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 SEPTEMBER 30, 2022

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	**75-2063001**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
12850 Spurling Rd., Suite 200, Dallas, TX	**75230**
(Address of principal executive offices)	(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 [X] 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	[X]
		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 [X]

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	**6,750,318**
(Class)	(Outstanding at November 21, 2022)

DOCUMENTS INCORPORATED BY REFERENCE

None

SPINDLETOP OIL & GAS CO. AND SUBSIDIARIES

FORM 10-Q
For the quarter ended September 30, 2022

Index to Consolidated Financial Statements and Schedules

Part I - Financial Information

Item 1. - Financial Statements

SPINDLETOP OIL & GAS Co. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	September 30, 2022 (Unaudited)	December 31, 2021
ASSETS		
Current Assets		
Cash and cash equivalents	$ 12,848,000	$ 10,673,000
Restricted cash	370,000	370,000
Accounts receivable, related parties	-	-
Accounts receivable	3,960,000	3,104,000
Prepaid Expenses	-	-
Intercompany	-	-
Income tax receivable	548,000	450,000
Total Current Assets	17,726,000	14,597,000
Property and Equipment - at cost		
Oil and gas properties (full cost method)	25,748,000	26,305,000
Rental equipment	412,000	412,000
Gas gathering system	115,000	115,000
Other property and equipment	395,000	317,000
	26,670,000	27,149,000
Accumulated depreciation and amortization	(26,160,000)	(26,127,000)
Total Property and Equipment	510,000	1,022,000
Real Estate Property - at cost		
Land	688,000	688,000
Commercial office building	1,901,000	1,624,000
Accumulated depreciation	(1,144,000)	(1,102,000)
Total Real Estate Property	1,445,000	1,210,000
Other Assets		
Deferred Income Tax Asset	146,000	311,000
Other long-term investments	10,675,000	8,941,000
Other	4,000	4,000
Total Other Assets	10,825,000	9,256,000
Total Assets	$ 30,506,000	$ 26,085,000

The accompanying notes are an integral part of these statements.

SPINDLETOP OIL & GAS Co. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	September 30, 2022 (Unaudited)	December 31, 2021
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	$ 8,620,000	$ 7,601,000
Total Current Liabilities	8,620,000	7,601,000
Noncurrent Liabilities		
Asset retirement obligation	2,048,000	1,925,000
Total Noncurrent Liabilities	2,048,000	1,925,000
Total Liabilities	10,668,000	9,526,000
Shareholders' Equity		
Common stock, $.01 par value, 100,000,000 shares authorized; 7,677,471 shares issued and 6,750,318 outstanding at September 30, 2022 and 6,755,318 outstanding at December 31, 2021.	77,000	77,000
Additional paid-in capital	943,000	943,000
Treasury stock, at cost	(1,889,000)	(1,874,000)
Retained earnings	20,707,000	17,413,000
Total Shareholders' Equity	19,838,000	16,559,000
Total Liabilities and Shareholders' Equity	$ 30,506,000	$ 26,085,000

The accompanying notes are an integral part of these statements.

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

	Nine Months Ended September 30,		Three Months Ended September 30,	
	2022	2021	2022	2021
Revenues				
Oil and gas revenues	$ 6,003,000	$ 3,582,000	$ 1,844,000	$ 1,624,000
Revenues from lease operations	146,000	169,000	54,000	53,000
Gas gathering, compression, equipment rental	69,000	69,000	20,000	30,000
Real estate rental revenue	177,000	169,000	62,000	55,000
Interest Income	74,000	115,000	13,000	34,000
Other revenues	42,000	28,000	19,000	10,000
Total Revenues	6,511,000	4,132,000	2,012,000	1,806,000
Expenses				
Lease operating expenses	1,279,000	787,000	535,000	265,000
Production taxes, gathering and marketing expenses	654,000	607,000	189,000	272,000
Pipeline and rental expenses	20,000	14,000	7,000	5,000
Real estate expenses	109,000	99,000	31,000	34,000
Depreciation and amortization expenses	77,000	48,000	24,000	(167,000)
ARO accretion expense	143,000	104,000	-	34,000
General and administrative expenses	1,649,000	1,541,000	600,000	549,000
Total Expenses	3,931,000	3,200,000	1,386,000	992,000
Income from operations	2,580,000	932,000	626,000	814,000
Other Revenue and Expense				
Gain on sale of properties	1,531,000	-	1,531,000	-
Income before income tax	4,111,000	$ 932,000	$ 2,157,000	$ 814,000
Current income tax provision	652,000	251,000	416,000	229,000
Deferred income tax provision	165,000	187,000	48,000	182,000
Total income tax provision	817,000	438,000	464,000	411,000
Net income	$ 3,294,000	$ 494,000	$ 1,693,000	$ 403,000
Earnings per Share of Common Stock				
Basic and Diluted	$ 0.49	$ 0.07	$ 0.25	$ 0.06
Weighted Average Shares Outstanding				
Basic and Diluted	6,754,315	6,776,392	6,751,948	6,776,392

