UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended September 30, 2000 Commission File No. 1-2960

NEWPARK RESOURCES, INC.
(Exact name of registrant as specified in its charter)

DELAWARE	72-1123385
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

3850 N. CAUSEWAY, SUITE 1770 METAIRIE, LOUISIANA	70002
(Address of principal executive offices)	(Zip Code)

(504) 838-8222
(Registrant's telephone number)

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date.

Common stock, $0.01 par value: 69,521,125 shares at November 10, 2000.

NEWPARK RESOURCES, INC.
INDEX TO FORM 10-Q
FOR THE THREE MONTH PERIOD ENDED
September 30, 2000

Newpark Resources, Inc.
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(In thousands, except share data)	September 30, 2000	December 31, 1999
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 2,273	$ 4,517
Accounts and notes receivable, less allowance of $4,133 in 2000 and $10,836 in 1999	69,207	57,906
Inventories	24,524	17,524
Deferred tax asset	13,071	10,463
Other current assets	5,458	8,767
TOTAL CURRENT ASSETS	114,533	99,177
Property, plant and equipment, at cost, net of accumulated depreciation	181,892	166,603
Cost in excess of net assets of purchased businesses, net of accumulated amortization	112,558	116,465
Deferred tax asset	26,206	33,595
Other assets	34,627	34,701
	$ 469,816	$ 450,541
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Notes payable	$ --	$ 627
Current maturities of long-term debt	407	991
Accounts payable	24,067	29,232
Accrued liabilities	16,446	14,453
Arbitration settlement payable	3,641	5,630
TOTAL CURRENT LIABILITIES	44,561	50,933
Long-term debt	199,960	209,210
Arbitration settlement payable	--	2,451
Other non-current liabilities	1,622	1,608
Commitments and contingencies	--	--
STOCKHOLDERS' EQUITY:		
Preferred Stock, $.01 par value, 1,000,000 shares authorized, 270,000 shares outstanding	43,410	13,009
Common Stock, $.01 par value, 100,000,000 shares authorized, 69,519,487 shares outstanding in 2000 and 69,079,243 in 1999	695	690
Paid-in capital	328,582	322,724
Unearned restricted stock compensation	(3,163)	(3,838)
Accumulated other comprehensive income (loss)	(942)	250
Accumulated deficit	(144,909)	(146,496)
TOTAL STOCKHOLDERS' EQUITY	223,673	186,339
	$ 469,816	$ 450,541

See Accompanying Notes to Unaudited Consolidated Financial Statements.

Newpark Resources, Inc.
CONSOLIDATED STATEMENTS OF OPERATIONS
For the Three and Nine Month Periods Ended September 30,
(Unaudited)

(In thousands, except per share data)	Three Months Ended September 30, 2000	Three Months Ended September 30, 1999	Nine Months Ended September 30, 2000	Nine Months Ended September 30, 1999
Revenues	$ 68,987	$ 50,921	$ 186,466	$ 144,224
Operating costs and expenses:				
Cost of services provided	40,415	35,967	112,045	99,423
Operating costs	15,744	13,802	44,314	42,774
	56,159	49,769	156,359	142,197
General and administrative expenses	587	738	2,238	1,899
Goodwill amortization	1,243	1,197	3,733	3,730
Terminated merger expenses	--	2,400	--	2,400
Operating income (loss)	10,998	(3,183)	24,136	(6,002)
Interest income	(178)	(241)	(636)	(771)
Interest expense	4,576	4,171	13,926	12,190
Income (loss) before income taxes and cumulative effect of accounting change	6,600	(7,113)	10,846	(17,421)
Provision for income taxes (benefit)	2,670	805	4,380	(4,819)
Income (loss) before cumulative effect of accounting change	3,930	(7,918)	6,466	(12,602)
Cumulative effect of accounting change, (less applicable income taxes)	--	--	--	1,471
Net income (loss) before effects of preferred stock	3,930	(7,918)	6,466	(11,131)
Less:				
Preferred stock dividends and accretion	637	300	1,350	550
Non-cash conversion feature at preferred stock issuance	--	--	3,529	--
Net income (loss) applicable to common and common equivalent shares	$ 3,293	$ (8,218)	$ 1,587	$ (11,681)
Weighted average common and common equivalent shares outstanding:				
Basic	69,299	68,986	69,174	68,917
Diluted	70,315	68,986	69,940	68,917
Income (loss) per common share:				
BASIC:				
Income (loss) before cumulative effect of accounting change and effects of preferred stock	$ 0.06	$ (0.11)	$ 0.09	$ (0.18)
Preferred stock dividends and accretion	(0.01)	(0.00)	(0.02)	(0.01)
Non-cash conversion feature at preferred stock issuance	--	--	(0.05)	--
Income (loss) before cumulative effect	0.05	(0.12)	0.02	(0.19)
Cumulative effect of accounting change	--	--	--	0.02
Net income (loss)	$ 0.05	$ (0.12)	$ 0.02	$ (0.17)
DILUTED:				
Income (loss) before cumulative effect of accounting change and effects of preferred stock	$ 0.06	$ (0.11)	$ 0.09	$ (0.18)
Preferred stock dividends and accretion	(0.01)	(0.00)	(0.02)	(0.01)
Non-cash conversion feature at preferred stock issuance	--	--	(0.05)	--
Income (loss) before cumulative effect	0.05	(0.12)	0.02	(0.19)
Cumulative effect of accounting change	--	--	--	0.02
Net income (loss)	$ 0.05	$ (0.12)	$ 0.02	$ (0.17)

See Accompanying Notes to Unaudited Consolidated Financial Statements.

