

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 March 31, 1997
or

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Operations 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) 623-3383

(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: 516,265 shares, one class only.

INDEX

INDEX TO INFORMATION INCLUDED IN THE QUARTERLY REPORT (FORM 10-Q) TO THE SECURITIES AND EXCHANGE COMMISSION FOR THE THREE MONTHS ENDED MARCH 31, 1997 (UNAUDITED).

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The condensed financial statements included herein are for the Registrant, Croff Oil Company. The financial statements for the three months ended March 31, 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 OIL COMPANY
BALANCE SHEET

	Dec 31, 1996	March 31, 1997
CURRENT ASSETS:		
Cash and Cash Equivalents:	\$ 184,565	\$ 201,122
Marketable equity securities	10,500	10,000
Accounts receivable:		
Oil and gas purchasers	31,764	24,609
Refundable income taxes	4,362	5,362
Other advances	0	368
 Total current assets	 \$ 231,191	 \$ 241,461
PROPERTY AND EQUIPMENT, AT COST:		
Oil & gas properties, successful efforts method:		
Proved properties	329,700	346,275
Unproved properties	101,901	101,901
	431,601	448,176
Less accumulated depletion and depreciation	(229,621)	(235,620)
Net Property Value	201,980	212,556
 Furniture, fixtures & equipment	 0	 0
Less accumulated depreciation	0	0
	--	--
Net property and equipment	201,980	212,556
 Coal investment	 82,533	 82,533
Total Assets	\$ 515,704	\$536,550

PART I: FINANCIAL INFORMATION
CROFF OIL COMPANY
BALANCE SHEET

	Dec 31, 1996	March 31, 1997
Current Liabilities:		
Accounts payable	\$ 3,164	\$ 2,268
Accrued liabilities	1,660	1,659
	-----	-----
Total current liabilities	4,824	3,927
Stockholders' equity :		
Class A Preferred, none issued		
 Class B Preferred stock, no par value; 520,000 authorized, 516,506 shares issued	 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)	(348,938)
	-----	-----
	593,526	615,519
Less treasury stock at cost, 62,628 shares in 1996 and 62,878 in 1997	(82,646)	(82,896)
Total stockholders' equity	510,880	532,623
Total Liabilities & Stockholder's Equity	\$ 515,704	\$536,550

CROFF OIL COMPANY
Statement of Operations

For the Three Months Ended March 31

	1996	1997
Revenue:		
Oil and gas sales.....	\$ 47,485	\$ 58,002
Other income (loss).....	988	1,222
Total revenue	48,473	59,224
Costs and expenses:		
Lease operating expense.....	\$ 10,629	\$ 9,274
Depreciation and depletion.....	7,500	6,000
General and administrative.....	19,152	19,017
Rent Expense - Related Party...	2,940	2,940
	-----	-----
	40,444	37,231
Net income (loss)	\$ 8,029	\$21,993
Earnings (Loss) Per Share	\$.02	\$.04

CROFF OIL COMPANY
Statement of Cash Flows

For the Three
Months Ended
March 31,

	1996	1997
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ 8,029	\$ 21,993
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and depletion	7,500	6,000
Change in assets and liabilities:		
Decrease in accounts receivable	500	6,155
Decrease/(increase) in other assets	0	(368)
Increase/(decrease) in accounts payable	(605)	(898)
Increase/(decrease) in accrued liabilities	(17)	0
Total adjustments	7,378	10,889
Net cash provided by operating activities:	-----	-----
	15,407	32,882
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sale/Depreciation of marketable equity securities	6,981	500
Sale/Purchase)of Producing properties	0	(16,575)
	-----	-----
	6,981	(16,075)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Purchase of Treasury Stock	0	(250)
Note payable	(50,000)	0

	----- (50,000)	----- (250)
Increase (decrease) in cash:	(27,613)	16,557
Cash at beginning of period:	\$ 37,933	184,565
Cash at end of period:	\$ 10,321	\$201,122

CROFF OIL COMPANY
NOTES TO FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 1997

1. BASIS OF PREPARATION.

The condensed financial statements for the three month periods ended March 31, 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 reclassifications have been made to the prior years' financial statements to conform to the 1997 presentation. Certain 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.

MANAGEMENTS' DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS.

Three-Month Period Ended March 31, 1997,
as Compared to the Three-Month Period Ended March 31, 1996.

OIL AND GAS OPERATIONS

Oil and gas revenue, primarily from royalties, for the three months ended March 31, 1997 was \$58,002 compared to \$47,485 for the quarter ending March 31, 1996. This increase was due primarily to higher oil and natural gas prices which peaked during the first quarter. Oil production was down slightly from 1996, but natural gas production increased.

Production costs, which include lease operating expenses and all production related taxes, for the three months ended March 31, 1997, decreased slightly when compared to the production costs incurred during the quarter ended March 31, 1996, \$9,274 during 1997 and \$10,629 during 1996. This slight decrease was due to more natural gas production which has lower operating costs and less expenses.

OTHER INCOME

During the three month period ended March 31, 1997, the Company had other income of \$1,222 from interest, capital gains, dividends, and lease payments. This was an increase from \$988 in the same period in 1996. The increase was due to more interest income based on higher cash balances in 1997.

GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses for the quarter ending March 31, 1997, were \$19,017 plus rent expense of \$2,940 for a total of \$21,957 compared to \$19,152 plus \$2,940 for a total of \$22,092 in the same period in 1996. The Company expects general and administrative costs to remain stable this year.

FINANCIAL CONDITION

As of March 31, 1997, the Company's current assets exceeded current liabilities by \$237,535. As of December 31, 1996, the Company's current assets exceeded

current liabilities by \$231,191. The Company's current ratio is approximately 60:1. The Company intends to accumulate cash temporarily, while it seeks to find an acquisition company and/or oil and natural gas leases that it can buy at prudent prices.

The Company expects to continue to operate at a positive cash flow for the calendar year. The Company intends to purchase oil and gas properties, out of current assets.

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, 1997.

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 OIL COMPANY

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

By _____
M. Ward Smith
Chief Accounting Officer

Date: _____ MAY 15____, 1997

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