FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **1994-05-13** | Period of Report: **1994-03-31**
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ENRON OIL & GAS CO
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Enron Oil & Gas Company
P. O. Box 1188
Houston, TX 7725101188

May 13, 1994

Securities and Exchange Commission
Washington, D.C.

Gentlemen:

Pursuant to the requirements of the Securities and Exchange Act of 1934, we are transmitting herewith the attached Form 10-Q.

Sincerely,

/S/BEN B. BOYD
Ben B. Boyd
Vice President and Controller

FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D. C. 20549

(X) Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended March 31, 1994

( ) Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission File Number 1-9743
ENRON OIL & GAS COMPANY
(Exact name of registrant as specified in its charter)

Delaware	47-0684736
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1400 Smith Street, P.O. Box 1188 Houston, Texas	77251-1188

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (713) 853-6161

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 the number of shares outstanding of each of the issuer's classes of common stock, as of April 30, 1994.

Class	Number of Shares
Common Stock, No Par Value	79,928,500 shares

ENRON OIL & GAS COMPANY

TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS
ENRON OIL & GAS COMPANY
CONSOLIDATED STATEMENTS OF INCOME
(In Thousands Except Per Share Amounts)
(Unaudited)

<TABLE>
<CAPTION>

<S>	<C> Three Months Ended March 31, 1994	<C> 1993
NET OPERATING REVENUES		
Natural Gas		
Associated Companies	$ 75,008	$ 68,275
Trade	62,278	50,856
Crude Oil, Condensate and Natural Gas Liquids		
Associated Companies	7,525	12,949
Trade	5,955	3,229
Other	1,441	1,511
Total	152,207	136,820
OPERATING EXPENSES		
Lease and Well	14,999	13,758
Exploration	9,231	5,991
Dry Hole	2,623	2,722
Impairment of Unproved Oil and Gas Properties	4,196	4,161
Depreciation, Depletion and Amortization	64,840	59,780
General and Administrative	13,417	10,955
Taxes Other Than Income	9,964	9,834
Total	119,270	107,201
OPERATING INCOME	32,937	29,619
OTHER INCOME	8,304	1,774
INCOME BEFORE INTEREST EXPENSE AND INCOME TAXES	41,241	31,393
INTEREST EXPENSE		
Incurred	3,646	3,689
Capitalized	(1,493)	(1,251)
Net Interest Expense	2,153	2,438
INCOME BEFORE INCOME TAXES	39,088	28,955
INCOME TAX PROVISION(BENEFIT)	8,830	(1,253)
NET INCOME	$ 30,258	$ 30,208
EARNINGS PER SHARE OF COMMON STOCK	$ .38	$ .38
AVERAGE NUMBER OF COMMON SHARES	79,920	80,000

</TABLE>

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

PART I. FINANCIAL INFORMATION - (Continued)

ITEM 1. FINANCIAL STATEMENTS - (Continued)
ENRON OIL & GAS COMPANY
CONSOLIDATED BALANCE SHEETS
(In Thousands)

<TABLE>
<CAPTION>

	March 31, 1994 (Unaudited)	December 31, 1993
ASSETS		
<S>	<C>	<C>
CURRENT ASSETS		
Cash and Cash Equivalents	$ 57,209	$ 103,129
Accounts Receivable		
Associated Companies	55,259	59,143
Trade	61,856	66,109
Inventories	14,731	14,082
Other	8,438	6,962
Total	197,493	249,425
OIL AND GAS PROPERTIES (Successful Efforts Method)	2,810,455	2,772,220
Less: Accumulated Depreciation, Depletion and Amortization	(1,253,655)	(1,226,175)
Net Oil and Gas Properties	1,556,800	1,546,045
OTHER ASSETS	17,379	15,692
TOTAL ASSETS	$1,771,672	$1,811,162
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts Payable		
Associated Companies	$ 22,466	$ 13,250
Trade	117,651	143,542
Accrued Taxes Payable	17,719	17,354
Dividends Payable	4,795	4,795
Current Maturities of Long-Term Debt	-	30,000
Other	4,785	8,989
Total	167,416	217,930
LONG-TERM DEBT	153,000	153,000
OTHER LIABILITIES	9,907	9,477
DEFERRED INCOME TAXES	272,486	270,154
COMMITMENTS AND CONTINGENCIES (Note 8)		
DEFERRED REVENUE	216,840	227,528
SHAREHOLDERS' EQUITY		
Common Stock, No Par, 80,000,000 Shares Authorized and Issued	200,800	200,800

