

PARKER & PARSLEY 88 A L P

FORM 10-Q (Quarterly Report)

Filed 05/09/97 for the Period Ending 03/31/97

| | |
|-------------|--|
| Address | 303 W WALL STE 101 MIDLAND, TX, 79701 |
| Telephone | 9156834768 |
| CIK | 0000828186 |
| SIC Code | 1311 - Crude Petroleum and Natural Gas |
| Fiscal Year | 12/31 |

PARKER & PARSLEY 88 A L P

FORM 10-Q (Quarterly Report)

Filed 5/9/1997 For Period Ending 3/31/1997

| | |
|-------------|--|
| Address | 303 W WALL STE 101 MIDLAND, Texas 79701 |
| Telephone | 915-683-4768 |
| CIK | 0000828186 |
| Fiscal Year | 12/31 |

**UNITED STATES
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, 1997

or

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

For the transition period from _____ to _____

Commission File No. 33-19659-01

PARKER & PARSLEY 88-A, L.P.

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

75-2225738
(I.R.S. Employer
Identification Number)

303 West Wall, Suite 101, Midland, Texas
(Address of principal executive offices)

79701
(Zip code)

Registrant's Telephone Number, including area code : (915) 683-4768

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 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 //

Page 1 of 10 pages.

-There are no exhibits-

PARKER & PARSLEY 88-A, L.P.

TABLE OF CONTENTS

| | Page |
|---|------|
| Part I. Financial Information | |
| Item 1. Financial Statements | |
| Balance Sheets as of March 31, 1997 and December 31, 1996..... | 3 |
| Statements of Operations for the three months ended March 31, 1997 and 1996..... | 4 |
| Statement of Partners' Capital for the three months ended March 31, 1997..... | 5 |
| Statements of Cash Flows for the three months ended March 31, 1997 and 1996..... | 6 |
| Notes to Financial Statements..... | 7 |
| Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations..... | 7 |
| Part II. Other Information | |
| Item 6. Exhibits and Reports on Form 8-K..... | 9 |
| 27. Financial Data Schedule | |
| Signatures..... | 10 |

PARKER & PARSLEY 88-A, L.P.
(A Delaware Limited Partnership)

Part I. Financial Information

Item 1. Financial Statements

BALANCE SHEETS

| | March 31, 1997 | December 31, 1996 |
|--|-------------------|----------------------|
| | ----- | ----- |
| | (Unaudited) | |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents, including interest bearing deposits of \$221,470 at March 31 and \$178,702 at December 31 | \$ 221,969 | \$ 179,202 |
| Accounts receivable - oil and gas sales | 168,354 | 228,344 |
| | ----- | ----- |
| Total current assets | 390,323 | 407,546 |
| | ----- | ----- |
| Oil and gas properties - at cost, based on the successful efforts accounting method | 10,080,508 | 10,070,081 |
| Accumulated depletion | (6,600,429) | (6,537,411) |
| | ----- | ----- |
| Net oil and gas properties | 3,480,079 | 3,532,670 |
| | ----- | ----- |
| | \$ 3,870,402 | \$ 3,940,216 |
| | ===== | ===== |
| LIABILITIES AND PARTNERS' CAPITAL | | |
| Current liabilities: | | |
| Accounts payable - affiliate | \$ 27,855 | \$ 25,585 |
| Partners' capital: | | |
| Managing general partner | 38,667 | 39,388 |
| Limited partners (12,935 interests) | 3,803,880 | 3,875,243 |
| | ----- | ----- |
| | 3,842,547 | 3,914,631 |
| | ----- | ----- |
| | \$ 3,870,402 | \$ 3,940,216 |
| | ===== | ===== |

The financial information included as of March 31, 1997 has been prepared by management without audit by independent public accountants.

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

PARKER & PARSLEY 88-A, L.P.
(A Delaware Limited Partnership)

STATEMENTS OF OPERATIONS
(Unaudited)

| | Three months ended March 31, | |
|--|---------------------------------|------------|
| | 1997 | 1996 |
| Revenues: | | |
| Oil and gas | \$ 330,871 | \$ 311,476 |
| Interest | 2,701 | 2,617 |
| | ----- | ----- |
| | 333,572 | 314,093 |
| | ----- | ----- |
| Costs and expenses: | | |
| Oil and gas production | 140,747 | 129,274 |
| General and administrative | 9,926 | 9,344 |
| Depletion | 63,018 | 68,584 |
| | ----- | ----- |
| | 213,691 | 207,202 |
| | ----- | ----- |
| Net income | \$ 119,881 | \$ 106,891 |
| | ===== | ===== |
| Allocation of net income: | | |
| Managing general partner | \$ 1,199 | \$ 1,069 |
| | ===== | ===== |
| Limited partners | \$ 118,682 | \$ 105,822 |
| | ===== | ===== |
| Net income per limited partnership interest | \$ 9.18 | \$ 8.18 |
| | ===== | ===== |
| Distributions per limited partnership interest | \$ 14.69 | \$ 11.51 |
| | ===== | ===== |

The financial information included herein has been prepared by management without audit by independent public accountants.

