

<b>FORM 5</b>  <small>1] Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).                  ] Form 3 Holdings Reported                  ] Form 4 Transactions Reported</small>	<b>UNITED STATES SECURITIES AND EXCHANGE COMMISSION</b> <small>Washington, D.C. 20549</small>  <b>STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP</b>  <small>Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(f) of the Investment Company Act of 1940</small>	OMB APPROVAL  <small>OMB Number: 3235-0362                  Expires: December 31, 2001                  Estimated average burden hours per response: . . . . 0.5</small>
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1. Name and Address of Reporting Person* <b>Connolly, George A.</b>  825 Berkshire Blvd Suite 200  Wyomissing, PA 19610  USA	2. Issuer Name and Ticker or Trading Symbol <b>Penn National Gaming, Inc. PENN</b>  3. I.R.S. Identification Number of Reporting Person, if an entity (voluntary)	4. Statement for (Month/Year) <b>December 2000</b>  5. If Amendment, Date of Original (Month/Year)	6. Relationship of Reporting Person(s) to Issuer (Check all applicable)  <input checked="" type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other  Officer/Other Description <b>Vice President of Human Resources</b>  7. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Individual Filing <input type="checkbox"/> Joint/Group Filing
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Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned								
1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed (D) Of (Instr. 3, 4, and 5)			5. Amount of Securities Beneficially Owned at End of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct(D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Amount	A/D	Price			

If the form is filed by more than one reporting person, see instruction 4(b)(v).

**Connolly, George A. - December 2000**

**Form 5 (continued)**

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)										
1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	4. Transaction Code	5. Number of Derivative Securities Acquired (A) or Disposed (D) Of (Instr. 3,4 and 5)	6. Date Exercisable(DE) and Expiration Date(ED) (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr.5)	9. Number of Derivative Securities Beneficially Owned at End of Year (Instr.4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I)	11. Nature of Indirect Beneficial Ownership (Instr.4)
<b>Stock Options (Right to Buy)</b>	<b>\$8,125</b>	<b>02/08/2000</b>	<b>A</b>	<b>(A) 5,000,000</b>	<b>02/08/2001   02/08/2007</b>	<b>Common Stock - 5,000,000</b>		<b>15,000,000</b>	<b>D</b>	

Explanation of Responses :

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, See Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

\*\* Signature of Reporting Person \_\_\_\_\_ Date \_\_\_\_\_

/s/George A. Connolly  
George A. Connolly