

**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: August 16, 2006
(Date of earliest event reported)

Mexco Energy Corporation

(Exact name of registrant as specified in its charter)

CO
(State or other jurisdiction
of incorporation)

0-6694
(Commission File Number)

84-0627918
(IRS Employer
Identification Number)

214 W. Texas Avenue, Suite 1101
Midland, TX
(Address of principal executive offices)

79701
(Zip Code)

Registrant's telephone number, including area code: **432-682-1119**

Not applicable

(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:

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 240.13e-4(c))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition.

On August 16, 2006, Mexco Energy Corporation (the "Registrant") issued a press release reporting its financial results for the quarter ended June 30, 2006.

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.

(c) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press release dated August 16, 2006.

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MEXCO ENERGY CORPORATION

Dated: August 16, 2006

By: /s/ Nicholas C. Taylor
Nicholas C. Taylor
Chief Executive Officer

INDEX TO EXHIBITS

<u>Exhibit Number</u>	<u>DESCRIPTION</u>
99.1	Press release dated August 16, 2006.

FOR IMMEDIATE RELEASE:

Mexco Energy Corporation Reports First Quarter Financials

MIDLAND, TX – 8/16/06 – Mexco Energy Corporation (AMEX: MXC) reported net income for the first quarter of fiscal 2007 of \$227,290, or \$0.12 per diluted share, as compared to net income of \$160,918, or \$0.09 per diluted share, for the first quarter of fiscal 2006, a 41% increase.

Oil and gas sales decreased from \$802,720 for the first quarter of fiscal 2006 to \$777,412 for the same period of fiscal 2007. The average sales prices received of \$7.11 per Mcfe was up from \$6.62 per Mcfe received in the first quarter of fiscal 2006. Oil production increased 9% and gas production decreased 15% during the first quarter of fiscal 2007 as compared to the first quarter of 2006.

Total operating expenses for the first quarter of fiscal 2007 increased \$116,323 to \$632,635 from \$516,312 in the first quarter of fiscal 2006. Included in operating expenses was a 34% increase in general and administrative expense. The increase in general and administrative expense was primarily attributable to consulting costs associated with the Company's Russian activities, an increase in Director's fees and the effects of applying FAS 123(R) for employee stock option compensation. There will be no further expenses related to the Russian venture in the foreseeable future.

The Company owns oil and gas properties in ten states, with the majority of its activity centered in West Texas. The Company plans to continue to focus its efforts to increase oil and natural gas reserves, through exploration and development as well as acquisition of royalties in areas with significant development potential.

In accordance with the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995, Mexco Energy Corporation cautions that statements in this press release which are forward-looking and which provide other than historical information involve risks and uncertainties that may impact the Company's actual results of operations. These risks include, but are not limited to, production variance from expectations, volatility of oil and gas prices, the need to develop and replace reserves, exploration risks, uncertainties about estimates of reserves, competition, government regulation, and mechanical and other inherent risks associated with oil and gas production. 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 March 31, 2006. Mexco Energy Corporation disclaims any intention or obligation to revise any forward-looking statements.

For additional information, please contact:

Nicholas C. Taylor, CEO
Tammy L. McComic, CFO
432-682-1119

Mexco Energy Corporation and Subsidiaries
CONSOLIDATED BALANCE SHEETS

	<u>June 30,</u> <u>2006</u>	<u>March 31,</u> <u>2006</u>
	(Unaudited)	
ASSETS		
Current assets		
Cash and cash equivalents	\$ 77,057	\$ 52,768
Accounts receivable:		
Oil and gas sales	391,294	429,133
Trade	9,556	336
Related parties	327	73
Prepaid costs and expenses	<u>49,011</u>	<u>75,576</u>
Total current assets	527,245	557,886
Investment in GazTex, LLC	20,509	20,509
Property and equipment, at cost		
Oil and gas properties, using the full cost method (\$121,418 excluded from amortization as of June 30 and March 31, 2006)	18,990,325	18,947,532
Other	<u>40,984</u>	<u>39,848</u>
	19,031,309	18,987,380
Less accumulated depreciation, depletion, and amortization	<u>10,737,980</u>	<u>10,587,451</u>
Property and equipment, net	<u>8,293,329</u>	<u>8,399,929</u>
	<u>\$ 8,841,083</u>	<u>\$ 8,978,324</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable – trade and accrued expenses	\$ 95,158	\$ 118,125
Income tax payable	<u>-</u>	<u>-</u>
Total current liabilities	95,158	118,125
Long-term debt	400,000	600,000
Asset retirement obligation	317,015	352,416
Deferred income tax liability	879,076	1,006,736
Minority interest	2,051	2,051
Commitments and contingencies		
Stockholders' equity		
Preferred stock - \$1.00 par value; 10,000,000 shares authorized; none outstanding	-	-
Common stock - \$0.50 par value; 40,000,000 shares authorized; 1,776,566 shares issued	888,283	888,283
Additional paid-in capital	3,915,085	3,893,588
Retained earnings	2,489,990	2,262,700
Treasury stock, at cost (33,525 shares)	<u>(145,575)</u>	<u>(145,575)</u>
Total stockholders' equity	<u>7,147,783</u>	<u>6,898,996</u>
	<u>\$ 8,841,083</u>	<u>\$ 8,978,324</u>

Mexco Energy Corporation and Subsidiaries
CONSOLIDATED STATEMENTS OF OPERATIONS
For the Three Months Ended June 30,
(Unaudited)

	<u>2006</u>	<u>2005</u>
Operating revenues:		
Oil and gas	\$ 777,412	\$ 802,720
Other	<u>167</u>	<u>372</u>
Total operating revenues	<u>777,579</u>	<u>803,092</u>
Operating expenses:		
Production	215,629	176,445
Accretion of asset retirement obligation	4,984	5,785
Depreciation, depletion and amortization	150,529	138,679
General and administrative	<u>261,493</u>	<u>195,403</u>
Total operating expenses	<u>632,635</u>	<u>516,312</u>
Operating profit	144,944	286,780
Other income (expense):		
Interest income	292	167
Interest expense	<u>(10,099)</u>	<u>(29,982)</u>
Net other expense	(9,807)	(29,815)
Minority interest in loss of subsidiary	<u>4,738</u>	<u>3,824</u>
Earnings before income taxes	139,875	260,789
Income tax expense (benefit):		
Current	40,245	74,442
Deferred	<u>(127,660)</u>	<u>25,429</u>
	<u>(87,415)</u>	<u>99,871</u>
Net income	<u>\$ 227,290</u>	<u>\$ 160,918</u>
Net income per common share:		
Basic:	\$ 0.13	\$ 0.09
Diluted:	\$ 0.12	\$ 0.09