Ruesterholz Virginia P
Form 4
July 25, 2011

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL	
OMB Number:	3235-0287
Expires:	January 31, 2005
Estimated average burden hours per response...	0.5

(Print or Type Responses)

1. Name and Address of Reporting Person *
Ruesterholz Virginia P

(Last) (First) (Middle)

VERIZON COMMUNICATIONS INC., 140 WEST STREET, 29TH FLOOR

(Street)

NEW YORK, NY 10007

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
VERIZON COMMUNICATIONS INC [VZ]

3. Date of Earliest Transaction (Month/Day/Year)
07/22/2011

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
EVP & Pres. - Verizon Services

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Pri Deriv Secur (Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Phantom Stock (unitized)	(1)	07/22/2011		A		99.71		(1)	(1)	Common Stock	29	$ 1

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Ruesterholz Virginia P VERIZON COMMUNICATIONS INC. 140 WEST STREET, 29TH FLOOR NEW YORK, NY 10007			EVP & Pres. - Verizon Services	

Signatures

William L. Horton, Jr., Attorney-in-fact for Ruesterholz, Virginia P.	07/25/2011
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Each share of phantom stock is the economic equivalent of a portion of one share of common stock and is settled in cash. The shares of phantom stock become payable upon events established by the reporting person in accordance with the deferred compensation plan.

(2) Includes phantom stock acquired through dividend reinvestment.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. > 87,036

Natural gas – mmbtu's
94,745 195,752
Average Purchase Price

Crude Oil – per barrel
$102.36 $106.82
Natural Gas – per mmbtu
$3.35 $2.50

(1) Reflects the volume purchased from third parties at the oil and natural gas field level and pipeline pooling points.

Crude oil revenues increased during the first quarter 2013 with higher volumes partially offset by lower prices as shown in the table above. Volume increases resulted from new well production developed by the Company’s customer base primarily in the Eagle Ford shale trend of South Texas coupled with the Company establishing a new area of operation in the Bakken field of North Dakota

- Crude Oil – Field Level Operating Earnings (Non GAAP Measure)

Two significant factors affecting comparative crude oil segment operating earnings are inventory valuations and forward commodity contract (derivatives or mark-to-market) valuations. As a purchaser and shipper of crude oil, the Company holds inventory in storage tanks and third-party pipelines. Inventory sales turnover occurs approximately every three days, but the quantity held in stock at the end of a given period is reasonably consistent. As a result, during periods of increasing crude oil prices, the Company recognizes inventory liquidation gains while during periods of falling prices, the Company recognizes inventory liquidation and valuation losses. Over time, these gains and losses tend to offset and have limited impact on cash flow. While crude oil prices fluctuated during the first quarter of 2013, the net impact yielded inventory liquidation gains totaling $994,000 as prices increased from a weighted average of $98 per barrel in the beginning of the year to $101 per barrel at quarter end. Similarly, crude oil prices were generally increasing during the first quarter of 2012 producing inventory valuation gains of $2,538,000. As of March 31, 2013, the Company held 300,614 barrels of crude oil inventory at an average price of $101.57 per barrel.

Crude oil marketing operating earnings are also affected by the valuations of the Company’s forward month commodity contracts (derivative instruments) as of the various report dates. Such non-cash valuations are calculated and recorded at each period end based on the underlying data existing as of such date. The Company generally enters into these derivative contracts as part of a pricing strategy based on crude oil purchases at the wellhead (field level). Only those contracts qualifying as derivative instruments are accorded fair value treatment while the companion contracts to purchase crude oil at the wellhead (field level) are not accorded fair value treatment. The valuation of derivative instruments at period end requires the recognition of mark-to-market” gains and losses. The impact on crude oil segment operating earnings of inventory liquidations and derivative valuations is summarized as follows (in thousands):

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	First Quarter	
	2013	2012
As reported segment operating earnings	$13,434	$7,765
Add (less) -		
Inventory liquidation (gains) losses	(994)	(2,538)
Derivative valuation (gains) losses	(150)	3,476
Field level operating earnings(1)	$12,290	$8,703

(1) Such designation is unique to the Company and is not comparable to any similar measures developed by industry participants.