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 Nine Months Ended September 30, 2022 and September 30, 2021
(Unaudited)

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Treasury Stock Shares	Treasury Stock Amount	Retained Earnings
Balance December 31, 2021	7,677,471	$77,000	$943,000	922,153	($1,874,000)	$17,413,000
Net Income	-	-	-	-	-	509,000
Balance March 31, 2022	7,677,471	77,000	943,000	922,153	(1,874,000)	17,922,000
Net Income	-	-	-	-	-	1,092,000
Balance June 30, 2022	7,677,471	$77,000	$943,000	922,153	($1,874,000)	$19,014,000
Purchase of 5,000 shares of Common Stock as Treasury Stock				5,000	(15,000)	
Net Income	-	-	-	-	-	1,693,000
Balance September 30, 2022	7,677,471	$77,000	$943,000	927,153	($1,889,000)	$20,707,000
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	7,677,471	$77,000	$943,000	922,153	($1,874,000)	$16,467,000
Net Income	-	-	-	-	-	403,000
Balance September 30, 2021	7,677,471	$77,000	$943,000	922,153	($1,874,000)	$16,870,000

The accompanying notes are an integral part of these statements.

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

	Nine Months Ended	
	September 30, 2022	September 30, 2021
Cash Flows from Operating Activities		
Net Income	$ 3,294,000	$ 494,000
Reconciliation of net Income to net cash provided by operating activities		
Depreciation and amortization	77,000	48,000
Accretion of asset retirement obligation	143,000	84,000
Changes in accounts receivable	(856,000)	(388,000)
Changes in income tax receivable	(98,000)	251,000
Changes in accounts payable and accrued liabilities	1,019,000	1,334,000
Changes in current tax payable	-	111,000
Changes in asset retirement obligation	-	20,000
Changes in deferred Income tax asset	165,000	187,000
Net cash provided for operating activities	3,744,000	2,141,000
Cash Flows from Investing Activities		
Capitalized acquisition, exploration and development	534,000	1,498,000
Purchase of other property and equipment	(76,000)	1,000
Changes in other long-term investments	(1,734,000)	(41,000)
Capitalized tenant improvements and broker fees	(278,000)	-
Net cash (used) for operating activities	(1,554,000)	1,458,000
Cash Flows from Financing Activities		
Purchase of 5,000 shares of treasury stock	(15,000)	-
Changes in notes payable	-	403,000
Net cash used for financing activities	(15,000)	403,000
Increase in cash, cash equivalents, and restricted cash	2,175,000	4,002,000
Cash, cash equivalents, and restricted cash at beginning of period	11,043,000	7,775,000
Cash, cash equivalents, and restricted cash at end of period	$ 13,218,000	$ 11,777,000

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, 2021, 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. COMMON STOCK

Effective July 22, 2022, the Company repurchased 5,000 shares of its common stock from a non-controlling, unaffiliated shareholder of the Company for a negotiated purchase price of $15,500, or $3.10 per share. The repurchased shares are held as Treasury stock.

The Company has not approved nor authorized any standing purchase program for its common stock.

3. GAIN ON SALE OF PROPERTY

During the third quarter of 2022, the Company sold its interest in an operated well and associated leasehold acreage for $1,531,000. The purchase price related to this sale significantly exceeded the Company's capitalized costs in the full cost pool, at the time of the sale, of approximately $319,000.

