DOMINION RESOURCES BLACK WARRIOR TRUST
Form 10-Q
May 10, 2012

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

x **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
For the quarterly period ended March 31, 2012

or

¨ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
For the transition period from to

Commission File Number: 001-11335

DOMINION RESOURCES BLACK WARRIOR TRUST

(Exact name of registrant as specified in its charter)

Delaware	**75-6461716**
(State or other jurisdiction of	**(I.R.S. Employer**

incorporation or organization) **Identification No.)**

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

901 Main Street

17th Floor

Dallas, Texas **75202**
(Address of principal executive offices) **(Zip code)**

(214) 209-2400

(Registrant s telephone number, including area code)

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ¨ No ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer, and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ¨ Accelerated filer x

Non-accelerated filer ¨ (Do not check if a smaller reporting company) Smaller reporting company ¨

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ¨ No x

Number of units of beneficial interest outstanding at May 1, 2012: 7,850,000.

PART I FINANCIAL INFORMATION

Item 1. Financial Statements.

The condensed financial statements included herein have been prepared by Bank of America, N.A., as Trustee (the Trustee) of Dominion Resources Black Warrior Trust (the Trust), pursuant to the rules and regulations of the Securities and Exchange Commission (the SEC). Certain information and footnote disclosures normally included in annual financial statements have been condensed or omitted pursuant to such rules and regulations, although the Trustee believes that the disclosures are adequate to make the information presented not misleading. The condensed financial statements of the Trust presented herein are unaudited except for the balances as of December 31, 2011, and, therefore, are subject to year-end adjustments. It is suggested that these condensed financial statements and notes thereto be read in conjunction with the financial statements and notes thereto in the Trust s Report on Form 10-K for the year ended December 31, 2011. The December 31, 2011 condensed statement of assets, liabilities, and trust corpus is derived from the audited statement of assets, liabilities, and trust corpus as of that date. In the opinion of the Trustee, all adjustments consisting of normal recurring adjustments necessary to present fairly the assets, liabilities and trust corpus of the Trust as of March 31, 2012, the distributable income for the three-month periods ended March 31, 2012 and 2011 and the changes in trust corpus for the three-month periods ended March 31, 2012 and 2011, have been included. The distributable income for such interim periods is not necessarily indicative of the distributable income for the full year.

The condensed financial statements as of March 31, 2012, and for the three-month periods ended March 31, 2012 and 2011 included herein have been reviewed by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report appearing herein.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Unit Holders of Dominion Resources Black Warrior Trust and

Bank of America, N.A., Trustee

Dallas, Texas

We have reviewed the accompanying condensed statement of assets, liabilities and trust corpus of Dominion Resources Black Warrior Trust (the Trust) as of March 31, 2012, and the related condensed statements of distributable income and changes in trust corpus for the three-month periods ended March 31, 2012 and 2011. These interim financial statements are the responsibility of the Trustee.

We conducted our reviews in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

As described in Note 2 to the condensed financial statements, these condensed financial statements have been prepared on a modified cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Based on our reviews, we are not aware of any material modifications that should be made to such condensed interim financial statements for them to be in conformity with the basis of accounting described in Note 2.

As described in Note 6, in March 2012, Walter Black Warrior Basin LLC notified the Trustee, that it is undertaking a study of the underlying properties on a well-by-well basis to determine the economic viability of continuing to produce each individual well. If Walter Black Warrior Basin LLC decides to suspend production or abandon any such wells, such decision could adversely affect the Trust s future revenue stream, and if a significant number of wells are abandoned, it could cause a termination of the Trust.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the statements of assets, liabilities, and trust corpus of Dominion Resources Black Warrior Trust as of December 31, 2011, and the related statements of distributable income and changes in trust corpus for the year then ended (not presented herein); and in our report issued March 15, 2012, we expressed an unqualified opinion on those financial statements. In our opinion, the information set forth in the accompanying condensed statement of assets, liabilities and trust corpus as of December 31, 2011 is fairly stated, in all material respects, in relation to the statement of assets, liabilities, and trust corpus from which it has been derived.

