

New Concept Energy, Inc.
Form 10-K
April 05, 2017

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 5(d) OF THE SECURITIES EXCHANGE ACT
OF 1934

For the Year ended December 31, 2016
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
(State or other jurisdiction of

75-2399477

(IRS Employer Identification Number)

Incorporation or organization)
1603 LBJ Freeway, Suite 300

Dallas, Texas **75234**
(Address of principal executive offices) (Zip Code)

Registrant's Telephone Number including area code (972) 407-8400

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of each exchange on which registered
Common Stock, \$0.01 par value	NYSE MKT

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Securities registered pursuant to Section 12(g) of the Act: **None**

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 registrant 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 website 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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

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

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

Large accelerated filer _____ Accelerated filer _____
Non-accelerated filer _____ Smaller reporting company X

The aggregate market value of the shares of voting and non-voting common equity held by non-affiliates of the Registrant, computed by reference to the closing price at which the common equity was last sold which was the sales price of the Common Stock on the NYSE MKT as of June 30, 2015 (the last business day of the Registrant's most recently completed second fiscal quarter) was \$1,626,000 based upon a total of 1,077,182 shares held as of June 30, 2015 by persons believed to be non-affiliates of the Registrant. The basis of the calculation does not constitute a determination by the Registrant as defined in Rule 405 of the Securities Act of 1933, as amended, such calculation, if made as of a date within sixty days of this filing, would yield a different value.

As of March 30, 2017, there were 1,946,935 shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE: NONE

NEW CONCEPT ENERGY, INC.

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Fiscal year ended December 31, 2016

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NEW CONCEPT ENERGY, INC.

Forward-Looking Statements

Certain statements in this Form 10-K are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934. The words “estimate”, “plan”, “intend”, “expect”, “anticipate”, “and believe” and similar expressions are intended to identify forward-looking statements. These forward-looking statements are found at various places throughout this Report and in the documents incorporated herein by reference. New Concept Energy, Inc. disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Although we believe that our expectations are based upon reasonable assumptions, we can give no assurance that our goals will be achieved. Important factors that could cause our actual results to differ from estimates or projections contained in any forward-looking statements are described under Item 1A. Risk Factors beginning on page 5.

PART I

Item 1. Business

New Concept Energy, Inc. (“New Concept”, “NCE” or the “Company” or “we” or “us”) was incorporated in Nevada on May 31, 1991, under the name Medical Resource Companies of America, Inc. The Company is the successor-by-merger to Wespac Investors Trust, a California business trust that began operating in 1982. On March 26, 1996, the name was changed to Greenbriar Corporation. On February 8, 2005, the name of the Company was changed to CabelTel International Corporation. On May 21, 2008, the name of the company was changed to New Concept Energy, Inc.

Oil and Gas Operations

The Company, through its wholly owned subsidiaries Mountaineer State Energy, Inc. and Mountaineer State Operations, LLC, owns and 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. The majority of our oil & gas operation was acquired through the acquisition of the Carl E. Smith Companies in 2008.

As of December 31, 2016 the Company has 153 producing gas wells, 31 non-producing wells and related equipment and mineral leases covering approximately 20,000 acres.

Retirement Community

The Company leases and operates Pacific Pointe Retirement Inn (“Pacific Pointe”) in King City, Oregon. Pacific Pointe, a retirement center, that has a capacity of 114 residents and provides community living with basic services such as meals, housekeeping, laundry, 24/7 staffing, transportation and social and recreational activities. Our residents do not yet need assistance or support with activities of daily living but prefer the physical and psychological comfort of a residential community of like-minded people and access to senior-oriented services.

Our lease provides that should the property be sold the lease maintained by the Company would be terminated. The Company has been notified that the building is under contract to be sold effective March 30, 2017 and our lease will be terminated on that date. These financial statements reflect the operations of the retirement community as a discontinued operation.

Business Strategy

The Company is a Nevada corporation which owns and operates oil and gas wells in Ohio and West Virginia.

The Company intends to continue to pursue acquisition of undervalued or distressed oil and gas related businesses, as well as additional acquisitions of oil and gas leases. The Company may choose to develop or resell the acquired acreage as management deems most beneficial to the Company. The Company’s strategy is dependent on available financing as well as the market price for oil and gas.

Insurance

The Company currently maintains property and liability insurance intended to cover claims in its oil and gas operations, retirement community and corporate operations. The provision of personal services entails an inherent risk of liability compared to more institutional long-term care communities. The Company also carries property insurance on each of its owned and leased properties, as appropriate.

Employees

At December 31, 2016, the Company employed, in all segments, 41 people (16 full-time and 25 part-time). The Company believes it maintains good relationships with its employees. None of the Company's employees are represented by a collective bargaining group.

The Company's operations are subject to the Fair Labor Standards Act. Many of the Company's employees are paid at rates related to the minimum wage and any increase in the minimum wage will result in an increase in labor costs.

Management is not aware of any non-compliance by the Company as regards applicable regulatory requirements that would have a material adverse effect on the Company's financial condition or results of operations.

Quality Assurance

Energy Philosophy – The Company is committed to the preservation and enhancement of the environment in which we operate. We are philosophically and operationally focused to continually prioritize the sensitivity of our ecological system in which we develop resources for our generation as well as our children's. Management's legacy is to prove that the energy industry can develop the earth's natural resources with clean and efficient technologies while preserving its fragile beauty. Our technologies directly and significantly reduce the impact of our operations on nature and wildlife by minimizing surface disturbance.

Regular Property Inspections – Property inspections are conducted by corporate personnel. These inspections cover the appearance of the exterior and grounds, the appearance and cleanliness of the interior, the professionalism and friendliness of staff and notes on maintenance.

Marketing

The Company's sell its oil and natural gas production to a limited number of purchasers. While there is an available market for crude oil and natural gas production, we cannot be assured that the loss of these purchasers would not have a material impact on the Company. Further a reduction in the market price for oil and gas will have a negative effect on the Company's financial position.

Government Regulation

Management is not aware of any non-compliance by the Company of applicable regulatory requirements that would have a material adverse effect on the Company's financial condition or results of operations.

Competition

The oil and natural gas industry is highly competitive. We encounter strong competition from other independent operators and from major oil companies in acquiring properties, contracting for drilling equipment and securing trained personnel. Many of these competitors have financial and technical resources and personnel substantially larger than ours. As a result, our competitors may be able to pay more for desirable leases, or to evaluate, bid for and purchase a greater number of properties or prospects than our financial or personnel resources will permit.

We are also affected by competition for drilling rigs and the availability of related equipment. In the past, the oil and natural gas industry has experienced shortages of drilling rigs, equipment, pipe and personnel, which has delayed development drilling and other exploitation activities and has caused significant price increases. We are unable to predict when, or if, such shortages may again occur or how they would affect our development and exploitation program.

Competition is also strong for attractive oil and natural gas producing properties, undeveloped leases and drilling rights, and we cannot assure you that we will be able to compete satisfactorily. Many large oil companies have been actively marketing some of their existing producing properties for sale to independent producers. We regularly evaluate acquisition opportunities and submit bids as part of our growth strategy.

Available Information

The Company maintains an internet website at www.newconceptenergy.com. The Company has available through the website, free of charge, Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, reports filed pursuant to Section 16 of the Securities Exchange Act of 1934 (the "Exchange Act") and amendments to those reports as soon as reasonably practicable after we electronically file or furnish such materials to the Securities and Exchange Commission. In addition, the Company has posted the charters for our Audit Committee, Compensation Committee and Governance and Nominating Committee, as well as our Code of Business Conduct and Ethics, Corporate Governance Guidelines on Director Independence and other information on the website. These charters and principles are not incorporated in this Report by reference. The Company will also provide a copy of these documents free of charge to stockholders upon request. The Company issues Annual Reports containing audited financial statements to its common stockholders.

Item 1A. Risk Factors

Risks Related to the Company

An investment in our securities involves various risks. An investor should carefully consider the following risk factors in conjunction with the other information in this report before trading our securities.

The oil & gas industry is highly competitive. Competition for leasehold interests, subcontractors and qualified employees are keen and we are competing against companies that are larger, more experienced and better capitalized than we are.

The oil & gas industry faces exposure from changes in oil and gas prices due to market fluctuations beyond the Company's control.

Our governing documents contain anti-takeover provisions that may make it more difficult for a third party to acquire control of us. Our Articles of Incorporation contain provisions designed to discourage attempts to acquire control of the Company by a merger, tender offer, proxy contest or removal of incumbent management without the approval of our Board of Directors. As a result, a transaction which otherwise might appear to be in your best interests as a stockholder could be delayed, deferred or prevented altogether, and you may be deprived of an opportunity to receive a premium for your shares over prevailing market rates. The provisions contained in our Articles of Incorporation

include:

the requirement of an 80% vote to make, adopt, alter, amend, change or repeal our Bylaws or certain key provisions of the Articles of Incorporation that embody, among other things, the anti-takeover provisions;

the so-called business combination “control act” requirements involving the Company and a person that beneficially owns 10% or more of the outstanding common stock except under certain circumstances; and

the requirement of holders of at least 80% of the outstanding Common Stock to join together to request a special meeting of stockholders.

Item 1B. Unresolved Staff Comments

Not applicable.

Item 2. Properties

The Company’s principal offices are located at 1603 LBJ Freeway Suite 300, Dallas, Texas 75234. The Company believes this space is presently suitable, fully utilized and will be adequate for the foreseeable future.

Retirement Community

The Company under a long term lease (which will terminate on March 30, 2017) operates Pacific Pointe Retirement Inn (“Pacific Pointe”) in King City, Oregon. Pacific Pointe began operations in 1993, has a capacity of 114 residents and provides community living with basic services such as meals, housekeeping, laundry, 24/7 staffing, transportation and social and recreational activities. These residents do not yet need assistance or support with activities of daily living but prefer the physical and psychological comfort of a residential community of like-minded people and access to senior-oriented services.

The Company's retirement community is suitable, fully utilized and adequate for the purpose to which it is devoted.

The average occupancy and lease rate per resident for our one retirement facility is as follows:

	Average Occupancy		Average Monthly Rate
December 2016	78.00	%	\$2,495
December 2015	88.91	%	\$2,507
December 2014	85.50	%	\$2,235
December 2013	90.0	%	\$2,290
December 2012	92.1	%	\$2,225

Oil and Gas

Reserve Estimation

The Company's producing properties have been in production for over 20 years. Because individual well production volumes were not available, composite production decline curves were constructed for each of the five counties in which these wells are located. All five composite decline curves exhibit well-established production decline trends. After reviewing all available information, it was determined that the most reliable method of estimating the Proved Developed Producing Reserves was by extrapolation of the existing production decline trends to the economic limit of production.

