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SPINDLETOP OIL & GAS CO
Form 10-Q
August 17, 2007

FORM 10-Q

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

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

FOR THE QUARTER ENDED JUNE 30, 2007

or

TRANSITION REPORT PURSUANT OT 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
(State or other jurisdiction
of incorporation or organization)

75-2063001
(IRS Employer Identification No.)

12850 Spurling Rd., Suite 200, Dallas, TX
(Address of principal executive offices)

75230
(Zip Code)

(972) 644-2581
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports
required to be filed by Section 13 or 15(d) of the Securities Exchange Act of
1934 during the preceding 12 months (or for such shorter period that the
Company was required to file such reports), and (2) has been subject to such
filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is an accelerated filer (as
defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an
accelerated filer or a non-accelerated filer. See definition of accelerated
filer in Rule 12b-2 of the Exchange Act (Check one):

Large accelerated filer Accelerated filer Non-
accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in
Rule 12b-2 of the Exchange Act). Yes No

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

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confirmed by a court. Yes [] No []

APPLICABLE ONLY TO CORPORATE ISSUERS:

As of August 17, 2007, there were 7,610,803 shares of the Company's common stock outstanding.

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SPINDLETOP OIL & GAS CO. AND SUBSIDIARIES

FORM 10-Q

For the quarter ended June 30, 2007

Index to Consolidated Financial Statements and Schedules

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Part I - Financial Information

Item 1. - Financial Statements

SPINDLETOP OIL & GAS CO. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

As of

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	June 30 2007 (Unaudited)	December 31 2006
	-----	-----
ASSETS		
Current Assets		
Cash	\$ 6,055,000	\$ 5,759,000
Accounts receivable, trade	1,179,000	1,173,000
Prepaid expenses, related party	-	60,000
Prepaid income tax	138,000	426,000
	-----	-----
Total Current Assets	7,372,000	7,418,000
	-----	-----
Property and Equipment, at cost		
Oil and gas properties (full cost method)	8,860,000	8,102,000
Rental equipment	399,000	399,000
Gas gathering systems	145,000	145,000
Other property and equipment	141,000	141,000
	-----	-----
	9,545,000	8,787,000
Accumulated depreciation and amortization	(5,476,000)	(5,257,000)
	-----	-----
Total Property and Equipment, net	4,069,000	3,530,000
	-----	-----
Real Estate Property, at cost		
Land	688,000	688,000
Commercial office building	1,542,000	1,508,000
Accumulated depreciation	(192,000)	(120,000)
	-----	-----
Total Real Estate Property, net	2,038,000	2,076,000
	-----	-----
Other Assets	1,000	-
	-----	-----
Total Assets	\$13,480,000	\$13,024,000
	=====	=====

The accompanying notes are an integral part of these statements.

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

	As of	
	June 30 2007 (Unaudited)	December 31 2006
	-----	-----
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Notes payable, current portion	\$ 120,000	\$ 120,000
Accounts payable and accrued liabilities	1,742,000	2,237,000
Tax savings benefit payable	97,000	97,000

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Total current liabilities	1,959,000	2,454,000
Noncurrent Liabilities		
Notes payable, long-term portion	1,260,000	1,320,000
Asset retirement obligation	257,000	251,000
	1,517,000	1,571,000
Deferred income tax payable	1,588,000	1,324,000
Shareholders' Equity		
Common stock, \$.01 par value; 100,000,000 Shares authorized; 7,677,471 shares issued at June 30, 2007 and December 31, 2006. 7,600,803 shares outstanding at June 30, 2007 and 7,595,803 shares outstanding at December 31, 2006	77,000	77,000
Additional paid-in capital	860,000	850,000
Treasury Stock	(39,000)	(40,000)
Retained earnings	7,518,000	6,788,000
Total Shareholders' Equity	8,416,000	7,675,000
Total Liabilities and Shareholders' Equity	\$13,480,000	\$13,024,000

The accompanying notes are an integral part of these statements.

