UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE

SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTER ENDED JUNE 30, 2009

or

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE

SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM TO

Commission File Number 000-08187

NEW CONCEPT ENERGY, INC

(Exact Name of Registrant as Specified in Its Charter)

Nevada	**75-2399477**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**

1755 Wittington Place, Suite 340
Dallas, Texas
(Address of principal executive offices)

75234
(Zip Code)

(972) 407-8400
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

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: R No: £

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes: £ No £

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

Large accelerated filer £	Accelerated filer £
Non-accelerated filer R	Smaller reporting company £

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

Indicate the number of shares outstanding of each of the issuer's classes of Common Stock, as of the latest practicable date.

Common Stock, $.01 par value	**1,946,935 shares**
(Class)	**(Outstanding at July 30, 2009)**

NEW CONCEPT ENERGY, INC. AND SUBSIDIARIES

Index to Quarterly Report on Form 10-Q

Period ended June 30, 2009

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PART I: FINANCIAL INFORMATION

Item 1. Financial Statements

New Concept Energy, Inc. and Subsidiaries

CONSOLIDATED BALANCE SHEETS
(*amounts in thousands*)

Assets		June 30, 2009		December 31, 2008
Current assets				
Cash and cash equivalents	$	63	$	190
Accounts receivable - trade		133		353
Note and interest receivable – related party		10,736		10,632
Other current assets (including $189 from related parties in 2008)		731		527
Total current assets		11,663		11,702
Oil and natural gas properties (full cost accounting method):				
Proved developed and undeveloped oil and gas properties		10,873		10,688
Property and equipment, net of depreciation				
Land, buildings and equipment - oil and gas operations		1,352		1,291
Other		157		149
Total property and equipment		1,509		1,440
Other assets		284		228
Total Assets	$	24,329	$	24,058

The accompanying notes are an integral part of these statements.

New Concept Energy, Inc. and Subsidiaries

CONSOLIDATED BALANCE SHEETS - CONTINUED
(*amounts in thousands, except share amounts*)

Liabilities And Stockholders' Equity	June 30, 2009	December 31, 2008
Current liabilities		
Accounts payable – trade	$ 318	$ 202
Accrued expenses	2,070	1,944
Total current liabilities	2,388	2,146
Long-term debt	1,143	1,026
Other long-term liabilities	367	394
Total liabilities	3,898	3,566
Stockholders' equity		
Preferred stock, Series B	1	1
Common stock, $.01 par value; authorized, 100,000,000 shares; issued and outstanding, 1,946,935 shares at June 30, 2009 and December 31, 2008	20	20
Additional paid-in capital	58,838	58,838
Accumulated deficit	(38,428)	(38,367)
	20,431	20,492
Total Liabilities & Equity	$ 24,329	$ 24,058

The accompanying notes are an integral part of these statements.

New Concept Energy, Inc. and Subsidiaries

Consolidated Statements of Operations

(amounts in thousands, except per share data)

	For The Three Month Period Ended June 30, 2009	For The Three Month Period Ended June 30, 2008	For The Six Month Period Ended June 30, 2009	For The Six Month Period Ended June 30, 2008
Revenue				
Oil and gas operations, net of royalties	$ 287	$ —	$ 681	$ —
Real estate operations	762	699	1,436	1,403
	1,049	699	2,117	1,403
Operating expenses				
Oil and gas operations	371	--	757	--
Real estate operations	383	313	723	628
Lease expense	238	237	477	473
Corporate general and administrative	235	264	497	525
	1,227	814	2,454	1,626
Operating loss	(178)	(115)	(337)	(223)
Other income (expense)				
Interest income	113	198	294	250
Interest expense	(31)	(68)	(61)	(230)
Gain on sale of leasehold interest	--	16,440	--	16,440
Other income	12	138	43	412
	94	16,708	276	16,872
Net income (loss) from continuing operations	(84)	16,593	(61)	16,649
Provision for income taxes	--	1,626	--	1,626
Net income (loss) applicable to common shares	$ (84)	$ 14,967	$ (61)	$ 15,023
Net earnings (loss) per common share – basic and diluted	$ (.04)	$ 7.73	$ (0.03)	$ 7.84
Weighted average of common and equivalent shares outstanding – basic and diluted	1,947	1,937	1,947	1,916

