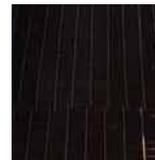


Dominion Resources Black Warrior Trust



3rd
Quarter Report
2014



The Trust

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 (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

The Trustee has declared the following distributions for 2014:

Quarterly Record Date	Payment Date	Distribution per Unit
3/3/14	3/11/14	\$.171950
5/30/14	6/9/14	\$.191957
8/29/14	9/8/14	\$.194010
12/1/14	12/9/14	\$.180647

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.



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 September 30, 2014

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 \$1,848,299 during the third quarter of 2014 compared to \$1,831,267 during the third quarter of 2013. This revenue was derived from the receipt of cash on production of 428 MMcf at an average price of \$4.32 per Mcf after deducting production taxes of \$119,336 compared to 476 MMcf at an average price received of \$3.85 per Mcf after deducting production taxes of \$117,274 in the third quarter of 2013. The Trust received royalty income amounting to \$5,395,991 during the nine months ended September 30, 2014 compared to \$4,818,825 during the nine months ended September 30, 2013. This revenue was derived from the receipt of cash on production of 1,330 MMcf at an average price received of \$4.05 per Mcf after deducting production taxes of \$344,623 compared to 1,422 MMcf at an average price received of \$3.38 per Mcf after deducting production taxes of \$300,563 in the nine months ended September 30, 2013. For the three-month and nine-month periods ended September 30, 2014, the Trust was positively impacted by higher gas prices, but were offset by the decrease in natural gas production, as compared with the three and nine-month periods ended September 30, 2013. 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 third quarter of 2014 amounted to \$26 compared to \$67 for the same period in 2013. Interest income during the nine months ended September 30, 2014 amounted to \$176 compared to \$237 for the nine months ended September 30, 2013. This decrease is a result of lower interest rates in 2014 than in 2013.



To Unitholders: *continued*

General and administrative expenses during the third quarter of 2014 amounted to \$273,993 compared to \$212,802 in the third quarter of 2013. General and administrative expenses during the nine months ended September 30, 2014 amounted to \$956,037 compared to \$828,958 for the nine months ended September 30, 2013. 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 third quarter of 2014 as compared to the third quarter of 2013 is primarily due to timing of payment of expenses. The increase in general and administrative expenses in the nine months ended September 30, 2014 as compared to the nine months ended September 30, 2013 is primarily due to increased professional expenses. Distributable income for the second quarter of 2014 was \$1,630,540, or \$.21 per Unit, compared to distributable income for the second quarter of 2013 of \$1,075,164, or \$.14 per Unit. Distributable income for the six months ended June 30, 2014 was \$2,865,798, or \$.37 per Unit, compared to \$2,371,572, or \$.30 per Unit for the six months ended June 30, 2013. The Trust made a distribution on June 9, 2014 of \$0.191957 per Unit compared to a distribution of \$0.146878 per Unit made during the second quarter of 2013.

Distributable income for the third quarter of 2014 was \$1,574,332, or \$.20 per Unit, compared to distributable income for the third quarter of 2013 of \$1,618,532, or \$.21 per Unit. Distributable income for the nine months ended September 30, 2014 was \$4,440,130, or \$.57 per Unit, compared to \$3,990,104, or \$.51 per Unit for the nine months ended September 30, 2013. The Trust made a distribution on

September 8, 2014 of \$0.194010 per Unit compared to a distribution of \$0.201383 per Unit made during the third quarter of 2013.

Trustee Resignation

On January 9, 2014, U.S. Trust, Bank of America Private Wealth Management gave notice to Unitholders that it will be resigning as trustee subject to the conditions set forth below. Bank of America, N.A. has nominated Southwest Bank, an independent state bank chartered under the laws of the State of Texas and headquartered in Fort Worth, Texas ("Southwest Bank"), as successor trustee at a meeting of Unitholders of the trust called for Friday, May 23, 2014, for the purpose of approving a successor trustee of the Trust. The meeting was adjourned until June 20, 2014 in order to achieve a quorum of the Unitholders, but still did not achieve a needed quorum. U.S. Trust, Bank of America, Private Wealth Management's resignation was then submitted to the Chancery Court in Delaware seeking relief and approval of appointment of Southwest Bank as trustee. That action was approved. The effective date of U.S. Trust, Bank of America Private Wealth Management's resignation was June 30, 2014, given that such relief described above has been granted.