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

	Six Months Ended		Three Months Ended	
	June 30 2007	June 30 2006	June 30 2007	June 30 2006
Revenues				
Oil and gas revenue	\$ 2,976,000	\$ 2,586,000	\$ 1,851,000	\$ 1,205,000
Revenue from lease operations	98,000	70,000	62,000	35,000
Gas gathering, compression and Equipment rental	72,000	52,000	47,000	33,000
Real estate rental income	250,000	171,000	125,000	95,000
Interest income	156,000	115,000	71,000	66,000
Other	25,000	87,000	4,000	86,000
Total revenue	3,577,000	3,081,000	2,160,000	1,520,000

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Expenses				
Lease operations	836,000	893,000	541,000	575,000
Pipeline and rental operations	14,000	31,000	2,000	5,000
Real estate operations	102,000	111,000	36,000	43,000
Depreciation, depletion and amortization	290,000	391,000	154,000	175,000
Asset retirement obligation accretion	17,000	-	8,000	-
General and administrative	981,000	630,000	533,000	355,000
Interest expense	55,000	47,000	22,000	23,000
	-----	-----	-----	-----
Total Expenses	2,295,000	2,103,000	1,296,000	1,176,000
	-----	-----	-----	-----
Income Before Income Tax	1,282,000	978,000	864,000	344,000
	-----	-----	-----	-----
Current tax provision	288,000	135,000	177,000	133,000
Deferred tax provision	264,000	252,000	173,000	91,000
	-----	-----	-----	-----
	552,000	387,000	350,000	224,000
	-----	-----	-----	-----
Net Income	\$ 730,000	\$ 591,000	\$ 514,000	\$ 120,000
	=====	=====	=====	=====
Earnings per Share of Common Stock				
Basic and diluted	\$ 0.10	\$ 0.08	\$ 0.07	\$ 0.02
	=====	=====	=====	=====
Weighted Average Shares Outstanding				
Basic and diluted	7,599,339	7,585,803	7,599,339	7,585,803
	=====	=====	=====	=====

The accompanying notes are an integral part of these statements.

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

	Six Months Ended	
	June 30	June 30
	2007	2006
	-----	-----
Cash Flows from Operating Activities		
Net Income	\$ 730,000	\$ 591,000
Reconciliation of net income to net cash provided by Operating Activities		
Depreciation, depletion and amortization	290,000	391,000
Employee compensation paid with treasury stock	11,000	-
Changes in prepaid expense	60,000	-
Changes in accounts receivable, trade	(6,000)	233,000
Changes in prepaid income taxes	288,000	(45,000)
Changes in accounts payable	(495,000)	209,000
Changes in current taxes payable	-	(20,000)
Changes in deferred tax payable	264,000	252,000
Changes in asset retirement obligation	6,000	-
Other	(1,000)	1,000
	-----	-----

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Net cash provided by operating Activities	1,147,000	1,612,000
	-----	-----
Cash flows from Investing Activities		
Capitalized acquisition, exploration and development costs	(758,000)	(595,000)
Proceeds from sale of other property and equipment	-	12,000
Capitalized tenant improvements and broker fees	(33,000)	(127,000)
	-----	-----
Net cash used for Investing Activities	(791,000)	(710,000)
	-----	-----
Cash Flows from Financing Activities		
Decrease in notes payable	(60,000)	(60,000)
	-----	-----
Net cash used for Financing Activities	(60,000)	(60,000)
	-----	-----
Increase in cash	296,000	842,000
Cash at beginning of period	5,759,000	5,508,000
	-----	-----
Cash at end of period	\$ 6,055,000	\$ 6,350,000
	=====	=====

The accompanying notes are an integral part of these statements.

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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, 2006 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.

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2. COMMON STOCK

Effective March 22, 2007, the Company issued 5,000 shares of restricted common stock to a key employee pursuant to an employment package. The shares were valued at \$2.12 per share, a 60% discount from the believed market value for free trading shares at the time of issue of \$5.30 per share. The discount was determined based in part on the fact that the shares were restricted and could not be sold or traded for at least one year from date of issue. The amount was expensed as general and administrative expense. The shares of common stock were issued out of Treasury Stock and reduced the amount of the Company's common stock held in Treasury from 81,668 to 76,668 shares. This transaction was recorded in accordance with FAS 123-R that became effective January 1, 2006.

Subsequent to the end of the quarter and effective August 15, 2007, the Company issued 10,000 shares of restricted common stock to a key employee pursuant to an employment package. The shares were valued at \$2.10 per share, a 60% discount from the believed market value for free trading shares at the time of issue of \$5.25 per share. The discount was determined based in part on the fact that the shares were restricted and cannot be sold or traded for at least one year from date of issue. The amount was expensed as general and administrative expense. The shares of common stock were issued out of Treasury

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Stock and reduced the amount of the Company's common stock held in Treasury from 76,668 to 66,668 shares. This transaction was recorded in accordance with FAS 123-R that became effective January 1, 2006

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.

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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, 2006 (the "Form 10-K").

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

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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

Six months ended June 30, 2007 compared to six months ended June 30, 2006

Total oil and gas revenues reported for the first six months ended June 30, 2007 were \$2,976,000 while total oil and gas revenues reported for the same period in 2006 were \$2,586,000.

