
UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 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): May 1, 2006

DAWSON GEOPHYSICAL COMPANY

(Exact name of Registrant as specified in its charter)

TEXAS

(State of incorporation
or organization)

2-71058

(Commission file number)

75-0970548

(I.R.S. employer identification number)

508 W. WALL, SUITE 800

MIDLAND, TEXAS

(Address of principal executive offices)

79701

(Zip code)

Registrant's telephone number, including area code: (432) 684-3000

(Former name or former address, if changed since last report)

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 (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02 Results of Operations and Financial Condition.

On May 1, 2006, Dawson Geophysical Company (the "Registrant") issued a press release reporting its operating results for the quarter ended March 31, 2006, the second quarter of its 2006 fiscal year.

The Registrant hereby incorporates by reference into this Item 2.02 the information set forth in such press release, a copy of which is furnished as Exhibit 99.1 to this Current Report. Pursuant to the rules and regulations of the Securities and Exchange Commission, such exhibit and the information set forth therein and herein are deemed to be furnished and shall not be deemed to be "filed" under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

In accordance with General Instruction B.2 of Form 8-K, the information set forth in the attached Exhibit 99.1 is deemed to be "furnished" and shall not be deemed to be "filed" for purposes of the Exchange Act.

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press release dated May 1, 2006.

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 hereunto duly authorized.

DAWSON GEOPHYSICAL COMPANY

Date: May 1, 2006

By: /s/ CHRISTINA W. HAGAN

Christina W. Hagan
Chief Financial Officer

INDEX TO EXHIBITS

Exhibit
Number
99.1

Description
Press release dated May 1, 2006.

Dawson Geophysical Company Reports Second Quarter Results

MIDLAND, Texas, May 1, 2006 / PR Newswire / Dawson Geophysical Company (NASDAQ DWSN) today reported revenues of \$40,042,000 for the quarter ending March 31, 2006, the Company's second quarter of fiscal 2006, compared to \$26,515,000 in the same quarter of fiscal 2005, an increase of 51 percent. Revenue growth was primarily the result of improved prices and contract terms obtained in calendar 2005, favorable weather conditions, increased crew productivity, and an increase in crew count as well as recording capacity. The Company operated eleven seismic data acquisition crews and had in excess of 60,000 recording channels in the second quarter of fiscal 2006 compared to ten crews and approximately 46,000 recording channels in the prior year's quarter.

Net income of \$4,351,000 for the second quarter of fiscal 2006 exceeded net income of \$2,327,000 in the same quarter of the prior year by 87 percent. Earnings per share were \$0.58 in the second quarter of fiscal 2006 versus \$0.37 in the same quarter of fiscal 2005, reflecting an increase of 57 percent. Included in the second quarter 2006 per share data are an approximate doubling of depreciation charges and the full effect of an additional 1,800,000 shares issued in a public offering completed in March of 2005. EBITDA in the fiscal 2006 quarter was \$9,899,000 compared to \$4,480,000 in the prior year quarter, an increase of 121 percent.

The Company is continuing its expansion with the previously announced deployment of an additional seismic data acquisition crew, the Company's twelfth, which is expected to commence operations in the latter part of the third quarter of fiscal 2006, and by increasing both channel capacity on existing crews and the number of energy source units. These additions are in response to the continued high demand for high-resolution 3D seismic surveys as a result of continued brisk exploration and development activity by the Company's clients. The Company's Board of Directors have approved a budget of \$35,000,000 for capital expenditures during the 2006 fiscal year, an increase of \$10,000,000 since last reported, to fund these expansions as well as to fund general maintenance capital requirements. The twelfth crew will be equipped with an ARAM ARIES cable based recording system. The Company operates six I/O RSR radio and five I/O II MRX cable crews. Three of the MRX crews have been upgraded in the last year to I/O Image central electronics which increases the recording capacity of the cable based crews from 3,000 channels to 6,000 channels.

Demand for the Company's services continues at record levels with a current order book reflecting commitments well into calendar 2006 with several of the crews booked into calendar 2007. The Company's data processing operations have also shown significant improvement during the second quarter of 2006 due to client recognition of quality performance and the expansion into the Houston market for these services.

