

Cross Timbers Royalty Trust

Important Tax Information

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

2010

February 21, 2011

TO UNITHOLDERS:

We enclose the following material which provides unitholders with the information necessary to compute the 2010 federal and state taxable income attributable to their units:

- (a) Grantor Trust Schedule A for 2010.
- (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 2010 monthly trust distributions, your tax information includes a Unitholder Worksheet that shows amounts reportable by you on your 2010 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 2010 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.crosstimberstrust.com, on the "Home" page.**

Each unitholder should consult his or her individual tax advisor.

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

By:



Vice President

Cross Timbers Royalty Trust

Form 1041, GRANTOR TRUST

Schedule A

EIN 75-6415930

Tax Shelter Reg. No. 92148000497

2010

Federal and State Income Tax Information - See Instructions Before Filing

PART I - ROYALTY INFORMATION PER UNIT

	Gross Income (a)	Severance Tax (b)	Net Royalty Payment (c)	Cost Depletion Factor (d)	Percentage Depletion (e)	Basis Allocation Factor (f)	Production (g)
ROYALTY PROPERTIES - 90% INTERESTS							
TEXAS							
1. Oil	\$0.472377	\$0.020987	\$0.451390				0.006401 Bbls
2. Gas	0.318951	0.025614	0.293337				0.035030 Mcf
3. Total Oil & Gas	0.791328	0.046601	0.744727	0.100351	\$0.118700	0.231012	
OKLAHOMA							
1. Oil	0.071077	0.005151	0.065926				0.000952 Bbls
2. Gas	0.124890	0.011618	0.113272				0.027435 Mcf
3. Total Oil & Gas	0.195967	0.016769	0.179198	0.113431	\$0.029397	0.051536	
NEW MEXICO							
1. Oil	0.081386	0.007476	0.073910				0.001151 Bbls
2. Gas	1.709709	0.406230	1.303479				0.241156 Mcf
3. Total Oil & Gas	1.791095	0.413706	1.377389	0.068274	\$0.268665	0.561407	
ROYALTY PROPERTIES - 75% INTERESTS							
TEXAS							
1. Oil	0.271700	0.012377	0.259323				0.003653 Bbls
2. Gas	0.008955	0.000340	0.008615				0.001794 Mcf
3. Total Oil & Gas	0.280655	0.012717	0.267938	0.120067	\$0.042097	0.081035	
OKLAHOMA							
1. Oil	0.306969	0.022126	0.284843				0.004450 Bbls
2. Gas	0.003143	0.000224	0.002919				0.000737 Mcf
3. Total Oil & Gas	0.310112	0.022350	0.287762	0.157047	\$0.046516	0.075010	
TOTAL FOR YEAR	<u>\$3.369157</u>	<u>\$0.512143</u>	<u>\$2.857014</u> A			<u>1.000000</u>	0.016607 Bbls 0.306152 Mcf

PART II - OTHER INCOME AND EXPENSE PER UNIT

	Total
1. Interest Income	\$0.000050 B
2. Administration Expense	\$0.069510 C

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

	Total
1. Taxable Income per Unit, Excluding Depletion (A+B-C)	\$2.787554
2. Reconciling Items	0.000000
3. Cash Distribution per Unit	<u>\$2.787554</u>

Cross Timbers Royalty Trust

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

I. FEDERAL INCOME TAX INFORMATION

1. Reporting of Income and Expense

(a) *Direct Ownership Reporting.* The 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.* Since the trust distributes its income monthly to unitholders of record at the end of each month, Schedules B-1 through B-12 are prepared for each month during the year to permit unitholders using a fiscal year to develop their own tax data by computing the relevant information for each month the unitholder owned units during his taxable year. For example, a unitholder with a fiscal year ending January 31, 2011, and who has owned the same number of units during such year would combine the results of Schedules B-2 through B-12 for 2010 and Schedule B-1 for 2011. 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 since individualized unitholder worksheets are provided to unitholders summarizing federal reportable amounts for the calendar year. Any unitholders requiring Schedules B-1 through B-12 can obtain them from the trust website at www.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 2010, it is suggested that the items of income and expense computed from the appropriate schedules be reported in the following manner:

