

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

SCHEDULE 13D

Under the Securities Exchange Act of 1934
(Amendment No. _____)*

LSB Industries, Inc.

(Name of Issuer)

Common Stock, par value \$.10 per share

(Title of Class of Securities)

502160104

(CUSIP Number)

Louis J. Bevilacqua, Esq.
Cadwalader, Wickersham & Taft
100 Maiden Lane
New York, New York 10038
(212) 504-6057

(Name, Address and Telephone Number of Person Authorized to Receive Notices
and Communications)

August 27, 1997

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(b)(3) or (4), check the following box .

Note: Six copies of this statement, including all exhibits, should be filed with the Commission. See Rule 13d-1(a) for other parties to whom copies are to be sent.

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 502160104

13D

Page 2 of 10 Pages

1 NAME OF REPORTING PERSON Wynnefield Partners Small Cap Value L.P.
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON
13-3688497

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)
(a) (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS (See Instructions)
WC

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS
2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware

7 SOLE VOTING POWER
336,345

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY

8 SHARED VOTING POWER
0

EACH
REPORTING
PERSON
WITH

9 SOLE DISPOSITIVE POWER
349,734

10 SHARED DISPOSITIVE POWER
0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
336,345

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES
(See Instructions) |_|

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
2.6%

14 TYPE OF REPORTING PERSON (See Instructions)
PN

1 NAME OF REPORTING PERSON Wynnefield Partners Small Cap Value L.P. I
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON
13-3953291

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)
(a) (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS (See Instructions)
WC

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS
2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware

7 SOLE VOTING POWER
161,655

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY

8 SHARED VOTING POWER
0

EACH
REPORTING
PERSON
WITH

9 SOLE DISPOSITIVE POWER
161,655

10 SHARED DISPOSITIVE POWER
0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
161,655

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES
(See Instructions)

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
1.3%

14 TYPE OF REPORTING PERSON (See Instructions)
PN

1 NAME OF REPORTING PERSON Channel Partnership II L.P.
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON
22-3215653

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)
(a) (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS (See Instructions)
WC

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS
2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION
New York

	7	SOLE VOTING POWER 24,000
NUMBER OF SHARES BENEFICIALLY OWNED BY	8	SHARED VOTING POWER 0
EACH REPORTING PERSON WITH	9	SOLE DISPOSITIVE POWER 24,000
	10	SHARED DISPOSITIVE POWER 0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
24,000

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES
(See Instructions)

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
0.2%

14 TYPE OF REPORTING PERSON (See Instructions)
PN

1 NAME OF REPORTING PERSON Wynnefield Small Cap Value Offshore Fund Ltd
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)
(a) (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS (See Instructions)
WC

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS
2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION
Cayman Islands

7 SOLE VOTING POWER
125,700

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY

8 SHARED VOTING POWER
0

EACH
REPORTING
PERSON
WITH

9 SOLE DISPOSITIVE POWER
125,700

10 SHARED DISPOSITIVE POWER
0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
125,700

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES
(See Instructions)

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
1.0%

14 TYPE OF REPORTING PERSON (See Instructions)
PN

1 NAME OF REPORTING PERSON Nelson Obus
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON
###-##-####

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)
(a) (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS (See Instructions)
PF

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS
2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION
U.S.A.

	7	SOLE VOTING POWER 20,000
NUMBER OF SHARES BENEFICIALLY OWNED BY	8	SHARED VOTING POWER 0
EACH REPORTING PERSON WITH	9	SOLE DISPOSITIVE POWER 20,000
	10	SHARED DISPOSITIVE POWER 0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
20,000

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES
(See Instructions)

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
0.2%

14 TYPE OF REPORTING PERSON (See Instructions)
IN

Item 1. Security and Issuer.

This Statement relates to shares of common stock, par value \$.10 per share (the "Common Stock"), of LSB Industries, Inc., a Delaware corporation (the "Corporation"). The Corporation's principal executive office is located at 16 South Pennsylvania Avenue, Oklahoma City, Oklahoma 73107.

Item 2. Identity and Background.

