

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 10-Q

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

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2021

or

**[] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Commission File No. 000-18774

SPINDLETOP OIL & GAS CO.

(Exact name of registrant as specified in its charter)

Texas

(State or other jurisdiction
of incorporation or organization)

75-2063001

(IRS Employer
Identification No.)

12850 Spurling Rd., Suite 200, Dallas, TX

(Address of principal executive offices)

75230

(Zip Code)

(972) 644-2581

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	SPND	OTC Markets - Pink

Securities registered pursuant to Section 12(g) of the Act: **Common Stock, \$0.01 par value**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes [] No [X]

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes [] No [X]

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 during the preceding twelve months (or for such shorter period that the registrant was required to submit and post such files). Yes [X] No []

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 Company was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer or a smaller reporting company. See definitions of "large accelerated filer", "accelerated filer", and "smaller reporting company" in Rule 12b-2 of the Exchange Act (Check one):

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

**APPLICABLE ONLY TO REGISTRANTS INVOLVED IN BANKRUPTCY
PROCEEDINGS DURING THE PRECEDING FIVE YEARS:**

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes No

(APPLICABLE ONLY TO CORPORATE REGISTRANTS)

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

Common Stock, \$0.01 par value
(Class)

6,755,318
(Outstanding at August 23, 2021)

DOCUMENTS INCORPORATED BY REFERENCE

None

SPINDLETOP OIL & GAS CO. AND SUBSIDIARIES

FORM 10-Q

For the quarter ended June 30, 2021

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Part I - Financial Information

Item 1. - Financial Statements

**SPINDLETOP OIL & GAS Co. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS**

	June 30, 2021 (Unaudited)	December 31, 2020
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 8,792,000	\$ 7,480,000
Restricted cash	295,000	295,000
Accounts receivable	2,682,000	2,613,000
Income tax receivable	252,000	274,000
Total Current Assets	<u>12,021,000</u>	<u>10,662,000</u>
Property and Equipment - at cost		
Oil and gas properties (full cost method)	26,882,000	26,928,000
Rental equipment	412,000	412,000
Gas gathering system	115,000	115,000
Other property and equipment	315,000	315,000
	<u>27,724,000</u>	<u>27,770,000</u>
Accumulated depreciation and amortization	<u>(26,246,000)</u>	<u>(26,061,000)</u>
Total Property and Equipment	<u>1,478,000</u>	<u>1,709,000</u>
Real Estate Property - at cost		
Land	688,000	688,000
Commercial office building	1,624,000	1,624,000
Accumulated depreciation	<u>(1,077,000)</u>	<u>(1,047,000)</u>
Total Real Estate Property	<u>1,235,000</u>	<u>1,265,000</u>
Other Assets		
Deferred Income Tax Asset	200,000	205,000
Other long-term investments	8,816,000	8,825,000
Other	4,000	4,000
Total Other Assets	<u>9,020,000</u>	<u>9,034,000</u>
Total Assets	<u><u>\$ 23,754,000</u></u>	<u><u>\$ 22,670,000</u></u>

The accompanying notes are an integral part of these statements.

SPINDLETOP OIL & GAS Co. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	June 30, 2021 (Unaudited)	December 31, 2020
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 6,290,000	\$ 5,714,000
Notes payable, Paycheck Protection Program	403,000	-
Total Current Liabilities	6,693,000	5,714,000
Noncurrent Liabilities		
Asset retirement obligation	1,448,000	1,434,000
Total Noncurrent Liabilities	1,448,000	1,434,000
Total Liabilities	8,141,000	7,148,000
Shareholders' Equity		
Common stock, \$.01 par value, 100,000,000 shares authorized; 7,677,471 shares issued and 6,755,318 outstanding at June 30, 2021 and at December 31, 2020.		
	77,000	77,000
Additional paid-in capital	943,000	943,000
Treasury stock, at cost	(1,874,000)	(1,874,000)
Retained earnings	16,467,000	16,376,000
Total Shareholders' Equity	15,613,000	15,522,000
Total Liabilities and Shareholders' Equity	\$ 23,754,000	\$ 22,670,000

The accompanying notes are an integral part of these statements.