Item	Form 1040
Name of Royalty	Line 1, Part I, Schedule E
Gross Royalty Income	Line 4, Part I, Schedule E
Depletion	Line 20, Part I, Schedule E
Severance Tax	Line 16, Part I, Schedule E
Interest Income	Line 1, Part I, Schedule B
Administration Expense	Line 18, Part I, Schedule E

On the following pages, we have reproduced Form 1040 Schedules E and B and identified the specific location of each item of income and expense listed above. These pages are entitled "Individual Unitholder's Specific Location of Items of Income and Expense on Form 1040 Schedules E and B."

For the convenience of unitholders who acquired or sold units during 2010, Tables I through IV are enclosed to assist in the computation of Gross Royalty Income, Severance Tax, Interest Income, and Administration Expense. These tables are only for those unitholders who have a calendar year as their taxable year.

(f) *Nominee Reporting.* Nominees should report the distributions from the trust as royalty income on Form 1099-MISC. The taxable amount before depletion should be reported per the attached schedules. In years where there are no reconciling items, the net taxable income excluding depletion (see instruction 2) will equal the cash distributions from the trust. Also, see page 10 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 2010. 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 2010. 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

Name of Royalty

Gross Royalty Income

Severance Tax

Administration Expense

Depletion

SCHEDULE E (Form 1040)		Supplemental Income and Loss (From rental real estate, royalties, partnerships, S corporations, estates, trusts, REMICs, etc.)			OMB No. 1545-0074 2010 Attachment Sequence No. 13
Department of the Treasury Internal Revenue Service (99)		▶ Attach to Form 1040, 1040NR, or Form 1041. ▶ See Instructions for Schedule E (Form 1040).			Your social security number
Name(s) shown on return					
Part I Income or Loss From Rental Real Estate and Royalties <small>Note. If you are in the business of renting personal property, use Schedule C or C-EZ (see page E-3). If you are an individual, report farm rental income or loss from Form 4835 on page 2, line 40.</small>					
1	List the type and address of each rental real estate property:				
A				Yes
B				No
C				
		2 For each rental real estate property listed on line 1, did you or your family use it during the tax year for personal purposes for more than the greater of: • 14 days or • 10% of the total days rented at fair rental value? (See page E-3)			
		A	B	C	
		Totals			(Add columns A, B, and C.)
Income:		A	B	C	
3	Rents received	3			3
4	Royalties received	4			4
Expenses:					
5	Advertising	5			
6	Auto and travel (see page E-4)	6			
7	Cleaning and maintenance	7			
8	Commissions	8			
9	Insurance	9			
10	Legal and other professional fees	10			
11	Management fees	11			
12	Mortgage interest paid to banks, etc. (see page E-5)	12			12
13	Other interest	13			
14	Repairs	14			
15	Supplies	15			
16	Taxes	16			
17	Utilities	17			
18	Other (list) ▶	18			
19	Add lines 5 through 18	19			19
20	Depreciation expense or depletion (see page E-5)	20			20
21	Total expenses. Add lines 19 and 20	21			21
22	Income or (loss) from rental real estate or royalty properties. Subtract line 21 from line 3 (rents) or line 4 (royalties). If the result is a (loss), see page E-5 to find out if you must file Form 6198	22			
23	Deductible rental real estate loss. Caution. Your rental real estate loss on line 22 may be limited. See page E-5 to find out if you must file Form 8582. Real estate professionals must complete line 43 on page 2	23			
24	Income. Add positive amounts shown on line 22. Do not include any losses	24			24
25	Losses. Add royalty losses from line 22 and rental real estate losses from line 23. Enter total losses here	25			25
26	Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Form 1040, line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2	26			26

A unitholder who purchased his units or received units by gift, devise or inheritance from a unitholder who purchased units is entitled to claim a depletion allowance based on the greater of cost or percentage depletion. 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 exceptions 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 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 continued 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 which are not currently deductible, such as increases in cash reserves established by the trustee for the payment of future expenditures, capital items and items which do not constitute taxable income such as reductions in previously established cash reserves. There were no such reconciling items in 2010.

