

## SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K/A  
(AMENDMENT NO. 1)

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES AND EXCHANGE ACT OF 1934

Date of Report (date of earliest event reported) September 8, 1995  
(July 13, 1995)  
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LOMAK PETROLEUM, INC.  
(Exact name of registrant as specified in its charter)  
COMMISSION FILE NUMBER 0-9592

DELAWARE (State or other jurisdiction of incorporation or organization)	34-1312571 (IRS Employer Identification Number)
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500 THROCKMORTON STREET FORT WORTH, TEXAS (Address of principal executive offices)	76102 (Zip Code)
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Registrant's telephone number, including area code: (817) 870-2601

The purpose of this filing is to make the following amendments pursuant to Item 7(a) and 7(b) Financial Statements and Exhibits:

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.  
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(a) Financial Statements of Assets Acquired  
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Report of Independent Public Accountants  
Statements of assets (other than productive oil and gas  
properties) and liabilities as of December 31, 1994 and June  
30, 1995  
Statements of revenues and direct operating expenses for the  
year ended December 31, 1994 and the six months Ended June  
30, 1995  
Notes to statements of assets (other than productive oil and  
gas properties) and liabilities and statements of revenues  
and direct operating expenses

(b) Pro Forma Financial Information  
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Pro forma combined statement of income for the year ended  
December 31, 1994  
Pro forma combined statement of income for the six months  
ended June 30, 1995  
Pro forma combined balance sheet at June 30, 1995  
Notes to pro forma combined financial statements

## SIGNATURE

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 hereunto duly authorized.

LOMAK PETROLEUM, INC.

By /s/ Thomas W. Stoelk

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Thomas W. Stoelk  
Chief Financial Officer

September 8, 1995

## REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

THE BOARD OF DIRECTORS AND STOCKHOLDERS  
LOMAK PETROLEUM, INC.

We have audited the accompanying statement of assets (other than productive oil and gas properties) and liabilities of Parker & Parsley Interests, as of December 31, 1994 acquired pursuant to the purchase by Lomak Petroleum, Inc. ("Lomak"), effective June 30, 1995, as described in Note 1 and the related statement of revenues and direct operating expenses for the year ended December 31, 1994. The statement of assets (other than productive oil and gas properties) and liabilities and statement of revenues and direct operating expenses are the responsibility of Lomak's management. Our responsibility is to express an opinion on the statement of assets (other than productive oil and gas properties) and liabilities and statement of revenues and direct operating expenses based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of assets (other than productive oil and gas properties) and liabilities and statement of revenues and direct operating expenses are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of assets (other than productive oil and gas properties) and liabilities and statement of revenues and direct operating expenses. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement of assets (other than productive oil and gas properties) and liabilities and statement of revenues and direct operating expenses presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the statement of assets (other than productive oil and gas properties) and liabilities and statement of revenues and direct operating expenses referred to above present fairly, in all material respects, the assets (other than productive oil and gas properties) and liabilities of Parker & Parsley Interests as of December 31, 1994 acquired pursuant to the purchase by Lomak Petroleum, Inc., effective June 30, 1995, as described in Note 1, and the related revenues and direct operating expenses for the year ended December 31, 1994 in conformity with generally accepted accounting principles.

ARTHUR ANDERSEN LLP

Cleveland, Ohio  
August 4, 1995

PARKER & PARSLEY INTERESTS  
 STATEMENTS OF ASSETS (OTHER THAN PRODUCTIVE  
 OIL AND GAS PROPERTIES) AND LIABILITIES (NOTE 1)

	December 31, 1994 -----	June 30, 1995 ----- (unaudited)
Assets (other than productive oil and gas properties)		
Accounts receivable	\$ 959,278	\$ 823,379
Accounts payable and accrued liabilities	(287,670) -----	(246,101) -----
Excess of assets (other than productive oil and gas properties) acquired over liabilities assumed	\$ 671,608 =====	\$ 577,278 =====

See accompanying notes.

## PARKER &amp; PARSLEY INTERESTS

## STATEMENTS OF REVENUES AND DIRECT OPERATING EXPENSES (NOTE 1)

	Year ended December 31, 1994 -----	Six months ended June 30, 1995 ----- (unaudited)
Revenues, net	\$ 5,975,137	\$ 2,894,682
Direct operating expenses	(2,928,350) -----	(1,269,707) -----
Excess of revenues over direct operating expenses	\$ 3,046,787 =====	\$ 1,624,975 =====

See accompanying notes.

