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 June 30, 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, 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

Common Stock - $.01 par value	7,525,804
(Title of Class)	(Number of shares outstanding on August 14, 2001)

SPINDLETOP OIL & GAS CO. AND SUBSIDIARIES
FORM 10-Q
June 30, 2001

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Item 1. Financial Statements

Part 1. Financial Information
Item 1. Financial Statements

SPINDLETOP OIL & GAS CO. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

ASSETS	June 30 2001 (Unaudited)	December 31, 2000
CURRENT ASSETS		
Cash	$ 2,156,000	$ 1,585,000
Accounts receivable	430,000	340,000
Accounts receivable, related parties	-	8,000
Shareholder loans	-	-
Inventory	-	-
Total Current Assets	2,586,000	1,933,000
PROPERTY & EQUIPMENT - at cost		
Oil and gas properties (full cost method)	3,195,000	3,202,000
Rental equipment	397,000	405,000
Gas gathering system	145,000	145,000
Other property and equipment	52,000	53,000
	3,789,000	3,805,000
Accumulated depreciation and amortization	(2,911,000)	(2,829,000)
Total Property and Equipment	878,000	976,000
Other Assets, net of accumulated amortization of $101,000 at June 30,2001 and December 31, 2000 respectively	-	-
Total Assets	$ 3,464,000	$ 2,909,000

See the accompanying notes to the financial statements

SPINDLETOP OIL & GAS CO. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

LIABILITIES AND SHAREHOLDERS' EQUITY	June 30 2001 (Unaudited)	December 31, 2000
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 334,000	$ 472,000
Notes payable, related party	-	92,000
Income tax payable	40,000	60,000
Tax savings benefit	97,000	97,000
Total Current Liabilities	471,000	721,000
NOTES PAYABLE, RELATED PARTY	235,000	246,000
DEFERRED INCOME TAXES PAYABLE	94,000	94,000
SHAREHOLDERS' EQUITY		
Common Stock, $.01 par value, 100,000,000 shares authorized; 7,525,804 issued at June 30, 2001 and December 31, 2000, respectively	75,000	75,000
Additional paid-in capital	733,000	733,000
Retained earnings	1,856,000	1,040,000
	2,664,000	1,848,000
Total Liabilities and Shareholders' Equity	$ 3,464,000	$ 2,909,000

See the accompanying notes to the financial statements

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

	Six Months Ended		Three Months Ended	
	June 30 2001	June 30 2000	June 30 2001	June 30 2000
REVENUES				
Oil and gas revenues	$ 1,461,000	$ 576,000	$ 933,000	$ 335,000
Revenue from lease operations	14,000	100,000	9,000	58,000
Gas gathering, compression	140,000	57,000	68,000	19,000

and equipment rental				
Interest Income	42,000	10,000	27,000	6,000
Other	64,000	11,000	49,000	6,000
Total Revenues	1,721,000	754,000	1,086,000	424,000
EXPENSES				
Pipeline and rental operations	17,000	16,000	9,000	4,000
Lease operations	499,000	310,000	228,000	136,000
Depreciation and amortization	93,000	102,000	37,000	51,000
General and administrative	200,000	151,000	124,000	119,000
Interest expense	16,000	-	9,000	-
Total Expenses	825,000	579,000	407,000	310,000
Net Income before tax	896,000	175,000	679,000	114,000
Income Tax Expense	80,000	-	-	-
Net Income	$ 816,000	$ 175,000	$ 679,000	$ 114,000
Net Income (Loss) Per Share of Common Stock	$ 0.11	$ 0.02	$ 0.09	$ 0.01
Weighted Average Shares Outstanding	7,525,804	7,525,804	7,525,804	7,525,804

See the accompanying notes to the financial statements

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

	Six Months Ended June 30,	
	2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income (Loss)	$ 816,000	$ 175,000
Reconciliation of net income to net cash provided by operating activities		
Depreciation and amortization	92,500	102,000
(Incr) Decr in accounts receivable	(90,000)	172,000
(Incr) Decr in acct receivable, related party	8,000	-
Incr (Decr) in accounts payable	(138,000)	-
Incr (Decr) in income tax payable	(20,000)	-
Amortization of Note Discount	16,254	45,000

