

**FORM 10-Q**  
**SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, DC 20549  
QUARTERLY REPORT UNDER SECTION 13 OR 15 (d) OF  
THE SECURITIES EXCHANGE ACT OF 1934  
For Quarter ended September 30, 2000  
Commission File No. 0-18774

**Spindletop Oil & Gas Co.**

(Exact name of registrant as specified in its charter)

Texas 75-2063001  
(State or other jurisdiction of (IRS Employer or I.D.#)  
incorporation or organization)

9319 LBJ Freeway, Suite 205, Dallas, Texas 75243  
(Address of principle executive offices) (Zip Code)

(972) 644-2581

Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 of 15 (d) of the Securities Exchange Act of 1934 during the preceding twelve months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past ninety (90) days.

YES X NO

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

Common Stock - \$.01 par value	7,525,804
(Title of Class)	(Number of shares Outstanding on November 10, 2000)

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**SPINDLETOP OIL & GAS CO. AND SUBSIDIARIES**

**FORM 10-Q**  
September 30, 2000

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Part I Financial information

Item 1. Financial statements

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

	September 30, 2000	December 31, 1999
	-----	-----
	(Unaudited)	
Assets		
Current Assets		
Cash	\$ 1,067,000	\$ 284,000
Accounts receivable	211,000	267,000
Accounts receivable, related parties	3,000	59,000
Shareholder loans	-	-
Inventory	-	-
	-----	-----
Total Current Assets	1,281,000	610,000
	-----	-----
Property and Equipment - at cost		
Oil and gas properties (full cost method)	3,241,000	3,205,000
Rental equipment	405,000	405,000
Gas gathering systems	145,000	145,000
Other property and equipment	180,000	180,000
	-----	-----
	3,971,000	3,935,000
Accumulated depreciation and amortization	(2,866,000)	(2,714,000)
	-----	-----
	1,105,000	1,221,000
	-----	-----
Other Assets, net of accumulated amortization of \$101,000 and \$101,000 at September 30, 2000 and December 31, 1999 respectively		
	12,000	12,000
	-----	-----
Total Assets	\$ 2,398,000	\$ 1,843,000
	=====	=====

See accompanying notes to financial statements.

## CONSOLIDATED BALANCE SHEETS

	September 30, 2000	December 31, 1999
	----- (Unaudited)	-----
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 517,000	\$ 439,000
Notes payable	67,000	-
Tax savings benefit payable	97,000	97,000
	-----	-----
Total Current Liabilities	681,000	536,000
	-----	-----
Notes payable-related party	241,000	308,000
Shareholders' Equity		
Common stock, \$.01 par value; 100,000,000 shares authorized; 7,525,804 issued (7,525,804 at December 31, 1999)	75,000	75,000
Additional paid-in capital	733,000	733,000
Retained earnings	668,000	191,000
	-----	-----
	1,476,000	999,000
	-----	-----
 TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	 \$ 2,398,000	 \$ 1,843,000
	=====	=====

See accompanying notes to financial statements.

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

	Nine Months Ended September 30,		Three Months Ended September 30,	
	----- 2000	----- 1999	----- 2000	----- 1999
Revenues				
Oil and gas revenues	\$ 1,042,000	\$ 532,000	\$ 466,000	\$ 175,000
Revenue from lease operations	135,000	126,000	35,000	42,000
Gas gathering, compression and equipment rental	102,000	93,000	45,000	30,000

Interest Income	21,000	4,000	11,000	1,000
Other	44,000	-	33,000	-
	-----	-----	-----	-----
	1,344,000	755,000	590,000	248,000
	-----	-----	-----	-----
Expenses				
Pipeline and rental operations	22,000	35,000	6,000	10,000
Lease operations	472,000	347,000	162,000	123,000
Depreciation and amortization	150,000	177,000	48,000	59,000
General and administrative	223,000	381,000	72,000	123,000
Other	-	58,000	-	77,000
	-----	-----	-----	-----
	867,000	998,000	288,000	392,000
	-----	-----	-----	-----
Net Income (Loss)	\$ 477,000	\$ (243,000)	\$ 302,000	\$ (144,000)
	=====	=====	=====	=====
Net Income (Loss) Per Share of Common Stock	\$ .06	\$ (.04)	\$ .04	\$ (.02)
	=====	=====	=====	=====
Weighted average shares outstanding	7,525,804	7,525,804	7,525,804	7,525,804
	=====	=====	=====	=====

See accompanying notes to financial statements.