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

PARKER & PARSLEY 88-A, L.P.
(A Delaware Limited Partnership)

STATEMENT OF PARTNERS' CAPITAL
(Unaudited)

| | Managing general partner | Limited partners | Total |
|----------------------------|--------------------------------|---------------------|-------------|
| | ----- | ----- | ----- |
| Balance at January 1, 1997 | \$ 39,388 | \$3,875,243 | \$3,914,631 |
| Distributions | (1,920) | (190,045) | (191,965) |
| Net income | 1,199 | 118,682 | 119,881 |
| | ----- | ----- | ----- |
| Balance at March 31, 1997 | \$ 38,667 | \$3,803,880 | \$3,842,547 |
| | ===== | ===== | ===== |

The financial information included herein has been prepared by management without audit by independent public accountants.

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

PARKER & PARSLEY 88-A, L.P.
(A Delaware Limited Partnership)

STATEMENTS OF CASH FLOWS
(Unaudited)

| | Three months ended | |
|---|--------------------|------------|
| | March 31, | |
| | 1997 | 1996 |
| | ----- | ----- |
| Cash flows from operating activities: | | |
| Net income | \$ 119,881 | \$ 106,891 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depletion | 63,018 | 68,584 |
| Changes in assets and liabilities: | | |
| (Increase) decrease in accounts receivable | 59,990 | (5,938) |
| Increase (decrease) in accounts payable | 2,270 | (25,241) |
| | ----- | ----- |
| Net cash provided by operating activities | 245,159 | 144,296 |
| | ----- | ----- |
| Cash flows from investing activities: | | |
| Additions to oil and gas properties | (10,427) | (1,144) |
| Cash flows from financing activities: | | |
| Cash distributions to partners | (191,965) | (150,369) |
| | ----- | ----- |
| Net increase (decrease) in cash and cash equivalents | 42,767 | (7,217) |
| Cash and cash equivalents at beginning of period | 179,202 | 213,046 |
| | ----- | ----- |
| Cash and cash equivalents at end of period | \$ 221,969 | \$ 205,829 |
| | ===== | ===== |

The financial information included herein has been prepared by management without audit by independent public accountants.

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

PARKER & PARSLEY 88-A, L.P.
(A Delaware Limited Partnership)

NOTES TO FINANCIAL STATEMENTS

March 31, 1997

(Unaudited)

Note 1. Organization and nature of operations

Parker & Parsley 88-A, L.P. (the "Partnership") is a limited partnership organized in 1988 under the laws of the State of Delaware.

The Partnership engages primarily in oil and gas development and production in Texas and is not involved in any industry segment other than oil and gas.

Note 2. Basis of presentation

In the opinion of management, the unaudited financial statements as of March 31, 1997 of the Partnership include all adjustments and accruals consisting only of normal recurring accrual adjustments which are necessary for a fair presentation of the results for the interim period. However, these interim results are not necessarily indicative of results for a full year.

The financial statements should be read in conjunction with the financial statements and the notes thereto contained in the Partnership's Report on Form 10-K for the year ended December 31, 1996, as filed with the Securities and Exchange Commission, a copy of which is available upon request by writing to Steven L. Beal, Senior Vice President, 303 West Wall, Suite 101, Midland, Texas 79701.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations(1)

Results of Operations

Revenues:

The Partnership's oil and gas revenues increased to \$330,871 from \$311,476 for the three months ended March 31, 1997 and 1996, respectively, an increase of 6%. The increase in revenues resulted from higher average prices received per barrel of oil and mcf of gas, offset by a 10% decline in barrels of oil produced and sold and an 8% decline in mcf of gas produced and sold. For the three months ended March 31, 1997, 10,229 barrels of oil were sold compared to 11,369 for the same period in 1996, a decrease of 1,140 barrels. For the three months ended March 31, 1997, 39,429 mcf of gas were sold compared to 42,666 for the same period in 1996, a decrease of 3,237 mcf. The decreases in production volumes were primarily due to the decline characteristics of the Partnership's oil and gas properties. Because of these characteristics, management expects a certain amount of decline in production to continue in the future until the Partnership's economically recoverable reserves are fully depleted.

