

Edgar Filing: PETROCORP INC - Form 10-Q

PETROCORP INC  
Form 10-Q  
May 09, 2001

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

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

For the Quarterly period ended March 31, 2001

OR

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

For the Transition period \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 0-22650  
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PETROCORP INCORPORATED  
(Exact name of registrant as specified in its charter)

Texas  
(State or Other Jurisdiction of  
Incorporation or Organization)

76-0380430  
(I.R.S. Employer Identification No.)

6733 South Yale  
Tulsa, Oklahoma  
(Address of Principal Executive Offices)

74136  
(Zip Code)

Registrant's Telephone Number, Including Area Code: (918) 491-4500

Not Applicable  
(Former Name, Former Address and Former Fiscal Year, if changed since last  
report)

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 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

Indicate the number of shares outstanding of each of the Registrant's classes of  
stock, as of April 30, 2001:

Common Stock, \$.01 per value  
(Title of Class)

8,721,819  
(Number of Shares Outstanding)

PETROCORP INCORPORATED

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Certain matters discussed in this report, excluding historical information, include forward-looking statements - statements that discuss the Company's expected future results based on current and pending business operations. The Company is making these forward-looking statements in reliance on the safe harbor protections provided under the PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995.

Forward-looking statements can be identified by words such as "anticipates," "believes," "expects," "planned," "scheduled" or similar expressions. Although the Company believes these forward-looking statements are based on reasonable assumptions, statements made regarding future results are subject to numerous assumptions, uncertainties and risks that may cause future results to be materially different from the results stated or implied in this document. Important risk factors (but not necessarily all important 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 would include, but in no way be limited by, the Company's ability to obtain agreements with co-venturers, partners and governments; its ability to engage drilling, construction and other contractors; its ability to obtain economical and timely financing; geological, land, sea or weather conditions; world prices for oil, natural gas and natural gas liquids; adequate and reliable transportation systems; and foreign and United States laws, including tax laws. Additional information about issues that could lead to material changes in performance is contained in the Company's Form 10-K.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

PETROCORP INCORPORATED  
CONSOLIDATED BALANCE SHEETS  
(in thousands, except share amounts)  
(Unaudited)

MARCH 31,            DECEMBER 31,  
2001                            2000

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	-----	-----
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 28,642	\$ 21,946
Accounts receivable, net	10,253	13,332
Other current assets	581	609
	-----	-----
Total current assets	39,476	35,887
	-----	-----
Property, plant and equipment:		
Oil and gas properties, at cost, full cost method, net		
of accumulated depreciation, depletion and amortization	66,183	68,432
Plant and related facilities, net	2,157	2,451
Other, net	-	53
	-----	-----
	68,340	70,936
	-----	-----
Investment in Southern Mineral Corporation (see Note 8)	3,410	-
Deferred income taxes	8,310	10,254
Other assets, net	205	242
	-----	-----
Total assets	\$119,741	\$117,319
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 21,968	\$ 17,732
Accrued liabilities	1,749	2,488
Income tax payable	1,655	5,444
Current portion of long-term debt	1,135	1,194
	-----	-----
Total current liabilities	26,507	26,858
	-----	-----
Long-term debt	28,196	29,992
	-----	-----
Deferred income taxes	6,028	6,192
	-----	-----
Shareholders' equity:		
Preferred stock, \$0.01 par value, 1,000,000 shares authorized, none issued		
Common stock, \$0.01 par value, 25,000,000 shares authorized, 8,721,819 and 8,703,719 shares outstanding as of March 31, 2001 and December 31, 2000, respectively	87	87
Additional paid-in capital	71,871	71,614
Accumulated deficit	(5,506)	(11,712)
Accumulated other comprehensive loss	(7,442)	(5,712)
	-----	-----
Total shareholders' equity	59,010	54,277
	-----	-----
Total liabilities and shareholders' equity	\$119,741	\$117,319
	=====	=====

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

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(in thousands, except share amounts)  
(Unaudited)

	For the three months ended March 31,	
	2001	2000
REVENUES:		
Oil and gas	\$13,225	\$ 7,145
Plant processing	433	472
Other	111	125
	13,769	7,742
EXPENSES:		
Production costs	1,574	1,666
Depreciation, depletion and amortization	2,234	2,185
General and administrative	479	384
Other operating expenses	36	113
	4,323	4,348
INCOME FROM OPERATIONS	9,446	3,394
OTHER INCOME (EXPENSES):		
Investment income	38	193
Interest expense	(219)	(1,026)
Other income (expenses)	1,278	-
	1,097	(833)
INCOME BEFORE INCOME TAXES	10,543	2,561
Income tax provision:		
Current	2,250	-
Deferred	2,087	1,051
	4,337	1,051
NET INCOME	\$ 6,206	\$ 1,510
Net income per common share - basic	\$0.71	\$0.17
Net income per common share - diluted	\$0.70	\$0.17
Weighted average number of common shares - basic	8,714	8,683
Weighted average number of common shares - diluted	8,879	8,707