SPINDLETOP OIL & GAS CO. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	Six Months Ended June 30,		Three Months Ended June 30,	
	2021	2020	2021	2020
Revenues				
Oil and gas revenues	\$ 1,958,000	\$ 1,092,000	\$ 1,064,000	\$ 348,000
Revenues from lease operations	116,000	119,000	59,000	44,000
Gas gathering, compression, equipment rental	39,000	45,000	5,000	18,000
Real estate rental revenue	114,000	134,000	55,000	70,000
Interest Income	81,000	103,000	35,000	59,000
Other revenues	18,000	19,000	9,000	9,000
Total Revenues	2,326,000	1,512,000	1,227,000	548,000
Expenses				
Lease operating expenses	522,000	462,000	399,000	170,000
Production taxes, gathering and marketing expenses	335,000	256,000	206,000	122,000
Pipeline and rental expenses	9,000	4,000	6,000	1,000
Real estate expenses	65,000	67,000	33,000	29,000
Depreciation and amortization expenses	215,000	135,000	96,000	34,000
ARO accretion expense	70,000	60,000	35,000	30,000
General and administrative expenses	992,000	1,391,000	455,000	669,000
Total Expenses	2,208,000	2,375,000	1,230,000	1,055,000
Income (Loss) Before Income Tax	118,000	(863,000)	(3,000)	(507,000)
Current income tax provision (benefit)	22,000	(174,000)	5,000	(113,000)
Deferred income tax provision	5,000	5,000	(2,000)	28,000
Total income tax provision (benefit)	27,000	(169,000)	3,000	(85,000)
Net Income (Loss)	\$ 91,000	\$ (694,000)	\$ (6,000)	\$ (422,000)
Earnings (Loss) per Share of Common Stock				
Basic and Diluted	\$ 0.01	\$ (0.10)	\$ -	\$ (0.06)
Weighted Average Shares Outstanding				
Basic and Diluted	6,755,318	6,787,044	6,755,318	6,764,487

The accompanying notes are an integral part of these statements.

SPINDLETOP OIL & GAS CO. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the Six Months Ended June 31, 2021, and 2020
(Unaudited)

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Treasury Stock Shares	Treasury Stock Amount	Retained Earnings
Balance December 31, 2020	7,677,471	\$77,000	\$943,000	922,153	(\$1,874,000)	\$16,376,000
Net Income	-	-	-	-	-	97,000
Balance March 31, 2021	7,677,471	77,000	943,000	922,153	(1,874,000)	16,473,000
Net (Loss)	-	-	-	-	-	(6,000)
Balance June 30, 2021	<u>7,677,471</u>	<u>\$77,000</u>	<u>\$943,000</u>	<u>922,153</u>	<u>(\$1,874,000)</u>	<u>\$16,467,000</u>
Balance December 31, 2019	7,677,471	\$77,000	\$943,000	867,869	(\$1,806,000)	\$17,271,000
Net Loss	-	-	-	-	-	(272,000)
Balance March 31, 2020	7,677,471	77,000	943,000	867,869	(1,806,000)	16,999,000
Purchase of 54,284 shares of Common Stock as Treasury Stock	-	-	-	54,284	(68,000)	-
Net (Loss)	-	-	-	-	-	(422,000)
Balance June 30, 2020	<u>7,677,471</u>	<u>\$77,000</u>	<u>\$943,000</u>	<u>922,153</u>	<u>(\$1,874,000)</u>	<u>\$16,577,000</u>

SPINDLETOP OIL & GAS CO. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Six Months Ended	
	June 30, 2021	June 30, 2020
Cash Flows from Operating Activities		
Net Income (Loss)	\$ 91,000	\$ (694,000)
Reconciliation of net Income (Loss) to net cash provided by operating activities		
Depreciation and amortization	214,000	135,000
Accretion of asset retirement obligation	70,000	60,000
Changes in accounts receivable	(69,000)	711,000
Changes in income tax receivable	22,000	(173,000)
Changes in accounts payable and accrued liabilities	576,000	(313,000)
Changes in deferred Income tax asset	5,000	5,000
Net cash provided (used) for operating activities	<u>909,000</u>	<u>(269,000)</u>
Cash Flows from Investing Activities		
Capitalized acquisition, exploration, and development	(4,000)	(165,000)
Changes in Other long-term investments	9,000	(8,000,000)
Proceeds from sale of oil and gas properties	-	250,000
Capitalized tenant improvements and broker fees	(5,000)	(44,000)
Net cash provided (used) for investing activities	<u>-</u>	<u>(7,959,000)</u>
Cash Flows from Financing Activities		
Changes in notes payable	403,000	403,000
Purchase of 54,284 shares of treasury stock	-	(68,000)
Net cash used for financing activities	<u>403,000</u>	<u>335,000</u>
Increase (Decrease) in cash, cash equivalents, and restricted cash	1,312,000	(7,893,000)
Cash, cash equivalents, and restricted cash at beginning of period	<u>7,775,000</u>	<u>16,024,000</u>
Cash, cash equivalents, and restricted cash at end of period	<u>\$ 9,087,000</u>	<u>\$ 8,131,000</u>

The accompanying notes are an integral part of these statements.

