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 JUNE 30, 2023

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	**6,739,943**
(Class)	(Outstanding at August 21, 2023)

DOCUMENTS INCORPORATED BY REFERENCE

None

SPINDLETOP OIL & GAS CO. AND SUBSIDIARIES

FORM 10-Q
For the quarter ended June 30, 2023

Index to Consolidated Financial Statements and Schedules

Part I - Financial Information

Item 1. - Financial Statements

SPINDLETOP OIL & GAS Co. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	June 30, 2023 (Unaudited)	December 31, 2022
ASSETS		
Current Assets		
Cash and cash equivalents	$ 6,533,000	$ 13,597,000
Restricted cash	270,000	270,000
Accounts receivable	1,676,000	2,200,000
Income tax receivable	613,000	630,000
Total Current Assets	9,092,000	16,697,000
Property and Equipment - at cost		
Oil and gas properties (full cost method)	25,679,000	25,321,000
Rental equipment	465,000	412,000
Gas gathering system	115,000	115,000
Other property and equipment	479,000	395,000
	26,738,000	26,243,000
Accumulated depreciation and amortization	(26,155,000)	(26,140,000)
Total Property and Equipment	583,000	103,000
Real Estate Property - at cost		
Land	688,000	688,000
Commercial office building	1,907,000	1,903,000
Accumulated depreciation	(1,193,000)	(1,163,000)
Total Real Estate Property	1,402,000	1,428,000
Other Assets		
Other long-term investments	16,775,000	9,575,000
Other	4,000	4,000
Total Other Assets	16,779,000	9,579,000
Total Assets	$ 27,856,000	$ 27,807,000

The accompanying notes are an integral part of these statements.

SPINDLETOP OIL & GAS Co. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	June 30, 2023 (Unaudited)	December 31, 2022
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	$ 6,512,000	$ 6,859,000
Total Current Liabilities	6,512,000	6,859,000
Noncurrent Liabilities		
Deferred Income Tax Payable	46,000	81,000
Asset retirement obligation	4,087,000	3,654,000
Total Noncurrent Liabilities	4,133,000	3,735,000
Total Liabilities	10,645,000	10,594,000
Shareholders' Equity		
Common stock, $.01 par value, 100,000,000 shares authorized; 7,677,471 shares issued and 6,739,943 outstanding at June 30, 2023 and 6,750,318 outstanding at December 31, 2022.	77,000	77,000
Additional paid-in capital	943,000	943,000
Treasury stock, at cost	(1,919,000)	(1,889,000)
Retained earnings	18,110,000	18,082,000
Total Shareholders' Equity	17,211,000	17,213,000
Total Liabilities and Shareholders' Equity	$ 27,856,000	$ 27,807,000

The accompanying notes are an integral part of these statements.

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

	Six Months Ended June 30,		Three Months Ended June 30,	
	2023	2022	2023	2022
Revenues				
Oil and gas revenues	$ 1,942,000	$ 4,159,000	$ 912,000	$ 2,487,000
Revenues from lease operations	75,000	92,000	38,000	48,000
Gas gathering, compression, equipment rental	43,000	49,000	22,000	31,000
Real estate rental revenue	136,000	115,000	68,000	62,000
Other revenues	25,000	23,000	14,000	11,000
Total Revenues	2,221,000	4,438,000	1,054,000	2,639,000
Expenses				
Lease operating expenses	479,000	744,000	241,000	500,000
Production taxes, gathering and marketing expenses	316,000	465,000	159,000	284,000
Pipeline and rental expenses	12,000	13,000	8,000	11,000
Real estate expenses	61,000	78,000	37,000	40,000
Depreciation and amortization expenses	46,000	53,000	15,000	36,000
ARO accretion expense	503,000	143,000	201,000	-
General and administrative expenses	1,222,000	1,049,000	464,000	459,000
Total Expenses	2,639,000	2,545,000	1,125,000	1,330,000
Income (Loss) from operations	(418,000)	1,893,000	(71,000)	1,309,000
Other Revenue and Expense				
Interest Income	324,000	61,000	199,000	36,000
Gain (Loss) on sale of property	104,000	-	-	-
Total Other Revenue and Expense	428,000	61,000	199,000	36,000
Income (Loss) Before Income Tax	10,000	1,954,000	128,000	1,345,000
Current income tax provision	17,000	236,000	17,000	176,000
Deferred income tax provision (benefit)	(35,000)	117,000	(14,000)	77,000
Total Income tax provision (benefit)	(18,000)	353,000	3,000	253,000
Net Income	$ 28,000	$ 1,601,000	$ 125,000	$ 1,092,000
Earnings per Share of Common Stock				
Basic and Diluted	$ -	$ 0.24	$ 0.02	$ 0.16
Weighted Average Shares Outstanding				
Basic and Diluted	6,750,261	6,755,318	6,750,204	6,755,318