Oil sales for the first six months of 2007 were \$692,000 compared to \$721,000 for the same period in 2006, a decrease of approximately \$29,000 or -4%. The decrease is due to several wells that were temporarily shut-in and awaiting repairs. Average oil prices for production sold in the first six months of 2007 was \$ 56.68 per barrel compared to \$62.51 per barrel for the first six months of 2006.

Gas Sales in the first six months of 2007 were \$2,284,000 while total oil and gas revenues reported for the same period in 2006 were \$1,865,000, an increase of \$419,000 or 22%. The Company realized an increase in gas production between the two periods from its Olex U.S. lease in Denton County, Texas. In addition the Hutchinson #2H and #3H, two of the horizontal wells in Parker County were placed on production in February and March respectively. Average gas prices for production sold in the first six months of 2007 was \$ 6.55 per mcf compared to \$6.90 per mcf in 2006.

Lease operations were down \$57,000 or 6% lower than in the same six month period of 2006.

Depletion expense is lower for the first six months of 2007 as the amount of cost for proved undeveloped properties included in the full cost pot was reduced significantly with the entry into the horizontal drilling program with a non-related third party. The reduction of the full cost pot reduced the amount of depletion charged to expense.

General and Administrative increased approximately \$351,000 due to increased personnel cost and benefits due to the Company adding full-time employees, primarily in the technical side of operations.

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Three months ended June 30, 2007 compared to three months ended June 30, 2006

Total oil and gas revenues reported for the three months ended June 30, 2007 were \$1,851,000 while total oil and gas revenues reported for the same period in 2006 were \$1,205,000.

Oil sales for the second quarter of 2007 were \$391,000 compared to \$345,000 for the same period in 2006, an increase of approximately \$46,000 or 13%. Average oil prices for production sold in the second quarter of 2007 was \$ 59.48 per barrel compared to \$66.62 per barrel for the second quarter of 2006.

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Gas Sales in the second quarter of 2007 were \$1,460,000 while total oil and gas revenues reported for the same period in 2006 were \$860,000, an increase of \$600,000 or 70%. The Company realized an increase in gas production between the two periods from its Olex U.S. lease in Denton County, Texas. In addition the Hutchinson #2H and #3H, two of the horizontal wells in Parker County were placed on production in February and March respectively. Average gas prices for production sold in the second quarter of 2007 was \$ 6.75 per mcf compared to \$6.76 per mcf in 2006

Lease operations were down \$34,000 or 6% lower than in the same three month period of 2006.

Depletion expense is lower for the first three months of 2007 as the amount of cost for proved undeveloped properties included in the full cost pot was reduced significantly with the entry into the horizontal drilling program with a non-related third party. The reduction of the full cost pot reduced the amount of depletion charged to expense.

General and Administrative increased approximately \$178,000 due to increased personnel cost and benefits due to the Company adding full-time employees, primarily in the technical side of operations.

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 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 Officer concluded that the Company's disclosure controls and procedures are effective in timely alerting them to material information relating to the Company (including its consolidated subsidiaries) which is required to be included in the Company's

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periodic SEC filings.

(b) There have been no changes in the Company's internal controls over financial reporting during the quarter ended June 30, 2007 that have materially affected, or are reasonably likely to materially affect the Company's internal controls over financial reporting.

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Part II - Other Information

Item 1. Legal Proceedings

On June 21, 2007, the acting United States attorney for the Eastern District of Texas filed an Information against Spindletop Drilling Company, a subsidiary of the registrant in a case styled The United States of America v. Spindletop Drilling Company, Case No. 5:07CR16 filed in the United States District Court for the Eastern District of Texas, Texarkana Division. The Information alleges a violation of Title 16, USC Sec. 703 (unlawful taking of migratory birds), charges Spindletop Drilling Company with a Class B misdemeanor petty offense advising that on or about September 6, 2006 in Titus County, Texas allegedly took migratory birds including approximately twelve (12) Northern Mockingbirds (*Mimus Polyglottos*) and one (1) Mourning Dove (*Zenaida Macroura*), all in violation of 16 USC Sec. 703 and 707(a). Spindletop Drilling Company owns and operates an oil pit located on the "Pewitt D" lease located in Titus County, Texas. Although Spindletop Drilling Company had netting in place, several small birds were found in the pit in early September, 2006.

Although the incident was inadvertent, on June 26, 2007, in order to resolve the matter, Spindletop Drilling Company entered into a plea agreement agreeing to one count of the Information which charged a violation of 16 USC Sec.703 and stipulated and agreed that two years probation, \$10,000 in restitution payable to the National Fish and Wildlife Foundation, no fine, and a \$25 special assessment would best advance the objectives under the law. Spindletop Drilling Company expects the court to give final approval of this agreement during the third calendar quarter of 2007.