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

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(in thousands)  
(Unaudited)

	For the three months ended March 31,	
	2001	2000
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income	\$ 6,206	\$ 1,510
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, depletion and amortization	2,234	2,185
Deferred income tax expense	2,087	1,051
Other	142	5
Changes in operating assets and liabilities:		
Accounts receivable	3,079	(513)
Other current assets	28	33
Accounts payable	4,236	(740)
Accrued liabilities	(334)	(1,245)
Income tax payable	(3,624)	-
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>14,054</b>	<b>2,286</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Additions to oil and gas properties	(1,707)	(1,900)
Additions to plant and related facilities	(113)	(101)
Investment in Southern Mineral Corporation	(3,410)	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(5,230)</b>	<b>(2,001)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from long-term debt	34,873	58
Repayment of long-term debt	(36,602)	(256)
Other	115	-
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(1,614)</b>	<b>(198)</b>
Effect of exchange rate changes on cash	(514)	(2)
Net increase (decrease) in cash and cash equivalents	6,696	85
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	21,946	12,899
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<b>\$ 28,642</b>	<b>\$12,984</b>

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

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PETROCORP INCORPORATED  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(Unaudited)

**NOTE 1 - BASIS OF PRESENTATION:**

The unaudited consolidated financial statements of PetroCorp Incorporated (the

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"Company" or "PetroCorp") have been prepared in accordance with generally accepted accounting principles for interim financial information and with instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments, consisting of normal and recurring adjustments necessary for a fair presentation, have been included. For further information, refer to the consolidated financial statements and footnotes thereto for the year ended December 31, 2000, included in the Company's 2000 Annual Report on Form 10-K pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Interim period results are not necessarily indicative of results of operations or cash flows for a full-year period.

### NOTE 2 - RESTRUCTURING:

As part of a restructuring plan, on August 3, 1999, PetroCorp's Board of Directors entered into a Management Agreement with its largest shareholder, Kaiser-Francis Oil Company ("Kaiser-Francis"), under which Kaiser-Francis provides management, technical, and administrative support services for all PetroCorp operations in the United States and Canada.

As a result of the restructuring, fifty-two employees were terminated in 1999 with one employee terminated in 2000. Several employees elected to defer receipt of their termination benefits until 2000. The Houston, Oklahoma City and Calgary offices were closed but the Company was still liable under the lease agreements. In the second quarter of 2000, the Company was able to find a replacement lessee for some of the idle office space earlier than anticipated. The following table shows the change in accrued restructuring costs:

	Balance at December 31, 2000	Expenditures charged against accrual	Changes in estimates	Balance at March 31, 2001
	-----	-----	-----	-----
Office lease discontinuance and other related costs	\$70,000 =====	\$22,000 =====	- =====	\$48,000 =====

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### NOTE 3 - COMPREHENSIVE INCOME:

The Company follows SFAS No. 130, "Reporting Comprehensive Income." This Statement establishes requirements for reporting comprehensive income and its components which includes the Company's foreign currency translation adjustment.

The Company's comprehensive income for the three months ended March 31, 2001 and 2000 is as follows (in thousands):

	For the three months ended March 31,	
	----- 2001 -----	----- 2000 -----
Net income	\$ 6,206	\$1,510
Foreign currency translation gain (loss)	(1,730)	(114)
	-----	-----

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Comprehensive income	\$ 4,476	\$1,396
	=====	=====

NOTE 4 - EARNINGS PER SHARE:

The following is a reconciliation of the numerators and denominators of the basic and diluted per share computations for the periods presented (in thousands, except share amounts):

	Three months ended March 31,		
	Net	Shares	Per
	Income		Share
	-----	-----	-----
2001			
Basic EPS:			
Net income	\$6,206	8,714	\$ 0.71
Effect of dilutive securities:			
Options	-	165	(0.01)
	-----	-----	-----
Diluted EPS:			
Net income	\$6,206	8,879	\$ 0.70
	=====	=====	=====
2000			
Basic EPS:			
Net income	\$1,510	8,683	\$ 0.17
Effect of dilutive securities:			
Options	-	24	-
	-----	-----	-----
Diluted EPS:			
Net income	\$1,510	8,707	\$ 0.17
	=====	=====	=====

The net income per share amounts do not include the effect of potentially dilutive securities of 364,000 and 561,000 for the three months ended March 31, 2001 and 2000, respectively, as the impact of these outstanding options was antidilutive.