Rule 4-10 of Regulation S-X adopted the conveyance accounting requirements in FASB Statement No. 19, Financial Accounting and Reporting by Oil and Gas Producing Companies (which has been codified in FASB 932, Extractive Activities – Oil and Gas), for all oil and gas entities, with certain modifications for entities applying the full cost method. Under this standard, entities following the full cost method of accounting record sales of oil and gas properties, whether or not being amortized currently as adjustments of capitalized costs, with no gain of loss recognized, unless such adjustments would significantly alter the relationship between capitalized costs and proved reserves of oil and gas attributable to a cost center. If a gain or loss is recognized on such a sale, total capitalization costs within the cost center shall be allocated between reserves sold and reserves retained on the same basis used to compute amortization, unless there are substantial economic differences between the properties sold and those retained, in which case capitalized cost shall be allocated on the basis of the relative fair value of the properties.

In accordance with the aforementioned accounting pronouncements, the Company determined that an adjustment to capitalized costs for this sale would significantly alter the relationship between capitalized costs and proved oil and gas reserves. As a result, the Company recorded a gain on the sale of the property in the amount of $1,531,000 related to the sale. In determining the gain on the sale of the property, the Company considered that the Company's most recent reserve report contained no reserves associated with the property sold, and therefore, no adjustment to capitalized costs is necessary.

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 November 21, 2022, 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, 2021 (the "Form 10-K"), including significant

global economic and pandemic factors occurring during the nine months of 2022 and continuing into the fourth quarter of 2022 which are described in the following two paragraphs.
The effects of COVID-19 mitigation efforts, including the wide availability of vaccines, combined with the waning intensity of the pandemic, and other world events, have resulted in increased demand and prices for crude oil and condensate. During 2021, and continuing through the first three quarters of 2022, the demand and prices for crude oil and condensate returned to pre-pandemic levels, but uncertainty related to COVID-19 and other world events, may continue to cause a fluctuation in demand and prices for crude oil and condensate. The continuing COVID-19 pandemic related economic repercussions, and any future outbreak of any other highly infectious or contagious diseases may negatively affect the Company, our financial condition, results of operations, and cash flows. However, the duration and extent of the impact of the COVID-19 pandemic on the Company and our operational and financial performance, including our ability to execute our business strategies and initiatives in the expected time frame, is uncertain and depends on various factors that we cannot predict or quantify, including: the severity and duration of the pandemic; governmental, business and other actions in response to the pandemic; the impact of the pandemic on economic activity; the response of the overall economy and the financial markets; the demand for oil and natural gas, which may be reduced on a prolonged or permanent basis due to a structural shift in the global economy or in connection with a global recession or depression; any impairment in the value of the Company's assets which could be recorded as a result of a weaker economic conditions or commodity prices. There are no comparable recent events that provide guidance as to the effect the COVID-19 pandemic may have, and as a result, the ultimate long-term impact of the pandemic is highly uncertain and subject to change.

Continuing inflation and other uncertainties regarding the global economy, financial environment, and global conflict 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. 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 interests 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.

A negative shift in some of the public's attitudes toward the oil and natural gas industry could adversely affect the Company's ability to raise debt and equity capital. Certain segments of the investment community have developed negative sentiments about investing in the oil and natural gas industry. Equity returns in the sector versus other industry sectors from 2020 and continuing through the first three quarters of 2022 led to lower oil and natural gas representation in certain key equity market indices. In addition, some investors, including investment advisors and certain wealth funds, pension funds, university endowments and family foundations, have stated policies to disinvest in the oil and natural gas sector based on their social and environmental considerations. Certain other stakeholders have also pressured commercial and investment banks to halt financing oil and natural gas production and related infrastructure projects. Such developments, including environmental, social and governance ("ESG") activism and initiatives aimed at limiting climate change and reducing air pollution, could result in downward pressure on the stock prices of oil and natural gas companies. The Company's stock price could be adversely affected by these developments. This may also potentially result in a reduction of available capital funding for potential development projects, impacting on the Company's future financial results.