/s/ Deloitte & Touche LLP

Dallas, TX

May 10, 2012

DOMINION RESOURCES BLACK WARRIOR TRUST

CONDENSED STATEMENTS OF ASSETS,

LIABILITIES AND TRUST CORPUS (UNAUDITED)

	Note	March 31, 2012	December 31, 2011
ASSETS			
Cash and cash equivalents		$ 119,077	$ 56,947
Royalty interests in gas properties (less accumulated amortization of $142,477,883 and $141,810,795, respectively)		13,339,617	14,006,705
TOTAL ASSETS		$ 13,458,694	$ 14,063,652
LIABILITIES AND TRUST CORPUS			
Trust administration expenses payable		145,450	$ 135,970
Contingencies	6		
Trust corpus 7,850,000 units of beneficial interest authorized, issued and outstanding		13,313,244	13,927,682
TOTAL LIABILITIES AND TRUST CORPUS		$ 13,458,694	$ 14,063,652

The accompanying notes are an integral part of these condensed financial statements.

DOMINION RESOURCES BLACK WARRIOR TRUST

CONDENSED STATEMENTS OF DISTRIBUTABLE INCOME (UNAUDITED)

	Note	For the Three Months Ended March 31, 2012	For the Three Months Ended March 31, 2011
Royalty income		$ 1,735,362	$ 2,087,514
Interest income		58	212
		1,735,420	2,087,726
General and administrative expenses		(292,487)	(282,879)
Distributable income	1, 5	$ 1,442,933	$ 1,804,847
Distributable income per unit (7,850,000 units)		$ .18	$ .23

The accompanying notes are an integral part of these condensed financial statements.

DOMINION RESOURCES BLACK WARRIOR TRUST

CONDENSED STATEMENTS OF CHANGES IN TRUST CORPUS (UNAUDITED)

	Note	For the Three Months Ended March 31, 2012	For the Three Months Ended March 31, 2011
Trust corpus, beginning of period		$ 13,927,682	$ 16,653,530
Amortization of royalty interests		(667,088)	(664,730)
Distributable income		1,442,933	1,804,847
Distributions to unitholders	5	(1,390,283)	(1,794,950)
Trust corpus, end of period		$ 13,313,244	$ 15,998,697
Distributions per unit (7,850,000 units)	5	$ .18	$ .23

The accompanying notes are an integral part of these condensed financial statements.

DOMINION RESOURCES BLACK WARRIOR TRUST

NOTES TO CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

1. TRUST ORGANIZATION AND PROVISIONS

Dominion Resources Black Warrior Trust (the Trust) was formed as a Delaware business trust pursuant to the terms of the Trust Agreement of Dominion Resources Black Warrior Trust (as amended, the Trust Agreement) entered into effective as of May 31, 1994, by and among Walter Black Warrior Basin LLC, formerly known as HighMount Black Warrior Basin LLC, a Delaware limited liability company, as successor to Dominion Black Warrior Basin, Inc., an Alabama corporation (the Company), as grantor, Dominion Resources, Inc., a Virginia corporation (Dominion Resources), and Bank of America, N.A., a national banking association (the Trustee), and Mellon Bank (DE) National Association, a national banking association (the Delaware Trustee), as trustees. The trustees are independent financial institutions. In 2007 the Bank of America private wealth management group officially became known as U.S. Trust, Bank of America Private Wealth Management. The legal entity that serves as Trustee of the Trust did not change, and references in this Form 10-Q to U.S. Trust, Bank of America Private Wealth Management shall describe the legal entity Bank of America, N.A.

The Trust is a grantor trust formed to acquire and hold certain overriding royalty interests (the Royalty Interests) burdening proved natural gas properties located in the Pottsville coal formation of the Black Warrior Basin, Tuscaloosa County, Alabama (the Underlying Properties) owned by the Company. The Trust was initially created by the filing of its Certificate of Trust with the Delaware Secretary of State on May 31, 1994. In accordance with the Trust Agreement, the Company contributed $1,000 as the initial corpus of the Trust. On June 28, 1994, the Royalty Interests were conveyed to the Trust by the Company pursuant to the Overriding Royalty Conveyance (the Conveyance) dated effective as of June 1, 1994, from the Company to the Trust, in consideration for all the 7,850,000 authorized units of beneficial interest (Units) in the Trust. The Company transferred its Units to its parent, Dominion Energy, Inc., a Virginia corporation, which in turn transferred such Units to its parent, Dominion Resources, which sold 6,850,000 of such Units to the public through various underwriters (the Underwriters) in June 1994 and an additional 54,000 Units through the Underwriters in August 1994. The remaining 946,000 Units held by Dominion Resources were sold to the public through certain of the Underwriters in June 1995 pursuant to Post-Effective Amendment No. 1 to the Form S-3 Registration Statement relating to the Units.

Royalty income to the Trust is attributable to the sale of depleting assets. All of the Underlying Properties consist of producing properties. Accordingly, the proved reserves attributable to the Underlying Properties are expected to decline substantially during the term of the Trust and a portion of each cash distribution made by the Trust will, therefore, be analogous to a return of capital. Accordingly, cash yields attributable to the Units are expected to decline over the term of the Trust.