(a) The persons filing this statement are Wynnefield Partners Small Cap Value L.P. I, a limited partnership organized under the laws of the State of Delaware ("Wynnefield I"), Wynnefield Partners Small Cap Value L.P., a limited partnership organized under the laws of the State of Delaware ("Wynnefield"), Channel Partnership II L.P., a limited partnership organized under the laws of the State of New York ("Channel"), and Wynnefield Small Cap Offshore Fund Ltd, a partnership organized under the laws of the Cayman Islands ("Wynnefield Offshore"), (Wynnefield I, Wynnefield, Channel and Wynnefield Offshore, collectively, the "Reporting Partnerships") and Nelson Obus, an individual (the "Reporting Individual"). The Reporting Partnerships and the Reporting Individual are collectively referred to herein as the "Reporting Persons."

(b) The address of each of the Reporting Partnerships' principal business and principal office, and the Reporting Individual's business address, is One Penn Plaza, Suite 4720, New York, New York 10119.

(c) The principal business of each of the Reporting Partnerships is that of acting as a private investment firm. The principal employment of the Reporting Individual is as President of Wynnefield Capital, Inc., a private investment firm whose address is One Penn Plaza, Suite 4720, New York, New York 10119.

(d) During the last five years, none of the Reporting Persons has been convicted in a criminal proceeding.

(e) During the last five years, none of the Reporting Persons has been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

Item 3. Source and Amount of Funds or Other Consideration.

The source of the \$684,493.99 used by Wynnefield I to purchase its 161,655 shares of Common Stock was its working capital. The source of the \$1,416,257.43 used by Wynnefield to purchase its 336,345 shares of Common Stock was its working capital. The source of the \$91,343.50 used by Channel to purchase its 24,000 shares of Common Stock was its working capital. The source of the \$515,333.70 used by Wynnefield Offshore to purchase its 125,700 shares of Common Stock was its working capital. The source of the \$77,050 used by the Reporting Individual to purchase his 20,000 shares of Common Stock was personal funds. No funds were borrowed by any of the Reporting Persons in connection with its purchases of Common Stock.

Item 4. Purpose of Transaction.

The Reporting Person has acquired its beneficial ownership in the shares of Common Stock for investment purposes. The Reporting Persons intend to take an active role as shareholders of the Company to raise the interest and awareness of other shareholders with respect to the Reporting Persons concerns. Specifically, among other things, the Reporting Persons are concerned about (i) the inability of the Company's management to achieve focus as it expressed it would do in the Company's Form 10-K for the year ended December 31, 1996 and subsequently and (ii) the proposal by an affiliate of the Company's Chairman and President to take a preferred voting equity interest in the Company as described in the Company's Form 10-Q for the quarterly period ended June 30, 1997, which the Reporting Persons believe would not be in the best interests of the Company's shareholders. The Reporting Persons presently cannot predict the scope of any actions they may take; nevertheless, the Reporting Persons will first seek to discuss its concerns with the Company's management and Board of Directors.

Item 5. Interest in Securities of the Issuer.

(a) According to the Corporation's Quarterly Report on Form 10-Q for the quarter ended June 30, 1997, as of August 12, 1997, the Corporation had 12,861,081 shares of Common Stock outstanding. Wynnefield I is the beneficial

owner of 161,655 shares of Common Stock, or 1.3% of the outstanding Common Stock. Wynnefield is the beneficial owner of 336,345 shares of Common Stock, or 2.6% of the outstanding Common Stock. Channel is the beneficial owner of 24,000 shares of Common Stock, or 0.2% of the outstanding Common Stock. Wynnefield Offshore is the beneficial owner of 125,700 shares of Common Stock, or 1.0% of the outstanding Common Stock. The Reporting Individual is the beneficial owner of 20,000 shares of Common Stock, or 0.2% of the outstanding Common Stock. The Reporting Persons are the beneficial owner of 667,700 shares of Common Stock, or 5.2% of the outstanding Common Stock.