The Company faces various risks associated with increased negative attitudes toward oil and natural gas exploration and development activities. Opposition to oil and natural gas drilling and development activities has been growing globally and is expanding in the United States. Companies in the oil and natural gas industry are often the target of efforts from both individuals and nongovernmental organizations regarding safety, human rights, climate change, environmental matters, sustainability, and business practices. Anti-development groups are working to reduce access to federal and state government lands and delay or cancel certain operations such as drilling and development along with other activities. Opposition to oil and natural gas activities could materially and adversely impact the Company's ability to operate our business and raise capital.

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

Nine months ended September 30, 2022, compared to nine months ended September 30, 2021

Oil and gas revenues for the first nine months of 2022 were $6,003,000, as compared to $3,582,000 for the same period in 2021 an increase of approximately $2,421,000 or 67.6%, due to higher oil and natural gas prices and increased production.

Oil sales for the first nine months of 2022 were approximately $2,796,000 compared to approximately $1,414,000 for the first nine months of 2021, an increase of approximately $1,382,000 or 97.7%. Oil sales volumes for the first nine months of 2021 were approximately 26,856 bbls, compared to approximately 24,098 bbls during the same period in 2021, an increase of approximately 2,758 bbls, or 11.4%,

Average oil prices received were $93.02 per bbl in the first nine months of 2022 compared to $51.28 per bbl in the first nine months of 2021, an increase of approximately $44.54 per bbl or 86.9%.

Natural gas revenue for the first nine months of 2022 was $3,207,000 compared to $2,168,000 for the same period in 2021, an increase of approximately $1,039,000 or 47.92%. Natural gas sales volumes for the first nine months of 2022 were approximately 473,000 mcf compared to approximately 589,000 mcf during the first nine months of 2021, a decrease of approximately 116,000 mcf or 19.7%.

Average gross natural gas prices received were $6.78 per mcf in the first nine months of 2022 as compared to $3.68 per mcf in the same time period in 2021, an increase of approximately $3.11 per mcf or 84.2%.

In general, revenues from oil and gas producing operations experienced a significant increase for the first nine months of 2022 compared to the same period in 2021. In addition, the third quarter results from operations also experienced a significant increase over the same period in 2021. These increases result in part from increased oil and gas prices. A significant number of both operated wells and non-operated wells were shut-in due to historic low oil and gas prices and most of these wells were returned to production and producing as of September 30, 2022.

Revenues from lease operations were $146,000 in the first nine months of 2022 compared to $169,000 in the first nine months of 2021, a decrease of approximately $23,000 or 13.6%. 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 nine months of 2022 were $69,000 compared to $69,000 for the same period in 2021. These revenues are derived from gas volumes produced and transported through the Company owned gas gathering systems.

Real estate revenue was approximately $177,000 during the first nine months of 2022 compared to $169,000 for the first nine months of 2020, an increase of approximately $8,000, or 4.7%.

Interest income was $74,000 during the first nine months of 2022 as compared to $115,000 during the same period in 2021, a decrease of approximately $41,000 or 35.6%. Interest income is due to the Company investing its funds in both long-term and short-term certificates of depository accounts paying higher rates of interest than those received in money market accounts.

Other revenues for the first nine months of 2022 were $42,000 as compared to $28,000 for the same period in 2021, an increase of approximately $14,000 or 50%.

Lease operating expenses in the first nine months of 2022 were $1,279,000 as compared to $787,000 in the first nine months of 2021 a net increase of $492,000, or 62.5%. Of this net increase, approximately $110,000 is due in part to net decreases in operating expenses billed by third-party operators on non-operated properties that were shut in during the first nine months of 2021. The remaining net increase of approximately $382,000 represents overall increases and decreases in well expenditures on various operated properties. A number of both operated wells and non-operated wells were shut-in during the first nine months of 2021 due to low oil and gas prices.

