

**FORM 10-Q/A**

**SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, DC 20549

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

**For the quarterly period ended March 31, 2005**

*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)

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 an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

YES  NO

**APPLICABLE ONLY TO CORPORATE ISSUERS:**

As of March 31, 2005, 7,677,471 shares of the Company's common stock were issued and outstanding.

## EXPLANATORY NOTE

This quarterly report on Form 10-Q/A is intended to amend and restate in its entirety the Company's Quarterly Report on Form 10-Q for the period ended March 31, 2005, which was filed on May 16, 2005 (the "Original Form 10-Q") to ensure that the information contained in the report is true, accurate and complete as of the date of the filing of this Amended Quarterly Report on Form 10-Q/A on June 17, 2005. Accordingly, pursuant to rule 12b-15 under the Securities Exchange Act of 1934, as amended, this Form 10-Q/A contains the complete text of items 1, 2, and 4 of Part I and item 6 of Part II, as amended, as well as certain currently dated certifications.

In June, 2005, it was determined that some of the prices and volumes described in Item 2 - Management's Discussion and Analysis of Financial Condition and Results of Operations were incorrect. These amounts have been corrected in this amended report Form 10-Q/A. It was also determined that certain accrued revenue, expenses and related liabilities for the year ended December 31, 2004 applicable to several natural gas wells in East Texas were inadvertently reversed during the first quarter of 2005. These revenues, expenses and liabilities have been restored and are now properly stated in this amended report Form 10-Q/A.

The net effect of these revisions was to increase oil and gas revenues by \$179,000, lease operating expense by \$20,000, provision for income taxes by \$44,000 and net income by \$115,000. Earnings per share was increased from \$0.04 per share to \$0.06 per share. Current assets increased by \$208,000. Current liabilities increased by \$101,000, deferred income tax payable decreased by \$8,000 and total shareholders' equity increased by \$115,000.

All other information in the report remains as previously filed with the Commission in the Company's Quarterly Report on Form 10-Q for the period ended March 31, 2005 and is incorporated herein.

This amendment does not reflect events occurring after the filing of the Original Form 10-Q, and does not modify or update the disclosures therein in any way other than as required to reflect the amendments as described above and set forth below.

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

**FORM 10-Q/A**

**For the quarterly period ended March 31, 2005**

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## Part I - Financial Information

### Item 1. - Financial Statements

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

	As of	
	March 31	December 31
	2005	2004
	(Unaudited)	
ASSETS		
Current Assets		
Cash	\$ 5,089,000	\$ 4,352,000
Accounts receivable, trade	439,000	617,000
Prepaid income tax	81,000	190,000
Total Current Assets	5,609,000	5,159,000
Property and Equipment, at cost		
Oil and gas properties (full cost method)	6,164,000	5,983,000
Rental equipment	399,000	399,000
Gas gathering systems	145,000	145,000
Other property and equipment	116,000	102,000
Accumulated depreciation and amortization	(4,178,000)	(4,059,000)
Total Property and Equipment, net	2,646,000	2,570,000
Real Estate Property, at cost		
Land	688,000	688,000
Commercial office building	1,298,000	1,298,000
Accumulated depreciation	(2,000)	(1,000)
Total Real Estate Property, net	1,984,000	1,985,000
Other Assets	1,000	1,000
Total Assets	\$10,240,000	\$ 9,715,000

The accompanying notes are an integral part of these statements.

**SPINDLETOP OIL & GAS CO. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS - (Continued)**

	As of	
	March 31 2005 (Unaudited)	December 31 2004
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Notes payable, current portion	\$ 120,000	\$ 120,000
Accounts payable and accrued liabilities	2,154,000	2,068,000
Tax savings benefit payable	97,000	97,000
Total current liabilities	2,371,000	2,285,000
Notes payable, long-term portion	1,620,000	1,680,000
Deferred income tax payable	516,000	461,000
Shareholders' Equity		
Common stock, \$.01 par value; 100,000,000 Shares authorized; 7,677,471 shares issued and outstanding at March 31, 2005 and at December 31, 2004. 103,334 shares of Treasury Stock at March 31, 2005 and at December 31, 2004.	77,000	77,000
Additional paid-in capital	806,000	806,000
Treasury Stock	(45,000)	(45,000)
Retained earnings	4,895,000	4,451,000
Total Shareholders' Equity	5,733,000	5,289,000
Total Liabilities and Shareholders' Equity	\$10,240,000	\$ 9,715,000

The accompanying notes are an integral part of these statements.