## PARKER &amp; PARSLEY INTERESTS

NOTES TO STATEMENTS OF ASSETS  
(OTHER THAN PRODUCTIVE OIL AND GAS PROPERTIES)  
AND LIABILITIES AND STATEMENTS OF REVENUES  
AND DIRECT OPERATING EXPENSES

## (1) GENERAL:

## ORGANIZATION

The accompanying statements present the assets (other than productive oil and gas properties) and liabilities and revenues and direct operating expenses of certain working and other interests in oil and gas properties (the "Parker & Parsley Interests") purchased by Lomak Petroleum, Inc. ("Lomak") in June 1995. Such financial statements were derived from the historical records of the predecessor owner and represent Lomak's interest.

The Parker & Parsley Interests consist of ownership in approximately 825 gross producing oil and gas wells and 300 miles of gas gathering lines. Over 90% of the Parker & Parsley Interests are located in Pennsylvania.

## BASIS OF PRESENTATION

Full historical statements, including general and administrative expenses and interest expense, have not been presented as such a presentation would not be meaningful. The Parker & Parsley Interests acquired represent developed producing properties.

Parker & Parsley Interests is not a taxpaying entity. Accordingly, no provision for income taxes has been reflected in the statements of revenues and direct operating expenses.

## (2) SALES TO MAJOR CUSTOMERS:

For the year ended December 31, 1994, three purchasers accounted for 44%, 15% and 11%, respectively of oil and gas sales. For the six months ended June 30, 1995, three purchasers accounted for 50%, 17% and 11%, respectively of oil and gas sales..

## (3) OIL AND GAS RESERVES INFORMATION (UNAUDITED):

The estimates of the Parker & Parsley Interests in proved oil and gas reserves, which are located entirely in the United States, are based on evaluations by an independent petroleum engineer. Reserves at December 31, 1994, were estimated in accordance with guidelines established by the Securities and Exchange Commission which require that reserve reports be prepared under existing economic and operating conditions with no provision for price escalations except by contractual arrangements.

Lomak's management emphasizes that reserve estimates are inherently imprecise. Accordingly, the estimates are expected to change as future information becomes available.

## PARKER &amp; PARSLEY INTERESTS

NOTES TO STATEMENTS OF ASSETS  
 (OTHER THAN PRODUCTIVE OIL AND GAS PROPERTIES)  
 AND LIABILITIES AND STATEMENTS OF REVENUES  
 AND DIRECT OPERATING EXPENSES

The following unaudited table sets forth the estimated proved oil and gas reserve quantities of the Parker & Parsley Interests at December 31, 1994:

	Natural Gas (mcfs) -----
PROVED RESERVES	
Balance, December 31, 1993	34,623,274
Production	(2,732,171) -----
Balance, December 31, 1994	31,891,103 =====
PROVED DEVELOPED RESERVES	
Balance, December 31, 1994	30,359,848 =====

The "Standardized Measure of Discounted Future Net Cash Flows Relating to Proved Oil and Gas Reserves" (Standardized Measure) is a disclosure requirement under Statement of Financial Accounting Standards No. 69. The Standardized Measure does not purport to present the fair market value of proved oil and gas reserves. This would require consideration of expected future economic and operating conditions, which are not taken into account in calculating the Standardized Measure.

Future cash inflows were estimated by applying year end prices, adjusted for fixed and determinable escalations to the estimated future production less estimated future production costs based on year end costs and future development costs. Future net cash inflows were discounted using a 10% annual discount rate to arrive at the Standardized Measure.