The Company has entered into a letter of intent and is negotiating an agreement with WesternGeco, a subsidiary of Schlumberger, to provide Q-Land seismic data acquisition services in the Lower 48 United States. The Q-Land system is a unique integrated acquisition and processing system that is producing superior imaging results throughout the Middle East and North Africa. The Q-Land system uses 30,000 channels of finely spaced point-receivers to correctly sample both signal and noise. By removing noise the resolution of the subsurface is dramatically increased. Under the terms of the agreement, the Company will provide crew personnel, energy source units, necessary vehicles, land access permitting, surveying and will serve as primary contractor. WesternGeco will provide survey design, the seismic recording system with operators, and all Q-Land data processing services. Both companies will share marketing services. The Company intends to deploy the Q-Land recording system by using an existing crew as demand for the technology requires.

In addition to the aforementioned expansions, management is committed to improving the revenue and profitability of existing crews. The Company will continue to examine ways to increase the productivity of existing crews, mitigate delays associated with land access agreements, and continue to explore new technologies. For instance with respect to new technologies, the Company is nearing the completion of the data acquisition phase of a large 3-D multi-component seismic project in West Texas, the Company's seventh such project in the last three years.

"The second quarter of 2006 has been a record one for the Company in terms of our revenues, net income and EBITDA" said L. Decker Dawson, the Company's Chairman of the Board of Directors. "We are also proud to note that on April 23, 2006 we recognized our 25th anniversary as a public company. In conjunction with the upcoming 54th anniversary of our founding in May of 2006, I would like, on behalf of our Board of Directors and Officers, to express our sincerest appreciation and gratitude to our loyal and valued shareholders, clients, and employees."

Dawson Geophysical Company is the leading provider of U.S. onshore seismic data acquisition services as measured by the number of active data acquisition crews. Founded in 1952, Dawson acquires and processes 2-D, 3-D, and multi-component seismic data solely for its clients, ranging from major oil and gas companies to independent oil and gas operators as well as providers of multi-client data libraries.

This press release contains information about the Company's EBITDA, a non-GAAP financial measure. The Company defines EBITDA as net income plus interest expense, income taxes, depreciation and amortization expense. The Company uses EBITDA as a supplemental financial measure to assess:

- the financial performance of its assets without regard to financing methods, capital structures, taxes or historical cost basis;
- its liquidity and operating performance over time in relation to other companies that own similar assets and that the Company believes calculate EBITDA in a similar manner; and
- the ability of the Company's assets to generate cash sufficient for the Company to pay potential interest costs.

The Company also understands that such data are used by investors to assess the Company's performance. However, the term EBITDA is not defined under generally accepted accounting principles and EBITDA is not a measure of operating income, operating performance or liquidity presented in accordance with generally accepted accounting principles. When assessing the Company's operating performance or liquidity, investors and others should not consider this data in isolation or as a substitute for net income, cash flow from operating activities or other cash flow data calculated in accordance with generally accepted accounting principles. In addition, the Company's EBITDA may not be comparable to EBITDA or similar titled measures utilized by other companies since such other companies may not calculate EBITDA in the same manner as the Company. Further, the results presented by EBITDA cannot be achieved without incurring the costs that the measure excludes: interest, taxes, depreciation and amortization. A reconciliation of the Company's EBITDA to its net income is presented in the table following the text of this press release.

In accordance with the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995, Dawson Geophysical Company cautions that statements in this press release which are forward-looking and which provide other than historical information involve risks and uncertainties that may materially affect the Company's actual results of operations. These risks include, but are not limited to, dependence upon energy industry spending, the volatility of oil and gas prices, weather interruptions, the ability to obtain land access rights of way and the availability of capital resources. A discussion of these and other factors, including risks and uncertainties, is set forth in the Company's Form 10-K for the fiscal year ended September 30, 2005. Dawson Geophysical Company disclaims any intention or obligation to revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

