

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934.

Date of Report: (Date of Earliest Event Reported) **October 4, 2011**

PANHANDLE OIL AND GAS INC.

(Exact name of registrant as specified in its charter)

OKLAHOMA

(State or other jurisdiction
of incorporation)

001-31759

(Commission File Number)

73-1055775

(I.R.S. Employer
Identification No.)

**5400 North Grand Blvd.,
Suite 300**

Oklahoma City, OK

(Address of principal executive offices)

73112

(Zip code)

(405) 948-1560

(Registrant's telephone number including area code)

Not Applicable

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act
 - Pre-commencement communications pursuant to Rule 14d-2 (b) under the Exchange Act
 - Pre-commencement communications pursuant to Rule 13e-4 (c) under the Exchange Act
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ITEM 1.01 Enters Into A Material Definitive Agreement

Panhandle Oil and Gas Inc. (the "Company") has agreed to purchase interests in 193 non-operated natural gas wells and 1,531 acres of leasehold located in Van Buren, Conway and Cleburne Counties, Arkansas for \$17,500,000 from a private seller. The transaction is projected to close on or about October 25, 2011 with an effective date of September 1, 2011. The properties are principally located in the core of the prolific Fayetteville Shale natural gas play and are primarily operated by the play's premier operator.

The acquisition will be funded with a combination of existing cash on hand and the Company's credit facility with Bank of Oklahoma.

ITEM 9.01 Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release issued by Panhandle Oil and Gas Inc., dated October 4, 2011

SIGNATURE

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

PANHANDLE OIL AND GAS INC.

By: /s/ Michael C. Coffman

Michael C. Coffman,
President and CEO

DATE: October 4, 2011

EXHIBIT INDEX

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PANHANDLE OIL AND GAS INC.

Reports Intent to Purchase Fayetteville Assets

OKLAHOMA CITY, OK, October 4 , 2011 - PR Newswire – **PANHANDLE OIL AND GAS INC.** (NYSE: PHX) today reported that it has agreed to purchase interests in 193 non-operated natural gas wells and 1,531 acres of leasehold located in Van Buren, Conway and Cleburne Counties, Arkansas for \$17,500,000 from a private seller. The transaction is projected to close on or about October 25, 2011 with an effective date of September 1, 2011. The properties are principally located in the core of the prolific Fayetteville Shale natural gas play and are primarily operated by the play's premier operator. The acquisition will be funded with a combination of existing cash on hand and the Company's credit facility with Bank of Oklahoma.

The 1,531 acres of leasehold are located in 69 drilling units with 82% of the leasehold being held by production. The estimated net proved developed producing reserves are approximately 9.2 Bcfe and there are approximately 15.2 Bcfe of identified undeveloped reserves on the properties. In the fourth calendar quarter of 2011, net production from the existing producing wells included in the acquisition is projected to be approximately 2.7 Mmcf per day. In addition, there are approximately 240 future infill drilling locations identified on the leasehold, assuming development of 8 wells per unit.

Michael C. Coffman, President and CEO said, "We are pleased to be able to add this package of high quality properties to our existing holdings in the Fayetteville. These properties will increase our acreage holdings in the core area of the Fayetteville by 18% and the current production from the properties will increase total Panhandle production by approximately 12%. In addition to this acquisition, we have purchased 1,160 net fee mineral acres in the Fayetteville over the last couple of months. The total acreage added in the combined transactions amounts to 2,691 net acres, an addition of 37% to our net acreage holdings in the Fayetteville"

Panhandle Oil and Gas Inc. (NYSE-PHX) is engaged in the exploration for and production of natural gas and oil. Additional information on the Company can be found at www.panhandleoilandgas.com.

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