Proved Undeveloped Reserves were estimated by analogy to currently producing wells in the various areas producing from the same formations.

The Company's reserve reports are prepared by independent petroleum engineers. The process used to control the information provided to the independent petroleum engineers includes an initial compilation of production data by experienced senior management personal in the Company's field office. This data is independently reviewed by appropriate personal in the Company's corporate office prior to being submitted to the independent petroleum

engineer. The submitted data is ultimately compared to the final reserve report and then agreed to the financial statement disclosures prepared by the Company.

The Company uses the petroleum engineering firm of Lee Keeling and Associates, Inc. to prepare its reserve estimates and future net revenues from its oil and gas properties. The work is performed by a registered professional engineer who is a member of the Society of Petroleum Engineers.

According to our independent reserve engineering firm, Lee Keeling & Associates, Inc. as of December 31, 2016, our Proved Reserves in Ohio and West Virginia were approximately 3.2 million Mcf of natural gas and 149 thousand Bbls of oil. Of the total Proved Reserves, approximately 32% were Proved Developed Reserves. As of December 31, 2016, the related PV-10 of our Proved Reserves was approximately \$6.3 million from Ohio & West Virginia.

Additional Oil and Gas Information

Production

2016 – 155,000 Mcf of natural gas and 4,200 Bbls of oil

2015 – 161,000 Mcf of natural gas and 6,100 Bbls of oil

2014 – 159,000 Mcf of natural gas and 10,459 Bbls of oil

Average sales price per unit

2016 - \$4.23 per Mcf and \$41.58 per Bbls

2015 - \$4.23 per Mcf and \$44.87 per Bbls

2014 - \$4.23 per Mcf and \$90.82 per Bbls

Productive wells

2016 – 153

2015 – 153

2014 – 153

Developed acreage – approximately 20,000 acres

Drilling activity – The Company acquired the operations in Ohio and West Virginia in October 2008 and has, for the most part, focused on improving production from wells. Since the acquisition the Company has drilled 15 wells.

Development plan

In September 2008, the Company through its acquisition of Carl E. Smith, Inc. (now known as Mountaineer State Energy, Inc.) acquired 20,000 acres of mineral rights in Ohio and West Virginia. The 20,000 acres are both surrounded and interspersed of hundreds of existing wells of which 138 producing wells were owned by the Company and other non-related entities owned the rest of such wells. The entire area has pipelines in place and decades of information regarding reserves.

In connection with the acquisition, the Company formulated a development plan to rework existing wells, to improve production using modern technology (both in Proved Developed and Proved Undeveloped Reserves), and to follow up with the drilling of new wells. The Company's plan is to use the current knowledge of the area and new technologies available to both rework its existing wells and drill new wells.

The decision as to whether to rework existing wells or and or drill new wells is based upon a number of factors including available financing and the market price for both oil and gas. As of March 30, 2015 the Company has suspended expansion activity for its existing acreage until the price for both oil and gas improves from current levels.

Proved Reserves

The following table presents our estimated Proved Reserves as of December 31, 2016. These estimates correspond with the method used in presenting the “Supplemental Information on Oil and Gas Operations” in Note J to our consolidated financial statements included in this report.

	Gas (MMCF)	Oil (MBBLS)
Proved Reserves		
U.S. Onshore		
Developed Producing	1,029	65
Developed Non-Producing	23	16
Undeveloped	2,168	68
Total Proved Reserves	3,220	149

The following table presents the changes in our total proved undeveloped reserves.

	Gas (MMCF)	Oil (MBBLS)
Proved Undeveloped Reserves as of December 31, 2015	2100	0
Revaluation of Undeveloped Reserves	68	68
Conversion to Proved Developed Reserves	—	—
Proved Undeveloped Reserves as of December 31, 2016	2,168	68

Well Statistics

The following table sets forth our wells (all natural gas) as of December 31, 2016.

	Wells	
	Gross	Net
	(1)	(2)
U.S. Onshore		
Producing	153	148
Non-Producing	31	31
Total wells	184	179

(1) Gross wells are the sum of all wells in which we own an interest.

(2) Net wells are gross wells multiplied by our fractional working interests on the well.

Acreage Statistics

The following table sets forth our developed and undeveloped oil and gas lease and mineral acreage as of December 31, 2016.

	Acres	
	Gross	Net (2)
	(1)	
U. S Onshore		
Developed	19,375	19,375
Undeveloped	—	—
Total Acreage	19,375	19,375

(1) Gross acres are the sum of all acres in which we own an interest.

(2) Net acres are gross acres multiplied by our fractional working interests on the acreage.

Item 3. Legal Proceedings

Carlton Energy Group, LLC

In December 2006, Carlton Energy Group, LLC (“Carlton”) instituted litigation against 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”) alleging tortious 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 tortious 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) reduced the actual damages found by the jury of \$66.5 million and entered judgment against EurEnergy and The individual jointly and severally for \$31.16 million in actual damages on its tortious-interference claim and the Court further assessed exemplary damages against The individual and EurEnergy in the amount of \$8.5 million each. The Court granted a judgment for the Company that it was not the alter ego of any of the other parties and thereby would not incur any damages.

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 rendered its opinion on February 14, 2012. The Court of Appeals opinion, among other things, reinstated the jury award of actual damages jointly and severely against the individual and EurEnergy in the amount of \$66.5 million and overturned the Trial Court’s ruling favorable to the Company rendering a judgment for that amount plus exemplary damages against the Company as the “alter ego” of Eurenergy.

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 that Court for further proceedings. In its opinion, the Supreme Court concluded that the evidence supports the Jury's verdict that the individual used the Company and other entities, that it would be unjust to require Carlton to treat them separately and found that the Company was an alter ego as a matter of law. The Supreme Court determined that the Court of Appeals erred in reinstating the jury's verdict on damages in the amount of \$66.5 million as the amount was speculative and not supported by competent evidence. The court declined to reinstate the trial court's judgment of \$31.16 million. The Supreme Court did rule that there was some evidence to support an award of actual damages and therefore remanded the case to the Court of Appeals to make a factual sufficiency determination, if possible, as to as to the amount.

After remand the parties provided supplemental briefing and the Court of Appeals held additional oral argument on February 17, 2016. On August 30, 2016 the Court of Appeals entered its opinion and judgement which reinstated the trial court's actual damages of \$31.16 million award but did not address exemplary damages. The Company filed a Motion for Rehearing and asked for the full panel of the Court of Appeals to address the constitutional question of the Court of Appeals authority to decide fact questions which the record does not reflect were considered by the jury. That Motion is still pending.

Management's preliminary analysis of these developments suggests the most likely outcome is that the entire case will be sent back to the Trial Court for a new trial however it is also possible that the claim will result in an unfavorable outcome. Management notes that in connection with the original appeal, the individual defendant deposited alternative security with the Trial Court to supersede the judgment which the court determined to have a value in excess of \$56 million. Management believes that the maximum exposure would be in an amount significantly less than the amount on deposit. Accordingly, management believes that any adverse outcome is fully secured by that deposit.

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.

Item 4. Mine Safety Disclosures

Not Applicable

PART II

Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

The common stock of the Company is listed and traded on the NYSE MKT using the symbol “GBR”. The following table sets forth the high and low sales prices as reported in the reporting system of the NYSE MKT and other published financial sources

	2016		2015	
	High	Low	High	Low
First Quarter	\$1.27	\$0.62	\$2.62	\$1.21
Second Quarter	\$4.15	\$0.75	\$2.53	\$1.20
Third Quarter	\$5.70	\$1.74	\$1.65	\$1.16
Fourth Quarter	\$3.07	\$1.50	\$1.30	\$1.08

On March 18, 2016 the closing price of the Company’s Common Stock was \$1.07 per share. According to the Transfer Agent’s records, at March 18, 2016 the Company’s Common Stock was held by approximately 2,312 holders of record.

Dividends

The Company paid no dividends on its Common Stock in 2016 or 2015. The Company has not paid cash dividends on its Common stock during at least the last ten fiscal years and it has been the policy of the Board of Directors of the Company to retain all earnings to pay down debt and finance future expansion and development of its businesses. The payment of dividends, if any, will be determined by the Board of Directors in the future in light of conditions then existing, including the Company's financial condition and requirements, future prospects, restrictions in financing agreements, business conditions and other factors deemed relevant by the Board of Directors.

Purchases of Equity Securities

The Board of Directors has not authorized the repurchase of any shares of its Common Stock under any share repurchase program, except when stockholders owning less than one round lot (100 shares) so request, the Company will purchase shares at market closing on the last trading day prior to receipt of the certificate(s). The Company repurchased no shares during 2016

Item 6. Selected Financial Data

The selected consolidated financial data presented below are derived from the Company's audited financial statements.

	Year Ended December 31,		
	2016	2015	2014
	(amounts in thousands, except per share data)		
Operating Revenue	\$764	\$3,817	\$4,363
Operating expenses	1,533	7,787	5,253
Operating Profit (loss)	(769)	(3,970)	(890)
Earnings (loss) from continuing operations	44	(2,954)	(1,076)
Earnings (loss) from discontinued operations	4	332	297
NET EARNINGS (LOSS)	\$48	\$(2,622)	\$(779)
Net earnings per share	\$0	\$(1)	\$(0)
Basic weighted average common share	1,947	1,947	1,947

Balance Sheet Data

Total Assets	\$7,178	\$8,875	\$12,274
Long-term debt	296	1,211	1,428
Asset Retirement obligation	2,770	2,770	2,770
Total liabilities	3,459	5,204	5,891
Total stockholders equity	\$3,719	\$3,671	\$6,293

Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operation

Overview

The Company, through its wholly owned subsidiaries Mountaineer State Energy, Inc. and Mountaineer State Operations, LLC, owns and 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. The majority of our oil & gas operation was acquired through the acquisition of the Carl E. Smith Companies in 2008.

As of December 31, 2016 the Company has 153 producing gas wells, 31 non-producing wells and related equipment and mineral leases covering approximately 20,000 acres.

A component of the purchase price for the acquisition of Carl E. Smith, Inc. were certain non-interest bearing long term obligations which the Company was to be paid out over the next 12 years. In December 2016 the Company has completed a settlement of all future obligations for a one-time payment of \$650,000. The Company had previously recorded this obligation at \$1,538,000 and recorded a gain on settlement of debt of \$888,000 in December 2016.

As of December 31, 2016, the Company leased one independent living community in Oregon, with a capacity of 114 residents. The lease will terminate on March 30, 2017.