Field level operating earnings and field level purchase volumes (see earlier table) depict the Company's day-to-day operation of acquiring crude oil at the wellhead, transporting the material, and delivery to market at the sales point. Comparative crude oil field level operating earnings increased in 2013 relative to 2012 with the noted volume additions and improved unit margins for the comparative periods. The Company anticipates continued volume growth as South Texas sourced production is still being developed. However unit margins are expected to diminish as competition and additional industry infrastructure develop in the region.

Historically, prices received for crude oil and natural gas have been volatile and unpredictable with price volatility expected to continue. See Item 1A Risk Factors in the Annual Report on Form 10-K for the year ended December 31, 2012.

- Transportation

Transportation segment revenues, earnings and depreciation are as follows (in thousands):

	Three Months Ended March 31,		
	2013	2012	Change(1)
Revenues	$17,346	$16,268	6 %
Operating earnings	$1,398	$3,054	(54)%
Depreciation	$1,736	$1,251	39 %

(1) Represents the percentage increase (decrease) from the prior year.

Customer demand and revenues for the transportation segment were consistent and strong during the comparative first quarters of 2013 and 2012. The 2012 period benefitted from $1,269,000 in gains from the sale of 66 used truck-tractors and such items did not recur in 2013. Operating earnings for 2013 were also burdened with additional depreciation charges as new equipment was placed in service. The transport segment is currently benefitting from the present low price environment for natural gas as this commodity is a basic feed stock for the Company's petrochemical industry customer base. The petrochemical industry has been expanding capacity and the long-term prospect for demand for chemical hauling services remains positive. Presently, the Company is operating at near full capacity with the availability of qualified drivers a significant constraint.

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- Oil and Gas

Oil and gas segment revenues and operating earnings are primarily a function of crude oil and natural gas prices and volumes. Comparative amounts for revenues, operating earnings and depreciation and depletion are as follows (in thousands):

	Three Months Ended March 31,		
	2013	2012	Change(1)
Revenues	$3,213	$3,791	(15)%
Operating earnings (loss)	$(116)	$402	(129)%
Depreciation and depletion	$2,014	$1,621	24%

(1) Represents the percentage increase (decrease) from the prior year.

Oil and gas segment revenues declined for the current period with reduced volumes. Operating earnings declined with revenues while depreciation and depletion expense was elevated in 2013 on increased capitalized costs.

Production volumes and price information is as follows (in thousands):

	Three Months Ended March 31,	
	2013	2012
Crude Oil(1)		
Volume – barrels	20,962	21,880
Average price per barrel	$71.06	$98.17
Natural gas		
Volume – mcf	494,049	540,973
Average price per mcf	$3.49	$3.04

(1) Crude oil volumes and prices included the value of associated natural gas liquids productions.

Comparative exploration costs are summarized in the table below. Exploration cost components were as follows (in thousands):

	Three Months Ended March 31,	
	2013	2012
Dry hole expense	$-	$11
Prospect impairments	52	265
Seismic and geological	1	2
Total	$53	$278

During the first three months of 2013, the Company participated in the drilling of 18 successful wells with no dry holes. Additionally, the Company has an interest in 33 wells that were in process on March 31, 2013. Evaluation on the in-process wells is anticipated during the second quarter of 2013. Participation in the drilling of approximately 31 wells is planned for the remainder of 2013 on the Company's prospect acreage in Texas, Kansas, Arkansas and Louisiana.

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- Discontinued Operation

During the first quarter of 2012, the Company sold contracts, inventory and certain equipment associated with its refined products market segment and discontinued that operation. The pre-tax gain from this sale, net of first quarter 2012 operating expenses and wind-down cost totaled $808,000. See also Note 6 – Discontinued Operations to Unaudited Condensed Consolidated Financial Statements.

- Outlook

The marketing and transportation segments are performing at expected levels with narrowing unit margins anticipated in the South Texas region as the year progresses due to a number of third party pipeline infrastructure projects currently under way that will increase competition in the area. Oil and gas segment operating earnings are hampered by low natural gas prices with some recent price improvement. However, absent further improvement in natural gas prices, a significant change in the current level of operating earnings from the oil and gas segment is not expected.