The standardized measure of discounted future net cash flows relating to proved oil and gas properties are as follows:

	As of December 31, 1994 -----
Future cash inflows	\$ 73,004,542
Future costs:	
Production	(32,957,919)
Development	(965,000) -----
Future net cash flows	39,081,623
Income taxes	-
Undiscounted future net cash flows	39,081,623 -----
10% discount factor	(15,819,896) -----
Standardized measure	\$ 23,261,727 =====

PARKER & PARSLEY INTERESTS  
 STATEMENTS OF ASSETS  
 (OTHER THAN PRODUCTIVE OIL AND GAS PROPERTIES)  
 AND LIABILITIES AND STATEMENTS OF REVENUES  
 AND DIRECT OPERATING EXPENSES

Changes in standardized measure of discounted future net cash flows from proved reserve quantities are as follows:

	Year ended December 31, 1994 -----
Standardized measure, beginning of year	\$ 26,308,514
Production	(3,046,787)
Standardized measure, end of year	----- \$ 23,261,727 =====

PRO FORMA COMBINED FINANCIAL STATEMENTS  
WITH RESPECT TO THE TRANSACTIONS

The accompanying unaudited pro forma combined statement of income gives effect to (i) the purchase by the Company of 100% of the equity of Gillring Oil Company ("Gillring"), accounted for as a purchase, (ii) the purchase by the Company of 100% of the equity of Red Eagle Resources Corporation ("Red Eagle"), accounted for as a purchase and (iii) the purchase by the Company of certain oil and gas properties from a subsidiary of Parker & Parsley Petroleum Co. The unaudited pro forma combined statement of income for the year ended December 31, 1994 was prepared as if all transactions had occurred on January 1, 1994. The unaudited pro forma combined statement of income for the six months ended June 30, 1995 was prepared as if all transactions had occurred on January 1, 1995. The accompanying unaudited pro forma combined balance sheet of the Company as of June 30, 1995 has been prepared as if the Parker & Parsley acquisition had occurred as of that date. The historical information provided in the statement of income for the year ended December 31, 1994, represents the following periods for the various acquisitions: (i) Gillring represents the period from January 1, 1994 through January 31, 1994, (ii) Red Eagle represents the period from January 1, 1994 through December 31, 1994 and (iii) Parker & Parsley represents the periods from January 1, 1994 through December 31, 1994 and from January 1, 1995 through June 30, 1995.

This information is not necessarily indicative of future combined operations and it should be read in conjunction with the separate historical statements and related notes of the respective entities appearing elsewhere in this filing or incorporated by reference herein.

LOMAK PETROLEUM, INC.  
 PRO FORMA COMBINED STATEMENT OF INCOME  
 YEAR ENDED DECEMBER 31, 1994  
 (UNAUDITED)

	Lomak	Gillring Oil Co.	Red Eagle	Parker & Parsley	Pro Forma Adjustments for the acquisitions (Note 1)	Pro Forma Combined
	Historical Year Ended December 31, 1994	Historical Month Ended January 31, 1994	Historical Year Ended December 31, 1994	Historical Year Ended December 31, 1994		
<b>Revenues</b>						
Oil and gas production	\$24,460,945	\$540,019	\$4,236,396	\$5,975,137	\$ -	\$35,212,497
Field services	7,667,135	-	6,634,668	-	-	14,301,803
Gas marketing and transportation	2,194,892	-	993,902	-	-	3,188,794
Interest and other	470,562	28,484	693,624	-	(28,484) (e)	1,164,186
	34,793,534	568,503	12,558,590	5,975,137	(28,484)	53,867,280
<b>Expenses</b>						
Oil and gas production	10,018,941	222,198	2,481,906	2,928,350	(1,153,140) (c)	14,498,255
Field services	5,777,690	-	2,503,305	-	-	8,280,995
Gas marketing and transportation	490,097	-	-	-	-	490,097
Exploration	359,315	8,975	473,916	-	-	842,206
General and administrative	2,477,680	67,780	3,786,925	-	(3,064,388) (c)	3,267,997
Interest	2,807,216	21,488	144,900	-	1,776,816 (a)	4,750,420
Depletion, depreciation and amortization	10,104,987	-	2,106,549	-	3,705,170 (b)	15,916,706
Lease impairments	-	-	1,097,000	-	(1,097,000) (g)	0
Commodity trading losses	-	-	2,136,122	-	(2,136,122) (f)	0
	32,035,926	320,441	14,730,623	2,928,350	(1,968,664)	48,046,676
Income (loss) before income taxes	2,757,608	248,062	(2,172,033)	3,046,787	1,940,180	5,820,604
Income taxes						
Current	(20,531)	-	(86,976)	-	(20,493) (d)	(128,000)
Deferred	(118,523)	-	475,180	-	(1,193,657) (d)	(837,000)
Income (loss) from continuing operations	\$2,618,554	\$248,062	(\$1,783,829)	\$3,046,787	\$726,030	\$4,855,604
Income from continuing operations applicable to common shares	\$2,243,554					\$4,480,604
Net income per common share	\$0.25					\$0.37
Weighted average shares outstanding	9,050,558		2,861,374		38,268	11,950,200

See notes to pro forma combined financial statements.

