SPINDLETOP OIL & GAS CO
Form 10-Q
May 20, 2015

**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 MARCH 31, 2015**

**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<br><br>(State or other jurisdiction<br><br>of incorporation or organization) | 75-2063001<br><br>(I.R.S. Employer Identification No.) |
| 12850 Spurling Rd., Suite 200, Dallas, Texas<br><br>(Address of principal executive offices) | 75230<br><br>(Zip Code) |

(972-644-2581)

(Registrant's telephone number, including area code)

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 (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 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 (§ 232.405 of this chapter) during the preceding 12 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 is a large accelerated filer, an accelerated filer, a

non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer”, “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act).

Large accelerated filer [ ] Accelerated filer [ ]
Non-accelerated filer [ ] Smaller reporting company [ X ]

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 ISSUERS INVOLVED IN BANKRUPTCY**

**PROCEEDINGS DURING THE PRECEEDING 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 ISSUERS:**

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 6,936,269

(Class) (Outstanding at May 20, 2015)

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

**FORM 10-Q**
**For the quarter ended March 31, 2015**

**Index to Consolidated Financial Statements and Schedules**

**Part I - Financial Information**

**Item 1. - Financial Statements**

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

| | March 31, 2015 (Unaudited) | December 31, 2014 |
|---|---|---|
| **ASSETS** | | |
| **Current Assets** | | |
| Cash and cash equivalents | $ 13,988,000 | $ 14,294,000 |
| Accounts receivable, trade | 1,967,000 | 2,153,000 |
| Prepaid income tax | 272,000 | 172,000 |
| Other short-term investments | 400,000 | 400,000 |
| Total Current Assets | 16,627,000 | 17,019,000 |
| **Property and Equipment - at cost** | | |
| Oil and gas properties (full cost method) | 28,247,000 | 28,067,000 |
| Rental equipment | 406,000 | 406,000 |
| Gas gathering system | 180,000 | 180,000 |
| Other property and equipment | 296,000 | 251,000 |
| | 29,129,000 | 28,904,000 |
| Accumulated depreciation and amortization | (15,544,000) | (15,147,000) |
| Total Property and Equipment | 13,585,000 | 13,757,000 |
| **Real Estate Property - at cost** | | |
| Land | 688,000 | 688,000 |
| Commercial office building | 1,580,000 | 1,580,000 |
| Accumulated depreciation | (769,000) | (756,000) |
| Total Real Estate Property | 1,499,000 | 1,512,000 |
| **Other Assets** | | |
| Other long-term investments | 1,200,000 | 1,200,000 |
| Other | 18,000 | 18,000 |
| Total Other Assets | 1,218,000 | 1,218,000 |
| **Total Assets** | $ 32,929,000 | $ 33,506,000 |

The accompanying notes are an integral part of these statements.

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

| | March 31, 2015 (Unaudited) | December 31, 2014 |
|---|---|---|
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | |
| **Current Liabilities** | | |
| Accounts payable and accrued liabilities | $ 6,076,000 | $ 6,257,000 |
| Tax savings benefit | 97,000 | 97,000 |
| Total Current Liabilities | 6,173,000 | 6,354,000 |
| **Noncurrent Liabilities** | | |
| Asset retirement obligation | 1,071,000 | 1,078,000 |
| Total Noncurrent Liabilities | 1,071,000 | 1,078,000 |
| **Deferred Income Tax Payable** | 1,595,000 | 1,828,000 |
| **Total Liabilities** | 8,839,000 | 9,260,000 |
| **Shareholders' Equity** | | |
| Common stock, $.01 par value, 100,000,000 shares authorized; 7,677,471 shares issued and 6,936,269 shares outstanding at March 31, 2015 and at December 31, 2014. | 77,000 | 77,000 |
| Additional paid-in capital | 943,000 | 943,000 |
| Treasury stock, at cost | (1,536,000) | (1,536,000) |
| Retained earnings | 24,606,000 | 24,762,000 |
| Total Shareholders' Equity | 24,090,000 | 24,246,000 |
| **Total Liabilities and Shareholders' Equity** | $ 32,929,000 | $ 33,506,000 |

The accompanying notes are an integral part of these statements.

