PERMIAN BASIN ROYALTY TRUST

(Exact Name of Registrant as Specified in the Permian Basin Royalty Trust Indenture)

Texas
(State or Other Jurisdiction of
Incorporation or Organization)

75-6280532
(I.R.S. Employer Identification
No.)

Bank of America, N.A.
Trust Department
P.O. Box 830650
Dallas, Texas 75202
(Address of Principal Executive Offices; Zip Code)

(Registrant's Telephone Number, Including Area Code)
(214) 209-2400

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT:

Title of Each Class	Name of Each Exchange on
----------------------------	-------------------------------------

**Which
Registered**
New York Stock
Exchange

Units of Beneficial Interest

SECURITIES REGISTERED PURSUANT TO SECTION 12(G) OF THE ACT: None

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Securities Exchange Act of 1934). Yes No

The aggregate market value of the registrant's units of beneficial interest outstanding (based on the closing sale price on the New York Stock Exchange) held by non-affiliates of the registrant as of the last business day of the registrant's most recently completed second fiscal quarter was approximately \$172,611,669.

At March 1, 2005, there were 46,608,796 Units of Beneficial Interest of the Trust outstanding.

DOCUMENTS INCORPORATED BY REFERENCE: None

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SIGNATURE

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Consent of Cawley, Gillespy & Associates, Inc.

Certification Required by Rule 13a-14(a)/15d-14(a)

Certification Required by Section 906

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EXPLANATORY NOTE

This Amendment No. 2 on Form 10-K/A filed by the Trust for the year ended December 31, 2004 that was originally filed on March 16, 2005, as amended by Amendment No. 1 filed on April 6, 2005 (the Original 10-K) is being filed solely to revise a typographical error in the Original 10-K.

Part I, Item 2, Properties, Page 8 of the Original 10-K has been revised to correct typographical errors with respect to two numbers in the Total Gas (Mcf) column of the table presenting a reconciliation of proved reserve quantities from January 1, 2002 to December 31, 2004. The total revisions of previous estimates for Gas (Mcf) from December 31, 2003 to December 31, 2004 has been modified from 3,673 to 3,783 and the corresponding total for Gas (Mcf) as of December 31, 2004 has been modified from 27,985 to 27,785.

This Amendment No. 2 on Form 10-K/A continues to speak as of the date of the Original 10-K, and we have not updated the disclosure contained herein to reflect any events that occurred at a later date. All information contained in this Amendment No. 2 on Form 10-K/A is subject to updating and supplementing as provided in our periodic reports filed with the Securities and Exchange Commission subsequent to the date of the filing of the Original 10-K.

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PART I

Item 2. Properties

The net overriding royalties conveyed to the Trust (the Royalties) include: (1) a 75% net overriding royalty carved out of Southland Royalty's fee mineral interests in the Waddell Ranch in Crane County, Texas (the Waddell Ranch properties); and (2) a 95% net overriding royalty carved out of Southland Royalty's major producing royalty interests in Texas (the Texas Royalty properties). The net overriding royalty for the Texas Royalty properties is subject to the provisions of the lease agreements under which such royalties were created. References below to net wells and acres are to the interests of BROG (from which the Royalties were carved) in the gross wells and acres.

The following information under this Item 2 is based upon data and information, including audited computation statements, furnished to the Trustee by BROG and Riverhill.

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PRODUCING ACREAGE, WELLS AND DRILLING

Waddell Ranch Properties. The Waddell Ranch properties consist of 76,922 gross (33,246 net) producing acres. A majority of the proved reserves are attributable to six fields: Dune, Sand Hills (Judkins), Sand Hills (McKnight), Sand Hills (Tubb), University-Waddell (Devonian) and Waddell. At December 31, 2004, the Waddell Ranch properties contained 776 gross (345 net) productive oil wells, 197 gross (93 net) productive gas wells and 318 gross (138 net) injection wells.

BROG is operator of record of the Waddell Ranch properties. All field, technical and accounting operations have been contracted by an agreement between the working interest owners and Schlumberger Integrated Project Management (IPM) but remain under the direction of BROG.