Additional Paid In Capital	417,119	417,531
Cumulative Foreign Currency Translation Adjustment	(12,956)	(6,855)
Retained Earnings	350,458	324,995
Common Stock Held in Treasury, 80,000 shares	(3,398)	(3,398)
Total Shareholders' Equity	952,023	933,073
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$1,771,672	$1,811,162

</TABLE>

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

PART I. FINANCIAL INFORMATION - (Continued)

ITEM 1. FINANCIAL STATEMENTS - (Continued)
ENRON OIL & GAS COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands)
(Unaudited)

<TABLE>
<CAPTION>

	Three Months Ended March 31,	
	1994	1993
<S>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES		
Reconciliation of Net Income to Net Operating Cash Inflows:		
Net Income	$ 30,258	$ 30,208
Items Not Requiring (Providing) Cash		
Depreciation, Depletion and Amortization	64,840	59,780
Impairment of Unproved Oil and Gas Properties	4,196	4,161
Deferred Income Taxes	3,714	(1,678)
Other, Net	(803)	(127)
Exploration Expenses	9,231	5,991
Dry Hole Expenses	2,623	2,722
Gains on Sales of Oil and Gas Properties	(6,001)	(14)
Other, Net	(150)	63
Changes in Components of Working Capital and Other Liabilities		
Accounts Receivable	8,137	(10,647)
Inventories	(649)	1,150
Accounts Payable	(16,675)	(12,775)
Accrued Taxes Payable	365	2,406
Other Liabilities	1,598	1,663
Other, Net	(5,680)	(42,577)
Changes in Components of Working Capital Associated with Investing Activities	8,835	29,736
NET OPERATING CASH INFLOWS	103,839	70,062
INVESTING CASH FLOWS		
Additions to Oil and Gas Properties	(88,527)	(91,386)
Exploration Expenses	(9,231)	(5,991)
Dry Hole Expenses	(2,623)	(2,722)
Proceeds from Property Sales	6,713	421
Amortization of Deferred Revenue	(10,688)	(23,192)

Changes in Components of Working Capital Associated with Investing Activities	(8,835)	(29,736)
Other, Net	(1,362)	(2,502)
NET INVESTING CASH OUTFLOWS	(114,553)	(155,108)
FINANCING CASH FLOWS		
Long-Term Debt	(30,000)	-
Dividends Paid	(4,795)	(4,800)
Treasury Stock Purchased	(891)	(6,266)
Proceeds from Sales of Treasury Stock	480	3,355
NET FINANCING CASH OUTFLOWS	(35,206)	(7,711)
DECREASE IN CASH AND CASH EQUIVALENTS	(45,920)	(92,757)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	103,129	132,618
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 57,209	$ 39,861

</TABLE>

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

PART I. FINANCIAL INFORMATION - (Continued)

ITEM 1. FINANCIAL STATEMENTS - (Continued)
ENRON OIL & GAS COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. The consolidated financial statements included herein have been prepared by management of Enron Oil & Gas Company (the "Company") without audit pursuant to the rules and regulations of the Securities and Exchange Commission. Accordingly, they reflect all adjustments which are, in the opinion of management, necessary for a fair presentation of the financial results for the interim periods. Certain information and notes normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. However, management believes that the disclosures are adequate to make the information presented not misleading. These consolidated financial statements should be read in conjunction with the financial statements and the notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 1993.

Certain reclassifications have been made to the consolidated financial statements for 1993 to conform with the current presentation.

2. Cash and Cash Equivalents at March 31, 1994 includes $43.1 million advanced to Enron Corp. under a promissory note, effective January 1, 1993, at a fixed interest rate of 7%, which note provides for the investment of funds temporarily surplus to the Company.

3. Income Tax Provision(Benefit) for the three-month periods ended March 31, 1994 and 1993 includes a tax benefit of $8.1 million and $13.9 million, respectively, related to tight gas sand federal income tax credit utilization.