SPINDLETOP OIL & GAS CO. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. BASIS OF PRESENTATION AND ORGANIZATION

The accompanying financial statements are presented in accordance with the requirements of Form 10-Q and consequently do not include all of the disclosures normally required by generally accepted accounting principles or those normally made in the Company's annual Form 10-K filing. Accordingly, the reader of this Form 10-Q may wish to refer to the Company's Form 10-K for the year ended December 31, 2020, for further information.

The consolidated financial statements presented herein include the accounts of Spindletop Oil & Gas Co., a Texas corporation ("the Company") and its wholly owned subsidiaries, Prairie Pipeline Co., a Texas corporation and Spindletop Drilling Company, a Texas corporation. All significant inter-company transactions and accounts have been eliminated.

In the opinion of management, the accompanying unaudited interim financial statements contain all material adjustments, consisting only of normal recurring adjustments necessary to present fairly the financial condition, the results of operations and changes in cash flows of the Company and its consolidated subsidiaries for the interim periods presented. Although the Company believes that the disclosures are adequate to make the information presented not misleading, certain information and footnote disclosures, including a description of significant accounting policies normally included in financial statements prepared in accordance with generally accepted accounting principles generally accepted in the United States of America, have been condensed or omitted pursuant to such rules and regulations.

2. NOTES PAYABLE

During the first quarter of 2021, the Company applied for and was granted a loan in the amount of \$402,573 pursuant to the Paycheck Protection Program ("PPP") under the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), which was enacted March 27, 2020.

On March 18, 2021, the loan (the "Loan") was funded and matures twenty-four months from the date of the loan and bears interest at the rate of 0.98% per annum, payable monthly commencing after the loan forgiveness determination has been made by the Small Business Administration. The Loan may be prepaid by the Borrower at any time prior to maturity with no prepayment penalties.

The PPP provides that loan principal and accrued interest may be forgiven after a twenty-four-week period if the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. Under the CARES Act, the amount of loan forgiveness may be reduced if the borrower terminates employees or reduces salaries during the period set forth in the CARES Act.

The Company believes it will use the loan proceeds from the loan for purposes consistent with the PPP. While the Company currently believes that its use of the loan proceeds should meet the conditions for forgiveness of at least a portion of the loan, we cannot assure you that the Company will be eligible for forgiveness of the loan, in whole or in part.

3. COMMON STOCK

Effective April 6, 2020, and June 20, 2020, the Company repurchased 45,036 shares and 9,248 shares of its common stock from a non-controlling, unaffiliated shareholder of the Company for a negotiated purchase price of \$56,295 and \$11,560 respectively, or \$1.25 per share. The repurchased shares are held as Treasury stock.

4. CONTINGENCIES

On July 23, 2020, a subsidiary of the Company received notice of a lawsuit filed in Louisiana against the Company's subsidiary and numerous other oil and gas companies alleging a pollution claim for properties operated by the defendants in Louisiana, and the Company's subsidiary filed an answer. The Plaintiffs filed a First Supplemental and Amending Petition for Damages on January 21, 2021. The litigation is currently in the discovery phase. Management has regular litigation reviews, including updates from corporate and outside counsel, to assess the need for accounting recognition or disclosure of contingencies for litigation. The Company will continue to defend its subsidiary vigorously in this matter.

Subsequent Events

The Company has evaluated subsequent events through August 23, 2021, the date on which the financial statements were available to be issued.

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

WARNING CONCERNING FORWARD LOOKING STATEMENTS

The following discussion should be read in conjunction with the financial statements and notes thereto appearing elsewhere in this report.