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

	Nine Months Ended September 30,	
	----- 2000 -----	----- 1999 -----
Cash Flows from Operating Activities		
Net Income (Loss)	\$ 477,000	\$ (243,000)
Reconciliation of net income to net cash provided by operating activities:		
Depreciation and amortization	152,000	177,000
(Increase) decrease in accounts receivable	112,000	(62,000)
Increase (decrease) in accounts payable	78,000	(3,000)
	-----	-----
Net cash provided(used) by operating activities	819,000	(131,000)
	-----	-----
Cash Flows from Investing Activities		
Capitalized acquisition, exploration and development costs	(36,000)	(3,000)

Purchase of property and equipment	-	(6,000)
Increase in other assets	-	-
	-----	-----
Net cash used by investing activities	(36,000)	(9,000)
	-----	-----
Cash Flows from Financing Activities		
Proceeds from sale of oil and gas property	-	28,000
Increase in other assets	-	(67,000)
Other	-	(1,000)
	-----	-----
Net cash provided(used) by financing activities	-	(40,000)
	-----	-----
Increase(decrease)in cash	783,000	(180,000)
Cash at beginning of period	284,000	288,000
	-----	-----
Cash at end of period	\$ 1,067,000	\$ 108,000
	=====	=====

See accompanying notes to financial statements.

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Spindletop Oil & Gas Co. and Subsidiaries Notes to Consolidated Financial Statements  
(Unaudited)

### **Note 1. Basis of Presentation**

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, 1999 for further information.

In the opinion of management, the accompanying 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 subsidiary for the interim periods.

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Spindletop Oil & Gas Co. and Subsidiaries Notes to Consolidated Financial Statements  
(Unaudited)

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

#### **Results of Operations**

##### Nine months ended September 30, 2000 compared to 1999

Due to the purchase of oil and gas properties in December 1999, oil and gas production increased. This increased production and an increase in oil and gas prices were the primary reasons that oil and gas revenues increased for the six months ended September 30, 2000. The increase in lease operating expenses was primarily due to the December 1999 purchase of oil and gas properties.

General and administrative expenses decreased primarily due to staff reduction. The Company expects to hire additional staff in 2000.

Three months ended September 30, 2000 compared to 1999

Oil and gas revenues increased in the third quarter of 2000. Increased oil and gas prices contributed heavily to this increase. Production was also up due to the property purchase described above. Lease operating expenses increased primarily because of the property purchase.

**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 a number of 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 in order to fund its exploration and development programs.

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Spindletop Oil & Gas Co. and Subsidiaries September 30, 2000

**Part II Other Information**

**Item 6. Exhibits and Reports on Form 8-K**

(a) Exhibits - 27 Financial Data Schedule

(b) Reports on Form 8-K - None

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**Signature**

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

**SPINDLETOP OIL & GAS CO.**  
(Registrant)

DATE: November 13, 2000

By: /s/ Chris Mazzini

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Chris Mazzini  
President

DATE: November 13, 2000

By:

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Gary Goodnight  
Controller

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MULTIPLIER: 1

CURRENCY: U.S. DOLLARS

PERIOD TYPE	9 MOS
FISCAL YEAR END	Dec 31 2000
PERIOD START	Jan 1 2000
PERIOD END	Sep 30 2000
EXCHANGE RATE	1
CASH	1,067,000
SECURITIES	0
RECEIVABLES	214,000
ALLOWANCES	0
INVENTORY	0
CURRENT ASSETS	1,281,000
PP&E	3,971,000
DEPRECIATION	2,866,000
TOTAL ASSETS	2,398,000
CURRENT LIABILITIES	681,000
BONDS	241000
PREFERRED MANDATORY	0
PREFERRED	0
COMMON	75,000
OTHER SE	1,401,000
TOTAL LIABILITY AND EQUITY	2,398,000
SALES	1,042,000
TOTAL REVENUES	1,344,000
CGS	0
TOTAL COSTS	472,000
OTHER EXPENSES	867,000
LOSS PROVISION	0
INTEREST EXPENSE	0
INCOME PRETAX	477,000
INCOME TAX	0
INCOME CONTINUING	477,000
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	477,000
EPS BASIC	0.06
EPS DILUTED	0.06