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 Six Months Ended June 30, 2023 and June 30, 2022
(Unaudited)

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Treasury Stock Shares	Treasury Stock Amount	Retained Earnings
Balance December 31, 2022	7,677,471	$ 77,000	$ 943,000	927,153	$ (1,889,000)	$ 18,082,000
Net (Loss)	-	-	-	-	-	(97,000)
Balance March 31, 2023	7,677,471	77,000	943,000	927,153	(1,889,000)	17,985,000
Purchase of 10,375 shares of Common Stock as Treasury Stock				10,375	(30,000)	
Net Income	-	-	-	-	-	125,000
Balance June 30, 2023	7,677,471	$ 77,000	$ 943,000	937,528	$ (1,919,000)	$ 18,110,000
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

The accompanying notes are an integral part of these statements.

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

	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Cash Flows from Operating Activities		
Net Income	$ 28,000	$ 1,601,000
Reconciliation of net Income to net cash provided by operating activities		
Depreciation and amortization	46,000	53,000
Accretion of asset retirement obligation	503,000	143,000
Proceeds from sale of oil and gas properties	(104,000)	-
Changes in accounts receivable	524,000	(1,301,000)
Changes in income tax receivable	17,000	237,000
Changes in accounts payable and accrued liabilities	(347,000)	475,000
Changes in deferred Income tax payable	(35,000)	117,000
Net cash provided for operating activities	632,000	1,325,000
Cash Flows from Investing Activities		
Capitalized acquisition, exploration and development	(486,000)	554,000
Purchase of other property and equipment	(84,000)	(77,000)
Changes in other long-term investments	(7,200,000)	(2,259,000)
Proceeds from sale of oil and gas properties	104,000	-
Capitalized tenant improvements and broker fees		(1,000)
Net cash (used) for operating activities	(7,666,000)	(1,783,000)
Cash Flows from Financing Activities		
Purchase of 10,375 shares of treasury stock	(30,000)	-
Net cash used for financing activities	(30,000)	-
(Decrease) in cash, cash equivalents, and restricted cash	(7,064,000)	(458,000)
Cash, cash equivalents, and restricted cash at beginning of period	13,867,000	11,043,000
Cash, cash equivalents, and restricted cash at end of period	$ 6,803,000	$ 10,585,000

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, 2022, 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

Subsequent to June 30, 2022, 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.

Effective June 30, 2023, the Company repurchased 10,375 shares of its common stock from a non-controlling, unaffiliated shareholder of the Company for a negotiated purchase price of $30,000 or $2.89 per share. The repurchase 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 first quarter of 2023, the Company sold its interest in five operated wells and associated leasehold acreage in various counties in the state of Arkansas for $104,000. At the time of the sale, the Company’s unamortized full cost pool was approximately $230,000.

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 or 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 $104,000 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 properties sold, and therefore, no adjustment to capitalized costs.

3. 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 August 21, 2023, 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, 2022 (the “Form 10-K”), including significant global economic and pandemic factors occurring during the first six months of 2023 and continuing into the third quarter of 2023 which are described in the following two paragraphs.