Newpark Resources, Inc.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Nine Month Periods Ended September 30,
(Unaudited)

(In thousands)	2000	1999
Net income (loss)	$ 6,466	$(11,131)
Other comprehensive income (loss):		
Foreign currency translation adjustments	(1,192)	851
Comprehensive income (loss)	$ 5,274	$(10,280)

See Accompanying Notes to Unaudited Consolidated Financial Statements.

Newpark Resources, Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Nine Month Periods Ended September 30,
(Unaudited)

(In thousands)	2000	1999
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$ 6,466	$(11,131)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	17,099	21,011
Provision for deferred income taxes (benefits)	4,781	(4,819)
Cumulative effect of accounting change	--	(1,471)
Other	(674)	(50)
Change in assets and liabilities, net of effects of acquisitions:		
Decrease (increase) in accounts and notes receivable	(12,615)	224
Increase in inventories	(7,000)	(3,389)
Decrease in other assets	396	9,631
Decrease in accounts payable	(5,384)	(5,440)
Decrease in accrued liabilities and other	(2,490)	(1,532)
NET CASH PROVIDED BY OPERATING ACTIVITIES	579	3,034
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(24,732)	(32,832)
Proceeds from disposal of property, plant and equipment	974	386
Payments received on notes receivable	558	1,415
NET CASH USED IN INVESTING ACTIVITIES	(23,200)	(31,031)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from preferred stock offering	29,725	14,750
Net borrowings on lines of credit	817	1,091
Proceeds from equipment leasing	63	9,320
Principal payments on notes payable and long-term debt	(11,341)	(1,318)
Proceeds from exercise of stock options	1,113	512
NET CASH PROVIDED BY FINANCING ACTIVITIES	20,377	24,355
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,244)	(3,642)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	4,517	6,611
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	$ 2,273	$ 2,969

Included in accounts payable and accrued liabilities at September 30, 2000 and 1999 were equipment purchases of approximately $1.5 million and $2.4 million, respectively.

Interest of $11.2 million and $10.7 million was paid during the nine months ending September 30, 2000 and 1999, respectively. There were no income taxes paid during the nine months ending September 30, 2000. Income tax refunds, net of payments, totaled $11.8 million for the nine months ending September 30, 1999.

See Accompanying Notes to Unaudited Consolidated Financial Statements.

NEWPARK RESOURCES, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

A. INTERIM FINANCIAL STATEMENTS

In the opinion of management, the accompanying unaudited consolidated financial statements reflect all adjustments necessary to present fairly the financial position of Newpark Resources, Inc. ("Newpark" or the "Company") as of September 30, 2000, and the results of its operations and its cash flows for the three month and nine month periods ended September 30, 2000 and 1999. All such adjustments are of a normal recurring nature. These interim financial statements should be read in conjunction with the December 31, 1999 audited financial statements and related notes filed on Form 10-K, as amended. The results of operations for the three month and nine month periods ended September 30, 2000 are not necessarily indicative of the results to be expected for the entire year.

Certain reclassifications of prior period amounts have been made to conform to the current period presentation.

B. SALE OF SOLIDS CONTROL OPERATIONS

In September 1999, management adopted a plan to discontinue its solids control operations and simultaneously entered into an alliance agreement with a division of Tuboscope, which is now providing some of these services to Newpark's customers. The operating results for the solids control operations are included in the results for the fluids sales and engineering segment. All solids control contracts were completed during the second quarter of 2000. Revenues from the solids control operations totaled $2.0 million in the third quarter of 1999. Revenues from the solids control operations totaled approximately $883,000 for the first nine months of 2000 and $5.3 million for the first nine months of 1999. These operations were at break even for the third quarter and first nine months of 2000, and generated operating losses of approximately $2.2 million in the third quarter of 1999 and $4.5 million for the first nine months of 1999.

The 1999 results for the solids control operations had previously been reported as discontinued operations in the financial statements. The previously filed financial statements have been restated to reflect the inclusion of the results for the solids control operations as part of continuing operations of the fluids sales and engineering segment.

The following table shows the previously reported and restated amounts:

	Three Months Ended September 30, 1999	Nine Months Ended September 30, 1999
As previously reported-		
Loss from continuing operations before cumulative effect of accounting changes	$ (6,602)	$ (9,866)
Net loss	$ (7,918)	$ (11,131)

	Three Months Ended September 30, 1999		Nine Months Ended September 30, 1999	
Loss per common and common equivalent share:				
Basic:				
Continuing operations	$	(.10)	$	(.15)
Net loss	$	(.12)	$	(.17)
Diluted:				
Continuing operations	$	(.10)	$	(.15)
Net loss	$	(.12)	$	(.17)
As restated-				
Loss before cumulative effect of accounting changes	$	(7,918)	$	(12,602)
Net loss	$	(7,918)	$	(11,131)
Loss per common and common equivalent share:				
Basic:				
Loss before cumulative effect of accounting changes	$	(.11)	$	(.18)
Net loss	$	(.12)	$	(.17)
Diluted:				
Loss before cumulative effect of accounting changes	$	(.11)	$	(.18)
Net loss	$	(.12)	$	(.17)

C. EARNINGS PER SHARE

Basic net income (loss) per share was calculated by dividing net income by the weighted-average number of common shares outstanding during the period. Diluted net income per share for the quarter and nine months ended September 30, 2000 were calculated by dividing net income by the weighted-average number of common shares outstanding during the period plus the weighted-average number of dilutive stock options and warrants, which totaled 1,016,000 shares and 766,000 shares for the respective periods. Options and warrants which were considered antidilutive because the exercise prices exceeded the average price for the applicable period totaled approximately 1.6 million shares and 2.7 million shares during the quarter and nine months ended September 30, 2000, respectively.