Statements of Operations
(unaudited)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2006	2005	2006	2005
Operating revenues	\$40,042,000	\$26,515,000	\$75,535,000	\$48,074,000
Operating costs:				
Operating expenses	29,109,000	21,378,000	57,247,000	38,222,000
General and administrative	1,314,000	989,000	2,441,000	1,783,000
Depreciation	3,188,000	1,662,000	6,164,000	3,132,000
	<u>33,611,000</u>	<u>24,029,000</u>	<u>65,852,000</u>	<u>43,137,000</u>
Income from operations	6,431,000	2,486,000	9,683,000	4,937,000
Other income:				
Interest income	167,000	99,000	328,000	123,000
Interest expense	—	(65,000)	—	(65,000)
Gain on disposal of assets	142,000	—	136,000	—
Loss on sale of marketable securities	(6,000)	—	(17,000)	—
Other	(23,000)	233,000	17,000	239,000
Income before income tax	<u>6,711,000</u>	<u>2,753,000</u>	<u>10,147,000</u>	<u>5,234,000</u>
Income tax (expense) benefit:				
Current	(1,307,000)	(733,000)	(1,842,000)	(733,000)
Deferred	(1,053,000)	307,000	(1,654,000)	(574,000)
	<u>(2,360,000)</u>	<u>(426,000)</u>	<u>(3,496,000)</u>	<u>(1,307,000)</u>
Net income	<u>\$ 4,351,000</u>	<u>\$ 2,327,000</u>	<u>\$ 6,651,000</u>	<u>\$ 3,927,000</u>
Net income per common share	<u>\$ 0.58</u>	<u>\$ 0.37</u>	<u>\$ 0.89</u>	<u>\$ 0.66</u>
Net income per common share-assuming dilution	<u>\$ 0.57</u>	<u>\$ 0.37</u>	<u>\$ 0.88</u>	<u>\$ 0.65</u>
Weighted average equivalent common shares outstanding	<u>7,504,811</u>	<u>6,262,794</u>	<u>7,495,499</u>	<u>5,947,148</u>
Weighted average equivalent common shares outstanding-assuming dilution	<u>7,593,193</u>	<u>6,360,345</u>	<u>7,583,611</u>	<u>6,051,413</u>

Balance Sheets

	March 31, 2006 (Unaudited)	September 30, 2005
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 505,000	\$ 2,803,000
Short-term investments	13,840,000	20,326,000
Accounts receivable, net of allowance for doubtful accounts of \$51,000 in March 2006 and \$331,000 in September 2005	34,572,000	28,696,000
Prepaid expenses	644,000	1,127,000
Current deferred tax assets	<u>18,000</u>	<u>1,229,000</u>
Total current assets	49,579,000	54,181,000
Property, plant and equipment	143,388,000	124,478,000
Less accumulated depreciation	<u>(70,045,000)</u>	<u>(64,532,000)</u>
Net property, plant and equipment	<u>73,343,000</u>	<u>59,946,000</u>
	<u>\$ 122,922,000</u>	<u>\$ 114,127,000</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 6,230,000	\$ 6,601,000
Accrued liabilities:		
Payroll costs and other taxes	1,300,000	1,198,000
Other	3,288,000	2,182,000
Deferred revenue	<u>245,000</u>	<u>190,000</u>
Total current liabilities	11,063,000	10,171,000
Deferred tax liability	2,495,000	2,052,000
Stockholders' equity:		
Preferred stock-par value \$1.00 per share; 5,000,000 shares authorized, none outstanding	—	—
Common stock-par value \$.33 1/3 per share; 50,000,000 shares authorized in 2006; 10,000,000 shares authorized in 2005; 7,493,544 and 7,484,044 shares issued and outstanding in each period	2,508,000	2,495,000
Additional paid-in capital	81,786,000	80,987,000

	March 31, 2006 <u>(Unaudited)</u>	September 30, 2005 <u></u>
Other comprehensive income, net of tax	(80,000)	(77,000)
Retained earnings	<u>25,150,000</u>	<u>18,499,000</u>
Total stockholders' equity	<u>109,364,000</u>	<u>101,904,000</u>
	<u>\$ 122,922,000</u>	<u>\$ 114,127,000</u>

Reconciliation of EBITDA to Net Income

	Three Months Ended March 31,		Six Months Ended March 31,	
	2006	2005	2006	2005
	(in thousands)		(in thousands)	
Net Income	\$ 4,351	\$ 2,327	\$ 6,651	\$ 3,927
Depreciation	3,188	1,662	6,164	3,132
Interest expense	—	65	—	65
Income tax (benefit) expense	<u>2,360</u>	<u>426</u>	<u>3,496</u>	<u>1,307</u>
EBITDA	<u>\$ 9,899</u>	<u>\$ 4,480</u>	<u>\$ 16,311</u>	<u>\$ 8,431</u>

Reconciliation of EBITDA to Net Cash Provided by Operating Activities

	Six Months Ended March 31,	
	2006	2005
	(in thousands)	
Net cash provided by operating activities	\$ 10,309	\$ 9,735
Changes in working capital items and other	6,492	(1,259)
Non-cash adjustments to income	<u>(490)</u>	<u>(45)</u>
EBITDA	<u>\$ 16,311</u>	<u>\$ 8,431</u>

For additional information:

L. Decker Dawson, Chairman of the Board
Stephen C. Jumper, President and Chief Executive Officer
Christina W. Hagan, Chief Financial Officer

1-800-332-9766