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

| | Three Months Ended , March 31 , 2015 | March 31 , 2014 |
|---|---|---|
| **Revenues** | | |
| Oil and gas revenues | $ 1,229,000 | $ 3,270,000 |
| Revenue from lease operations | 103,000 | 116,000 |
| Gas gathering, compression, equipment rental | 31,000 | 29,000 |
| Real estate rental income | 60,000 | 61,000 |
| Interest Income | 16,000 | 16,000 |
| Other | 17,000 | 76,000 |
| Total Revenues | 1,456,000 | 3,568,000 |
| | | |
| **Expenses** | | |
| Lease operations | 440,000 | 336,000 |
| Production taxes, gathering and marketing | 137,000 | 242,000 |
| Pipeline and rental operations | 8,000 | 20,000 |
| Real estate operations | 46,000 | 55,000 |
| Depreciation and amortization | 410,000 | 478,000 |
| ARO accretion expense | 10,000 | 29,000 |
| General and administrative | 844,000 | 887,000 |
| Total Expenses | 1,895,000 | 2,047,000 |
| Income (Loss) Before Income Tax | (439,000) | 1,521,000 |
| | | |
| Current income tax provision (benefit) | (50,000) | 216,000 |
| Deferred income tax provision (benefit) | (233,000) | 290,000 |
| Total income tax provision (benefit) | (283,000) | 506,000 |
| **Net Income (Loss)** | $ (156,000) | $ 1,015,000 |
| | | |
| Earnings (Loss) per Share of Common Stock Basic and Diluted | $ (0.02) | $ 0.15 |
| | | |
| Weighted Average Shares Outstanding Basic and Diluted | 6,936,269 | 6,936,269 |

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 , 2015 | March 31 2014 |
|---|---|---|
| Cash Flows from Operating Activities | | |
| Net Income (Loss) | $ (156,000) | $ 1,015,000 |
| Reconciliation of net income (loss) to net cash provided by operating activities | | |
| Depreciation and amortization | 410,000 | 478,000 |
| Accretion of asset retirement obligation | 10,000 | 29,000 |
| Changes in accounts receivable | 186,000 | 1,050,000 |
| Changes in prepaid income tax | (100,000) | - |
| Changes in accounts payable & accrued liabilities | (181,000) | 2,290,000 |
| Changes in current tax payable | - | 111,000 |
| Changes in deferred tax payable | (233,000) | 290,000 |
| Net cash provided by (used for) operating activities | (64,000) | 5,263,000 |
| | | |
| Cash Flows from Investing Activities | | |
| Capitalized acquisition, exploration and development costs | (242,000) | (2,114,000) |
| Net cash used for investing activities | (242,000) | (2,114,000) |
| Increase (decrease) in cash | (306,000) | 3,149,000 |
| | | |
| Cash at beginning of period | 14,294,000 | 9,129,000 |
| Cash at end of period | $ 13,988,000 | $ 12,278,000 |
| | | |
| Interest paid in cash | $ - | $ - |
| Income taxes paid in cash | $ 50,000 | $ 100,000 |

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, 2014 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.

Subsequent Events

The Company has evaluated subsequent events through the issuance date of this report of May 20, 2015.

**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,” “mi “plan,” “estimate,” “project,” “should,” “will,” “result” and similar expressions which do not relate solely to historical matters 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 no changes from the risk factors previously described in the Company’s Form 10-K for the fiscal year ended December 31, 2014 (the “Form 10-K”).

Uncertainties regarding the global economic and financial environment 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 for long periods of time. Costs of exploration, development and production have not yet adjusted to current economic conditions, or in proportion to the significant reduction in product 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.

The Obama administration has set forth budget proposals 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 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**

Three months ended March 31, 2015 compared to the three months ended March 31, 2014

Oil and gas revenues for the first quarter of 2015 were $1,229,000, as compared to $3,270,000 for the same period in 2014, a decrease of approximately $2,041,000 or 62.42%.

Natural gas revenues for the first three months of 2015 were $460,000 compared to $891,000 for the same period in 2014, a decrease of $431,000 or 48.37%. Natural gas sales volumes for the first quarter of 2015 were approximately 172,000 mcf compared to approximately 184,000 mcf during the first quarter of 2014, a decrease of approximately 12,000 mcf or 6.52%. In general this decrease was due primarily to a significant decrease in natural gas prices discussed below, and to a natural decline in production. In addition, several wells were shut in pending re-works in 2015 which contributed to an overall decline in gas production between the periods.

Average natural gas prices received were $2.67 per mcf in the first quarter of 2015 as compared to $4.64 per mcf in the first quarter of 2014, a decrease of approximately $1.97 per mcf or 42.46%.