(b) Wynnefield I has the sole power to vote, or to direct the vote of, 161,655 shares of Common Stock and the sole power to dispose of, or to direct the disposition of, 161,655 shares of Common Stock. Wynnefield has the sole power to vote, or to direct the vote of, 336,345 shares of Common Stock and the sole power to dispose of, or to direct the disposition of, 336,345 shares of Common Stock. Channel has the sole power to vote, or to direct the vote of, 24,000 shares of Common Stock and the sole power to dispose of, or to direct the disposition of, 24,000 shares of Common Stock. Wynnefield Offshore the sole power to vote, or to direct the vote of, 125,700 shares of Common Stock and the sole power to dispose of, or to direct the disposition of, 125,700 shares of Common Stock. The Reporting Individual has the sole power to vote, or to direct the vote of, 20,000 shares of Common Stock and the sole power to dispose of, or to direct the disposition of, 20,000 shares of Common Stock. The Reporting Persons have the sole power to vote, or to direct the vote of, 667,700 shares of Common Stock and the sole power to dispose of, or to direct the disposition of, 667,700 shares of Common Stock.

(c) The following table describes all transactions in the Common Stock effected during the past 60 days by the Reporting Persons:

Reporting Person	Date	No. of Shares Purchased	Price per Share
Wynnefield.....	07/11/97	1,437	4.1850
	07/22/97	37,227	3.6750
	07/22/97	6,531	4.0600
	07/29/97	5,290	4.0225
	07/30/97	4,000	4.0600
	08/05/97	10,000	3.9250
	08/06/97	1,800	3.9606
	08/06/97	6,200	4.0231
	08/07/97	10,000	4.0008
	08/08/97	13,061	4.0400
	08/18/97	9,143	4.2670
	08/19/97	10,450	4.2900
	08/21/97	5,029	4.2900
	08/22/97	4,376	4.2900
	08/25/97	2,482	4.2900
	08/27/97	13,389	4.6873
Wynnefield I.....	07/11/97	763	4.1850
	07/22/97	19,773	3.6750
	07/22/97	3,469	4.0600
	07/29/97	2,810	4.0225
	08/08/97	6,939	4.0400
	08/18/97	4,857	4.2670
	08/19/97	5,550	4.2900
	08/21/97	2,671	4.2900
	08/22/97	2,324	4.2900
	08/25/97	1,318	4.2900
	08/27/97	7,111	4.6873
Channel.....	07/22/97	3,000	3.6750
Wynnefield Offshore.....	07/22/97	40,000	3.6750
	07/22/97	5,000	4.0600
	08/07/97	9,000	4.0008
	08/11/97	10,000	4.0400
	08/14/97	10,000	4.1475
	08/26/97	1,700	4.2900
	08/27/97	10,000	4.6873

All of the foregoing purchases were made in the open market through broker-dealers.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

Not applicable.

Item 7. Material to Be Filed as Exhibits.

- Exhibit 99.1 -- Joint Filing Agreement
- Exhibit 99.2 -- Letter from the Reporting Persons to the Chairman of the Board and President of the Company, dated September 4, 1997.
- Exhibit 99.3 -- Letter from the Reporting Persons to the Board of Directors of the Company, dated September 4, 1997

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: September 4, 1997

WYNNEFIELD PARTNERS SMALL CAP VALUE L.P.

By: WYNNEFIELD CAPITAL MANAGEMENT, LLC,
as general partner

By: /S/ NELSON OBUS

Nelson Obus
Managing Member

WYNNEFIELD PARTNERS SMALL CAP VALUE L.P. I

By: WYNNEFIELD CAPITAL MANAGEMENT, LLC,
as general partner

By: /S/ NELSON OBUS

Nelson Obus
Managing Member

CHANNEL PARTNERSHIP II L.P.

By: /S/ NELSON OBUS

Nelson Obus
General Partner

WYNNEFIELD SMALL CAP VALUE OFFSHORE FUND LTD

By: WYNNEFIELD CAPITAL, INC.,
as general partner

By: /S/ NELSON OBUS

Nelson Obus
President

/S/ NELSON OBUS

Nelson Obus

JOINT FILING AGREEMENT

The Schedule 13D, relating to the common stock, par value \$.10 per share, of LSB Industries, Inc., dated September 4, 1997, is filed on behalf of Wynnefield Partners Small Cap Value L.P., Wynnefield Partners Small Cap Value L.P. I, Channel Partnership II L.P., Wynnefield Small Cap Value Offshore Fund Ltd and Nelson Obus.