The Trustee has all powers to collect and distribute proceeds received by the Trust and to pay Trust liabilities and expenses. The Delaware Trustee has only such powers as are set forth in the Trust Agreement or are required by law and is not empowered to otherwise manage or take part in the management of the Trust. The Royalty Interests are passive in nature and neither the Delaware Trustee nor the Trustee has any control over, or any responsibility relating to, the operation of the Underlying Properties or the Company s interest therein.

The Trust is subject to termination under certain circumstances described in the Trust Agreement. Upon the termination of the Trust, all Trust assets will be sold and the net proceeds therefrom distributed to holders of units of beneficial interest in the Trust (Unitholders). The amount realized by the Trust upon termination will be allocated to Unitholders in the same manner as the Trustee allocates the income received by the Trust.

The only assets of the Trust, other than cash and temporary investments being held for the payment of expenses and liabilities and for distribution to Unitholders, are the Royalty Interests. The Royalty Interests consist of overriding royalty interests burdening the Company s interest in the Underlying Properties. The Royalty Interests generally entitle the Trust to receive 65 percent of the Company s Gross Proceeds (as defined below). The Royalty Interests are non-operating interests and bear only expenses related to property, production and related taxes (including severance taxes). Gross Proceeds consist generally of the aggregate amounts received by the Company attributable to the interests of the Company in the Underlying Properties from the sale of coal seam gas at the central delivery points in the gathering system for the Underlying Properties. The definitions, formulas and accounting procedures and other terms governing the computation of the Royalty Interests are set forth in the Conveyance.

Because of the passive nature of the Trust and the restrictions and limitations on the powers and activities of the Trustee contained in the Trust Agreement, the Trustee does not consider any of the officers and employees of the Trustee to be officers or executive officers of the Trust as such terms are defined under applicable rules and regulations adopted under the Securities Exchange Act of 1934, as amended.

On July 31, 2007, subsidiaries of HighMount Exploration & Production LLC (HighMount) purchased certain assets from subsidiaries of Dominion Resources, including all of the equity interests in the Company which owns the interests in the Underlying Properties that are burdened by the Trust s Royalty Interests. The Trust continued to have ownership in the Royalty Interests burdening the Underlying Properties and such sale did not affect that ownership. In connection with the sale, Dominion Resources assigned its rights and obligations under the Trust Agreement governing the Trust and the Administrative Services Agreement, dated as of June 28, 1994, between Dominion Resources and the Trust, to HighMount Exploration & Production Alabama LLC (HighMount Alabama), a Delaware limited liability company, which was a subsidiary of HighMount.

On May 28, 2010, Walter Natural Gas, LLC, a wholly owned subsidiary of Walter Energy, LLC, acquired the Alabama natural gas interests of HighMount, effective March 1, 2010. The acquisition included the Company s Alabama coal bed methane operations, including the 532 existing conventional gas wells in which the Trust has a net profits interest. The transaction was structured as an acquisition of the membership interests in HighMount Alabama,

following which, HighMount Alabama s name was changed to Walter Exploration & Production LLC. Walter Exploration & Production will continue to be party to the Administrative Services Agreement and Trust Agreement. Walter Exploration & Production will continue to own all the interests in the Company, and the Company, which has changed its name to Walter Black Warrior Basin LLC, will continue to own the Underlying Properties. The Trust continues to have ownership in the Royalty Interests burdening the Underlying Properties and such sale did not affect that ownership.

2. BASIS OF ACCOUNTING

The financial statements of the Trust are prepared on a modified cash basis and are not intended to present financial positions and results of operations in conformity with accounting principles generally accepted in the United States of America. Preparation of the Trust s financial statements on such basis includes the following:

Royalty income and interest income are recorded in the period in which amounts are received by the Trust rather than in the period of production and accrual, respectively.

General and administrative expenses recorded are based on liabilities paid and cash reserves established out of cash received.

Amortization of the Royalty Interests is calculated on a unit-of-production basis and charged directly to trust corpus when revenues are received.

Distributions to Unitholders are recorded when declared by the Trustee (see Note 5).

The financial statements of the Trust differ from financial statements prepared in accordance with accounting principles generally accepted in the United States of America because royalty income is not accrued in the period of production, general and administrative expenses recorded are based on liabilities paid and cash reserves established rather than on an accrual basis, and amortization of the Royalty Interests is not charged against operating results. This comprehensive basis of accounting other than accounting principles generally accepted in the United States of America corresponds to the accounting permitted for royalty trusts by the U.S. Securities and Exchange Commission (the SEC), as specified by Staff Accounting Bulletin Topic 12:E, Financial Statements of Royalty Trusts.