4. Adjustments to Basis

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

5. Federal Income Tax Reporting of Units Sold

The sale, exchange, or other disposition of a unit is a taxable transaction for federal income tax purposes. Gain or loss is computed under the usual tax principles as the difference between the selling price and the adjusted basis of the unit. The adjusted basis of a unit is the original cost or other basis of the unit reduced by any depletion allowed or allowable. The amount of gain, if any, realized upon the disposition of an oil and gas property is treated as ordinary income to the extent of the depletion previously claimed with respect to such property which reduced the taxpayer's basis in the property. The balance of any gain or any loss will be a capital gain or loss if such unit was held by the unitholder as a capital asset – either long-term, if held more than 12 months, or short-term if held less than 12 months.

6. Portfolio Income

Royalty income is generally considered portfolio income under the passive loss rules enacted by the Tax Reform Act of 1986. Therefore, it appears that unitholders should not consider the taxable income from the trust to be passive income in determining net passive income or loss. Unitholders should consult their tax advisors for further information.

7. WHFIT Classification

The trust is a widely held fixed investment trust (“WHFIT”) classified as a non-mortgage widely held fixed investment trust (“NMWHFIT”) for federal income tax purposes. The trustee is U.S. Trust, Bank of America Private Wealth Management (EIN: 56-0906609), Post Office Box 830650, Dallas, Texas, 75283-0650, telephone number 1-877-228-5084, email address: trustee@crosstimberstrust.com. Nancy Willis is the representative of the trust that will provide tax information in accordance with the applicable U.S. Treasury Regulations governing the information reporting requirements of the trust as a WHFIT and a NMWHFIT. Tax information is also posted by the trustee at www.crosstimberstrust.com. Middlemen (as such term is defined in U.S. Treasury Regulations) holding units on behalf of the actual owners are solely responsible for certain tax information reporting for such units to these unitholders (such as Form 1099's). Such middlemen may include custodians, nominees, certain joint owners and brokers holding units for custodians in street name. Unitholders whose units are held by middlemen should consult with these middlemen concerning any tax information reporting provided by these middlemen.

8. Unrelated Business Taxable Income

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

II. STATE INCOME TAX RETURNS

All revenues from the trust are from sources within either Texas, Oklahoma or New Mexico, as reflected on Schedules A and B.

Oklahoma and New Mexico presently have income taxes which tax income of nonresidents from real property located within that state. The trust has been advised by Oklahoma and New Mexico tax counsel that those states will each tax nonresidents on royalty income from the royalties located in that state. Oklahoma and New Mexico also impose a corporate income tax which may apply to unitholders organized as corporations. Business entities and entities providing limited liability protection, unless otherwise exempt, are currently subject to the Texas franchise tax which is partly based on federal income principles and which would generally include income from the trust. The trust has been advised by Texas tax counsel that the trust should be currently exempt from the Texas franchise tax as a passive entity. However, each unitholder that is a business entity or limited liability entity should consult with its tax advisor regarding royalty income from the trust and compliance with Texas franchise tax law.

The revenues and expenses attributable to the royalties located in each state are reflected in Part I to assist unitholders in complying with state tax obligations. If units were owned less than a full year, the unitholder must obtain state income tax information from Schedule B for each of the months units were owned. Monthly Schedule Bs are provided to unitholders by the trustee upon request and can be obtained from the trust website at www.crosstمبرstrust.com. Each unitholder should consult his tax advisor regarding the requirements for filing state income tax returns for his state of residence, and the states from which the trust's income is derived.