Since the Company incurred a loss per share for the quarter and nine months ended September 30, 1999, all effects of options and warrants were excluded from the calculations of diluted loss per share for these periods. Options and warrants excluded from the computation of diluted loss per share for these periods that could potentially dilute basic EPS in the future totaled 7,529,000 shares.

D. ACCOUNTS AND NOTES RECEIVABLE

Included in current accounts and notes receivable at September 30, 2000 and December 31, 1999 are:

(In thousands)	2000	1999
Trade receivables	$ 68,209	$ 62,051
Unbilled revenues	840	2,874
Gross trade receivables	69,049	64,925
Allowance for doubtful accounts	(4,133)	(10,836)
Net trade receivables	64,916	54,089
Notes and other receivables	4,291	3,817
Total	$ 69,207	$ 57,906

During the quarter ended September 30, 2000, previously reserved receivables of approximately $6.7 million were written off against the allowance balance upon settlement of all claims.

E. INVENTORY

The Company's inventory consisted of the following items at September 30, 2000 and December 31, 1999:

(In thousands)	2000	1999
Drilling fluids raw materials and components	$18,010	$13,062
Composite mats	223	--
Logs	5,074	3,338
Supplies	407	724
Other	810	400
Total	$24,524	$17,524

F. LONG-TERM DEBT

As of September 30, 2000, the Company has outstanding $125 million of unsecured senior subordinated notes (the "Notes") which mature on December 15, 2007. Interest on the Notes accrues at the rate of 8-5/8% per annum and is payable semi-annually on June 15 and December 15.

As of September 30, 2000, the Company also maintained a $100.0 million bank credit facility, including up to $20.0 million in standby letters of credit, in the form of a revolving line of credit commitment, which expires December 31, 2001. At September 30, 2000, $15.8 million in letters of credit were issued and outstanding under the credit facility and $73.5 million was outstanding under the revolving facility, leaving $10.7 million of availability under this facility at September 30, 2000. The facility bears interest at either a specified prime rate (9.5% at September 30, 2000) or the LIBOR rate (6.68% at September

30, 2000) plus a spread determined quarterly based on the ratio of the Company's funded debt to cash flow. The current interest rate under the credit facility is prime plus .75% (10.25% at November 3, 2000) or LIBOR plus 3.25% (9.85% at November 3, 2000). The Company was in compliance with all financial covenants of the credit facility as of September 30, 2000.

G. SEGMENT DATA

Summarized financial information concerning the Company's reportable segments is shown in the following table (dollars in thousands):

	Three Months Ended September 30,		Change	
	2000	1999	$	%
Revenues by segment:				
E&P waste disposal	$ 15,409	$ 9,856	$ 5,553	56%
Fluids sales & engineering	33,806	25,932	7,874	30
Mat & integrated services	19,772	15,133	4,639	31
Total	$ 68,987	$ 50,921	$ 18,066	35%
Operating income (loss) by segment:				
E&P waste disposal	$ 5,297	$ 2,353	$ 2,944	125%
Fluids sales & engineering	2,140	(1,921)	4,061	NM
Mat & integrated services	5,391	720	4,671	649
Total by segment	12,828	1,152	11,676	1,014
General and administrative expenses	587	738	(151)	(20)
Goodwill amortization	1,243	1,197	46	4
Terminated merger expenses	--	2,400	(2,400)	NM
Total operating income (loss)	$ 10,998	$ (3,183)	$ 14,181	NM%

	Nine Months Ended September 30,		Change	
	2000	1999	$	%
Revenues by segment:				
E&P waste disposal	$ 41,647	$ 30,623	$ 11,024	36%
Fluids sales & engineering	93,538	68,281	25,257	37
Mat & integrated services	51,281	45,320	5,961	13
Total	$ 186,466	$ 144,224	$ 42,242	29%
Operating income (loss) by segment:				
E&P waste disposal	$ 13,408	$ 9,459	$ 3,949	42%
Fluids sales & engineering	6,069	(9,562)	15,631	NM
Mat & integrated services	10,630	2,130	8,500	399
Total by segment	2,027	1,385		
General and administrative expenses	2,238	1,899	339	18
Goodwill amortization	3,733	3,730	3	0
Terminated merger expenses	--	2,400	(2,400)	NM
Total operating income (loss)	$ 24,136	$ (6,002)	$ 30,138	NM%

The figures above are shown net of intersegment transfers.

H. CHANGE IN METHOD OF ACCOUNTING FOR DEPRECIATION

The Company computes the provision for depreciation on certain of its E&P waste and NORM disposal assets and its barite grinding mills using the unit-of-production method. The unit-of-production method of providing for depreciation on these assets was adopted in the second quarter of 1999, effective January 1, 1999. Prior to 1999, the Company computed the provision for depreciation of these assets on a straight-line basis.

The reported income for the nine months ended September 30, 1999 was increased by $1,471,000 (related per share amounts of $.02 basic and diluted) reflecting the cumulative effect (net of income taxes) on years prior to 1999 for the change in accounting for depreciation.