The COVID-19 pandemic and the measures taken to address and limit the spread of the virus adversely affected the economies and financial markets of the world, resulting in an economic downturn beginning in early 2020 that negatively impacted global demand and prices for crude oil and condensate, natural gas liquids (NGLs) and natural gas. The effects of COVID-19 mitigation efforts, including the wide availability of vaccines, combined with the waning intensity of the pandemic, have resulted in increased demand and prices for crude oil and condensate. In addition, worldwide oil inventories, from a historical perspective, remain low and concerns exist with the ability of OPEC and other oil producing nations to meet forecasted future oil demand growth, with many OPEC countries not able to produce at their OPEC agreed upon quota levels due to their limited capital investments directed towards developing incremental oil supplies over the past few years. Furthermore, sanctions, import bans and price caps on Russia have been implemented by various countries in response to the war in Ukraine, further impacting global oil supply. As a result of these and other oil supply constraints, the world has experienced significant increases in energy costs. During December 2022, OPEC announced a continuation of its 2 MMBOPD production cut that started in November 2022 related to the uncertainty surrounding the global economy and future oil demand. As a result of the global supply and demand imbalances, oil and gas prices remained strong through December 2022. In addition, the pandemic, combined with the Russia/Ukraine conflict, has resulted in global supply chain disruptions, which has led to significant cost inflation and the potential for a global recession. Specifically, the Company was impacted by higher-than-expected inflation in steel, services and chemical prices, among other items. Global oil price levels and inflationary pressures will ultimately depend on various factors that are beyond the Company's control, such as (i) the ability of OPEC and other oil producing nations to manage the global oil supply, (ii) the impact of sanctions and import bans on production from Russia, (iii) the timing and supply impact of any Iranian sanction relief on their ability to export oil, (iv) the effectiveness of responses by businesses and governments to combat any additional outbreaks of the COVID-19 virus and their impact on domestic and worldwide demand, (v) the global supply chain constraints associated with manufacturing and distribution delays, (vi) oilfield service demand and cost inflation, (vii) political stability of oil consuming countries and (viii) increasing expectations that the world may be heading into a global recession. The Company continues to assess and monitor the impact of these factors and consequences on the Company and its operations. Natural gas prices were robust during 2022. As a result, additional natural gas supplies oversaturated the markets causing natural gas prices to deteriorate in the first quarter of 2023 when several of the natural gas price indexes dropped below $2.00 per mmbtu. In the second quarter of 2023, natural gas pricing improved, although still trailing below 2022 pricing.

Rising 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 interest 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. 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

<u>Six months ended June 30, 2023 compared to six months ended June 30, 2022</u>

Oil and gas revenues for the first six months of 2023 were $1,942,000, as compared to $4,159,000 for the same period in 2022, a decrease of approximately $2,217,000 or 53.3%

Oil sales for the first six months of 2023 were approximately $1,029,000 compared to approximately $2,067,000 for the first six months of 2022, a decrease of approximately $1,038,000 or 50.2%. Oil sales volumes for the first six months of 2023 were approximately 12,350 bbls compared to approximately 23,580 bbls during the same period in 2022, a decrease of approximately 11,230 bbls, or 47.6%.

Average oil prices received were $72.21 per bbl in the first half of 2023 compared to $81.00 per bbl in the first half of 2022, a decrease of approximately $8.79 per bbl or 10.8%.

Natural gas revenue for the first six months of 2023 was $913,000 compared to $2,092,000 for the same period in 2022, a decrease of approximately $1,179,000 or 56.4%. Natural gas sales volumes for the first six months of 2023 were approximately 277,000 mcf compared to approximately 358,000 mcf during the first six months of 2022, a decrease of approximately 81,000 mcf or 22.6%.

Average natural gas prices received were $3.32 per mcf in the first six months of 2023 as compared to $6.40 per mcf in the same time period in 2022, a decrease of approximately $3.08 per mcf or 48.1%.

Revenues from lease operations were $75,000 in the first six months of 2023 compared to $92,000 in the first six months of 2022, a decrease of approximately $17,000 or 18.5%. This decrease is due to a decrease in field supervision charges. 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 six months of 2023 were $43,000 compared to $49,000 for the same period in 2022, a decrease of approximately $6,000 or 12.2%. These revenues are derived from gas volumes produced and transported through our gas gathering systems.

Real estate revenue was approximately $136,000 during the first six months of 2023 compared to $115,000 for the first six months of 2023, an increase of approximately $21,000, or 18.3%.