Oil sales for the first three months of 2015 were approximately $769,000 compared to approximately $2,379,000 in the first quarter of 2014, a decrease of approximately $1,610,000 or 67.68%. Of this net decrease in oil sales, volumes for the first quarter of 2015 were approximately 16,600 bbls, compared to 20,900 bbls during the first quarter of 2014, a decrease of approximately 4,300 bbls, or 20.57%. This decrease was due primarily to a significant decrease in oil prices discussed below, and to a decline in oil production between the two periods related to several non-operated wells in East Texas in which the Company owns working and royalty interests. These wells started producing between the last half of 2013 and the beginning of 2014.

Average oil prices received were $46.33 per bbl in the first quarter of 2015 compared to $113.76 per bbl in the first three months of 2014, a decrease of approximately $67.43 per bbl or 59.28%.

The primary reason for the decrease in natural gas and oil revenues during the first quarter of 2015 as compared to the first quarter of 2014 is the decline in prices at which we sell our oil and natural gas products. The prices for our products have decreased significantly in conjunction with the overall decline in oil and gas prices worldwide starting in mid- 2014. The Company has experienced a similar decline in the selling prices of its products. Average quarterly natural gas prices per mcf for the Company in for the year ended December 31, 2014 were $4.64, $4.71, $4.45, and

$4.06, respectively. Average quarterly crude oil prices per bbl for the Company for the year ended December 31, 2014 were $113.76, $100.55, $98.05, and $83.03 respectively. During the first quarter of 2015, crude oil prices for West Texas Intermediate have fallen into the low $40-$45 dollar range. Natural gas prices for the same period have decreased to under $3.00 per mcf. The decreases in the Company’s product prices have a direct effect on its cash flow and profits.

Revenues from lease operations was $103,000 in the first quarter of 2015 compared to $116,000 in the first quarter of 2014, a decrease of $13,000 or 11.21%. This decrease is due to decreases in field supervision charged to operated leases along with a small decrease in operator overhead charges to operated leases.

Revenues from gas gathering, compression and equipment rental for the first quarter of 2015 was $31,000 compared to $29,000 in the first quarter of 2014, an increase of $2,000 or 6.9%.

Real estate income was approximately $60,000 during the first quarter of 2015 compared to $61,000 for the first three months of 2014, a decrease of approximately $1,000, or 1.64%.

Interest income was $16,000 during the first quarter of 2015, approximately the same as during the same period in 2014. Interest income is derived from investments in both short-term and long-term certificates of deposit.

Other revenues for the first three months of 2015 were $17,000 as compared to $76,000 for the same time period in 2014, a decrease of $59,000, or 77.63%. This difference is due primarily to cash received of $60,000 for a Farmout Agreement in the first quarter of 2014. There was no cash received from Farmout Agreements in the first quarter of 2015. From time to time, the Company farms out some its leasehold acreage to non-affiliated third parties for exploration and development drilling. Generally, the Company receives a one-time payment for the agreement. The revenues from these farm-out agreements vary in size and frequency and should not be considered as regularly recurring revenues that the Company receives.

Lease operating expenses in the first quarter of 2015 were $440,000 as compared to $336,000 in the first quarter of 2014, a net increase of approximately $104,000, or 30.95%. Of this net increase, approximately $139,000 is due to increased operating expenses for non-operated properties as a result of adding new non-operated properties. $13,000 is attributable to new operated properties added since the first quarter of 2014. Both increases were offset by approximately $36,000 due to decreased workover expenses on operated properties between periods, and the remaining $12,000 represented net increases and decreases on various properties due to general price fluctuations and levels of operation activity. The majority of the increase in operating expenses for non-operated leases was due to several large workovers as well as the addition of several non-operated leases since the first quarter of 2014.

Production taxes, gathering and marketing expenses in the first quarter of 2015 were approximately $137,000 as compared to $242,000 for the first quarter of 2014, a decrease of approximately $105,000 or 43.39%. These decreases related directly to the decline in oil and gas revenues as described in the above paragraphs.

Pipeline and rental expenses for the first quarter of 2015 were $8,000 compared to $20,000 for the same time period in 2014, a decrease of $12,000, or 60.0% due to decreases in compressor repairs.

Real estate expenses in the first quarter of 2015 was approximately $46,000 compared to $55,000 during the same period in 2014, a decrease of approximately $9,000 or 16.4% due to a decrease in repairs and maintenance.