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NOTE 5 - HEDGING ACTIVITIES:

On June 15, 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards (SFAS) No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS 133, as amended, requires that all derivative instruments be recorded on the balance sheet at their fair value. Changes in the fair value of derivatives will be recorded each period in current earnings or other comprehensive income (only certain types of hedge transactions are reported as a component of other comprehensive income). Additionally, for all hedge transactions the nature and type of hedge will be disclosed. The Company adopted SFAS 133 in January 2001.

To reduce the impact of fluctuations in the market prices of oil and natural gas, the Company periodically utilized hedging strategies such as futures transactions or swaps to hedge the price of a portion of its future oil and natural gas production. Results of these hedging transactions are reflected in oil and natural gas sales in the month of hedged production.

No hedge transactions were in place during the first quarter of 2001. Although hedge transactions were in place at March 31, 2000, they pertained to

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oil production from April 2000 through December 2000. Oil and gas revenue includes no adjustment for settled hedging transactions for the first quarters of 2000 and 2001.

### NOTE 6 - PROPERTY, PLANT AND EQUIPMENT:

Investments in property, plant and equipment were as follows at March 31, 2001 and December 31, 2000 (amounts in thousands):

	2001	2000
	----	----
Oil and gas properties	\$ 227,640	\$ 228,845
Plant and related facilities	9,591	9,969
Gas gathering facilities	1,698	1,698
Furniture, fixtures and equipment	-	-
	-----	-----
	238,929	240,512
Less - accumulated depreciation, depletion and amortization	(170,589)	(169,576)
	-----	-----
	\$ 68,340	\$ 70,936
	=====	=====

### NOTE 7 - LONG-TERM DEBT:

In July 2000, the Company entered into a \$75 million revolving credit agreement with the Toronto-Dominion Bank (TD Bank), the agent, and the Bank of Nova Scotia. The term of the facility is through April 30, 2003 and the initial borrowing base was set at \$58 million. Borrowings can be funded by either Eurodollar loans or Base Rate loans. The interest rate on the borrowings is equal to an interest rate spread plus either the Eurodollar rate or the Base Rate. The interest spread is determined from a sliding scale based on the Company's borrowing base percentage utilization in effect from time to time. The spread ranges from 1.25 to 2.25 on Eurodollar loans and .25 to 1.25 on Base Rate loans. At March 31, 2001, the weighted average interest rate under this facility was approximately 6.7%.

The \$75 million revolving credit agreement prohibits the declaration and payment of dividends on the common stock of the Company. Also, the debt agreement requires the Company to maintain a minimum current ratio, a minimum tangible net worth, and a minimum interest coverage ratio.

### NOTE 8 - INVESTMENT IN SOUTHERN MINERAL CORPORATION:

On December 22, 2000, the Company and Southern Mineral Corporation (Southern Mineral) announced they have executed a definitive agreement regarding Southern Mineral's merger into PetroCorp. In the merger, expected to close in the second quarter of 2001, shareholders of Southern Mineral will receive consideration of \$4.71 per share

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in cash or, if the shareholder timely elects, in PetroCorp common stock based on an exchange ratio of .471, subject to possible proration as a result of oversubscription for PetroCorp stock. The merger will be accounted for under the purchase method of accounting.

Subsequent to the signing of the merger agreement, PetroCorp purchased shares of Southern Mineral common stock via open-market and negotiated transactions. As of March 31, 2001, PetroCorp had acquired 781,336 shares of Southern Mineral



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stock at an average price of \$4.36 per share. As a result, PetroCorp currently owns approximately 6% of the outstanding shares of Southern Mineral stock.

### NOTE 9 - GEOGRAPHIC AREA INFORMATION:

The principal business of the Company is oil and gas, which consists of the exploration, development, acquisition, exploitation and operation of oil and gas properties and the production and sale of crude oil and natural gas in North America. Pertinent information with respect to the Company's oil and gas business is presented in the following table (in thousands):

	UNITED STATES	CANADA	GENERAL CORPORATE	TOTAL
Three months ended March 31, 2001:				
Revenues	\$ 6,594	\$ 7,175	\$ -	\$13,769
Income (loss) from operations	4,345	5,580	(479)	9,446
Long-lived assets at March 31	45,288	34,812	165	80,265
Three months ended March 31, 2000:				
Revenues	\$ 4,600	\$ 3,142	\$ -	\$ 7,742
Income (loss) from operations	2,100	1,677	(383)	3,394
Long-lived assets at March 31	50,356	37,467	96	87,919

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### ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

#### GENERAL

The Company's principal line of business is the production and sale of its oil and natural gas reserves located in North America. Results of operations are dependent upon the quantity of production and the price obtained for such production. Prices received by the Company for the sale of its oil and natural gas have fluctuated significantly from period to period. Such fluctuations affect the Company's ability to maintain or increase its production from existing oil and gas properties and to explore, develop or acquire new properties.