A number of years ago the Company owned, leased and operated assisted living and retirement communities throughout the United States of America. During that period of time the Company has both acquired and sold over seventy communities. The property in Oregon is a holdover from that time period. The retirement center was not an integral part of our business plan.

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 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. Beginning December 31, 2009, full cost companies use the unweighted arithmetic average first day of the month price for oil and natural gas for the 12-month period preceding the calculation date to calculate the future net revenues of proved reserves. Prior to December 31, 2009, companies used the price in effect at the calculation date and had the option, under certain circumstances, to elect to use subsequent commodity prices if they increased after the calculation date.

The Company assesses any unproved oil and gas properties on an annual basis for possible impairment or reduction in value. The Company assesses properties on an individual basis or as a group if properties are individually insignificant. The assessment includes consideration of the following factors, among others: intent to drill; remaining lease term; geological and geophysical evaluations; drilling results and activity; the assignment of proved reserves; and the economic viability of development if proved reserves are assigned. During any period in which these factors indicate an impairment of unproved properties not subject to amortization, the associated costs incurred to date for such properties are then included in unproved properties subject to amortization.

Oil and Gas Reserves

Our proved oil and gas reserves are estimated by independent petroleum engineers. Reserve engineering is a subjective process that is dependent upon the quality of available data and the interpretation thereof,

including evaluations and extrapolations of well flow rates and reservoir pressure. Estimates by different engineers often vary, sometimes significantly. In addition, physical factors such as the results of drilling, testing and production subsequent to the date of an estimate, as well as economic factors such as changes in product prices, may justify revision of such estimates. Because proved reserves are required to be estimated using prices at the date of the evaluation, estimated reserve quantities can be significantly impacted by changes in product prices.

Depreciation, depletion and amortization (“DD&A”) of producing properties is computed on the unit-of-production method based on estimated proved oil and gas reserves. While total DD&A expense for the life of a property is limited to the property’s total cost, proved reserve revisions result in a change in timing of when DD&A expense is recognized. Downward revisions of proved reserves result in an acceleration of DD&A expense, while upward revisions tend to lower the rate of DD&A expense recognition.

The standardized measure of discounted future net cash flows and changes in such cash flows are prepared using assumptions required by the Financial Accounting Standards Board and the Securities and Exchange Commission. Such assumptions include using year-end oil and gas prices and year-end costs for estimated future development and production expenditures. Discounted future net cash flows are calculated using a 10% rate. Changes in any of these assumptions could have a significant impact on the standardized measure. Accordingly, the standardized measure does not represent management’s estimated current market value of proved reserves.

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 December 31, 2016, 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

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At December 31, 2016, the Company had current assets of \$438,000 and current liabilities of \$393,000.

Cash and cash equivalents totaled \$113,000 at December 31, 2016 and \$473,000 at December 31, 2015. New Concept's principal sources of cash are property operations, sales of oil and gas, and proceeds from sales of assets.

Net cash provided (used) by continuing operating activities was (\$314,000) in 2016, \$566,000 in 2015 and (\$282,000) in 2014.

Net cash provided (used) in investing activities was \$686,000 in 2016, (\$112,000) in 2015 and (\$954,000) in 2014.

Net cash used in financing activities was \$732,000 in 2016 \$281,000 in 2015 and (\$85,000) in 2014.

Results of Operations

Fiscal 2016 as compared to 2015

Revenues: Total revenues from the oil & gas operation was \$754,000 in 2016 and \$820,000 in 2015. Net revenue for our oil and gas operation decreased by \$56,000 in 2016 as compared to 2015. Included in 2016 revenue is a one time fee of \$30,000. The drop in revenue in 2016 was principally due to a reduction in the quantity of oil and gas produced.

Operating Expenses: Operating expenses for the oil & gas operation were \$1.2 million in 2016 and \$1.8 million in 2015. This decrease was the result of an overall reduction in operating expenses as the Company has actively reduced expenses to compensate for a slowdown in the oil and gas operation.

In 2015 pursuant to the requirements of the “full cost ceiling test” for oil & gas companies we recorded a non-cash charge to operations of \$ \$2.7 million to write down its investment in Ohio and West Virginia. This charge to earnings was caused by the severe drop in the market price of oil all throughout 2015.

Corporate Expenses were \$352,000 in 2016 and \$605,000 in 2015. The decrease is primarily due to a reduction in wages and general operating expenses.

Interest Income & Expense: Interest Expense was \$38,000 in 2016 as compared to \$62,000 in 2015. The decrease was due to a reduction in the long term debt owed to the bank as well as previous owners of the Company’s oil and gas operation in West Virginia / Ohio.

Gain on prepayment of debt: In 2016 the Company settled a long term debt that was generated from the purchase of the oil and gas operation in 2008. The settlement resulted in a gain of \$888,000

Bad Debt Expense (Recovery): In 2015 the company recorded a bad debt expense recovery of \$1,430,000 with respect to a note receivable that was fully reserved in a prior year (For a more complete discussion of history of the receivable, the establishment of a reserve due to concerns regarding collectability of the receivable and the recovery efforts. (See Item 13. on page 20 and Footnote C on page33)

Fiscal 2015 as compared to 2014

Revenues: Total revenues for the oil & gas operation was \$820,000 in 2015 and \$1.5 million in 2014. Net revenue for our oil and gas operation decreased by \$900,000 in 2015 as compared to 2014. The fluctuation was principally due to the price the Company received for its oil in 2015 as compared to 2014.

Operating Expenses: Operating expenses for the oil & gas operation were approximately \$1.8 million in 2015 and 2014.

In 2015 pursuant to the requirements of the “full cost ceiling test” for oil & gas companies we recorded a non-cash charge to operations of \$ \$2,717,000 to write down its investment in Ohio and West Virginia. This charge to earnings was caused by the severe drop in the market price of oil all throughout 2015.

Corporate Expenses were \$605,000 in 2015 and \$823,000 in 2014. The decrease is primarily due to a reduction in legal fees paid in 2015 as compared to 2014.

Interest Income & Expense: Interest Expense was \$62,000 in 2015 as compared to \$91,000 in 2014. The decrease was due to a reduction in the long term debt owed to the previous owners of the Company's oil and gas operation in West Virginia / Ohio.

Other Income & (Expense): Other income & (expense) was (\$32,000) for 2015 as compared to \$197,000 in 2014. The balances in 2015 and 2014 are comprised of numerous events.

Bad Debt Expense (Recovery): In 2015 the company recorded a bad debt expense recovery of \$1,430,000 with respect to a note receivable that was fully reserved in a prior year (For a more complete discussion of history of the receivable, the establishment of a reserve due to concerns regarding collectability of the receivable and the recovery efforts refer to the Company's Annual Report on Form 10-K for the year ended December 31, 2014 in Item 13. on page 21 and Footnote C on page34)

Item 7a: Quantitative and Qualitative Disclosures about Market Risk

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 8. Financial Statements

The consolidated financial statements required by this Item begin at page 24 of this Report.

Item 9. Changes In and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Based on an evaluation by our management (with the participation of our Principal Executive Officer and Principal Financial Officer), as of the end of the period covered by this report, our Principal Executive Officer and Principal Financial Officer concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) were effective to provide reasonable assurance that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and that such information is accumulated and communicated to our management, including our Principal Executive Officer and Principal Financial Officer, to allow timely decisions regarding required disclosures.

There has been no change in our internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f)) during the most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Management’s Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles. There are inherent limitations to the effectiveness of any system of internal control over financial reporting. These limitations include the possibility of human error, the circumvention or overriding of the system and reasonable resource constraints. Because of its inherent limitations, our internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with policies or procedures may deteriorate.

Management assessed the effectiveness of the Company's internal control over financial reporting. In making this assessment, management used the criteria set forth in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on management's assessments and those criteria, management has concluded that Company's internal control over financial reporting was effective as of December 31, 2016.

This annual report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial report. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to rules of the Securities and Exchange Commission that permit the Company to provide only management's report in this annual report.

Changes in Internal Control over Financial Reporting

In preparation for management's report on internal control over financial reporting, we documented and tested the design and operating effectiveness of our internal control over financial reporting. There were no changes in our internal controls over financial reporting (as such term is defined in Exchange Act Rule 13a-15(f)) that occurred during the quarter ended December 31, 2016 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Directors

The affairs of the Company are managed by the Board of Directors. The directors are elected at the Annual Meeting of Stockholders or appointed by the incumbent Board and serve until the next Annual Meeting of Stockholders, until a successor has been elected or approved, or until earlier resignation, removal or death.

It is the Board's objective that a majority of the Board consists of independent directors. For a director to be considered "independent", the Board must determine that the director does not have any direct or indirect material relationship with the Company. The Board has established guidelines to assist it in determining director independence, which conform to, or are more exacting than, the independence requirements in the American Stock Exchange listing rules. The independence guidelines are set forth in the Company's "Corporate Governance Guidelines". The text of this document has been posted on the Company's internet website at <http://www.newconceptenergy.com>, and is available in print to any stockholder who requests it. In addition to applying these guidelines, the Board will consider all relevant facts and circumstances in making an independent determination.

The Company has adopted a code of conduct that applies to all directors, officers and employees, including our principal executive officer, principal financial officer and principal accounting officer. Stockholders may find our Code of Conduct on our internet website address at <http://www.newconceptenergy.com>. We will post any amendments to the Code of Conduct as well as any waivers that are required to be disclosed by the rules of the SEC or the NYSE MKT on our website.

Our Board of Directors has adopted charters for our Audit, Compensation and Governance and Nominating Committees of the Board of Directors. Stockholders may find these documents on our website by going to the website address <http://www.newconceptenergy.com>. Stockholders may also obtain a printed copy of the materials referred to by contacting us at the following address:

New Concept Energy, Inc.

Attn: Investor Relations

1603 LBJ Freeway, Suite 300

Dallas, Texas 75234

972-407-8400 (Telephone)

The Audit Committee of the Board of Directors is an “audit committee” for the purposes of Section 3(a) (58) of the Exchange Act. The members of that Committee are Dan Locklear (Chairman), James Huffstickler and Victor L. Lund. Mr. Locklear is qualified as an “audit committee financial expert” within the meaning of SEC regulations and the Board has determined that he has the accounting and related financial management expertise within the meaning of the listing standards of the NYSE MKT. All of the members of the Audit Committee meet the independence and experience requirements of the listing standards of the NYSE MKT.

All members of the Audit Committee, Compensation Committee and the Governance and Nominating Committee must be independent directors. Members of the Audit Committee must also satisfy additional independence requirements which provide (i) that they may not accept, directly or indirectly, any consulting, advisory or compensatory fee from the Company or any of its subsidiaries other than their director’s compensation (other than in their capacity as a member of the Audit Committee, the Board of Directors or any other Committee of the Board), and (ii) no member of the Audit Committee may be an “affiliated person” of the Company or any of its subsidiaries, as defined by the Securities and Exchange Commission.