4. Natural Gas and Crude Oil, Condensate and Natural Gas Liquids Net Operating Revenues

Natural Gas Net Operating Revenues are comprised of the following (in millions):

	Three Months Ended March 31, 1994	1993
Wellhead Natural Gas Revenues		
Associated Companies (1)(2)	$ 89.4	$ 75.9
Trade	48.2	35.9
Total	$137.6	$111.8
Other Natural Gas Marketing Activities		
Gross Revenues from:		
Associated Companies	$ 44.6	$ 34.8
Trade (3)	33.0	30.6
Total	77.6	65.4
Associated Costs from:		
Associated Companies (1)(4)	53.0	42.4
Trade	18.9	15.9
Total (5)	71.9	58.3
Net	5.7	7.1
Commodity Price Hedging (6)	(6.0)	.2
Total	$ (.3)	$ 7.3

PART I. FINANCIAL INFORMATION - (Continued)

ITEM 1. FINANCIAL STATEMENTS - (Continued)
ENRON OIL & GAS COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Crude Oil, Condensate and Natural Gas Liquids, Net Operating Revenues are comprised of the following (in millions):

	Three Months Ended March 31, 1994	1993
Wellhead Crude Oil, Condensate and Natural Gas Liquid Revenues		
Associated Companies	$ 7.1	$ 13.0
Trade	6.0	3.2
Total	$ 13.1	$ 16.2
Other Crude Oil Marketing Activities		
Commodity Price Hedging (6)	$ .4	$ -

(1) Wellhead Natural Gas Revenues include $39.5 million and $29.5 million for the three-month periods ended March 31, 1994 and 1993, respectively, associated with deliveries by Enron Oil & Gas Company to Enron Oil & Gas Marketing, Inc., a wholly-owned subsidiary, reflected as a cost in Other Natural Gas Marketing Activities - Associated Costs.

(2) Includes $7.0 million and $15.5 million for the three-month periods ended March 31, 1994 and 1993, respectively, associated with the equivalent wellhead value of volumes delivered under the terms of a volumetric production payment agreement effective October 1, 1992, as amended, net of transportation.

(3) Includes $10.7 million and $23.2 million for the three-month periods ended March 31, 1994 and 1993, respectively, associated with the amortization of deferred revenues under the terms of volumetric production payment and exchange agreements effective October 1, 1992, as amended.

(4) Includes the effect of a price swap agreement with a third party which in effect fixes the price of certain purchases.

(5) Includes $9.9 million and $20.0 million for the three-month periods ended March 31, 1994 and 1993, respectively, for volumes delivered under volumetric production payment and exchange agreements effective October 1, 1992, as amended, including equivalent wellhead value, any applicable transportation costs and exchange differentials.

(6) Represents gain or loss associated with commodity futures transactions primarily with Enron Corp. affiliated companies based on NYMEX prices in effect on dates of execution, less customary transaction fees. These transactions serve as price hedges for a portion of wellhead sales.

5. Gains on sales of certain oil and gas properties in the amount of $6.0 million and $14,000 are required to be removed from Net Income in connection with determining Net Operating Cash Inflows while the related proceeds are classified as investing cash flows for the three-month periods ended March 31, 1994 and 1993, respectively. However, current accounting guidelines will not permit the relevant federal income tax impact of these transactions to be reclassified to investing cash flows. The current federal income tax impact of these sales transactions was calculated by the Company to be $1.3 million and $.1 million for the three-month periods ended March 31, 1994 and 1993, respectively, which entered into the overall calculation of current federal income tax. The Company believes that this federal income tax impact should be considered in analyzing the elements of the cash flow statement.

6. In March 1994, the Company replaced an existing credit agreement with a Revolving Credit Agreement dated as of March 11, 1994, among the Company and the banks named therein (the "Credit Agreement"). The Credit Agreement provides for aggregate borrowings of up to $100 million, with provisions for increases, at the option of the Company, up to $300 million. Advances under the Credit Agreement bear interest, at the option of the Company, based on a base rate, an adjusted CD rate or an Eurodollar rate. Each advance under the Credit Agreement matures on a date selected by the Company at the time of the advance, but in no event after January 15, 1998. There were no advances outstanding under the Credit Agreement at March 31, 1994.

7. In March 1994, a subsidiary of the Company received two advances aggregating $31 million under a credit agreement dated as of March 8, 1994, between the subsidiary and a financial institution. The credit agreement provides for aggregate borrowings of up to $75 million. One of the advances is in the amount of $16 million, bears interest at a fixed rate of 4.52% and is due in 1998. The other advance is in the amount of $15 million, bears interest at a floating rate that resets quarterly equal to 84% of the London Interbank Bid Rate which is 1/8 of 1% less than the London Interbank Offered Rate and is due in 1998. Both advances are collateralized with a letter of credit issued

by a bank on behalf of the subsidiary and guaranteed by the Company. The advances were used to partially repay a promissory note payable to a bank by the subsidiary.