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

	Three Months Ended	
	March 31 2005	March 31 2004
Revenues		
Oil and gas revenue	\$ 1,132,000	\$ 911,000
Revenue from lease operations	37,000	38,000
Gas gathering, compression and Equipment rental	38,000	29,000
Real estate rental income	71,000	-
Interest income	26,000	23,000
Other	2,000	3,000
	-----	-----
Total revenue	1,306,000	1,004,000
	-----	-----
Expenses		
Lease operations	233,000	296,000
Pipeline and rental operations	17,000	11,000
Real estate operations	61,000	-
Depreciation and amortization	119,000	76,000
General and administrative	241,000	181,000
Interest expense	27,000	-
	-----	-----
Total Expenses	698,000	564,000
	-----	-----
Income (Loss) Before Income Tax	608,000	440,000
	-----	-----
Current tax provision	109,000	13,000
Deferred tax provision	55,000	-
	-----	-----
	164,000	13,000
	-----	-----
Net Income (Loss)	\$ 444,000	\$ 427,000
	=====	=====
Earnings (Loss) per Share of Common Stock		
Basic	\$ 0.06	\$ 0.06
	=====	=====
Diluted	\$ 0.06	\$ 0.06
	=====	=====
Weighted Average Shares Outstanding	7,677,471	7,677,471
	=====	=====
Diluted Shares Outstanding	7,677,471	7,752,471
	=====	=====

The accompanying notes are an integral part of these statements.

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

	Three Months Ended	
	March 31 2005	March 31 2004
Cash Flows from Operating Activities		
Net Income	\$ 444,000	\$ 427,000
Reconciliation of net income to net cash provided by (used for) Operating Activities		
Depreciation and amortization	119,000	76,000
Changes in accounts receivable, trade	178,000	151,000
Changes in accounts receivable, other	-	638,000
Changed in prepaid income taxes	109,000	-
Changes in accounts payable	86,000	(65,000)
Changes in current taxes payable	-	(179,000)
Changes in deferred tax payable	55,000	-
Net cash provided by (used for) operating Activities	991,000	1,048,000
Cash flows from Investing Activities		
Capitalized acquisition, exploration and development costs	(180,000)	(62,000)
Purchase of property and equipment	(14,000)	-
Purchase of Gathering System/Pipeline	-	(202,000)
Net cash provided by (used for) Investing Activities	(194,000)	(264,000)
Cash Flows from Financing Activities		
Decrease in notes payable	(60,000)	-
Net cash provided by (used for) Financing Activities	(60,000)	-
Increase (decrease) in cash	737,000	784,000
Cash at beginning of period	4,352,000	2,662,000
Cash at end of period	\$ 5,089,000	\$ 3,446,000

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, 2004 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. RECENT ACCOUNTING DEVELOPMENTS**

In March 2004, the Emerging Issues Task Force ("EITF") reached a consensus on EITF Issue No. 04-2, "Whether Mineral Rights are Tangible or Intangible Assets and Related Issues" (previously addressed as Issue 03-O), that mineral rights should be considered tangible assets for accounting purposes and should be separately disclosed in the financial statements or footnotes. The EITF acknowledged that this consensus requires an amendment to Statement of Financial Accounting Standards ("SFAS") No. 141, "Business Combinations" to remove mineral rights as an example of an intangible assets. The Financial Accounting Standards Board ("FASB") has issued FASB Staff Position Nos. FAS 141-1 and FAS 142-1, that amend SFAS Nos. 141 and 142, respectively, to characterize mineral rights as tangible assets. The EITF is still considering whether oil and gas drilling rights are subject to the classification and disclosure provisions of SFAS No. 142 if they are determined to be intangible assets. There has been no resolution of this issue as described in EITF Issue No. 03-S, "Application of SFAS No. 142, Goodwill and Other Intangible Assets, to Oil and Gas Companies."

The Company classifies the cost of oil and gas mineral rights as property and equipment and believes this is consistent with oil and gas accounting and industry practice. Although it appears unlikely based on the consensus reached in EITF Issue No. 04-2, if the EITF were to determine that



under EITF Issue No. 03-S oil and gas mineral rights are intangible assets and are subject to the applicable classification and disclosure provisions of SFAS No.142, certain costs would need to be reclassified from property and equipment to intangible assets on its consolidated balance sheets. These amounts would represent oil and gas mineral rights. In addition, the disclosures required by SFAS Nos. 141 and 142 would be made in the notes to the consolidated financial statements. There would be no effect on the consolidated statements of income or cash flows as the intangible assets related to oil and gas mineral rights would continue to be amortized under the full cost method of accounting.

### **3. ISSUANCE OF COMMON STOCK AND STOCK OPTIONS**

During 2002, the board of directors of the Company entered into two stock option agreements with third-parties and issued stock options to purchase up to 145,000 shares of restricted common stock at a value of \$0.30 per share and other consideration to obtain interests in oil and gas properties. On July 9, 2003, options to purchase 70,000 shares of stock were exercised and 70,000 shares of common stock were issued. On April 30, 2004 options to purchase 75,000 shares of common stock were exercised and 75,000 shares were issued using treasury stock of the Company.