This Report on Form 10-Q may contain forward-looking statements within the meaning of the federal securities laws, principally, but not only, under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations." We caution investors that any forward-looking statements in this report, or which management may make orally or in writing from time to time, are based on management's beliefs and on assumptions made by, and information currently available to, management. When used, the words "anticipate," "believe," "expect," "intend," "may," "might," "plan," "estimate," "project," "should," "will," "result" and similar expressions which do not relate solely to historical matters are intended to identify forward-looking statements. These statements are subject to risks, uncertainties, and assumptions and are not guarantees of future performance, which may be affected by known and unknown risks, trends, uncertainties, and factors, that are beyond our control. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated, or projected. We caution you that while forward-looking statements reflect our good faith beliefs when we make them, they are not guarantees of future performance and are impacted by actual events when they occur after we make such statements. We expressly disclaim any responsibility to update our forward-looking statements, whether as a result of new information, future events or otherwise. Accordingly, investors should use caution in relying on past forward-looking statements, which are based on results and trends at the time they are made, to anticipate future results or trends.

Some of the risks and uncertainties that may cause our actual results, performance or achievements to differ materially from those expressed or implied by forward-looking statements include, among others, the factors listed and described at Item 1A "Risk Factors" in the Company's Annual Report on Form 10-K, which

investors should review. There have been changes to the risk factors previously described in the Company's Form 10-K for the fiscal year ended December 31, 2020 (the "Form 10-K"), including significant global economic and pandemic factors occurring during the first six months of 2021 and continuing into the third quarter of 2021 which are described in the following two paragraphs.

The COVID-19 pandemic and the measures being taken to address and limit the spread of the virus adversely affected the economies and financial markets of the world, resulting in an economic downturn beginning in early 2020 that negatively impacted global demand and prices for crude oil and condensate, natural gas liquids (NGLs) and natural gas. The effects of COVID-19 mitigation efforts, including the wide availability of vaccines, combined with the waning intensity of the pandemic, have resulted in increased demand and prices for crude oil and condensate. In the first six months of 2021, demand and prices for crude oil and condensate returned to near pre-pandemic levels. Uncertainty related to variants of the COVID-19 virus may cause a fluctuation in demand and prices for crude oil and condensate in the third quarter of 2021 and beyond.

In early 2021, the members of the Organization of Petroleum Exporting Countries and Russia (OPEC+) met and agreed to taper off certain of their production curtailments (agreed to in April 2020) through March 2021. Subsequent to the meeting, Saudi Arabia announced that it would unilaterally cut its production by an additional one million barrels per day in February 2021 and March 2021. In April 2021, OPEC+ indicated it would continue to ease production curtailments starting in May 2021 as it expected the intensity of the COVID-19 pandemic would subside and containment measures would be scaled back, leading to expected increases in demand for crude oil production in the second half of 2021.

Other uncertainties regarding the global economic and financial environment could lead to an extended national or global economic recession. A slowdown in economic activity caused by a recession would likely reduce national and worldwide demand for oil and natural gas and result in lower commodity prices for long periods of time. Costs of exploration, development and production have not yet adjusted to current economic conditions, or in proportion to the significant reduction in product prices. Prolonged, substantial decreases in oil and natural gas prices would likely have a material adverse effect on the Company's business, financial condition, and results of operations, and could further limit the Company's access to liquidity and credit and could hinder its ability to satisfy its capital requirements.

In the past several years, capital and credit markets have experienced volatility and disruption. Given the levels of market volatility and disruption, the availability of funds from those markets may diminish substantially. Further, arising from concerns about the stability of financial markets generally and the solvency of borrowers specifically, the cost of accessing the credit markets has increased as many lenders have raised interest rates, enacted tighter lending standards, or altogether ceased to provide funding to borrowers.

Due to these potential capital and credit market conditions, the Company cannot be certain that funding will be available in amounts or on terms acceptable to the Company. The Company is evaluating whether current cash balances and cash flow from operations alone would be sufficient to provide working capital to fully fund the Company's operations. Accordingly, the Company is evaluating alternatives, such as joint ventures with third parties, or sales of interest in one or more of its properties. Such transactions, if undertaken, could result in a reduction in the Company's operating interests or require the Company to relinquish the right to operate the property. There can be no assurance that any such transactions can be completed or that such transactions will satisfy the Company's operating capital requirements. If the Company is not successful in obtaining sufficient funding or completing an alternative transaction on a timely basis on terms acceptable to the Company, the Company would be required to curtail its expenditures or restructure its operations, and the Company would be unable to continue its exploration, drilling, and recompletion program, any of which would have a material adverse effect on its business, financial condition, and results of operations.