8. As reported in the Company's Annual Report on Form 10-K for the year ended December 31, 1993, TransAmerican Natural Gas Corporation ("TransAmerican") has filed a petition against the Company and Enron Corp. alleging breach of contract, tortious interference with contract, misappropriation of trade secrets and violation of state antitrust laws. The petition, as amended, seeks actual damages of $100 million plus exemplary damages of $300 million. The Company has answered the petition and is actively defending the matter; in addition, the Company has filed counterclaims against TransAmerican and its sole shareholder, John R. Stanley, alleging fraud, negligent misrepresentation and breach of state antitrust laws. On April 1, 1994, Enron Corp. was granted summary judgment, wherein the court ordered that TransAmerican can take nothing on its claims against Enron Corp. Trial, originally set for February 7, 1994, is now set for September 12, 1994. Although no assurances can be given, the Company believes that the claims made by TransAmerican are totally without merit, that the ultimate resolution of the matter will not have a materially adverse effect on its financial condition or results of operations, and that such ultimate resolution could result in a recovery to the Company.

PART I. FINANCIAL INFORMATION - (Continued)

ITEM 1. FINANCIAL STATEMENTS - (Concluded)
ENRON OIL & GAS COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

9. On May 3, 1994, the shareholders of the Company approved a resolution submitted by the Board of Directors that would, contingent upon the Board of Directors of the Company declaring, on or before May 3, 1995, a stock split of either two-for-one or three-for-two, amend the Restated Certificate of Incorporation of the Company to increase the total number of authorized shares of the common stock of the Company from 80 million to 160 million shares in the event of a two-for-one stock split or to 120 million shares in the event of a three-for-two stock split. Subsequently and also on May 3, 1994, the Board of Directors declared a two-for-one split of the Company's common stock to be effected as a non-taxable dividend of one share for each share outstanding. Shares will be issued on June 15, 1994 to shareholders of record as of May 31, 1994. All per share amounts referenced herein are reflected on a pre-split basis. An amendment to the Restated Certificate of Incorporation of the Company to increase the total number of authorized shares of the common stock of the Company from 80 million to 160 million shares will be filed with the Secretary of State of Delaware.

10. Significant items of other income are detailed below (in millions):

	Three Months Ended March 31, 1994	Three Months Ended March 31, 1993
Gains on Sales of Oil and Gas Properties	$ 6.0	$ -
Interest Income	1.5	1.2
Other, Net	0.8	0.6
Total	$ 8.3	$ 1.8

PART I. FINANCIAL INFORMATION - (Continued)

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
ENRON OIL & GAS COMPANY

The following review of operations for the three-month period ended March 31, 1994 should be read in conjunction with the consolidated financial statements of the Company and Notes thereto.

Results of Operations

Three Months Ended March 31, 1994
vs. Three Months Ended March 31, 1993

In the first quarter of 1994, Enron Oil & Gas Company (the "Company") realized net income of $30.3 million compared to net income of $30.2 million for the same period in 1993. Net operating revenues for the first quarter of 1994 were $152.2 million as compared to $136.8 million for the same period a year ago.

Volume and price statistics are as follows:

	1994	1993
Wellhead Volumes		
Natural Gas (MMcf/d) (1) (3)	799	705
Crude Oil and Condensate (MBbl/d) (1)	10.8	9.7
Natural Gas Liquids (MBbl/d)	0.7	0.7
Wellhead Average Prices		
Natural Gas ($/Mcf) (2) (4)	$ 1.91	$ 1.76
Crude Oil and Condensate ($/Bbl) (2)	12.83	17.56
Natural Gas Liquids ($/Bbl)	8.37	12.37
Other Natural Gas Marketing		
Volumes (MMcf/d) (3)	341	289
Average Gross Revenue ($/Mcf)	2.53	$ 2.52
Associated Costs ($/Mcf) (5)	2.35	2.25
Margin ($/Mcf)	$ 0.18	$ 0.27

(1) Million cubic feet per day or thousand barrels per day, as applicable.
(2) Dollars per thousand cubic feet or per barrel, as applicable.
(3) Includes 48 MMcf per day and 103 MMcf per day for the three-month periods ended March 31, 1994 and 1993, respectively, delivered under the terms of volumetric production payment agreements effective October 1, 1992, as amended.
(4) Includes an average equivalent wellhead value of $1.61/Mcf and $1.67/Mcf for the three-month periods ended March 31, 1994 and 1993, respectively, for the volumes described in note (3), net of transportation costs.
(5) Including transportation and exchange differentials.