The following table reflects certain operating data for the periods presented:

	For the three months ended March 31,	
	2001	2000
PRODUCTION:		
United States		
Oil (MBbls)	66	82
Gas (MMcf)	755	937
Total gas equivalents (MMcfe)	1,151	1,429
Canada:		

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Oil (MBbls)	28	31
Gas (MMcf)	1,150	990
Total gas equivalents (MMcfe)	1,318	1,176
Total:		
Oil (MBbls)	94	113
Gas (MMcf)	1,905	1,927
Total gas equivalents (MMcfe)	2,469	2,605
AVERAGE SALES PRICES:		
United States:		
Oil (per Bbl)	\$27.31	\$27.51
Gas (per Mcf)	6.27	2.47
Canada:		
Oil (per Bbl)	25.59	26.56
Gas (per Mcf)	5.19	1.77
Weighted average:		
Oil (per Bbl)	26.80	27.25
Gas (per Mcf)	5.62	2.11
SELECTED DATA PER MCFE:		
Average sales price	\$ 5.36	\$ 2.74
Production costs	0.64	0.64
General and administrative expenses	0.19	0.15
Oil and gas depreciation, depletion and amortization	0.76	0.70

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### RESULTS OF OPERATIONS

Three Months Ended March 31, 2001 Compared to Three Months Ended March 31, 2000

Overview. The Company recorded first quarter 2001 net income of \$6,206,000, or \$0.71 per share. This compares to net income of \$1,510,000 or \$0.17 per share recorded in the first quarter of 2000. This improvement results primarily from higher oil and gas prices. Net cash provided by operating activities was \$14.1 million for the quarter ended March 31, 2001 compared to net cash provided of \$2.3 million for the corresponding quarter of 2000.

Revenues. Total revenues increased 79% to \$13.8 million in the first quarter of 2001 compared to \$7.7 million in the first quarter of 2000, primarily due to commodity price increases. The Company's natural gas production decreased 1% to 1,905 MMcf from 1,927 MMcf and oil production declined 17% to 94 MBbls from 113 MBbls, resulting in the Company's overall equivalent production decreasing 5% to 2,469 MMcfe from 2,605 MMcfe. The decrease in oil and gas production reflects normal production declines partially offset by new wells coming on line in the Shaw/Basing area in Canada.

The Company's composite average oil price decreased 2% to \$26.80 per barrel in the first quarter of 2001 from \$27.25 per barrel in the first quarter of 2000. The Company's average U.S. natural gas price increased 154% to \$6.27 per Mcf in the first quarter of 2001 from \$2.47 per Mcf in the prior year quarter, while the average Canadian natural gas price increased 193% to \$5.19 per Mcf in the first quarter of 2001 from \$1.77 per Mcf for 2000. The significant increase in prices, partially offset by the decline in production volumes, resulted in an 85% increase in oil and gas revenues to \$13.2 million in the first quarter of 2001 from \$7.1 million in the prior year.

Production Costs. Production costs decreased 6% to \$1.6 million in the first quarter of 2001 as a result of fewer workover operations for repairs and production enhancement. Production costs per Mcfe remained unchanged at \$0.64 per Mcfe in the first quarter of 2001.

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Depreciation, Depletion & Amortization (DD&A). Total DD&A increased 2% to \$2.2 million in the first quarter of 2001. The composite oil and gas DD&A rate increased 9% to \$0.76 per Mcfe from \$0.70 per Mcfe. This reflects the impact of previously unevaluated properties evaluated in late 2000 and moved to the full cost pool.

General and Administrative Expenses. General and administrative expenses increased 25% to \$479,000 in the first quarter of 2001 from \$384,000 in the first quarter of 2000 due to \$142,000 of stock options expense, which is a non-cash expense, recorded in 2001.

Investment Income. Investment income decreased 80% to \$38,000 in the first quarter of 2001 from \$193,000 in the first quarter of 2000 due to excess cash being used to pay down debt.

Interest Expense. Interest expense decreased 79% to \$219,000 in the first quarter of 2001 from \$1,026,000 in the prior year quarter, reflecting the reductions in outstanding debt, as described in the Liquidity and Capital Resources section.

