

New Concept Energy, Inc.
Form 10-Q
November 14, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

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

FOR THE QUARTER ENDED September 30, 2018

Or

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

FOR THE TRANSITION PERIOD FROM TO

Commission File Number 000-08187

NEW CONCEPT ENERGY, INC.

(Exact Name of Registrant as Specified in Its Charter)

Nevada 75-2399477

(State or Other Jurisdiction of
(I.R.S. Employer Identification No.)

Incorporation or Organization)
1603 LBJ Freeway

Suite 300

Dallas, Texas
(Address of principal executive offices)
75234
(Zip Code)
(972) 407-8400
(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 registrant 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 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: No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or 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

NEW CONCEPT ENERGY, INC. AND SUBSIDIARIES

Index to Quarterly Report on Form 10-Q

Period ended September 30, 2018

<u>PART I: FINANCIAL INFORMATION</u>	<u>3</u>
<u>Item 1. Financial Statements</u>	<u>3</u>
<u>Consolidated Balance Sheets</u>	<u>3</u>
<u>Consolidated Statements of Operations</u>	<u>5</u>
<u>Consolidated Statements of Cash Flows</u>	<u>6</u>
<u>Notes To Consolidated Financial Statements</u>	<u>7</u>
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>8</u>
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	<u>10</u>
<u>Item 4. Controls and Procedures</u>	<u>10</u>
<u>PART II: OTHER INFORMATION</u>	<u>11</u>
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>11</u>
<u>Item 6. Exhibits</u>	<u>12</u>
<u>Signatures</u>	<u>13</u>

PART I. FINANCIAL INFORMATION**Item 1. Financial Statements**NEW CONCEPT ENERGY, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(unaudited)

(amounts in thousands)

	September 30, 2018	December 31, 2017
Assets		
Current assets		
Cash and cash equivalents	\$ 272	\$ 419
Accounts receivable from oil and gas sales	46	67
Other current assets	56	36
Total current assets	374	522
Oil and natural gas properties (full cost accounting method)		
Proved developed and undeveloped oil and gas properties, net of depletion	2,559	2,721
Property and equipment, net of depreciation		
Land, buildings and equipment - oil and gas operations	628	661
Other assets		
	257	301
Total assets	\$ 3,818	\$ 4,205

The accompanying notes are an integral part of these consolidated financial statements.

NEW CONCEPT ENERGY, INC. AND SUBSIDIARIES
 CONSOLIDATED BALANCE SHEETS - CONTINUED

(unaudited)

(amounts in thousands, except share amounts)

	September 30, 2018	December 31, 2017
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable (includes \$331 and \$412 due to related parties in 2018 & 2017)	\$366	\$446
Accrued expenses	31	29
Current portion of long term debt	51	81
Total current liabilities	448	556
Long-term debt		
Notes payable less current portion	222	243
Asset retirement obligation	2,770	2,770
Total liabilities	3,440	3,569
Stockholders' equity		
Preferred stock, Series B	1	1
Common stock, \$.01 par value; authorized, 100,000,000 shares; issued and outstanding, 2,131,935 and 2,036,935 shares at September 30, 2018 and December 31, 2017	22	21
Additional paid-in capital	59,170	59,000
Accumulated deficit	(58,815) (58,386)
Total Shareholder Equity	378	636
Total liabilities & equity	\$3,818	\$4,205

The accompanying notes are an integral part of these consolidated financial statements.

NEW CONCEPT ENERGY, INC AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS

(unaudited)

(amounts in thousands, except per share data)

	For the Three Months ended September 30, 2018		For the Nine Months ended September 30, 2017	
Revenue				
Oil and gas operations, net of royalties	\$ 167	\$ 194	\$ 544	\$ 632
Operating expenses				
Oil and gas operations	186	254	700	766
Corporate general and administrative	99	95	282	317
Total Operating Expenses	285	349	982	1,083
Operating earnings (loss)	(118)	(155)	(438)	(451)
Other income (expense)				
Interest income	5	5	16	20
Interest expense	(6)	(6)	(17)	(19)
Other income (expense)	(2)	66	10	51
	(3)	65	9	52
Loss from continuing operations	(121)	(90)	(429)	(399)
Earnings (loss) from discontinued operations	0	(11)	0	2
Net income (loss) applicable to common shares	\$(121)	\$(101)	\$(429)	\$(397)
Net income (loss) per common share-basic and diluted	\$(0.06)	\$(0.05)	\$(0.20)	\$(0.20)
Weighted average common and equivalent shares outstanding - basic	2,132	1,947	2,132	1,947

The accompanying notes are an integral part of these consolidated financial statements.