The Waddell Ranch properties are mature producing properties, and all of the major oil fields are currently being waterflooded for the purpose of facilitating enhanced recovery. Proved reserves and estimated future net revenues attributable to the properties are included in the reserve reports summarized below. BROG does not own the full working interest in any of the tracts constituting the Waddell Ranch properties and, therefore, implementation of any development programs will require approvals of other working interest holders as well as BROG. In addition, implementation of any development programs will be dependent upon oil and gas prices currently being received and anticipated to be received in the future. There were 4 gross (2 net) wells drilled and completed on the Waddell Ranch properties during 2004. At December 31, 2004 there were no wells in progress on the Waddell Ranch properties. There were 2 gross (.88 net) wells drilled and completed on the Waddell Ranch properties during 2003. At December 31, 2003 there were no wells in progress on the Waddell Ranch properties. During 2002 there were 4 gross (1.75 net) wells drilled and completed on the Waddell Ranch properties. At December 31, 2002 there were no wells in progress on the Waddell Ranch properties.

BROG has advised the Trustee that the total amount of capital expenditures for 2004 with regard to the Waddell Ranch properties totaled \$13.2 million. Capital expenditures include the cost of remedial and maintenance activities. This amount spent is approximately \$.061 million less than the budgeted amount projected by BROG for 2004. BROG has advised the Trustee that the capital expenditures budget for 2005 totals approximately \$14.3 million, of which approximately \$3.5 million (gross) is attributable to the 2005 drilling program, and \$9.7 million (gross) to workovers and recompletions. Accordingly, there is a minor 8% increase in capital expenditures for 2005 as compared with the 2004 capital expenditures.

Texas Royalty Properties. The Texas Royalty properties consist of royalty interests in mature producing oil fields, such as Yates, Wasson, Sand Hills, East Texas, Kelly-Snyder, Panhandle Regular, N. Cowden, Todd, Keystone, Kermit, McElroy, Howard-Glasscock, Seminole and others. The Texas Royalty properties contain approximately 303,000 gross (approximately 51,000 net) producing acres. Detailed information concerning the number of wells on royalty properties is not generally available to the owners of royalty interests. Consequently, an accurate count of the number of wells located on the Texas Royalty properties cannot readily be obtained.

In February 1997, BROG sold its interests in the Texas Royalty properties that are subject to the Net Overriding Royalty Conveyance to the Trust dated effective November 1, 1980 (Texas Royalty Conveyance) to Riverhill Energy Corporation (Riverhill Energy), which was then a wholly-owned subsidiary of Riverhill Capital Corporation (Riverhill Capital) and an affiliate of Coastal Management Corporation (CMC). At the time of such sale, Riverhill Capital was a privately owned Texas corporation with offices in Bryan and Midland, Texas. The Trustee was informed by BROG that, as required by the Texas Royalty Conveyance, Riverhill Energy succeeded to all of the requirements upon and the responsibilities of BROG under the Texas Royalty Conveyance with regard to the Texas Royalty properties. BROG and Riverhill Energy further advised the Trustee that all accounting operations pertaining to the Texas Royalty properties were being performed by CMC under the direction of Riverhill Energy.

The Trustee has been advised, effective April 1, 1998, Schlumberger Technology Corporation (STC) acquired all of the shares of stock at Riverhill Capital. Prior to the acquisition by STC, CMC and

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Riverhill Energy were wholly-owned subsidiaries of Riverhill Capital. The Trustee has further been advised, in accordance with the STC acquisition of Riverhill Capital, the shareholders of Riverhill Capital acquired ownership of all shares of stock of Riverhill Energy. Effective January 1, 2001 CMC merged into STC. Thus, the ownership in the Texas Royalty properties remained in Riverhill Energy.

The Trustee has been advised as of May 1, 2000, the accounting operations, pertaining to the Texas Royalty properties, were being transferred from STC to Riverhill Energy. STC currently conducts all field, technical and accounting operations, on behalf of BROG, with regard to the Waddell Ranch properties. STC currently provides summary reporting of monthly results for both the Texas Royalty properties and the Waddell Ranch properties.

Well Count and Acreage Summary. The following table shows as of December 31, 2004, the gross and net producing wells and acres for the BROG and Riverhill interests. The net wells and acres are determined by multiplying the gross wells or acres by the BROG and Riverhill interests Owner's working interest in the wells or acres. There is very little undeveloped acreage held by the Trust, and all this is held by production.