III. CERTAIN TAX MATTERS

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

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

Supplemental Tax Tables and Worksheet

In addition to Schedule A and 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 since an individualized unitholder worksheet is provided to unitholders of record summarizing taxable income for the calendar year. For purposes of computing income and expenses (excluding depletion), Tables I through IV should only be used by calendar-year unitholders who acquired units after January 31, 2010, or sold or exchanged units any time during 2010. Unitholders who have a taxable year other than December 31, as well as unitholders subject to state income tax who did not own units the full calendar year, should continue to use Schedules B-1 through B-12. Unitholders who have held units the entire year should use Schedule A.

To assist unitholders in calculating their depletion deduction, Tables V through 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 which cause the original basis to be revised. For example, the original basis of units passing through an estate will be changed to reflect the fair market value of the units on date of death. 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. Each property is depleting at a different rate.

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

ROYALTY	ACQUISITION DATES 1994-2002								
	1/94 - 12/94	1/95 - 12/95	1/96 - 12/96	1/97 - 12/97	1/98 - 12/98	1/99 - 12/99	1/00 - 12/00	1/01 - 12/01	1/02 - 12/02
Texas - 90%	.170662	.173886	.190636	.163652	.202218	.163929	.161621	.135315	.181690
Oklahoma - 90%	.079431	.069886	.067070	.061521	.070819	.059869	.046075	.052941	.056488
New Mexico - 90%	.681179	.574694	.477761	.489023	.546590	.742891	.511100	.701558	.626700
Texas - 75%	.065013	.124524	.151302	.147590	.102886	.032193	.160292	.058591	.087507
Oklahoma - 75%	.003715	.057010	.113231	.138214	.077487	.001118	.120912	.051595	.047615

ROYALTY	ACQUISITION DATES 2003-2010								
	1/03 - 12/03	1/04 - 12/04	1/05 - 12/05	1/06 - 12/06	1/07 - 12/07	1/08 - 12/08	1/09 - 12/09	1/10 - 12/10	
Texas - 90%	.179639	.174722	.189101	.151506	.186603	.178961	.239499	.231012	
Oklahoma - 90%	.068511	.078473	.072584	.068003	.062717	.048966	.064204	.051536	
New Mexico - 90%	.551146	.579938	.522236	.550813	.505947	.436435	.589858	.561407	
Texas - 75%	.124101	.102171	.123235	.110484	.114304	.153051	.051271	.081035	
Oklahoma - 75%	.076603	.064696	.092844	.119194	.130429	.182587	.055168	.075010	

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 2010 AND SOLD DURING 2010.*

Example: A unitholder acquired units prior to 2010 that he sold in September 2010. To calculate his depletion for each of the five royalties for 2010, the unitholder would use the January through August 2010 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	0.072416	X	\$ 0.085329
Oklahoma - 90%	VI	0.067808	XI	\$ 0.017174
New Mexico - 90%	VII	0.044855	XII	\$ 0.185116
Texas - 75%	VIII	0.071878	XIII	\$ 0.025097
Oklahoma - 75%	IX	0.097722	XIV	\$ 0.028944

(b) *UNITS ACQUIRED AND SOLD DURING 2010.*

Example: A unitholder acquired units in July 2010 and sold in September 2010. To calculate his depletion for each of the five royalties for 2010, the unitholder would use the July through August 2010 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	0.018129	X	\$ 0.020783
Oklahoma - 90%	VI	0.015314	XI	\$ 0.003417
New Mexico - 90%	VII	0.012471	XII	\$ 0.046342
Texas - 75%	VIII	0.017594	XIII	\$ 0.005827
Oklahoma - 75%	IX	0.015523	XIV	\$ 0.004347

(c) *UNITS ACQUIRED DURING 2010 AND STILL OWNED AT THE END OF 2010.*

Example: A unitholder acquired units in August 2010 and still owned them at the end of the year. To calculate his depletion for each of the five royalties for 2010, the unitholder would use the August through December 2010 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	0.038959	X	\$ 0.045425
Oklahoma - 90%	VI	0.055053	XI	\$ 0.014587
New Mexico - 90%	VII	0.028669	XII	\$ 0.102845
Texas - 75%	VIII	0.056016	XIII	\$ 0.019582
Oklahoma - 75%	IX	0.068098	XIV	\$ 0.020026

