

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 incorporation or organization) (I.R.S. Employer 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.

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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
<b>CURRENT ASSETS:</b>				
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
<b>PROPERTY AND EQUIPMENT, AT COST:</b>				
Oil & gas properties, successful efforts method:				
Proved properties			329,700	346,275
Unproved properties			101,901	101,901
				431,601
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

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,

CASH FLOWS FROM OPERATING ACTIVITIES:

1996

1997

Net income (loss)	\$ 8,029	\$ 21,993
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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

	3-MOS	
	DEC-31-1997	
	MAR-31-1997	
		201,122
		10,000
		30,339
		0
		0
	241,461	448,176
	(235,620)	
	536,550	
3,927		0
0		
	233,744	
	57,914	
536,550	323,861	
	58,002	
59,224		0
	15,274	
21,957		
	0	
	0	
	21,993	
	0	
21,993		
	0	
	0	
	21,993	
	.04	
	.04	