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)

	For the Six Month Period Ended June 30, 2009 (Unaudited)	2008 (Unaudited)
Cash flows from operating activities		
Net earnings from continuing operations	$ (61)	$ 15,023
Adjustments to reconcile net earnings (loss) to net		
cash provided by operating activities:		
Depreciation, depletion and amortization	172	25
Gain on sale of mineral interests	--	(16,440)
Change in deferred taxes	--	250
Changes in operating assets and liabilities:		
Interest receivable	(104)	82
Other current and non-current assets	(40)	(3)
Income taxes payable	--	1,376
Accounts payable and other liabilities	30	(27)
Interest payable	59	
Net cash provided by (used in) operating activities	56	(286)
Cash flows used in investing activities		
Proceeds from sale of mineral rights	--	23,288
Loans to affiliates	--	(14,032)
Investment in oil and gas operations	(183)	(5,429)
Fixed asset additions	(58)	(36)
Net cash used in investing activities	(241)	3,791
Cash flows from financing activities		
Proceeds from sale of common stock	--	2,831
Payment of notes payable	--	(6,921)
Proceeds from notes payable	58	--
Net cash provided by financing activities	58	(4,090)
Net decrease in cash and cash equivalents	(127)	(13)
Cash and cash equivalents at beginning of period	190	172
Cash and cash equivalents at end of period	$ 63	$ 159

The accompanying notes are an integral part of these Consolidated Financial Statements.

New Concept Energy, Inc. and Subsidiaries

Notes To Consolidated Financial Statements

NOTE A: BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements include the accounts of New Concept Energy, Inc. and its majority-owned subsidiaries (collectively, "NCE" or the "Company"). All significant intercompany transactions and accounts have been eliminated. Certain 2008 balances have been reclassified to conform to the 2009 presentation.

The unaudited financial statements included herein have been prepared by the Company without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. The financial statements reflect all adjustments that are, in the opinion of management, necessary to fairly present such information. All such adjustments are of a normal recurring nature. Although the Company believes that the disclosures are adequate to make the information presented not misleading, certain information and footnote disclosures, including a description of significant accounting policies normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America, have been condensed or omitted pursuant to such rules and regulations.

These financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ending December 31, 2008. Operating results for the three and six month periods ended June 30, 2009 are not necessarily indicative of the results that may be expected for any subsequent quarter or for the fiscal year ending December 31, 2009.

NOTE B: NATURE OF OPERATIONS

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

NCE also leases and operates a retirement community in King City Oregon, with a capacity of 114 residents.

NOTE C: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

We consider accounting policies related to our estimates of depreciation amortization and depletion, segments, oil and gas properties, oil and gas reserves, gas gathering assets, office and field equipment, revenue recognition and gas imbalances, leases, revenue recognition for real estate operations, impairment, and sales of real estate as significant accounting policies. The policies include significant estimates made by management using information available at the time the estimates are made. However, these estimates could change materially if different information or assumptions were used. These policies are summarized in our Annual Report on Form 10-K for the year ended December 31, 2008.

NOTE D: SHORT TERM NOTES RECEIVABLE – RELATED PARTY

In July 2006, the Company made an unsecured $1.4 million loan to Eurenergy Resources Corporation ("Eurenergy"), a related party. The loan had an annual interest rate of 8% with principal and interest payable within 30 days after demand, and if not sooner demanded, on July 17, 2007. Effective July 17, 2007 the existing accrued interest was added to the principal balance, which increased the principal balance to $1,487,160, and the maturity date was extended to July 17, 2009. All other terms of the note remained the same. At May 21, 2009 the balance due including accrued interest totaled $1,798,456.