LOMAK PETROLEUM, INC.  
 PRO FORMA COMBINED STATEMENT OF INCOME  
 SIX MONTHS ENDED JUNE 30, 1995  
 (UNAUDITED)

	Lomak	Red Eagle	Parker & Parsley			
	----- Historical Six Months Ended June 30, 1995 -----	----- Historical One Month Ended January 31, 1995 -----	----- Historical Six Months Ended June 30, 1995 -----	Pro Forma Adjustments for		----- Pro Forma Combined -----
				the acquisitions (Note 2)		
Revenues						
Oil and gas production	\$15,333,138	\$271,957	\$2,894,682	(\$271,957)	(j)	\$18,227,820
Field services	4,893,388	497,505	0	(497,505)		4,893,388
Gas marketing and transportation	1,514,513	19,116	0	(19,116)	(j)	1,514,513
Interest and other	751,004	3,905	0	(3,905)	(j)	751,004
	----- 22,492,043 -----	----- 792,483 -----	----- 2,894,682 -----	----- (792,483) -----		----- 25,386,725 -----
Expenses						
Oil and gas production	6,438,378	137,153	1,269,707	(768,048)	(j, l)	7,077,190
Field services	2,876,328	265,918	0	(265,918)	(j)	2,876,328
Gas marketing and transportation	389,754	3,823	0	(3,823)	(j)	389,754
Exploration	275,448	2,618	0	(2,618)	(j)	275,448
General and administrative	1,518,844	182,588	0	(273,563)	(j, k, l)	1,427,869
Interest	2,398,489	3,586	0	768,278	(h, j)	3,170,353
Depletion, depreciation and amortization	6,104,474	160,950	0	792,099	(i, j)	7,057,523
	----- 20,001,715 -----	----- 756,636 -----	----- 1,269,707 -----	----- 246,407 -----		----- 22,274,465 -----
Income (loss) before income taxes	2,490,328	35,847	1,624,975	(1,038,890)		3,112,260
Income taxes						
Current	(47,513)	0	0	(50,487)	(m)	(98,000)
Deferred	(622,028)	(12,188)	0	(165,784)	(j, m)	(800,000)
	----- \$1,820,787 =====	----- \$23,659 =====	----- \$1,624,975 =====	----- (\$1,255,161) =====		----- \$2,214,260 =====
Income (loss) from continuing operations						
Income from continuing operations applicable to common shares	\$1,633,287 =====					\$2,026,760 =====
Net income per common share	\$0.14 =====					\$0.17 =====
Weighted average shares outstanding	11,314,495 =====	944,737				12,259,232 =====

See notes to pro forma combined financial statements.

LOMAK PETROLEUM, INC.  
PRO FORMA COMBINED BALANCE SHEET  
JUNE 30, 1995  
(UNAUDITED)

	Lomak ----- Historical as of June 30, 1995 -----	Parker & Parsley ----- Historical as of June 30, 1995 -----	Pro Forma Adjustments for the acquisition (Note 2) -----	Pro Forma Combined -----
<b>ASSETS</b>				
Current assets				
Cash and equivalents	\$5,307,307	\$ -	\$ -	\$5,307,307
Accounts receivable	8,215,895	823,379	-	9,039,274
Inventory and other	1,417,251	-	-	1,417,251
Total current assets	14,940,453	823,379	-	15,763,832
Oil and gas properties				
Accumulated depletion and amortization	155,109,796 (25,866,264)	(577,278) -	17,347,200 (n) -	171,879,718 (25,866,264)
	129,243,532	(577,278)	17,347,200	146,013,454
Gas transportation and field service assets				
Accumulated depreciation	16,294,400 (3,256,841)	- -	2,852,800 (n) -	19,147,200 (3,256,841)
	13,037,559	-	2,852,800	15,890,359
Other assets				
	-	-	-	-
	\$157,221,544 =====	\$246,101 =====	\$20,200,000 =====	\$177,667,645 =====
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>				
Current liabilities				
Accounts payable	\$5,940,545	\$ -	\$ -	\$5,940,545
Accrued liabilities	3,750,285	246,101	-	3,996,386
Current portion of debt	502,519	-	-	502,519
Total current liabilities	10,193,349	246,101	-	10,439,450
Long-term debt				
	71,131,900	-	20,200,000 (n)	91,331,900
Deferred income taxes				
	17,012,420	-	-	17,012,420
Stockholders' equity				
Preferred stock	200,000	-	-	200,000
Common stock	119,241	-	-	119,241
Capital in excess of par value	64,475,994	-	-	64,475,994
Retained earnings (deficit)	(5,911,360)	-	-	(5,911,360)
Total stockholders equity	58,883,875	-	-	58,883,875
	\$157,221,544 =====	\$246,101 =====	\$20,200,000 =====	\$177,667,645 =====

