SECURITIES & EXCHANGE COMMISSION EDGAR FILING

West Texas Resources

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FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended December 31, 2013

OR

o **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: 333-178437

West Texas Resources, Inc.

(Exact name of registrant as specified in its charter)

Nevada	**99-0365272**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification no.)

5729 Lebanon Road, Suite 144
Frisco, Texas 75034
(Address of principal executive offices, including zip code)

(972) 712-1039
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 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 o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company (as defined in Rule 12b-2 of the Act):

Large accelerated filer ❑	Accelerated filer ❑
Non-accelerated filer ❑ (Do not check if a smaller reporting company)	Smaller reporting company ☑

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yeso No x

As of February 14, 2014, there were outstanding 14,129,400 shares of the common stock of West Texas Resources, Inc.

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PART I — FINANCIAL INFORMATION

Item 1. Financial Statements

West Texas Resources, Inc.

BALANCE SHEETS

		December 31, 2013 (Unaudited)		September 30, 2013
ASSETS				
Current Assets				
Cash	$	651	$	16,631
Accounts receivable		100,000		168,949
Total Current Assets		100,651		185,580
Oil and gas properties, using successful effort accounting		1,002,109		1,002,109
TOTAL ASSETS	$	1,102,760	$	1,187,689
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current Liabilities				
Accrued expenses	$	167,716	$	151,196
Payroll liabilities		–		3,911
Asset retirement obligation		10,000		10,000
Shareholder advances		35,000		15,000
Interest payable		14,495		5,378
Notes payable - related parties, net of discount		161,752		56,388
Other notes payable, net of discount		30,000		50,000
Total Current Liabilities		418,963		291,873
Commitments and Contingencies		–		–
Shareholders' Equity				
Preferred stock, $0.001 par value; 10,000,000 shares authorized; no shares issued and outstanding		–		–
Common stock, $0.001 par value; 200,000,000 shares authorized; 14,079,400 and 14,079,400 shares issued and outstanding at December 31, 2013 and September 30, 2013, respectively		14,079		14,079
Additional paid-in capital		1,426,035		1,426,035
Common stock subscribed		25,000		–
Accumulated deficit		(781,317)		(544,298)
Total Shareholders' Equity		683,797		895,816
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$	1,102,760	$	1,187,689

See accompanying notes to these financial statements.

West Texas Resources, Inc.

STATEMENTS OF OPERATIONS (UNAUDITED)

	For the Three Months Ended December 31, 2013	2012
Revenues		
Oil and gas sales	$ 101,559	$ –
General and administrative expenses	163,899	51,139
Operating Loss	(62,340)	(51,139)
Other income (expenses)		
Interest expense	(11,902)	–
Amortization of debt discount	(162,777)	–
Depreciation expense	–	(2,980)
Loss on disposal of fixed asset	–	(408)
Loss Before Income Taxes	(237,019)	(54,527)
Tax provision	–	–
Net Loss	$ (237,019)	$ (54,527)
Loss per share		
Basic and diluted weighted average number of common shares outstanding	14,079,400	13,106,500
Basic and diluted net loss per share	$ (0.02)	$ (0.00)

See accompanying notes to these financial statements.

West Texas Resources, Inc.

STATEMENTS OF CASH FLOWS (UNAUDITED)

	For the Three Months Ended December 31, 2013	For the Three Months Ended December 31, 2012
Cash flows from operating activities		
Net loss	$ (237,019)	$ (54,527)
Adjustments to reconcile net loss to net cash from operating activities:		
Depreciation expense	–	2,980
Loss on disposal of fixed asset	–	408
Amortization of debt discount	162,777	–
Changes in operating assets and liabilities:		
Accounts receivable	68,949	–
Payroll liabilities	(3,911)	(3,857)
Interest payable	9,117	–
Other payables and accrued expenses	16,521	24,230
Net cash provided by (used in) operating activities	16,434	(30,766)
Cash flows from financing activities		
Proceeds from sale of common stock	25,000	17,000
Repayment on notes payable	(77,414)	–
Shareholder Advances	20,000	6,000
Net cash (used in) provided by financing activities	(32,414)	23,000
Net increase (decrease) in cash	(15,980)	(7,766)
Cash, beginning of period	16,631	8,611
Cash, end of period	$ 651	$ 845
Supplemental cash flow disclosure:		
Interest paid	$ 2,785	$ –
Income taxes paid	$ –	$ –
Supplemental disclosure of non-cash transactions:		
Conversion of shareholder advances to common stock	$ –	$ 38,000

See accompanying notes to these financial statements.

1. Organization and Summary of Significant Accounting Policies

Organization and business

West Texas Resources, Inc., a Nevada corporation (the “Company”), was incorporated under the laws of Nevada on December 9, 2010 under the name Texas Resources Energy, Inc. On June 30, 2011, the Company changed its name to West Texas Resources, Inc. The Company is engaged in the acquisition, exploration and development of oil and gas properties in North America.

Basis of presentation

The accompanying unaudited financial statements have been prepared in accordance with accounting principles generally accepted in the United States (U.S.) for interim financial information and with the instructions to Form 10-Q and Rule 8-03 of Regulation S-X promulgated by the Securities and Exchange Commission (“SEC”) and reflect all adjustments, consisting of normal recurring adjustments and other adjustments, which management believes are necessary to fairly present the financial position, results of operations and cash flows of the Company, for the respective periods presented. The results of operations for an interim period are not necessarily indicative of the results that may be expected for any other interim period or the year as a whole. The accompanying unaudited financial statements should be read in conjunction with the financial statements and notes for the year ended September 30, 2013.

Oil and gas properties

The Company uses the successful efforts method of accounting for oil and gas producing activities. Costs to acquire mineral interests in oil and gas properties, to drill and equip exploratory wells that find proved reserves, to drill and equip development wells and related asset retirement costs are capitalized. Costs to drill exploratory wells that do not find proved reserves, geological and geophysical costs, and costs of carrying and retaining unproved properties are expensed.

Unproved oil and gas properties that are individually significant are periodically assessed for impairment of value, and a loss is recognized at the time of impairment by providing an impairment allowance. Other unproved properties are amortized based on the Company's experience of successful drilling and average holding period. Capitalized costs of producing oil and gas properties, after considering estimated residual salvage values, are depreciated and depleted by the unit-of-production method.

On the sale or retirement of a complete unit of a proved property, the cost and related accumulated depreciation, depletion, and amortization are eliminated from the property accounts, and the resultant gain or loss is recognized. On the retirement or sale of a partial unit of proved property, the cost is charged to accumulated depreciation, depletion, and amortization with a resulting gain or loss recognized in income. On the sale of an entire interest in an unproved property for cash or cash equivalent, gain or loss on the sale is recognized, taking into consideration the amount of any recorded impairment if the property had been assessed individually. If a partial interest in an unproved property is sold, the amount received is treated as a reduction of the cost of the interest retained.

Impairment of long-lived assets

The Company accounts for the impairment and disposition of long-lived assets in accordance with ASC 360-10-35, *Impairment or Disposal of Long-Lived Assets*. In accordance with ASC 360-10-35, long-lived assets are reviewed for events of changes in circumstances, which indicate that their carrying value may not be recoverable. During the year ended September 30, 2013, the Company determined that the investment in one of its oil and gas properties was impaired due to an unsuccessful fracking process. Accordingly, the Company recorded impairment loss of $108,373 for the capitalized fracking costs.

Asset retirement obligations

ASC 410-20, *Asset Retirement Obligations*, clarifies that a legal obligation to perform an asset retirement activity in which the timing and/or method of settlement are conditional on a future event that may or may not be within the control of the entity. The obligation to perform the asset retirement activity is unconditional even though uncertainty exists about the timing and/or method of settlement. ASC 410-20 requires a liability to be recognized for the fair value of a conditional asset retirement obligation if the fair value of the liability can be reasonably estimated.

Cash, cash equivalents, and other cash flow statement supplemental information

The Company considers all liquid investments with an original maturity of three months or less that are readily convertible into cash to be cash equivalents. The Company places its cash equivalents with high credit quality financial institutions. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. The Company performs ongoing evaluations of these institutions to limit its concentration of risk exposure. Management believes this risk is not significant due to the financial strength of the financial institutions utilized by the Company.

Furniture, fixtures and equipment

Furniture, fixtures and equipment are carried at cost depreciated using the straight-line method over their estimated useful lives. Gain or loss on retirement or sale or other disposition of these assets is included in income in the period of disposition.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income taxes

The Company reports certain expenses differently for financial and tax reporting purposes and, accordingly, provides for the related deferred taxes. Income taxes are accounted for under the liability method in accordance with ASC 740, *Income Taxes*.

Management has considered its tax positions and believes that all of the positions taken by the Company in its Federal and State tax returns are more likely than not to be sustained upon examination. The Company is subject to examination by U.S. Federal and State tax authorities from 2010 to the present, generally for three years after they are filed.