There could be adverse legislation which if passed, would significantly curtail our ability to attract investors and raise capital. Proposed changes in the Federal income tax laws which would eliminate or reduce the percentage depletion deduction and the deduction for intangible drilling and development costs for small independent producers, will significantly reduce the investment capital available to those in the industry as

well as our Company. Lengthening the time to expense seismic costs will also have an adverse effect on our ability to explore and find new reserves.

Other factors that may affect the demand for oil and natural gas, and therefore impact our results, include technological improvements in energy efficiency; seasonal weather patterns; increased competitiveness of, or government policy support for, alternative energy sources; changes in technology that alter fuel choices, such as technological advances in energy storage that make wind and solar more competitive for power generation; changes in consumer preferences for our products, including consumer demand for alternative fueled or electric transportation or alternatives to plastic products; and broad-based changes in personal income levels.

Commodity prices and margins also vary depending on a number of factors affecting supply. For example, increased supply from the development of new oil and gas supply sources and technologies to enhance recovery from existing sources tend to reduce commodity prices to the extent such supply increases are not offset by commensurate growth in demand.

Other sections of this report may also include suggested factors that could adversely affect our business and financial performance. Moreover, we operate in a very competitive and rapidly changing environment. New risks may emerge from time to time, and it is not possible for management to predict all such matters; nor can we assess the impact of all such matters on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. Investors should also refer to our quarterly reports on Form 10-Q for future periods and current reports on Form 8-K as we file them with the SEC, and to other materials we may furnish to the public from time to time through Forms 8-K or otherwise.

Results of Operations

Six months ended June 30, 2021, compared to six months ended June 30, 2020

Oil and gas revenues for the first six months of 2021 were \$1,958,000, as compared to \$1,092,000 for the same period in 2020, an increase of approximately \$866,000 or 79.3%

Oil sales for the first six months of 2021 were approximately \$837,000 compared to approximately \$608,000 for the first six months of 2020, an increase of approximately \$229,000 or 37.7%. Oil sales volumes for the first six months of 2021 were approximately 13,335, compared to approximately 12,300 bbls during the same period in 2020, an increase of approximately 1,035 bbls, or 8.41%.

Average oil prices received were \$55.10 per bbl in the first half of 2021 compared to \$38.78 per bbl in the first half of 2020, an increase of approximately \$16.32 per bbl or 42.08%.

Natural gas revenue for the first six months of 2021 was \$1,121,000 compared to \$484,000 for the same period in 2020, an increase of approximately \$637,000 or 131.6%. Natural gas sales volumes for the first six months of 2021 were approximately 367,000 mcf compared to approximately 392,000 mcf during the first six months of 2020, a decrease of approximately 25,000 mcf or 6.4%.

Average natural gas prices received were \$3.05 per mcf in the first six months of 2021 as compared to \$1.23 per mcf in the same time period in 2020, an increase of approximately \$1.82 per mcf or 148.0%.

In general, revenues from oil and gas producing operations experienced a significant increase for the six months ended 2021 compared to the same period in 2020. In addition, the second quarter results from operations also experienced a significant increase over the same period in 2020 as well as an increase in operations during the first quarter of 2021. The increases result in part from increased oil and gas prices, as well as increases in crude oil production. A significant number of both operated wells and non-operated wells were shut-in during the second quarter of 2020 due to historic low oil and gas prices and most of these wells were returned to production and producing as of June 30, 2021.

Revenues from lease operations were \$116,000 in the first six months of 2021 compared to \$119,000 in the first six months of 2020, a decrease of approximately \$3,000 or 2.5%. This decrease is due to a decrease in field supervision charges. Revenues from lease operations are derived from field supervision charged to operated leases along with operator overhead charged to operated leases.

Revenues from gas gathering, compression and equipment rental for the first six months of 2021 were \$39,000 compared to \$45,000 for the same period in 2020, a decrease of approximately \$6,000 or 13.3%. These revenues are derived from gas volumes produced and transported through our gas gathering systems.

Real estate revenue was approximately \$114,000 during the first six months of 2021 compared to \$134,000 for the first six months of 2020, a decrease of approximately \$20,000, or 14.9%. The decrease is due to lease re-negotiations and loss of tenants.

Interest income was \$81,000 during the first six months of 2021 as compared to \$103,000 during the same period in 2020, a decrease of approximately \$22,000 or 21.4%. Interest income has decreased due to lower interest rates than in 2020.

Other revenues for the first six months of 2021 were \$18,000 as compared to \$19,000 for the same time period in 2020, a decrease of approximately \$1,000 or 5.3%.