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

The following discussion of our financial condition, results of operations, liquidity and capital resources should be read together with our "Unaudited Consolidated Financial Statements" and "Notes to Unaudited Consolidated Financial Statements" as well as our annual report on form 10-K for the year ended December 31, 1999, as amended.

RESULTS OF OPERATIONS

Our operating results depend primarily on the level of oil and gas drilling activity in the markets we serve. These levels in turn depend, to a great extent, on oil and gas commodities pricing, inventory levels and product demand. Key average rig count data for the last several quarters is listed in the following table:

	1Q99	2Q99	3Q99	4Q99	1Q00	2Q00	3Q00
U.S. Rig Count	551	521	637	773	770	845	982
Gulf Coast market	185	172	183	213	223	240	270
Gulf Coast market to total	33.6%	33.0%	28.7%	27.6%	29.0%	28.4%	27.5%
Canadian Rig Count	290	104	253	337	480	212	314

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Source: Baker Hughes Incorporated

The Gulf Coast market, our primary market, accounted for approximately 75% of revenues for the first nine months of 2000 and includes: (1) South Louisiana Land; (2) Texas Railroad Commission Districts 2 and 3; (3) Louisiana and Texas Inland Waters; and (4) Offshore Gulf of Mexico. According to Baker Hughes Incorporated, as of the week ended November 3, 2000, the U.S. rig count was 1,078, with 283 rigs, or 26.3%, within our primary market. The quarterly fluctuations in the Canadian rig count generally reflect the seasonal nature of drilling activity related to drilling site access. As of the week ended November 3, 2000, the Canadian rig count was 362.

Average crude oil and natural gas prices for the last several quarters is listed in the following table:

	1Q99	2Q99	3Q99	4Q99	1Q00	2Q00	3Q00
West Texas Inter. Crude ($/bbl)	$13.17	$17.66	$21.72	$24.52	$28.91	$28.95	$31.70
U.S. Spot Natural Gas ($/mcf)	$ 1.80	$ 2.24	$ 2.55	$ 2.48	$ 2.63	$ 3.67	$ 4.49

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Source: Wall Street Journal

Since the first quarter of 1999, we have seen steady improvement in crude oil and natural gas prices, which continued into the third quarter of 2000. With the improvement in oil and gas prices in the second half of 1999, the average rig activity increased for the first time in six quarters during the third quarter of 1999. The increase in rig activity has continued through the third quarter of 2000, but has trailed the recovery in oil and gas prices.

During 2000, gas storage levels reached their lowest point in over three years, and current industry forecasts reflect a stable to growing demand for natural gas. In addition, current productive gas reserves are being depleted at a rate faster than current replacement through drilling activities. Accordingly, we believe that gas drilling activity will increase over current levels. Because many shallow fields in the Gulf Coast market have been exploited, producers are expected to increase the depth of drilling to reach larger gas reserves. As such, we expect gas drilling activity to be increasingly associated with deeper, more costly wells.

In September 1999, we decided to discontinue our solids control operations and simultaneously entered into an alliance agreement with a division of Tuboscope, which is now providing some of these services to our customers. Prior year results for these solids control operations were previously reported as discontinued operations. Operating results for the prior year have been restated to give effect to the reclassification of these results from a presentation as discontinued operations to a presentation as part of continuing operations of our fluids sales and engineering segment. Operating results for the quarter and nine months ended September 30, 1999 have also been restated to reflect the cumulative effect of an accounting change effective January 1, 1999. Summarized financial information concerning our reportable segments for the three month and nine month periods ended September 30, 2000 and 1999 is shown below:

	Three Months Ended September 30,		Change	
	2000	1999	$	%
Revenues by segment:				
E&P waste disposal	$ 15,409	$ 9,856	$ 5,553	56%
Fluids sales & engineering	33,806	25,932	7,874	30
Mat & integrated services	19,772	15,133	4,639	31
Total	$ 68,987	$ 50,921	$ 18,066	35%
Operating income (loss) by segment:				
E&P waste disposal	$ 5,297	$ 2,353	$ 2,944	125%
Fluids sales & engineering	2,140	(1,921)	4,061	NM
Mat & integrated services	5,391	720	4,671	649
Total by segment	12,828	1,152	11,676	1,014
General and administrative expenses	587	738	(151)	(20)
Goodwill amortization	1,243	1,197	46	4
Terminated merger expenses	--	2,400	(2,400)	NM
Total operating income (loss)	$ 10,998	$ (3,183)	$ 14,181	NM%

	Nine Months Ended September 30,		Change	
	2000	1999	$	%
Revenues by segment:				
E&P waste disposal	$ 41,647	$ 30,623	$ 11,024	36%
Fluids sales & engineering	93,538	68,281	25,257	37
Mat & integrated services	51,281	45,320	5,961	13
Total	$ 186,466	$ 144,224	$ 42,242	29%
Operating income (loss) by segment:				
E&P waste disposal	$ 13,408	$ 9,459	$ 3,949	42%
Fluids sales & engineering	6,069	(9,562)	15,631	NM
Mat & integrated services	10,630	2,130	8,500	399
Total by segment	30,107	2,027	28,080	1,385
General and administrative expenses	2,238	1,899	339	18
Goodwill amortization	3,733	3,730	3	0
Terminated merger expenses	--	2,400	(2,400)	NM
Total operating income (loss)	$ 24,136	$ (6,002)	$ 30,138	NM%

The figures above are shown net of intersegment transfers.