Spindletop Drilling Company has already corrected the netting on the property and has implemented other safeguards to further protect the migratory birds and property in question.

Item 2. - Unregistered Sales of Equity Securities and Use of Proceeds

During the period, the following securities of the Registrant, which were not registered under the Securities Act, were sold or otherwise issued:

Effective March 22, 2007, the Company issued 5,000 shares of restricted common stock to a key employee pursuant to an employment package. The shares were valued at \$2.10 per share, a 60% discount from the believed market value for free trading shares at the time of issue of \$5.25 per share. The discount was determined based in part on the fact that the shares were restricted and could not be sold or traded for at least one year from date of issue. The amount was expensed as general and administrative expense. The shares of common stock were issued out of Treasury Stock in reliance upon the exemption afforded by Section 4(2) under the Securities Act of 1933 and reduced the amount of the Company's common stock held in Treasury from 81,668 to 76,668 shares.

Subsequent to the end of the quarter and effective August 15, 2007, the Company issued 10,000 shares of restricted common stock to a key employee pursuant to

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an employment package. The shares were valued at \$2.10 per share, a 60% discount from the believed market value for free trading shares at the time of

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issue of \$5.25 per share. The discount was determined based in part on the fact that the shares were restricted and cannot be sold or traded for at least one year from date of issue. The amount was expensed as general and administrative expense. The shares of common stock were issued out of Treasury Stock and reduced the amount of the Company's common stock held in Treasury from 76,668 to 66,668 shares. This transaction was recorded in accordance with FAS 123-R that became effective January 1, 2006.

The Company does not have any Board of Directors approved repurchase program and has not purchased any securities issued by the Company during the period covered by this report.

Item 5 - Other Information

During the second quarter, the company completed two new vertical wells Barnett Shale wells in Denton County, Texas. The Olex U.S. #7 well was placed in production in March at an initial production rate of 1,253 mcf/gpd and 15 bopd. The Olex U.S. #6 well was placed in production in April at an initial rate of 1,769 mcf/gpd and 35 bopd. The company owns 53% and 52.5% working interest in the Olex U.S. #6 and #7 wells respectively. The Olex U.S. lease is surrounded by productive Barnett Shale gas wells and with existing spacing rules, an additional 27 vertical wells could be drilled on this lease.

Joint Drilling Development of North Texas Barnett Shale Leasehold:

The company entered into a joint Barnett Shale Horizontal drilling development program with an unrelated company during the third quarter of 2006. Under the terms of the Agreement, two wells were drilled in the 4th quarter of 2006 and 8 wells are to be drilled this year. The company holds a 50% working interest in these joint development wells.

During the second quarter, the third well drilled under our agreement, the Harms #4H well was completed in the Barnett Shale formation. The Harms #4H well is located in the northeast quarter of Parker County, Texas on the company's Springtown block. Subsequent to the second quarter, the Harms #4H well was flowed back and has flowed gas volumes in excess of 1,000 mcf/gpd, however, the gas production has been erratic because of down hole fluid loading. The well is currently shut in and awaiting the installation of a gas lift system for further testing.

The 4th well drilled under our agreement commenced drilling on our Whiskey Flat Block located in Southeast Parker County, northeast of Cresson, Texas. The Wilson-Harris #2H well was drilled to a measured depth of 9,136 ft. was cased and is subsequently awaiting completion.

Subsequent to the second quarter, the 5th well, the Wilson-Harris #3H well was drilled to a measured depth of 8,756 ft. and cased and is also awaiting completion. The 6th well, the Wilson-Harris #4H well was commenced in July and is currently drilling.

All three wells should be completed and placed in production during the third quarter. It is anticipated that four additional horizontal wells will be drilled this year.

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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.

* filed herewith

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Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the

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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 17, 2007

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

Date: August 17, 2007

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

Date: August 17, 2007

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

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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.;

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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

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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.

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Dated: August 17, 2007

/s/ Chris G. Mazzini
CHRIS G. MAZZINI
President, Chief 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;

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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

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5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

- (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls.

Dated: August 17, 2007.

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

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Exhibit 32.1

Officers' Section 1350 Certifications

The undersigned officer of Spindletop Oil & Gas Co., a Texas corporation (the "Company"), hereby certifies that (i) the Company's Report on Form 10-Q for the quarter ended June 30, 2006 fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, and (ii) the information contained in the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2007 fairly presents, in all material respects, the financial condition and results of operations of the Company, at and for the periods indicated.

Dated: August 17, 2007

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

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

