

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **1996-08-26** | Period of Report: **1996-06-30**
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FILER

TAURUS PETROLEUM INC

CIK: **225926** | IRS No.: **840736215** | State of Incorpor.: **CO** | Fiscal Year End: **0930**
Type: **10-Q** | Act: **34** | File No.: **000-08835** | Film No.: **96620539**
SIC: **1311** Crude petroleum & natural gas

Mailing Address
412 NORTH SAM HOUSTON
PARKWAY EAST
HOUSTON TX 77060

Business Address
412 NORTH SAM HOUSTON
PARKWAY EAST
HOUSTON TX 77060
713-445-5190

FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549
QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

OR

Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For Quarter Ended June 30, 1996

Commission File Number 0-8835

TAURUS PETROLEUM, INC.

(Exact name of registrant as specified in its charter)

Colorado

(State or other jurisdiction of incorporation or organization)

84-0736215

I.R.S. Employer Identification No.

412 N. Sam Houston Pkwy Houston, TX
(Address of Principal Executive offices)

77060
(Zip Code)

(713) 445-7755

(Registrant's telephone number, including area code)

Indicate by check 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 No

As of August 14, 1996, 59,954,042 shares of the registrant's Common Stock were outstanding.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

TAURUS PETROLEUM, INC.
AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

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	June 30, 1996 Unaudited	September 30, 1995
Assets		
Current assets:		
Cash and cash equivalents	\$ 4,756	\$ 2,174
Accounts receivables	5,639	30,459
Other current assets	24,725	17,163
	-----	-----
	35,120	49,796
Property and equipment, at cost		
successful efforts method	393,262	2,199,325
Less accumulated depreciation and depletion	(392,812)	1,888,241
Net property and equipment	450	311,084
	-----	-----
	\$ 35,570	\$ 360,880
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 15,729	\$ 168,396
Notes payable related parties	-	21,922
Undistributed oil and gas sales	(5,994)	13,451
Other current liabilities	-	1,965
Total current liabilities	9,735	205,734
Long term liabilities:		
Notes payable related parties	-	92,358
Stockholders' equity:		
Common stock	60,307	60,307
Additional paid-in capital	3,111,844	3,082,328
Accumulated deficit	(3,063,743)	(2,997,294)
Treasury stock	(82,573)	(82,573)
Total stockholders' equity	25,835	62,788
Total liabilities and stockholders' equity	\$ 35,570	\$ 360,880

See accompanying Notes to Consolidated Financial Statements.

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TAURUS PETROLEUM, INC.
AND SUBSIDIARIES

Consolidated Statements Of Operations
(Unaudited)

<S>	Three Months Ended June 30,		Nine Months Ended June 30,	
	<C> 1996	<C> 1995	<C> 1996	<C> 1995
Operating Revenue:				
Oil and Gas sales	\$ (6,227)	\$ 38,050	\$ 82,626	\$ 117,210
Administrative overhead and management fees	794	2,382	5,558	7,146
	-----	-----	-----	-----
	(5,433)	40,432	88,184	124,356
Cost and Expenses:				
Lease operating, including taxes	6,307	25,899	59,414	98,836
Intangible drilling costs	-	-	-	11,146
Depreciation and depletion	-	10,095	12,840	30,285
General and administrative	(623)	43,003	76,278	121,888
	-----	-----	-----	-----
	5,684	78,997	148,532	262,155
	-----	-----	-----	-----
Loss from operations	(1,117)	(38,565)	(60,348)	(137,799)
Other income (expense)				
Interest Expense	3,635	(2,295)	(482)	(8,135)
Gain on sale of property and equipment	-	48,278	-	48,278
Other	-	-	56	-
Net gain (loss)	\$ 2,518	\$ 7,418	\$ (60,774)	\$ (97,656)
	-----	-----	-----	-----
Net gain (loss) per common share	\$ *	\$ *	\$ *	\$ *
	-----	-----	-----	-----
Weighted average number of common shares outstanding	60,307,749	60,307,749	60,307,749	60,307,749

* Net loss per common share is less than one cent.

