

# **IMPORTANT TAX INFORMATION**

## **Torch Energy Royalty Trust**

C/o Wilmington Trust Company, as Trustee  
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March 8, 2014

## **2013 INCOME TAX INFORMATION**

### **TO UNITHOLDERS:**

The following information is applicable to each Unitholder of the Torch Energy Royalty Trust (hereinafter the "Trust") with respect to his, her or its Federal and state income tax returns:

- I. Royalty Income
- II. Administration Expense
- III. Interest Income
- IV. Proceeds of Sale Income
- V. Cost Depletion

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**Please read the following information, instructions and important note regarding the 2013 Income Tax Calculations carefully. Unitholders with questions regarding the Torch Energy Royalty Trust or the tax information provided herein should contact Investor Relations 1 -800-536-7453.**

# Year-End Summary of Federal & State Income, Deductions and Credits Per Unit

(For the Year Ended December 31, 2013)

**Taxpayer's ID No. 74-6411424**  
**Tax Shelter Registration No. 93334000408**  
**Grantor Trust**

See Discussion of Federal and State Income, and Deductions Per Unit  
NOTE: Partial year unitholders should use tables included in Schedule B of this booklet.

## SECTION I

### INCOME AND EXPENSE INFORMATION PER UNIT

<u>Source</u>	(a) <u>Royalty Income</u>	(b) <u>Administration Expenses</u>	(c) <u>Interest Income</u>	(d) <u>Proceeds of Sale Income</u>	Trust Income Per Unit (a - b + c + d)
Robinson's Bend Field, Alabama	\$ -	\$ -	\$ -	\$ -	\$ -
Chalkley Field, Louisiana.....	-	0.080931	0.000020	0.243517	0.162606
Texas Fields.....	<u>0.009682</u>	<u>0.043374</u>	<u>0.000011</u>	<u>0.135359</u>	<u>0.101678</u>
<b>TOTAL.....</b>	<b><u>\$ 0.009682</u></b>	<b><u>\$ 0.124305</u></b>	<b><u>\$ 0.000031</u></b>	<b><u>\$ 0.378876</u></b>	<b><u>\$ 0.264284</u></b>

## SECTION II

### COST DEPLETION FACTORS PER UNIT

(The following factors should be applied to your cost basis. Please see the 2013 Cost Depletion Worksheet for further instructions.)

<u>Source</u>	1993 and 1994 <u>Acquisitions</u>	1995 <u>Acquisitions</u>	1996 <u>Acquisitions</u>	1997 <u>Acquisitions</u>	1998 <u>Acquisitions</u>
<b>Robinson's Bend Field, Alabama.....</b>	<b>0.000000</b>	<b>0.000000</b>	<b>0.000000</b>	<b>0.000000</b>	<b>0.000000</b>
Chalkley Field, Louisiana.....	0.000000	0.000000	0.000000	0.000000	0.000000
Texas Fields.....	<u>0.009212</u>	<u>0.009361</u>	<u>0.010008</u>	<u>0.009126</u>	<u>0.008810</u>
<b>TOTAL.....</b>	<b><u>0.009212</u></b>	<b><u>0.009361</u></b>	<b><u>0.010008</u></b>	<b><u>0.009126</u></b>	<b><u>0.008810</u></b>
	1999 <u>Acquisitions</u>	2000 <u>Acquisitions</u>	2001 <u>Acquisitions</u>	2002 <u>Acquisitions</u>	2003 <u>Acquisitions</u>
<b>Robinson's Bend Field, Alabama.....</b>	<b>0.000000</b>	<b>0.000000</b>	<b>0.000000</b>	<b>0.000000</b>	<b>0.000000</b>
Chalkley Field, Louisiana.....	0.000000	0.000000	0.000000	0.000000	0.000000
Texas Fields.....	<u>0.009588</u>	<u>0.011856</u>	<u>0.009063</u>	<u>0.013758</u>	<u>0.010476</u>
<b>TOTAL.....</b>	<b><u>0.009588</u></b>	<b><u>0.011856</u></b>	<b><u>0.009063</u></b>	<b><u>0.013758</u></b>	<b><u>0.010476</u></b>
	2004 <u>Acquisitions</u>	2005 <u>Acquisitions</u>	2006 <u>Acquisitions</u>	2007 <u>Acquisitions</u>	2008 <u>Acquisitions</u>
<b>Robinson's Bend Field, Alabama.....</b>	<b>0.000000</b>	<b>0.000000</b>	<b>0.000000</b>	<b>0.000000</b>	<b>0.000000</b>
Chalkley Field, Louisiana.....	0.000000	0.000000	0.000000	0.000000	0.000000
Texas Fields.....	<u>0.012736</u>	<u>0.016488</u>	<u>0.021274</u>	<u>0.017330</u>	<u>0.015043</u>
<b>TOTAL.....</b>	<b><u>0.012736</u></b>	<b><u>0.016488</u></b>	<b><u>0.021274</u></b>	<b><u>0.017330</u></b>	<b><u>0.015043</u></b>
	2009 <u>Acquisitions</u>	2010 <u>Acquisitions</u>	2011 <u>Acquisitions</u>	2012 <u>Acquisitions</u>	2013 <u>Acquisitions</u>
<b>Robinson's Bend Field, Alabama.....</b>	<b>0.000000</b>	<b>0.000000</b>	<b>0.000000</b>	<b>0.000000</b>	<b>0.000000</b>
Chalkley Field, Louisiana.....	<b>0.000000</b>	<b>0.000000</b>	<b>0.000000</b>	<b>0.000000</b>	<b>0.000000</b>
Texas Fields.....	<b><u>0.014678</u></b>	<b><u>0.011619</u></b>	<b><u>0.013408</u></b>	<b><u>0.013408</u></b>	<b><u>0.012981</u></b>
<b>TOTAL.....</b>	<b><u>0.014678</u></b>	<b><u>0.011619</u></b>	<b><u>0.013408</u></b>	<b><u>0.013408</u></b>	<b><u>0.012981</u></b>

**Torch Energy Royalty Trust**  
**IMPORTANT NOTE REGARDING 2013 INCOME TAX CALCULATIONS**

THE UNITHOLDERS ARE URGED TO READ THE FILINGS BY THE TRUST WITH THE SECURITIES AND EXCHANGE COMMISSION (“SEC”) CAREFULLY AND IN THEIR ENTIRETY.