NEW CONCEPT ENERGY, INC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)
(amounts in thousands)

	For the Nine Months Ended September 30, 2018 2017	
Cash flows from operating activities		
Net income (loss)	\$(429)	\$(397)
Adjustments to reconcile net income to net cash provided by (used in) operating activities		
Depreciation, depletion and amortization	197	303
Write-off of retirement center assets	—	24
Changes in operating assets and liabilities		
Other current and non-current assets	46	153
Accounts payable and other liabilities	(78)	295
Net cash provided by (used) in operating activities	(264)	378
Cash flows from investing activities		
Investment in undeveloped land	—	(10)
Fixed asset additions	—	(2)
Net cash provided by (used in) investing activities	—	(12)
Cash flows from financing activities		
Payment on notes payable	(54)	(52)
Sale of common stock	171	—
Net cash provided by (used in) financing activities	117	(52)
Net increase (decrease) in cash and cash equivalents	(147)	314
Cash and cash equivalents at beginning of year	419	113
Cash and cash equivalents at end of period	\$272	\$427
Supplemental disclosures of cash flow information		
Cash paid for interest on notes payable	\$17	\$19

The accompanying notes are an integral part of these consolidated financial statements.

NEW CONCEPT ENERGY, INC. AND SUBSIDIARIES

Notes To Consolidated Financial Statements

NOTE A: BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements include the accounts of New Concept Energy, Inc. and its majority-owned subsidiaries (collectively, “NCE” or the “Company”). All significant intercompany transactions and accounts have been eliminated. Certain reclassifications have been made to the prior year revenue and operating expense amounts in the statement of operations to conform to the current year presentation.

The unaudited financial statements included herein have been prepared by the Company without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. The financial statements reflect all adjustments that are, in the opinion of management, necessary to fairly present such information. All such adjustments are of a normal recurring nature. 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 accounting principles generally accepted in the United States of America, have been condensed or omitted pursuant to such rules and regulations.

These financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company’s Annual Report on Form 10-K for the fiscal year ending December 31, 2017. Operating results for the three and nine month periods ended September 30, 2018 are not necessarily indicative of the results that may be expected for any subsequent quarter or for the fiscal year ending December 31, 2018.

NOTE B: NATURE OF OPERATIONS

The Company operates oil and gas wells and mineral leases in Athens and Meigs Counties in Ohio and in Calhoun, Jackson and Roane Counties in West Virginia through its wholly owned subsidiaries Mountaineer State Energy, Inc. and Mountaineer State Operations, LLC.

NOTE C: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

We consider accounting policies related to our estimates of depreciation amortization and depletion, segments, oil and gas properties, oil and gas reserves, gas gathering assets, office and field equipment, revenue recognition and gas imbalances, leases, revenue recognition for real estate operations, impairment, and sales of real estate as significant accounting policies. The policies include significant estimates made by management using information available at the time the estimates are made. However, these estimates could change materially if different information or assumptions were used. These policies are summarized in our Annual Report on Form 10-K for the year ended December 31, 2017.

NOTE D: OIL AND GAS RESERVES

The Company uses the full cost method of accounting for its investment in oil and natural gas properties. Under this method of accounting, all costs of acquisition, exploration and development of oil and natural gas properties (including such costs as leasehold acquisition costs, geological expenditures, dry hole costs, tangible and intangible development costs and direct internal costs) are capitalized as the cost of oil and natural gas properties when incurred.

The full cost method requires the Company to calculate quarterly, by cost center, a “ceiling,” or limitation on the amount of properties that can be capitalized on the balance sheet. To the extent capitalized costs of oil and natural gas properties, less accumulated depletion and related deferred taxes exceed the sum of the discounted future net revenues of proved oil and natural gas reserves, the lower of cost or estimated fair value of unproved properties subject to amortization, the cost of properties not being amortized, and the related tax amounts, such excess capitalized costs are charged to expense.