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

2010

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

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

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
	Original Basis (NOTE 1)	Basis Allocation Factors (NOTE 2)	Basis Allocated	Depletion Allowed or Allowable In Prior Years (NOTE 3)	Basis Allocated Less Depletion Allowed or Allowable In Prior Years	Cost Depletion Factor	Cost Depletion	Percentage Depletion Per Unit	Units	Percentage Depletion	Greater of Cost Depletion (Col. (g)) or Percentage Depletion (Col. (j)) (NOTE 5)
Royalty	X		=	-	=	X	0.100351	0.118700	X	=	
Texas - 90%	X		=	-	=	X	0.100351	0.118700	X	=	
Oklahoma - 90%	X		=	-	=	X	0.113431	0.029397	X	=	
New Mexico - 90%	X		=	-	=	X	0.068274	0.268665	X	=	
Texas - 75%	X		=	-	=	X	0.120067	0.042097	X	=	
Oklahoma - 75%	X		=	-	=	X	0.157047	0.046516	X	=	
											Total Depletion

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

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

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

Table I Gross Royalty Income

For a unit acquired of record during the month of:

And the last cash distribution on such unit was attributable to the monthly record date for the month of:

	January	February	March	April	May	June	July	August	September	October	November	December
January	0.276471	0.530419	0.837652	1.202469	1.481087	1.739619	2.019387	2.277721	2.556453	2.859326	3.091054	3.369157
February		0.253948	0.561181	0.925998	1.204616	1.463148	1.742916	2.001250	2.279982	2.582855	2.814583	3.092686
March			0.307233	0.672050	0.950668	1.209200	1.488968	1.747302	2.026034	2.328907	2.560635	2.838738
April				0.364817	0.643435	0.901967	1.181735	1.440069	1.718801	2.021674	2.253402	2.531505
May					0.278618	0.537150	0.816918	1.075252	1.353984	1.656857	1.888585	2.166688
June						0.258532	0.538300	0.796634	1.075366	1.378239	1.609967	1.888070
July							0.279768	0.538102	0.816834	1.119707	1.351435	1.629538
August								0.258334	0.537066	0.839939	1.071667	1.349770
September									0.278732	0.581605	0.813333	1.091436
October										0.302873	0.534601	0.812704
November											0.231728	0.509831
December												0.278103

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	0.038165	0.082645	0.126139	0.191272	0.226272	0.261557	0.306549	0.348251	0.387926	0.435167	0.472379	0.512143
February		0.044480	0.087974	0.153107	0.188107	0.223392	0.268384	0.310086	0.349761	0.397002	0.434214	0.473978
March			0.043494	0.108627	0.143627	0.178912	0.223904	0.265606	0.305281	0.352522	0.389734	0.429498
April				0.065133	0.100133	0.135418	0.180410	0.222112	0.261787	0.309028	0.346240	0.386004
May					0.035000	0.070285	0.115277	0.156979	0.196654	0.243895	0.281107	0.320871
June						0.035285	0.080277	0.121979	0.161654	0.208895	0.246107	0.285871
July							0.044992	0.086694	0.126369	0.173610	0.210822	0.250586
August								0.041702	0.081377	0.128618	0.165830	0.205594
September									0.039675	0.086916	0.124128	0.163892
October										0.047241	0.084453	0.124217
November											0.037212	0.076976
December												0.039764

Table III Interest Income

For a unit acquired of record during the month of:

And the last cash distribution on such unit was attributable to the monthly record date for the month of:

	January	February	March	April	May	June	July	August	September	October	November	December
January	0.000000	0.000002	0.000009	0.000006	0.000015	0.000023	0.000021	0.000026	0.000031	0.000036	0.000044	0.000050
February		0.000002	0.000009	0.000006	0.000015	0.000023	0.000021	0.000026	0.000031	0.000036	0.000044	0.000050
March			0.000007	0.000004	0.000013	0.000021	0.000019	0.000024	0.000029	0.000034	0.000042	0.000048
April				(0.000003)	0.000006	0.000014	0.000012	0.000017	0.000022	0.000027	0.000035	0.000041
May					0.000009	0.000017	0.000015	0.000020	0.000025	0.000030	0.000038	0.000044
June						0.000008	0.000006	0.000011	0.000016	0.000021	0.000029	0.000035
July							(0.000002)	0.000003	0.000008	0.000013	0.000021	0.000027
August								0.000005	0.000010	0.000015	0.000023	0.000029
September									0.000005	0.000010	0.000018	0.000024
October										0.000005	0.000013	0.000019
November											0.000008	0.000014
December												0.000006

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	0.007485	0.020252	0.028426	0.037825	0.044684	0.047755	0.053091	0.057460	0.061013	0.062321	0.066782	0.069510
February		0.012767	0.020941	0.030340	0.037199	0.040270	0.045606	0.049975	0.053528	0.054836	0.059297	0.062025
March			0.008174	0.017573	0.024432	0.027503	0.032839	0.037208	0.040761	0.042069	0.046530	0.049258
April				0.009399	0.016258	0.019329	0.024665	0.029034	0.032587	0.033895	0.038356	0.041084
May					0.006859	0.009930	0.015266	0.019635	0.023188	0.024496	0.028957	0.031685
June						0.003071	0.008407	0.012776	0.016329	0.017637	0.022098	0.024826
July							0.005336	0.009705	0.013258	0.014566	0.019027	0.021755
August								0.004369	0.007922	0.009230	0.013691	0.016419
September									0.003553	0.004861	0.009322	0.012050
October										0.001308	0.005769	0.008497
November											0.004461	0.007189
December												0.002728

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	0.009258	0.017878	0.026801	0.033430	0.045102	0.054287	0.061392	0.072416	0.082531	0.090289	0.095418	0.100351
February		0.008620	0.017543	0.024172	0.035844	0.045029	0.052134	0.063158	0.073273	0.081031	0.086160	0.091093
March			0.008923	0.015552	0.027224	0.036409	0.043514	0.054538	0.064653	0.072411	0.077540	0.082473
April				0.006629	0.018301	0.027486	0.034591	0.045615	0.055730	0.063488	0.068617	0.073550
May					0.011672	0.020857	0.027962	0.038986	0.049101	0.056859	0.061988	0.066921
June						0.009185	0.016290	0.027314	0.037429	0.045187	0.050316	0.055249
July							0.007105	0.018129	0.028244	0.036002	0.041131	0.046064
August								0.011024	0.021139	0.028897	0.034026	0.038959
September									0.010115	0.017873	0.023002	0.027935
October										0.007758	0.012887	0.017820
November											0.005129	0.010062
December												0.004933

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	0.010128	0.016387	0.029003	0.039090	0.047387	0.052494	0.058378	0.067808	0.077222	0.088981	0.095700	0.113431
February		0.006259	0.018875	0.028962	0.037259	0.042366	0.048250	0.057680	0.067094	0.078853	0.085572	0.103303
March			0.012616	0.022703	0.031000	0.036107	0.041991	0.051421	0.060835	0.072594	0.079313	0.097044
April				0.010087	0.018384	0.023491	0.029375	0.038805	0.048219	0.059978	0.066697	0.084428
May					0.008297	0.013404	0.019288	0.028718	0.038132	0.049891	0.056610	0.074341
June						0.005107	0.010991	0.020421	0.029835	0.041594	0.048313	0.066044
July							0.005884	0.015314	0.024728	0.036487	0.043206	0.060937
August								0.009430	0.018844	0.030603	0.037322	0.055053
September									0.009414	0.021173	0.027892	0.045623
October										0.011759	0.018478	0.036209
November											0.006719	0.024450
December												0.017731