A 1099 report for 2013 was mailed to registered Unitholders of the Trust and brokers or nominees of non-registered Unitholders of the Trust. As a Unitholder or as a broker or nominee of a non-registered Unitholder of the Trust, you should be aware that a Unitholder may likely have taxable income or loss from the Trust different from the cash distributions during 2013. **A Unitholder should consult his, her or its own tax advisor(s) regarding all tax compliance matters relating to the Trust.** Unitholders should review the Trust’s 2013 income tax information contained in this booklet to determine their taxable income or loss from the Trust.

Additional information concerning the Trust is available on its website at [www.torchroyalty.com](http://www.torchroyalty.com), including a link to the Trust’s Securities and Exchange Commission filings. Unitholders are encouraged to review this information in its entirety. The trustee of the Trust is Wilmington Trust Company not in its individual capacity but solely as trustee of the Trust (“Trustee”).

**A UNITHOLDER SHOULD CONSULT HIS, HER OR ITS OWN TAX ADVISOR  
REGARDING ALL TAX COMPLIANCE MATTERS RELATING TO THE TRUST.**

**Cautionary Statement on Risks Associated with the Trust’s Forward-Looking Statements.**

These materials contains forward-looking statements, as defined in Section 27A of the Securities Act of 1933 (the “Securities Act”) and Section 21E of the Securities Exchange Act of 1934 (the “Exchange Act”), by the Trust that are subject to risks and uncertainties. The words “believes,” “expects,” “anticipates,” “intends,” “plans,” “estimates,” “may,” “should,” “could,” and similar expressions are intended to identify such statements. Forward-looking statements are not guarantees of future performance and are to be interpreted only as of the date on which they are made. The Trust undertakes no obligation to update or revise any forward-looking statement except as required by law.

**Discussion of Federal and State  
Income and Expenses per Unit**

**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. TO ENSURE COMPLIANCE WITH IRS REQUIREMENTS, THE INFORMATION CONTAINED HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, FOR (i) THE PURPOSE OF AVOIDING ANY TAX PENALTIES UNDER THE INTERNAL REVENUE CODE OR IMPOSED BY THE IRS, OR (ii) THE PROMOTION, MARKETING OR RECOMMENDATION OF THE TRUST OR AN INVESTMENT THEREIN. TO THE EXTENT THAT A STATE TAXING AUTHORITY HAS ADOPTED RULES SIMILAR TO THE RELEVANT PROVISIONS AND IRS REQUIREMENTS, USE OF THE INFORMATION CONTAINED HEREIN IS SIMILARLY LIMITED. A UNITHOLDER SHOULD CONSULT HIS, HER OR ITS OWN INDEPENDENT TAX ADVISOR REGARDING ALL TAX COMPLIANCE MATTERS RELATING TO THE TRUST.**

# I FEDERAL INCOME TAX INFORMATION

Note: All Section references are to "Year-End Summary of Federal & State Income, Deductions and Credits Per Unit" found on page one of this booklet.

## 1. Reporting of Income and Deductions.

(a) *Direct Ownership Reporting.* The Trust believes it should be treated as a Grantor Trust for Federal income tax purposes. See Section III - Certain Tax Matters. **Each Unitholder of the Trust is taxable on his per Unit share of the income and expenses of the Trust as if he, she or it were the direct owner of a pro rata share of the Trust's income and assets. The Unitholders' share of taxable income is not directly related to the amount of distributions received from the Trust. Each Unitholder's share of the Trust's income for the tax year may exceed or be less than the cash distributions received by the Unitholder in such year.**

(b) *Taxable Year.* 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. The information provided in this booklet assumes the Unitholder is a cash basis calendar year taxpayer.

Schedule B has been prepared for each quarter during the year. This will enable the Unitholder who purchased units during 2013 to develop his own tax data by computing the relevant information for each quarter the Unitholder owned his Units during his taxable year. For the convenience of Unitholders who report on the calendar year and who have owned the same number of Units throughout all four record/ownership dates in 2013, Section I and II, page one may be used in place of Schedule B.

(c) *Trust Income and Deductions.* In 2013, the Trust held two net profits interests in oil and gas properties located in Louisiana and Texas (the "LA and TX NPI's") which were comprised of the Chalkley Field in Louisiana, and the Austin Chalk and Cotton Valley Fields in Texas, including interests in certain Infill wells in such fields. The net profits interests payments received by the Trust with respect to these interests are taxed as Royalty Income. Administrative expenses reduce the Royalty Income to the Unitholder. The income to Unitholders consists of Royalty Income less Administrative Expenses plus Interest income, and Proceeds of Sale Income. On August 30, 2013, the Trust sold its interest in the LA and TX NPI's. See Section IV of this booklet – Trust Termination and Liquidation – for further information with respect to this sale.

(i) **Royalty Income** is computed quarterly and is generally based on sales of oil and gas produced in the preceding quarter less the direct costs and expenses. The amount of Royalty Income received by the Trust from the properties during the 2013 period is reported in Column (a) of Section I, page one of this booklet.

(ii) **Administration Expenses** include expenditures such as administration fees paid to the tTrustee and Torch Energy Advisors Incorporated, engineering fees for preparation of the reserve reports, audit, legal, tax consulting fees, printing costs, and other expenses related to the administration of the Trust. The amount allocated to 2013 is reported in Column (b) of Section I, page one of this booklet.

(iii) **Interest Income** earned by the Trust during 2013 is reported in Column (c) of Section I, page one.

(iv) **Proceeds of Sale Income** is reported in Column (d) of Section I, page one due to the sale of the LA and TX NPI's.

(d) *Unit Multiplication.* Because each schedule reflects only results on a per Unit basis, it will be necessary to multiply the Royalty Income, Interest Income, Proceeds of Sale Income, and Administration Expenses shown on page one, Section I, by the number of Units owned by a Unitholder during 2013 to obtain the amount to be reported on his, her or its tax return. Income, expenses (other than depletion), and credits may be computed directly from the appropriate schedules. For instructions regarding depletion calculations, please see *Allowance for Depletion* section below.