The current directors of the Company are listed below, together with their ages, terms of service, all positions and offices with the Company, their principal occupations, business experience and directorships with other companies during the last five years or more. The designation “affiliated”, when used below with respect to a director, means that the director is an officer or employee of the Company or one of its subsidiaries. The designation “independent”, when used below with respect to a director, means that the director is neither an officer of the Company nor a director, officer or employee of a subsidiary of the Company, although the Company may have certain business or professional relationships with the director as discussed in Item 13. Certain Relationships and Related Transactions. No family relationship exists between any executive officer and any of the directors of the company.

Raymond D. Roberts, age 85, (Independent) Director since June 2015

Mr. Roberts is recently retired. For more than the past five years, he has been Director of Aviation of Stellar Aviation, Inc., a privately held Nevada Corporation, engaged in the business of aircraft (Boeing 737) and logistical management. Mr. Roberts was also elected as a member of the Governance and Nominating Committee of the Board of Directors of the Registrant.

Gene S. Bertcher, age 68, (Affiliated) Director November 1989 to September 1996 and since June 1999

Mr. Bertcher was elected President and Chief Financial Officer effective November 1, 2004. He was elected Chairman and Chief Executive Officer in December 2006. Mr. Bertcher has been Chief Financial Officer and Treasurer of the Company since November 1989 and Executive Vice President from November 1989 until he was elected President. Also, Mr. Bertcher is Executive Vice-President and Chief Financial Officer of American Realty Investors, Inc. (NYSE), Transcontinental Realty Investors, Inc. (NYSE), and Income Opportunity Realty Investors, Inc. NYSE MKT, positions he has occupied since February 2008. He has been a certified public accountant since 1973.

James E. Huffstickler, age 72, (Independent) Director since December 2003

Mr. Huffstickler has recently retired from being Chief Financial Officer of Sunchase America, Ltd., a multi-state property management company, for more than twenty two years. He is a graduate of the University of South Carolina. Mr. Huffstickler has been a certified public accountant since 1976.

Dan Locklear, age 63, (Independent) Director since December 2003

Mr. Locklear has been Chief Financial Officer of Sunridge Management Group, a real estate management company, for more than five years. Mr. Locklear was formerly employed by Johnstown Management Company, Inc. and Trammel Crow Company. Mr. Locklear has been a certified public accountant since 1981 and a licensed real estate broker in the State of Texas since 1978.

Victor L. Lund, age 87, (Independent) Director since March 1996

Mr. Lund founded Wedgwood Retirement Inns, Inc. (“Wedgwood”) in 1977, which became a wholly owned subsidiary of the Company in 1996. For most of Wedgwood’s existence, Mr. Lund was Chairman of the Board, President and Chief Executive Officer, positions he held until Wedgwood was acquired by the Company. Mr. Lund is President and Chief Executive Officer of Wedgwood Services, Inc., a construction Services Company not affiliated with the Company.

Board Committees

The Board of Directors held six meetings during 2016. For such year, no incumbent director attended fewer than 75% of the aggregate of (i) the total number of meetings held by the Board during the period for which he or she had been a director, and (ii) the total number of meetings held by all Committees of the Board on which he or she served during the period that he or she served.

The Board of Directors has standing Audit, Compensation and Governance and Nominating Committees. The Audit Committee was formed on December 12, 2003, and its function is to review the Company’s operating and accounting procedures. A Charter of the Audit Committee has been adopted by the Board. The current members of the Audit Committee, all of whom are independent within the SEC regulations, the listing standards of the NYSE MKT and the Company’s Corporate Governance Guidelines are Messrs. Locklear (Chairman), Huffstickler and Lund. Mr. Dan Locklear is qualified as an Audit Committee financial expert within the meaning of SEC regulations, and the Board has determined that he has the accounting and related financial management expertise within the meaning of the listing standards of the NYSE MKT. The Audit Committee met four times in 2016.

The Governance and Nominating Committee is responsible for developing and implementing policies and practices relating to the corporate governance, including reviewing and monitoring implementation of the Company’s Corporate Governance Guidelines. In addition, the Committee develops and reviews background information on candidates for the Board and makes recommendations to the Board regarding such candidates. The Committee also prepares and supervises the Board’s annual review of director independence and the Board’s performance and self-evaluation. The Charter of the Governance and Nominating Committee was adopted on October 20, 2004. The members of the Committee are Messrs. Huffstickler (Chairman), Lund and Locklear. The Governance and Nominating Committee met twice in 2016.

The Board has also formed a Compensation Committee of the Board of Directors, adopted a Charter for the Compensation Committee on October 20, 2004, and selected Mr. Roberts (Chairman) and Messrs. Huffstickler and Locklear as members of that Committee. The Compensation Committee met twice in 2016.

The members of the Board of Directors at the date of this Report and the Committees of the Board on which they serve are identified below:

Director	Audit Committee	Governance and Nominating Committee	Compensation Committee
Raymond D Roberts			Chairman
Gene S. Bertcher			
James E. Huffstickler	ü	Chairman	ü
Dan Locklear	Chairman		ü
Victor L. Lund	ü	ü	

Executive Officers

The following person currently serves as the sole executive officer of the Company: Gene S. Bertcher, Chairman of the Board, President, Chief Executive Officer and Treasurer. His position with the Company is not subject to a vote of stockholders. His age, term of service and all positions and offices with the Company, other principal occupations, business experience and directorships with other companies during the last five years or more are listed under the caption “Directors” above.

In addition to the foregoing officers, the Company has other officers not listed herein who are not considered executive officers.

Code of Ethics

The Board of Directors has adopted a code of ethics entitled “Code of Business Conduct and Ethics” that applies to all directors, officers and employees of the Company and its subsidiaries. In addition, the Company has adopted a code of ethics entitled “Code of Ethics for Senior Financial Officers” that applies to the principal executive officer, president, principal financial officer, chief financial officer, principal accounting officer and controller. The text of these documents is posted on the Company’s internet website address at <http://www.newconceptenergy.com> and is available in print to any stockholder who requests them.

Section 16(a) Beneficial Ownership Reporting Compliance

Based solely upon a review of Forms 3, 4 and 5 furnished to the Company pursuant to Rule 16a-3(e) promulgated under the Securities Exchange Act of 1934 (the "Exchange Act"), upon written representations received by the Company, the Company is not aware of any failure by any director, officer or beneficial owner of more than 10% of the Company's common stock to file with the Securities and Exchange Commission on a timely basis.

Item 11. Executive Compensation

The following tables set forth the compensation in all categories paid by the Company for services rendered during the fiscal years ended December 31, 2016, 2014 and 2013 by the Chief Executive Officer of the Company and to the other executive officers and Directors of the Company whose total annual salary in 2016 exceeded \$50,000.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary	Bonus	Stock Awards	Option Awardss	Non- Equity Incentive Plan Compen- sation	Change in	All Other Compen- sation	Total
							Nonqualified Value and Deferred Earnings		
Gene S. Bertcher (1) Chairman, President & Chief Financial Officer	2016	\$ 53,650							\$ 53,650
	2015	\$107,300							\$107,300
	2014	\$103,300							\$103,300

Commencing in February 2008, three other publicly held entities needed a chief financial officer, Income Opportunity Realty Investors, Inc. (“IOT”), Transcontinental Realty Investors, Inc. (“TCI”) and American Realty Investors, Inc. (“ARL”) each of which have the same contractual advisor, now Pillar Income Asset Management, Inc. (“Pillar”). These three entities made an arrangement with the Company for the accounting and administrative services of the Company, specifically Gene S. Bertcher, President and principal executive officer of the Company who is a certified public accountant and has a long history in that industry. . As a compensation arrangement evolved over time, through 2015 the three entities agreed to reimburse NCE for one-half of the gross compensation and related expenses of Bertcher at NCE. For 2016 these three entities agreed to pay 75% of Gene S. Bertcher compensation and related expenses.. The agreement renews on an annual basis and is terminable on sixty days written notice.

The salary in the above table represents the portion of Mr. Bertcher’s compensation paid by the Company.

GRANTS OF PLAN-BASED AWARDS

None

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

None

OPTION EXERCISES AND STOCK VESTED

None

PENSION BENEFITS

None

NONQUALIFIED DEFERRED COMPENSATION

None

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DIRECTOR COMPENSATION

Name	Fees Earned Or Paid in Cash	Stock Awards	Option Awards	Non-Equity Incentive Plan Compensation	Value and Nonqualified Deferred Compensation	All Other Compensation	Total
Raymond D Roberts	\$10,500						\$10,500
Gene S. Bertcher	\$ —						\$ —
James E. Huffstickler	\$10,500						\$10,500
Dan Locklear	\$10,500						\$10,500
Victor L. Lund	\$10,500						\$10,500

MANAGEMENT AND CERTAIN SECURITY HOLDERS

None

Compensation of Directors

The Company pays each non-employee director a fee of \$2,500 per year, plus a meeting fee of \$2,000 for each board meeting attended. Employee directors serve without compensation.

Item 12. Security Ownership of Certain Beneficial Owners

The following table sets forth the ownership of the Company's Common Stock, both beneficially and of record, both individually and in the aggregate, for those persons or entities known by the Company to be the beneficial owners of more than 5% of its outstanding Common Stock as of the close of business on March 29, 2016.

Name and Address of **Amount and Nature of** **Approximate**

Beneficial Owner	Beneficial Ownership	Percent of Class
-------------------------	-----------------------------	-------------------------

None	None	None
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According to filings with the SEC on Forms 4, 13D and 13G and amendments thereto, made by each of the entities and/or individuals who were listed in last year's Proxy Statement and/or the Company's Form 10-K Annual Report for the fiscal year ended December 31, 2015 (the 2015 10-K) as owning or holding 5% or more of the shares of the Company's Common Stock, all such persons or entities disposed of a number of such shares to a level below 5%.

Security Ownership of Management

The following table sets forth the ownership of the Company's Common Stock, both beneficially and of record, both individually and in the aggregate for the directors and executive officers of the Company, as of the close of business on March 29, 2016.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership*	Approximate Percent of Class**
Gene S. Bertcher	-	0%
James E. Huffstickler	-	0%
Dan Locklear	-	0%
Victor L. Lund	-	0%
Raymond Roberts	-	0%
All directors and executive officers as a group (5 people)	-	0%

* Beneficial Ownership means the sole or shared power to vote, or to direct the voting of, a security or investment power with respect to a security, or any combination thereof.