See accompanying Notes to Consolidated Financial Statement

</TABLE>

TAURUS PETROLEUM, INC.
AND SUBSIDIARIES

Consolidated Statements Of Cash Flows
(Unaudited)

<TABLE>

<S>	Nine Months ended June 30,	
	<C> 1996	<C> 1995
Cash flows from operating activities:		
Net loss	\$ (36,953)	\$ (97,656)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and depletion	(1,888,241)	30,285
(Gain) loss from sales of property and equipment	-	(48,278)
Allowance for bad debt	(17,009)	-
Decrease (increase) in accounts receivable	41,829	9,042
Decrease (increase) proved and unproved properties	2,163,215	-
Decrease (increase) other properties & equipment	35,660	-
Decrease (increase) in other assets	(7,562)	6,317
Increase in accounts payable	(288,357)	33,275
Net cash used in operating activities	2,582	(67,015)
Cash flows from investing activities:		
Proceeds from sale of property and equipment	-	70,000
Credits (Additions) to property and equipment	-	(378)
Net cash provided by (used) investing activities	-	69,622
Net increase (decrease) in cash	1,518	2,607
Cash and cash equivalents		
Beginning of period	2,174	900
End of period	\$ 4,756	\$ 3,507
Supplemental disclosure of cash flow information - cash paid during the period for interest	\$ -	\$ 1,464

</TABLE>

See accompanying Notes to Consolidated Financial Statements.

TAURUS PETROLEUM, INC.
AND SUBSIDIARIES

General

The accounting policies followed by Taurus Petroleum, Inc. and Subsidiaries (the "Company") are set forth in the notes to the Company's audited financial statements in the report on Form 10-K filed for the year ended September 30, 1993, which is incorporated herein by reference. Such policies have been continued without change. Also, refer to the notes with those financial statements for additional details of the Company's financial condition, results of operations and cash flows. All material items included in those notes have not change except as a result of normal transactions in the interim, or as disclosed within this report. Any and all adjustments are of a "normal recurring nature".

In the opinion of management, the accompanying interim unaudited financial statements contain all adjustments necessary to present fairly the Company's consolidated financial position as of June 30, 1996, and the results of its operations and cash flows for the nine month periods ended June 30, 1996 and 1995.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Results of Operations

Oil and Gas revenue decreased to a negative of \$ 6,227 for the period ended June 30, 1996. This decrease in revenue is due to adjustment of accruals on properties sold.

The Company had \$ 794 administrative income.

Lease operator expenses and administrative income both decreased as a result of asset rationalization of oil and gas properties owned by the Company.

Liquidity and Capital Resources

Management is aware that positive steps are needed to grow the Company. In an effort to liquidate the liabilities of the Company, the oil and gas properties have been sold or exchanged. Said liabilities exceeded the asset value of the Company.

Management intends to utilize the Company as a vehicle to acquire other profitable business ventures primarily in the real estate and entertainment industries.

PART II. OTHER INFORMATION

Item 1. Legal Proceeding

None.

Item 4. Submission of Matters to a Vote of Securities Holders

There were no matters submitted during the third quarter of Fiscal 1995 to a vote of security holders, through the solicitation of proxies or otherwise.

Item 6. Exhibits and Reports on Form 8-K

(a) No exhibits are filed with this report.

(b) A Form 8-K has been filed.

SIGNATURES

Pursuant to the requirements of Section 13 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.

TAURUS PETROLEUM, INC.

Date: August 21, 1996

By: /s/ Thomas P. McDonnell
Thomas P. McDonnell, President
and Treasurer and duly authorized
signatory on behalf of the Registrant

INDEX TO EXHIBITS

(2) Plan of Acquisition, Reorganization, Arrangement, Liquidation or Succession.

Not applicable.

(4) Instruments Defining the Rights of Security Holders.

The form of Common Stock share certificate (Exhibit 4 to September 30, 1984, Annual Report on Form 10-K and Articles V, VI, VII and XIV of the Amended Articles of the Form 10-K for the Fiscal year ended September 30, 1986) is

incorporated herein by reference.

- (11) Statement Regarding Computation of Per Share Earnings. Not applicable.
- (15) Letter Regarding Unaudited Interim Financial Information. Not applicable.
- (16) Letter Regarding Change in Certifying Accountant. Not Applicable.
- (18) Letter Regarding Change in Accounting Principles. Not applicable.
- (19) Previously Unfiled Documents. Not applicable.
- (20) Report Furnished to Security Holders. Not applicable.
- (23) Published Report Regarding Matters Submitted to Vote of Security Holders.
Not applicable.
- (24) Consent of Experts and Counsel. Not applicable.
- (25) Power of Attorney. Not applicable.
- (28) Additional Exhibits. Not applicable.

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