Lease operating expenses in the first six months of 2021 were \$522,000 as compared to \$462,000 in the first six months of 2020, a net increase of \$60,000, or 13.0%. Of this overall net increase, approximately \$62,000 is due to net decreases in operating expenses billed by third-party operators on non-operated properties. Approximately \$122,000 represents net increases associated with costs to return shut-in wells to production, as well as increases in well expenditures on various operated properties.

Production taxes, gathering and marketing expenses in the first six months of 2021 were approximately \$335,000 as compared to \$256,000 for the first six months of 2020, an increase of approximately \$79,000, or 30.9%. This increase relates directly to the increase in oil and gas revenues as described in the above paragraphs.

Pipeline and rental expenses for the first six months of 2021 were \$9,000 compared to \$4,000 for the same time period in 2020, an increase of approximately \$5,000. The increase in 2021 is due to repair and maintenance expenses.

Real estate expenses in the first six months of 2021 were approximately \$65,000 compared to \$67,000 during the same period in 2020, a decrease of approximately \$2,000 or 3.0%.

Depreciation, depletion, and amortization expenses for first six months of 2021 were \$215,000 as compared to \$135,000 for the same period in 2020, an increase of \$80,000, or 59.3%. \$184,000 of the amount for the first six months of 2021 was for amortization of the full cost pool of capitalized costs compared to \$105,000 for the same period of 2020, an increase of \$79,000 or 75.2%. The Company re-evaluated its proved oil and natural gas reserve quantities as of December 31, 2020. This re-evaluated reserve base was reduced for oil and gas reserves that were produced or sold during the first six months of 2021 and adjusted for newly acquired reserves or for changes in estimated production curves and future price assumptions. A depletion rate of 6.403% for the first quarter of 2021 and a depletion rate of 5.432% for the second quarter of 2021 was calculated and applied to the Company's full cost pool of capitalized oil and natural gas properties compared to rates of 4.184% and 0.813% for the first two quarters of 2020 respectively.

Asset Retirement Obligation ("ARO") expense for the first six months of 2021 was approximately \$70,000 as compared to approximately \$60,000 for the same time period in 2020, an increase of approximately \$10,000 or 16.7%. The ARO expense is calculated to be the discounted present value of the estimated future cost to plug and abandon the Company's producing wells.

General and administrative expenses for the first six months of 2021 were approximately \$992,000 as compared to approximately \$1,391,000 for the same period in 2020, a decrease of approximately \$399,000 or 28.7%.

Three months ended June 30, 2021, compared to three months ended June 30, 2020

Oil and natural gas revenues for the three months ended June 30, 2021 were \$1,064,000, compared to \$348,000 for the same time period in 2020, an increase of \$716,000, or 205.7%.

Oil sales for the second quarter of 2021 were approximately \$415,000 compared to approximately \$118,000 for the same period of 2020, an increase of approximately \$297,000 or 252.0%. Oil volumes sold for the second quarter of 2021 were approximately 4,735 bbls compared to approximately 3,200 bbls during the same period of 2020, an increase of approximately 1,535 bbl or 48.0%.

Average oil prices received were approximately \$59.53 per bbl in the second quarter of 2021 compared to \$23.46 per bbl during the same period of 2020, an increase of approximately \$36.07 per bbl, or 153.8%.

Natural gas revenues for the second quarter of 2021 were \$649,000 compared to \$230,000 for the same period in 2020, an increase of \$419,000 or 182.2%. Natural gas volumes sold for the second quarter of 2021 were approximately 177,000 mcf compared to approximately 190,000 mcf during the same period of 2020, a decrease of approximately 13,000 mcf, or 6.8%.

Average natural gas prices received were approximately \$2.93 per mcf in the second quarter of 2021 as compared to approximately \$1.06 per mcf during the same period in 2020, an increase of approximately \$1.87 or 176.42%.

Revenues from lease operations for the second quarter of 2021 were approximately \$59,000 compared to approximately \$44,000 for the second quarter of 2020, an increase of approximately \$15,000 or 34.1%. This increase is due to an increase in field activity, supervision and operator overhead as economic conditions improved during the second quarter of 2021. Revenues from lease operations are derived from field supervision charged to operated leases along with operator overhead charged to operated leases.

Revenues from gas gathering, compression and equipment rental for the second quarter of 2021 were approximately \$5,000, compared to approximately \$18,000 for the same period in 2020, a decrease of approximately \$13,000 or 72.2%. These revenues are derived from gas volumes produced and transported through our gas gathering systems.