Depreciation, depletion, and amortization expense for the first quarter of 2015 was $410,000 as compared to $478,000 for the first quarter of 2014, a decrease of $68,000, or 14.23%. $391,000 of the amount for the first quarter of 2015 was for amortization of the full cost pool of capitalized acquisition, exploration, and development costs as compared with $460,000 for the first quarter of 2014, a decrease of $69,000 or 15.0%. The Company re-evaluated its proved oil and gas reserve quantities as of December 31, 2014. This re-evaluated reserve base was reduced for oil and gas reserves that were produced or sold during the quarter and adjusted for newly acquired reserves or for changes in estimated production curves and future price assumptions. A depletion rate of 2.929% for the first quarter of 2015 was calculated and applied to the Company’s full cost pool of capitalized oil and gas properties as compared to 3.270% for the first quarter of 2014.

Asset Retirement Obligation (“ARO”) expense for the first three months of 2015 was approximately $10,000 as compared to approximately $29,000 for the same time period in 2014, a decrease of $19,000, or 65.52%. 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 quarter of 2015 were approximately $844,000 as compared to approximately $887,000 for the first quarter of 2014, a decrease of $43,000 or 4.85%.

**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) 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 March 31, 2015 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**

West Texas

During the fourth quarter of 2014, the Company participated for a 2.62033% non-operated working interest with a 2.12903% net revenue interest in the drilling of the Moore Hooper #1H well located in Phantom (Wolfcamp) field of

Loving County, Texas. The well is a horizontal well targeting the Wolfcamp “B”. The well was spud on November 6, 2014 and drilled with a smaller drilling rig. The surface casing was set and cemented at 4,260 ft. on November 11, 2014 and the rig was released. A larger rig was moved in and began drilling on January 2, 2015, and on January 11, 2015, 7-inch intermediate casing was run to 10,708 ft. and cemented-in. The lateral reached a MD of 15,309 ft. on January 27, 2015, and 4.5-inch casing was set and cemented into the 6.125-inch hole on February 18, 2015. The reported TVD was 11,086 ft. and the stimulated portion of the lateral was 3,286 ft. long (top of perf. to lower perf). The well was hydraulically fractured using the plug-n-perf method from February 25, 2015 through March 9, 2015, with 3,785,562 lbs.of proppant, 39,000 gallons of 15% acid, and 68,691 bbls. of gel in 14 stages. The perforations were reported to be from 11,524 ft. to 14,810 ft. in the Wolfcamp “B”. The well was placed gas lift and had an initial potential of 432 bopd, 2,017 mcfgpd, and 2,520 bwpd on March 27, 2015.

During the fourth quarter of 2014, the Company participated for a 2.62033% non-operated working interest with a 2.12903% net revenue interest in the drilling of the Moore Hooper #2H well located in the Phantom (Wolfcamp) field of Loving County, Texas. The well is a horizontal well targeting the Wolfcamp “A”. The well was spud on November 26, 2014, and surface casing was set at a depth of 4,183 ft and cemented in. The operator utilized a smaller rig to drill the vertical and curve portion of the well and to set the surface and intermediate casing. The intermediate casing was set and cemented through the curve at a depth of 10,197 ft. on December 13, 2014. A larger rig was moved in and began drilling the lateral on February 13, 2015, and reached MD of 16,160 ft. with a TVD of 10,909 ft. on February 25, 2015. On February 28, 2015, 4.5-inch casing with sliding sleeves was run to TMD and cemented-in. Hydraulic fracturing of the well began on March 20, 2015, and was still in process at the close of the first quarter of 2015.

The Company also participated for a 2.62033% non-operated working interest with a 2.12903% net revenue interest in the drilling of the Moore Hooper #3H well located in the Phantom (Wolfcamp) field. The well is a horizontal well targeting the Wolfcamp “A”. The well was spud on December 14, 2014, and surface casing was set and cemented at a depth of 4,215 ft. on December 23, 2014. The vertical and the curve portion of the well were then drilled and intermediate casing was set and cemented through the curve at a depth of 10,090 ft. on January 4, 2015 using a smaller rig. The Operator plans to move in a larger rig to drill the remaining portion of the curve and the lateral. At the end of the first quarter, the well was waiting for the larger rig to drill the lateral.

During the fourth quarter of 2014, the Company, as Operator, drilled the Miller #2 well located in the Noodle, NW (Canyon Sand) field of Jones County, Texas. The well is a vertical well targeting the Canyon Sands. The well was spud on October 11, 2014, and reached a TD of 4,360 ft. on October 21, 2014. On October 23, 2014, 5.5-inch production casing was set to 4,358 ft. and cemented in-place. The Canyon Sands were perforated from 3,997 ft. to 4,017 ft. on February 3, 2015. The perfs were broken down with 1,000 gallons of 10% NEFE acid. The well was swabbed for two days and then built pressure for eight days. On February 21, 2015, the Canyon Sands were hydraulically fractured with 58,112 lbs. of proppant and 1,116 bbls of gel. The well is currently being tested. The Company owns a 76% working interest, with a 67.375% net revenue interest.

