U.S. SECURITIES AND EXCHANGE COMMISSION
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, 1997.

[ ] 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, 1997
Common Stock ($.10 Par Value)	6,315,738

PART 1--FINANCIAL INFORMATION

ITEM 1--FINANCIAL STATEMENTS

Incorporated herein is the following unaudited financial information:

Balance Sheet as of March 31, 1997.

Statements of Operations for the three month periods ended March 31, 1997 and 1996.

Statements of Cash Flows for the three month periods ended March 31, 1997 and 1996.

Notes to Financial Statements.

TGC INDUSTRIES, INC.
BALANCE SHEET
(UNAUDITED)

	MARCH 31, 1997
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 288,712
Accounts receivable	362,409
Costs and estimated earnings in excess of billings on uncompleted contracts	248,600
Prepaid expenses	293,083
Total current assets	1,192,804

PROPERTY AND EQUIPMENT - at cost	
Machinery and equipment	7,979,592
Automobiles and trucks	612,712
Furniture and fixtures	312,913
	8,905,217
Less accumulated depreciation	(2,512,313)
	6,392,904
OTHER ASSETS	65,232
Total Assets	$ 7,650,940

See Notes to Financial Statements

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

	MARCH 31, 1997
LIABILITIES AND STOCKHOLDERS' EQUITY	
CURRENT LIABILITIES	
Trade accounts payable	$ 1,857,919
Accrued liabilities	150,211
Billings in excess of costs and estimated earnings on uncompleted contracts	492,898
Current maturities of long-term obligations	945,235
Total current liabilities	3,446,263
LONG-TERM OBLIGATIONS, less current maturities	1,331,200
STOCKHOLDERS' EQUITY	
Preferred stock, $1.00 par value; 4,000,000 shares authorized; 1,148,850 issued and outstanding	1,148,850
Common stock, $.10 par value, 25,000,000 shares authorized; 6,400,820 shares issued	640,082
Additional paid-in capital	5,847,934
Accumulated deficit	(4,564,200)
Treasury stock, at cost (85,082 shares)	(199,189)
	2,873,477
Total liabilities and stockholders' equity	$ 7,650,940

See Notes to Financial Statements

TGC INDUSTRIES, INC.
STATEMENTS OF OPERATIONS

	Three Months Ended March 31, (Unaudited) 1997	1996
Revenue	$2,323,320	$2,234,672
Other Income	417,033	-
	2,740,353	2,234,672
Cost of services	2,527,915	1,801,437
Selling, general, adm.	209,308	211,725
	2,737,223	2,013,162
INCOME (LOSS) FROM OPERATIONS	3,130	221,510
Interest expense	42,982	16,155
INCOME (LOSS) FROM CONTINUING OPERATIONS	(39,852)	205,355
Discontinued operations (Loss) from operations	-	(675,070)
NET (LOSS)	(39,852)	(469,715)
Less dividend requirement on preferred stock	114,885	-
(LOSS) ALLOCABLE TO COMMON STOCKHOLDERS	$(154,737)	$ (469,715)
Earnings (loss) per common and common equivalent share		
Continuing operations	$(.02)	$ .03
Discontinued operations	-	(.11)
	$(.02)	$(.08)
Weighted average number of common and common equivalent shares	6,323,100	6,232,152

See Notes to Financial Statements

TGC INDUSTRIES, INC.
Statements of Cash Flows (Unaudited)

	Three Months Ended March 31, 1997	1996
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Loss	$ (39,852)	$(469,715)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Loss from discontinued operations	-	675,070
Depreciation and amortization	269,996	200,962
Gain on disposal of property and equipment	(208,985)	(6,085)
Changes in operating assets and liabilities		
Accounts receivable	524,997	(300,779)
Billings in excess of cost and estimated		

earnings on uncompleted contracts	(260,107)	781,354
Prepaid expenses	(216,540)	(284,283)
Accounts payable	374,090	(139,986)
Accrued liabilities	(274,718)	(120,082)
NET CASH PROVIDED BY CONTINUING OPERATIONS	168,881	336,456
NET PROVIDED BY DISCONTINUED OPERATIONS	-	293,016
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	168,881	629,472
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to machinery and equipment	(594,187)	(22,740)
Proceeds from sale of property and equipment	210,332	9,000
Increase in other assets	(33,840)	453
INVESTING ACTIVITIES OF DISCONTINUED OPERATIONS	-	(77,539)
NET CASH USED IN INVESTING ACTIVITIES	(417,695)	(90,826)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of debt	-	30,000
Proceeds from issuance of stock	-	-
Principal payments of debt obligations	(117,754)	(48,447)
FINANCING ACTIVITIES OF DISCONTINUED OPERATIONS	-	(506,763)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(117,754)	(525,210)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(366,568)	13,436
Cash and cash equivalents at beginning of period	655,280	114,868
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 288,712	$128,304

	Three Months Ended March 31, 1997	1996
Supplemental cash flow information		
Cash paid during the year		
Interest	$ 42,982	$ 8,483
Income taxes	$ -	$ -

Noncash investing and financing activities

(1) On January 7, 1997, options for 4,668 shares and 47,500 shares of Common Stock at an exercise price of $1.00 and $.40 respectively per share were exercised. The Company received 14,025 shares of its Common Stock at a market value of $1.6875 per share as payment for the exercise of the options.

(2) In March 1997, the Company financed the acquisition of equipment through a capital lease in the amount of $876,656.

See Notes to Financial Statements

TGC INDUSTRIES, INC.
NOTES TO FINANCIAL STATEMENTS (UNAUDITED)
March 31, 1997

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, 1996 filed on Form 10-KSB.

NOTE C--EARNINGS (LOSS) PER SHARE

The computation of earnings (loss) per share is based on the weighted average number of shares of common stock and common stock equivalents, if dilutive, outstanding during the period. Net earnings (loss) used in the computation of earnings (loss) per share for the three months ended March 31, 1997, are reduced by preferred stock dividend requirements.

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

RESULTS OF OPERATIONS

TGC Industries, Inc. ("TGC") reported revenues from continuing operations for the three months ended March 31, 1997, of $2,323,320 compared with revenues from continuing operations of $2,234,672 for the same period of the prior year. TGC reported a loss from continuing operations, before the dividend requirement on preferred stock, of $39,852 for the three months ended March 31, 1997. This compares with income from continuing operations of $205,355 for the same period of 1996. There were no preferred stock dividends incurred in the first quarter of 1996. Loss per common share from continuing operations, after dividend requirements on preferred stock, was $.02 for the first quarter of 1997, compared with income from continuing operations of $.03 for the same period of 1996.

On January 1, 1997, Eagle Crew No. 2 was immobilized and suffered equipment losses in the California floods. TGC was successful in securing replacement equipment and the crew returned to work at the end of February. These losses were partially offset by insurance coverage and TGC experienced a nominal loss in the first quarter of 1997. The other income of $417,033 was principally net insurance proceeds for business interruption and equipment lost or damaged in the California floods.

Despite the weather related problems in the first quarter of 1997, management believes that 1997 will be a record year for revenues and earnings. TGC has two state-of-the-art Eagle 1500 Channel crews and these crews are under contract through October 1997. The geophysical business continues to be favorable and strong. However, with the unpredictable nature of forecasting weather, the potential for contract delay or cancellation and the potential for fluctuations in oil and gas prices, no assurance can be given that management's expectations can be achieved.

Common shares of Chase Packaging Corporation ("Chase") were distributed on March 7, 1997 to TGC shareholders, thereby concluding the spin-off of Chase. The spin-off was effective July 31, 1996. As a result, Chase has been accounted for as a discontinued operation in the accompanying financial statements.

FINANCIAL CONDITION

Cash of $168,881 was provided from continuing operations for the first three months of 1997 compared with cash provided from continuing operations of $336,456 for the first three months of 1996. The funds generated in the first three months of 1997 were primarily attributable to net earnings before non-cash depreciation charges. Cash used in investing activities for the first three months of 1997 was primarily for additions to machinery and equipment for geophysical field operations.

Working capital decreased $967,930 to ($2,253,459) from the December 31, 1996 balance of ($1,285,529) primarily as a result of decreases in cash and cash equivalents, accounts receivable, and costs and estimated earnings in excess of billings on uncompleted contracts. These decreases were primarily caused by weather related problems in the first quarter of 1997, and management believes with the current contracts and expected increase in revenues, the Company's working capital should improve in the second quarter. The Company's current ratio was .3 to 1 at March 31, 1997, compared with .6 to 1 at December 31, 1996.

In March of 1997, the Company financed the acquisition of equipment through a capital lease in the amount of $876,656. In addition, on March 18, 1997, the Company sold Chase's Portland, Oregon facility for $2,430,000. The proceeds of the sale were applied in satisfaction of the mortgage indebtedness with respect to such facility and the excess proceeds were remitted to Chase pursuant to the spin-off agreement.

Stockholders' equity decreased $143,829 from the December 31, 1996 balance of $3,017,306 to $2,873,477 at March 31, 1997. The completion of the spin-off of Chase on March 7, 1997, resulted in a decrease of $103,977 in stockholders' equity.

PART II-OTHER INFORMATION

ITEM 5. OTHER INFORMATION

a. On March 7, 1997, the Chase common stock was distributed as a stock dividend to the shareholders of TGC common stock, and on an as if converted basis, TGC preferred stock. The spin-off of Chase was effective July 31, 1996. As a result, Chase has been accounted for as a discontinued operation in the accompanying financial statements.

b. On March 18, 1997, TGC sold Chase's Portland, Oregon facility for $2,430,000. TGC applied such proceeds in satisfaction of the mortgage indebtedness with respect to such facility and remitted the excess proceeds to Chase pursuant to the spin-off agreement.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

a. Exhibits -- None.

b. Reports -- No reports on Form 8-K have been filed during the quarter for which this report is filed.

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 12, 1997

/s/ ROBERT J. CAMPBELL
Robert J. Campbell
Vice Chairman of the Board
(Principal Executive Officer)

Date: May 12, 1997

/s/ KENNETH W. USELTON
Kenneth W. Uselton
Treasurer (Principal Financial
and Accounting Officer)

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MAR-31-1997
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