See notes to pro forma combined financial statements.

LOMAK PETROLEUM, INC.  
 NOTES TO PRO FORMA COMBINED FINANCIAL STATEMENTS  
 (UNAUDITED)

NOTE (1) PRO FORMA ADJUSTMENTS FOR THE ACQUISITIONS OF GILLRING AND PARKER & PARSLEY'S APPALACHIAN ASSETS AND THE MERGER WITH RED EAGLE -- THE TWELVE MONTHS ENDED DECEMBER 31, 1994

On March 5, 1994, the Company completed the acquisition of Gillring Oil Company ("Gillring") for approximately \$11.5 million. Gillring's assets included approximately \$5.4 million of working capital. As a result of the acquisition, the Company acquired 100% of Gillring's assets including its oil and natural gas producing properties and its 67% interest in a Texas limited partnership, Gillring Oil L.P. The transaction was accounted for using the purchase method of accounting.

On October 28, 1994, Lomak and Red Eagle Resources Corporation ("Red Eagle") executed a definitive merger agreement pursuant to which Red Eagle was acquired by the Company. The consideration paid for the acquisition totals \$11 million in cash and 2,862,000 shares of Lomak common stock.

On June 30, 1995, the Company purchased properties in Pennsylvania and West Virginia from a subsidiary of Parker & Parsley Petroleum Company for approximately \$20.2 million.

The accompanying unaudited pro forma combined statement of income for the year ended December 31, 1994 has been prepared as if the acquisitions had occurred on January 1, 1994 and reflects the following adjustments:

(a) To adjust interest expense for the estimated amounts that would have been incurred on the incremental borrowings to acquire Gillring, Red Eagle and Parker & Parsley's Appalachian assets.

	Amount	Interest Rate	Period of Time	Interest Expense
	-----	-----	-----	-----
Gillring	6,371,930	6.1%	45 days	48,585
Red Eagle	7,851,095	6.1%	365 days	478,917
Parker & Parsley	20,200,000	6.1%	365 days	1,249,314
	-----			-----
	34,423,025			1,776,816
Interest expense .....			1,776,816	
Cash .....				1,776,816

(b) To record depletion expense for the acquisitions of Gillring and Parker & Parsley's assets at \$4.77 and to adjust the historical depletion rate for Lomak and Red Eagle from \$4.41 and \$3.08, respectively to \$4.77.

	Bbls	Mcfs	BOE	Depletion Adjustment
	-----	-----	-----	-----
Lomak historical	639,615	6,996,202	1,805,649	650,034
Gillring	5,917	235,644	45,191	215,561
Red Eagle	61,909	1,998,358	394,969	667,498
Parker & Parsley	-	2,732,171	455,362	2,172,077
	-----	-----	-----	-----
	707,441	11,962,375	2,701,171	3,705,170
Depletion expense .....			3,705,170	
Accumulated depletion .....				3,705,170

LOMAK PETROLEUM, INC.  
 NOTES TO PRO FORMA COMBINED FINANCIAL STATEMENTS  
 (UNAUDITED)

(c) To adjust oil and gas production expense and general and administrative expenses for the reduction in costs after the acquisitions of Gillring, Red Eagle and Parker & Parsley's assets.

Accrued expenses .....	4,217,528	
Oil and gas production expense - Parker & Parsley .....		1,153,140
General & administrative expenses - Gillring .....		33,388
General & administrative expenses - Red Eagle .....		3,031,000

(d) To adjust the provision for income taxes for the change in taxable income resulting from the Gillring, Red Eagle and Parker & Parsley acquisitions and the effect on deferred taxes recorded at January 1, 1994 had the acquisitions taken place at that time.

