

*Dominion Resources Black Warrior Trust*  
U.S. Trust, Bank of America  
Private Wealth Management  
901 Main Street, 17th Floor  
Dallas, Texas 75202  
1-800-365-6548  
[www.dom-dominionblackwarriortrust.com](http://www.dom-dominionblackwarriortrust.com)

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**QUARTER REPORT**  
**2009**

## THE TRUST

**D**ominion 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 (the “Trust Agreement”) entered into effective as of May 31, 1994, among Dominion Black Warrior Basin, Inc. (“DBWB”), as trustor, Dominion Resources, Inc. (“Dominion Resources”), and NationsBank, N.A. (now Bank of America, N.A.) (the “Trustee”) and Mellon bank (DE) National Association (the “Delaware Trustee”), as trustees.

The Trust is a grantor trust designed to provide holders (“Unitholders”) of units of beneficial interest in the Trust (“Units”) with quarterly cash distributions and Internal Revenue Code (“IRC”) Section 29 tax credits from the production and sale of coal seam gas attributable to the Trust’s royalty interests. 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 certain overriding royalty interests (the “Royalty Interests”) burdening proved coal seam gas properties located in the Pottsville coal formation in the Black Warrior Basin of Alabama (the “Underlying Properties”) owned by DBWB.

The Units are listed and traded on the New York Stock Exchange under the symbol “DOM”.

## DISTRIBUTION INFORMATION

**T**he Trustee has declared the following distributions for 2009:

<u>Quarterly Record Date</u>	<u>Payment Date</u>	<u>Distribution per Unit</u>
3/2/09	3/11/09	\$ .578705
6/1/09	6/9/09	\$ .359399

The record date for quarterly cash distributions of the Trust is the 60th day after the end of the quarter (or the next business day if such day is not a business day). The distribution is payable within 70 days after the end of the calendar quarter. Accordingly, the remaining scheduled record dates and approximate related distribution dates for 2009 is as follows:

<u>Quarterly Record Date</u>	<u>Payment Date</u>
8/31/09	9/8/09
11/30/09	12/9/09

## To UNITHOLDERS:

The Trust was formed to acquire and hold the Royalty Interests conveyed to the Trust by DBWB. The function of the Trustee is to collect proceeds from the sale of gas production attributable to the Royalty Interests, pay certain expenses and make quarterly cash distributions to Unitholders.

Revenues are recognized by the Trust in the period in which amounts are actually received by the Trust. The Trust generally will receive its share of the gross proceeds for production in any particular calendar quarter on or before the last business day before the 45th day following the end of the quarter.

Distributable income of the Trust generally consists of the excess of royalty income plus interest income over the general and 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.

### **Periods Ended March 31, 2009**

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) during the preceding calendar quarter. 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 \$4,772,827 during the first quarter of 2009 compared to \$5,436,135 during the first quarter of 2008. This revenue was derived from the receipt of cash on production of 718 Mmcf at an average price received of \$6.64 per mcf after deducting production taxes of \$305,315 compared to 824 Mmcf with an average price of \$6.60 per mcf after deducting production taxes of \$349,558 in the first quarter of 2008. For the three-month period ended March 31, 2009, the Trust was negatively impacted by the decrease in natural gas prices and production, as compared with the three-month period ended March 31, 2008. 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 normal depletion of existing available reserves. 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 2009 amounted to \$3,253 compared to \$10,128 for the same period in 2008. This decrease is a result of lower interest rates and less funds available for investment in 2009 than in 2008.

Administrative expenses during the first quarter of 2009 amounted to \$413,951 compared to \$264,730 in the first quarter of 2008. For this period, these expenses were primarily related to administrative services provided by HighMount Alabama, the Trustee and the Transfer Agent, and the preparation of quarterly reports for submission to the SEC and to Unitholders during the period. The increase in administrative expenses in the first quarter of 2009 as compared to the first quarter of 2008 is primarily due to timing of payments of expenses.

Distributable income for the first quarter of 2009 was \$4,362,129, or \$0.56 per Unit,

compared to distributable income for the first quarter of 2008 of \$5,181,533, or \$0.66 per Unit. The Trust made a distribution on March 11, 2009 of \$0.578705 per Unit compared to a distribution of \$0.651500 per Unit made during the first quarter of 2008.

**DOMINION RESOURCES  
BLACK WARRIOR TRUST**

**By: Bank of America, N.A., Trustee**



**By: Ron E. Hooper  
Senior Vice President**

May 29, 2009

## CONDENSED STATEMENTS OF ASSETS, LIABILITIES AND TRUST CORPUS <sup>(1)</sup>

	<u>March 31, 2009</u> (Unaudited)	<u>December 31,</u> 2008
<b>Asset</b>		
Cash and cash equivalents .....	\$ 21,970	\$ 139,764
Royalty Interests in gas properties (less accumulated amortization of \$133,733,302 and \$132,901,802, respectively) .....	<u>22,084,198</u>	<u>22,915,698</u>
<b>TOTAL ASSETS</b> .....	<u>\$ 22,106,168</u>	<u>\$ 23,055,462</u>
<b>Liabilities and Trust Corpus</b>		
Trust expenses payable .....	\$ 177,307	\$ 114,398
Trust corpus (7,850,000 units beneficial interest authorized, issued and outstanding) .....	<u>21,928,861</u>	<u>22,941,064</u>
<b>TOTAL LIABILITIES AND TRUST CORPUS</b> .....	<u>\$ 22,106,168</u>	<u>\$ 23,055,462</u>