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	0.005886	0.011623	0.016904	0.024412	0.028313	0.032384	0.039605	0.044855	0.051066	0.057670	0.062922	0.068274
February		0.005737	0.011018	0.018526	0.022427	0.026498	0.033719	0.038969	0.045180	0.051784	0.057036	0.062388
March			0.005281	0.012789	0.016690	0.020761	0.027982	0.033232	0.039443	0.046047	0.051299	0.056651
April				0.007508	0.011409	0.015480	0.022701	0.027951	0.034162	0.040766	0.046018	0.051370
May					0.003901	0.007972	0.015193	0.020443	0.026654	0.033258	0.038510	0.043862
June						0.004071	0.011292	0.016542	0.022753	0.029357	0.034609	0.039961
July							0.007221	0.012471	0.018682	0.025286	0.030538	0.035890
August								0.005250	0.011461	0.018065	0.023317	0.028669
September									0.006211	0.012815	0.018067	0.023419
October										0.006604	0.011856	0.017208
November											0.005252	0.010604
December												0.005352

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	0.009564	0.014650	0.028353	0.035073	0.044725	0.054284	0.064051	0.071878	0.080067	0.086770	0.100927	0.120067
February		0.005086	0.018789	0.025509	0.035161	0.044720	0.054487	0.062314	0.070503	0.077206	0.091363	0.110503
March			0.013703	0.020423	0.030075	0.039634	0.049401	0.057228	0.065417	0.072120	0.086277	0.105417
April				0.006720	0.016372	0.025931	0.035698	0.043525	0.051714	0.058417	0.072574	0.091714
May					0.009652	0.019211	0.028978	0.036805	0.044994	0.051697	0.065854	0.084994
June						0.009559	0.019326	0.027153	0.035342	0.042045	0.056202	0.075342
July							0.009767	0.017594	0.025783	0.032486	0.046643	0.065783
August								0.007827	0.016016	0.022719	0.036876	0.056016
September									0.008189	0.014892	0.029049	0.048189
October										0.006703	0.020860	0.040000
November											0.014157	0.033297
December												0.019140

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	0.018293	0.028242	0.043372	0.054921	0.067734	0.082199	0.088949	0.097722	0.116715	0.129181	0.138866	0.157047
February		0.009949	0.025079	0.036628	0.049441	0.063906	0.070656	0.079429	0.098422	0.110888	0.120573	0.138754
March			0.015130	0.026679	0.039492	0.053957	0.060707	0.069480	0.088473	0.100939	0.110624	0.128805
April				0.011549	0.024362	0.038827	0.045577	0.054350	0.073343	0.085809	0.095494	0.113675
May					0.012813	0.027278	0.034028	0.042801	0.061794	0.074260	0.083945	0.102126
June						0.014465	0.021215	0.029988	0.048981	0.061447	0.071132	0.089313
July							0.006750	0.015523	0.034516	0.046982	0.056667	0.074848
August								0.008773	0.027766	0.040232	0.049917	0.068098
September									0.018993	0.031459	0.041144	0.059325
October										0.012466	0.022151	0.040332
November											0.009685	0.027866
December												0.018181

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	0.010621	0.020258	0.030704	0.039310	0.053061	0.064546	0.073275	0.085329	0.095106	0.106310	0.112530	0.118700
February		0.009637	0.020083	0.028689	0.042440	0.053925	0.062654	0.074708	0.084485	0.095689	0.101909	0.108079
March			0.010446	0.019052	0.032803	0.044288	0.053017	0.065071	0.074848	0.086052	0.092272	0.098442
April				0.008606	0.022357	0.033842	0.042571	0.054625	0.064402	0.075606	0.081826	0.087996
May					0.013751	0.025236	0.033965	0.046019	0.055796	0.067000	0.073220	0.079390
June						0.011485	0.020214	0.032268	0.042045	0.053249	0.059469	0.065639
July							0.008729	0.020783	0.030560	0.041764	0.047984	0.054154
August								0.012054	0.021831	0.033035	0.039255	0.045425
September									0.009777	0.020981	0.027201	0.033371
October										0.011204	0.017424	0.023594
November											0.006220	0.012390
December												0.006170