The Company has elected to account for the options using FASB Statement 123, "Accounting for Stock-Based Compensation," (FAS No. 123) which requires the use of option valuation models. The fair value of these options was estimated at the date of grant using the Black-Scholes option pricing model with the following assumption ranges: risk free interest rates of 1-2%, volatility factor of 170, and an expected life of 1 year - 1.5 years. Using the Black-Scholes option evaluation model, the weighted average value of the option granted during 2002 was \$0.19, per option respectively. The effect of applying the fair value method of FAS No. 123 to the stock options granted during 2002 had a \$26,850 effect which was applied to the oil and gas properties and will be amortized using the full cost method. These options had no dilutive effect on earnings per share

### **4. EARNINGS PER SHARE**

Earnings per share ("EPS") are calculated in accordance with Statement of Financial Accounting Standards No. 128, Earnings per Share (SFAS 128), which was adopted in 1997 for all years presented. Basic EPS is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding during the period. All calculations have been adjusted for the effects of the stock split discussed in Note 2. The adoption of SFAS 128 had no effect on previously reported EPS. Diluted EPS is computed based on the weighted number of shares outstanding, plus the additional common shares that would have been issued had the options outstanding been exercised.

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

### **Results of Operations**

#### 2005 Compared to 2004

Oil and gas revenues increased for the three months ended March 31, 2005. This was due to an increase in oil and gas prices and in increase in natural gas volumes. There was an approximate 2% increase in average gas prices from \$5.31 per Mcf in the first quarter of 2004 to \$5.43 per Mcf in the first quarter of 2005. Average oil prices received by the Company increased approximately 33% from \$34.04 per bbl in the first quarter of 2004 to \$45.14 per bbl in the first quarter of 2005. Natural gas production was approximately 163,000 Mcf in the first three months of 2005 compared to 134,000 Mcf in the first three months of 2004, an increase of approximately 22 %. Oil production was approximately 5,500 Bbls in the first quarter of 2005 compared to 5,900 in the first quarter of 2004, an approximate decrease of 7 %.

Lease operations in the first quarter of 2005 were lower than in 2004. This is the result of the Company cutting back on work-over related expenses during the first quarter of 2005 after re-evaluating the projects that need to be concentrated on during the year.

The depletion calculation for the first quarter of 2005 is higher than that calculated in 2004. The company has re-evaluated and increased its proved oil and gas reserve quantities, but at the same time increased the capitalized costs that are being amortized. In addition, production was up for the first quarter of 2005 due to the added properties.

General and administrative costs for the first quarter of 2005 were up due to the addition of several full-time employees during 2005 and the increased use of independent consultants and contractors as the Company expanded its operations into drilling wells and identification and acquisition of projects to develop. Costs associated with these new employees and associated benefits were included in the first quarter of 2005, but not in the first quarter of 2004.

### **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.

#### **Item 4. - Controls and Procedures**

(a) Within the 90 days prior to the date of 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 Acting Principal Executive Office and Acting Principal Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Exchange Act Rule 13a-14. Based upon the evaluation, the Company's Acting Principal Executive Officer and Acting Principal Financial Officer concluded that the Company's disclosure controls and procedures are effective in timely alerting them to material information relating to the Company (including its consolidated subsidiaries) which is required to be included in the Company's periodic SEC filings.

(b) There have been no significant changes in the Company's internal controls or in other factors that could significantly affect the Company's internal controls subsequent to the date the Company carried out this evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

## Part II - Other Information

### Item 6. - Exhibits

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

<u>Exhibit Designation</u>	<u>Exhibit Description</u>
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

## 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: June 17, 2005

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

Date: June 17, 2005

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

Date: June 17, 2005

By: /s/ Robert E. Corbin  
Robert E. Corbin  
Controller, Principal Financial Officer

## CERTIFICATION

I, Chris G. Mazzini, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Spindletop Oil & Gas Co.;
2. Based on my knowledge, this quarterly 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 quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly 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 quarterly 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 principals; 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.

Dated: June 17, 2005.

/s/ Chris G. Mazzini  
CHRIS G. MAZZINI  
Chief Executive Officer

CERTIFICATION

I, Robert E. Corbin, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Spindletop Oil & Gas Co.;
2. Based on my knowledge, this quarterly 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 quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly 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 quarterly 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 principals; 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.

Dated: June 17, 2005.

/s/ Robert E. Corbin  
ROBERT E. CORBIN  
Principal Financial Officer

Officers' Section 1350 Certifications

The undersigned officer of Spindletop Oil & Gas Co., a Texas corporation (the "Company"), hereby certifies that (i) the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2005 fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, and (ii) the information contained in the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2005 fairly presents, in all material respects, the financial condition and results of operations of the Company, at and for the periods indicated.

Dated: June 17, 2005.

/s/ Chris G. Mazzini

CHRIS G. MAZZINI

Chief Executive Officer

/s/ Robert E. Corbin

ROBERT E. CORBIN

Principal Financial Officer