(e) *Individual Taxpayers.* For Unitholders who hold the Units as an investment and who file Form 1040, it is suggested that the items of income and deduction computed from the appropriate forms and schedules be reported in the following manner:

<b>Item</b>	<b>Form Reference</b>
Royalty Income	Form 1040: Line 4, Part I, Schedule E
Administration Expenses	Form 1040: Line 19, Part I, Schedule E
Depletion	Form 1040: Line 18, Part I, Schedule E
Interest Income	Form 1040: Line 1, Part I, Schedule B
Proceeds of Sale Income	Form 4797: Part III

Sample tax forms of Form 1040's Schedules E and B, and Form 4797 are included in the last section of this booklet. These forms show the specific location of each item of income and expense listed above. The sample tax forms have been completed based on the example stated in the *Supplemental Tax Tables* and *Cost Depletion Worksheets* sections of this booklet.

For Unitholders who acquired or sold Units during 2013, Tables I through IV on Schedule B are enclosed to assist in the computation of Royalty Income, Administration Expenses, Interest Income, and Proceeds of Sale. These tables can be used by calendar year and fiscal year Unitholders.

(f) *Nominee Reporting.* Nominees and brokers should report Trust income and expenses according to the Internal Revenue Service rules for widely held investment trusts.

(g) *Form 1099 Reporting.* Since the Trust made a cash distribution to the Unitholders in 2013, a Form 1099 for 2013 was mailed to registered Unitholders of the Trust and broker / nominees of non-registered Unitholders of the Trust.

## **2. Allowance for Depletion.**

Unitholders are allowed a deduction for depletion of the oil and gas reserves in the underlying properties subject to the Trust's Interests. Each Unitholder's allowable depletion is the greater of cost depletion or percentage depletion with respect to the Royalty Income.

(a) *Percentage Depletion.* Subject to certain rules, percentage depletion is allowed on proven properties acquired after October 11, 1990. The Unitholder is allowed to compute both percentage depletion and cost depletion from each property, and claim the larger amount as a deduction on his, her or its income tax return. **The Trust and its tax advisors have not estimated percentage depletion for 2013 to determine whether cost depletion will exceed percentage depletion for Unitholders. The Trust does not provide percentage depletion factors for this purpose.**

(b) *Cost Depletion.* To compute cost depletion, each Unitholder should multiply his, her or its adjusted basis in their Units by the appropriate factor for the year the Units were purchased. For Units held throughout all four record/ownership dates in 2013, the cost depletion rates reflected in the respective columns of page 1, Section II may be used. For Units purchased or sold during 2013, Tables V through XXIV of Schedule B should

be used. These factors were obtained by dividing Royalty Income during the period by the estimated value of the reserves at the beginning of the year. For purposes of calculating Federal taxable income, cost depletion must be calculated separately for each property. A Unitholder's basis in each property is determined by apportioning his basis in the Units among the properties in proportion to the relative fair market value of each, on the date the Units were acquired. For the convenience of Unitholders, the table's cost depletion factor for each property incorporates this basis allocation. The Trust re-determines the relative values of the properties and the basis allocation factor each year for the benefit of Unitholders.

A Cost Depletion Worksheet is enclosed to assist Unitholders in computing their cost depletion deduction. The Specific Instructions for Cost Depletion Worksheet explain certain aspects of the depletion calculation.

### **3. Other tax considerations.**

(a) *Adjustments to Basis.* Each Unitholder must reduce his tax basis in his Units by the amount of depletion allowable with respect to such Units and, if applicable, by the Basis Recovery Amount. For Unitholders of record on March 1, 1994, a portion of the first cash distribution resulted from payments to the Trust arising from production sold prior to the closing of the transfer to the Trust. This portion was not income of the Trust but rather a reduction in the purchase price of the Units and, therefore, a reduction of the basis of all Unitholders of record on March 1, 1994, (the "Basis Recovery Amount" which is equivalent to \$.624423 per Unit). Basis adjustment is also needed when income required to be reported by the Unitholder does not agree with cash received by the Unitholder from the Trust. As the LA and TX NPIs were sold on August 30, 2013, the unitholder should deduct his or her remaining basis in such assets as of August 30, 2013 against their sales proceeds in determining the unitholder's gain or loss on the sale.

(b) *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 a Unit. The adjusted basis in a Unit is the original cost or other basis of the Unit reduced (but not below zero) by any depletion or Basis Recovery Amount as indicated in item (a) above. Upon disposition of such Unit, a portion of the gain (if any) will be treated as ordinary income to the extent of the depletion which reduced the adjusted basis of such Unit. Unitholders should consult their tax advisors for further information.

(c) *Portfolio Income.* Royalty Income is generally considered portfolio income under the passive loss rules. Therefore, the Unitholder 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.

## **II STATE INCOME TAX RETURNS**

All income and expenses from the Trust are from sources within Louisiana, and Texas. Depending upon a Unitholder's specific circumstances, the income of the Trust may be subject to Louisiana income tax. Additionally, certain Unitholders may be subject to the Texas gross margin tax. UNITHOLDERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING STATE TAX FILING REQUIREMENTS.

## **III CERTAIN TAX MATTERS**

An opinion from counsel was received in connection with the offer and sale to the public of the Units that for Federal income tax purposes (i) the Trust will be treated as a Grantor Trust, (ii) the income from the properties will be treated as oil and gas royalty income taxable to the Unitholders as if amounts owed or paid to the Trust were owed or paid directly to the Unitholders pro rata, and (iii) each Unitholder will be entitled to

depletion deductions equal to the greater of cost depletion or (under certain circumstances) percentage depletion. The opinion is not binding on the Internal Revenue Service. 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 letter rulings issued to other taxpayers do not bind the IRS in connection with the Trust. Hence, the Trust can provide no assurance that the IRS will not challenge such opinion.

#### IV TRUST TERMINATION AND LIQUIDATION

The Trust received the affirmative vote of the Unitholders of more than 66 2/3% of the outstanding Units to terminate the Trust at the meeting of Unitholders pursuant to the Trust Agreement held on January 29, 2008 (the "Termination Date"). Upon termination of the Trust, among other things, the Trustee is required to sell the Net Profits Interests. Specifically, pursuant to Section 9.03(e) of the Trust Agreement if the property of the Trust Estate (as defined in the Trust Agreement) has not been sold prior to the end of one calendar year following the termination date, the Trustee, thereafter, must cause such assets to be sold at public auction.