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In June of 2008 the Company entered into a letter of credit agreement with Eurenergy. The terms of the agreement call for interest at the prime rate plus two percent. At May 21, 2009 the balance of the note and accrued interest was $2,172,441.

On November 20, 2007 the company made a $630,000 loan to Prime Income Asset Management, Inc. ("PIAMI"). In 2008 the Company made additional net advances on the loan totaling approximately $6.3 million. The initial loan and the additional advances have been combined into a new loan with interest at the prime rate plus two percent.

On May 21, 2009 PIAMI acquired both Eurenergy notes receivable at face value plus accrued interest totaling $3,970,897. At June 30, 2009, the balance due including accrued interest on the note receivable from PIAMI was $10,571,340.

In November 2007 the Company entered into an agreement with Eurenergy to provide accounting and administrative services at $15,000 per month. As of June 30, 2009 Eurenergy owes the Company $165,000 for such services.

NOTE E – CONTINGENCIES

Chesapeake Exploration Limited Partnership and Chesapeake Operating, Inc. ("Chesapeake")

In January 2006, the Company entered into a joint operating agreement evidencing its acquisition of a 5% interest in two gas wells being drilled and ultimately operated by Chesapeake. The Company relied on the cost projections provided by Chesapeake to make its investment decision. Subsequent to its investment the Company received an invoice from Chesapeake for $556,217 which, according to Chesapeake, represents the Company's 5% share of additional costs incurred by Chesapeake in drilling the wells. The Company believes that these additional costs far exceed any reasonable expense that should have been incurred in drilling the two wells and were incurred without notifying the Company of such expenses. The Company has requested an accounting of the additional expenses and a reconciliation of the final costs to the cost estimates previously presented. In April 2007, Chesapeake filed a lawsuit against the Company and others in State District Court in Tarrant County, Texas.

Other

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

NOTE F – OPERATING SEGMENTS

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

Six months ended June 30, 2009	Oil and Gas Operations	Retirement Facility	Corporate	Total
Operating revenue	$ 681	$ 1,436	$ --	$ 2,117
Operating expenses	614	1,406	263	2,283
Depreciation and amortization	14	27	--	41
Depletion	130	--	--	130
Total Operating Expenses	758	1,433	263	2,454
Interest expense	61	--	--	61
Other income	12	--	31	43
Interest income	--	--	294	294
Segment net income	$ (126)	$ 3	$ 62	$ (61)

NOTE G – RECENT ACCOUNTING PRONOUNCEMENTS

In April 2009, the FASB issued FSP FAS No. 115-2 and FAS No. 124-2, "Recognition and Presentation of Other-Than-Temporary Impairments" (FSP FAS No. 115-2 and FAS No. 124-2), which amends SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities" and SFAS No. 124, "Accounting for Certain Investments Held by Not-for-Profit Organizations". This standard establishes a different other-than-temporary impairment indicator for debt securities than previously prescribed. If it is more likely than not that an impaired security will be sold before the recovery of its cost basis, either due to the investor's intent to sell or because it will be required to sell the security, the entire impairment is recognized in earnings. Otherwise, only the portion of the impaired debt security related to estimated credit losses is recognized in earnings, while the remainder of the impairment is recorded in other comprehensive income and recognized over the remaining life of the debt security. In addition, the standard expands the presentation and disclosure requirements for other-than-temporary-impairments for both debt and equity securities. FSP FAS No. 115-2 and FAS No. 124-2 must be applied prospectively for interim periods ending after June 15, 2009. We are currently assessing the impact that FSP FAS No. 115-2 and FAS No. 124-2 may have on our financial statements.