Net Cash Provided (Used) by Operating Activities	684,754	494,000
CASH FLOWS FROM INVESTING ACTIVITIES		
Capitalized acquisition, exploration and development costs	5,500	(29,000)
Net cash used by investing activities	5,500	(29,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Reduction of Notes Payable to Related Party	(119,254)	-
Net cash provided (used) by financing activities	(119,254)	-
Increase (decrease) in cash	571,000	465,000
Cash at beginning of period	1,585,000	284,000
Cash at end of period	$ 2,156,000	$ 749,000

See the accompanying notes to the financial statements

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.

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

RESULTS OF OPERATIONS

Six months ended June 30, 2001 compared to Six months ended June 30, 2000

Oil and gas revenues for the six months ended June 30, 2001 is reported as $1,461,000, an $885,000 increase over the same period in 2000. The increase in revenue is the result of a combination of increased production and increased average gas prices between the two periods. The average gas price for the first six months of 2001 was $5.32 per mcf compared to $3.12 per mcf for the same period in 2000. Production was also increased due to a concentrated effort by the company to increase its utilization of workover rigs to increase production from certain low volume wells and by putting some wells on line that had been shut in.

As a result of the increased workover activity, lease-operating expenses increased by $189,000 over the same period in 2000.

Gas gathering and compression fee income increased by $83,000, due to a combination of increased production that resulted from the workover activity, as well as the addition of a contract with a major purchaser. In this transaction, the company now transports 100% of the gas from certain operated properties, charges a fee on an mcf basis, collects and distributes the revenue from the sales.

Revenue from lease operations decreased by $86,000. This decrease is due substantially to a change in the company's method of accounting for overhead charges billed to the joint accounts where the company is the operator of the properties. In prior periods, the company recorded the revenue from the charges to the joint account, and charged lease-operating expenses with its proportionate share of the overhead charges. The company no longer records its proportionate share of the overhead income and related lease operating expense, but records as income the charges to the non-operating interests.

General and administrative expenses increased due to a small increase in the number of employed staff, as well as the incurance of a one-time charge for moving the location of its administrative offices during the second quarter of 2001.

Depreciation expenses are declining, due to the fact that most of the company's depreciable assets have been fully depreciated.

Three months ended June 30, 2001 compared to Three months ended June 30, 2000

The reported increase in revenue for oil and gas sales is $598,000. The company changed its accounting software effective January 1, 2001. In the conversion from the old to the new accounting system, March revenues did not get posted until April, thus causing four months of revenue to be reported in the second quarter, while the first quarter had only 2 months of revenue reported. The actual oil and gas revenue for the second quarter of 2001 was $707,000, an actual increase of $372,000, because revenue for the first quarter of 2001 was understated by $226,000.

The increase in oil and gas revenue of $372,000 is the result of a combination of increased production and increased average gas prices between the two periods. During the last part of 2000 and on into the first part of 2001, the company increased its workover expenses, increasing the production from certain low volume wells and by putting some wells on line that had been shut in.

As a result of the increased workover activity, lease operating expenses increased by $92,000 over the same period in 2000.

Gas gathering and compression fee income increased by $49,000, due to a combination of increased production that resulted from the workover activity, as well as the addition of a contract with a major purchaser. In this transaction, the company now transports 100% of the gas from certain operated properties, charges a fee on an mcf basis, collects and distributes the revenue from the sales.

Revenue from lease operations decreased by $49,000. This decrease is due substantially to a change in the company's method of accounting for overhead charges billed to the joint accounts where the company is the operator of the properties. In prior periods, the company recorded the revenue from the charges to the joint account, and charged lease operating expenses with its proportionate share of the overhead charges. The company no longer records its proportionate share of the overhead income and related lease operating expense, but records as income the charges to the non-operating interests.

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 sale 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.

Part II Other Information

None

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)

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DATE:    August 14, 2001                By: /s/ Chris G. Mazzini
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                                                Chris G. Mazzini
                                                President



DATE:    August 14, 2001                By: /s/ Michelle H. Mazzini
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                                                Michelle H. Mazzini
                                                Secretary
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End of Filing