Real estate revenue was approximately \$55,000 during the second quarter of 2021 compared to \$70,000 for the same period in 2020, a decrease of approximately \$15,000 or 21.4%. The decrease is due to lease re-negotiations and loss of tenants.

Interest income for the second quarter of 2021 was approximately \$35,000 as compared with approximately \$59,000 for the same period in 2020, a decrease of approximately \$24,000 or 40.7%. Interest income is derived from investments in both short-term and long-term certificates of deposit as well as money market accounts at banks.

Other revenues for second quarter of 2021 were approximately \$9,000 as compared with approximately \$9,000 for the same period in 2020.

Lease operating expenses in the second quarter of 2021 were \$399,000 as compared to \$170,000 in the second quarter of 2020, a net increase of approximately \$229,000, or 134.7%. Of this net increase, approximately \$223,000 is from overall increases and decreases in well expenditures on various operated properties. Approximately \$6,000 are due to net increases in net operating expenses billed by third-party operators on non-operated properties. This increase results from returning operated wells which were shut-

in back to production as well as an increase in the cost of labor and materials to operate the leases during the second quarter of 2021.

Production taxes, gathering, transportation and marketing expenses for the second quarter of 2021 were approximately \$206,000 as compared to \$122,000 during the second quarter of 2020, a net increase of approximately \$84,000 or 68.9%. These increases relate directly to the increase in oil and gas revenues as described in the above paragraphs.

Pipeline and rental expenses for the second quarter of 2021 were \$6,000 compared to \$1,000 for the same time period in 2020, an increase of approximately \$5,000. The increase is due to repair and maintenance expenses incurred in the second quarter of 2021.

Real estate expenses during the second quarter 2021 were approximately \$33,000 compared to approximately \$29,000 for the same period in 2020, an increase of approximately \$4,000 or 13.8%. This increase is due to an increase in the cost of materials and labor for repairs and maintenance in the second quarter of 2021.

Depreciation, depletion, and amortization expenses for the second quarter of 2021 were \$96,000 as compared to \$34,000 for the same period in 2020, an increase of \$62,000, or 182.4%. \$82,000 of the amount for the second quarter of 2021 was for amortization of the full cost pool of capitalized costs compared to \$19,000 for the second quarter of 2020, an increase of \$63,000 or 30.2%. The Company re-evaluated its proved oil and natural gas reserve quantities as of December 31, 2020. This re-evaluated reserve base was reduced for oil and gas reserves that were produced or sold during the first six months of 2021 and adjusted for newly acquired reserves or for changes in estimated production curves and future price assumptions. A depletion rate of 6.403% for the first quarter of 2021 and a depletion rate of 5.432% for the second quarter of 2021 was calculated and applied to the Company's full cost pool of capitalized oil and natural gas properties compared to rates of 4.184% and 0.813% for the first two quarters of 2020 respectively

Asset Retirement Obligation ("ARO") expense for the second quarter of 2021 was approximately \$35,000 as compared to approximately \$30,000 for the same time period in 2020, an increase of approximately \$5,000 or 16.7%. The ARO expense is calculated to be the discounted present value of the estimated future cost to plug and abandon the Company's producing wells.

General and administrative expenses for the second quarter of 2021 were \$455,000 compared to \$669,000 for the same period in 2020, a decrease of approximately \$214,000 or 32.0%. Approximately 38.0% of the decrease comes from decreased salary, wages, benefits, and other personnel costs. The remaining 62.0% of the decrease is due to insurance, office, computer, and other expenses.

Financial Condition and Liquidity

The Company's operating capital needs, as well as its capital spending program are generally funded from cash flow generated by operations. Because future cash flow is subject to several variables, such as the level of production and the sales price of oil and natural gas, the Company can provide no assurance that its operations will provide cash sufficient to maintain current levels of capital spending. Accordingly, the Company may be required to seek additional financing from third parties to fund its exploration and development programs.

Item 4. - Controls and Procedures

(a) As of the end of the period covered by this report, Spindletop Oil & Gas Co. carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Principal Executive Officer and Principal Financial and Accounting Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Exchange Act Rule 13a-15 and 15d-15. Based upon the evaluation, the Company's Principal Executive Officer and Principal Financial and Accounting Officer concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by the report.

(b) There have been no changes in the Company's internal controls over financial reporting during the quarter ended June 30, 2021 that have materially affected, or are reasonably likely to materially affect the Company's internal controls over financial reporting.

