FORM 10-Q. QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
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 and Exchange Act of 1934
For the period ended March 31, 1999
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: 100

CROFF ENTERPRISES, INC.
(Exact name of registrant as specified in its charter)

Utah	87-0233535
(State or other jurisdiction of incorporation or organization	(I.R.S. Employer Identification No.)

1675 Broadway, Suite 1030, Denver, Colorado 80202
(Address of principal executive offices) (Zip Code)
(303) 628-1963
(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 has required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
X Yes No

APPLICABLE ONLY TO ISSUERS INVOLVED
IN BANKRUPTCY PROCEEDINGS DURING
THE PRECEDING FIVE YEARS:

Indicate by check mark whether the Registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.
Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's class of common stock, as of the latest practicable date: 516,315 shares, one class only as of May 1, 1999.

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INDEX TO INFORMATION INCLUDED IN THE QUARTERLY REPORT (FORM 10-Q) TO THE SECURITIES AND EXCHANGE COMMISSION FOR THE THREE MONTHS ENDED MARCH 31, 1999(UNAUDITED).

Forward-looking statements in this report, including without limitation, statements relating to the Company's plans, strategies, objectives, expectations, intentions and adequacy of resources, are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Investors are cautioned that such forward-looking statements involve risks and uncertainties; including without limitation to, the following: (i) the Company's plans, strategies, objective, expectations and intentions are subject to change at any time at the discretion of the Company; (ii) the Company's plans and results of operations will be affected by the Company's ability to manage its growth and inventory (iii) other risks and uncertainties indicated from time to time in the Company's filings with the Securities and Exchange Commission. Neither the Securities and Exchange Commission nor any other regulatory body takes any position as to the accuracy of forward-looking statements.

PART I: FINANCIAL INFORMATION
CROFF ENTERPRISES, INC.
BALANCE SHEET

	Dec. 31, 1998	March 31, 1999
CURRENT ASSETS:		
Cash and Cash Equivalents:	$ 14,294	$ 6,639
Marketable equity securities	3,125	2,813
Accounts receivable:		
Oil and gas purchasers	32,271	39,380
Refundable income taxes	2,900	3,600
Total current assets	$ 52,590	$ 52,432
PROPERTY AND EQUIPMENT, AT COST:		
Oil & gas properties, successful efforts method:		
Proved properties	636,595	636,595
Unproved properties	97,102	97,102
	$ 733,697	$ 733,697
Less accumulated depletion and depreciation	(288,717)	(298,517)
Net property and equipment	$ 444,980	435,180
Coal investment	11,277	11,277
Total assets	$ 508,847	$ 498,889

PART I: FINANCIAL INFORMATION
CROFF ENTERPRISES, INC.
BALANCE SHEET

	Dec. 31, 1998	March 31, 1999
CURRENT LIABILITIES:		
Accounts payable	$ 19,290	$ 34,572
Accrued liabilities	8,065	13,627
Note payable - Union Bank	23,369	00
Total current liabilities	$ 50,724	$ 48,199
CONTINGENCIES (NOTE 2)		
STOCKHOLDERS' EQUITY:		
Class A preferred stock, no par value; 500,000 shares, none issue		
Class B Preferred stock, no par value; 520,000 authorized, 516,505 shares (1997) and 490,859 shares (1998) issued and outstanding	329,559	329,559
Common stock, $.10 par value 20,000,000 shares authorized 579,143 shares issued	57,914	57,914
Capital in excess of par value	552,797	552,797
Accumulated deficit	(399,251)	(406,684)
	$ 541,019	$ 533,586
Less treasury stock at cost, 62,628		

shares (1997 and 1998) in 1996 and 62,828 in 1997	(82,896)	(82,896)
Total stockholders' equity	$ 458,123	$ 450,143
Total liabilities & equity	$ 508,847	$ 498,889

CROFF ENTERPRISES, INC.
Statement of Operations

For months ended March 31, 1998, and 1999

	1998	1999
REVENUE:		
Oil and gas sales	$ 42,730	$ 40,196
Gain on disposal of oil and gas properties	-	-
Other income (loss).....	4,723	47
Total revenue	$ 47,453	$ 40,243
COSTS AND EXPENSES:		
Lease operating expense	11,052	12,397
Depreciation and depletion	6,000	9,800
General and administrative	22,721	22,539
Rent Expense - Related Party	2,940	2,940
Total cost and expenses	$ 42,713	47,676
Net Income (Loss)	$ 4,740	$ (7,433)
Earning (Loss) Per Share	$ .01	$ (.01)

CROFF ENTERPRISES, INC.
Statement of Cash Flows

	1998	1999
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$ 4,740	$ (7,433)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and depletion	6,157	9,800
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	688	(7,109)
(Increase) decrease in other assets		(700)
Increase (decrease) in notes payable		(23,369)
Increase (decrease) in accounts payable	(2,284)	15,282
Increase (decrease) in accrued liabilities	1,130	5,562
Increase (decrease) in marketable securities	(2,876)	312
Total adjustments	$ 2,815	$ (222)
Net cash provided by operating activities:	$ 7,555	$ (7,655)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sale/depreciation of marketable equity securities		-
Sale/purchase of producing properties		-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Purchase of treasury stock	-	-
Note payable-Union Bank and Trust	90,000	-
Increase (decrease) in cash	97,555	(7,655)
Cash and cash equivalents at beginning of period	166,883	14,294
Cash and cash equivalents at end of period	$ 264,438	$ 6,639

CROFF ENTERPRISES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 1998

PART I BASIS OF PREPARATION.