QUARTER ENDED SEPTEMBER 30, 2000 COMPARED TO QUARTER ENDED SEPTEMBER 30, 1999

Revenues

E&P Waste Disposal: The $5.6 million, or 56%, increase in waste disposal revenue is attributable to the increases in drilling activity and the resulting increase in waste volumes received. Drilling rig activity in our primary gulf coast market increased 48% during the third quarter of 2000 compared to the same period in 1999. During the third quarter of 2000, we received 1,091,000 barrels of E&P waste compared to 784,000 barrels in the comparable quarter of 1999, a 39% increase. Average revenue per barrel increased from $10.60 per barrel in 1999 to $11.51 per barrel in 2000. Revenues for the quarter ended September 30, 2000 included $574,000 from nonhazardous industrial disposal operations, which began in August 1999. Revenues from these operations were $176,000 in the comparable period of 1999. NORM revenues were $1.5 million in 2000, as compared to $600,000 in 1999.

Recently, we have seen an increase in activity in the environmentally sensitive South Louisiana Transition Zone, which should translate into future revenue growth if the trend continues. This development is important, since a Transition Zone drilling rig generates five to six times the waste volume of other, less tightly regulated markets. In addition, we are continuing to work with our customers to implement a 4% price increase, which we expect to be fully implemented by the end of the fourth quarter. This price increase is in response to increases in certain operating costs.

New offshore regulations regarding the limitation of discharges of synthetic fluids and drill cuttings containing synthetic fluids have recently been announced and are expected to be effective in early 2001. These regulations, as proposed, would eliminate the discharge of synthetic fluids and would reduce the allowable percentage of drill cuttings containing synthetic fluids to 6.9% of total discharges by volume. We expect to experience some increase in waste volumes as a result of these new regulations once they become effective.

Fluids Sales and Engineering: Fluids sales and engineering revenues increased $7.9 million, or 30%. During the third quarter of 2000, we serviced an average of 152 rigs, compared to 94 rigs in the third quarter of 1999. The average annualized revenue per rig was approximately $890,000 in the third quarter of 2000, compared to $881,000 for the third quarter of 1999. We are continuing to work with our customers to implement an average price increase of 5%-6%, which we expect to be fully implemented by the end of the fourth quarter.

Revenues of this segment include revenues from solids control operations of approximately $2.0 million in the third quarter of 1999. There were no solids control revenues in the third quarter of 2000. These operations were discontinued in September 1999. Certain solids control contracts that remained in progress as of December 31, 1999 were completed by June 2000. The average annualized revenue per rig, excluding solids control revenues, was $791,000 for the third quarter of 1999.

Many of our drilling fluids customers are independent operators that are active in the inland waters and the shelf of the Gulf of Mexico markets. Recently these areas have seen an increase in activity. Drilling in these markets usually involves more complicated drilling programs resulting in greater amounts of drilling fluids sales and engineering services as compared to other land drilling markets.

Mat and Integrated Services: The $4.6 million, or 31%, increase in mat and integrated services revenues is due to both an increase in pricing and an increase in volume of mat locations associated with increases in drilling activity and expansion of Canadian operations. The average price per square foot for mat locations installed was $0.99 in the third quarter of 2000, compared to $0.59 in the third quarter of 1999 and $.71 in the second quarter of 2000. The average pricing in the prior year was negatively impacted by weak demand and the lack of Transition Zone work, which tends to earn a premium in pricing for mat locations due to the complexity and size of the projects. Beginning late in the third quarter of 2000, we have seen a significant increase in mat locations for drilling in the Transition Zone market, and we have indications from our customers that this market will continue to be active for the remainder of the year and into 2001. Should the activity in this market continue to increase, we believe it would have a positive impact on both revenues and operating margins for this segment.

Canadian mat revenues were $2.3 million in the third quarter of 2000, compared to $700,000 for the third quarter of 1999. Canadian mat revenues for 2000 include rental charges associated with a pending sale of 1,000 mats to a Canadian E&P company, subject to a 60-day evaluation period. This customer has recently accepted these mats, for which additional sales revenues will be recorded in the fourth quarter. This customer has also agreed to purchase an additional 500 mats in the fourth quarter and is evaluating the purchase of more mats for projects planned during the spring of 2001 when site access problems traditionally begin to increase. We are continuing to pursue the military, governmental and commercial markets for sales of our composite mat system. We continue to believe that our efforts in this new market should begin to show positive results in the near future.

Operating Income

E&P Waste Disposal: The $2.9 million increase in waste disposal operating income represents a 125% increase from the prior year period and an incremental margin (the increase in operating income divided by the increase in revenue) of 53%. Increases in certain operating costs, including barge rental, maintenance (in particular at our west Texas operations), personnel, fuel and utility costs, negatively impacted the incremental margin for this segment. Offsetting these increases in operating costs for the quarter was an increase in higher-margin NORM revenues from $600,000 in 1999 to $1.5 million in 2000.

As noted above, we are continuing to implement a 4% price increase. This price increase, along with moderating costs, are expected to improve the incremental margins for this segment over the remainder of the year.

Fluids Sales and Engineering: Fluids sales and engineering operating income increased $4.1 million on a $7.9 million increase in revenues. Operating income for this segment includes the results of our solids control operations, which were discontinued in September 1999. Included in the operating loss for the fluids sales and engineering segment for the quarter ended September 30, 1999 is an operating loss of $2.2 million associated with solids control operations. Excluding the effects of the solids control operations in the prior year, operating income in this segment increased $1.9 million, representing an incremental margin of 19%.

The operating margin of the drilling fluids segment is affected by the mix of products sold. There is a significant difference in the gross margins recognized on commodity products, primarily barite, and those recognized for specialty products. We expect to recognize the benefits of newly introduced products such as DeepDrill(TM) and other specialty products as these products gain wider customer acceptance. We expect to obtain better margins on commodity products as market activity increases, which should improve pricing and lower product costs. In addition, as noted above, we are continuing to implement a 5%-6% price increase over the remainder of 2000. The positive effects of these price increases and increases in the mix of higher margin products are expected to be partially offset by increases in certain operating costs, including fuel, personnel and infrastructure costs of expanded offshore base operations.

Mat and Integrated Services: Mat and integrated services operating income increased $4.7 million on a $4.6 million increase in revenues. The high incremental margin is attributable to reductions in operating costs and improved pricing due to favorable changes in mix; however, we do not anticipate that incremental margins will be as high in the future. During 1998 and 1999, we disposed of a significant portion of our domestic wooden mat fleet. In 1999, we also recorded an impairment charge for our remaining domestic wooden mat fleet, in response to both changing market conditions and our introduction of the new composite mat. This reduction in basis significantly lowered depreciation expense for the mat fleet. In addition, the significantly lower maintenance, transportation, and other associated costs, and substantially longer useful life of the composite mat system as compared to the wooden mat system are expected to enhance future operating margins for this segment. These benefits of the composite mat system are also expected to better position the segment to compete against competitive pricing pressures.

Interest Income/Expense

Net interest expense was $4.4 million for the third quarter of 2000, an increase of $468,000, or 11.9%, as compared to $3.9 million for the third quarter of 1999. The increase in net interest cost is due to an increase in the average effective interest rate from 8.94% in 1999 to 9.48% in 2000. This increase in the effective interest rate was partially offset by a reduction in average borrowings outstanding of $2.6 million. In addition, interest capitalization decreased from $451,000 in the third quarter of 1999 to $220,000 in the third quarter of 2000. As noted below, in June 2000, we issued $30 million of preferred stock and warrants, the proceeds of which were used for the repayment of debt. During the third quarter of 2000, the interest rate on the credit facility was reduced from Prime plus 1.25% or LIBOR plus 4% to prime plus .75% or LIBOR plus 3.25% as financial ratios improved the variable grid pricing on our credit facility.

Provision for Income Taxes

For the quarter ended September 30, 2000, we recorded an income tax provision of $2.7 million, reflecting an income tax rate of 40.5%. For the quarter ended September 30, 1999, we recorded an income tax provision of $805 million, on a pretax loss of $7.1 million. The effective tax rate for 2000 is higher than statutory rates primarily due to effects of non-deductible goodwill and the comparatively low projected annual income from operations for 2000.

Preferred Stock Dividends and Accretion of Discount

As discussed in Liquidity and Capital Resources below, in June 2000, we sold 120,000 shares of Series B Preferred Stock. In April 1999, we sold 150,000 shares of Series A Preferred Stock. The Series B Preferred Stock is not redeemable. The Series A Preferred Stock is redeemable at our option anytime after April 16, 2004. For the quarter ended September 30, 2000, dividends totaling $525,000 were paid or accrued on preferred stock. This compares to $188,000 of dividends for the quarter ended September 30, 1999. The accretion of the discount on the Series A Preferred Stock was $112,000 for the quarter ended September 30, 2000 and 1999.

NINE MONTHS ENDED SEPTEMBER 30, 2000 COMPARED TO NINE MONTHS ENDED SEPTEMBER 30, 1999

Revenues

E&P Waste Disposal: The $11.0 million, or 36%, increase in waste disposal revenue is attributable to the increases in drilling activity and the resulting increase in waste volumes received. In these same periods, drilling rig activity in the Gulf Coast market, our primary market, increased 36%. During the first nine months of 2000, we received 3,094,000 barrels of E&P waste, compared to 2,361,000 barrels in the comparable period of 1999, a 31% increase. Average revenue per barrel increased slightly during the comparable periods. The nine months ended September 30, 2000 included $1.2 million of revenue from nonhazardous industrial disposal operations, which began in August 1999, compared to approximately $200,000 in 1999.

Fluids Sales and Engineering: Fluids sales and engineering revenues increased $25.3 million, or 37%. During the first nine months of 2000, we serviced an average of 138 rigs, compared to 82 rigs in the first nine months of 1999. The annualized average revenue per rig was approximately $892,000 in the first nine months of 2000 compared to $1,024,000 for the first nine months of 1999. The decline in the annualized revenue per rig is due to the mix of rig locations, with a lower percentage of rigs serviced in 2000 in the Gulf Coast market, which generates a larger volume of drilling fluids revenue per rig serviced. In addition, the annualized revenue per rig was impacted by the decision to discontinue operations of the solids control operations. Revenues from solids control operations were $883,000 for the first nine months of 2000 and $5.3 million for the first nine months of 1999. The average revenue per rig excluding solids control revenues was $884,000 for the first nine months of 2000 and $938,000 for the first nine months of 1999.

Mat and Integrated Services: The $6.0 million, or 13%, increase in mat and integrated services revenue is significantly lower than the increase in rig activity, primarily due to weakness in the wetlands and Transition Zone market in the first half of 2000. This weakness was partially offset by improvement in pricing and expansion of Canadian operations. The average price per square foot was $0.83 in the first nine months of 2000, compared to $0.64 in the first nine months of 1999. Canadian mat revenues were $5.2 million for the first nine months of 2000, compared to $1.3 million for the first nine months of 1999.