Dated: September 4, 1997

WYNNEFIELD PARTNERS SMALL CAP VALUE L.P.

By: WYNNEFIELD CAPITAL MANAGEMENT, LLC,
as general partner

By: /S/ NELSON OBUS

Nelson Obus
Managing Member

WYNNEFIELD PARTNERS SMALL CAP VALUE L.P. I

By: WYNNEFIELD CAPITAL MANAGEMENT, LLC,
as general partner

By: /S/ NELSON OBUS

Nelson Obus
Managing Member

CHANNEL PARTNERSHIP II L.P.

By: /S/ NELSON OBUS

Nelson Obus
General Partner

WYNNEFIELD SMALL CAP VALUE OFFSHORE FUND LTD

By: WYNNEFIELD CAPITAL, INC.,
as general partner

By: /S/ NELSON OBUS

Nelson Obus
President

/S/ NELSON OBUS

Nelson Obus

WYNNEFIELD PARTNERS SMALL CAP VALUE L.P.
WYNNEFIELD PARTNERS SMALL CAP VALUE L.P. I
CHANNEL PARTNERSHIP II L.P.
WYNNEFIELD SMALL CAP VALUE OFFSHORE FUND LTD
NELSON OBUS
ONE PENN PLAZA
SUITE 4720
NEW YORK, NEW YORK 10119

September 4, 1997

Mr. Jack E. Golsen
Chairman of the Board and President
LSB Industries, Inc.
16 South Pennsylvania Avenue
Oklahoma City, OK 73107

Dear Jack:

I'm sorry you were unable to return my calls or meet with me as we had discussed when you were in New York in August. Nevertheless, I trust that our Schedule 13D filing will underscore the magnitude of my interest in LSB Industries and my concern that the independent shareholders have yet to receive much value from their investment in the Company.

In the Overview of the MD&A section of your December 1996 Form 10-K and subsequently there is mention of LSB's need to focus on profitable businesses and achieving adequate returns. This is encouraging, but I feel the actions you have taken to achieve these goals have been much too tentative. Specifically, I believe the Automotive and Industrial Product Segments should be promptly sold or discontinued and liquidated in their entirety because they have lost money for four consecutive years and lack economies of scale. In addition, off balance sheet assets such as the bank building in Oklahoma City should be liquidated, and further speculative ventures such as the Kestral Aircraft investment should be curtailed. At your convenience, I would like to discuss with you my ideas with respect to how LSB can achieve solid profitability and an adequate return for shareholders going forward. It is unacceptable that 1997 is shaping up to be the third straight year that LSB has failed to record a profit from operations.

On a more urgent and serious note, I must tell you that I was both shocked and deeply disappointed to read in the June 1997 Form 10-Q of the Insider's proposal to infuse \$3 million into LSB in return for a preferred stock interest which carries a 10% coupon and entitles holders to three million common share votes. This is truly an unconventional proposal! Given LSB's \$150 million of long term debt and \$65 million of working capital, I can only surmise that all the Insiders are trying to accomplish is to give themselves enough voting power to completely ignore the outside shareholders. I have believed you to be a fair and honest individual who would never resort to such a transparent ploy to entrench you and your family at the helm of LSB. This proposal has caused me both to reconsider my judgment and consult legal counsel. Indeed, it is so troubling to me that I have written to the outside directors detailing my concerns, and a copy of that letter is attached.

I have been quite outspoken in this public letter about my feelings towards the new preferred stock proposal and encourage you to communicate with me directly if you feel the conclusions I have reached are off the mark.

Sincerely,

WYNNEFIELD PARTNERS SMALL CAP VALUE L.P.

By: WYNNEFIELD CAPITAL MANAGEMENT, LLC,
as general partner

By: /S/ NELSON OBUS

Nelson Obus
Managing Member

WYNNEFIELD PARTNERS SMALL CAP VALUE L.P. I

By: WYNNEFIELD CAPITAL MANAGEMENT, LLC,
as general partner

By: /S/ NELSON OBUS

Nelson Obus
Managing Member

CHANNEL PARTNERSHIP II L.P.

By: /S/ NELSON OBUS

Nelson Obus
General Partner

WYNNEFIELD SMALL CAP VALUE OFFSHORE FUND LTD

By: WYNNEFIELD CAPITAL, INC.,
as general partner

By: /S/ NELSON OBUS

Nelson Obus
President

/S/ NELSON OBUS

Nelson Obus

WYNNEFIELD PARTNERS SMALL CAP VALUE L.P.
WYNNEFIELD PARTNERS SMALL CAP VALUE L.P. I
CHANNEL PARTNERSHIP II L.P.
WYNNEFIELD SMALL CAP VALUE OFFSHORE FUND LTD
NELSON OBUS
ONE PENN PLAZA
SUITE 4720
NEW YORK, NEW YORK 10119

September 4, 1997

Board of Directors
LSB Industries, Inc.
c/o Corporate Secretary
16 South Pennsylvania Avenue
Oklahoma City, OK 73107

Gentlemen:

As you probably know, investment partnerships in which I possess voting control recently have acquired 5.2% of LSB Industries and have filed a Schedule 13D. I am President of Wynnefield Capital, Inc., a corporation formed to invest in publicly traded small capitalization securities which are believed to be undervalued. Wynnefield currently has over \$100 million under management. Earlier in my Wall Street career I worked for almost a decade in the institutional sales department of Lazard Freres in roles including the Director of Research. My investment background includes almost 40 years of experience analyzing and investing in small cap value stocks.

The purpose of this letter is to share with you my concerns regarding the SBL Corporation's proposal to purchase preferred stock from LSB as outlined in the second quarter Form-10Q. This is one of the most unconventional offers I have come upon in my years as an investor. Given the existence of \$150 million in long term debt and \$65 million of working capital, it is almost impossible for me to understand how an infusion of merely \$3 million would materially improve LSB's balance sheet. The offer appears to be nothing more than a transparent effort by insiders to entrench themselves and escape all accountability for their inability to generate profits or enhance shareholder value.

As you know, it is your duty to perform careful due diligence in regard to SBL's proposal if you expect to rely on the business judgment rule with respect to any decision made regarding the proposal. If for some reason you determine that a small cash infusion would be meaningfully helpful to the Company, I insist that Wynnefield be given the opportunity to present an alternative proposal to the Board. I can assure you that I am prepared and have sufficient resources to offer the Company significantly better terms than those offered by SBL.

The SBL proposal has served to give me second thoughts regarding the character and motives of the Chairman of LSB. I have articulated these concerns quite bluntly in a letter to Mr. Golsen, which I have attached to my Schedule 13D filing. I urge you to read this filing and in your obligation generally to generate shareholder value.

As Directors, and particularly with respect to independent Directors, I expect you to represent non-affiliated shareholders like myself in considering the SBL proposal and in your obligation generally to generate shareholder value.

I look forward to hearing from you directly in regard to this matter.

Sincerely,

WYNNEFIELD PARTNERS SMALL CAP VALUE L.P.

By: WYNNEFIELD CAPITAL MANAGEMENT, LLC,
as general partner

By: /S/ NELSON OBUS

Nelson Obus
Managing Member

WYNNEFIELD PARTNERS SMALL CAP VALUE L.P. I

By: WYNNEFIELD CAPITAL MANAGEMENT, LLC,
as general partner

By: /S/ NELSON OBUS

Nelson Obus
Managing Member

CHANNEL PARTNERSHIP II L.P.

By: /S/ NELSON OBUS

Nelson Obus
General Partner

WYNNEFIELD SMALL CAP VALUE OFFSHORE FUND LTD

By: WYNNEFIELD CAPITAL, INC.,
as general partner

By: /S/ NELSON OBUS

Nelson Obus
President

/S/ NELSON OBUS

Nelson Obus