The condensed financial statements for the three month periods ended March 31, 1999 and 1998 in this report have been prepared by the Company without audit pursuant to the rules and regulations of the Securities and Exchange Commission and reflect, in the opinion of the management, all adjustments necessary to present fairly the results of the operations of the interim periods presented herein. Certain reclassifications have been made to the prior year's financial statements to conform to the 1999 presentation. Certain information in footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been omitted pursuant to such rules and regulations, although the Company believes the disclosures presented herein are adequate to make the information presented not misleading. It is suggested that these condensed financial statements be read in conjunction with the financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 1998, which report has been filed with the Securities and Exchange Commission, and is available from the Company.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

Three-Month period Ended March 31, 1999
as Compared to the Three-Month Period Ended March 31, 1998.

OIL AND GAS OPERATIONS

Oil and gas revenue, primarily from royalties, for the three months ended March 31, 1999, was $40,196 compared to $42,730 for the quarter ending March 31, 1998. The primary cause for this decrease was the lower average price for oil, which remained at historic low prices until just before the quarter ended. In 1998, the prices declined throughout the quarter, but averaged higher. Natural gas prices were also lower, declining in the first quarter by over ten percent. These decreases were partially offset by an increase in natural gas production.

Production costs, which includes lease operating expenses and all production related taxes, for the three months ended March 31, 1999, increased slightly to $12,397 when compared to the production costs of $11,052 incurred during the quarter ended March 31, 1998. This increase was due to the ownership of six larger working interests in Oklahoma natural gas wells that were acquired in the second quarter of 1998.

OTHER INCOME

During the three month period ended March 31, 1999, the Company had other income of $47 from interest. This was a decrease from $4,723 in the same period in 1998. The decrease was due to less interest and dividend income, due to lower cash balances and no lease bonus income in 1999.

GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses for the quarter ending March 31, 1999, were $22,539 plus rent expense of $2,940 for a total of $25,479 compared to $22,721 plus $2,940 for a total of $25,661 in the same period in 1998. These were essentially unchanged from one year ago. The Company expects general and administrative costs to remain stable this year.

YEAR 2,000 DISCLOSURE

There has been increasing concern about the effect upon the financial results of all public companies due to the year 2000 problem. The year 2000 problem is based on the concern that certain computer programs and computers are not presently configured to recognize the year 2000 or succeeding years. This defect in computer functions could have an adverse impact upon our company and other industries in which we deal if the various programs and applications cease to function or function erroneously as we approach the year 2000. Programs dealing with accounting and financial functions of the Company could cease to function if they are not year 2000 compliant. Our Company has viewed the year 2000 problem hereafter "Y2K" compliance, in three general categories. The first is the impact on the Company's own information technology system consisting of its computers, software, and financial records. The second is the possible failure of other equipment which the Company uses such as security systems, telephone systems, vehicles, and gas meters which rely on computer components. The third, are third party service and product suppliers, including payment by the various companies which operate oil and natural gas wells which pay the Company.

The Company has addressed the first problem, its own accounting and financial records, and its well records by confirming the software systems are Y2K compliant. The Company financial records, are being transferred to the "Roughneck" system which has been Y2K compliant for two years and amply tested. This system is owned and operated by Jenex Petroleum Corp. which provides it to the Company as part of its overhead services. The Company intends to have its complete 1999 records on the Roughneck system and fully compliant by June 30, 1999. The previous records of the Company are also being kept on a Y2K compliant system, primarily on Excel, which has been upgraded to a Y2K compliant status. The Company anticipates no further problems with its own records in order to be fully Y2K compliant.

With respect to other IT systems which may fail on or around the advent of the year 2000, the Company is conferring with its supplier of services, Jenex, and has confirmed that its telephone, fax, and email systems are Y2K compliant. The Company does not anticipate any major problems with these systems. Because the Company does not operate any of its oil or natural gas wells, it is in a position to withstand, without any material adverse consequences, a break down of days or even weeks in these systems.

With respect to the third possibility, the third party suppliers from which the Company derives its cash flow being unable to operate wells and or pay timely for the Company's production, the Company has begun a program of reserving cash, as a contingency in the event of a disruption in its cash flow. The Company believes in its capacity as a low overhead company with no operations of its own, and that this problem can be addressed by simply having adequate cash reserves to replace at least two months of total revenue. The Company plans to be in this position by the end of 1999.

Under the Company's agreements, the Company's costs to become Y2K compliant, will not increase its overhead from its normal operations. The Company feels its efforts are adequate to handle any Y2K problems that can be reasonably anticipated.

FINANCIAL RESOURCES AND LIQUIDITY

As of March 31, 1999, the Company's current assets exceeded current liabilities by $4,233. As of December 31, 1998, the Company's current assets exceeded current liabilities by $1,866. The Company's current ratio is approximately 1:1. On March 23, 1998, the Company borrowed $90,000 from its bank in order to provide sufficient cash to close on the purchase of working interests in six natural gas wells in Oklahoma. The Company reduced its cash reserves in purchasing these working interests in April of 1998, but paid off its bank loan in March of 1999.

The Company expects to continue to operate at a positive cash flow for the remainder of this year, even with low oil prices. The Company intends to use its' cash flow to achieve a more liquid position and improve its current ratio.

PART II. OTHER INFORMATION

ITEM 6(B) REPORTS ON FORM 8-K

The registrant has filed no reports on Form 8-K for the period ending March 31, 1999.

SIGNATURES

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

REGISTRANT: CROFF ENTERPRISES, INC.

By:
Gerald L. Jensen
Chief Executive Officer and Chief Financial Officer

By:
Beverly Licholat
Chief Accounting Officer

Dated: