U.S. SECURITIES AND EXCHANGE
Washington, D.C. 20549

FORM 10-QSB

(Mark One)
[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDING MARCH 31, 2002.

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM TO .

Commission File Number 0-14908

TGC INDUSTRIES, INC.
(Exact name of small business issuer as specified in its charter)

Texas	74-2095844
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1304 Summit, Suite 2
Plano, Texas 75074

(Address of principal executive offices) (Zip Code)

Issuer's telephone number, including area code: 972-881-1099

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15 (d) of the Exchange Act during the past 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

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date.

Class	Outstanding at April 30, 2002
Common Stock ($.30 Par Value)	5,509,764

PART I -- FINANCIAL INFORMATION

ITEM 1 -- FINANCIAL STATEMENTS

Incorporated herein is the following unaudited financial information:

Balance Sheet as of March 31, 2002.

Statements of Operations for the three-month periods ended March 31, 2002 and 2001.

Statements of Cash Flows for the three-month periods ended March 31, 2002 and 2001.

Notes to Financial Statements.

TGC INDUSTRIES, INC
BALANCE SHEET
(UNAUDITED)

	MARCH 31, 2002
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 789,625
Accounts receivable	932,433
Cost and estimated earnings in excess of billings on uncompleted contracts	145,764
Prepaid expenses and other	41,061
Total current assets	1,908,883
PROPERTY AND EQUIPMENT - at cost	
Machinery and equipment	11,528,276
Automobiles and trucks	833,743
Furniture and fixtures	323,323
Other	18,144
	12,703,486
Less accumulated depreciation and amortization	(10,064,350)
	2,639,136
OTHER ASSETS	4,824
Total assets	$ 4,552,843

See notes to Financial Statements

TGC INDUSTRIES, INC
BALANCE SHEET -- CONTINUED
(UNAUDITED)

	MARCH 31, 2002
LIABILITIES AND STOCKHOLDERS' EQUITY	

CURRENT LIABILITIES	
Trade accounts payable	$591,855
Accrued liabilities	158,747
Billings in excess of costs and estimated earnings on uncompleted contracts	472,412
Current maturities of notes payable	15,475
Current portion of capital lease obligations	42,247
Total current liabilities	1,280,736
NOTES PAYABLE, less current maturities	101,021
CAPITAL LEASE OBLIGATIONS, less current portion	62,591
COMMITMENTS AND CONTINGENCIES	-
STOCKHOLDERS' EQUITY	
Preferred stock, $1.00 par value; 4,000,000 shares authorized: 8-1/2% Senior convertible preferred stock; 2,560,445 shares issued and outstanding	2,560,445
8% Series C convertible exchangeable preferred stock; 1,150,350 shares issued, 58,100 shares outstanding	58,100
Common stock, $.30 par value; 25,000,000 shares authorized; 5,541,708 shares issued	1,662,512
Additional paid-in capital	5,481,724
Accumulated deficit	(6,438,972)
Treasury stock, at cost (31,944 shares)	(215,314)
	3,108,495
Total liabilities and stockholders' equity	$4,552,843

See notes to Financial Statements

TGC INDUSTRIES, INC
STATEMENTS OF OPERATIONS

	Three Months Ended March 31, (Unaudited) 2002	2001
Revenue	$2,917,860	$ 882,152
Cost of services	2,601,881	1,181,059
Selling, general, adm.	230,521	236,598
	2,832,402	1,417,657
INCOME (LOSS) FROM OPERATIONS	85,458	(535,505)
Interest expense	3,746	5,865
NET INCOME (LOSS)	81,712	(541,370)
Less dividend requirements on preferred stock	68,381	165,578
INCOME (LOSS) ALLOCABLE TO COMMON STOCKHOLDERS	$13,331	$(706,948)
Income (loss) per common share: Basic and diluted	$ .00	$ (.30)
Weighted average number of common shares: Basic and diluted	4,769,939	2,340,374

See notes to Financial Statements

TGC INDUSTRIES, INC
Statements of Cash Flows (Unaudited)

	Three Months Ended March 31, 2002	Three Months Ended March 31, 2001
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	$81,712	$(541,370)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	392,955	396,581
Changes in operating assets and liabilities		
Trade accounts receivable	323,521	71,263
Cost and estimated earnings in excess of billings on uncompleted contracts	(125,630)	(4,554)
Prepaid expenses	31,758	50,423
Accounts payable	(475,651)	(67,124)
Accrued liabilities	(18,239)	52,784
Billings in excess of cost and estimated earnings on uncompleted contracts	(290,589)	363,741
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(80,163)	321,744
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(37,957)	(31,730)
NET CASH USED IN INVESTING ACTIVITIES	(37,957)	(31,730)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from exercise of warrants	-	3,766
Principal payments on notes payable	(3,805)	(84,405)
Principal payments on capital lease obligations	(132,411)	-
NET CASH USED IN FINANCING ACTIVITIES	(136,216)	(80,639)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(254,336)	209,375
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,043,961	259,131
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$789,625	$468,506
Supplemental cash flow information		
Interest paid	$ 3,746	$ 5,865
Income taxes paid	$ -	$ -
Noncash investing and financing activities		
Capital lease obligations incurred	$ 22,712	$ -
Common Stock issued on conversion of Preferred Stock	$977,550	$ -