** Percentages are based upon 1,946,935 shares of Common Stock outstanding at March 29, 2017.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Prime Income Asset Management, Inc (“PIAMI”) is a real estate management company that also invests in real estate for its own account. Pillar Income Asset Management, Inc. (“Pillar”) is a real estate management company. Both PIAMI

and Pillar are indirectly owned by a private trust. URC Energy, Inc. (“URC”) has been until October 2016 a significant investor in the Company. URC is indirectly owned by a private trust. While the trusts for PIAMI and Pillar and URC are separate they have similar trustees and beneficiaries and therefore the Company has noted PIAMI and Pillar as related parties.

Beginning in 2006 the Company made loans to PIAMI and an affiliate at interest rates higher than the Company believes it could have gotten elsewhere. By the fourth quarter of 2011 the notes were consolidated into a balance due from PIAMI including accrued interest of \$10 million. The Company determined that the financial condition of PIAMI had deteriorated and there could be no assurance that the amount owed would or could be collected. The company, in December 2011, recorded a reserve of \$10 million (the full balance) for the combined note.

Beginning in 2011 the Company conducted business with Pillar whereby Pillar provided the Company with services including processing payroll, acquiring insurance and other administrative matters (rent). The Company believes that by purchasing these services through certain large entities it can get lower costs and better service. Pillar does not charge the Company a fee for providing these services.

While separate companies, both PIAMI and Pillar are both owned by Realty Advisors, Inc. (“RAI”). During 2011 and 2012 the Company incurred obligations to Pillar totaling approximately \$1.7 million. In a joint agreement among Pillar, PIAMI and the Company, Pillar agreed to relieve the Company of its obligation to pay \$1.7 million and the Company agreed to reduce the amount owed by Prime by a like amount. In the third quarter of 2012 the Company recorded a \$1.7 million gain on the transaction. In the fourth quarter of 2012 Pillar incurred expenses on behalf of the Company of \$376,000 and agreed to forego payment in exchange for a reduction in the PIAMI obligation. The Company, recorded an additional \$376,000 gain.

During 2015, the Company incurred obligations to Pillar including the cost of payroll, insurance and other operating expenses. In a joint agreement among Pillar, PIAMI and the Company, Pillar agreed, in lieu of being reimbursed for such expenses, to relieve the Company of its obligation to pay \$1.4 million and the Company agreed to reduce the amount owed by Prime by a like amount.

Except as set forth above, the Reporting Persons do not have any contracts, arrangements, understandings or relationships, legal or otherwise, with any person with respect to any securities of the Issuer, including but not limited to, transfer or voting of any of the securities, finders’ fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, divisions of profits or losses, or the giving or withholding of proxies.

It is the policy of the Company that all transactions between the Company and any officer or director, or any of their affiliates, must be approved by non-management members of the Board of Directors of the Company. All of the transactions described above were so approved.

Item 14. Principal Accounting Fees and Services

The following table sets forth the aggregate fees for professional services rendered to the Company for the years 2016 and 2015 by the Company’s principal accounting firm Swalm & Associates, P.C.:

Type of Fees	2016	2015
Audit Fees	\$62,000	\$61,000
Tax Fees	9,000	9,000
Total Fees	\$71,000	\$70,000

All services rendered by the principal auditors are permissible under applicable laws and regulations and were pre-approved by either of the Board of Directors or the Audit Committee, as required by law. The fees paid to principal auditors for services described in the above table fall under the categories listed below:

Audit Fees: These are fees for professional services performed by the principal auditor for the audit of the Company’s annual financial statements and review of financial statements included in the Company’s Form 10-Q filings and services that are normally provided in connection with statutory and regulatory filings or engagements.

Audit-Related Fees: These are fees for assurance and related services performed by the principal auditor that are reasonably related to the performance of the audit or review of the Company’s financial statements. These services include attestation by the principal auditor that is not required by statute or regulation and consulting on financial accounting/reporting standards.

Tax Fees: These are fees for professional services performed by the principal auditor with respect to tax compliance, tax planning, tax consultation, returns preparation and reviews of returns. The review of tax returns includes the Company and its consolidated subsidiaries.

All Other Fees: These are fees for other permissible work performed by the principal auditor that does not meet the above category descriptions.

These services are actively monitored (as to both spending level and work content) by the Audit Committee to maintain the appropriate objectivity and independence in the principal auditor's core work, which is the audit of the Company's consolidated financial statements.

Financial Information Systems Design and Implementation Fees

Swalm & Associates, P.C. did not render professional services to the Company in 2016 with respect to financial information systems design and implementation.

Under the Sarbanes-Oxley Act of 2002 (the “SO Act”), and the rules of the Securities and Exchange Commission (the “SEC”), the Audit Committee of the Board of Directors is responsible for the appointment, compensation and oversight of the work of the independent auditor. The purpose of the provisions of the SO Act and the SEC rules for the Audit Committee’s role in retaining the independent auditor is two-fold. First, the authority and responsibility for the appointment, compensation and oversight of the auditors should be with directors who are independent of management. Second, any non-audit work performed by the auditors should be reviewed and approved by these same independent directors to ensure that any non-audit services performed by the auditor do not impair the independence of the independent auditor. To implement the provisions of the SO Act, the SEC issued rules specifying the types of services that an independent auditor may not provide to its audit client, and governing the Audit Committee’s administration of the engagement of the independent auditor. As part of this responsibility, the Audit Committee is required to pre-approve the audit and non-audit services performed by the independent auditor in order to assure that they do not impair the auditor’s independence. Accordingly, the Audit Committee has adopted a pre-approval policy of audit and non-audit services (the “Policy”), which sets forth the procedures and conditions pursuant to which services to be performed by the independent auditor are to be pre-approved. Consistent with the SEC rules establishing two different approaches to pre-approving non-prohibited services, the Policy of the Audit Committee covers pre-approval of audit services, audit-related services, international administration tax services, non-U.S. income tax compliance services, pension and benefit plan consulting and compliance services, and U.S. tax compliance and planning. At the beginning of each fiscal year, the Audit Committee will evaluate other known potential engagements of the independent auditor, including the scope of work proposed to be performed and the proposed fees, and the approve or reject each service, taking into account whether services are permissible under applicable law and the possible impact of each non-audit service on the independent auditor’s independence from management. Typically, in addition to the generally pre-approved services, other services would include due diligence for an acquisition that may or may not have been known at the beginning of the year. The Audit Committee has also delegated to any member of the Audit Committee designated by the Board or the financial expert member of the Audit Committee responsibilities to pre-approve services to be performed by the independent auditor not exceeding \$25,000 in value or cost per engagement of audit and non-audit services, and such authority may only be exercised when the Audit Committee is not in session.

PART IV

Item 15. Consolidated Financial Statement and Supplementary Schedules

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FINANCIAL STATEMENT SCHEDULES: Other financial statement schedules have been omitted because they are not required, are not applicable, or the information required is included in the Consolidated Financial Statements or the notes thereto.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders

New Concept Energy, Inc.

We have audited the accompanying consolidated balance sheets of New Concept Energy, Inc., and Subsidiaries, as of December 31, 2016 and 2015, and the related consolidated statements of income, shareholders' equity and cash flows for each of the years in the three-year period ended December 31, 2016. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the consolidated financial statements based on our audit.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, audits of its internal control over financial reporting. Our audits include consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of New Concept Energy, Inc., and Subsidiaries as of December 31, 2016 and 2015, and the consolidated results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2016, in conformity with accounting principles generally accepted in the United States of America.

As described in Note C to the consolidated financial statements, the Company has significant balances due from an affiliate.

As described in Note G to the financial statements, the Company is named as a party to a significant lawsuit judgment. The Company and its legal counsel believe that the judgment is in error and that the most likely outcome is that there will be a new trial. While the outcome of the matter cannot presently be determined, management does not believe

that the matter will have a material effect on the Company's consolidated financial position. Accordingly, no provision for any liability that may result has been made in the financial statements. Nevertheless, due to the nature of the uncertainty, it is reasonably possible that management's view of the outcome will change in the near term.

/s/ Swalm & Associates, P.C.

Richardson, Texas

March 31, 2017

NEW CONCEPT ENERGY, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(amounts in thousands)

	December 31,	
	2016	2015
Assets		
Current assets		
Cash and cash equivalents	\$113	\$473
Accounts receivable from oil and gas sales	119	141
Other current assets	206	37
Total current assets	438	651
Oil and natural gas properties (full cost accounting method)		
Proved developed and undeveloped oil and gas properties, net of depletion	5,608	5,914
Property and equipment, net of depreciation		
Land, buildings and equipment - oil and gas operations	706	803
Other	25	134
Total property and equipment	731	937
Other assets	401	1,373
Total assets	\$7,178	\$8,875

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

NEW CONCEPT ENERGY, INC. AND SUBSIDIARIES
 CONSOLIDATED BALANCE SHEETS - CONTINUED
 (amounts in thousands, except share amounts)

	December 31,	
	2016	2015
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable - trade (including \$160 and \$168 in 2016 and 2015 due to related parties)	\$238	\$241
Accrued expenses	59	151
Current portion of long term debt	96	831
Total current liabilities	393	1,223
Long-term debt		
Notes payable less current portion	296	1,211
Asset retirement obligation	2,770	2,770
Total liabilities	3,459	5,204
Stockholders' equity		
Series B convertible preferred stock, \$10 par value, liquidation value of \$100 authorized 100 shares, issued and outstanding one share	1	1
Common stock, \$.01 par value; authorized, 100,000,000 shares; issued and outstanding, 1,946,935 shares at December 31, 2016 and 2015	20	20
Additional paid-in capital	58,838	58,838
Accumulated deficit	(55,140)	(55,188)
	3,719	3,671
Total liabilities & stockholders' equity	\$7,178	\$8,875

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

NEW CONCEPT ENERGY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATION

(amounts in thousands, except per share data)

	Year Ended December 31,		
	2016	2015	2014
Revenue			
Oil and gas operations, net of royalties	\$764	\$820	\$1,489
	764	820	1,489
Operating expenses			
Oil & gas operations	1,181	1,800	1,853
Corporate general and administrative	352	605	823
Impairment of natural gas and oil properties	—	2,717	—
	1,533	5,122	2,676
Operating earnings (loss)	(769)	(4,302)	(1,187)
Other income (expense)			
Interest income	23	12	5
Interest expense	(38)	(62)	(91)
Gain on prepayment of debt	888		
Gain on sale of land	50		
Bad debt expense (recovery) - note receivable	—	1,430	—
Other income (expense), net	(110)	(32)	197
	813	1,348	111
Earnings (loss) from continuing operations	44	(2,954)	(1,076)
Earnings from discontinued operations	4	332	297
Net income (loss) applicable to common shares	\$48	\$(2,622)	\$(779)
Net income (loss) per common share-basic and diluted	\$0.02	\$(1.35)	\$(0.40)
Weighted average common and equivalent shares outstanding - basic	1,947	1,947	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
(amounts in thousands)