NOTE E: CONTINGENCIES

Carlton Litigation

Since December 2006, Carlton Energy Group, LLC (“Carlton”), an individual, Eurenergy Resources Corporation (“Eurenergy”) and several other entities, including New Concept Energy, Inc., which was then known as CabelTel International Corporation (the “Company”), have been involved in contentious litigation alleging tortuous conduct, breach of contract and other matters and, as to the Company, that it was the alter ego of Eurenergy. The Carlton claims were based upon an alleged tortuous interference with

a contract by the individual and Eurenergy related to the right to explore a coal bed methane concession in Bulgaria which had never (and has not to this day) produced any hydrocarbons. At no time during the pendency of this project or since did the Company or any of its officers or directors have any interest whatsoever in the success or failure of the so-called “Bulgaria Project.” However, in the litigation Carlton alleged that the Company was the alter ego of certain of the other defendants, including Eurenergy.

Following a jury trial in 2009, the Trial Court (295th District Court of Harris County, Texas) cross appeals were filed by Carlton, the individual and Eurenergy to the Court of Appeals for the First District of Texas (the “Court of Appeals”), which, in February 2012, rendered an opinion. The Company and the other defendants filed a Petition for Review of the Court of Appeals’ Opinion with the Supreme Court of the State of Texas. On May 8, 2015, the Supreme Court of Texas affirmed, in part, and reversed, in part, the Court of Appeals’ judgment, remanding the case to the Court of Appeals for further proceedings. On remand, the Court of Appeals reinstated a verdict on damages in the amount of \$31.16 million against the individual and Eurenergy.

During August 2017, the parties to the litigation reached an arrangement, the final terms of which will not be determined until the outcome of another appeal to the Supreme Court. Under the terms of the arrangement, the Company should have no financial responsibility to Carlton, nor should any potential final outcome materially adversely affect the Company, in management’s opinion.

Other

The Company has been named as a defendant in other lawsuits in the ordinary course of business. Management is of the opinion that these lawsuits will not have a material effect on the financial condition, results of operations or cash flows of the Company.

NOTE F: NEWLY ISSUED ACCOUNTING STANDARDS

We have considered all other newly issued accounting guidance that is applicable to our operations and the preparation of our financial statements including that which we have not yet adopted. We do not believe that any such guidance will have a material effect on our financial position or results of operations

NOTE G: SUBSEQUENT EVENTS

The Company has evaluated subsequent events through November 14, 2018, the date the financial statements were available to be issued, and determined that there are none to be reported.

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

Critical Accounting Policies and Estimates

The Company's discussion and analysis of its financial condition and results of operations are based upon the Company's consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. Certain of the Company's accounting policies require the application of judgment in selecting the appropriate assumptions for calculating financial estimates. By their nature, these judgments are subject to an inherent degree of uncertainty. These judgments and estimates are based upon the Company's historical experience, current trends and information available from other sources that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

The Company's significant accounting policies are summarized in Note B to our consolidated financial statements in our annual report on Form 10-K. The Company believes the following critical accounting policies are more significant to the judgments and estimates used in the preparation of its consolidated financial statements. Revisions in such estimates are recorded in the period in which the facts that give rise to the revisions become known.

Oil and Gas Property Accounting

The Company uses the full cost method of accounting for its investment in oil and natural gas properties. Under this method of accounting, all costs of acquisition, exploration and development of oil and natural gas properties (including such costs as leasehold acquisition costs, geological expenditures, dry hole costs, tangible and intangible development costs and direct internal costs) are capitalized as the cost of oil and natural gas properties when incurred.

The full cost method requires the Company to calculate quarterly, by cost center, a “ceiling,” or limitation on the amount of properties that can be capitalized on the balance sheet. To the extent capitalized costs of oil and natural gas properties, less accumulated depletion and related deferred taxes exceed the sum of the discounted future net revenues of proved oil and natural gas reserves, the lower of cost or estimated fair value of unproved properties subject to amortization, the cost of properties not being amortized, and the related tax amounts, such excess capitalized costs are charged to expense.

Doubtful Accounts

The Company’s allowance for doubtful accounts receivable and notes receivable is based on an analysis of the risk of loss on specific accounts. The analysis places particular emphasis on past due accounts. Management considers such information as the nature and age of the receivable, the payment history of the tenant, customer or other debtor and the financial condition of the tenant or other debtor. Management’s estimate of the required allowance, which is reviewed on a quarterly basis, is subject to revision as these factors change.