Production taxes, gathering and marketing expenses in the first nine months of 2022 were approximately $654,000 as compared to $607,000 for the first nine months of 2021, an increase of approximately $47,000, or 7.7%. 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 nine months of 2022 were $20,000 compared to $14,000 for the same time period in 2021, an increase of approximately $6,000

Real estate expenses in the first nine months of 2022 were approximately $109,000 compared to $99,000 during the same period in 2021, an increase of approximately $10,000 or 10.1%.
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Depreciation, depletion, and amortization expenses for the first nine months of 2022 were $77,000 as compared to $48,000 for the same period in 2021, an increase of $29,000, or 60.4%. Amortization of the amount for the full cost pool for the first nine months of 2022 was $30,000 compared to $4,000 for the same period of 2021. The Company re-evaluated its proved oil and natural gas reserve quantities as of December 31, 2021. This re-evaluated reserve base was reduced for oil and gas reserves that were produced or sold during the first nine months of 2022 and adjusted for newly acquired reserves or for changes in estimated production curves and future price assumptions. A year-to-date depletion rate of 9.136% and applied to the Company's full cost pool of un-depleted capitalized oil and natural gas properties compared to a year-to-date rate of 19.403% for the nine-month periods of 2021 and 2022 respectively.

Asset Retirement Obligation ("ARO") expense for the first nine months of 2022 was approximately $143,000 as compared to approximately $104,000 for the same period in 2021, an increase of approximately $39,000 or 37.5%. 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 nine months of 2022 were approximately $1,649,000 as compared to approximately $1,541,000 for the same period of 2021, an increase of approximately $108,000 or 7.0%.

Gain on sale of property, During the third quarter of 2022, the Company sold its interest in an operated oil well and associated leasehold acreage for $1,531,000. The purchase price related to this sale significantly exceeded the Company's capitalized costs in the full cost pool, at the time of the sale. The Company determined that an adjustment to capitalized costs for this sale would significantly alter the relationship between capitalized costs and proved oil and gas reserves. As a result, the Company recorded a gain on the sale of the property in the amount of $1,531,000 related to the sale. In determining the gain on the sale of the property, the Company considered that the Company's most recent reserve report contained no reserves associated with the property sold, and therefore, no adjustment to capitalized costs was necessary.

<u>Three months ended September 30, 2022, compared to three months ended September 30, 2021</u>

Oil and natural gas revenues for the three months ended September 30, 2022, were $1,844,000, compared to $1,624,000 for the same period in 2021, an increase of $220,000, or 13.6%.

Oil sales for the third quarter of 2022 were approximately $729,000 compared to approximately $577,000 for the same period of 2021, an increase of approximately $152,000 or 26.3%. Oil volumes sold for the third quarter of 2022 were approximately 7,962 bbls compared to approximately 10,763 bbls during the same period of 2021, a decrease of approximately 2,801 bbl or 26.0%.

Average oil prices received were approximately $94.15 per bbl in the third quarter of 2022 compared to $53.55 per bbl during the same period of 2021, an increase of approximately $40.60 per bbl, or 75.8%.

Natural gas revenues for the third quarter of 2022 were $1,115,000 compared to $1,047,000 for the same period in 2021, an increase of approximately $68,000 or 6.5%. Natural gas volumes sold for the third quarter of 2022 were approximately 180,000 mcf compared to approximately 222,000 mcf during the same period of 2021, a decrease of approximately 42,000 mcf, or 18.9%,

Average gross natural gas prices received were approximately $7.81 per mcf in the third quarter of 2022 as compared to approximately $4.15 per mcf during the same period in 2021 an increase of approximately $3.66 or 88.2%.

In general, revenues from oil and gas producing operations experienced a significant increase for the first nine months of 2022 compared to the same period in 2021. In addition, the third quarter results from operations also experienced a significant increase over the same period in 2021. These increases result in part from increased oil and gas prices. In 2021, a significant number of both operated wells and non-operated wells were shut-in due to historic low oil and gas prices and most of these wells were returned to production and producing as of September 30, 2022.

Revenues from lease operations for the third quarter of 2022 were approximately $54,000 compared to approximately $53,000 for the same period in 2021, an increase of approximately $1,000 or 1.9%. 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 third quarter of 2022 were approximately $20,000, compared to approximately $30,000 for the same period in 2021, a decrease of approximately $10,000 or 33.3%. These revenues are derived from gas volumes produced and transported through our gas gathering systems.

Real estate revenue was approximately $62,000 during the third quarter of 2022 compared to $55,000 for the same period in 2021, an increase of approximately $7,000.

