

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

Quarterly Report Pursuant to Section 13 or 15(d) of the
 Securities Exchange Act of 1934
 For the period ended September 30, 1997

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: 1-100

CROFF ENTERPRISES, INC.

(Exact name of registrant as specified in its charter)

Utah 87-0233535

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

1675 Broadway, Suite 1030, Denver, CO 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
 classes of common stock, as of the latest practicable date:
 516,305 shares, one class only, as of September 30, 1997.

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INDEX TO INFORMATION INCLUDED IN THE QUARTERLY REPORT (FORM 10-Q)
 TO THE SECURITIES AND EXCHANGE COMMISSION FOR THE THREE AND NINE
 MONTHS ENDED SEPTEMBER 30, 1997 (UNAUDITED).

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Signatures.

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The condensed financial statements included herein are for the Registrant, Croff Enterprises, Inc. The financial statements for the three and nine months ended September 30, 1997 and 1996 are unaudited; however, they reflect all adjustments which, in the opinion of management, are necessary to present fairly the results of the interim periods. All adjustments necessary to a fair representation of the financial statements are of a normal recurring nature.

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

	Dec 31, 1996	Sept 30, 1997
1997		
CURRENT ASSETS:		
Cash and Cash Equivalents:		\$184,565
\$216,953		
Marketable equity securities		
10,500	15,250	
Accounts receivable:		
Oil and gas purchasers		31,764
22,070		
Refundable income taxes		4,362
2,206		
Total current assets		231,191
256,479		
PROPERTY AND EQUIPMENT, AT COST:		
Oil & gas properties, successful efforts method:		
Proved properties		329,700
368,196		
Unproved properties		101,901
101,901		
Less wazzu accumulated depletion and depreciation		
(229,621)	(247,621)	
Net property and equipment		201,980
222,476		
Coal Investment		82,533
20,533		
	\$ 515,704	
\$ 499,488		

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

	Dec 31, 1996	Sept 30, 1997
1997		
Current Liabilities:		
Accounts payable		\$3,164
\$1,451		
Accrued liabilities		1,660
2,153		
Total current liabilities		4,824
3,604		
Stockholders' equity		
Class B Preferred stock, no par value; 520,000 shares		
authorized, 516,506 shares issued and outstanding		
233,744	233,744	
Common stock, \$.10 par value 20,000,000 share		
authorized,	579,143	shares issued
57,914	57,914	
Capital in excess of par value		

672,799	672,799				
Accumulated deficit				(370,931)	
(385,677)					
					593,526
578,780					
Less treasury stock at cost,					
62,628 shares in 1996			and 62,878 in 1997		
(82,646)	(82,896)				
	Total		stockholders'		equity
510,880	495,884				
				\$	515,704
\$ 499,488					

CROFF ENTERPRISES, INC.
Statement of Operations

For the Three and Nine Months Ended September 30, 1997
(Unaudited)

Months Ended	For Nine Months		For Three
	9/30/96	9/30/97	Ended 9/30/97
Revenue:			
Oil and gas sales.....			\$133,784
\$151,054	\$46,315	\$45,537	
Other income.....		23,298	7364
611	4,120		
Total revenue		157,082	158,418
46,926	49,657		
Costs and expenses:			
Lease operating expense..		29,636	25,760
9,324	7,589		
Depreciation and depletion		16,500	18,000
4,500	6,000		
General and administrative		61,447	58,584
21,857	17,686	wazzu	
Interest		223	0
0	0		
Rent Expense - Related Party		8,820	8,820
2,940	2,940		
Write down of coal investment		0	62,000
0	62,000		
		116,626	173,164
38,621	96,215		
Net income (loss)		\$ 40,456	\$(14,746)
\$ 8,305	\$(46,558)		

Earnings (Loss) Per Common Share	\$.08	\$
(.03)	\$.02	\$(.09)

CROFF ENTERPRISES, INC.
Statement of Cash Flows
Unaudited

Nine Months Ended	For the	
	1996	1997
September 30,		
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income/loss		\$40,456
\$(14,746)		
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and depletion		16,500
18,000		
Write down of coal investment		0
62,000		

Change in assets and liabilities:	
Decrease in accounts receivable	2,585
11,850	
Decrease/Increase in other assets	4,800
0	
Increase/Decrease in accounts payable	(2,433)
(1,713)	
Gain/Loss sale of producing lease	
(20,966)	0
Decrease/Increase in accrued liabilities	
45	493
Total adjustments	531
90,630	
Net cash provided by operating activities:	
40,987	75,884
CASH FLOWS FROM INVESTING ACTIVITIES:	
Sale/Purchase of Securities	4,557
(4,750)	
Sale of oil & gas field	
118,020	0
Purchase/Return of coal investment	8,511
0	
Purchase of producing leases	
(12,675)	(38,496)
	118,413
(43,246)	
CASH FLOWS FROM FINANCING ACTIVITIES:	
Purchase of Treasury Stock	0
(250)	
Proceeds/Payoff of Note for Coal Purchase	
(50,000)	0
	(50,000)
(250)	
Increase in cash:	122,230
32,388	

Cash	at	beginning	of	period:
37,933		184,565		
Cash at end of period:				\$160,163
		\$216,953		

CROFF ENTERPRISES, INC.
NOTES TO FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 1997

BASIS OF PREPARATION.