	NUMBER OF WELLS		ACRES	
	Gross	Net	Gross	Net
BROG and Riverhill Interests	1,291	576	76,922	33,246

OIL AND GAS PRODUCTION

The Trust recognizes production during the month in which the related distribution is received. Production of oil and gas attributable to the Royalties and the Underlying Properties and the related average sales prices attributable to the Underlying Properties for the three years ended December 31, 2004, excluding portions attributable to the adjustments discussed below, were as follows:

	Waddell Ranch Properties			Texas Royalty Properties			Total	
	2004	2003	2002	2004	2003	2002	2003	2002
Royalties:								
Production								
Oil (barrels)	471,441	395,226	426,719	307,611	304,176	301,594	699,402	728,313
Gas (Mcf)	2,642,599	2,510,904	2,440,678	602,518	650,017	751,497	3,160,921	3,192,175
Underlying Properties:								
Production								
Oil (barrels)	873,466	858,225	922,766	349,113	342,619	350,157	1,200,844	1,272,923
Gas (Mcf)	5,291,295	5,509,899	5,310,364	684,572	734,057	878,651	6,243,956	6,189,015
Average Price								
Oil/barrel	\$ 37.13	\$ 28.25	\$ 22.44	\$ 34.89	\$ 27.70	\$ 22.12	\$ 27.97	\$ 22.31
Gas/Mcf	\$ 5.47	\$ 4.61	\$ 2.80	\$ 5.79	\$ 4.92	\$ 2.55	\$ 4.69	\$ 2.74

Since the oil and gas sales attributable to the Royalties are based on an allocation formula that is dependent on such factors as price and cost (including capital expenditures), production amounts do not necessarily provide a meaningful comparison.

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Waddell Ranch properties lease operating expense for 2004 was \$21.9 million (gross) and \$9.4 million (net). The lease operating expense decreased 2% from 2003 to 2004 primarily because of a decrease in electrical consumption and a reduction of IPM management fee. Waddell Ranch lifting cost on a barrel of oil equivalent (BOE) basis was \$5.32/bbl. The lifting cost on a barrel of total fluid produced (BTF) basis was \$.44/bbl.

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PRICING INFORMATION

Reference is made to the caption entitled Regulation for information as to federal regulation of prices of natural gas. The following paragraphs provide information regarding sales of oil and gas from the Waddell Ranch properties. As a royalty owner, Riverhill is furnished detailed information regarding sales of oil and gas from the Texas Royalty properties.

Oil. The Trustee has been advised by BROG that for the period August 1, 1993 through November 1, 2005, the oil from the Waddell Ranch properties was and will be sold under a competitive bid to independent third parties.

Gas. The gas produced from the Waddell Ranch properties is processed through a natural gas processing plant and sold at the tailgate of the plant. Plant products are marketed by Burlington Resources Trading Inc., an indirect subsidiary of BRI. The processor of the gas (Warren Petroleum Company, L.P.) receives 15% of the liquids and residue gas as a fee for gathering, compression, treating and processing the gas.

OIL AND GAS RESERVES

The following are definitions adopted by the Securities and Exchange Commission (SEC) and the Financial Accounting Standards Board which are applicable to terms used within this Item:

Proved reserves are those estimated quantities of crude oil, natural gas and natural gas liquids, which, upon analysis of geological and engineering data, appear with reasonable certainty to be recoverable in the future from known oil and gas reservoirs under existing economic and operating conditions.

Proved developed reserves are those proved reserves which can be expected to be recovered through existing wells with existing equipment and operating methods.

Proved undeveloped reserves are those proved reserves which are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required.

Estimated future net revenues are computed by applying current prices of oil and gas (with consideration of price changes only to the extent provided by contractual arrangements and allowed by federal regulation) to estimated future production of proved oil and gas reserves as of the date of the latest balance sheet presented, less estimated future expenditures (based on current costs) to be incurred in developing and producing the proved reserves, and assuming continuation of existing economic conditions.

Estimated future net revenues are sometimes referred to herein as estimated future net cash flows.

Present value of estimated future net revenues is computed using the estimated future net revenues and a discount factor of 10%.

The independent petroleum engineers reports as to the proved oil and gas reserves attributable to the Royalties conveyed to the Trust were obtained from Cawley, Gillespie & Associates, Inc. The following table presents a reconciliation of proved reserve quantities from January 1, 2002 through December 31, 2004 (in thousands):