Income taxes expense-current .....	20,493	
Income tax expense-deferred .....	1,193,657	
Income tax payable .....		20,493
Deferred income taxes .....		1,193,657

(e) To reduce interest income on Gillring for cash balances used to reduce incremental borrowings.

Interest income .....	28,484	
Cash .....		28,484

(f) To eliminate 1994 losses realized by Red Eagle on speculative commodity trade. Lomak has never and does not anticipate in the future participating in speculative commodity trading.

Cash .....	2,136,122	
Commodity trading income .....		2,136,122

(g) To eliminate impairment losses on oil & gas properties.

Oil and gas properties .....	1,097,000	
Lease impairments .....		1,097,000

LOMAK PETROLEUM, INC.  
 NOTES TO PRO FORMA COMBINED FINANCIAL STATEMENTS  
 (UNAUDITED)

NOTE (2) PRO FORMA ADJUSTMENTS FOR THE ACQUISITION OF PARKER & PARSLEY'S APPALACHIAN ASSETS AND THE MERGER WITH RED EAGLE -- AS OF AND FOR THE SIX MONTHS ENDED JUNE 30, 1995

The accompanying unaudited pro forma combined balance sheet has been prepared as if the Parker & Parsley acquisition had occurred on June 30, 1995. The accompanying unaudited pro forma combined statement of income for the six months ended June 30, 1995 has been prepared as if the acquisition had occurred on January 1, 1995 and reflects the following adjustments:

(h) To adjust interest expense for the estimated amounts that would have been incurred on the incremental borrowings to acquire Parker & Parsley's Appalachian assets.

	Amount -----	Interest Rate -----	Period of Time -----	Interest Expense -----
Parker & Parsley	20,200,000	7.6%	181 days	771,864
Interest expense .....			771,864	
Cash .....				771,864

(i) To record depletion expense for the acquisition of Parker & Parsley's assets at \$4.34 and to adjust the historical depletion rate for Lomak and Red Eagle from \$4.38 and \$3.21, respectively to \$4.34.

	Bbls -----	Mcfs -----	BOE -----	Depletion Adjustment -----
Lomak historical	413,139	4,766,275	1,207,518	(48,301)
Red Eagle	3,966	147,825	28,604	32,323
Parker & Parsley	-	1,339,665	223,278	969,027
	417,105	6,253,765	1,459,400	953,049
Depletion expense .....			953,049	
Accumulated depletion .....				953,049

LOMAK PETROLEUM, INC.  
 NOTES TO PRO FORMA COMBINED FINANCIAL STATEMENTS  
 (UNAUDITED)

(j) To eliminate January 1995 Red Eagle income statement activity.

Oil and gas production revenue .....	271,957	
Field services revenue .....	497,505	
Gas transportation and marketing revenue .....	19,116	
Interest and other income .....	3,905	
Oil and gas production expense .....		137,153
Field services expense .....		265,918
Gas transportation and marketing expense .....		3,823
Exploration expense .....		2,618
General and administrative expense .....		182,588
Interest expense .....		3,586
Depletion, depreciation and amortization expense .....		160,950
Income tax expense .....		12,188
Retained earnings .....		23,658

(k) To remove minority interest from January 1995 Red Eagle income statement.

Retained earnings .....	12,181	
General and administrative expense .....		12,181

(l) To reduce oil and gas production and general and administrative expenses for cost reductions.

Accrued expenses .....	709,689	
Oil and gas production expense .....		630,895
General and administrative expense .....		78,794

(m) To adjust the provision for income taxes for the change in taxable income resulting from the Gillring, Red Eagle and Parker & Parsley acquisitions and the effect on deferred taxes recorded at January 1, 1994 had the acquisitions taken place at that time.

Income taxes expense-current .....	50,487	
Income tax expense-deferred .....	177,972	
Income tax payable .....		50,487
Deferred income taxes .....		177,972

(n) To record the purchase of Parker & Parsley's Appalachian oil & gas properties, funded through the Company's credit facility.

Oil and gas properties .....	17,347,200	
Gas transportation and field service assets .....	2,852,800	
Long-term debt .....		20,200,000