Impairment

The Trustee routinely reviews the Trust s royalty interests in gas properties for impairment whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable. If an impairment event occurs and it is determined that the carrying value of the Trust s royalty interests may not be recoverable, an impairment will be recognized as measured by the amount by which the carrying amount of the royalty interests exceeds the fair value of these assets, which would likely be measured by discounting projected cash flows. As of March 31, 2012, no impairment is required.

Use of Estimates

The preparation of financial statements in conformity with the basis of accounting described above requires the Trustee to make estimates and assumptions that affect the reported amounts of certain assets, liabilities, revenues and expenses as of and for the reporting period. Actual results may differ from such estimates.

Distributable Income Per Unit

Basic distributable income per unit is computed by dividing distributable income by the weighted average units outstanding. Distributable income per unit assuming dilution is computed by dividing distributable income by the weighted average number of units and equivalent units outstanding. The Trust had no equivalent units outstanding for any period presented, thus basic distributable income per unit and diluted distributable income per unit are the same.

Contingencies

Contingencies related to the Underlying Properties that are unfavorably resolved would generally be reflected by the Trust as reductions to future royalty income payments to the Trust with corresponding reductions to cash distributions to Unitholders. The Trustee is aware of no such items as of March 31, 2012.

New Accounting Pronouncements

There are no new accounting pronouncements that are expected to have a significant impact on the Trust s financial statements.

3. FEDERAL INCOME TAXES

For federal income tax purposes, the Trust constitutes a fixed investment trust that is taxed as a grantor trust. A grantor trust is not subject to tax at the trust level. The Unitholders are considered to own the Trust s income and principal as though no trust were in existence. The income of the Trust is deemed to have been received or accrued by each Unitholder at the time such income is received or accrued by the Trust and not when distributed by the Trust.

The Royalty Interests constitute economic interests in oil and gas properties for federal income tax purposes. Unitholders must report their share of the revenues from the Royalty Interests as ordinary income from oil and gas royalties and are entitled to claim depletion with respect to such income. During the first quarter of 2012, the Trust also incurred administration expenses and earned interest income on funds held for distribution and for the cash reserve maintained for the payment of contingent and future obligations of the Trust.

The classification of the Trust s income for purposes of the passive loss rules may be important to a Unitholder. Royalty income generally is treated as portfolio income and does not offset passive losses.

Some Trust Units are held by middlemen, as such term is broadly defined in U.S. Treasury Regulations (and includes custodians, nominees, certain joint owners, and brokers holding an interest for a customer in street name, collectively referred to herein as middlemen). Therefore, the Trustee considers the Trust to be a non-mortgage widely held fixed investment trust (WHFIT) for U.S. federal income tax purposes. U.S. Trust, Bank of America Private Wealth Management, EIN: 56-0906609, 901 Main Street, 17th Floor, Dallas, Texas 75202, telephone number (214) 209-2400, is the representative of the Trust that will provide tax information in accordance with applicable U.S. Treasury Regulations governing the information reporting requirements of the Trust as a WHFIT. Tax information is also posted by the Trustee at www.dom-dominionblackwarriortrust.com. Notwithstanding the foregoing, the middlemen holding Trust Units on behalf of Unitholders, and not the Trustee of the Trust, are solely responsible for complying with the information reporting requirements under the U.S. Treasury Regulations with respect to such Trust Units, including the issuance of IRS Forms 1099 and certain written tax statements. Unitholders whose Trust Units are held by middlemen should consult with such middlemen regarding the information that will be reported to them by the middlemen with respect to the Trust Units.

Unitholders should consult their tax advisors regarding Trust tax compliance matters.

4. STATE TAX CONSIDERATIONS

The Trust holds properties located in Alabama. Unitholders should consult the Trust s latest annual report on Form 10-K for a summary of Alabama state tax matters.