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	0.002205	0.003371	0.006460	0.009514	0.012050	0.013757	0.014810	0.017174	0.019655	0.022940	0.025001	0.029397
February		0.001166	0.004255	0.007309	0.009845	0.011552	0.012605	0.014969	0.017450	0.020735	0.022796	0.027192
March			0.003089	0.006143	0.008679	0.010386	0.011439	0.013803	0.016284	0.019569	0.021630	0.026026
April				0.003054	0.005590	0.007297	0.008350	0.010714	0.013195	0.016480	0.018541	0.022937
May					0.002536	0.004243	0.005296	0.007660	0.010141	0.013426	0.015487	0.019883
June						0.001707	0.002760	0.005124	0.007605	0.010890	0.012951	0.017347
July							0.001053	0.003417	0.005898	0.009183	0.011244	0.015640
August								0.002364	0.004845	0.008130	0.010191	0.014587
September									0.002481	0.005766	0.007827	0.012223
October										0.003285	0.005346	0.009742
November											0.002061	0.006457
December												0.004396

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	0.019971	0.042791	0.066048	0.103489	0.121473	0.138774	0.165820	0.185116	0.206431	0.231387	0.250192	0.268665
February		0.022820	0.046077	0.083518	0.101502	0.118803	0.145849	0.165145	0.186460	0.211416	0.230221	0.248694
March			0.023257	0.060698	0.078682	0.095983	0.123029	0.142325	0.163640	0.188596	0.207401	0.225874
April				0.037441	0.055425	0.072726	0.099772	0.119068	0.140383	0.165339	0.184144	0.202617
May					0.017984	0.035285	0.062331	0.081627	0.102942	0.127898	0.146703	0.165176
June						0.017301	0.044347	0.063643	0.084958	0.109914	0.128719	0.147192
July							0.027046	0.046342	0.067657	0.092613	0.111418	0.129891
August								0.019296	0.040611	0.065567	0.084372	0.102845
September									0.021315	0.046271	0.065076	0.083549
October										0.024956	0.043761	0.062234
November											0.018805	0.037278
December												0.018473

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	0.003326	0.005027	0.009772	0.012087	0.015636	0.019270	0.022515	0.025097	0.027874	0.030254	0.035080	0.042097
February		0.001701	0.006446	0.008761	0.012310	0.015944	0.019189	0.021771	0.024548	0.026928	0.031754	0.038771
March			0.004745	0.007060	0.010609	0.014243	0.017488	0.020070	0.022847	0.025227	0.030053	0.037070
April				0.002315	0.005864	0.009498	0.012743	0.015325	0.018102	0.020482	0.025308	0.032325
May					0.003549	0.007183	0.010428	0.013010	0.015787	0.018167	0.022993	0.030010
June						0.003634	0.006879	0.009461	0.012238	0.014618	0.019444	0.026461
July							0.003245	0.005827	0.008604	0.010984	0.015810	0.022827
August								0.002582	0.005359	0.007739	0.012565	0.019582
September									0.002777	0.005157	0.009983	0.017000
October										0.002380	0.007206	0.014223
November											0.004826	0.011843
December												0.007017

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	0.005348	0.008117	0.012665	0.015972	0.019944	0.024597	0.026490	0.028944	0.034404	0.038010	0.040857	0.046516
February		0.002769	0.007317	0.010624	0.014596	0.019249	0.021142	0.023596	0.029056	0.032662	0.035509	0.041168
March			0.004548	0.007855	0.011827	0.016480	0.018373	0.020827	0.026287	0.029893	0.032740	0.038399
April				0.003307	0.007279	0.011932	0.013825	0.016279	0.021739	0.025345	0.028192	0.033851
May					0.003972	0.008625	0.010518	0.012972	0.018432	0.022038	0.024885	0.030544
June						0.004653	0.006546	0.009000	0.014460	0.018066	0.020913	0.026572
July							0.001893	0.004347	0.009807	0.013413	0.016260	0.021919
August								0.002454	0.007914	0.011520	0.014367	0.020026
September									0.005460	0.009066	0.011913	0.017572
October										0.003606	0.006453	0.012112
November											0.002847	0.008506
December												0.005659