	Year ended December 31,		
	2016	2015	2014
Cash flows from operating activities			
Net income (loss)	48	\$(2,622)	\$(779)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities			
Depreciation, depletion and amortization	664	721	732
Impairment of natural gas and oil properties	—	2,717	—
Write-off (recovery) of affiliate receivable	—	(1,430)	—
Gain on prepayment of long term debt	(888)	—	—
Gain from sale of land	(50)		
Changes in operating assets and liabilities			
Other current and non-current assets	7	260	5
Accounts payable and other liabilities	(95)	920	(240)
Net cash provided by (used) in operating activities	(314)	566	(282)
Cash flows from investing activities			
Investment in oil and gas properties	—	(336)	(129)
Fixed asset additions	(52)	(31)	(175)
Cash from sale of land	700	116	—
Repayment of loan from affiliate	—	126	—
Collections of note receivable	38	13	
Real estate held for investment	—	—	(650)
Net cash provided by (used) in investing activities	686	(112)	(954)
Cash flows from financing activities			
Payment on notes payable	(732)	(281)	(213)
Proceeds from loans	—	—	128
Net cash provided by (used in) financing activities	(732)	(281)	(85)
Net increase (decrease) in cash and cash equivalents	(360)	173	(1,321)
Cash and cash equivalents at beginning of year	473	300	1,621
Cash and cash equivalents at end of year	\$113	\$473	\$300
Supplemental disclosures of cash flow information			
Cash paid for interest on notes payable:	\$22	\$77	\$77
Cash paid for principal on notes payable:	\$725	\$279	\$213
Non cash portion of sale of land	\$—	\$415	\$0
Cash paid income taxes	\$0	\$0	\$0

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

New Concept Energy Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

(amounts in thousands)

	Series B Preferred stock		Common Stock		Additional paid in capital	Accum- ulated deficit	Total
	Shares	Amount	Shares	Amount			
Balance at December 31, 2013	1	\$ 1	1,947	\$ 20	\$ 58,838	\$(51,787)	\$7,072
Net Income						(779)	(779)
Balance at December 31, 2014	1	1	1,947	\$ 20	\$ 58,838	(52,566)	6,293
Net Income						(2,622)	(2,622)
Balance at December 31, 2015	1	1	1,947	\$ 20	\$ 58,838	(55,188)	3,671
Net Income						48	48
Balance at December 31, 2016	1	\$ 1	1,947	\$ 20	\$ 58,838	\$(55,140)	\$3,719

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

New Concept Energy Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2016

NOTE A – BUSINESS DESCRIPTION AND PRESENTATION

The Company, through its wholly owned subsidiaries Mountaineer State Energy, Inc. and Mountaineer State Operations, LLC, 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. As of December 31, 2016 the Company has 153 producing oil & gas wells, 31 non-producing wells and related equipment and mineral leases covering approximately 20,000 acres.

The Company engaged the firm of independent oil and gas engineers Lee Keeling & Associates, Inc. to estimate the net oil and gas reserves. On the basis of their study, the estimates of future net revenues using a present value discount of 10% were estimated to be \$6.3 million at December 31, 2016.

NCE also leases and operates a retirement community in King City Oregon, with a capacity of 114 residents. Our lease provides that should the property be sold the lease maintained by the Company would be terminated. The Company has been notified that the building is under contract to be sold effective March 30, 2017 and our lease will be terminated on that date. These financial statements reflect the operations of the retirement community as a discontinued operation.

In February 2014 the Company acquired 7.4 acres of undeveloped land in Desoto TX. For \$624,000. The Company acquired the property for investment purposes. This investment has been included in other assets on the balance sheet. In December 2016 the Company sold the land for \$700,000 and recorded a gain of \$50,000.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying consolidated financial statements follows:

Principles of Consolidation

The consolidated financial statements include the accounts of New Concept Energy, Inc. and its majority-owned subsidiaries (collectively, the “Company”, New Concept or “NCE”) and are prepared on the basis of accounting principles generally accepted in the United States of America “GAAP”. All significant intercompany transactions and accounts have been eliminated.

Depreciation and Amortization

Depreciation is provided for in amounts sufficient to relate the cost of property and equipment to operations over their estimated service lives, ranging from 3 to 40 years. Depreciation is computed by the straight-line method.

Depreciation and amortization expense, which is included in operations, was \$352,000, \$151,000 and \$176,000 for 2016, 2015 and 2014, respectively.

Depreciation, Depletion and Amortization of Producing Oil & Gas Properties

Depreciation, depletion and amortization (“DD&A”) of producing properties is computed on the unit-of-production method based on estimated proved oil and gas reserves. While total DD&A expense for the life of a property is limited to the property’s total cost, proved reserve revisions result in a change in timing of when DD&A expense is recognized.

The Company recorded depletion of mineral rights of \$310,000, \$514,000 and \$510,000 in 2016, 2015 and 2014 respectively.

Segments

The Company operates two primary business segments; oil and gas operations and retirement facilities. Segment data is provided in “Note H” to these consolidated financial statements.

Major Purchaser

The Company sells most of its natural gas production to one purchaser and all of its oil production to one purchaser. While there is an available market for crude oil and natural gas production, we cannot be assured that the loss of this purchaser would not have a material impact on the Company.

Oil and Gas Reserves

Our proved oil and gas reserves are estimated by independent petroleum engineers. Reserve engineering is a subjective process that is dependent upon the quality of available data and the interpretation thereof, including evaluations and extrapolations of well flow rates and reservoir pressure. Estimates by different engineers often vary, sometimes significantly. In addition, physical factors such as the results of drilling, testing and production subsequent to the date of an estimate, as well as economic factors such as changes in product prices, may justify revision of such estimates. Because proved reserves are required to be estimated using recent prices of the evaluation, estimated reserve quantities can be significantly impacted by changes in product prices.

The standardized measure of discounted future net cash flows and changes in such cash flows are prepared using assumptions required by the Financial Accounting Standards Board and the Securities and Exchange Commission. Such assumptions include using recent oil and gas prices and year-end costs for estimated future development and production expenditures. Discounted future net cash flows are calculated using a 10% rate. Changes in any of these assumptions could have a significant impact on the standardized measure. Accordingly, the standardized measure does not represent management's estimated current market value of proved reserves.

Full cost 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. Beginning December 31, 2009, full cost companies use the unweighted arithmetic average first day of the month price for oil and natural gas for the 12-month period preceding the calculation date to calculate the future net revenues of proved reserves. Prior to December 31, 2009, companies used the price in effect at the calculation date and had the option, under certain circumstances, to elect to use subsequent commodity prices if they increased after the calculation date.

The Company assesses any unproved oil and gas properties on an annual basis for possible impairment or reduction in value. The Company assesses properties on an individual basis or as a group if properties are individually insignificant. The assessment includes consideration of the following factors, among others: intent to drill; remaining lease term; geological and geophysical evaluations; drilling results and activity; the assignment of proved reserves; and the economic viability of development if proved reserves are assigned. During any period in which these factors indicate an impairment of unproved properties not subject to amortization, the associated costs incurred to date for such properties are then included in unproved properties subject to amortization.

Gas gathering assets

Gas gathering assets are capitalized as part of the depletable pool and ratably charged to earnings along with other capitalized exploration, drilling and development costs.

Office and field equipment

Office and field equipment are capitalized at cost and depreciated on a straight line basis over their estimated useful lives. Office and field equipment useful lives range from 5 to 30 years.

Revenue recognition and gas imbalances

We use the sales method of accounting for oil and natural gas revenues. Under the sales method, revenues are recognized based on actual volumes of oil and natural gas sold to purchasers. Gas imbalances at December 31, 2016 were not significant. New Concept also follows the sales method of accounting for natural gas production imbalances and would recognize a liability if the existing proved reserves were not adequate to cover an imbalance.

Accounting for Leases

Leases of property, plant and equipment where the Company assumes substantially all the benefits and risks of ownership are classified as finance leases. Finance leases are capitalized at the estimated present value of the underlying lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance charge is charged to the income statement over the lease period. Property, plant and equipment acquired under finance leasing contracts are depreciated over the useful life of the asset.

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

Revenue Recognition

Rental income for residential property leases is recorded when due from residents and is recognized monthly as it is earned, which is not materially different than on a straight-line basis as lease terms are generally for periods of one year or less.

Revenues are recognized when products are shipped or services are provided to customers, title is transferred, the sales price is fixed or determinable and collectability is reasonably assured. Costs associated with revenues are recorded in cost of revenues. Production volumes of natural gas are sold immediately and transported via pipeline. Royalties on the production of natural gas either paid in cash or settled through the delivery of volumes. The Company includes royalties in its revenues and cost of revenues when settlement of the royalties is paid in cash, while royalties settled by the delivery of volumes are excluded from revenues and cost of revenues.

The Company follows the sales method of accounting for natural gas production imbalances and would recognize a liability if the existing proved reserves were not adequate to cover an imbalance.

Use of Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

The Company considers all short-term deposits and money market investments with a maturity of less than three months to be cash equivalents.

Other Intangible Assets

The cost of acquired patents, trademarks and licenses is capitalized and amortized using the straight-line method over their useful lives. The carrying amount of each intangible asset is reviewed annually and adjusted for permanent impairment where it is considered necessary.

Impairment of Notes Receivable

Notes receivable are identified as impaired when it is probable that interest and principal will not be collected according to the contractual terms of the note agreements. The accrual of interest is discontinued on such notes, and no income is recognized until all past due amounts of principal and interest are recovered in full.

Impairment of Long-Lived Assets

The Company reviews its long-lived assets and certain identifiable intangibles for impairment when events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. In reviewing recoverability, the Company estimates the future cash flows expected to result from use of the assets and eventually disposing of them. If the sum of the expected future cash flows (undiscounted and without interest charges) is less than the carrying amount of the asset, an impairment loss is recognized based on the asset's fair value.

The Company determines the fair value of assets to be disposed of and records the asset at the lower of fair value less disposal costs or carrying value. Assets are not depreciated while held for disposal.

Sales of Real Estate

Gains on sales of real estate are recognized to the extent permitted by Accounting Standards Codification Topic 360-20, “Real Estate Sales – Real Estate Sales”, (“ASC 360-20”). Until the requirements of ASC 360-20 have been met for full profit recognition, sales are accounted for by the installment or cost recovery method, whichever is appropriate.