Operating Income

E&P Waste Disposal: The $3.9 million increase in waste disposal operating income represents a 42% increase from the prior year period and an incremental margin of 36%. As noted above, increases in certain operating costs, including barge rental, maintenance, personnel, fuel and utility costs, negatively impacted the incremental margin for this segment. In addition, as noted previously, the mix of waste received during the first six months of 2000 included a greater percentage of products that required special handling and processing costs that were unusual in nature, resulting in a lower than expected incremental margin.

Fluids Sales and Engineering: Fluids sales and engineering operating income increased $15.6 million on an increase in revenue of $25.3 million. The operating margin for the nine months ended September 30, 1999 included site closure and related costs of approximately $2.6 million. In addition, operating income for this segment includes the results of our solids control operations, which were discontinued in September 1999. Included in the operating loss for the fluids sales and engineering segment for the nine months ended September 30, 1999 is an operating loss of $3.8 million associated with solids control operations. Excluding the effects of solids control operations and site closure costs in the prior year, operating income in this segment increased $9.2 million, representing an incremental margin of 31%.

Mat and Integrated Services: The $8.5 million increase in mat and integrated services operating income is attributable to several factors. These include the $6.0 million increase in revenues, improved per unit pricing and reductions in operating costs, particularly depreciation, associated with resizing our domestic wooden mat fleet and introducing our new composite mat system, as noted above.

Interest Income/Expense

Net interest expense was $13.3 million for 2000, an increase of $1.8 million, or 16.4%, as compared to $11.4 million for 1999. The increase in net interest cost is due to an increase of $6.9 million in average outstanding borrowings and an increase in the average effective interest rate from 8.88% in 1999 to 9.50% in 2000. In addition, interest capitalization decreased from $1.3 million in the first nine months of 1999 to $740,000 in the first nine months of 2000. The increase in average outstanding borrowings under our bank credit facility was primarily used to fund capital expenditures. As noted below, in June 2000, the Company issued $30 million of preferred stock, the proceeds of which where used to repay debt.

Provision for Income Taxes

For the nine months ended September 30, 2000, we recorded an income tax provision of $4.4 million, reflecting an income tax rate of 40.4%. For the nine months ended September 30, 1999, we recorded an income tax benefit of $4.8 million, reflecting an income tax benefit rate of 27.7%. The effective tax rate for 2000 is higher than statutory rates primarily due to effects of non-deductible goodwill and the comparatively low projected annual income from operations for 2000.

Cumulative Effect of Accounting Change

Results for the nine months ended September 30, 1999 includes the cumulative effect, net of income taxes, of a change in accounting for depreciation on certain assets used in our barite grinding activity and in our waste disposal business. As a result of this change in accounting for depreciation, the reported income from operations for the nine months ended September 30, 1999 was increased by $1,471,000, with related per share amounts of $.02 basic and diluted. This reflects the cumulative effect, net of income taxes, of the change on years prior to 1999.

Preferred Stock Dividends and Accretion of Discount

For the nine months ended September 30, 2000, dividends totaling $1.0 million were paid or accrued on preferred stock. This compares to $344,000 of dividends for the first nine months of 1999. The accretion of the discount on the Series A Preferred Stock was $336,000 for the nine months ended September 30, 2000. This compares to $206,000 for the nine months ended September 30, 1999.

As required by EITF 98-5 "Accounting for Convertible Securities with Beneficial Conversion Features or Contingently Adjustable Conversion Ratios", during the nine months ended September 30, 2000, we recorded a one-time adjustment of $3.5 million ($.05 per share) to our equity accounts to reflect the value assigned to the conversion feature of the Series B Preferred Stock at the date of issuance. This adjustment did not have any effect on our operating results or total equity, and we issued no additional shares or cash.

LIQUIDITY AND CAPITAL RESOURCES

The Company's working capital position increased by $21.7 million during the first nine months of 2000. Key working capital data is provided below (dollars in thousands):

	September 30, 2000	December 31, 1999
Working Capital (000's)	$ 69,972	$ 48,244
Current Ratio	2.57	1.95

Our long term capitalization was as follows (in thousands):

	September 30, 2000	December 31, 1999
Long-term debt (including current maturities):		
Credit facility	$ 73,450	$ 83,250
Subordinated debt	125,000	125,000
Other	1,917	1,951
Total long-term debt	200,367	210,201
Stockholders' equity	223,673	186,339
Total capitalization	$ 424,040	$ 396,540

For the nine months ended September 30, 2000, our working capital needs were met primarily from the preferred stock offering discussed below. The net cash provided by financing activities of $20.5 million and net cash provided by operating activities of $504,000 helped to provide for total cash of $23.2 million used in investing activities.

As of September 30, 2000, we also maintained a $100.0 million bank credit facility, including up to $20.0 million in standby letters of credit, in the form of a revolving line of credit commitment, which expires December 31, 2001. We are currently in discussions with the banks to enter into a new $125 million credit facility. This new facility is anticipated to have terms similar to the existing credit facility. These discussions are expected to be completed by December 31, 2000.