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	Waddell Ranch Properties		Texas Royalty Properties		Total	
	Oil (Bbls)	Gas (Mcf)	Oil (Bbls)	Gas (Mcf)	Oil (Bbls)	Gas (Mcf)
January 1, 2002	3,774	20,122	3,603	5,795	7,377	25,917
Extensions, discoveries, and other additions	0	0	0	0	0	0
Revisions of previous estimates	700	5,259	138	521	837	5,780
Production	(427)	(2,441)	(302)	(751)	(728)	(3,192)
December 31, 2002	4,047	22,940	3,439	5,565	7,486	28,505
Extensions, discoveries, and other additions	0	0	0	0	0	0
Revisions of previous estimates	(121)	1,393	241	510	120	1,903
Production	(395)	(2,511)	(304)	(650)	(699)	(3,161)
December 31, 2003	3,531	21,822	3,376	5,425	6,907	27,247
Extensions, discoveries, and other additions	0	0	0	0	0	0
Revisions of previous estimates	546	2,692	434	1,091	980	3,783
Production	(471)	(2,643)	(308)	(602)	(779)	(3,245)

December 31, 2004 3,606 21,871 3,502 5,914 7,108 27,785

Estimated quantities of proved developed reserves of crude oil and natural gas as of December 31, 2004, 2003 and 2002 were as follows (in thousands):

	Crude Oil (Bbls)	Natural Gas (Mcf)
December 31, 2004	6,988	27,545
December 31, 2003	6,470	26,475
December 31, 2002	6,851	26,927

The Financial Accounting Standards Board requires supplemental disclosures for oil and gas producers based on a standardized measure of discounted future net cash flows relating to proved oil and gas reserve quantities. Under this disclosure, future cash inflows are computed by applying year-end prices of oil and gas relating to the enterprise's proved reserves to the year-end quantities of those reserves. Future price changes are only considered to the extent provided by contractual arrangements in existence at year end. The standardized measure of discounted future net cash flows is achieved by using a discount rate of 10% a year to reflect the timing of future cash flows relating to proved oil and gas reserves.

Estimates of proved oil and gas reserves are by their very nature imprecise. Estimates of future net revenue attributable to proved reserves are sensitive to the unpredictable prices of oil and gas and other variables.

The 2004, 2003 and 2002 change in the standardized measure of discounted future net cash revenues related to future royalty income from proved reserves attributable to the Royalties discounted at 10% is as follows (in thousands):

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	Waddell Ranch Properties			Texas Royalty Properties			Total		
	2004	2003	2002	2004	2003	2002	2004	2003	2002
January 1	\$ 117,755	\$ 117,234	\$ 59,283	\$ 57,796	\$ 55,972	\$ 34,519	\$ 175,551	\$ 173,206	\$ 93,802
Extensions, discoveries, and other additions	0	0	0	0	0	0	0	0	0
Accretion of discount	11,776	11,723	5,928	5,780	5,597	3,452	17,556	17,320	9,380
Revisions of previous estimates and other	57,820	10,318	67,650	31,283	7,303	26,205	89,103	17,621	93,855
Royalty income	(31,337)	(21,520)	(15,627)	(13,680)	(11,076)	(8,204)	(45,017)	(32,596)	(23,831)
December 31	\$ 156,014	\$ 117,755	\$ 117,234	\$ 81,179	\$ 57,796	\$ 55,972	\$ 237,193	\$ 175,551	\$ 173,206

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Oil and gas prices of \$37.90 and \$39.07 per barrel and \$6.22 and \$6.61 per Mcf were used to determine the estimated future net revenues from the Waddell Ranch properties and the Texas Royalty properties, respectively, at December 31, 2004. The upward revisions of both reserves and discounted future net cash flows for the Waddell Ranch properties and the Texas Royalty properties are primarily due to increase in oil and gas prices from 2003 to 2004.

Oil and gas prices of \$30.70 and \$29.91 per barrel and \$4.76 and \$4.71 per Mcf were used to determine the estimated future net revenues from the Waddell Ranch properties and the Texas Royalty properties, respectively, at December 31, 2003. The upward revisions of both reserves and discounted future net cash flows for the Waddell Ranch properties and the Texas Royalty properties were mostly due to increase in oil and gas prices from 2002 to 2003.

Oil and gas prices of \$31.88 and \$28.95 per barrel and \$3.80 and \$3.79 per Mcf, respectively, were used to determine the estimated future net revenues from the Waddell Ranch properties and the Texas Royalty properties, respectively, at December 31, 2002. The upward revisions of both reserves and discounted future net cash flows for the Waddell Ranch properties and the Texas Royalty properties were primarily due to increases in oil and gas prices from 2001 to 2002.