See notes to Financial Statements

TGC INDUSTRIES, INC.
NOTES TO FINANCIAL STATEMENTS (UNAUDITED)
March 31, 2002

NOTE A -- BASIS OF PRESENTATION

The accompanying unaudited financial statements have been prepared in accordance with the instructions to Form 10-QSB and therefore do not include all information and footnotes necessary for a fair presentation of financial position, results of operations and changes in financial position in conformity with generally accepted accounting principles.

NOTE B -- MANAGEMENT PRESENTATION

In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of financial position, results of operations, and changes in financial position have been included. The results of the interim periods are not necessarily indicative of results to be expected for the entire year. For further information, refer to the financial statements and the footnotes thereto included in the Company's Annual Report for the year ended December 31, 2001 filed on Form 10-KSB.

NOTE C -- EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per common share are based upon the weighted average number of shares of common stock outstanding. Diluted earnings (loss) per share are based upon the weighted average number of common shares outstanding and, when dilutive, common shares issuable for stock options, warrants and convertible securities. The effect of preferred stock dividends on the amount of income (loss) available to common stockholders was $.01 and $(.07) for the three months ended March 31, 2002 and 2001, respectively.

Outstanding warrants that were not included in the diluted calculation because their effect would be anti-dilutive totaled 850,000 for the three-month periods ended March 31, 2002, and 2001. Outstanding options that were not included in the diluted calculation because their effect would be anti-dilutive totaled 232,100 and 311,285 for the three-month periods ended March 31, 2002 and 2001, respectively.

NOTE D DIVIDENDS

Holders of the Company's Series C 8% Convertible Exchangeable Preferred Stock ("Series C Preferred Stock") will receive, when, as and if declared by the Board of Directors of the Company, dividends at a rate of 8% per annum. The dividends are payable semi-annually during January and July of each year. At March 31, 2002, cumulative dividends of approximately $69,720 were in arrears on the Company's Series C Preferred Stock.

Holders of the Company's 8-1/2% Senior Convertible Preferred Stock (the "Senior Preferred Stock") will receive, when, as and if declared by the Board of Directors of the Company, dividends at a rate of 8-1/2% per annum. The dividends are payable semi-annually during June and December of each year. Dividends paid during 2000, on the Senior Preferred Stock, were paid in additional shares of Senior Preferred Stock, in accordance with the terms of the agreement. In addition, the holders elected to receive payment of the June and December 2001 dividends in additional shares of Senior Preferred Stock. At March 31, 2002, there were no dividends in arrears on the Company's Senior Preferred Stock.

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

RESULTS OF OPERATIONS

TGC Industries, Inc. ("TGC") returned to profitability in the first quarter of 2002 reporting net income, before dividend requirements on preferred stock, of $81,712 on revenue of $2,917,860, compared with a net loss, before dividend requirements on preferred stock, of $(541,370) on revenue of $882,152 for 2001. Income per common share, on a basic and diluted basis, was $.00 for the three month period ended March 31, 2002, compared with a loss per common share of $(.30) for 2001. The number of common shares used in the income (loss) per share computation for the first quarter of 2002 and 2001 do not include any common shares issuable for stock options, warrants or convertible securities because the effect of their inclusion would be anti-dilutive.

Although revenue and margin levels were sufficient to return TGC to profitability during the first quarter of 2002, there continues to be excess capacity in the land-based geophysical services industry and pricing remains very competitive. As a result, management continues to monitor expenses and, where possible, implement cost containment programs to remain highly competitive through this continued period of reduced industry activity. In the opinion of management, despite the need for more U.S. energy self-sufficiency and the industry having favorable longer-term prospects, there are not as yet clear indications of when the geophysical industry will show significant signs of improvement. During 2001 there were a number of consolidations and mergers in the geophysical industry. Management is hopeful that with fewer seismic crews available in the marketplace that TGC will be able to secure contracts with improved margins thereby continuing to improve its performance in 2002.

In January 2002, TGC entered into a two year Joint Venture Agreement (the "Agreement") with a gravity data processing center (the "Processing Center"). The Agreement provides that TGC will furnish the Processing Center approximately 100,000 stations of digitized gravity data. The Process Center has processed the data using the latest technological gravity data processing software and techniques producing a data set (the "Data Set"). During the term of the Agreement TGC and the Processing Center will endeavor to market and license the Data Set. In consideration for producing the Data Set TGC will pay the Processing Center a 20% commission. Revenue from the licensing of gravity data represents a small portion of TGC's total revenue. However, the Data Bank has been fully amortized and therefore only minimal expenses are incurred with each license agreement. As a result, revenue from the licensing of gravity data is very profitable. Management believes the joint venture will enhance TGC's future gravity revenue thereby improving its performance.

