

**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 March 31, 2001 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 incorporation or organization)

-----  
(IRS Employer or I.D.#)

331 Melrose Dr. Suite 102, Richardson, Texas

75080

-----  
(Address of principal 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 May 11, 2001)

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

**FORM 10-Q**  
March 31, 2001

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Part I Financial information

Item 1. Financial statements

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

	March 31	December 31
	----- 2001 -----	----- 2000 -----
	(Unaudited)	
Assets		
Current Assets		
Cash	\$ 2,131,000	\$ 1,585,000
Accounts receivable	138,000	340,000
Accounts receivable, related parties	8,000	8,000
	-----	-----
Total Current Assets	2,277,000	1,933,000
	-----	-----
Property and Equipment - at cost		
Oil and gas properties (full cost method)	3,203,000	3,202,000
Rental equipment	405,000	405,000
Gas gathering systems	145,000	145,000
Other property and equipment	44,000	53,000
	-----	-----
	3,797,000	3,805,000
Accumulated depreciation and amortization	(2,876,000)	(2,829,000)
	-----	-----
	921,000	976,000
	-----	-----
Total Assets	\$ 3,198,000 =====	\$ 2,909,000 =====

See accompanying notes to financial statements.

**CONSOLIDATED BALANCE SHEETS**

	March 31, ----- 2001 ----- (Unaudited)	December 31, ----- 2000 -----
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 537,000	\$ 472,000
Notes payable	92,000	92,000
Income tax payable	140,000	60,000
Tax savings benefit payable	97,000	97,000
	-----	-----
Total Current Liabilities	866,000	721,000
	-----	-----
Notes payable-related party	253,000	246,000
Deferred income tax payable	94,000	94,000
Shareholders' Equity		
Common stock, \$.01 par value; 100,000,000 shares authorized; 7,525,804 issued (7,525,804 at December 31, 2000)	75,000	75,000
Additional paid-in capital	733,000	733,000
Retained earnings	1,177,000	1,040,000
	-----	-----
	1,985,000	1,848,000
	-----	-----
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 3,198,000</b>	<b>\$ 2,909,000</b>
	=====	=====

See accompanying notes to financial statements.

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**SPINDLETOP OIL & GAS CO. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME (LOSS)**  
(Unaudited)

	Three Months Ended March 31,	
	----- 2001 -----	----- 2000 -----
Revenues		
Oil and gas revenues	\$ 528,000	\$ 241,000
Revenue from lease operations	5,000	42,000
Gas gathering, compression and equipment rental	72,000	38,000
Interest Income	15,000	4,000

Other	15,000	5,000
	-----	-----
	635,000	330,000
	-----	-----
Expenses		
Pipeline and rental operations	8,000	12,000
Lease operations	271,000	174,000
Depreciation and amortization	56,000	51,000
General and administrative	76,000	32,000
Interest expense	7,000	-
	-----	-----
	418,000	269,000
	-----	-----
Net Income before tax	217,000	61,000
Income tax expense	80,000	-
	-----	-----
Net income	\$ 137,000	\$ 61,000
	=====	=====
Net Income Per Share of Common Stock	\$ .02	\$ .01
	=====	=====
Weighted average shares outstanding	7,525,804	7,525,804
	=====	=====

See accompanying notes to financial statements.

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

	Three Months Ended March 31,	
	2001	2000
	-----	-----
Cash Flows from Operating Activities		
Net Income (Loss)	\$ 137,000	\$ 61,000
Reconciliation of net income to net cash provided by operating activities:		
Depreciation and amortization	56,000	51,000
Amortization of note discount	7,000	-
(Increase) decrease in accounts receivable	202,000	54,000
Increase (decrease) in tax payable	80,000	-
Increase (decrease) in accounts payable	65,000	112,000
	-----	-----
Net cash provided (used) by operating activities	547,000	278,000
	-----	-----
Cash Flows from Investing Activities		
Capitalized acquisition, exploration and development costs	(1,000)	-
Purchase of property and equipment	-	-

Net cash used by investing activities	----- (1,000) -----	----- - -----
Cash Flows from Financing Activities	-	-
Net cash provided (used) by financing activities	-	-
Increase (decrease) in cash	546,000	278,000
Cash at beginning of period	1,585,000	284,000
Cash at end of period	\$ 2,131,000 =====	\$ 562,000 =====

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, 2000 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 Operation

#### Results of Operations

2001 Compared to 2000

Oil and gas revenues increased for the three months ended March 31, 2001 due primarily to an increase in gas prices.

Lease operating expenses increased in 2001 because the Company has been working on existing wells to increase production in order to take advantage of higher gas prices.

General and administrative expenses increased primarily due to the hiring of additional staff.

2000 Compared to 1999

Due to the purchase of oil and gas properties in December 1999 oil and gas revenues increased. Lease operating expenses rose accordingly.

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

### **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 March 31, 2001

### **Part II Other Information**

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

(a) Exhibits - None

(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: May 14, 2001*

*By:/s/ Chris Mazzini*

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*Chris Mazzini*  
*President*

*DATE: May 14, 2001*

*By:/s/ Michelle Mazzini*

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*Michelle Mazzini*  
*Vice President and*  
*Secretary*