DOMINION RESOURCES

BLACK WARRIOR TRUST

By: Southwest Bank, Trustee

By: Ron E. Hooper
Senior Vice President,
Royalty Trust Management

November 29, 2014

Condensed Statements of Assets, Liabilities and Trust Corpus (Unaudited) ⁽¹⁾

	September 30, 2014	December 31, 2013
Assets		
Cash and cash equivalents.....	\$ 181,984	\$ 106,772
Royalty Interests in gas properties (less accumulated amortization of \$148,325,404 and \$146,865,502, respectively).....	<u>7,492,096</u>	<u>8,951,998</u>
TOTAL ASSETS	<u>\$ 7,674,080</u>	<u>\$ 9,058,770</u>
Liabilities and Trust Corpus		
Trust expenses payable	\$ 153,355	\$ 138,624
Trust corpus (7,850,000 units beneficial interest authorized, issued and outstanding)	<u>7,520,725</u>	<u>8,920,146</u>
TOTAL LIABILITIES AND TRUST CORPUS	<u>\$ 7,674,080</u>	<u>\$ 9,058,770</u>

Condensed Statements of Distributable Income (Unaudited)⁽¹⁾

	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
Royalty income	\$ 1,848,299	\$ 1,831,267	\$ 5,395,991	\$ 4,818,825
Interest income	26	67	176	237
	<u>1,848,325</u>	<u>1,831,334</u>	<u>5,396,167</u>	<u>4,819,062</u>
General and administrative expenses	<u>(273,993)</u>	<u>(212,802)</u>	<u>(956,037)</u>	<u>(828,958)</u>
Distributable income.....	<u>\$ 1,574,332</u>	<u>\$ 1,618,532</u>	<u>\$ 4,440,130</u>	<u>\$ 3,990,104</u>
Distributable income per unit (7,850,000 units).....	<u>\$.20</u>	<u>\$.21</u>	<u>\$.57</u>	<u>\$.51</u>

Condensed Statements of Changes in Trust Corpus (Unaudited)⁽¹⁾

	For the Nine Months Ended	
	September 30, 2014	September 30, 2013
Trust corpus, beginning of period.....	\$ 8,920,146	\$ 11,003,644
Amortization of royalty interests.....	<u>(1,459,902)</u>	<u>(2,055,010)</u>
Distributable income.....	<u>4,440,130</u>	<u>3,990,104</u>
Distributions to Unitholders.....	<u>(4,379,649)</u>	<u>(3,994,300)</u>
Trust corpus, end of period.....	<u>\$ 7,520,725</u>	<u>\$ 8,944,438</u>
Distributions per unit (7,850,000 units).....	<u>\$.56</u>	<u>\$.51</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 December 9, 2014 to Unitholders of record on December 1, 2014. 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 July 1, 2014 through September 30, 2014.

Summary of Distributable Cash

	December 9, 2014 Distribution
Proceeds to DBWB for Sale of Production from the Underlying Properties	\$ 3,372,868
Less: Production Taxes	(200,838)
Net Proceeds to DBWB.....	3,172,029
Cash Payable to Trust.....	\$ 1,663,168
Less: Trust Liabilities Paid	(245,101)
Adjustment of Cash Reserve	—
Interest Received.....	15
Distributable Cash.....	<u>\$ 1,418,081</u>
Distributable Cash per Unit.....	<u>\$.180647</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 3, May 30, August 29 and December 1, 2014 record dates and may be used by Unitholders for calculation of any future 2014 estimated tax payments. Final quarterly tax information for the year 2014 will be provided to Unitholders by the Trustee no later than March 15, 2015. Unitholders are encouraged to consult their own tax advisors.

	Quarterly Distribution (\$/Unit)			
	March 11, 2014	June 9, 2014	September 8, 2014	December 9, 2014
Gross Income.....	\$.215473	\$.265491	\$.250654	\$.225307
Production Taxes	(.012585)	(.016114)	(.015202)	(.013439)
Net Royalty Income.....	.202558	.249377	.235452	.211869
General and Administrative Expenses	(.028068)	(.037048)	(.051641)	(.031223)
Interest Income000008	.000010	.000008	.000002
Adjustment of Cash Reserve	(.002548)	.020382	.010191	—
Net Cash Distribution.....	<u>\$.171950</u>	<u>\$.191957</u>	<u>\$.194010</u>	<u>\$.180647</u>
Estimated Cost Depletion Factor	<u>5.87%</u>	<u>5.32%</u>	<u>5.31%</u>	<u>5.47%</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 September 30, 2014
Production (Mcf).....	833,568
Production (MMBtu)	841,203
Average Price Received (\$/MMBtu).....	\$4.05



For information contact:

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