On April 9, 2009, the Financial Accounting Standards Board, or the FASB, issued Staff Position FAS 107-1 and APB 28-1 "Interim Disclosures about Fair Value of Financial Instruments" or FSP FAS 107-1 and APB 28-1. FSP FAS 107-1 and APB 28-1 amends Statement of Financial Accounting Standards, or SFAS, SFAS No. 107, "Disclosures about Fair Value of Financial Instruments" to require disclosures about the fair value of financial instruments for interim reporting periods of publicly traded companies as well as annual financial statements. The staff position also amends APB Opinion No. 28, "Interim Financial Reporting" to require fair value disclosures in summarized financial information at interim reporting periods. FSP FAS 107-1 and APB 28-1 are effective for interim periods ending after June 15, 2009. Adoption of FSP FAS 107-1 and APB 28-1 will not affect our financial position, operating results or cash flows.

On April 1, 2009, the FASB issued FASB Staff Position No. 141(R)-1, "Accounting for Assets Acquired and Liabilities Assumed in a Business Combination That Arise from Contingencies," or FSP 141(R)-1. FSP 141(R)-1 amends and clarifies FASB SFAS No. 141 (revised 2007), "Business Combinations," or SFAS No. 141, to give guidance on initial recognition and measurement, subsequent measurement and accounting, and disclosure of assets and liabilities arising from contingencies in a business combination. This pronouncement was effective for assets or liabilities arising from contingencies in business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. Adoption of FSP 141(R)-1 will not affect our financial position, operating results or cash flows.

In April 2009, the FASB issued FSP FAS No. 157-4, "Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly" (FSP FAS No. 157-4), which provides additional guidance for applying the provisions of SFAS No. 157. SFAS No. 157 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants under current market conditions. This FSP requires an evaluation of whether there has been a significant decrease in the volume and level of activity for the asset or liability in relation to normal market activity for the asset or liability. If there has, transactions or quoted prices may not be indicative of fair value and a significant adjustment may need to be made to those prices to estimate fair value. Additionally, an entity must consider whether the observed transaction was orderly (that is, not distressed or forced). If the transaction was orderly, the obtained price can be considered a relevant observable input for determining fair value. If the transaction is not orderly, other valuation techniques must be used when estimating fair value. FSP FAS No. 157-4 must be applied prospectively for interim periods ending after June 15, 2009. We are currently assessing the impact that FSP FAS No. 157-4 may have on our financial statements.

On December 31, 2008, the Securities and Exchange Commission, or the SEC, issued Release No. 33-8995, amending its oil and natural gas reporting requirements for oil and natural gas producing companies. The effective date of the new accounting and disclosure requirements is for annual reports filed for fiscal years ending on or after December 31, 2009. Companies are not permitted to comply at an earlier date. Among other things, Release No. 33-8995:

- Revises a number of definitions relating to oil and natural gas reserves to make them consistent with the Petroleum Resource Management System, which includes certain non-traditional resources in proved reserves;
- Permits the use of new technologies for determining oil and natural gas reserves;
- Requires the use of average prices for the trailing twelve-month period in the estimation of oil and natural gas reserve quantities and, for companies using the full cost method of accounting, in computing the ceiling limitation test, in place of a single day price as of the end of the fiscal year;
- Permits the disclosure in filings with the SEC of probable and possible reserves and sensitivity of our proved oil and natural gas reserves to changes in prices;
- Requires additional disclosures (outside of the financial statements) regarding the status of undeveloped reserves and changes in status of these from period to period; and
- Requires a discussion of the internal controls in place in the reserve estimation process and disclosure of the technical qualifications of the technical person having primary responsibility for preparing the reserve estimates.

We are currently evaluating the effect of adopting the final rule on our financial statements and oil and natural gas reserve estimates and disclosures.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Critical Accounting Policies and Estimates

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

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

Oil and Gas Property Accounting

Oil and gas exploration and production companies may elect to account for their property costs using either the "successful efforts" or "full cost" accounting method. Under the successful efforts method, unsuccessful exploratory well costs, as well as all exploratory geological and geophysical costs, are expensed. Under the full cost method, all exploration costs are capitalized, regardless of success. Selection of the oil and gas accounting method can have a significant impact on a company's financial results. We use the full cost method of accounting and generally pursue acquisitions and development of proved reserves as opposed to exploration activities. Once we incur costs, they are recorded in the depletable pool of proved properties or in unproved properties, collectively, the full cost pool.