On August 4, 2011, the Trust entered into a material definitive agreement for advisory and marketing services with an effective date of August 1, 2011 with respect to the sale of the Net Profits Interests pursuant to an agreement with PLS, Inc., a Texas corporation. The Trust notified Robinson's Bend Production II, LLC. ("RBP II"), a Delaware limited liability company and a subsidiary of Constellation Energy Partners LLC, on November 3, 2011 that it was the successful bidder in the public auction of the sale of the Net Profits Interests attributable to the Robinson's Bend Field. On December 13, 2011, the Trust entered into a purchase and sale agreement by and between RBP II pursuant to which the Trust agreed to sell, and RBP II agreed to purchase, all of the Trust's Net Profits Interests attributable to the Underlying Properties in the Robinson's Bend Field for a purchase price of \$1,000,000. The sale signed and closed simultaneously on December 13, 2011.

On August 30, 2013, the Trust sold its remaining assets whereby the Trust simultaneously signed and closed a purchase and sale agreement by and among the Trust, TRC, Torch E&P Company, N.M.L. Inc., of Texas (formerly Torch Energy Services, Inc.), and Torch, pursuant to which the Trust and the Torch Energy Louisiana Royalty Trust sold certain net profits interests attributable to the underlying working interests in certain fields that produce from the Cotton Valley Fields, Austin Chalk Fields and Chalkley Field for a purchase price of \$3,258,330. The buying parties were the successful bidder in the public auction of the net profit interests attributable to underlying working interests in the Cotton Valley Fields, Austin Chalk Fields and the Chalkley Field.

All of the Net Profits Interests have been sold as of August 2013 and the Trustee is in the process of winding down and liquidating the Trust after the affirmative vote of the requisite number of Unitholders. The Trust no longer receives any proceeds from the above-referenced Net Profits Interests in Alabama, Texas and Louisiana.

The vote to terminate the Trust in 2008 has no effect on the Unitholders' requirement to report income and expenses for 2013, even though cash distributed to the Unitholders during any year may exceed or be less than such income. **The income and expenses of the Trust are still treated as the income and expense of the Unitholder directly.**

You may read and copy any document that we file at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. Our SEC filings are also available to the public from the SEC's website at <http://www.sec.gov> and are available on our website via a link, <http://www.torchroyalty.com>, which features all of our current SEC filings free of charge as soon as reasonably practicable after they are filed with the SEC. Our SEC filings are

also available at the office of the NYSE. For further information on obtaining copies of our public filings from the NYSE, visit the NYSE website at <http://www.nyse.com>.

**Instructions for Use of Supplemental Tax Tables  
and Cost Depletion Worksheet  
For Part-Year and Non-Calendar Year Unitholders**

For purposes of computing Federal income and expenses (excluding cost depletion) Tables I through IV on Schedule B should be used. Unitholders subject to state income tax, who did not own Units the full calendar year, should use Schedules B-1 through B-3 for state information. Unitholders who have held Units the entire year may use the “Year-End Summary of Federal and State Income, Deductions and Credits Per Unit” on page one.

The tables represent the per Unit share of income and expenses. The appropriate factor to use from each table is determined by going down the left-hand column to the first date the Units were held and across the page to the column that corresponds to the last date prior to sale of the Unitholder’s interest.

Unitholders should multiply their number of Units by the appropriate factor to determine their exact income and expenses (excluding cost depletion). Cost depletion is calculated by multiplying the applicable cost depletion factor by the Unitholders adjusted basis in the Units (see “Specific Instructions for Cost Depletion Worksheet” below). **Unitholders must account separately for Units acquired on or before different record dates.** The amounts determined based on the Units held and the appropriate factor should be reported on the Unitholder’s tax return. See “Sample Tax Forms” included in the last section of this booklet for instructions regarding where to report the information on a Federal income tax return.

**Cost Depletion Worksheet**

The calculation of your cost depletion is dependent not only on Table V through XXIV, but also on the adjusted basis in your Units. Column references here are to the illustrated Cost Depletion Worksheet on page ten. The original basis (Col. 1.) of your Units must be determined from your records and generally will be the amount paid for the Units including broker's commissions or the fair market value of such Units on the date they were distributed. However, there could be other events that 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. As noted above, if a Unitholder acquired Units prior to the March 1, 1994 record date and held them after such record date, the original basis of the Units should be reduced by the Basis Recovery Amount attributable to those Units (Col. 2.). Original basis must also be reduced by depletion in prior years (Col. 3.). Please consult your tax adviser concerning your original basis.

**When you dispose of your Units, you must reduce your basis in the Units for any depletion previously allowable on the Units. For this reason, you should keep accurate records of the amount of depletion reported for specific Units. Basis adjustment may also be required where income required to be reported does not agree with cash received from distributions.**



### Example Federal and State Tax Calculation

The following is a brief example illustrating the computation of the income, expenses (excluding cost depletion):

A Unitholder acquires 1,000 Units on March 10, 2013, at \$.75 per Unit for a total cost of \$750.00 (including all broker commissions). The Unitholder sells these Units on December 15, 2013. For these Units, the Unitholder was the holder of record for May 31, September 3, and December 2, and thus should calculate the income and expense attributable to the Units for those three record dates. Utilizing the first three tables on Schedule B, the Unitholder should go down the left column to the second line (titled May 31, 2013) and across the page to the fourth column (titled December 02, 2013). The Unitholder should multiply the determined factor by his 1,000 Units to determine his share of the Trust's income and expenses, before cost depletion. The amounts for the example are summarized below.

Description	Table	Factor Per Unit		Units	=	Amount
Royalty Income	I	.009682	x	1,000	=	9.68
Administration Expenses	II	.110189	x	1,000	=	110.19
Interest Income	III	.000027	x	1,000	=	0.03
Proceeds of Sale Income	IV	.378876	x	1,000	=	378.88

Since the Trust held royalty interests and received income that is attributable to Louisiana and Texas, Unitholders may be obligated to file a return and may have a tax liability in states in addition to their state of residence. The tax information for these states is found in the same manner as the Federal amounts except using the state tables contained in Sections B-2 and B-3. Unitholders should contact their tax advisors to determine their various state filing requirements.

For example, if you are required to file a return in Louisiana, the state factors for the example above would be found on the Louisiana tables (Schedule B-2) and the calculation would be as follows:

Description	Table	Factor Per Unit		Units	=	Amount
Royalty Income	I	.000000	x	1,000	=	0.00
Administration Expenses	II	.071741	x	1,000	=	71.74
Interest Income	III	.000018	x	1,000	=	0.02
Proceeds of Sale Income	IV	.243517	x	1,000	=	243.52

Note – There was no Louisiana Net Profit Royalty Income for 2013. Hence its factor is 0.