Texas Panhandle

During the third quarter of 2014, the Company, as Operator, participated for a 29.1606% working interest with a 21.87045% net revenue interest in the drilling of the Pope #140-4H well in the Pan Petro (Cleveland) Field in Ochiltree County, Texas. The horizontal well was spud on July 9, 2014, and reached a total measured depth of 8,874 ft. on August 15, 2014, in the Cleveland Sand Formation. The TVD was 6,486 ft. and the lateral length was approximately 1,943 ft. On August 15, 2014, 4.5-inch production casing with an open hole packer system was run from 6,187 ft. to 8,666 ft. and set. On January 28, 2015, the Cleveland Sand was hydraulically fractured in 10 stages from 6,931 ft. to 8,691 ft. with 1,110,680 lbs. of proppant, 14,528 bbls of cross linked gel/XL lightning and 5,313,715 scf Nitrogen (30% Foam quality). From January 28, 2015 through March 10, 2015, activities on the well consisted of flowing back, running of tubing, a packer and gas lift valves in the wellbore, the installation of production facilities, gathering lines, setting a gas lift compressor and installing metering. The well was tested on March 22, 2015 with an IP of 57 bopd, 106 mcfgpd and 54 bwpd.

East Texas

During the third quarter of 2014, the Company participated for a 1.30148796% non-operated working interest with a 1.261019% net revenue interest in the drilling of the Carr-Ward #2H well located in the Halliday (Woodbine) Field of Leon County, Texas. The well was spud on October 7, 2014, reached a total measured depth of 15,521 ft. on November 16, 2014, and casing was run in the lateral and tied back to the intermediate casing on November 21, 2014.

The well is a horizontal well targeting the Woodbine Sands at a depth of 7,267 ft. TVD. The well was hydraulically fractured using the plug-n-perf method from December 22, 2014 through December 29, 2014, with 7,153,447 lbs. of proppant, in 24 stages. The perforations were reported from 8,050 ft. to 15,385 ft. in the Woodbine Sand. The well was placed on gas lift and had an initial potential of 302 bopd, 434 mcfgpd, and 383 bwpd on March 3, 2015.

North Texas

During the first quarter of 2015, the Company acquired two working interests, each being 1.142857% with a net royalty interest of 0.857143% in the Company's Lebleu #1 well located in the Sipes Springs (Marble Falls) field in Comanche County, Texas. These additional acquisitions brought the Company's interest in the well to a total 71.56286% working interest with a 53.672147% net revenue interest.

New Mexico

During the third quarter of 2014, the Company participated in the drilling, completion and equipping phase of the State Line #1 well located in the Sawyer Field of Lea County, New Mexico. The well was drilled to a depth of 5,438 ft. in the San Andres Formation. Production casing was set and cemented in the wellbore. The San Andres was perforated from 4,934 ft. to 4,998 ft. and acidized with 5,000 gals of 15% acid. The well was placed on pump on September 25, 2014. The average production of the first 30 days was 4 bopd and 4 bswpd, while pump testing and then the well was shut-in awaiting permanent surface facilities. Surface facilities including electrification were completed and the well resumed pumping on February 18, 2015 at an initial rate of 19.4 bopd and 8.4 bwpd. The company owns a 6.25% non-operated working interest with a 4.6875% net revenue interest.

For all of the above wells, the Company cautions that the initial production rates of a newly completed well or newly recompleted well or the production rates at the effective date of acquisition may not be an indicator of stabilized production rates or an indicator of the ultimate recoveries obtained.

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**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 |

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* 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.**<br>(Registrant) |
| Date: May 20, 2015 | By:/s/ Chris G. Mazzini<br>Chris G. Mazzini<br>President, Principal Executive Officer |
| Date: May 20, 2015 | By:/s/ Michelle H. Mazzini<br>Michelle H. Mazzini<br>Vice President, Secretary |
| Date: May 20, 2015 | By:/s/ Robert E. Corbin<br>Robert E. Corbin<br>Controller, Principal Financial and<br>Accounting Officer |

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: May 20, 2015

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

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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: May 20, 2015

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

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 March 31, 2015 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: May 20, 2015

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

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