In accordance with Statement of Financial Accounting Standards No. 144, we evaluate possible impairment of producing properties when conditions indicate that the properties may be impaired. Such conditions include a significant decline in product prices which we believe to be other than temporary or a significant downward revision in estimated proved reserves for a field or area. An impairment provision must be recorded to adjust the net book value of the property to its estimated fair value if the net book value exceeds management's estimate of future net cash flows from the property. The estimated fair value of the property is generally calculated as the discounted present value of future net cash flows. Our estimates of cash flows are based on the latest available proved reserve and production information and management's estimates of future product prices and costs, based on available information such as forward strip prices and industry forecasts and analysis.

The impairment assessment process is primarily dependent upon the estimate of proved reserves. Any overstatement of estimated proved reserve quantities would result in an overstatement of estimated future net cash flows, which could result in an understated assessment of impairment. The subjectivity and risks associated with estimating proved reserves are discussed under "Oil and Gas Reserves" below. Prediction of product prices is subjective since prices are largely dependent upon supply and demand resulting from global and national conditions generally beyond our control. However, management's assessment of product prices for purposes of impairment is consistent with that used in its business plans and investment decisions. We believe that a sensitivity analysis regarding the effect of changes in assumptions on estimated impairment is impracticable to provide because of the number of assumptions and variables involved which have interdependent effects on the potential outcome.

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.

Proved reserves, as defined by the Financial Accounting Standards Board and adopted by the Securities and Exchange Commission, are limited to reservoir areas that indicate economic productibility through actual production or conclusive formation tests, and generally cannot extend beyond the immediately adjoining undrilled portion. Although improved technology often can identify possible or probable reserves other than by drilling, under current SEC rules, these reserves cannot be estimated and disclosed.

Depreciation, depletion and amortization of producing properties are 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.

Doubtful Accounts

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

Deferred Tax Assets

Significant management judgment is required in determining the provision for income taxes, deferred tax assets and liabilities and any valuation allowance recorded against net deferred tax assets. The future recoverability of the Company's net deferred tax assets is dependent upon the generation of future taxable income prior to the expiration of the loss carry forwards. At June 30, 2009 the Company had a deferred tax asset due to tax deductions available to it in future years. However, as management could not determine that it was more likely than not that the benefit of the deferred tax asset would be realized, a 100% valuation allowance was established.

Liquidity and Capital Resources

At June 30, 2009, the Company had current assets of $11.7 million and current liabilities of $2.4 million.

Cash and cash equivalents at June 30, 2009 were $63,000 as compared to $190,000 at December 31, 2008.

Net cash provided by operating activities was $56,000 for the six months ended June 30, 2009. During the six-month period, the Company had a net loss of $61,000.

Net cash used in investing activities was $241,000 for the six months ended June 30, 2009, consisting of the purchase of equipment and other capitalized drilling costs at the Company's oil and gas production facility.

Results of Operations

The Company reported net loss of $84,000 and $61,000 for the three and six months ended June 30, 2009, as compared to net income of $15 million and $15 million for the comparable periods of 2008.

For the three and six months ended June 30, 2009, the Company recorded oil and gas revenues of $287,000 and $681,000. No such revenues were earned in the comparable periods in 2008, which was prior to acquisition of the oil and gas operations. During the same periods in 2009, the Company recorded revenues of $762,000 and $1.4 million from its retirement property compared to $699,000 and $1.4 million for the comparable periods in 2008.

For the three and six months ended June 30, 2009, the Company recorded oil and gas operating expenses of $371,000 and $757,000. No such operating expenses were incurred in the comparable periods in 2008, which was prior to acquisition of the oil and gas operations. During the same periods in 2009, operating expenses and lease expense at the retirement property were $621,000 and $1.2 million as compared to $550,000 and $1.1 million for the comparable periods in 2008.