## 2013 COST DEPLETION WORKSHEET

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

**A. Use the following formula to calculate your cost depletion for appropriate quarters corresponding to your investment:**

	(2) 1994 Basis Recovery		(3) Accumulated Cost Depletion		(4) Adjusted Basis (Col. 1 less Col. 2 & Col. 3)		(5) Cost Depletion Factor (See Table on pages 12-15)		(6) Current Cost Depletion
(1) Original Basis	- purchasers only**)	-	in Prior Years	=		x		=	

**B. The following is a hypothetical calculation of cost depletion for the example described on the previous page, assuming the Unitholder held his, her or its Units in 2013 for part of the year and had no cost basis revisions.**

	(2) 1994 Basis Recovery		(3) Accumulated Cost Depletion		(4) Adjusted Basis (Col. 1 less Col. 2 & Col. 3)		(5) Cost Depletion Factor (See Table on pages 12-15)		(6) Current Cost Depletion
(1) Original Basis	- purchasers only*)	-	in Prior Years (*)	=	Col. 2 & Col. 3) (**)	x	pages 12-15)	=	Cost Depletion (*)
\$750.00	- \$0.00	-	\$0.00	=	\$750.00	x	.012981	=	\$ 9.74

\*Adjusted basis should be deducted from sales proceeds to determine gain or loss on sale of the NPIs. As indicated above, basis is increased by income and decreased by expense, and by cash received. As reflected on the sample Form 4797, the remaining adjusted basis is \$ 750.00 + \$9.68 + \$0.03 + \$378.88 - \$110.19 - \$9.74 = \$1,018.66. Under this method, any cash receipts during the year would also reduce adjusted basis. In the example no cash was received.

**SCHEDULE B - Federal**  
**Supplemental Tax Table for Calculations of Royalty Income, Administration**  
**Expenses, Interest Income, and Cost Depletion**  
For the Year Ended December 31, 2013

Table I: Royalty Income

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.007082	0.009682	0.009682
May 31, 2013		0.007082	0.009682	0.009682
September 3, 2013			0.002600	0.002600
December 2, 2013				0.000000

Table II: Administration Expenses

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.014115	0.044142	0.093497	0.124305
May 31, 2013		0.030027	0.079382	0.110189
September 3, 2013			0.049355	0.080163
December 2, 2013				0.030807

Table III: Interest Income

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000003	0.000006	0.000020	0.000031
May 31, 2013		0.000003	0.000017	0.000027
September 3, 2013			0.000014	0.000025
December 2, 2013				0.000010

Table IV: Proceeds of Sales Income

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 13, 2011</u>
February 28, 2013	0.000000	0.000000	0.378876	0.378876
May 31, 2013		0.000000	0.378876	0.378876
September 3, 2013			0.378876	0.378876
December 13, 2013				0.000000

**COST DEPLETION**

Table V: Cost Depletion for 1993 and 1994 Acquisitions

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.006738	0.009212	0.009212

Table VI: Cost Depletion for 1995 Acquisitions

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.006847	0.009361	0.009361

Table VII: Cost Depletion for 1996 Acquisitions

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.007320	0.010008	0.010008

**SCHEDULE B - Federal**  
**Supplemental Tax Table for Calculations of Royalty Income, Administration**  
**Expenses, Interest Income, and Cost Depletion**  
For the Year Ended December 31, 2013

Table VIII: Cost Depletion for 1997 Acquisitions

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.006675	0.009126	0.009126

Table IX: Cost Depletion for 1998 Acquisitions

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.006444	0.008810	0.008810

Table X: Cost Depletion for 1999 Acquisitions

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.007013	0.009588	0.009588

Table XI: Cost Depletion for 2000 Acquisitions

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.008672	0.011856	0.011856

Table XII: Cost Depletion for 2001 Acquisitions

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.006629	0.009063	0.009063

Table XIII: Cost Depletion for 2002 Acquisitions

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.010063	0.013758	0.013758

Table XIV: Cost Depletion for 2003 Acquisitions

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.007663	0.010476	0.010476

**SCHEDULE B - Federal**  
**Supplemental Tax Table for Calculations of Royalty Income, Administration**  
**Expenses, Interest Income, and Cost Depletion**  
For the Year Ended December 31, 2013

Table XV: Cost Depletion for 2004 Acquisitions

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.009316	0.012736	0.012736

Table XVI: Cost Depletion for 2005 Acquisitions

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.012060	0.016488	0.016488

Table XVII: Cost Depletion for 2006 Acquisitions

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.015561	0.021274	0.021274

Table XVIII: Cost Depletion for 2007 Acquisitions

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.012676	0.017330	0.017330

Table XIX: Cost Depletion for 2008 Acquisitions

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.011003	0.015043	0.015043

Table XX: Cost Depletion for 2009 Acquisitions

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.010736	0.014678	0.014678

Table XXI: Cost Depletion for 2010 Acquisitions

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.008499	0.011619	0.011619

**SCHEDULE B - Federal**  
**Supplemental Tax Table for Calculations of Royalty Income, Administration**  
**Expenses, Interest Income, and Cost Depletion**  
For the Year Ended December 31, 2013

**Table XXII: Cost Depletion for 2011 Acquisitions**

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
<u>Quarterly Record/Ownership Date:</u>				
February 28, 2013	0.000000	0.009807	0.013408	0.013408

**Table XXIII: Cost Depletion for 2012 Acquisitions**

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
<u>Quarterly Record/Ownership Date:</u>				
February 28, 2013	0.000000	0.009807	0.013408	0.013408

**Table XXIV: Cost Depletion for 2013 Acquisitions**

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
<u>Quarterly Record/Ownership Date:</u>				
February 28, 2013	0.000000	0.009495	0.012981	0.012981
May 31, 2013		0.009495	0.012981	0.012981
September 3, 2013			0.003486	0.003486
December 2, 2013				0.000000

**SCHEDULE B-2 - Louisiana**  
**Supplemental Tax Table for Calculations of Royalty Income, Administration**  
**Expenses, Interest Income, and Cost Depletion**  
For the Year Ended December 31, 2013