5. DISTRIBUTIONS TO UNITHOLDERS

The Trustee determines for each calendar quarter the amount of cash available for distribution to Unitholders. Such amount (the Quarterly Distribution Amount) is an amount equal to the excess, if any, of the cash received by the Trust attributable to production from the Royalty Interests during such quarter, provided that such cash is received by the Trust on or before the last business day prior to the 45th day following the end of such calendar quarter, plus the amount of interest expected by the Trustee to be earned on such cash proceeds during the period between the date of receipt by the Trust of such cash proceeds and the date of payment to the Unitholders of such Quarterly Distribution Amount, plus all other cash receipts of the Trust during such quarter (to the extent not distributed or held for future distribution as a Special Distribution Amount (as defined below) or included in the previous Quarterly Distribution Amount) (which might include sales proceeds not sufficient in amount to qualify for a special

distribution as described in the next paragraph and interest), over the liabilities of the Trust paid during such quarter and not taken into account in determining a prior Quarterly Distribution Amount, subject to adjustments for changes made by the Trustee during such quarter in any cash reserves established for the payment of contingent or future obligations of the Trust. An amount which is not included in the Quarterly Distribution Amount for a calendar quarter because such amount is received by the Trust after the last business day prior to the 45th day following the end of such calendar quarter will be included in the Quarterly Distribution Amount for the next calendar quarter. The Quarterly Distribution Amount for each quarter will be payable to Unitholders of record on the 60th day following the end of such calendar quarter unless such day is not a business day in which case the record date is the next business day thereafter. The Trustee will distribute the Quarterly Distribution Amount for each calendar quarter on or prior to 70 days after the end of such calendar quarter to each person who was a Unitholder of record on the record date for such calendar quarter.

The Royalty Interests may be sold under certain circumstances and will be sold following termination of the Trust. A special distribution will be made of undistributed net sales proceeds and other amounts received by the Trust aggregating in excess of $10 million (a Special Distribution Amount). The record date for a Special Distribution Amount will be the 15th day following the receipt by the Trust of amounts aggregating a Special Distribution Amount (unless such day is not a business day, in which case the record date will be the next business day thereafter) unless such day is within 10 days or less prior to the record date for a Quarterly Distribution Amount, in which case the record date will be the date that is established for the next Quarterly Distribution Amount. Distribution to Unitholders of a Special Distribution Amount will be made no later than 15 days after the Special Distribution Amount record date.

6. CONTINGENCIES

Contingencies related to the Underlying Properties that are unfavorably resolved would generally be reflected by the Trust as reductions to future royalty income payments to the Trust with corresponding reductions to cash distributions to Unitholders. The Trustee is aware of no such items as of March 31, 2012, other than as stated below.

The Trust is named as a defendant in an action, styled *Southwest Royalties, Inc. v. Dominion Black Warrior Basin, Inc., et al.*, filed in the Circuit Court of Fayette County Alabama on October 5, 2007 regarding the quieting of title in certain oil and gas rights related to property in Fayette and Tuscaloosa Counties in Alabama. The plaintiff alleges that defendants are knowingly producing gas in violation of the deeds in question. The plaintiff is also alleging conversion of gas, continuing trespass by defendants on plaintiff s property and suppression of material facts by defendants, and plaintiff is requesting an accounting, injunctive relief and compensatory and punitive damages, plus court costs and attorneys fees. The Trustee does not believe this litigation will have a material effect on the Trust s financial statements.

In March 2012, the Company notified the Trustee that it is undertaking a study of the Underlying Properties on a well-by-well basis to determine the economic viability of continuing to produce each individual well. If the Company decides to suspend production or abandon any such wells, such decision could adversely affect the Trust s future revenue stream, and if a significant number of wells are abandoned, it could cause a termination of the Trust. See Item 1

Business Description of the Trust Termination and Liquidation of the Trust and Item 1A Risk Factors in the Trust s Annual Report on Form 10-K for the year ended December 31, 2011 filed with the SEC on March 15, 2012, which is accessible on the SEC s website at www.sec.gov, for additional information.

* * * * *

Item 2. Trustee s Discussion and Analysis of Financial Condition and Results of Operations.

Liquidity and Capital Resources

The Trust makes quarterly cash distributions to Unitholders. The only assets of the Trust, other than cash and cash equivalents being held for the payment of expenses and liabilities and for distribution to Unitholders, are the Royalty Interests burdening the Underlying Properties. The Royalty Interests owned by the Trust burden the interest in the Underlying Properties that is owned by the Company, an indirect wholly-owned subsidiary of Walter Energy, LLC.

Distributable income of the Trust consists of the excess of royalty income plus interest income over the administrative expenses of the Trust. Upon receipt by the Trust, royalty income is invested in short-term investments in accordance with the Trust Agreement until its subsequent distribution to Unitholders.