Revenue recognition

Substantially all of the Company's revenue is from sales of oil and gas production and is recognized based on sales or delivery date completed by the operating company.

Basic and diluted net income (loss) per share

Basic net income (loss) per share is based upon the weighted average number of common shares outstanding. Diluted net income (loss) per share is based on the assumption that all dilutive convertible shares and stock options were converted or exercised. Dilution is computed by applying the treasury stock method. Under this method, options and warrants are assumed to be exercised at the beginning of the period (or at the time of issuance, if later), and as if funds obtained thereby were used to purchase common stock at the average market price during the period. For the three months ended December 31, 2013 and 2012, all common stock equivalents were anti-dilutive.

Stock-based payments

Compensation costs for all share-based awards are measured based on the grant date fair value and are recognized over the vesting period. The Company has no awards with market or performance conditions. Excess tax benefits will be recognized as an addition to additional paid-in-capital.

Fair value of financial instruments

The accounting standards regarding fair value of financial instruments and related fair value measurements defines financial instruments and requires disclosure of the fair value of financial instruments held by the Company. The Company considers the carrying amount of cash and other current assets and liabilities to approximate their fair values because of the short period of time between the origination of such instruments and their expected realization.

The Company has also adopted ASC 820-10 which defines fair value, establishes a three-level valuation hierarchy for disclosures of fair value measurement and enhances disclosure requirements for fair value measures. The three levels are defined as follows:

- Level 1 inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

- Level 2 inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the assets or liability, either directly or indirectly, for substantially the full term of the financial instruments.

- Level 3 inputs to the valuation methodology are unobservable and significant to the fair value.

As of December 31, 2013 and September 30, 2013, the Company did not identify any assets or liabilities that are required to be presented on the balance sheet at fair value in accordance with ASC 820-10.

Recent Accounting Pronouncements

In July 2013, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2013-11: Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists. The new guidance requires that unrecognized tax benefits be presented on a net basis with the deferred tax assets for such carryforwards. This new guidance is effective for fiscal years and interim periods within those years beginning after December 15, 2013. The Company does not expect the adoption of the new provisions to have a material impact on its financial condition or results of operations.

2. Equipment

In August 2011, the Company purchased a water truck for $35,759 cash. In October 2011, the Company's water truck was placed in service pursuant to a lease arrangement with an unaffiliated third party. The lease required the lessee to pay the Company $2,500 per month plus 10% of the revenue collected by the lessee from its use or sublease of the truck. The lease was for a term of two years and the lessee had the option to purchase the truck at the end of the lease term for 75% of the Company's purchase price. During the year ended September 30, 2012, the Company terminated the lease and wrote off the lease income receivable of $5,616 as bad debt expense due to the lessee's cash flow problems.

The Company calculated the depreciation of the truck using straight-line method with a useful life of three years. For the three months ended December 31, 2012, the Company recorded depreciation expense of $2,980.

On December 31, 2012, the Company entered into an agreement with a third party to sell the water truck for a cash amount of $25,000 and recorded a receivable of $21,316, net of a replacement cost of tires of $3,684. The Company received cash of $21,316 as full payment of the sale on January 3, 2013. In addition, the Company paid $4,858 in title fees and commission for selling the water truck in January 2013. For the year ended September 30, 2013, the Company recorded loss on the disposal of a fixed asset of $5,265.

3. Oil and Gas Properties

In September 2011, the Company acquired a 31.25% working interest in an exploratory oil and gas drilling prospect covering 120 acres in Eastland County, Texas, for $127,123 cash.

In October 2011, the operator of the Company's Eastland County prospect began drilling and fracturing operations. As of September 30, 2013, no revenue has yet to be derived from the wells.

During the year ended September 30, 2013, the Company determined that the investment in the Eastland County oil and gas properties was impaired due to unsuccessful fracking process. Accordingly, the Company recorded impairment loss of $108,373 to write off the capitalized fracking costs. In addition, the Company determined and recorded its share of the asset retirement obligation of $10,000 for the year ended September 30, 2013.

Effective April 1, 2013, the Company acquired a 7.24625% working interest in the oil and gas leases, wells and attendant production in the Port Hudson field, Baton Rouge Parish, Louisiana, for a total consideration of $702,900. The Port Hudson field has three producing wells with estimated total remaining recoverable proved developed producing reserves of 294,000 bbls and 229,000 bbls of proven developed behind pipes reserves. The wells are currently producing approximately 290 bbls per day. The Company's working interest is subject to certain overriding royalty interests, subject to which it has a 5.65158% net revenue interest in the Port Hudson Field. The Company also assessed the asset retirement obligation on the Port Hudson field. Because the total cost of abandonment for the producing wells and related facilities will be substantially offset by the salvage value of the tangible equipment, the remaining costs will be insignificant. As a result, the Company did not record asset retirement obligation.

On September 6, 2013, the Company acquired a 10.0167% working interest (7.2120% net revenue interest) in an offshore oil and gas field, known as West Cam 225, located in the shallow waters of the Gulf of Mexico near Cameron, Louisiana. The Company's purchase price for the working interest was $50,000. In addition to the purchase price, the Company paid $230,459 to the operator of the West Cam 225 field in payment of the Company's allocable share of the costs for development. Pursuant to the operating agreement, a fee of $0.31 per MCF is to be deducted from production revenue as accrual of asset retirement fund. The Company did not record asset retirement obligation.

As of December 31, 2013 and September 30, 2013, total oil and gas properties amounted to $1,002,109.

4. Notes Payable

Related Party Notes Payable

On August 14, 2013, the Company entered into a loan agreement with a shareholder, Gary Bryant, pursuant to which Mr. Bryant loaned the Company $417,762, the proceeds of which were used to partially finance the acquisition of the Port Hudson interest described in Note 3 above. The loan bears interest on the unpaid principal amount at the rate of 8% per annum. All principal and interest are payable over a four year period, commencing November 1, 2013, at the amortized rate of $10,198 per month. The Company's obligations under the loan are secured by its working interest in the Port Hudson field.

On September 6, 2013, the Company entered into another loan agreement with Mr. Bryant, pursuant to which Mr. Bryant loaned the Company $130,000, the proceeds of which were used to partially finance the Company's payment of its allocable expenses associated with its working interest in the West Cam 225 field, described in Note 3 above. The loan bears interest on the unpaid principal amount at the rate of 6% per annum. All principal and interest were payable on December 6, 2013 and are convertible into shares of the Company's common stock, at the option of the holder, at the rate of $0.50 per share. The Company's obligations under the loan are secured by its working interest in the Port Hudson field. At the same time, the Company entered into an amendment to its loan agreement with Mr. Bryant dated August 14, 2013, in the original principal amount of $417,762, to provide that all principal and interest under that loan agreement are convertible into shares of the Company's common stock, at the option of the holder, at the rate of $0.50 per share.

Other Notes Payable

On September 6, 2013, the Company entered into a second loan agreement with an unrelated party pursuant to which the lender loaned the Company $100,000, the proceeds of which were used to partially finance the Company's payment of its allocable expenses associated with its working interest in the West Cam 225 field, described in Note 3 above. The loan bears interest on the unpaid principal amount at the rate of 6% per annum. All principal and interest were payable on November 5, 2013. The Company's obligations under the loan are secured by its working interest in the West Cam 225 field. In connection with the loan, the Company granted the lender a warrant to purchase 200,000 shares of its common stock, at an exercise price of $0.50 per share, over a two year period expiring on September 5, 2015.

The Company determined that the fair value of the above conversion options and the warrants using the Black – Scholes model with the variables listed below:

- Volatility: 160%
- Risk free rate of return: 0.01% to 0.875%
- Expected term: 0.25 to 4 years

In connection with the issuance of the above notes, the Company recorded a note discount of $647,762, which is to be amortized over the lives of the notes. For the three months ended December 31, 2013, the Company recorded amortization of note discount of $162,777 as interest expense.

As of the date of this report, the $417,762 note due to Mr. Gary Bryant is current. The maturity date of the $130,000 note has been extended to January 6, 2015. For the $100,000 noted due to the unrelated party, the Company has repaid $70,000 and the maturity date of the outstanding balance of $30,000 has been extended to March 5, 2014.

5. Shareholder Advances

During the three months ended December 31, 2013, a shareholder advanced a total amount of $20,000 as advances to the Company to support its daily operations. These advances are due on demand and do not bear any interest. In the fiscal year 2013, $41,000 of shareholder advances were converted into 82,000 shares of the Company's common stock. As of December 31, 2013 and September 30, 2013, the total outstanding amount due to the shareholder was $35,000 and $15,000, respectively.

6. Shareholders' Equity

The Company is authorized to issue 200,000,000 shares of common stock, par value of $0.001, and 10,000,000 shares of preferred stock, par value of $0.001.

Between January 2011 and October 2012, the Company conducted the private placement sale of 962,000 shares of its common stock at $.25 per share for the gross proceeds of $240,500. No commissions were incurred with respect to the sale of those shares.

In November 2012, the Company commenced the private placement sale of up to 5,000,000 shares of its common stock at $0.50 per share. The shares are being offered by the Company's executive officers on a straight best-efforts basis and no commissions will be paid to the Company's executive officers. However, in the event the Company engages finders or FINRA member firms, the Company expects to pay finders' fees or sales commissions of up to 10% of the gross offering proceeds. During the year ended September 30, 2013, the Company entered into various subscription agreements with accredited investors to sell 972,900 shares of the Company's common stock at $0.50 per share, including 82,000 share of common stock that were issued in conversion of $41,000 of shareholder advances referred to in Note 5 above. The total amount of $445,450 of cash proceeds was received upon signing of the subscription agreements.

During the three months ended December 31, 2013, the Company entered into a subscription agreement with an accredited investor to sell 50,000 shares of the Company's common stock at $0.50 per share. The shares had not been issued but the total amount of $25,000 was received and recorded as common stock subscribed.

As of December 31, 2013 and September 30, 2013, the Company had 14,079,400 shares of common stock issued and outstanding and has not issued any of its preferred stock.

On September 15, 2011, the Company adopted the West Texas Resources, Inc. 2011 Stock Incentive Plan (the "Plan") providing for the grant of non-qualified stock options and incentive stock options to purchase its common stock and for grant of restricted and unrestricted grants. The Company has reserved 3,000,000 shares of its common stock under the Plan. All officers, directors, employees and consultants to the Company are eligible to participate under the Plan. The purpose of the Plan is to provide eligible participants with an opportunity to acquire an ownership interest in the Company.

The Company granted options to certain consultants to purchase 400,000 shares of the Company's common stock. The options vest immediately and expire on September 15, 2016. The fair value of each share-based award was estimated using the Black-Scholes option pricing model or a lattice model. The fair value of these options, determined to be $65,402, was included in general and administrative expenses for the year ended September 30, 2011.

The following assumptions were used in the fair value method calculation:

- Volatility: 83%
- Risk free rate of return: 1%
- Expected term: 5 years

The following information applies to all options outstanding at September 30, 2013:

- Weighted average exercise price: $0.25
- Options outstanding and exercisable: 400,000
- Average remaining life: 3.0 years

7. Supplementary Oil and Gas Information

Proved oil and gas reserve quantities are based on estimates prepared by management on behalf of West Texas Resources in accordance with guidelines established by the Securities and Exchange Commission (SEC).

There are numerous uncertainties inherent in estimating quantities of proved reserves and projecting future rates of production and timing of development expenditures. The following reserve data represents those estimates only and should not be construed as being exact.

All of the reserves are located in the United States.

The information for the Company's interests of reserves as of December 31, 2013 is as follows:

Net Remaining reserves

	Oil (bbls)	Gas (MMcf)	Cond (bbls)	BOE (bbls)
Proved developed reserves				
WC225		775,002	1,178	130,345
Port Hudson	25,124			25,124
Subtotal	25,124	775,002	1,178	155,469
Proved undeveloped reserves				
WC225				
Port Hudson				
Subtotal	–	–	–	–
Total proved reserves	25,124	775,002	1,178	155,469

Total Proved Net Developed Reserves

	Proved NBOE
Reserves as of September 30, 2013	156,781
Production during the quarter	1,312
Reserves as of December, 31, 2013	155,469

8. Subsequent Events

Events subsequent to December 31, 2013 have been evaluated through the date these financial statements were issued to determine whether they should be disclosed to keep the financial statements from being misleading. Management found no other subsequent events that should be disclosed.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Cautionary Statement

The following discussion and analysis should be read in conjunction with our unaudited financial statements and the related notes thereto contained elsewhere in this report. The information contained in this quarterly report on Form 10-Q is not a complete description of our business or the risks associated with an investment in our common stock. We urge you to carefully review and consider the various disclosures made by us in this report and in our other filings with the Securities and Exchange Commission, or SEC, including our Annual Report on Form 10-K for the fiscal year ended September 30, 2013 filed with the SEC on January 14, 2014 and our subsequently filed periodic reports, which discuss our business in greater detail.

In this report we make, and from time to time we otherwise make, written and oral statements regarding our business and prospects, such as projections of future performance, statements of management's plans and objectives, forecasts of market trends, and other matters that are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Statements containing the words or phrases "will likely result," "are expected to," "will continue," "is anticipated," "estimates," "projects," "believes," "expects," "anticipates," "intends," "target," "goal," "plans," "objective," "should" or similar expressions identify forward-looking statements, which may appear in documents, reports, filings with the SEC, news releases, written or oral presentations made by officers or other representatives made by us to analysts, stockholders, investors, news organizations and others, and discussions with management and other of our representatives.

Our future results, including results related to forward-looking statements, involve a number of risks and uncertainties, including those risks included in the section "Risk Factors" set forth in our Annual Report on Form 10-K for the fiscal year ended September 30, 2013 filed with the SEC on January 14, 2014. No assurance can be given that the results reflected in any forward-looking statements will be achieved. Any forward-looking statement speaks only as of the date on which such statement is made. Our forward-looking statements are based upon assumptions that are sometimes based upon estimates, data, communications and other information from suppliers, government agencies and other sources that may be subject to revision. Except as required by law, we do not undertake any obligation to update or keep current either (i) any forward-looking statement to reflect events or circumstances arising after the date of such statement, or (ii) the important factors that could cause our future results to differ materially from historical results or trends, results anticipated or planned by us, or which are reflected from time to time in any forward-looking statement.

General

We were formed on December 9, 2010 under the laws of Nevada for the purpose of oil and gas exploration and development in North America. We commenced revenue producing oil and gas operations effective as of April 1, 2013.

In September 2011, we acquired our initial property consisting of a 31.25% working interest in an exploratory oil and gas drilling prospect covering 120 acres in Eastland County, Texas. The Eastland County prospect includes two exploratory wells, known as Rutherford #1 and C.M. Knott #1, that had been operating at a minimum level required to maintain the lease rights. In October 2011, the operator reentered the Rutherford #1 well and conducted drilling and casing activities, which were completed in November 2011. In January 2012, a third party conducted the fracture stimulation of the Rutherford #1. In February 2013, the operator placed a pump jack on the Rutherford #1 well, however no meaningful revenue has been derived from the well to date. During the three months ended June 30, 2013, we determined that our investment in the Eastland County prospect was impaired due to an unsuccessful fracture stimulation of the Rutherford #1. Accordingly, during the third fiscal quarter of 2013, we recorded an impairment loss of $108,373 to write off the capitalized fracture stimulation costs. The operator has undertaken no further activity on the Eastland County prospect as of the date of this report.

In August 2013, we acquired a 7.24625% working interest (5.65158% net revenue interest) in the oil and gas leases, wells and attendant production in the Port Hudson field, Baton Rouge Parish, Louisiana, from Wells Fargo Energy Capital, Inc. for total consideration of $702,900. Our acquisition of the Port Hudson working interest was effective as of April 1, 2013. Accordingly, we have received revenue from the Port Hudson working interest commencing on April 1, 2013. The Port Hudson field has three producing wells that have produced a total of 1.1 million bbls to date with estimated total remaining recoverable proved developed producing reserves of 294,000 bbls, and 229,000 bbls of proven developed behind pipe reserves and are currently producing approximately 290 bbls per day. The operator of the Port Hudson field has no current plans for the further development of the property.

In September 2013, we acquired a 10.0167% working interest (7.2120% net revenue interest) in an offshore oil and gas field, known as West Cam 225, located in the shallow waters of the Gulf of Mexico near Cameron, Louisiana, from Enovation Resources, LLC for total consideration of $50,000. Concurrent with our purchase of the working interest, we also paid the operator $230,459 as our allocable share of the expenses associated with the West Cam 225 property. As of September 30, 2013, the West Cameron 225 field has proven reserves of 10.7 bcf of gas and 16.3 mbc or 1.8 million net equivalent bbls (130,000 net equivalent bbls net to West Texas Resources) and has two producing wells, the #7 and the D-1, that were previously shut-in and waiting on a sales pipeline connection. The pipeline was recently completed and tested and now the two wells are expected to come online at a combined rate of 2 mmcfd (200 mcfd net to the West Texas Resources). The operator presently intends to perform a dual recompletion on the D-1 well in the first half of 2014, at which time the two wells are expected to produce 7.5 mmcfd (750 mcfd net to West Texas Resources).

Results of Operations

We commenced revenue producing oil and gas operations effective as of April 1, 2013. During the three months ended December 31, 2013, we had $101,559 of revenue, all of which was oil and gas sales derived from our working interest in the Port Hudson field which we acquired effective as of April 1, 2013. We had no revenue during the three months ended December 31, 2012.

For the three months ended December 31, 2013 and 2012, we had general and administrative expenses of $163,899 and $51,139, respectively. The increase in general and administrative expenses was due to increased consulting fees and operational costs during the three months ended December 31, 2013, compared to the prior year period, as a result of our commencement of revenue producing operations in the fourth fiscal quarter of 2013. During the three months ended December 31, 2013 and 2012, we had other expenses of $174,679 and $3,388, respectively. The increase in other expenses was due to $11,902 of interest expense and $162,777 of amortized debt discount during the three months ended December 31, 2013 related to our borrowings conducted during the third and fourth fiscal quarters of 2013, compared to no interest expense or debt discount for the prior year period.

For the three months ended December 31, 2013 and 2012, we incurred a net loss of ($237,019) and ($54,527), respectively. The increase in our net loss was the result of an increase in expenses during the three months ended December 31, 2013 of $284,051 compared to the prior year period, offset by an increase of revenue in the amount of $101,559 from the 2012 period to the 2013 period.

Subject to our receipt of additional capital, our plan of operations over the next 12 months is to pursue the acquisition of additional equity interests in oil and gas properties to be thereafter exploited by us in conjunction with other oil and gas producers. As of the date of this report, we have no understandings or agreements in place concerning our acquisition of an interest in any other properties.

At the present time, we have two employees, our chief executive officer and chief financial officer, Stephen Jones and John Kerr, respectively, each of whom has limited experience in the oil and gas exploration and development business. Subject to our receipt of significant additional capital, we intend to hire senior management and staff with experience in oil and gas exploration. Until such time, we intend to pursue an operating strategy that is based on our participation in exploration prospects as a non-operator. Based on that strategy, our plan of operations over the next 12 months is to pursue the acquisition of oil and natural gas interests in partnership with other companies with exploration, development and production expertise. We will also pursue alliances with partners in the areas of geological and geophysical services and prospect generation, evaluation and prospect leasing. Pursuant to this strategy, we intend to engage and rely on third party geologists and geophysicists, among others, to review the available data concerning each potential acquisition. In each case, we expect that the operator of the prospect will assemble the appropriate data and conduct the appropriate studies and that our consultants will conduct an independent review of the operator's data and studies for purposes of advising us of the merits of each potential acquisition.

The business of oil and gas acquisition, drilling and development is capital intensive and the level of operations attainable by an oil and gas company is directly linked to and limited by the amount of available capital. Therefore, a principal part of our plan of operations is to acquire the additional capital required to finance the acquisition of such properties and our share of the development costs. As explained under "Financial Condition" below, we will seek additional working capital through the sale of our securities and, subject to the successful deployment of our cash on hand, we will endeavor to obtain additional capital through bank lines of credit and project financing.

Financial Condition

As of December 31, 2013, we had total assets of $1,102,760 and negative working capital of $(318,312). In November 2012, we commenced the private placement sale of up to 5,000,000 shares of our common stock at $0.50 per share. To date, we have sold 1,022,900 shares of our common stock at $0.50 per share, including 890,800 shares for cash consideration of $470,540 and 82,000 shares issued in conversion of $41,000 of shareholder advances. In addition to the capital from the sale of our common shares, our principal shareholder, Gary Bryant, loaned us a total of $547,762 during the fourth fiscal quarter of 2013 for purposes of financing a portion of the Port Hudson and West Cam 225 acquisitions, including a loan for $417,762, which bears interest on the unpaid principal amount at the rate of 8% per annum and is payable over a four year period at the amortized rate of $10,198 per month, and another loan for $130,000, which bears interest on the unpaid principal amount at the rate of 6% per annum and is payable on January 6, 2015. Our obligations under both loans are secured by our working interest in the Port Hudson field and all principal and interest under each loan is convertible, at the option of the holder, into our common shares at the rate of $0.50 per share.

Our ability to achieve commercial success is dependent on our ability to obtain additional capital either through the additional sale of our equity or debt securities, bank lines of credit, project financing or cash generated from oil and gas operations. We will seek to obtain additional working capital through the sale of our securities and, subject to the successful deployment of our cash on hand, we will endeavor to obtain additional capital through bank lines of credit and project financing. However, we have no agreements or understandings with any third parties at this time for our receipt of additional working capital and we have no history of generating cash from oil and gas operations. We may not be able to obtain access to capital as and when needed and, if so, the terms of any available financing may not be subject to commercially reasonable terms.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet financing arrangements.