**Table I: Royalty Income**

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.000000	0.000000	0.000000
May 31, 2013		0.000000	0.000000	0.000000
September 3, 2013			0.000000	0.000000
December 2, 2013				0.000000

**Table II: Administration Expenses**

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.009190	0.028739	0.060873	0.080931
May 31, 2013		0.019549	0.051683	0.071741
September 3, 2013			0.032134	0.052192
December 2, 2013				0.020058

**Table III: Interest Income**

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000002	0.000004	0.000013	0.000020
May 31, 2013		0.000002	0.000011	0.000018
September 3, 2013			0.000009	0.000016
December 2, 2013				0.000007

**Table IV: Proceeds of Sales Income**

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 13, 2011</u>
February 28, 2013	0.000000	0.000000	0.243517	0.243517
May 31, 2013		0.000000	0.243517	0.243517
September 3, 2013			0.243517	0.243517
December 13, 2013				0.000000

**Table V: Cost Depletion for 1993 and 1994 Acquisitions**

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.000000	0.000000	0.000000

**Table VI: Cost Depletion for 1995 Acquisitions**

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.000000	0.000000	0.000000

**Table VII: Cost Depletion for 1996 Acquisitions**

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.000000	0.000000	0.000000

## SCHEDULE B-2 - Louisiana

### Supplemental Tax Table for Calculations of Royalty Income, Administration Expenses, Interest Income, and Cost Depletion

For the Year Ended December 31, 2013

Table VIII: Cost Depletion for 1997 Acquisitions

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.000000	0.000000	0.000000

Table IX: Cost Depletion for 1998 Acquisitions

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.000000	0.000000	0.000000

Table X: Cost Depletion for 1999 Acquisitions

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.000000	0.000000	0.000000

Table XI: Cost Depletion for 2000 Acquisitions

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.000000	0.000000	0.000000

Table XII: Cost Depletion for 2001 Acquisitions

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.000000	0.000000	0.000000

Table XIII: Cost Depletion for 2002 Acquisitions

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.000000	0.000000	0.000000

Table XIV: Cost Depletion for 2003 Acquisitions

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.000000	0.000000	0.000000



**SCHEDULE B-2 - Louisiana**  
**Supplemental Tax Table for Calculations of Royalty Income, Administration**  
**Expenses, Interest Income, and Cost Depletion**  
For the Year Ended December 31, 2013

Table XV: Cost Depletion for 2004 Acquisitions

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.000000	0.000000	0.000000

Table XVI: Cost Depletion for 2005 Acquisitions

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.000000	0.000000	0.000000

Table XVII: Cost Depletion for 2006 Acquisitions

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.000000	0.000000	0.000000

Table XVIII: Cost Depletion for 2007 Acquisitions

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.000000	0.000000	0.000000

Table XIX: Cost Depletion for 2008 Acquisitions

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.000000	0.000000	0.000000

Table XX: Cost Depletion for 2009 Acquisitions

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.000000	0.000000	0.000000

Table XXI: Cost Depletion for 2010 Acquisitions

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.000000	0.000000	0.000000

**SCHEDULE B-2 - Louisiana**  
**Supplemental Tax Table for Calculations of Royalty Income, Administration**  
**Expenses, Interest Income, and Cost Depletion**  
For the Year Ended December 31, 2013

**Table XXII: Cost Depletion for 2011 Acquisitions**

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.000000	0.000000	0.000000

**Table XXIII: Cost Depletion for 2012 Acquisitions**

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.000000	0.000000	0.000000

**Table XXIV: Cost Depletion for 2013 Acquisitions**

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.000000	0.000000	0.000000
May 31, 2013		0.000000	0.000000	0.000000
September 3, 2013			0.000000	0.000000
December 2, 2013				0.000000

**SCHEDULE B-3 - Texas**  
**Supplemental Tax Table for Calculations of Royalty Income, Administration**  
**Expenses, Interest Income, and Cost Depletion**  
For the Year Ended December 31, 2013

**Table I: Royalty Income**

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.007082	0.009682	0.009682
May 31, 2013		0.007082	0.009682	0.009682
September 3, 2013			0.002600	0.002600
December 2, 2013				0.000000

**Table II: Administration Expenses**

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.004925	0.015403	0.032624	0.043374
May 31, 2013		0.010477	0.027699	0.038448
September 3, 2013			0.017222	0.027971
December 2, 2013				0.010750

**Table III: Interest Income**

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000001	0.000002	0.000007	0.000011
May 31, 2013		0.000001	0.000006	0.000010
September 3, 2013			0.000005	0.000009
December 2, 2013				0.000004

**Table IV: Proceeds of Sales Income**

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 13, 2011</u>
February 28, 2013	0.000000	0.000000	0.135359	0.135359
May 31, 2013		0.000000	0.135359	0.135359
September 3, 2013			0.135359	0.135359
December 13, 2013				0.000000

**Table V: Cost Depletion for 1993 and 1994 Acquisitions**

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.006738	0.009212	0.009212

**Table VI: Cost Depletion for 1995 Acquisitions**

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.006847	0.009361	0.009361

**Table VII: Cost Depletion for 1996 Acquisitions**

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.007320	0.010008	0.010008

**SCHEDULE B-3 - Texas**  
**Supplemental Tax Table for Calculations of Royalty Income, Administration**  
**Expenses, Interest Income, and Cost Depletion**  
For the Year Ended December 31, 2013

Table VIII: Cost Depletion for 1997 Acquisitions

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.006675	0.009126	0.009126

Table IX: Cost Depletion for 1998 Acquisitions

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.006444	0.008810	0.008810

Table X: Cost Depletion for 1999 Acquisitions

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.007013	0.009588	0.009588

Table XI: Cost Depletion for 2000 Acquisitions

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.008672	0.011856	0.011856

Table XII: Cost Depletion for 2001 Acquisitions

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.006629	0.009063	0.009063

Table XIII: Cost Depletion for 2002 Acquisitions

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.010063	0.013758	0.013758

Table XIV: Cost Depletion for 2003 Acquisitions

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.007663	0.010476	0.010476

**SCHEDULE B-3 - Texas**  
**Supplemental Tax Table for Calculations of Royalty Income, Administration**  
**Expenses, Interest Income, and Cost Depletion**  
For the Year Ended December 31, 2013