Real Estate Held for Sale

Accounting Standards Codification Topic 360, “Property, Plant, & Equipment” (“ASC 360”) requires that properties held for sale be reported at the lower of carrying amount or fair value less costs of sale. If a reduction in a held for sale property’s carrying amount to fair value less costs of sale is required, a provision for loss is recognized by a charge against earnings. Subsequent revisions, either upward or downward, to a held for sale property’s estimated fair value less costs of sale are recorded as an adjustment to the property’s carrying amount, but not in excess of the property’s carrying amount when originally classified as held for sale. A corresponding charge against or credit to earnings is recognized. Properties held for sale are not depreciated.

Asset Retirement Obligation

The Company records an asset retirement obligation liability on the consolidated balance sheets and capitalizes a portion of the cost in “Oil and natural gas properties” during the period in which the obligation is incurred. The asset retirement obligation is further described in Note K.

Income Taxes

The Company accounts for income taxes in accordance with Accounting Standards Codification, (“ASC”) No. 740, “Accounting for Income Taxes”. ASC 740 requires an asset and liability approach to financial accounting for income taxes. In the event differences between the financial reporting basis and the tax basis of the Company’s assets and liabilities result in deferred tax assets, ASC 740 requires an evaluation of the probability of being able to realize the future benefits indicated by such assets. A valuation allowance is provided for a portion or all of the deferred tax assets when there is an uncertainty regarding the Company’s ability to recognize the benefits of the assets in future years. Recognition of the benefits of deferred tax assets will require the Company to generate future taxable income. There is no assurance that the Company will generate earnings in future years. Since management could not determine the likelihood that the benefit of the deferred tax asset would be realized, no deferred tax asset was recognized by the

Company.

Recent Accounting Pronouncements

There were no recent accounting pronouncements that our Company has not implemented that materially affect our consolidated financial statements.

NOTE C – RECEIVABLES – PAYABLES – RELATED PARTIES

Prime Income Asset Management, Inc.

Prime Income Asset Management, Inc (“PIAMI”) is a real estate management company that also invests in real estate for its own account. Pillar Income Asset Management, Inc. (“Pillar”) is a real estate management company. Both PIAMI and Pillar are indirectly owned by a private trust. URC Energy, Inc. (“URC”) has been until October 2016 a significant investor in the Company. URC is indirectly owned by a private trust. While the trusts for PIAMI and Pillar and URC are separate they have similar trustees and beneficiaries and therefore the Company has noted PIAMI and Pillar as related parties.

Beginning in 2006 the Company made loans to PIAMI and an affiliate at interest rates higher than the Company believes it could have gotten elsewhere. By the fourth quarter of 2011 the notes were consolidated into a balance due from PIAMI including accrued interest of \$10 million. The Company determined that the financial condition of PIAMI had deteriorated and there could be no assurance that the amount owed would or could be collected. The company, in December 2011, recorded a reserve of \$10 million (the full balance) for the combined note.

Beginning in 2011 the Company conducted business with Pillar whereby Pillar provided the Company with services including processing payroll, acquiring insurance and other administrative matters (rent). The Company believes that by purchasing these services through certain large entities it can get lower costs and better service. Pillar does not charge the Company a fee for providing these services.

While separate companies, both PIAMI and Pillar are both owned by Realty Advisors, Inc. (“RAI”). During 2011 and 2012, the Company incurred obligations to Pillar totaling approximately \$2.1 million. In a joint agreement among Pillar, PIAMI and the Company, Pillar, in 2012, agreed to relieve the Company of its obligation to pay \$2.1 million and the Company agreed to reduce the amount owed by PIAMI by a like amount. In 2013 in a similar agreement the Company recorded a \$1.6 million recovery on the transaction reduction in the PIAMI obligation.

During 2015, the Company incurred obligations to Pillar including the cost of payroll, insurance and other operating expenses. In a joint agreement among Pillar, PIAMI and the Company, Pillar agreed, in lieu of being reimbursed for such expenses, to relieve the Company of its obligation to pay \$1.4 million and the Company agreed to reduce the amount owed by PIAMI by a like amount.

Coastland Operations, LLC

During 2012, the Company and several other defendants settled a lawsuit for \$225,000. The Company paid the entire amount and had a note receivable from one of the other defendants, Coastland Operations, LLC (a subsidiary of Arcadian Energy, Inc) for \$112,500 representing its share of the settlement Arcadian for a portion of his services. Arcadian, through its subsidiary URC is a significant shareholder of the Company and is therefore considered a related party. In March 2015 the \$112,500 plus all accrued interest thereon was paid to the Company.

NOTE D – NOTES PAYABLE

Notes payable is comprised of the following (in thousands):

	2016	2015
Notes payable from the acquisition of Mountaineer State Energy, Inc.	\$—	\$1,528
Bank Debt	\$392	\$514
	\$392	\$2,042

Mountaineer State Energy, Inc. was acquired in 2008. As part of the purchase price the Company issued non-interesting bearing notes with the first payment being required in 2015 and the final payment due in 2032. The balance reflected above is the present value of those obligations.

Bank debt represent loans from a bank to finance drilling and equipment at the Company's oil and gas operation. The interest rate ranges from 5% to 5 ½ %. The loans are collateralized by the Company's oil & gas leases as well as real property and equipment.

Aggregate annual principal maturities of long-term debt at December 31, 2016 are as follows (in thousands):

2016	91
2017	80
2018	52
2019	50
2020	50
Thereafter	69

\$ 392

NOTE E – INCOME TAXES

At December 31, 2016, the Company had net operating loss carry forwards of approximately \$9.3 million, which expire between 2016 and 2030.

Forms 1120, *U.S. Corporation Income Tax Returns*, for the years ending December 31, 2016, 2015, 2014 are subject to examination, by the IRS, generally for three years after they are filed.

The following table presents the principal reasons for the difference between the Company's effective tax rate and the United States statutory income tax rate.

	2016	2015	2014
Earned income tax at statutory rate	\$7	\$0	\$0
Net operating loss utilization	(7)	0	0
Deferred tax asset from NOL carry forwards	3,263	3,270	2,927
Valuation allowance	(3,263)	(3,270)	(2,927)
Reported income tax expense (benefit)	\$0	\$0	\$0
Effective income tax rate	0.00 %	0.00 %	0.00 %

The Company believes that it is more likely than not the benefit of NOL carryforwards will not be realized. Therefore, a valuation allowance on the related deferred tax assets has been recorded.

NOTE F – STOCKHOLDERS' EQUITY

Outstanding Preferred Stock

Preferred stock consists of the following (amounts in thousands):

	Year Ended December 31,	
	2016	2015
Series B convertible preferred stock, \$10 par value, liquidation value of \$100, authorized 100 shares, issued and outstanding one share	1	1

The Series B preferred stock has a liquidation value of \$100 per share. The right to convert expired April 30, 2003. Dividends at a rate of 6% are payable in cash or preferred shares at the option of the Company.

NOTE G – CONTINGENCIES

Carlton Energy Group, LLC

In December 2006, Carlton Energy Group, LLC (“Carlton”) instituted litigation against 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”) 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) reduced the actual damages found by the jury of \$66.5 million and entered judgment against EurEnergy and The individual jointly and severally for \$31.16 million in actual damages on its tortious-interference claim and the Court further assessed exemplary damages against The individual and EurEnergy in the amount of \$8.5 million each. The Court granted a judgment for the Company that it was not the alter ego of any of the other parties and thereby would not incur any damages.

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 rendered its opinion on February 14, 2012. The Court of Appeals opinion, among other things, reinstated the jury award of actual damages jointly and severally against the individual and EurEnergy in the amount of \$66.5 million and overturned the Trial Court’s ruling favorable to the Company rendering a judgment for that amount plus exemplary damages against the Company as the “alter ego” of Eurenergy.

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 that Court for further proceedings. In its opinion, the Supreme Court concluded that the evidence supports the Jury’s verdict that the individual used the Company and other entities, that it would be unjust to require Carlton to treat them separately and found that the Company was an alter ego as a matter of law. The Supreme Court determined that the Court of Appeals erred in reinstating the jury’s verdict on damages in the amount of \$66.5 million as the amount was speculative and not supported by competent evidence. The court declined to reinstate the trial court’s judgment of \$31.16 million. The Supreme Court did rule that there was some evidence to support an award of actual damages and therefore remanded the case to the Court of Appeals to make a factual sufficiency determination, if possible, as to as to the amount.

After remand the parties provided supplemental briefing and the Court of Appeals held additional oral argument on February 17, 2016. On August 30, 2016 the Court of Appeals entered its opinion and judgement which reinstated the trial court’s actual damages award \$31.6 million but did not address exemplary damages. The Company filed a Motion for Rehearing and asked for the full panel of the Court of Appeals to address the constitutional question of the Court of Appeals authority to decide fact questions which the record does not reflect were considered by the jury. That Motion is still pending.

Management’s preliminary analysis of these developments suggests the most likely outcome is that the entire case will be sent back to the trial court for a new trial however it is also possible that the claim will result in an unfavorable outcome. Management notes that in connection with the original appeal, the individual defendant deposited alternative security with the court to supersede the judgment which the court determined to have a value in excess of \$56 million. Management believes that the maximum exposure would be in an amount significantly less than the amount on deposit. Accordingly, management believes that any adverse outcome is fully secured by that deposit. .