First quarter 1994 average wellhead natural gas prices were up approximately 9% from the same period in 1993 resulting in an approximate $11 million increase in net operating revenues. An increase of 13% in wellhead natural gas volumes over the first quarter of 1993 added approximately $15 million to net operating revenues. First quarter wellhead crude oil and condensate average prices declined 27% reducing net operating revenues by about $5 million. Crude oil and condensate wellhead volumes increased 11% adding approximately $2 million to net operating revenue compared to the same period a year ago.

Other marketing activities associated with sales and purchases of natural gas, natural gas price swap transactions, other commodity price hedging of natural gas and crude oil and condensate prices utilizing NYMEX related commodity market transactions, and margins relating to the volumetric production payment added $.1 million to net operating revenues during the first quarter of 1994, a decrease of $7.2 million from the same period in 1993. This decrease primarily results from shrinking margins associated with amortization of volumetric production payment deferred revenues due to increases in market responsive natural gas prices associated with volumes supplying these dispositions and a decrease in delivered volumes due to the rescheduling of deliveries under the terms of the volumetric production payment agreement, as amended, and losses on natural gas commodity price hedging activities utilizing NYMEX related commodity market transactions. The average associated costs of natural gas marketing, price swap and volumetric production payment transactions, including, where appropriate, average wellhead value, transportation costs and exchange differentials, increased $.10 per Mcf. The average price received for these transactions did not vary substantially from the same period last year.

The net reduction in benefits from these other marketing activities, a substantial portion of which serve as hedges of commodity price risks for a portion of wellhead deliveries, are more than offset by an increase in revenues associated with market responsive price increases for wellhead natural gas deliveries, as noted above. If the stronger market responsive pricing environment continues, the incremental benefits realized by the Company in prior years from these other marketing activities will continue to be reduced. However, in such circumstances the Company will continue to realize more significant benefits from the improved pricing related to wellhead deliveries. (See Note 4 to Consolidated Financial Statements). Since December 31, 1993, the Company has reduced the level of wellhead natural gas volumes for which it had previously locked in prices using various commodity price hedging mechanisms from about two-thirds to approximately one-half of its anticipated wellhead natural gas volumes for the year 1994.

During the first quarter of 1994, operating expenses of $119 million were $12 million higher than the $107 million incurred in the first quarter of 1993. Lease and well expenses increased approximately $1 million to $15 million and exploration expenses increased $3 million to $9 million primarily due to expanded international operations. Dry hole expenses and impairments of unproved oil and gas properties decreased slightly from the same period last year. Depreciation, depletion and amortization ("DD&A") expense increased $5 million to $65 million reflecting an increase in production volumes and a decrease in the average DD&A rate from $.87 per thousand cubic feet equivalent ("Mcfe") in the first quarter of 1993 to $.83 per Mcfe in the first quarter of 1994. The DD&A rate decrease is primarily due to production from international operations at an average DD&A rate signficantly less than the North American operations average DD&A rate. General and administrative expenses increased $2 million to $13 million in the first quarter 1994 primarily due to overall higher costs associated with certain employee related expenses.

The Company reduced its total per unit operating costs for lease and well expense, DD&A, general and administrative expense, interest expense, and taxes other than income by $.05 per Mcfe, averaging $1.35 per Mcfe during the first quarter of 1994 compared to $1.40 per Mcfe during the same period in 1993. This decrease is primarily attributable to the reduction in the average DD&A rate as noted above.

Other income for the first quarter of 1994 includes $6 million in gains associated with the routine sale of oil and gas properties that do not fit the overall growth strategy of the Company as compared to $14,000 of gains for similar sales recorded in the first quarter of 1993. The Company expects to continue the sale of similar properties from time to time. Net interest expense of $2 million decreased slightly from the first quarter of 1993.