Deferred Tax Assets

Significant management judgment is required in determining the provision for income taxes, deferred tax assets and liabilities and any valuation allowance recorded against net deferred tax assets. The future recoverability of the Company’s net deferred tax assets is dependent upon the generation of future taxable income prior to the expiration of the loss carry forwards. At September 30, 2018, the Company had a deferred tax asset due to tax deductions available to it in future years. However, as management could not determine that it was more likely than not that the benefit of the deferred tax asset would be realized, a 100% valuation allowance was established.

Liquidity and Capital Resources

At September 30, 2018, the Company had current assets of \$374,000 and current liabilities of \$448,000.

Cash and cash equivalents at September 30, 2018 were \$272,000 as compared to \$419,000 at December 31, 2017.

Net cash used in operating activities was \$264,000 for the nine months ended September 30, 2018.

Net cash provided by financing activities was \$117,000 for the nine months ended September 30, 2018.

Results of Operations

Comparison of the three months ended September 30, 2018 to the same period in 2017

The Company reported a net loss of \$121,000 for three months ended September 30, 2018, as compared to net loss of \$90,000 for the similar period in 2017.

For the three months ended September 30, 2018, the Company recorded oil and gas revenues of \$167,000 as compared to

\$194,000 for the comparable period of 2017. The decrease was principally due to a decrease in the rate the Company received for the sale of its natural gas. In April 2018 a long term rate agreement expired and the price the Company received for its gas reverted to the existing market price which was less than the rate in the expired agreement.

For the three months ended September 30, 2018, the Company recorded oil and gas operating expenses of \$186,000 as compared to \$254,000 for the comparable period of 2017. The decrease was due to overall decrease in general operating expenses.

For the three months ended September 30, 2018, corporate general & administrative expenses were \$99,000 as compared to \$95,000 for the comparable periods in 2017.

Comparison of the nine months ended September 30, 2018 to the same period in 2017

Edgar Filing: New Concept Energy, Inc. - Form 10-Q

The Company reported a net loss of \$429,000 for nine months ended September 30, 2018, as compared to net loss of \$397,000 for the similar period in 2017.

For the nine months ended September 30, 2018, the Company recorded oil and gas revenues of \$544,000 as compared to \$632,000 for the comparable period of 2017. The decrease was due to the rate the Company received for the sale of its natural gas during 2018.

For the nine months ended September 30, 2018, the Company recorded oil and gas operating expenses of \$700,000 as compared to \$766,000 for the comparable period of 2017. The decrease was due to overall decrease in general operating expense

For the nine months ended September 30, 2018, corporate general & administrative expenses were \$282,000 as compared to \$317,000 for the comparable periods in 2017. The decrease was due to a decrease in payroll expenses as well as other administrative costs.

Forward Looking Statements

“Safe Harbor” Statement under the Private Securities Litigation Reform Act of 1995: A number of the matters and subject areas discussed in this filing that are not historical or current facts deal with potential future circumstances, operations and prospects. The discussion of such matters and subject areas is qualified by the inherent risks and uncertainties surrounding future expectations generally, and also may materially differ from the Company’s actual future experience involving any one or more of such matters and subject areas relating to interest rate fluctuations, the ability to obtain adequate debt and equity financing, demand, pricing, competition, construction, licensing, permitting, construction delays on new developments, contractual and licensure, and other delays on the disposition, transition, or restructuring of currently or previously owned, leased or managed properties in the Company’s portfolio, and the ability of the Company to continue managing its costs and cash flow while maintaining high occupancy rates and market rate charges in its retirement community. The Company has attempted to identify, in context, certain of the factors that it currently believes may cause actual future experience and results to differ from the Company’s current expectations regarding the relevant matter of subject area. These and other risks and uncertainties are detailed in the Company’s reports filed with the Securities and Exchange Commission (“SEC”), including the Company’s Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q.

Inflation

The Company’s principal source of revenue is rents from a retirement community and fees for services rendered. The real estate operation is affected by rental rates that are highly dependent upon market conditions and the competitive environment in the areas where the property is located. Compensation to employees and maintenance are the principal cost elements relative to the operation of this property. Although the Company has not historically experienced any adverse effects of inflation on salaries or other operating expenses, there can be no assurance that such trends will continue or that, should inflationary pressures arise, the Company will be able to offset such costs by increasing rental rates in its real estate operation.