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 H – OPERATING SEGMENTS

The following table reconciles the segment information to the corresponding amounts in the Consolidated Statements of Operations and total assets:

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Year ended December 31, 2016	Oil and Gas Operations	Corporate	Total	Discontinued Operations Retirement Facility
Operating revenue	\$764	\$—	\$764	\$2,665
Operating expenses	687	352	1,039	1,496
Depreciation, depletion and amortization	494	—	494	168
Lease of Retirement Center	—	—	—	997
Impairment of oil and gas properties	—	—	—	—
Total Operating Expenses	1,181	352	1,533	2,661
Interest income	23	—	23	—
Interest expense	(38	) —	(38) —
Gain on prepayment of debt	888	—	888	—
Gain on Sale of Land	—	50	50	—
Other income (expense), net	—	(110	) (110) —
Segment operating income (loss)	\$456	\$(412	) \$44	\$4
Assets	\$6,641	\$291	\$6,932	\$246
Year ended December 31, 2015	Oil and Gas Operations	Corporate	Total	Retirement Facility
Operating revenue	\$820	\$—	\$820	\$2,997
Operating expenses	1,183	605	1,788	1,623
Depreciation, depletion and amortization	617	—	617	62
Lease of Retirement Center	—	—	—	980
Impairment of oil and gas properties	2,717	—	2,717	—
Total Operating Expenses	4,517	605	5,122	2,665
Interest income	—	12	12	—
Interest expense	(62	) —	(62) —
Bad debt recovery	—	1,430	1,430	—
Other income (expense), net	—	(32	) (32) —
Segment operating income (loss)	\$(3,759	) \$805	\$(2,954	) \$332
Assets	\$7,420	\$1,025	\$8,445	\$430
Year ended December 31, 2014	Oil and Gas Operations	Corporate	Total	Retirement Facility
Operating revenue	\$1,489	\$—	\$1,489	\$2,874
Operating expenses	1,233	823	2,056	1,551
Depreciation, depletion and amortization	620	—	620	65
Lease of retirement facility	—	—	—	961
Impairment of oil and gas properties	—	—	—	—

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Total Operating Expenses	1,853	823	2,676	2,577
Interest income	—	5	5	
Interest expense	(91) —	(91) —
Other income (expense), net	(19	) 216	197	
Segment operating income (loss)	\$(474	) \$(602	) \$(1,076	) \$297
Assets	\$10,621	\$1,208	\$11,829	\$445

NOTE I - QUARTERLY DATA (UNAUDITED)

The table below reflects the Company's selected quarterly information for the years ended December 31, 2016, 2015 and 2014. Amounts shown are in thousands except per share amounts.

Year ended December 31, 2016	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenue	\$219	\$170	\$190	\$185
Operating (expense)	(396)	(233)	(295)	(327)
Corporate general and administrative expense	(166)	(101)	(52)	(33)
Gain on prepayment of debt	—	—	—	888
Gain on sale of land				50
Other income (expense) net	(10)	(7)	(13)	(80)
Net income (loss) from continuing operations	(353)	(171)	(170)	738
Net income (loss) from discontinued operations	57	38	6	(97)
Income (loss) allocable to common shareholders	\$(296)	\$(133)	\$(164)	641
Income (loss) per common share – basic	\$(0.15)	\$(0.07)	\$(0.08)	\$0.32

Year ended December 31, 2015	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenue	\$172	\$259	\$232	\$157
Operating (expense)	(470)	(440)	(527)	(363)
Corporate general and administrative expense	(154)	(155)	(176)	(120)
Impairment of natural gas and oil properties	—	—	—	(2,717)
Recovery of bad debt	738	386	306	—
Other income (expense) net	(34)	(24)	(14)	(10)
Net income (loss) from continuing operations	252	26	(179)	(3,053)
Net income (loss) from discontinued operations	62	84	104	82
Income (loss) allocable to common shareholders	\$314	\$110	\$(75)	\$(2,971)
Income (loss) per common share – basic	\$0.16	\$0.06	\$(0.04)	\$(1.53)

Year ended December 31, 2014	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenue	\$344	\$485	\$410	\$250
Operating (expense)	(483)	(425)	(447)	(502)
Corporate general and administrative expense	(192)	(205)	(208)	(218)
Other income (expense) net	202	(54)	(40)	3
Net income (loss) from continuing operations	(129)	(199)	(285)	(463)
Net income (loss) from discontinued operations	89	100	81	27
Income (loss) allocable to common shareholders	\$(40)	\$(99)	\$(204)	\$(436)
Income (loss) per common share – basic	\$(0.02)	\$(0.05)	\$(0.10)	\$(0.23)

NOTE J - SUPPLEMENTARY FINANCIAL INFORMATION ON OIL AND NATURAL GAS EXPLORATION, DEVELOPMENT AND PRODUCTION ACTIVITIES (UNAUDITED)

The Company's net ownership interests in estimated quantities of proved oil and natural gas reserves and changes in net proved reserves, all of which are located in the continental United States, are summarized below:

	2016		
	Gas (MMCF)	Oil (MBBLS)	
Proved developed and undeveloped reserves - January 1, 2016	2,604	58	
Purchase of oil and natural gas properties in place	0	0	
Discoveries and exclusions	0	0	
Revisions	615	91	
Sales of oil and gas properties in place	0	0	
Production	0	0	
December 31, 2016	3,219	149	
Proved developed at beginning of year	504	59	
Proved developed reserves at end of year	1,051	81	
	2015		
	Gas (MMCF)	Oil (MBBLS)	
Proved developed and undeveloped reserves - January 1, 2015	2,866	139	
Purchase of oil and natural gas properties in place	0	0	
Discoveries and exclusions	0	0	
Revisions	(94) (69)
Sales of oil and gas properties in place	0	0	
Production	(168) (12)
December 31, 2015	2,604	58	
Proved developed at beginning of year	698	70	
Proved developed reserves at end of year	504	59	

	2016	2015
Oil and gas sales	\$764	\$820
Operating expenses	(703)	(1,183)
Depreciation, depletion and amortization	(494)	(617)
Impairment of oil & gas properties	—	(2,717)
Results of operations	\$(398)	\$(3,697)

The following table reflects the standardized measure of future net cash flows related to our proved reserves

	2016	2015
Future oil and gas cash inflows	\$19,368	\$14,326
Future oil & gas operating expenses	(4,605)	(2,554)
Future development costs	(2,982)	(1,982)
Future tax expense	(1,308)	(998)
Future net cash flows	\$10,473	\$8,792
10% discount to reflect timing of cash flows	(4,150)	(2,878)
	\$6,323	\$5,914

The following table presents the changes in our total proved undeveloped reserves.

	Gas (MMCF)	Oil (MBBLS)
Proved undeveloped reserves as of December 31, 2014	2,168	68
Revaluation of undeveloped reserves	—	(68)
Conversion to proved developed reserves		—
Proved undeveloped reserves as of December 31, 2015	2,168	0
Conversion to proved developed reserves		
Revaluation of undeveloped reserves		68
Proved undeveloped reserves as of December 31, 2016	2,168	68

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The following table reflects the capitalized costs relating to oil and gas producing activities.

	2016	2015
Property acquisition costs:		
Proved properties	\$	\$9,116
Unproved properties	-	-
Accumulated depreciation, depletion and amortization and valuation allowance		(3,202)
Net capitalized costs	\$	\$5,914

The following table reflects the costs incurred in oil and gas property acquisition, exploration and development activities.

	2016	2015
Property acquisition costs:		
Proved properties	\$ -	\$-
Unproved properties	-	-
Exploration costs	-	-
Development costs		206
Total cost incurred	\$	\$206

The following table reflects revenues and expenses directly associated with our oil and gas producing activities, including general and administrative expenses directly related to such producing activities. They do not include any allocation of interest costs or general corporate overhead and, therefore, are not necessarily indicative of the contribution to net earnings of our oil and gas operations. Income tax expense has been calculated by applying statutory income tax rates to oil and gas sales after deducting costs, including depreciation, depletion and amortization and after giving effect to permanent differences.

NOTE K – ASSET RETIREMENT OBLIGATION

The Company records an asset retirement obligation (ARO) when the total depth of a drilled well is reached and the Company can reasonably estimate the fair value of an obligation to perform site reclamation, dismantle facilities or plug and abandon costs. The Company records the ARO liability on the consolidated balance sheets and capitalizes a portion of the cost in “Oil and natural gas properties” during the period in which the obligation is incurred. In general, the amount of an ARO and the costs capitalized will be equal to the estimated future cost to satisfy the abandonment obligation using current prices that are escalated by an assumed inflation factor up to the estimated settlement date and adjusted for the Company’s credit risk. This amount is then discounted back to the date that the abandonment obligation was incurred using an assumed cost of funds for the Company. After recording these amounts, the ARO is accreted to its future estimated value using the same assumed cost of funds. The additional capitalized costs are depreciated on a unit-of-production basis or straight-line basis.

In the third quarter of 2012, the Company re-evaluated its method of plugging abandoned wells and determined by doing so in-house it could lower the cost. Based upon the Company’s current calculations, we have established a sufficient reserve, for accounting purposes, to plug the existing wells when necessary.

	2016	2015
Asset retirement obligation, January 1	\$2,770	\$2,770
Acquisition of oil and gas properties	—	—
Revisions in the estimated cash flows	—	—
Liability incurred upon acquiring and drilling wells	—	—
Liability settled upon plugging and abandoning wells	—	—
Accretion of discount expense	—	—
Asset retirement obligation, December 31	\$2,770	\$2,770

NOTE L –SUBSEQUENT EVENTS

The Company has evaluated subsequent events through March 31, 2017, the date the financial statements were available to be issued, and has determined that there are none to be reported.

The following documents are filed as exhibits (or are incorporated by reference as indicated) into this Report:

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 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)
- 3.6 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)
- 3.7 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)
- 3.8 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)
- 3.9 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)
- 3.10 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)
- 3.11 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)
- 3.12 Amended and restated bylaws of New Concept Energy, Inc. dated November 18, 2008.
- 10.1 Registrant's 1997 Stock Option Plan (filed as Exhibit 4.1 to Registrant's Form S-8 Registration Statement, Registration No. 333-33985 and incorporated herein by this reference).
- 10.2 Registrant's 2000 Stock Option Plan (filed as Exhibit 4.1 to Registrant's Form S-8 Registration Statement, Registration No. 333-50868 and incorporated herein by this reference)
- 14.0 Code of Ethics for Senior Financial Officers (incorporated by reference to Exhibit 14.0 to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2003)
- 21.1* Subsidiaries of the Registrant
- 31.1* Rule 13a-14(a) Certification by 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, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
- 99.1* Reserve Study dated March 16, 2015 prepared by Lee Keeling and Associates, Inc is included as an exhibit
- 99.2 Shared Services Agreement effective December 31, 2010 (incorporated by reference to Exhibit 99.2 to

Registrants Form 10K/A for the year ended December 31, 2011 filed March 21, 2013)

101 Interactive data files pursuant to Rule 405 of Regulation S-T

*Filed herewith.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NEW CONCEPT ENERGY, INC.

March 30, 2017 by: /s/ Gene S. Bertcher
 Gene S. Bertcher, Principal Executive
 Officer, President and Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
<u>/s/ Gene S. Bertcher</u> Gene S. Bertcher	Chairman, President, Principal Executive Officer, Chief Financial Officer and Director	March 30, 2017
<u>/s/ Raymond D Roberts</u> Raymond D Roberts	Director	March 30, 2017
<u>/s/ James Huffstickler</u> James Huffstickler	Director	March 30, 2017
<u>/s/ Dan Locklear</u> Dan Locklear	Director	March 30, 2017
<u>/s/ Victor L. Lund</u> Victor L. Lund	Director	March 30, 2017