The condensed financial statements for the three and nine month periods ended September 30, 1997 and 1996 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 management, all adjustments necessary to present fairly the results of the operations of the interim periods presented herein. 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, 1996, 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 September 30, 1997,
as Compared to the Three-Month Period Ended September 30, 1996.

OIL AND GAS OPERATIONS

Oil and gas income, primarily from royalties, for the three

months ended September 30, 1997 was \$45,537 compared to \$46,315 for the same time period of the prior year. This small decrease was due to lower oil and natural gas prices, offset somewhat by increased production. Oil prices were down about \$2.00 per barrel and natural gas prices were flat compared to the quarter ending September 30, 1996.

Production costs, which include lease operating expenses and production related taxes, for the three months ended September 30, 1997, decreased when compared to the same time period of the prior year, \$7,589 in 1997 compared to \$9,324 in 1996. This decrease was due to more royalty income, and less workovers on operated wells.

Nine Month Period Ended September 30, 1997,
as Compared to the Nine Month Period Ended September 30, 1996.

OIL AND GAS OPERATIONS

Oil and gas income, primarily from royalties, for the nine months ending September 30, 1997, was \$151,054 compared to \$133,784 for the same time period of the prior year. This increase was due to higher royalties, primarily from higher production of coal seam natural gas in the Four Corners region of Colorado and New Mexico, and to increased production from purchased working interests, offset by lower prices.

Production costs, which include lease operating expenses and all production related taxes, for the nine months ended September 30, 1997, decreased when compared to the same time period of the prior year, \$25,760 in 1997 compared to \$29,636 in 1996. This difference was due to less workovers in 1997.

OTHER INCOME.

During the nine month period ended September 30, 1997, the Company had other income of \$7,364 from interest earned, dividend payments, and lease bonuses. During the same nine month period in 1996, the Company had other income of \$23,298. The Company's other income was lower due primarily to the sale of producing leases in Texas in the year earlier period.

GENERAL AND ADMINISTRATIVE.

General and administrative expenses for the nine month period ending September 30, 1997, were \$58,584 compared to \$61,447 for the nine month period ending September 30, 1996. This difference was due to moving costs in 1996 when the Company moved its offices in Denver. During the nine month period ended September 30, the Company's total expenses increased to \$173,164 in 1997 from \$116,626 in 1996. The increase was due to the write off of \$62,000 in the value of the note and coal leases in Indiana, as explained below. General and administrative expenses remain at approximately the same level during both years. The Company is currently operating with two part time officers and employees, and is contracting for its accounting services, office space and supplies.

FINANCIAL CONDITION

As of September 30, 1997, the Company's current assets exceeded current liabilities by \$252,875, compared to working capital of \$226,367 at December 31, 1996. This increase of \$26,508 in the Company's working capital position during the nine month period ending September 30, 1997 was due to the build-up of cash flow less the purchase of producing properties. The Company's ratio of current assets to current liabilities was approximately 48 to 1 on December 31, 1996 and 70 to 1 on September 30, 1997.

The Company is continuing its program to invest its cash in non-operated oil and gas working interests and royalties, and retaining cash to assist in expenses of any acquisition.

As of September 30, 1997, the Company determined that it must write down the value of its coal investment. This was an approximate two percent investment in a limited liability company (L.L.C.) that held a mortgage note with an option to own two percent of a coal mine in Indiana. The major purchaser of this coal canceled the contract in December, 1995, and the coal company subsequently filed for Chapter 11 Bankruptcy protection.

The assets were being liquidated while the L.L.C. sued the utility. In July, 1997, the trial court ruled against the L.L.C. Without a cash recovery from this litigation, which is being appealed, recovery of most of this investment is unlikely and the Company determined to reduce its investment to the estimated liquidation value of cash, land and equipment remaining.

PART II. OTHER INFORMATION

ITEM 6(b). NONE.

S I G N A T U R E S

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

By _____
Beverly Licholat
Chief Accounting Officer

Date: _____, 1997