Part II - Other Information

Item 5. – Other Information

Alabama

Effective April 1, 2021, the Company acquired additional working interests of 6.001730% with a net revenue interest of 4.501290% in its operated Fairview Carter South Oil Unit in Lamar County, Alabama.

Effective May 5, 2021, the Company acquired additional working interests of 4.49621% with a net revenue interest of 3.366% in its operated Fairview Carter South Oil Unit located in Lamar County, Alabama. The acquisition brings the Company's total interest in this property to a 70.503223% working interest with a 51.233863% net revenue interest.

Effective May 5, 2021, the Company acquired additional working interests of 10.542651% with a net revenue interest of 8.5187240% in its operated Fairview Carter North Oil Unit located in Lamar County, Alabama. The acquisition brings the Company's total interest in this property to a 63.350172% working interest with a 48.134609% net revenue interest.

Texas Panhandle

Effective April 26, 2021, the Company acquired an additional working interest of 15% with a net revenue interest of 11.25% in its operated Pope #140-4H well located in the Spearman, SE block of Ochiltree County, Texas. The acquisition brings the Company's total interest in this property to a 60.5% working interest with a 45.375% net revenue interest.

East Texas

Effective June 1, 2021, the Company acquired an additional working interest of 2.5% with a net revenue interest of 1.875% in its operated Edwards Unit #1 well located in the Leona East block of Leon County, Texas. The acquisition brings the Company's total interest in this property to a 75.105925% working interest with a 56.292438% net revenue interest

Item 6. - Exhibits

The following exhibits are filed herewith or incorporated by reference as indicated.

<u>Exhibit Designation</u>	<u>Exhibit Description</u>
3.1 (a)	Amended Articles of Incorporation of Spindletop Oil & Gas Co. (Incorporated by reference to Exhibit 3.1 to the General Form for Registration of Securities on Form 10, filed with the Commission on August 14, 1990)
3.2	Bylaws of Spindletop Oil & Gas Co. (Incorporated by reference to Exhibit 3.2 to the General Form for Registration of Securities on Form 10, filed with the Commission on August 14, 1990)
31.1 *	Certification pursuant to Rules 13a-14 and 15d under the Securities Exchange Act of 1934.
31.2 *	Certification pursuant to Rules 13a-14 and 15d under the Securities Exchange Act of 1934
32.1 *	Certification pursuant to 18 U.S.C. Section 1350

* filed herewith

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.

SPINDLETOP OIL & GAS CO.
(Registrant)

Date: August 23, 2021

By:/s/ Chris G. Mazzini
Chris G. Mazzini
President, Principal Executive Officer

Date: August 23, 2021

By:/s/ Michelle H. Mazzini
Michelle H. Mazzini
Vice President, Secretary

Date: August 23, 2021

By:/s/ Robert E. Corbin
Robert E. Corbin
Principal Financial Officer and
Accounting Manger

CERTIFICATION

I, Chris G. Mazzini, certify that:

1. I have reviewed this report on Form 10-Q of Spindletop Oil & Gas Co.;
2. Based on my knowledge, this 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 officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13-15(e) and 15d-15e) and have 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; and
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the 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 most recent fiscal quarter 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 officers 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 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 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 controls.

Date: August 23, 2021

By: /s/ Chris G. Mazzini
Chris G. Mazzini
President, Principal Executive Officer

CERTIFICATION

I, Robert E. Corbin, certify that:

1. I have reviewed this report on Form 10-Q of Spindletop Oil & Gas Co.;
2. Based on my knowledge, this 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 officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13-15(e) and 15d-15e) and have 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; and
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the 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 most recent fiscal quarter 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 officers 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 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 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 controls.

Date: August 23, 2021

By:/s/ Robert E. Corbin
Robert E. Corbin
Principal Financial Officer and
Accounting Manager

Certification Pursuant to 18 U.S.C. Section 1350
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Spindletop Oil & Gas Co. (the "Company"), on Form 10-Q for the quarter ended June 30, 2021, as filed with the Securities Exchange Commission on the date hereof (the "Report"), the undersigned Principal Executive Officer and Principal Financial and Accounting Officer of the Company, do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

Date: August 23, 2021

By:/s/ Chris G. Mazzini
Chris G. Mazzini
President, Principal Executive Officer

By:/s/ Robert E. Corbin
Robert E. Corbin
Principal Financial Officer and
Accounting Manager