Liquidity and Capital Resources

The Company's liquidity primarily derives from net cash provided by operating activities and such amount was $9,211,000 for the three-month period ended March 31, 2012. In comparison, $10,868,000 of cash was used by operating activities during the first quarter of 2013 as the Company utilized available cash balances to fund the acquisition of additional quantities of crude oil supply while reducing the amount of letters of credit outstanding. Letter of credit fees and other bank charges totaled $130,000 and $229,000 for the three month periods ended March 31, 2013 and 2012, respectively. As of March 31, 2013 and December 31, 2012, the Company had no bank debt or other forms of debenture obligations. Cash and cash equivalents totaled $32,503,000 as of March 31, 2013, and such balances are maintained in order to meet the timing of day-to-day cash needs. Working capital, the excess of current assets over current liabilities, totaled $69,467,000 as of March 31, 2013. The Company heavily relies on its ability to obtain open-line trade credit from its suppliers especially with respect to its crude oil marketing operation. In this regard, the Company generally maintains substantial cash balances and avoids debt obligations.

Capital expenditures during the first three months of 2013 included $1,506,000 for marketing and transportation equipment additions and $2,397,000 in property additions associated with oil and gas exploration and production activities. Over the course of the next nine months, the Company anticipates expending approximately $6 million on oil and gas exploration projects and approximately $13 million for truck and trailer replacements and additions within the Company's transportation and marketing fleets.

From time to time, the Company may make cash prepayments to certain suppliers of crude oil and natural gas for the Company's marketing operations. Such prepayments totaled $5,000,000 as of March 31, 2013. Prepayment amounts are recouped and advanced from day-to-day as the suppliers deliver product to the Company. In addition, in order to secure crude oil supply, the Company may also early pay" its suppliers in advance of the normal payment due date of the twentieth of the month following the month of production. Such early payments" serve to reduce accounts payable as of the balance sheet date. The Company also requires certain counterparties to make similar early payments or to post cash collateral with the Company in order to support their purchases from the Company. Such cash collateral held by the Company totaled $1,391,000 as of March 31, 2013. Early payments received from customers serve to reduce accounts receivable as of the balance sheet date. Management believes current cash balances, together with expected cash generated from future operations and the ease of financing truck and trailer additions through leasing arrangements (should the need arise) will be sufficient to meet short-term and long-term liquidity needs.

Explanation of Responses:

The Company utilizes cash from operations to make discretionary investments in its oil and natural gas exploration, marketing and transportation businesses, which comprise substantially all of the Company's investing cash outflows for each of the periods in this filing. The Company does not look to proceeds from property sales to fund its cash flow needs. Except for an approximate $9.9 million commitment for storage tank terminal arrangements and office lease space, the Company's future commitments and planned investments can be readily curtailed if operating cash flows contract.

Historically, the Company paid an annual dividend in the fourth quarter of each year. In December 2012, the Company paid a dividend of $.62 per common share or $2,615,000 to its shareholders. Effective June 15, 2013, the Company will initiate a quarterly dividend of $.22 per common share or $928,000. The most significant item affecting future increases or decreases in liquidity is earnings from operations and such earnings are dependent on the success of future operations. See Item 1A Risk Factors in the Annual Report on Form 10-K for the year ended December 31, 2012.

Critical Accounting Policies and Use of Estimates

There has been no material changes to the Company's Critical Accounting Policies and Use of Estimates" disclosures that have occurred since the disclosures provided in the Company's Annual Report on Form 10-K for the year ended December 31, 2012.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

There have been no material changes to the Company's Quantitative and Qualitative Disclosures about Market Risk" that have occurred since the disclosures provided in the Company's Annual Report on Form 10-K for the year ended December 31, 2012.

