ALTEX INDUSTRIES INC
Form 8-K
January 10, 2006

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported) January 5, 2006

ALTEX INDUSTRIES, INC.
(Exact name of registrant as specified in its charter)

Delaware	1-9030	84-0989164
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

PO Box 1057 Breckenridge, CO 80424-1057
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (303) 265-9312

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

[ ] Written communications pursuant to Rule 425 under the Securities Act

[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act

[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act

[ ] Pre-commencement communications pursuant to Rule 13e-4(C) under the Exchange Act

1

"SAFE HARBOR" STATEMENT UNDER THE UNITED STATES PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

Statements that are not historical facts contained in this Form 8-K are forward-looking statements that involve risks and uncertainties that could cause actual results to differ from projected results. Factors that could cause actual results to differ materially include, among others: general economic conditions;

the market price of oil and natural gas; the risks associated with exploration and production in the Rocky Mountain region; the ability of Registrant's wholly-owned subsidiary, Altex Oil Corporation ("AOC"), to find, acquire, market, develop, and produce new properties; operating hazards attendant to the oil and natural gas business; uncertainties in the estimation of proved reserves and in the projection of future rates of production and timing of development expenditures; the strength and financial resources of competitors; AOC's ability to find and retain skilled personnel; climatic conditions; availability and cost of material and equipment; delays in anticipated start-up dates; environmental risks; the results of financing efforts; and other uncertainties detailed in Registrant's 2005 Annual Report filed on Form 10-KSB with the Securities and Exchange Commission.

ITEM 2.01 COMPLETION OF ACQUISITION OR DISPOSITION OF ASSETS

On December 14, 2005, at an Oil & Gas Asset Clearinghouse auction in Houston, Texas, AOC agreed to sell all of its non-operated working interests in producing oil and gas wells in Wyoming to Wellstar Corporation; all of its operated working interests in producing oil and gas wells to Chaparral Energy, LLC; and all of its overriding royalty interests in producing oil and gas wells in Wyoming to Penroc Oil Corporation. On January 5, 2006, AOC received $1,853,000 cash from Wellstar Corporation; $347,000 cash from Chaparral; and $187,000 cash from Penroc. The transactions are subject to rescission and pricing adjustments until 61 days after the recordation filing date of the conveyancing documents. AOC retains very small working and overriding royalty interests in producing oil and gas wells in the Bluebell-Altamont Field in Utah, an overriding royalty interest in undrilled locations in the Standard Draw and Echo Springs Fields in Wyoming, and an interest in an application for leases under the Combined Hydrocarbon Leasing Act of 1981 in the Tar Sands Triangle Area of Utah. Registrant intends to reinvest the proceeds of the sale either in interests in oil and gas properties or otherwise. There can be no assurance as to if and when any such reinvestment would be made.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

During the quarter ending December 31, 2005 ("Q1FY06"), AOC sold its non-operated working interests in three producing oil and gas wells for $227,000 cash and, in three separate transactions, agreed to sell substantially all of its remaining interests in producing oil and gas wells for $2,387,000 cash, which it received during the quarter ending March 31, 2006 ("Q2FY06"). Below are a pro forma condensed consolidated balance sheet and pro forma condensed consolidated Statement of Operations for Registrant and AOC. Pro forma adjustments related to the pro forma condensed consolidated balance sheet have been computed assuming the transactions referred to above had been consummated as of September 30, 2005, and include adjustments which give effect to events that are directly attributable to the transactions, regardless of whether they have a continuing impact or are nonrecurring. Pro forma adjustments related to the pro forma condensed consolidated Statement of Operations have been computed assuming the transactions were consummated at the beginning of the year ending September 30, 2005 ("FY05"), and include adjustments which give effect to events that are directly attributable to the transaction and expected to have a continuing impact on Registrant. The pro forma condensed consolidated Statement of Operations discloses loss from continuing operations before nonrecurring charges or credits directly attributable to the transactions. Material nonrecurring charges or credits and related tax effects which result directly from the transactions and which will be included in the income of Registrant during the year ending September 30, 2006 ("FY06"), have been disclosed separately, and such charges or credits were not considered in the pro forma condensed consolidated Statement of Operations.

ALTEX INDUSTRIES, INC. AND SUBSIDIARY
PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET

	SEPTEMBER 30, 2005	ADJUSTMEN
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents (Note 1)	$ 2,281,000	2,614,0
Accounts receivable	149,000	
Other (Note 1)	19,000	(16,0
Total current assets	2,449,000	
PROPERTY AND EQUIPMENT, AT COST		
Proved oil and gas properties (successful efforts method) (Note 2)	1,076,000	(985,0
Other	63,000	
	1,139,000	
Less accumulated depreciation, depletion, amortization, and valuation allowance (Note 2)	(1,091,000)	945,0
Net property and equipment	48,000	
OTHER ASSETS	13,000	
	$ 2,510,000	
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 16,000	
Accrued production costs	51,000	
Other accrued expenses (Note 3)	79,000	256,0
Total current liabilities	146,000	
STOCKHOLDERS' EQUITY		
Preferred stock, $.01 par value. Authorized 5,000,000 shares, none issued	--	
Common stock, $.01 par value. Authorized 50,000,000 shares, 14,877,117 shares issued and outstanding	149,000	
Additional paid-in capital	14,191,000	
Accumulated deficit (Note 3)	(11,617,000)	2,302,0
Notes receivable from stockholders	(359,000)	
	2,364,000	
	$ 2,510,000	