Other Income. The Company recorded a \$1.3 million realized translation gain for the short-term investment of Canadian assets in US dollar denominated accounts during the first quarter of 2001.

Income Taxes. The Company recorded a \$4,337,000 income tax expense with an effective tax rate of 41% on a pre-tax income of \$10,543,000 in the first quarter of 2001. This compares to an income tax expense of \$1,051,000 with an effective tax rate of 41% on pre-tax income of \$2.6 million in the first quarter of 2000.

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### LIQUIDITY AND CAPITAL RESOURCES

As of March 31, 2001, the Company had working capital of \$13.0 million as compared to \$9.0 million at December 31, 2000. Net cash provided by operating activities was \$14.1 million for the three months ended March 31, 2001 compared to \$2.3 million for the corresponding three months of 2000.

The Company's total capital expenditures were \$1.8 million and \$2.0 million for the three months ended March 31, 2001 and 2000, respectively, primarily related to exploration and development.

No sales of oil and gas properties occurred in the first three months of either 2001 or 2000.

In July 2000, the Company entered into a \$75 million revolving credit agreement with the Toronto-Dominion Bank (TD Bank), the agent, and the Bank of Nova Scotia. The term of the facility is through April 30, 2003 and the initial borrowing base was set at \$58 million. Borrowings can be funded by either Eurodollar loans or Base Rate loans. The interest rate on the borrowings is equal to an interest rate spread plus either the Eurodollar rate or the Base Rate. The interest spread is determined from a sliding scale based on the Company's borrowing base percentage utilization in effect from time to time. The spread ranges from 1.25 to 2.25 on Eurodollar loans and .25 to 1.25 on Base Rate loans. At March 31, 2001, the Company had a total of \$27 million outstanding under the revolver and \$31 million available based on the current borrowing base, as defined, subject to certain limitations. During the first quarter of 2001, the average interest rate under this facility was approximately 8.1%.

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The Company has historically funded its capital expenditures and working capital requirements with its cash flow from operations, debt and equity capital and participation by institutional investors. If the Company increases its capital expenditure level in the future or operating cash flow is not as expected, capital expenditures may require additional funding, obtained through borrowings from commercial banks and other institutional sources or by public or private offerings of equity or debt securities.

### Possible Merger with Southern Mineral

As indicated in Note 8 to the financial statements, PetroCorp has entered into an agreement to merge with Southern Mineral Corporation. Funds needed to complete this transaction will be provided by cash on hand and borrowings under existing lines of credit.

Subsequent to the signing of the merger agreement, PetroCorp purchased shares of Southern Mineral common stock via open-market and negotiated transactions. As of March 31, 2001, PetroCorp has acquired 781,336 shares of Southern Mineral stock at an average price of \$4.36 per share. As a result, PetroCorp currently owns approximately 6% of the outstanding shares of Southern Mineral stock.

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### ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company's primary sources of market risk are from fluctuations in commodity prices, interest rates and exchange rates.

#### Commodity Price Risk

The Company produces and sells natural gas, crude oil, condensate, natural gas liquids and sulfur. As a result, the Company's financial results can be significantly affected as these commodity prices fluctuate widely in response to changing market forces. The Company has previously utilized hedging transactions to manage its exposure to price fluctuations on its sales of oil and natural gas.

No hedge transactions were in place during the first quarter of 2001. Although hedge transactions were in place at March 31, 2000, they pertained to oil production from April 2000 through December 2000. Oil and gas revenue includes no adjustment for settled hedging transactions for the first quarters of 2000 and 2001.

### PART II. OTHER INFORMATION

#### Item 1 - Legal Proceedings

Not Applicable

#### Item 2 - Changes in Securities

Not Applicable

#### Item 3 - Defaults upon Senior Securities

Not Applicable

#### Item 4 - Submission of Matters to Vote of Security Holders

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(A) May 8, 2001 special meeting of shareholders.

(1) Approval of merger agreement with Southern Mineral Corporation

Number of Votes		
For	Against	Abstention Broker No
6,216,919	10	6

Item 5 - Other Information

Not Applicable

Item 6 -

(a) Exhibits

Not Applicable

(b) Reports on Form 8-K

Not Applicable

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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 duly authorized officer.

PETROCORP INCORPORATED  
 -----  
 (Registrant)

Date: May 9, 2001

/s/ STEVEN R. BERLIN  
 -----  
 Steven R. Berlin  
 Chief Financial Officer and Secretary  
 (On behalf of the Registrant and as the  
 Principal Financial Officer)

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