In February 2002, TGC entered into an agreement with a corporation to dispose of TGC's shot-hole drilling equipment, and to use the proceeds to acquire five buggy-mounted Vibroseis units and purchase certain equipment needed to make the Vibroseis equipment compatible with TGC's recording equipment. A one-year $30,000 note with interest at 5% payable monthly financed this additional equipment. The Vibroseis equipment opens up increasing bidding opportunities. Management believes that TGC should secure a portion of the existing Vibroseis market business and thereby be likely to improve its performance.

Non-cash charges for depreciation and amortization were $392,955 in the first three months of 2002 compared with $396,581 for the same period of 2001.

At December 31, 2001, TGC had net operating loss carryforwards of approximately $8,100,000 available to offset future taxable income, which expire at various dates through 2021.

FINANCIAL CONDITION

Cash of $80,163 was used in operations for the first three months of 2002 compared with cash provided by operations of $321,744 for the same period of 2001. This decrease in cash from operations in the first three months of 2002 was primarily the result of a decrease in billings in excess of cost and estimated earnings on uncompleted contracts, an increase in cost and estimated earnings in excess of billings on uncompleted contracts and a decrease in accounts payable resulting from a decline in the level of activity during the first three months of 2002 as compared with the last three months of 2001. Net cash of $37,957 was used in investing activities during the first three months of 2002 for capital expenditures to replace certain vehicles and equipment. Principal payments of notes of $3,805 and principal payments of capital lease obligations of $132,411 resulted in net cash of $136,216 being used in financing activities during the first three

months of 2002. TGC anticipates that available funds, together with anticipated cash flows generated from future operations will be sufficient to meet TGC's minimum lease and note payment obligations.

Working capital increased $415,791 to $628,147 at March 31, 2002 from the December 31, 2001, working capital of $212,356. The Company's current ratio was 1.5 at March 31, 2002, compared with 1.1 at December 31, 2001. Stockholders' equity increased $81,712 to $3,108,495 at March 31, 2002 from the December 31, 2001 balance of $3,026,783. This increase was attributable to the net income, before dividend requirements on preferred stock, of $81,712.

The Company anticipates that available funds, together with anticipated cash flows generated from future operations will be sufficient to meet the Company's cash needs during 2002, so long as one of the Company's two crews is employed, of which there is no assurance.

Forward-Looking Statements

This report contains forward-looking statements which reflect the view of Company's management with respect to future events. Although management believes that the expectations reflected in such forward-looking statements are reasonable; it can give no assurance that such expectations will prove to have been correct. Important factors that could cause actual results to differ materially from such expectations are disclosed in the Company's Securities and Exchange Commission filings, and include, but are not limited to the dependence upon energy industry spending for seismic services, the unpredictable nature of forecasting weather, the potential for contract delay or cancellation, the potential for fluctuations in oil and gas prices, and the availability of capital resources. The forward-looking statements contained herein reflect the current views of the Company's management and the Company assumes no obligation to update the forward-looking statements or to update the reasons actual results could differ from those contemplated by such forward-looking statements.

PART II - OTHER INFORMATION

ITEM 5. OTHER INFORMATION

As previously reported, the Company has been notified by NASDAQ of the potential delisting of the Company's Common Stock from the NASDAQ SmallCap Market for: (1) having failed to maintain a minimum market value of publicly held shares of $1,000,000, and (2) having failed to equal or exceed the minimum bid price requirement of $1.00 per share, in each case for thirty (30) consecutive trading days. The Company, as a condition to continued listing of its securities on the NASDAQ SmallCap Market, must satisfy these requirements for a minimum of ten (10) consecutive trading days by May 15, 2002 and August 13, 2002, respectively. Management of the Company believes that the Company will not satisfy these requirements in a timely manner and, therefore, anticipates that the NASDAQ staff will provide written notification that the Company's Common Stock will be delisted from the SmallCap Market. In such event, the Company plans to take the necessary action for its Common Stock to be traded over-the-counter on the National Association of Securities Dealers, Inc. Over-The-Counter Bulletin Board System.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

a. Exhibits -- None.

b. Reports None.

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TGC INDUSTRIES, INC.

Date: May 8, 2002 /s/ Wayne A. Whitener
Wayne A. Whitener
President & Chief
Executive Officer
(Principal Executive Officer)

Date: May 8, 2002 /s/ Kenneth W. Uselton
Kenneth W. Uselton
Treasurer (Principal Financial
and Accounting Officer)

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