The average price received per barrel of oil increased \$2.76, or 14%, from \$19.08 for the three months ended March 31, 1996 to \$21.84 for the same period in 1997, while the average price received per mcf of gas increased 23% from \$2.22 during the three months ended March 31, 1996 to \$2.73 for the same period in 1997. The market price for oil and gas has been extremely volatile in the past decade, and management expects a certain amount of volatility to continue in the foreseeable future. The Partnership may therefore sell its future oil and gas production at average prices lower or higher than that received during the three months ended March 31, 1997.

Costs and Expenses:

Total costs and expenses increased to \$213,691 for the three months ended March 31, 1997 as compared to \$207,202 for the same period in 1996, an increase of \$6,489, or 3%. The increase was due to increases in production costs and general and administrative expenses ("G&A"), offset by a decrease in depletion.

Production costs were \$140,747 for the three months ended March 31, 1997 and \$129,274 for the same period in 1996, resulting in an \$11,473 increase, or 9%. The increase was due to an increase in workover expenses incurred in an effort to stimulate well production.

G&A consists of independent accounting and engineering fees and managing general partner personnel and operating costs. During this period, G&A increased, in aggregate, 6% from \$9,344 for the three months ended March 31, 1996 to \$9,926 for the same period in 1997. The Partnership agreement limits G&A to 3% of gross oil and gas revenues.

Depletion was \$63,018 for the three months ended March 31, 1997 compared to \$68,584 for the same period in 1996. This represented a decrease in depletion of \$5,566, or 8%.

Liquidity and Capital Resources

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased \$100,863 for the three months ended March 31, 1997 from the same period in 1996. This increase was due to an increase in oil and gas sales receipts and a decrease in production costs paid.

Net Cash Used in Investing Activities

The Partnership's principal investing activities during the three months ended March 31, 1997 and 1996 were for equipment replacement on various oil and gas properties.

Net Cash Used in Financing Activities

Cash was sufficient for the three months ended March 31, 1997 to cover distributions to the partners of \$191,965 of which \$190,045 was distributed to

the limited partners and \$1,920 to the managing general partner. For the same period ended March 31, 1996, cash was sufficient for distributions to the partners of \$150,369 of which \$148,865 was distributed to the limited partners and \$1,504 to the managing general partner.

It is expected that future net cash provided by operating activities will be sufficient for any capital expenditures and any distributions. As the production from the properties declines, distributions are also expected to decrease.

(1) "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" contains forward looking statements that involve risks and uncertainties. Accordingly, no assurances can be given that the actual events and results will not be materially different than the anticipated results described in the forward looking statements.

Part II. Other Information

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

27. Financial Data Schedule

(b) Reports on Form 8-K - none

PARKER & PARSLEY 88-A, L.P.
(A Delaware Limited Partnership)

S I G N A T U R E S

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.

PARKER & PARSLEY 88-A, L.P.

By: Parker & Parsley Development L.P.,
Managing General Partner

By: Parker & Parsley Petroleum USA, Inc.
("PPUSA"), General Partner

Dated: May 9, 1997

By: /s/ Steven L. Beal

*Steven L. Beal, Senior Vice President
and Chief Financial Officer of PPUSA*

ARTICLE 5

CIK: 0000828186

NAME: 88A.TXT

| | |
|----------------------------|-------------|
| PERIOD TYPE | 3 MOS |
| FISCAL YEAR END | DEC 31 1997 |
| PERIOD END | MAR 31 1997 |
| CASH | 221,969 |
| SECURITIES | 0 |
| RECEIVABLES | 168,354 |
| ALLOWANCES | 0 |
| INVENTORY | 0 |
| CURRENT ASSETS | 390,323 |
| PP&E | 10,080,508 |
| DEPRECIATION | 6,600,429 |
| TOTAL ASSETS | 3,870,402 |
| CURRENT LIABILITIES | 27,855 |
| BONDS | 0 |
| PREFERRED MANDATORY | 0 |
| PREFERRED | 0 |
| COMMON | 0 |
| OTHER SE | 3,842,547 |
| TOTAL LIABILITY AND EQUITY | 3,870,402 |
| SALES | 330,871 |
| TOTAL REVENUES | 333,572 |
| CGS | 0 |
| TOTAL COSTS | 213,691 |
| OTHER EXPENSES | 0 |
| LOSS PROVISION | 0 |
| INTEREST EXPENSE | 0 |
| INCOME PRETAX | 119,881 |
| INCOME TAX | 0 |
| INCOME CONTINUING | 119,881 |
| DISCONTINUED | 0 |
| EXTRAORDINARY | 0 |
| CHANGES | 0 |
| NET INCOME | 119,881 |
| EPS PRIMARY | 9.18 |
| EPS DILUTED | 0 |

End of FilingPowered By **EDGAR**
Online

© 2005 | EDGAR Online, Inc.