The amount of distributable income of the Trust for any quarter may differ from the amount of cash available for distribution to Unitholders in such quarter due to differences in the treatment of the expenses of the Trust in the determination of those amounts. The financial statements of the Trust are prepared on a modified cash basis pursuant to which the expenses of the Trust are recognized when they are paid or reserves are established for them. Consequently, the reported distributable income of the Trust for any quarter is determined by deducting from the income received by the Trust the amount of expenses paid by the Trust during such quarter. The amount of cash available for distribution to Unitholders is determined as adjusted for changes in reserves for unpaid liabilities in accordance with the provisions of the Trust Agreement. (See Note 5 to the condensed financial statements of the Trust appearing elsewhere in this Form 10-Q for additional information regarding the determination of the amount of cash available for distribution to Unitholders.)

In March 2012, the Company notified the Trustee that it is undertaking a study of the Underlying Properties on a well-by-well basis to determine the economic viability of continuing to produce each individual well. If the Company decides to suspend production or abandon any such wells, such decision could adversely affect the Trust s future revenue stream, and if a significant number of wells are abandoned, it could cause a termination of the Trust. See Item 1 Business Description of the Trust Termination and Liquidation of the Trust and Item 1A Risk Factors in the Trust s Annual Report on Form 10-K for the year ended December 31, 2011 filed with the SEC on March 15, 2012, which is accessible on the SEC s website at www.sec.gov, for additional information.

Results of Operations

Three Month Period Ended March 31, 2012 Compared to the Three Month Period Ended March 31, 2011

The Trust s Royalty Interests consist of overriding royalty interests burdening the Company s interest in the Underlying Properties. The Royalty Interests generally entitle the Trust to receive 65 percent of the Company s Gross Proceeds (as defined below). The Royalty Interests are non-operating interests and bear only expenses related to property, production and related taxes (including severance taxes). Gross Proceeds consist generally of the aggregate amounts received by the Company attributable to the interests of the Company in the Underlying Properties from the sale of coal seam gas at the central delivery points in the gathering system for the Underlying Properties. The definitions, formulas and accounting procedures and other terms governing the computation of the Royalty Interests are set forth in the Overriding Royalty Conveyance from the Company to the Trust.

The Trust received royalty income amounting to $1,735,362 during the first quarter of 2012 compared to $2,087,514 during the first quarter of 2011. This revenue was derived from the receipt of cash on production of 526 Mmcf at an average price of $3.30 per mcf after deducting production taxes of $106,243 compared to 583 Mmcf at an average price received of $3.58 per mcf after deducting production taxes of $133,245 in the first quarter of 2011. For the three-month period ended March 31, 2012, the Trust was negatively impacted by the decrease in natural gas prices and production, as compared with the three-month period ended March 31, 2011. Natural gas prices are influenced by many factors such as seasonal temperatures, domestic demand and other factors that are beyond the control of the Trustee. The decrease in production volumes is attributed to declining production. Production taxes are based on revenues rather than production volumes. Accordingly, production taxes did not fluctuate proportionately to the decrease in volumes.

Interest income during the first quarter of 2012 amounted to $58 compared to $212 for the same period in 2011. This decrease is a result of less funds available in 2012 than in 2011.

General and administrative expenses during the first quarter of 2012 amounted to $292,487 compared to $282,879 in the first quarter of 2011. For this period, these expenses were primarily related to general and administrative services provided by Walter Exploration & Production, the Trustee and American Stock Transfer & Trust Company, the transfer agent, and the preparation of periodic reports for submission to the SEC and to Unitholders during the period. The increase in general and administrative expenses in the first quarter of 2012 as compared to the first quarter of 2011 is primarily due to timing of payment of expenses.

Distributable income for the first quarter of 2012 was $1,442,933, or $.18 per Unit, compared to distributable income for the first quarter of 2011 of $1,804,847, or $.23 per Unit. The Trust made a distribution on March 9, 2012 of $0.177106 per Unit compared to a distribution of $0.228656 per Unit made during the first quarter of 2011.

Critical Accounting Policies and Estimates

The Trust s financial statements reflect the selection and application of accounting policies that require the Trust to make significant estimates and assumptions. The following are some of the more critical judgment areas in the application of accounting policies that currently affect the Trust s financial condition and results of operations.

Basis of Accounting

The financial statements of the Trust are prepared on a modified cash basis and are not intended to present financial position and results of operations in conformity with accounting principles generally accepted in the United States of America. Preparation of the Trust s financial statements on such basis includes the following:

Royalty income and interest income are recorded in the period in which amounts are received by the Trust rather than in the period of production and accrual, respectively.

General and administrative expenses recorded are based on liabilities paid and cash reserves established out of cash received.

Amortization of the Royalty Interests is calculated on a unit-of-production basis and charged directly to trust corpus when revenues are received.