Interest income for the third quarter of 2022 was approximately $13,000 as compared with approximately $34,000 for the same period in 2021, a decrease of approximately $21,000 or 61.8%. 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 the third quarter of 2021 were approximately $19,000 as compared with approximately $10,000 for the same period in 2021.

Lease operating expenses for both operated and non-operated wells in the third quarter of 2022 were approximately $535,000 as compared to $265,000 in the third quarter of 2021, an increase of approximately $270,000 or 101.9%.

Production taxes, gathering, transportation and marketing expenses for the third quarter of 2021 were approximately $189,000 as compared to $272,000 during the third quarter of 2021, a net decrease of approximately $83,000 or 30.5%.

Pipeline and rental expenses for the third quarter of 2022 were $7,000 compared to $5,000 for the same period in 2021 an increase of approximately $2,000.

Real estate expenses during the third quarter 2022 were approximately $31,000 compared to approximately $34,000 for the same period in 2021, a decrease of approximately $3,000 or 8.8%.

Depreciation, depletion, and amortization expenses for the third quarter of 2022 were $24,000 as compared to $(167,000) for the same period in 2021, an increase of $191,000, or 114.4%. Amortization of the amount for the full cost pool for the third quarter of 2022 was $9,000 compared to $(180,000) for the same period of 2021. The Company re-evaluated its proved oil and natural gas reserve quantities as of December 31, 2021. This re-evaluated reserve base was reduced for oil and gas reserves that were produced or sold during the first nine months of 2022 and adjusted for newly acquired reserves or for changes in estimated production curves and future price assumptions. A third-quarter depletion rate of 1.796% was applied to the Company's full cost pool of un-depleted capitalized oil and natural gas properties. The provision for depletion for the first three quarters ended September 30, 2021, was reduced over that computed for the six-month period ended June 30, 2021. In the third quarter of 2021, the Company sold six operated gas wells located in North Texas for approximately $1,512,000, and the full cost pool of capitalized costs was reduced by this amount. The decrease in the full cost pool resulted in the depreciable base of the full cost pool being reduced to approximately $22,000 after consideration of accumulated depletion. This reduction includes depletion provision amounts taken in the first two quarters of 2021, which were calculated using a significantly larger depletable base. The third quarter of 2021 include es a credit in the depletion amortization amount of approximately $180,000 to account for the sale and related reduction of the full cost pool of capitalized cost.

Asset Retirement Obligation ("ARO") expense for the third quarter of 2022 was not charged as compared to approximately $34,000 for the same period in 2021, a decrease of approximately $34,000. 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 third quarter of 2022 were $600,000 compared to $549,000 for the same period in 2021, an increase of approximately $51,000 or 9.3%.

During the third quarter of 2022, the Company sold its interest in an operated oil well and associated leasehold acreage for $1,531,000. The purchase price related to this sale significantly exceeded the Company's capitalized costs in the full cost pool, at the time of the sale. The Company determined that an adjustment to capitalized costs for this sale would significantly alter the relationship between capitalized costs and proved oil and gas reserves. As a result, the Company recorded a gain on the sale of the property in the amount of $1,531,000 related to the sale. In determining the gain on the sale of the property, the Company considered that the Company's most recent reserve report contained no reserves associated with the property sold, and therefore, no adjustment to capitalized costs was necessary.

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 September 30, 2022, 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

West Texas

Effective March 4, 2022, the Company sold its interest in an operated oil well along with its associated leasehold acreage, in Martin County, Texas.

North Texas

Effective January 1, 2022, the Company sold its interest in two operated natural gas wells and two shut-in wells along with its associated leasehold acreage located in Hood County, Texas, to Giant NRG Co., LP, a related entity. The terms of the transaction are no less favorable than could be obtained from unaffiliated third parties and have been approved by a majority of our Board of Directors

Item 6. - Exhibits

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

Exhibit Designation	Exhibit Description
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: November 21, 2022

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

Date: November 21, 2022

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

Date: November 21, 2022

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

Exhibit 31.

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: November 21, 2022

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

Exhibit 31.2

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: November 21, 2022

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

Exhibit 32.1

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 September 30, 2022, 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: November 21, 2022

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