## CONDENSED STATEMENTS OF DISTRIBUTABLE INCOME (UNAUDITED) <sup>(1)</sup>

	<u>For the Three Months Ended</u> <u>March 31, 2009</u>	<u>March 31, 2008</u>
Royalty income .....	\$ 4,772,827	\$ 5,436,135
Interest income .....	<u>3,253</u>	<u>10,128</u>
	4,776,080	5,446,263
General and administrative expenses .....	<u>(413,951)</u>	<u>(264,730)</u>
Distributable income .....	<u>\$ 4,362,129</u>	<u>\$ 5,181,533</u>
Distributable income per unit (7,850,000 units) .....	<u>\$ .56</u>	<u>\$ .66</u>

## CONDENSED STATEMENTS OF CHANGES IN TRUST CORPUS (UNAUDITED) <sup>(1)</sup>

	<u>For the Three Months Ended</u> <u>March 31, 2009</u>	<u>March 31, 2008</u>
Trust corpus, beginning of period .....	\$ 22,941,064	\$ 26,353,024
Amortization of royalty interests .....	(831,500)	(965,920)
Distributable income .....	4,362,129	5,181,533
Distributions to unitholders .....	<u>(4,542,832)</u>	<u>(5,114,276)</u>
Trust corpus, end of period .....	<u>\$ 21,928,861</u>	<u>\$ 25,454,361</u>
Distributions per unit (7,850,000 units) .....	<u>\$ .56</u>	<u>\$ .65</u>

(1) 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 generally accepted accounting principles ("GAAP"). 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 month 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.

The financial statements of the Trust differ from the financial statements prepared in accordance with GAAP because royalty income is not accrued in the period of production, interest income is not accrued in the period it is earned, 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.

Dominion Resources sold an aggregate of 6,904,000 Units in the Public Offering at a price of \$20.00 per Unit during 1994 and sold the remaining 946,000 Units to the public through the Underwriters pursuant to the Post-Effective Amendment during June 1995 at a price of \$18.75 per Unit. Accordingly, the Trust's royalty interests in gas properties and trust corpus at June 30, 1995 reflects the sale of 6,904,000 Units at the price of \$20.00 per Unit and of 946,000 Units at the price of \$18.75 per Unit.

## SUPPLEMENTAL INFORMATION REGARDING DISTRIBUTIONS

The following Summary of Distributable Cash and Tax Information tables relate to the quarterly cash distribution to Unitholders payable on June 9, 2009 to Unitholders of record on June 1, 2009. The information in these tables concerns only that distribution, and

differs from the information contained in the financial statements for the Trust appearing elsewhere in this report. The distribution includes the proceeds from the sale of production attributable to the Royalty Interests for the period from January 1, 2009 through March 31, 2009.

### SUMMARY OF DISTRIBUTABLE CASH

	June 9, 2009 <u>Distribution</u>
Proceeds to DBWB for Sale of Production from the Underlying Properties .....	\$ 6,445,393
Less: Production Taxes .....	(385,952)
Net Proceeds to DBWB .....	<u>6,059,641</u>
Cash Payable to Trust .....	\$ 3,170,769
Less: Trust Liabilities Paid .....	(351,042)
Adjustment of Cash Reserve .....	-0-
Interest Received .....	1,558
Distributable Cash .....	<u>\$ 2,821,285</u>
Distributable Cash per Unit .....	<u>\$ .359399</u>

### ESTIMATED QUARTERLY TAX INFORMATION

The following information is intended to provide per Unit data which may be used in determining each Unitholder's share of return of capital, income, expenses and tax credits of the Trust for this distribution and should not be construed as professional tax or legal advice. This information relates to the distribution to Unitholders of record on the

March 2 and June 1, 2009 record dates and may be used by Unitholders for calculation of any future 2009 estimated tax payments. Final quarterly tax information for the year 2009 will be provided to Unitholders by the Trustee no later than March 15, 2010. Unitholders are encouraged to consult their own tax advisors.

	Quarterly Distribution (\$/Unit)	
	<u>March 11, 2009</u>	<u>June 9, 2009</u>
Gross Income .....	\$ .646897	\$ .429642
Production Taxes .....	(.038894)	(.025722)
Net Royalty Income .....	.608003	.403920
General and Administrative Expenses .....	(.023315)	(.044719)
Interest Income .....	.001024	.000198
Adjustment of Cash Reserve .....	(.007007)	-
Net Cash Distribution .....	<u>\$ .578705</u>	<u>\$ .359399</u>
Estimated Cost Depletion Factor .....	<u>3.63 %</u>	<u>3.41%</u>

## SUPPLEMENTAL INFORMATION REGARDING THE ROYALTY INTERESTS

The Royalty Interests owned by the Trust burden DBWB's interest in the Underlying Properties. The Royalty Interests are passive in nature and neither the Trustee nor the Delaware Trustee has any control over or responsibility

relating to the operation of the Underlying Properties or DBWB's interest therein. The following information relating to the Royalty Interests has been prepared and furnished by DBWB to the Trustee for inclusion herein.

## SUMMARY OF PRODUCTION AND PRICES

	For Three Months Ended March 31, 2009
Production (Bcf).....	1.285
Production (Trillion Btu).....	1.292
Average Price Received (\$/MMBtu).....	\$4.99

**FOR INFORMATION CONTACT:**

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