

U.S. SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 8-K
CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED)

June 1, 2007

CROFF ENTERPRISES, INC.

(Name of small business issuer as specified in its charter)

Utah

000-16731

87-0233535

(State or other jurisdiction
Identification of incorporation)

(Commission
File Number)

(I.R.S. Employer No.)

3773 Cherry Drive North, Suite 1025, Denver, Colorado 80209
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (303) 383-1555

(FORMER NAME OR FORMER ADDRESS, IF CHANGED SINCE LAST REPORT)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

Item 1.01 Termination of Stock for Stock Equivalent Exchange Agreement:

Croff Enterprises, Inc. (hereafter “Croff” or the “Company”) announced today June 1, 2007, that it has terminated its Stock for Stock Equivalent Exchange Agreement with **Taiyuan Rongan Business Trading Company Limited** (hereafter “TRBT”), based upon the failure of TRBT to timely supply qualifying financial statements to complete the proxy process and to comply with reporting requirements of a public company. Croff did extend the possibility of renewed negotiations with TRBT if accounting issues could be resolved, but the agreement is terminated and no future negotiations are currently contemplated. Attached and incorporated is the termination letter sent from Croff to TRBT. Also attached is the Press Release announcing the termination. Any party wishing to obtain further information concerning this transaction may contact the corporate offices of Croff at 303-383-1555, or at Croff.com.

EXHIBITS:

99.1 Croff/TRBT Termination Letter.

99.2 Press Release

SIGNATURES

Dated this 1st day of June, 2007.

By: /s/ Gerald L. Jensen

Gerald L. Jensen, President

LAW OFFICES
JENSEN, DUFFIN & DIBB, LLP

311 SOUTH STATE STREET
SUITE 380
SALT LAKE CITY, UTAH 84111

JULIAN D. JENSEN, PC.
DANIEL O. DUFFIN, PC.
BRUCE L. DIBB, PC.

May 31, 2007

TELEPHONE
(801) 531-6600
TELECOPIER
(801) 521-3731
E-Mail: jcdj@aros.net

Taiyuan Rongan Business Trading Company Limited ("TRBT")
18 Hao Zhuang Street
Taiyuan City, Shanxi China 030045
UPS Global Priority Mail

Re: Termination of Stock for Stock Equivalent Exchange Agreement
Dated December 12, 2006, Croff/ TRBT.

Dear Sirs:

This notice is being sent pursuant to Section 11.02 of the above referenced Agreement dealing with notices. Pursuant to that Section, a copy of this letter is also being sent to Mr. Danton Mak at 225 South Lake Avenue 9th Floor, Pasadena, California 91101 and Mr. Ronald Poulton at 324 South 400 West Suite 250, Salt Lake City, Utah 84101, with a courtesy copy to Catherine Laing at PO Box 664 Owen Sound, Ontario, Canada N4K5R4. As each of you may be aware, Croff Enterprises, Inc. ("Croff") approximately two weeks ago, sent a notice of intent to terminate its Stock for Stock Equivalent Exchange Agreement dated December 12, 2006 ("Exchange Agreement") as of May 25, 2007, unless it had received from TRBT completed audited financials for the calendar year ending December 31, 2006 in sufficient GAAP format and with all accounting notes; and, concurrently, unaudited, but reviewed, GAAP conforming financial statements with notes for the first quarter of 2007 ending March 31, 2007. As I am sure you are further aware, these financial statements are necessary for Croff to continue on with the proxy filing and review process through the Securities and Exchange Commission (SEC).

While Croff did receive an incomplete draft TRBT year-end financial statement with partial notes during the past week, the same was not audited, there was no statement of cash flows and the notes were not deemed by Croff to be complete in explaining various transactions and adjustments engaged in by TRBT. Further, Croff did not receive any reviewed unaudited GAAP statements for the first quarter of 2007. As a result, Croff must now, regretfully, provide TRBT and its agents with formal notice of Croff's termination of Croff's obligations and transactions under the Exchange Agreement referenced above pursuant to the provisions of Section 4.09 on Audit Undertakings of TRBT and the general provisions of Article IX on Termination and Rescission for Nonperformance.

While Croff no longer feels itself bound by the terms of the Exchange Agreement, it does wish to indicate to TRBT that it would be willing to discuss, on a nonexclusive basis, the potential for attempting to go forward with further negotiations to complete the reorganization and proxy process, but would only do so after current SEC compliant financials statements are issued, and accounting systems are in place to insure all future filings will be timely. We would also need assurance from TRBT that all other procedures exist for TRBT to continue in a timely manner as a full reporting company under the Securities Exchange Act of 1934.

Sincerely,



Julian D. Jensen

Attorney for Croff Enterprises, Inc.

JDJ/hl
Cc: Croff Enterprises, Inc.
E-mail

News Release**Termination of Stock for Stock Equivalent Exchange Agreement**

DENVER, CO -- June 1, 2007 -- Croff Enterprises Inc. ("COFF") (OTCBB), announced today that it had terminated its Stock for Stock Equivalent Exchange Agreement with Taiyuan Rongan Business Trading Company Limited (hereafter "TRBT"), based upon the failure of TRBT to timely supply qualifying financial statements to complete the proxy process and to comply with reporting requirements of a public company. Croff had announced the Agreement to merge with TRBT on December 14, 2006, and subsequently filed a proxy which is pending with the Securities and Exchange Commission. TRBT is a developer and operator of shopping malls in Taiyuan, Shanxi Province in China. Croff produces crude oil and natural gas from wells operated by other companies. Croff did extend the possibility of renewed negotiations with TRBT if accounting issues could be resolved, but the agreement is terminated and no future negotiations are currently contemplated. Croff has previously announced it is pursuing strategic alternatives for the Company and will seek other merger candidates, and sale or exchange of assets.

For further information please contact: Contact: Jennifer A. Miller
Chief Accounting Officer
Croff Oil Company
3773 Cherry Creek Drive North #1025
Denver, Colorado 80209
(303) 383-1515
Jennifer@croff.com