At September 30, 2000, $15.8 million in letters of credit were issued and outstanding under the credit facility and $73.5 million was outstanding under the revolving facility, leaving $10.7 million of availability under this facility at September 30, 2000. The facility bears interest at either a specified prime rate (9.5% at September 30, 2000) or the LIBOR rate (6.68% at September 30, 2000) plus a spread determined quarterly based on the ratio of our funded debt to cash flow. The current interest rate under the credit facility is prime plus .75% (10.25% at November 3, 2000) or LIBOR plus 3.25% (9.85% at November 3, 2000). We were in compliance with all financial covenants of the credit facility as of September 30, 2000.

Our Senior Subordinated Notes do not contain any financial covenants. However, if we do not meet the financial covenants of the Credit Facility and are unable to obtain an amendment from the banks, we would be in default under the Credit Facility, which would cause the Notes to be in default. The Notes and the Credit Facility also contain covenants that significantly limit the payment of dividends on our Common Stock.

On June 1, 2000, we completed the sale to Fletcher International Limited of 120,000 shares of Series B Convertible Preferred Stock, $0.01 par value per share (the "Series B Preferred Stock"), and a warrant (the "Warrant") to purchase up to 1,900,000 shares of our Common Stock at an exercise price of $10.075 per share, subject to anti-dilution adjustments. The Warrant has a term of seven years, expiring June 1, 2007. There are no redemption features to the Series B Preferred Stock. The aggregate purchase price for these instruments was $30.0 million, of which approximately $26.5 million was allocated to the Series B Preferred Stock and approximately $3.5 million to the Warrant. The net proceeds from the sale were used to repay indebtedness.

For the next twelve months, we anticipate total capital expenditures of approximately $26 million, primarily associated with the purchase of composite mats.

Approximately $7 million of operating lease funding was obtained in 2000 for the leasing of new composite mats. We have also obtained a commitment for up to $5 million of additional operating lease financing for new composite mats, which we expect to utilize in the fourth quarter of 2000. We are in the process of selling our office building in Lafayette, Louisiana that should yield approximately $3.2 million. We plan to subsequently lease this facility from the new owner under an operating lease.

Potential sources of additional funds, if required, would include additional operating leases for equipment, selling certain assets and selling equity securities or subordinated debt securities. Other than as discussed above, we presently have no commitments beyond our working capital and bank lines of credit by which we could obtain additional funds for current operations. However, we regularly evaluate potential borrowing arrangements which we may utilize to fund future expansion. We believe that our current sources of capital, coupled with internally generated funds, will be sufficient to support our working capital, capital expenditures and debt service requirements for the foreseeable future provided that market conditions stabilize or continue to improve from current levels. Any long-term downturn in market conditions could have an adverse affect on our financial position, results of operations and future available capital. Such a downturn would likely result in reductions in planned capital expenditures and reassessment of our operations and business strategy in light of these market conditions.

Except as described in the preceding paragraphs, we are not aware of any material expenditures, significant balloon payments or other payments on long term obligations or any other demands or commitments, including off-balance sheet items to be incurred within the next 12 months. Inflation has not materially impacted our revenues or income.

YEAR 2000 UPDATE

In prior years, we have disclosed the nature and progress of our plans to address the year 2000 issue. By the end of 1999, we completed our remediation and testing of our critical information technology and non-information technology systems. As a result of those efforts, we experienced no significant disruptions in those systems and believe those systems successfully responded to the year 2000 date change. We expended less than $100,000 during 1998 and 1999 in connection with remediating our systems. We are not aware of any material problems resulting from year 2000 issues, either with our product or service offerings, our internal systems or the products and services of third parties. We will continue to monitor our critical computer applications and those of our suppliers and vendors throughout the year 2000 to ensure that any latent year 2000 matters that may arise are addressed promptly.

FORWARD-LOOKING STATEMENTS

The foregoing discussion contains "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. There are risks and uncertainties that could cause future events and results to differ materially from those anticipated by us in the forward-looking statements included in this report. Among these risks and uncertainties are the following:

- oil and gas exploration and production levels and the industry's willingness to spend capital on environmental and oilfield services;

- oil and gas prices, expectations about future prices, the cost of exploring for, producing and delivering oil and gas, the discovery rate of new oil and gas reserves and the ability of oil and gas companies to raise capital;

- domestic and international political, military, regulatory and economic conditions;

- other risks and uncertainties generally applicable to the oil and gas exploration and production industry;

- existing regulations affecting E&P and NORM waste disposal being rescinded or relaxed, governmental authorities failing to enforce these regulations or industry participants being able to avoid or delay compliance with these regulations;

- future technological change and innovation, which could result in a reduction in the amount of waste being generated or alternative methods of disposal being developed;

- increased competition in our product lines;

- our success in integrating acquisitions;

- our success in replacing our wooden mat fleet with our new composite mats;

- our ability to obtain the necessary permits to operate our non-hazardous waste disposal wells and our ability to successfully compete in this market;

- our ability to successfully compete in the drilling fluids markets in the Canadian provinces of Alberta and Saskatchewan, the Permian Basin of West Texas and New Mexico and the Anadarko Basin in Western Oklahoma, where we have only recently entered the market; and

- adverse weather conditions, which could disrupt drilling operations.

PART II

ITEM 6. EXHIBIT AND REPORTS ON FORM 8-K

(a) Exhibits

27. Financial Data Schedule

(b) Reports on Form 8-K

None.

NEWPARK RESOURCES, INC.

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, thereunto duly authorized.

Date: November 10, 2000

NEWPARK RESOURCES, INC.

By: /s/Matthew W. Hardey

Matthew W. Hardey, Vice President
and Chief Financial Officer

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