Distributions to Unitholders are recorded when declared by the Trustee (see Note 5 to the condensed financial statements).

The financial statements of the Trust differ from financial statements prepared in accordance with accounting principles generally accepted in the United States of America because royalty income is not accrued in the period of production, general and administrative expenses recorded are based on liabilities paid and cash reserves established rather than on an accrual basis, and amortization of the Royalty Interests is not charged against operating results. This comprehensive basis of accounting other than accounting principles generally accepted in the United States of America corresponds to the accounting permitted for royalty trusts by the SEC, as specified by Staff Accounting Bulletin Topic 12:E, Financial Statements of Royalty Trusts.

Impairment

The Trustee routinely reviews the Trust s royalty interests in gas properties for impairment whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable. If an impairment event occurs and it is determined that the carrying value of the Trust s royalty interests may not be recoverable, an impairment will be recognized as measured by the amount by which the carrying amount of the royalty interests exceeds the fair value of these assets, which would likely be measured by discounting projected cash flows. As of March 31, 2012, no impairment is required.

Revenue Recognition

Revenues from Royalty Interests are recognized in the period in which amounts are received by the Trust. Royalty income received by the Trust in a given calendar year will generally reflect the proceeds, on an entitlements basis, from natural gas produced and sold for the twelve-month period ended September 30th in that calendar year. Royalty income received by the Trust in the first quarter of 2012 generally reflects the proceeds, on an entitlements basis, from natural gas produced and sold in the fourth quarter of 2011.

Reserve Disclosure

Independent petroleum engineers estimate the net proved reserves attributable to the Royalty Interests. In accordance with FASB guidance, estimates of future net revenues from proved reserves have been prepared using the average market gas prices over the prior 12-month period or applicable contract price as of December 31, as appropriate, and related costs. Numerous uncertainties are inherent in estimating volumes and the value of proved reserves and in projecting future production rates and the timing of development of non-producing reserves. Such reserve estimates are subject to change as additional information becomes available. The reserves actually recovered and the timing of production may be substantially different from the reserve estimates.

Contingencies

Contingencies related to the Underlying Properties that are unfavorably resolved would generally be reflected by the Trust as reductions to future royalty income payments to the Trust with corresponding reductions to cash distributions to Unitholders. The Trustee is aware of no such items as of March 31, 2012, other than as stated below.

The Trust is named as a defendant in an action, styled *Southwest Royalties, Inc. v. Dominion Black Warrior Basin, Inc., et al*., filed in the Circuit Court of Fayette County Alabama on October 5, 2007 regarding the quieting of title in certain oil and gas rights related to property in Fayette and Tuscaloosa Counties in Alabama. The plaintiff alleges that defendants are knowingly producing gas in violation of the deeds in question. The plaintiff is also alleging conversion of gas, continuing trespass by defendants on plaintiff s property, and suppression of material facts by defendants, and plaintiff is requesting an accounting, injunctive relief and compensatory and punitive damages, plus court costs and attorneys fees. The Trustee does not believe this litigation will have a material effect on the Trust s financial statements.

Use of Estimates

The preparation of financial statements in conformity with the basis of accounting described above requires management to make estimates and assumptions that affect the reported amounts of certain assets, liabilities, revenues and expenses as of and for the reporting period. Actual results may differ from such estimates.

Distributable Income Per Unit

Basic distributable income per unit is computed by dividing distributable income by the weighted average units outstanding. Distributable income per unit assuming dilution is computed by dividing distributable income by the weighted average number of units and equivalent units outstanding. The Trust had no equivalent units outstanding for any period presented, thus basic distributable income per unit and diluted distributable income per unit are the same.

Contingencies

Contingencies related to the Underlying Properties that are unfavorably resolved would generally be reflected by the Trust as reductions to future royalty income payments to the Trust with corresponding reductions to cash distributions to Unitholders. The Trustee is aware of no such items as of March 31, 2012.

New Accounting Pronouncements

There are no new accounting pronouncements that are expected to have a significant impact on the Trust s financial statements.

Forward-Looking Statements

This report on Form 10-Q includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). All statements other than statements of historical fact included in this Form 10-Q, including, without limitation, statements contained in this Trustee s Discussion and Analysis of Financial Condition and Results of Operations regarding the Trust s financial position and industry conditions, are forward-looking statements. Although the Trustee believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

The Trust invests in no derivative financial instruments and has no foreign operations or long-term debt instruments. Other than the Trust s ability to periodically borrow money as necessary to pay expenses, liabilities and obligations of the Trust that cannot be paid out of cash held by the Trust, the Trust is prohibited from engaging in borrowing transactions. The amount of any such borrowings is unlikely to be material to the Trust.