Environmental Matters

The Company has conducted environmental assessments on most of its existing owned or leased properties. These assessments have not revealed any environmental liability that the Company believes would have a material adverse effect on the Company's business, assets or results of operations. The Company is not aware of any such environmental liability. The Company believes that all of its properties are in compliance in all material respects with all federal, state and local laws, ordinances and regulations regarding hazardous or toxic substances or petroleum products. The Company has not been notified by any governmental authority and is not otherwise aware of any material non-compliance, liability or claim relating to hazardous or toxic substances or petroleum products in connection with any of its communities.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Risk

Nearly all of the Company's debt is financed at fixed rates of interest. Therefore, the Company has minimal risk from exposure to changes in interest rates.

Item 4. CONTROLS AND PROCEDURES

As indicated in the certifications in Exhibit 31 of this report, the Corporation's Chief Executive Officer, Principal Financial Officer and Principal Accounting Officer have evaluated the Corporation's disclosure controls and procedures as of September 30, 2018. Based on that evaluation, these officers have concluded that the Corporation's disclosure controls and procedures are effective in ensuring that information required to be disclosed by the Corporation in the reports that it files or submits under the Securities Exchange Act of 1934, as amended, is accumulated and communicated to them in a manner that allows for timely decisions regarding required disclosures and are effective in ensuring that such information is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and

forms. There were no changes during the Corporation's last fiscal quarter that materially affected, or are reasonably likely to materially affect, the Corporation's internal control over financial reporting.

PART II: OTHER INFORMATION

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

The Company and an Investor entered into a Subscription Agreement and Letter of Investment Intent, dated May 22, 2018, pursuant to which, the Investor agreed to inquire 3,000,000 shares of Common Stock at a price of \$1.50 per share in cash. The Investor acknowledged and agreed that its acquisition could not and would not be completed until the current stockholders of the Company approved the issuance by a vote of the majority at a meeting at which a quorum was present in person or by proxy, as the rules of the NYSE American Company Guide required same as a prerequisite to approval of an Additional Listing Application covering such additional shares. On October 10, 2018, at the Annual Meeting of Stockholders of the Company, called to be held following a solicitation of proxies pursuant to a Notice of Annual Meeting and related Proxy Statement, each dated September 4, 2018, distributed in accordance with the requirements of Regulation 14A under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), approved the proposed issuance of up to 3,000,000 shares of Common Stock of the Company without registration, based upon the exemption afforded by Section 4(2) of the Securities Act of 1933, as amended.

Following such meeting and certification of the votes thereat, the Company submitted an Additional Listing Application to the NYSE American, seeking approval of 3,000,000 additional shares to be listed on such exchange. On October 29, 2018, the NYSE American granted its approval of the listing of 3,000,000 additional shares of Common Stock. The Company anticipates consummating the arrangement with the Investor and issuing the 3,000,000 shares of Common Stock to the Investor on or about November 20, 2018. See also the Company's Current Report on Form 8-K for event occurring October 10, 2018. No underwriters have been involved in the transaction.

The 3,000,000 shares of Common Stock will be issued pursuant to a Plan submitted to NYSE Regulation on May 23, 2018, at a price sufficient to increase stockholders' equity of the Company above the required level for purposes of the NYSE American listing. The Company expects to utilize the approximately \$4,500,000 of the net proceeds from the sale and issuance of 3,000,000 shares of Common Stock to pay for existing trade payables and current liabilities from the Company's activities during 2018 and to fund the first development well in a four-well package at an estimated cost of \$370,000 per well. The initial balance of approximately \$4,000,000 is expected to be utilized in the future to

pay for development costs and preparation for drilling and/or actual drilling of development wells on acreage held by the Company and its subsidiaries; in the interim, the Company expects to invest such net proceeds and hold same as working capital for the Company.