The following presents estimated future net revenue and the present value of estimated future net revenue attributable to the Royalties, for each of the years ended December 31, 2004, 2003 and 2002 (in thousands except amounts per Unit):

	2004		2003		2002	
	Estimated Future Net Revenue	Present Value at 10%	Estimated Future Net Revenue	Present Value at 10%	Estimated Future Net Revenue	Present Value at 10%
Total Proved						
Waddell Ranch properties	\$ 257,563	\$ 156,014	\$ 200,297	\$ 117,755	\$ 204,776	\$ 117,234
Texas Royalty properties	\$ 167,402	\$ 81,179	120,410	57,796	114,777	55,972
Total	\$ 424,965	\$ 237,193	\$ 320,707	\$ 175,551	\$ 319,553	\$ 173,206

Reserve quantities and revenues shown in the preceding tables for the Royalties were estimated from projections of reserves and revenue attributable to the combined BROG, River Hill Energy and Trust interests in the Waddell Ranch properties and Texas Royalty properties. Reserve quantities attributable to the Royalties were estimated by allocating to the Royalties a portion of the total estimated net reserve quantities of the interests, based upon gross revenue less production taxes. Because the reserve quantities attributable to the Royalties are estimated using an allocation of the reserves, any changes in prices or costs will result in changes in the estimated reserve quantities allocated to the Royalties. Therefore, the reserve quantities estimated will vary if different future price and cost assumptions occur.

Proved reserve quantities are estimates based on information available at the time of preparation and such estimates are subject to change as additional information becomes available. The reserves actually recovered and the timing of production of those reserves may be substantially different from the original estimate. Moreover, the present values shown above should not be considered as the market values of such

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oil and gas reserves or the costs that would be incurred to acquire equivalent reserves. A market value determination would include many additional factors.

Detailed information concerning the number of wells on royalty properties is not generally available to the owner of royalty interests. Consequently, the Registrant does not have information that would be disclosed by a company with oil and gas operations, such as an accurate account of the number of wells located on the above royalty properties, the number of exploratory or development wells drilled on the above royalty properties during the periods presented by this report, or the number of wells in process or other present activities on the above royalty properties, and the Registrant cannot readily obtain such information.

REGULATION

Many aspects of the production, pricing, transportation and marketing of crude oil and natural gas are regulated by federal and state agencies. Legislation affecting the oil and gas industry is under constant review for amendment or expansion, frequently increasing the regulatory burden on affected members of the industry.

Exploration and production operations are subject to various types of regulation at the federal, state and local levels. Such regulation includes requiring permits for the drilling of wells, maintaining bonding requirements in order to drill or operate wells, and regulating the location of wells, the method of drilling and casing wells, the surface use and restoration of properties upon which wells are drilled and the plugging and abandonment of wells. Natural gas and oil operations are also subject to various conservation laws and regulations that regulate the size of drilling and spacing units or proration units and the density of wells which may be drilled and unitization or pooling of oil and gas properties. In addition, state conservation laws establish maximum allowable production from natural gas and oil wells, generally prohibit the venting or flaring of natural gas and impose certain requirements regarding the ratable production of natural gas and oil. The effect of these regulations is to limit the amounts of natural gas and oil that can be produced, potentially raise prices, and to limit the number of wells or the locations which can be drilled.

Federal Natural Gas Regulation

The Federal Energy Regulatory Commission (the FERC) is primarily responsible for federal regulation of natural gas. The interstate transportation and sale for resale of natural gas is subject to federal governmental regulation, including regulation of transportation and storage tariffs and various other matters, by FERC. Wellhead sales of domestic natural gas are not subject to regulation. Consequently, sales of natural gas may be made at market prices, subject to applicable contract provisions.

Sales of natural gas are affected by the availability, terms and cost of transportation. The price and terms for access to pipeline transportation remain subject to extensive federal and state regulation. Several major regulatory changes have been implemented by Congress and the FERC from 1985 to the present that affect the economics of natural gas production, transportation, and sales. In addition, the FERC continues to promulgate revisions to various aspects of the rules and regulations affecting those segments of the natural gas industry, most notably interstate natural gas transmission companies, that remain subject to the FERC's jurisdiction. These initiatives may also affect the intrastate transportation of gas under certain circumstances. The stated purpose of many of these regulatory changes is to promote competition among the various sectors of the natural gas industry and these initiatives generally reflect more light-handed regulation of the natural gas industry. The ultimate impact of the rules and regulations issued by the FERC since 1985 cannot be predicted. In addition, many aspects of these regulatory developments have not become final but are still pending judicial and FERC final decisions.