The Trust periodically holds short-term investments acquired with funds held by the Trust pending distribution to Unitholders and funds held in reserve for the payment of Trust expenses and liabilities. Because of the short-term nature of these borrowings and investments and certain limitations upon the types of such investments which may be held by the Trust, the Trustee believes that the Trust is not subject to any material interest rate risk. Funds held by the Trust pending distribution to Unitholders and in reserve for the payment of Trust expenses and liabilities are invested in Bank of America, N.A. money market accounts, which are backed by the good faith and credit of Bank of America, N.A., but are not insured by the Federal Deposit Insurance Corporation. Each Unitholder should independently assess the creditworthiness of Bank of America, N.A. For more information about the credit rating of Bank of America, N.A., please refer to its periodic filings with the SEC. Additionally, the Trust s future royalty income may be subject to risks relating to the creditworthiness of the operators of the Underlying Properties and other purchasers of crude oil and natural gas produced from the Underlying Properties, as well as risks associated with fluctuations in the price of crude oil and natural gas. See Item 1A Risk Factors Cash held by the Trustee is not insured by the Federal Deposit Insurance Corporation, and future royalty income may be subject to risks relating to the creditworthiness of third parties in the Trust s Annual Report on Form 10-K for the year ended December 31, 2011 filed with the SEC on March 15, 2012, which is accessible on the SEC s website at www.sec.gov. The Trust does not engage in transactions in foreign currencies which could expose the Trust or Unitholders to any foreign currency related market risk. Information contained in Bank of America, N.A. s periodic filings with the SEC is not incorporated by reference into this quarterly report on Form 10-Q and should not be considered part of this report or any other filing that the Trust makes with the SEC.

Item 4. Controls and Procedures.

As of the end of the period covered by this report, the Trustee carried out an evaluation of the effectiveness of the design and operation of the Trust s disclosure controls and procedures pursuant to Exchange Act Rules 13a-15 and 15d-15. Based upon that evaluation, the Trustee concluded that the Trust s disclosure controls and procedures are effective in timely recording, processing, summarizing and reporting, on a timely basis, information required to be disclosed by the Trust in the reports that it files or submits under the Exchange Act and are effective in ensuring that information required to be disclosed by the Trust in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Trustee to allow timely decisions regarding required disclosure. In its evaluation of disclosure controls and procedures, the Trustee has relied, to the extent considered reasonable, on information provided by the Company. There has not been any change in the Trust s internal control over financial reporting during the period covered by this report that has materially affected, or is reasonably likely to materially affect, the Trust s internal control over financial reporting.

PART II OTHER INFORMATION

Item 1. Legal Proceedings.

For a discussion of legal proceedings, see the information under the heading Item 3. Legal Proceedings in the Trust s Annual Report on Form 10-K for the year ended December 31, 2011 filed with the SEC on March 15, 2012, which is accessible on the SEC s website at www.sec.gov. There have been no material developments in the legal proceedings disclosed in the Trust s Annual Report on Form 10-K for the year ended December 31, 2011.

Items 1A through 5. Not applicable.

Item 6. Exhibits.

3.1 Trust Agreement of Dominion Resources Black Warrior Trust dated as of May 31, 1994, by and among Dominion Black Warrior Basin, Inc., Dominion Resources, Inc., Mellon Bank (DE) National Association and NationsBank, N.A. (as successor to NationsBank of Texas, N.A.) (filed as Exhibit 3.1 to Dominion Resources, Inc. s Registration Statement on Form S-3 (No. 33-53513), and incorporated herein by reference).

3.2 First Amendment of Trust Agreement of Dominion Resources Black Warrior Trust dated as of June 27, 1994, by and among Dominion Black Warrior Basin, Inc., Dominion Resources, Inc., Mellon Bank (DE) National Association and NationsBank, N.A. (as successor to NationsBank of Texas, N.A.) (filed as Exhibit 3.2 to the Registrant s Form 10-Q for the quarter ended June 30, 1994 and incorporated herein by reference).

31.1 Certification required by Rule 13a-14(a) or Rule 15d-14(a).

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

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DOMINION RESOURCES BLACK WARRIOR TRUST

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

By: /s/ RON E. HOOPER
Ron E. Hooper
Senior Vice President and Administrator

Date: May 10, 2012

(The Trust has no directors or executive officers.)

Index to Exhibits

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

* On its own behalf and as sponsor of the Dominion Resources Black Warrior Trust