Item 6. Exhibits

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

Exhibit Designation	Exhibit Description
3.1	Articles of Incorporation of Medical Resource Companies of America (incorporated by reference to Exhibit 3.1 to Registrant's Form S-4 Registration Statement No. 333-55968 dated December 21, 1992)
3.2	Amendment to the Articles of Incorporation of Medical Resource Companies of America (incorporated by reference to Exhibit 3.5 to Registrant's Form 8-K dated April 1, 1993)
3.3	Restated Articles of Incorporation of Greenbriar Corporation (incorporated by reference to Exhibit 3.1.1 to Registrant's Form 10-K dated December 31, 1995)
3.4	Amendment to the Articles of Incorporation of Medical Resource Companies of America (incorporated by reference to Exhibit to Registrant's PRES 14-C dated February 27, 1996)
3.5	Bylaws of Registrant (incorporated by reference to Exhibit 3.2 to Registrant's Form S-4 Registration Statement No. 333-55968 dated December 21, 1992)
3.6	Amendment to Section 3.1 of Bylaws of Registrant adopted October 9, 2003 (incorporated by reference to Exhibit 3.2.1 to Registrant's Form S-4 Registration Statement No. 333-55968 dated December 21, 1992)
3.7	Certificate of Decrease in Authorized and Issued Shares effective November 30, 2001 (incorporated by reference to Exhibit 2.1.7 to Registrant's Form 10-K dated December 31, 2002)
3.8	Certificate of Designations, Preferences and Rights of Preferred Stock dated May 7, 1993 relating to Registrant's Series B Preferred Stock (incorporated by reference to Exhibit 4.1.2 to Registrant's Form S-3 Registration Statement No. 333-64840 dated June 22, 1993)
3.9	Certificate of Voting Powers, Designations, Preferences and Rights of Registrant's Series F Senior Convertible Preferred Stock dated December 31, 1997 (incorporated by reference to Exhibit 2.2.2 of Registrant's Form 10-KSB for the fiscal year ended December 31, 1997)

Edgar Filing: New Concept Energy, Inc. - Form 10-Q

- 3.10 Certificate of Voting Powers, Designations, Preferences and Rights of Registrant's Series G Senior Non-Voting Convertible Preferred Stock dated December 31, 1997 (incorporated by reference to Exhibit 2.2.3 of Registrant's Form 10-KSB for the fiscal year ended December 31, 1997)
- 3.11 Certificate of Designations dated October 12, 2004 as filed with the Secretary of State of Nevada on October 13, 2004 (incorporated by reference to Exhibit 3.4 of Registrant's Current Report on Form 8-K for event occurring October 12, 2004)
- 3.12 Certificate of Amendment to Articles of Incorporation effective February 8, 2005 (incorporated by reference to Exhibit 3.5 of Registrant's Current Report on Form 8-K for event occurring February 8, 2005)
- 3.13 Certificate of Amendment to Articles of Incorporation effective March 21, 2007 (incorporated by reference to Exhibit 3.13 of Registrant's Current Report on Form 8-K for event occurring March 21, 2005)
- 31.1 *Certification pursuant to Rule 13a-14 and 15d-14 under the Securities Exchange Act of 1934, as amended, of Principal Executive Officer and Chief Financial Officer
- 32.1 *Certification of Principal Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. §1350
- 101 Interactive data files pursuant to Rule 405 of Regulation S-T.

*Filed herewith.

Signatures

Pursuant to the requirements of the Securities and Exchange Act of 1934, Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

New Concept Energy, Inc.

Date: November 14, 2018 By: /s/ Gene Bertcher
Gene S. Bertcher, Principal Executive
Officer, President and Chief Financial Officer

CERTIFICATIONS EXHIBIT 31.1

PRINCIPAL EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER'S RULE 13a-14(a)/15d-14(a)

I, Gene S. Bertcher, certify that:

- 1) I have reviewed this annual report of Form 10-Q of New Concept Energy, Inc.;
- 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, and is 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) I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13-15(e) and 15(d)-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13(a)-15(f) and 15(d)-15(f)) for the Registrant and have:
 - (a) Designed such disclosure controls and procedures, or used such disclosure controls and procedures to be designed under my 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 annual report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principals;
 - (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.
- 5) I have disclosed, based on my 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: November 14, 2018

/s/ Gene Bertcher
Gene S. Bertcher, Principal Executive
Officer, President and Chief Financial Officer

14

EXHIBIT 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. § 1350, AS ADOPTED

PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of New Concept Energy, Inc. (the “Company”) of Form 10-Q for the period ended March 31, 2016, as filed with the Securities Exchange Commission on the date hereof (the “Report”), I, Gene S. Bertcher, President and Chief Financial Officer of the Company, do hereby certify pursuant to 18 U.S.C. §1350 that:

- (i) The Report fully complies with the requirements of Section 13(a) or I 5(d) of the Securities Exchange Act of 1934, as amended; and
- (ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company, at the end of the period indicated and for the periods indicated.

Date: November 14, 2018

/s/ Gene Bertcher
Gene S. Bertcher, Principal Executive
Officer, President and Chief Financial Officer