Table XV: Cost Depletion for 2004 Acquisitions

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.009316	0.012736	0.012736

Table XVI: Cost Depletion for 2005 Acquisitions

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.012060	0.016488	0.016488

Table XVII: Cost Depletion for 2006 Acquisitions

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.015561	0.021274	0.021274

Table XVIII: Cost Depletion for 2007 Acquisitions

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.012676	0.017330	0.017330

Table XIX: Cost Depletion for 2008 Acquisitions

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.011003	0.015043	0.015043

Table XX: Cost Depletion for 2009 Acquisitions

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.010736	0.014678	0.014678

Table XXI: Cost Depletion for 2010 Acquisitions

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.008499	0.011619	0.011619

**SCHEDULE B-3 - Texas**  
**Supplemental Tax Table for Calculations of Royalty Income, Administration**  
**Expenses, Interest Income, and Cost Depletion**  
For the Year Ended December 31, 2013

**Table XXII: Cost Depletion for 2011 Acquisitions**

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.009807	0.013408	0.013408

**Table XXIII: Cost Depletion for 2012 Acquisitions**

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.009807	0.013408	0.013408

**Table XXIV: Cost Depletion for 2013 Acquisitions**

The earliest date on which Units were owned	The last period ending date on which Units were still owned			
<u>Quarterly Record/Ownership Date:</u>	<u>Feb. 28, 2013</u>	<u>May 31, 2013</u>	<u>Sept. 03, 2013</u>	<u>Dec. 02, 2013</u>
February 28, 2013	0.000000	0.009495	0.012981	0.012981
May 31, 2013		0.009495	0.012981	0.012981
September 3, 2013			0.003486	0.003486
December 2, 2013				0.000000

**SCHEDULE E  
(Form 1040)**

Department of the Treasury  
Internal Revenue Service (99)

Name(s) shown on return

**Supplemental Income and Loss**

(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/schedulee](http://www.irs.gov/schedulee).

OMB No. 1545-0074

**2013**

Attachment  
Sequence No. **13**

Your social security number

XXX-XX-XXXX

UNITHOLDER'S NAME

**Part I**

**Income or Loss From Rental Real Estate and Royalties** Note. 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)  Yes  No  
**B** If "Yes," did you or will you file required Forms 1099?  Yes  No

**1a** Physical address of each property (street, city, state, ZIP code)  
**A** TORCH ENERGY ROYALTY TRUST  
**B**  
**C**

1b	Type of Property (from list below)	2	Fair Rental Days	Personal Use Days	QJV
<b>A</b>	6	For each rental real estate property listed above, report the number of fair rental and personal use days. Check the <b>QJV</b> box only if you meet the requirements to file as a qualified joint venture. See instructions.	<b>A</b>		<input type="checkbox"/>
<b>B</b>			<b>B</b>		<input type="checkbox"/>
<b>C</b>			<b>C</b>		<input type="checkbox"/>

**Type of Property:**

- 1 Single Family Residence
- 2 Multi-Family Residence
- 3 Vacation/Short-Term Rental
- 4 Commercial
- 5 Land
- 6 Royalties
- 7 Self-Rental
- 8 Other (describe)

Income:	Properties:	A	B	C
<b>3</b> Rents received . . . . .	<b>3</b>			
<b>4</b> Royalties received . . . . .	<b>4</b>	9	68	
<b>Expenses:</b>				
<b>5</b> Advertising . . . . .	<b>5</b>			
<b>6</b> Auto and travel (see instructions) . . . . .	<b>6</b>			
<b>7</b> Cleaning and maintenance . . . . .	<b>7</b>			
<b>8</b> Commissions. . . . .	<b>8</b>			
<b>9</b> Insurance . . . . .	<b>9</b>			
<b>10</b> Legal and other professional fees . . . . .	<b>10</b>			
<b>11</b> Management fees . . . . .	<b>11</b>			
<b>12</b> Mortgage interest paid to banks, etc. (see instructions)	<b>12</b>			
<b>13</b> Other interest. . . . .	<b>13</b>			
<b>14</b> Repairs. . . . .	<b>14</b>			
<b>15</b> Supplies . . . . .	<b>15</b>			
<b>16</b> Taxes . . . . .	<b>16</b>			
<b>17</b> Utilities . . . . .	<b>17</b>			
<b>18</b> Depreciation expense or depletion . . . . .	<b>18</b>	12	98	
<b>19</b> Other (list) ▶ <b>ADMINISTRATION</b> . . . . .	<b>19</b>	110	19	
<b>20</b> Total expenses. Add lines 5 through 19 . . . . .	<b>20</b>	123	17	
<b>21</b> 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 . . . . .	<b>21</b>			
<b>22</b> Deductible rental real estate loss after limitation, if any, on Form 8582 (see instructions) . . . . .	<b>22</b>	( 113	49)	( ) ( )
<b>23a</b> Total of all amounts reported on line 3 for all rental properties . . . . .	<b>23a</b>			
<b>b</b> Total of all amounts reported on line 4 for all royalty properties . . . . .	<b>23b</b>			
<b>c</b> Total of all amounts reported on line 12 for all properties . . . . .	<b>23c</b>			
<b>d</b> Total of all amounts reported on line 18 for all properties . . . . .	<b>23d</b>			
<b>e</b> Total of all amounts reported on line 20 for all properties . . . . .	<b>23e</b>			
<b>24</b> <b>Income.</b> Add positive amounts shown on line 21. Do not include any losses . . . . .	<b>24</b>			
<b>25</b> <b>Losses.</b> Add royalty losses from line 21 and rental real estate losses from line 22. Enter total losses here . . . . .	<b>25</b>	( 113	49)	
<b>26</b> <b>Total rental real estate and royalty income or (loss).</b> 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 . . . . .	<b>26</b>	(113	49)	

For Paperwork Reduction Act Notice, see the separate instructions.

Cat. No. 11344L

Schedule E (Form 1040) 2013

**SCHEDULE B**  
(Form 1040A or 1040)

**Interest and Ordinary Dividends**

OMB No. 1545-0074

**2013**  
Attachment  
Sequence No. **08**

Department of the Treasury  
Internal Revenue Service (99)

▶ Attach to Form 1040A or 1040.

▶ Information about Schedule B (Form 1040A or 1040) and its instructions is at [www.irs.gov/scheduleb](http://www.irs.gov/scheduleb).