Income tax provision (benefit) for the first quarters of 1994 and 1993 includes a provision of approximately $9 million and a benefit of approximately $1 million, respectively. The difference results primarily from a reduction in the federal income tax benefits associated with tight gas sand federal income tax credits utilized in the first quarter of 1994 as compared to the first quarter of 1993 along with the significant increase in income before income taxes during the first quarter of 1994.

Federal income taxes accrued in interim periods are calculated using the estimated annual effective income tax rate method.

Capital Resources and Liquidity

The Company's primary sources of cash during the three months ended March 31, 1994 were funds generated from operations, proceeds from the sale of certain oil and gas properties and issuance of new debt. Primary cash outflows consisted of funds used in operations, exploration and development expenditures, repayment of debt, and dividends paid to the Company's shareholders.

Discretionary cash flow, a frequently used measure of performance for exploration and production companies, is derived by adjusting net income to eliminate the effects of depreciation, depletion and amortization, impairment of unproved oil and gas properties, deferred income taxes, property sales net of income tax, certain other miscellaneous non-cash amounts, except for amortization of deferred revenue, and exploration and dry hole expenses. The Company generated discretionary cash flow of $109 million during the first three months of 1994, an 8% increase over the $101 million generated for the same period in 1993, primarily reflecting an increase in net operating revenues partially reduced by an increase in current federal income taxes as discussed above.

Net operating cash flows of $104 million for the first three months of 1994 increased $34 million as compared to the same period in 1993 primarily due to the increase in discretionary cash flow discussed above and an increase in cash flow associated with a reduction in working capital requirements. Based upon existing economic and market conditions, management believes net operating cash flow and available financing alternatives in 1994 will be sufficient to fund net investing and other cash requirements of the Company for the remainder of the year.

Exploration and development expenditures totaled $100 million for the first three months of 1994 which was essentially equal to the amount expended during the same period in 1993 reflecting a continuing emphasis on domestic drilling activity as well as an increasing emphasis on certain international development drilling opportunities.

During the first quarter of 1994, the Company was part of a consortium selected to negotiate for offshore development and operating rights to certain fields off the west coast of India. Two of the fields are oil fields with current production and the third is a large undeveloped gas field. The Company's working interest ownership is expected to be approximately 30 percent, and the Company will operate the joint venture. The consortium is working with the Indian government to finalize the production sharing contract and joint operating and product sales agreements.

The level of exploration and development expenditures will vary in future periods depending on energy market conditions and other related economic factors. The Company has significant flexibility with respect to financing alternatives and the ability to adjust its exploration and development expenditure budget as circumstances warrant. There are no material continuing commitments associated with expenditure plans.

PART II. OTHER INFORMATION
ENRON OIL & GAS COMPANY

ITEM 4. Results of Votes of Security Holders

The annual meeting of shareholders of Enron Oil & Gas Company was held on May 3, 1994. The matter voted upon, other than the election of directors and procedure items, was as follows:

The shareholders of the Company approved by an affirmative vote of 76,732,439 shares and negative vote of 8,198 shares, with 12,494 shares abstaining, a resolution submitted by the Board of Directors that would, contingent upon the Board of Directors of the Company declaring, on or before May 3, 1995, a stock split of either two-for-one or three-for-two, amend the Restated Certificate of Incorporation of the Company to increase the total number of authorized shares of the common stock of the Company from 80 million to 160 million shares in the event of a two-for-one stock split or to 120 million shares in the event of a three-for-two stock split. Subsequently and also on May 3, 1994, the Board of Directors declared a two-for-one split of the Company's common stock to be effected as a non-taxable dividend of one share for each share outstanding. Shares will be issued on June 15, 1994 to shareholders of record as of May 31, 1994. An amendment to the Restated Certificate of Incorporation of the Company to increase the total number of authorized shares of the common stock of the Company from 80 million to 160 million shares will be filed with the Secretary of State of Delaware.

ITEM 6. Exhibits and Reports on Form 8-K

(a) Exhibits - None

(b) Reports on Form 8-K - There were no reports on Form 8-K filed for the quarterly period ended March 31, 1994.

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.

ENRON OIL & GAS COMPANY
(Registrant)

Date: May 12, 1994

By /S/ W. C. WILSON
W. C. Wilson
Senior Vice President and
Chief Financial Officer
(Principal Financial Officer)

Date: May 12, 1994

By /S/ BEN B. BOYD
Ben B. Boyd
Vice President and Controller
(Principal Accounting Officer)