For the three and six months ended June 30, 2009, corporate general & administrative expenses were $235,000 and $497,000 as compared to $264,000 and $525,000 for the comparable periods in 2008. The decrease is primarily due to increased employee-related efficiencies in the 2009 periods as compared to 2008.

For the three and six months ended June 30, 2009, interest income was $113,000 and $294,000 as compared to $198,000 and $250,000 for the comparable periods in 2008. The quarter to quarter decrease is primarily due to decreases in the prime lending rate from 2008 to 2009. The increase in the six month comparison is due to the increased receivable on which interest is computed over the comparable periods.

The Company recorded interest expense for the three and six months ended June 30, 2009, of $31,000 and $61,000 as compared to $68,000 and $230,000 for the comparable periods in 2008. The decrease is primarily due to the payoff of interest bearing debt during the second quarter of 2008, as well as reduced interest rates on notes payable from 2008 to 2009.

Other income was $12,000 and $43,000 for the three and six months ended June 30, 2009, as compared to $138,000 and $412,000 for the comparable periods in 2008. In 2008, the income was due to the collection of back interest from a mortgage bond receivable due to the sale of a property in August 2001. Because the mortgage bond was payable based on cash flow and profit of the property, the uncollected interest was not recorded until collected.

Forward Looking Statements

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

Inflation

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

Environmental Matters

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

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

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

ITEM 4. CONTROLS AND PROCEDURES

The Company's management, including the principal executive officer, chief financial officer and principal accounting officer, conducted an evaluation as of the end of the period covered by this Report, of the effectiveness of the Company's disclosure controls and procedures. Based on that evaluation, the chief executive officer and the chief financial officer concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this Report. The Company's management, including the chief executive officer, chief financial officer and principal accounting officer, also conducted an evaluation of the Company's internal controls over financial reporting to determine whether any changes occurred in the first fiscal quarter that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. Based on that evaluation, there has been no such change during the first fiscal quarter.

It should be noted that any system of controls, however well designed and operated, can only provide reasonable and not absolute assurance that the objectives of the system will be met. In addition, the design of any control system is based, in part, on certain assumptions about the likelihood of future events.

There have been no changes in the Company's internal controls over financial reporting during the quarter ended June 30, 2009 that have materially affected, or are reasonably likely to affect the Company's internal controls over financial reporting.

PART II: OTHER INFORMATION

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None

Item 6. Exhibits

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

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

	June 22, 1993)
3.9	Certificate of Voting Powers, Designations, Preferences and Rights of Registrant's Series F Senior Convertible Preferred Stock dated December 31, 1997 (incorporated by reference to Exhibit 2.2.2 of Registrant's Form 10-KSB for the fiscal year ended December 31, 1997)

Exhibit Designation	Exhibit Description
3.10	Certificate of Voting Powers, Designations, Preferences and Rights of Registrant's Series G Senior Non-Voting Convertible Preferred Stock dated December 31, 1997 (incorporated by reference to Exhibit 2.2.3 of Registrant's Form 10-KSB for the fiscal year ended December 31, 1997)
3.11	Certificate of Designations dated October 12, 2004 as filed with the Secretary of State of Nevada on October 13, 2004 (incorporated by reference to Exhibit 3.4 of Registrant's Current Report on Form 8-K for event occurring October 12, 2004)
3.12	Certificate of Amendment to Articles of Incorporation effective February 8, 2005 (incorporated by reference to Exhibit 3.5 of Registrant's Current Report on Form 8-K for event occurring February 8, 2005)
3.13	Certificate of Amendment to Articles of Incorporation effective March 21, 2007 (incorporated by reference to Exhibit 3.13 of Registrant's Current Report on Form 8-K for event occurring March 21, 2005)
31.1*	Certification pursuant to Rule 13a-14 and 15d-14 under the Securities Exchange Act of 1934, as amended, of Principal Executive Officer and Chief Financial Officer
32.1*	Certification of Principal Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. §1350

*Filed herewith.

SIGNATURES

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

New Concept Energy, Inc.

Date: August 14, 2009

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