Item 3. Quantitative and Qualitative Disclosures about Market Risks

Not applicable.

Item 4. Controls and Procedures

(a) *Evaluation of Disclosure Controls and Procedures*.

Our management, with the participation of our chief executive officer and chief accounting officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rule 15d-15 of the Securities Exchange Act of 1934. Based on this evaluation, our management, including our chief executive officer and chief accounting officer, concluded that as of December 31, 2013 our disclosure controls and procedures were not effective due to existing material weaknesses in our internal control over financial reporting, as described below.

In connection with our evaluation of our internal control over financial reporting as of September 30, 2013, and included in our annual report on Form 10-K filed with the SEC on January 14, 2014, we determined that there were control deficiencies that constituted material weaknesses which are indicative of many small companies with small staff, including:

- Due to our small size, we do not maintain effective internal controls to assure segregation of duties as we have only two employees who are responsible for initiating and approving of transactions, thereby creating the segregation of duties weakness;

- Our board of directors does not have an audit committee or a financial expert to maintain effective oversight of our financial reporting process; and

- Lack of formal policies or procedures to provide assurance that relevant information is identified, captured, processed, and reported in an appropriate and timely fashion.

(b) *Changes in Internal Control Over Financial Reporting.*

There were no changes in our internal control over financial reporting that occurred during the three-month period ended December 31, 2013 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

PART II — OTHER INFORMATION

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

During the fiscal quarter ended December 31, 2013, we conducted the private placement sale of 50,000 shares of our common stock to one party, at the offering price of $0.50 per share, for the gross proceeds of $25,000. The issuance was exempt under Section 4(a)(2) of the Securities Act of 1933 and Rule 506 there under. The investor was an accredited investor, as such term is defined in Rule 501 under the Securities Act. The offering was conducted by our management. No sales commissions or finders' fees were paid by us or anyone else.

Item 6. Exhibits

Exhibit No.	Description	Method of Filing
31.1	Certifications Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Filed electronically herewith
31.2	Certifications Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Filed electronically herewith
32.1	Certification of Principal Executive Officer and Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350).	Filed electronically herewith
101.INS*	XBRL Instance Document	Filed electronically herewith
101.SCH*	XBRL Taxonomy Extension Schema Document	Filed electronically herewith
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document	Filed electronically herewith
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document	Filed electronically herewith
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document	Filed electronically herewith
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document	Filed electronically herewith

* Pursuant to applicable securities laws and regulations, we are deemed to have complied with the reporting obligation relating to the submission of interactive data files in such exhibits and are not subject to liability under any anti-fraud provisions of the federal securities laws as long as we have made a good faith attempt to comply with the submission requirements and promptly amend the interactive data files after becoming aware that the interactive data files fail to comply with the submission requirements. Users of this data are advised that, pursuant to Rule 406T, these interactive data files are deemed not filed and otherwise are not subject to liability.

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.

WEST TEXAS RESOURCES, INC.
(Registrant)

Date: February 19, 2014

By: */s/ Stephen E. Jones*
Stephen E. Jones
Its: President and Chief Executive Officer

Date: February 19, 2014

By: */s/ John D. Kerr*
John D. Kerr
Its: Chief Financial Officer

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

Section 302 Certification

I, Stephen E. Jones, certify that:

1) I have reviewed this quarterly report on Form 10-Q of West Texas Resources, Inc.;

2) Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fiscal quarter presented in this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial data information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 19, 2014

By: /s/ Stephen E. Jones

Stephen E. Jones, President and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

Section 302 Certification

I, John D. Kerr, certify that:

1) I have reviewed this quarterly report on Form 10-Q of West Texas Resources, Inc.;

2) Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fiscal quarter presented in this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial data information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 19, 2014

By: /s/ John D. Kerr
John D. Kerr, Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of West Texas Resources, Inc. (the "Company") on Form 10-Q for the quarterly period ended December 31, 2013, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, Stephen E. Jones, President and Chief Executive Officer of the Company, and John D. Kerr, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

By: /s/ Stephen E. Jones
Stephen E. Jones
Title: President and Chief Executive Officer

Dated: February 19, 2014

By: /s/ John D. Kerr
John D. Kerr
Title: Chief Financial Officer

Dated: February 19, 2014

This certification is made solely for the purposes of 18 U.S.C. Section 1350, subject to the knowledge standard contained therein, and not for any other purpose.