Interest income was $324,000 during the first six months of 2023 as compared to $61,000 during the same period in 2022, an increase of approximately $263,000 or 431.2%. Interest income increased due to higher interest rates than in 2022. Interest income is derived from investments in both short-term and long-term certificates of deposit as well as money market accounts at banks. The increase is due to interest rates in general being significantly higher than in 2022.

Other revenues for the first six months of 2023 were $25,000 as compared to $23,000 for the same time period in 2022, an increase of approximately $2,000 or 8.7%.

Lease operating expenses in the first six months of 2023 were $479,000 as compared to $744,000 in the first six months of 2022, a net decrease of $265,000, or 35.6%. Of this overall net decrease, approximately $64,000 is due to operating expenses billed by third-party operators on non-operated properties. Approximately $201,000, represents net decreases from operated properties.

Production taxes, gathering and marketing expenses in the first six months of 2023 were approximately $316,000 as compared to $465,000 for the first six months of 2022, a decrease of approximately $149,000, or 32.0%. This decrease relates directly to the decrease in oil and gas revenues as described in the above paragraphs.

Pipeline and rental expenses for the first six months of 2023 were $12,000 compared to $13,000 for the same time period in 2022, a decrease of approximately $1,000 or 7.7%.

Real estate expenses in the first six months of 2023 were approximately $61,000 compared to $78,000 during the same period in 2022, a decrease of approximately $17,000 or 21.8%.

Depreciation, depletion, and amortization expenses for first six months of 2023 were $46,000 as compared to $53,000 for the same period in 2022, a decrease of $7,000, or 13.2%. $9,000 of the amount for the first six months of 2023 was for amortization of the full cost pool of capitalized costs compared to $23,000 for the same period of 2022, a decrease of $14,000 or 60.9%. The Company re-evaluated its proved oil and natural gas reserve quantities as of December 31, 2022. This re-evaluated reserve base was reduced for oil and gas reserves that were produced or sold during the first six months of 2023 and adjusted for newly acquired reserves or for changes in estimated production curves and future price assumptions.
A year-to-date depletion rate of 6.473% was calculated and applied to the Company's full cost pool of capitalized oil and natural gas properties compared to a rate of 7.34% for the first two quarters of 2022.

Asset Retirement Obligation ("ARO") expense for the first six months of 2023 was approximately $503,000 as compared to approximately $143,000 for the same time period in 2022, an increase of approximately $360,000 or 251.8%. 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 six months of 2023 were approximately $1,222,000 as compared to approximately $1,049,000 for the same period in 2022, an increase of approximately $173,000 or 16.5%.

Three months ended June 30, 2023, compared to three months ended June 30, 2022

Oil and natural gas revenues for the three months ended June 30, 2023, were $912,000, compared to $2,487,000 for the same time period in 2022, a decrease of $1,575,000, or 63.3%.

Oil sales for the second quarter of 2023 were approximately $537,000 compared to approximately $1,202,000 for the same period of 2022, a decrease of approximately $665,000 or 55.3%. Oil volumes sold for the second quarter of 2023 were approximately 6,100 bbls compared to approximately 12,280 bbls during the same period of 2022, a decrease of approximately 6,180 bbl or 50.3%.

Average oil prices received were approximately $71.89 per bbl in the second quarter of 2023 compared to $83.94 per bbl during the same period of 2022, a decrease of approximately $12.05 per bbl, or 14.4%.

Natural gas revenues for the second quarter of 2023 were $375,000 compared to $1,285,000 for the same period in 2022, a decrease of $910,000 or 70.8%. Natural gas volumes sold for the second quarter of 2023 were approximately 148,000 mcf compared to approximately 216,000 mcf during the same period of 2022, a decrease of approximately 68,000 mcf, or 31.5%.

Average natural gas prices received were approximately $2.53 per mcf in the second quarter of 2023 as compared to approximately $6.25 per mcf during the same period in 2022, a decrease of approximately $3.72 or 59.5%.

Revenues from lease operations for the second quarter of 2023 were approximately $38,000 compared to approximately $48,000 for the second quarter of 2022, a decrease of approximately $10,000 or 20.8%. This decrease is due to a decrease in field activity, supervision, and operator overhead. 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 second quarter of 2023 were approximately $22,000, compared to approximately $31,000 for the same period in 2022, a decrease of approximately $9,000 or 29.0%. These revenues are derived from gas volumes produced and transported through our gas gathering systems.