New proposals and proceedings that might affect the natural gas industry are considered from time to time by Congress, the FERC, state regulatory bodies and the courts. The Trust cannot predict when or if any such proposals

might become effective, or their effect, if any, on the Trust. The natural gas industry historically has been very heavily regulated; therefore, there is no assurance that the less stringent regulatory approach recently pursued by the FERC and Congress will continue.

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Sales of crude oil, condensate and gas liquids are not currently regulated and are made at market prices. Crude oil prices are affected by a variety of factors. Since domestic crude price controls were lifted in 1981, the principal factors influencing the prices received by producers of domestic crude oil have been the pricing and production of the members of the Organization of Petroleum Export Countries (OPEC).

State Regulation

The various states regulate the production and sale of oil and natural gas, including imposing requirements for obtaining drilling permits, the method of developing new fields, the spacing and operation of wells and the prevention of waste of oil and gas resources. The rates of production may be regulated and the maximum daily production allowables from both oil and gas wells may be established on a market demand or conservation basis, or both.

Other Regulation

The petroleum industry is also subject to compliance with various other federal, state and local regulations and laws, including, but not limited to, environmental protection, occupational safety, resource conservation and equal employment opportunity. The Trustee does not believe that compliance with these laws by the operating parties will have any material adverse effect on Unit holders.

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PART IV

Item 15. Exhibits, Financial Statement Schedules

The following documents are filed as a part of this Report:

Exhibits

**Exhibit
Number**

Exhibit

- (4)(a) Permian Basin Royalty Trust Indenture dated November 3, 1980, between Southland Royalty Company and The First National Bank of Fort Worth (now Bank of America, N.A.), as Trustee, heretofore filed as Exhibit (4)(a) to the Trust's Annual Report on Form 10-K to the Securities and Exchange Commission for the fiscal year ended December 31, 1980, is incorporated herein by reference.*
- (b) Net Overriding Royalty Conveyance (Permian Basin Royalty Trust) from Southland Royalty Company to The First National Bank of Fort Worth (now Bank of America, N.A.), as Trustee, dated November 3, 1980 (without Schedules), heretofore filed as Exhibit (4)(b) to the Trust's Annual Report on Form 10-K to the Securities and Exchange Commission for the fiscal year ended December 31, 1980, is incorporated herein by reference.*
- (c) Net Overriding Royalty Conveyance (Permian Basin Royalty Trust - Waddell Ranch) from Southland Royalty Company to The First National Bank of Fort Worth (now Bank of America, N.A.), as Trustee, dated November 3, 1980 (without Schedules), heretofore filed as Exhibit (4)(c) to the Trust's Annual Report on Form 10-K to the Securities and Exchange Commission for the fiscal year ended December 31, 1980, is incorporated herein by reference.*

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Exhibit Number	Exhibit
(10)	Registration Rights Agreement dated as of July 21, 2004 by and between Burlington Resources, Inc. and Bank of America, N.A., as trustee of Permian Basin Royalty Trust, heretofore filed as Exhibit 10.1 to the Trust's Quarterly Report on Form 10-Q to the Securities and Exchange Commission for the quarterly period ended June 30, 2004 is incorporated herein by reference.*
(13)	Registrant's Annual Report to security holders for fiscal year ended December 31, 2004, heretofore filed as Exhibit 13 to the Trust's Annual Report on Form 10-K to the Securities and Exchange Commission for the fiscal year ended December 31, 2004, is incorporated herein by reference.*
(23)	Consent of Cawley, Gillespie & Associates, Inc., reservoir engineer.**
(31.1)	Certification required by Rule 13a-14(a)/15d-14(a).**
(32.1)	Certification required by Rule 13a-14(b)/15d-14(b) and Section 906 of the Sarbanes-Oxley Act of 2002.**

* A copy of this Exhibit is available to any Unit holder, at the actual cost of reproduction, upon written request to the Trustee, Bank of America, N.A., P.O. Box 830650, Dallas, Texas 75283-0650.

** Filed herewith.

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SIGNATURE

PURSUANT TO THE REQUIREMENTS OF SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934, THE REGISTRANT HAS DULY CAUSED THIS REPORT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED.

PERMIAN BASIN ROYALTY TRUST

By: BANK OF AMERICA, N.A., Trustee

By: /s/ Ron E. Hooper
Ron E. Hooper
Senior Vice President

Date: July 25, 2005

(The Trust has no directors or executive officers.)

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INDEX TO EXHIBITS

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(32.1) Certification required by Rule 13a-14(b)/15d-14(b) and
Section 906 of the Sarbanes-Oxley Act of 2002.**

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