Forward-Looking Statements – Safe Harbor Provisions

This quarterly report for the period ended March 31, 2013 contains certain forward-looking statements covered by the safe harbors provided under federal securities law and regulations. To the extent such statements are not recitations of historical fact, forward-looking statements involve risks and uncertainties. In particular, statements included herein and/or in the Company's latest annual report on Form 10-K under the captions (a) Production and Reserve Information, (b) Regulatory Status and Potential Environmental Liability, (c) Management's Discussion and Analysis of Financial Condition and Results of Operations, (d) Critical Accounting Policies and Use of Estimates, (e) Quantitative and Qualitative Disclosures about Market Risk, (f) Income Taxes, (g) Concentration of Credit Risk, (h) Fair Value Contract Activities, and (i) Commitments and Contingencies, among others, contain forward-looking statements. Where the Company expresses an expectation or belief regarding future results of events, such expression is made in good faith and believed to have a reasonable basis in fact. However, there can be no assurance that such expectation or belief will actually result or be achieved.

With the uncertainties of forward looking statements in mind, the reader should consider the risks discussed elsewhere in this report and other documents filed with the Securities and Exchange Commission from time to time and the important factors described in the Company's Annual Report on Form 10-K for the year ended December 31, 2012, under Item 1A Risk Factors" that could cause actual results to differ materially from those expressed in any forward-looking statement made by or on behalf of the Company.

Item 4. Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures" (as defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act)), that are designed to ensure that information required to be disclosed in the reports that the Company files or submits under the Exchange Act are recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and is accumulated and communicated to management, including the Company's Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely discussions regarding required disclosure. Management necessarily applied its judgment in assessing the costs and benefit of such controls and procedures, which, by their nature, can provide only reasonable assurance regarding management's disclosure control objectives.

As of the end of the period covered by this quarterly report, an evaluation was carried out under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based upon that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded the Company's disclosure controls and procedures were effective at a reasonable assurance level as of the end of the period covered by this report.

Changes in Internal Control over Financial Reporting

There have not been any changes in the Company's internal control over financial reporting during the fiscal quarter ended March 31, 2013 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

From time to time as incident to its operations, the Company becomes involved in various lawsuits and/or disputes. Primarily as an operator of an extensive trucking fleet, the Company may be a party to motor vehicle accidents, worker compensation claims or other items of general liability as would be typical for the industry. Management of the Company is presently unaware of any claims against the Company that are either outside the scope of insurance coverage or that may exceed the level of insurance coverage and could potentially represent a material adverse effect on the Company's financial position or results of operations.

Item 1A. Risk Factors - There are no material changes in the Company's risk factors from those disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2012.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds – None

Item 3. Defaults Upon Senior Securities – None

Item 4. Mine Safety Disclosures – Not Applicable

Item 5. Other Information – None

Item 6. Exhibits

The exhibits listed in the accompanying Exhibit Index are filed or incorporated by reference as part of this Quarterly Report on Form 10-Q.

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.

ADAMS RESOURCES & ENERGY, INC
(Registrant)

Date: May 9, 2013

By /s/Frank T. Webster
Frank T. Webster
President, Chief Executive Officer
and Chief Operating Officer
(Principal Executive Officer)

By /s/Richard B. Abshire
Richard B. Abshire
Chief Financial Officer
(Principal Financial Officer and Principal
Accounting Officer)

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EXHIBIT INDEX

Exhibit Number	Description
*31.1	Certificate of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
*31.2	Certificate of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
*32.1	Certificate of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
*32.2	Certificate of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
* **101.INS-	XBRL Instance Document
* **101.SCH -	XBRL Schema Document
* **101.CAL -	XBRL Calculation Linkbase Document
* **101.LAB -	XBLR Label Linkbase Document
* **101.PRE -	XBRL Presentation Linkbase Document

* Exhibits filed herewith

** Attached as Exhibit 101 to this report are the following documents formatted in XBRL (Extensible Business Reporting Language): (i) the Consolidated Statements of Income – Three Months Ended March 31, 2013 and 2012, (ii) the Consolidated Balance Sheets – March 31, 2013 and December 31, 2012, (iii) the Consolidated Statements of Cash Flows – Three Months Ended March 31, 2013 and 2012 and (iv) Notes to Consolidated Financial Statements.