Real estate revenue was approximately $68,000 during the second quarter of 2023 compared to $62,000 for the same period in 2022, an increase of approximately $6,000 or 9.68%.

Interest income for the second quarter of 2023 was approximately $199,000 as compared with approximately $36,000 for the same period in 2023, an increase of approximately $163,000 or 452.8%. Interest income is derived from investments in both short-term and long-term certificates of deposit as well as money market accounts at banks. The increase is due to interest rates in general being significantly higher than in 2022.

Other revenues for the second quarter of 2023 were approximately $14,000 as compared with approximately $11,000 for the same period in 2022, an increase of approximately $3,000 or 27.3%.

Lease operating expenses in the second quarter of 2023 were $241,000 as compared to $500,000 in the second quarter of 2022, a net decrease of approximately $259,000, or 51.8%. Of this overall net decrease, approximately $52,000 is due to operating expenses billed by third-party operators on non-operated properties. Approximately $207,000, represents net decreases from operated properties.

Production taxes, gathering, transportation and marketing expenses for the second quarter of 2023 were approximately $159,000 as compared to $284,000 during the second quarter of 2022, a net decrease of approximately $125,000 or 44.0%. These net decreases relate directly to the decreases in oil and gas revenues as described in the above paragraphs.

Pipeline and rental expenses for the second quarter of 2023 were $8,000 compared to $11,000 for the same time period in 2022, a decrease of approximately $3,000, or 27.3%.

Real estate expenses during the second quarter 2023 were approximately $37,000 compared to approximately $40,000 for the same period in 2022, a decrease of approximately $3,000 or 7.5%.

Depreciation, depletion, and amortization expenses for second quarter of 2023 were $15,000 as compared to $36,000 for the same period in 2022, a decrease of $21,000, or 58.3%. A negative $4,000 of the amount for the second quarter of 2023 was for amortization of the full cost pool of capitalized costs compared to $23,000 for the same period of 2022, a decrease of $27,000. The Company re-evaluated its proved oil and natural gas reserve quantities as of December 31, 2022. This re-evaluated reserve base was reduced for oil and gas reserves that were produced or sold during the first six months of 2023 and adjusted for newly acquired reserves or for changes in estimated production curves and future price assumptions.
A year-to-date depletion rate of 6.473% was calculated and applied to the Company's full cost pool of capitalized oil and natural gas properties compared to a rate of 7.34% for the first two quarters of 2022.

Asset Retirement Obligation ("ARO") expense for the second quarter of 2023 was $201,000 as compared to approximately $-0- for the same time period in 2022, a increase of $201,000. 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 second quarter of 2023 were $464,000 compared to $459,000 for the same period in 2022, an increase of approximately $5,000 or 1.1%.

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 June 30, 2023, 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

Arkansas

Effective 3/1/2023, the Company sold its interests in five operated gas wells along with the associated leasehold acreage in Crawford, Franklin and Pope Counties, Arkansas.

Oklahoma

The Company participated in the drilling of the Jake #1H and #2 wells in Carter Co. OK. Both horizontal wells were landed in the Sycamore formation. The wells have been drilled, cased, and completed and are now in the production phase. The Company owns 0.990517% non-operated working interest and a 0.760274% revenue interest in the Jake #1H well and 1.17187% non-operated working interest and a 0.899408% revenue interest in the Jake #2H well.

The Company participated in the drilling of the Harris 3H well in Grady Co., OK. The well has been drilled, cased, and completed in the Marchand Sand and is now in the production phase. The Company owns 0.664916% non-operated working interest.

East Texas

The Company participated in the drilling of the Smead #2 well in Gregg County, Texas. The well has been drilled, cased, and awaiting completion in the Travis Peak Sands. The Company owns 25% non-operated working interest and an 18.75% revenue interest.

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: August 21, 2023

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

Date: August 21, 2023

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

Date: August 21, 2023

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

Exhibit 31.1

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: August 21, 2023

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: August 21, 2023

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 June 30, 2023, 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: August 21, 2023

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