Name(s) shown on return

Your social security number

UNITHOLDER'S NAME

XXX-XX-XXXX

**Part I**  
**Interest**

**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 ▶  
**TORCH ENERGY ROYALTY TRUST**

(See instructions on back and the instructions for Form 1040A, or Form 1040, line 8a.)

**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.

**2** Add the amounts on line 1 . . . . .  
**3** Excludable interest on series EE and I U.S. savings bonds issued after 1989. Attach Form 8815 . . . . .  
**4** Subtract line 3 from line 2. Enter the result here and on Form 1040A, or Form 1040, line 8a . . . . . ▶

**Note.** If line 4 is over \$1,500, you must complete Part III.

**Part II**  
**Ordinary Dividends**

**5** List name of payer ▶

(See instructions on back and the instructions for Form 1040A, or Form 1040, line 9a.)

**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.

**6** Add the amounts on line 5. Enter the total here and on Form 1040A, or Form 1040, line 9a . . . . . ▶

**Note.** If line 6 is over \$1,500, you must complete Part III.

**Part III**  
**Foreign Accounts and Trusts**

(See instructions on back.)

**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 . . . . .  
**b** If you are required to file FinCEN Form 114, enter the name of the foreign country where the financial account is located ▶ . . . . .  
**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 . . . . .

Yes	No



**Sales of Business Property**  
 (Also Involuntary Conversions and Recapture Amounts  
 Under Sections 179 and 280F(b)(2))

Department of the Treasury  
 Internal Revenue Service

▶ Attach to your tax return.

▶ Information about Form 4797 and its separate instructions is at [www.irs.gov/form4797](http://www.irs.gov/form4797).

Attachment  
 Sequence No. **27**

Name(s) shown on return <b>UNIT HOLDER</b>	Identifying number <b>XXX-XX-XXXX</b>
1 Enter the gross proceeds from sales or exchanges reported to you for 2013 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions) . . . . .	1 <b>378.88</b>

**Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft—Most Property Held More Than 1 Year (see instructions)**

2	(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)
3	Gain, if any, from Form 4684, line 39 . . . . .						3
4	Section 1231 gain from installment sales from Form 6252, line 26 or 37 . . . . .						4
5	Section 1231 gain or (loss) from like-kind exchanges from Form 8824 . . . . .						5
6	Gain, if any, from line 32, from other than casualty or theft . . . . .						6
7	Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows: . . . . . <b>Partnerships (except electing large partnerships) and S corporations.</b> Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below. <b>Individuals, partners, S corporation shareholders, and all others.</b> If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.						7 <b>0.00</b>
8	Nonrecaptured net section 1231 losses from prior years (see instructions) . . . . .						8
9	Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return (see instructions) . . . . .						9

**Part II Ordinary Gains and Losses (see instructions)**

10 Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):							
11	Loss, if any, from line 7 . . . . .						11 (            )
12	Gain, if any, from line 7 or amount from line 8, if applicable . . . . .						12
13	Gain, if any, from line 31 . . . . .						13 <b>(639.78)</b>
14	Net gain or (loss) from Form 4684, lines 31 and 38a . . . . .						14
15	Ordinary gain from installment sales from Form 6252, line 25 or 36 . . . . .						15
16	Ordinary gain or (loss) from like-kind exchanges from Form 8824 . . . . .						16
17	Combine lines 10 through 16 . . . . .						17 <b>(639.78)</b>
18	For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below:						
	a If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 28, and the part of the loss from property used as an employee on Schedule A (Form 1040) line 23. Identify as from "Form 4797, line 18a." See instructions . . . . .						18a
	b Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 1040, line 14 . . . . .						18b

For Paperwork Reduction Act Notice, see separate instructions.

**Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255**  
(see instructions)

19 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property:		(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)		
A SALE OF NPIS					
B					
C					
D					
These columns relate to the properties on lines 19A through 19D. ▶		Property A	Property B	Property C	Property D
20	Gross sales price (Note: See line 1 before completing.)	20	378.88		
21	Cost or other basis plus expense of sale	21	1,028.40		
22	Depreciation (or depletion) allowed or allowable	22	9.74		
23	Adjusted basis. Subtract line 22 from line 21	23	1,018.66		
24	Total gain. Subtract line 23 from line 20	24	(639.78)		
25 If section 1245 property:					
a	Depreciation allowed or allowable from line 22	25a			
b	Enter the smaller of line 24 or 25a	25b			
26 If section 1250 property: If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291.					
a	Additional depreciation after 1975 (see instructions)	26a			
b	Applicable percentage multiplied by the smaller of line 24 or line 26a (see instructions)	26b			
c	Subtract line 26a from line 24. If residential rental property or line 24 is not more than line 26a, skip lines 26d and 26e	26c			
d	Additional depreciation after 1969 and before 1976	26d			
e	Enter the smaller of line 26c or 26d	26e			
f	Section 291 amount (corporations only)	26f			
g	Add lines 26b, 26e, and 26f	26g			
27 If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership).					
a	Soil, water, and land clearing expenses	27a			
b	Line 27a multiplied by applicable percentage (see instructions)	27b			
c	Enter the smaller of line 24 or 27b	27c			
28 If section 1254 property:					
a	Intangible drilling and development costs, expenditures for development of mines and other natural deposits, mining exploration costs, and depletion (see instructions)	28a	9.74		
b	Enter the smaller of line 24 or 28a	28b	(639.78)		
29 If section 1255 property:					
a	Applicable percentage of payments excluded from income under section 126 (see instructions)	29a			
b	Enter the smaller of line 24 or 29a (see instructions)	29b			

**Summary of Part III Gains.** Complete property columns A through D through line 29b before going to line 30.

30	Total gains for all properties. Add property columns A through D, line 24	30	(639.78)
31	Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13	31	(639.78)
32	Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6	32	0.00

**Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less**  
(see instructions)

	(a) Section 179	(b) Section 280F(b)(2)
33	Section 179 expense deduction or depreciation allowable in prior years	33
34	Recomputed depreciation (see instructions)	34
35	Recapture amount. Subtract line 34 from line 33. See the instructions for where to report	35

# **Torch Energy Royalty Trust**

**For more information, please contact:  
Wilmington Trust Company, as Trustee  
Rodney Square North  
1100 North Market Street  
Wilmington, Delaware 19890-0001  
Attn: Corporate Trust Administration**

**[www.torchroyalty.com](http://www.torchroyalty.com)**