

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, 1996
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 OIL COMPANY
(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: 516,515 shares, one
class only, as of September 30, 1996.

INDEX

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, 1996 (UNAUDITED).

PART I. FINANCIAL INFORMATION	Page Number
Balance Sheets as of December 31, 1995 and September 30, 1996	3, 4
Statements of Operations for the Three and Nine Months Ended September 30, 1996 and 1995	5
Statements of Cash Flows for the Three and Nine Months Ended September 30, 1996 and 1995	6
Notes to Financial Statements	7
Managements' Discussion and Analysis of Financial Condition and Results of Operations	7, 8

PART II. OTHER INFORMATION

The condensed financial statements included herein are for the Registrant, Croff Oil Company. The financial statements for the three and nine months ended September 30, 1996 and 1995 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, 1995	Sept 30, 1996
CURRENT ASSETS:		
Cash and Cash Equivalents:	\$ 37,933	\$ 160,163
Marketable equity securities	15,500	8,250
Accounts receivable:		
Oil and gas purchasers	28,425	22,641
Refundable income taxes	4,290	7,489
Note receivable, collateralized	4,800	0
Total current assets	\$ 90,948	\$ 198,543
PROPERTY AND EQUIPMENT, AT COST:		
Oil & gas properties, successful efforts method:		
Proved properties	457,874	323,565
Unproved properties	110,051	110,051
	567,925	433,616
Less accumulated depletion and depreciation	(249,154)	(225,861)
Furniture, fixtures & equipment	0	0
Less accumulated depreciation	0	0
	--	--
Net property and equipment	\$ 318,771	\$ 207,755
Coal Investment	95,299	86,788
	\$ 505,018	\$ 493,086
	=====	=====

PART I: FINANCIAL INFORMATION
CROFF OIL COMPANY
BALANCE SHEET

	Dec 31, 1995	Sept 30, 1996
Current Liabilities:		
Accounts payable	\$ 10,829	\$ 8,396
Accrued liabilities	3,662	3,707
Bank Note to finance coal investment	50,000	0
Total current liabilities	64,491	12,103

Commitments (Note 3)
Stockholders' equity (Note 4):
 Common stock, \$.10 par value
 20,000,000 share authorized
 579,143 shares issued

	57,914	57,914
Capital in excess of par value	909,983	909,983
Accumulated deficit	(444,724)	(404,268)
	523,173	563,629
Less treasury stock at cost, 62,628 shares in 1995 and 62,628 in 1996	(82,646)	(82,646)
Total stockholders' equity	440,527	480,983
	\$ 505,018	\$ 493,086
	=====	=====

CROFF OIL COMPANY
Statement of Operations

For the Three and Nine Months Ended September 30, 1996
(Unaudited)

	For Nine Months Ended		For Three Months Ended	
	9/30/95	9/30/96	9/30/95	9/30/96
Revenue:				
Oil and gas sales.....	\$135,113	\$ 133,784	\$42,150	\$46,315
Other income (loss).....	12,137	23,298	5,815	611
 Total revenue	 \$147,250	 \$157,082	 \$47,965	 \$46,926
 Costs and expenses:				
Lease operating expense..	\$ 29,209	\$29,636	\$ 8,857	\$9,324
Depreciation and depletion	22,500	16,500	7,500	4,500
General and administrative	55,946	61,447	18,020	21,857
Interest	2,771	223	1,381	0
Rent Expense - Related Party	8,820	8,820	2,940	2,940
	 \$119,246	 \$116,626	 \$38,698	 \$38,621
 Net income (loss)	 \$ 28,004	 \$ 40,456	 \$ 9,267	 \$ 8,305
	=====	=====	=====	=====
 Earnings (Loss) Per Share	 \$.05	 \$.08	 \$.02	 \$.02
	=====	=====	=====	=====

CROFF OIL COMPANY
Statement of Cash Flows

For the Nine
Months Ended
September 30,
1995 1996

CASH FLOWS FROM OPERATING ACTIVITIES:

Net income (loss)	\$ 28,004	\$ 40,456
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and depletion	22,500	16,500
Change in assets and liabilities:		
Decrease in accounts receivable	6,800	2,585
Decrease in other assets	0	4,800
Increase in accounts payable	3,297	(2,433)
(Gain)/Loss sale of producing leases		(20,966)
(Decrease) Increase in in accrued liabilities	2,654	45
Total adjustments	35,251	531
 Net cash provided by operating activities:	 63,255	 40,987
	-----	-----

CASH FLOWS FROM INVESTING ACTIVITIES:

Sale of Securities	19,540	4,557
Sale of producing leases	0	118,020
(Purchase)/Return of coal investment	(100,000)	8,511
Purchase of producing leases	(3,954)	(12,675)
	-----	-----
	(84,414)	131,243

CASH FLOWS FROM FINANCING ACTIVITIES:

Purchase of Treasury Stock	(4,000)	0
Proceeds/(Payoff) of Note for Coal Purchase	50,000	(50,000)
	-----	-----
	46,000	(50,000)

Increase (decrease) in cash: 24,841 122,230

Cash at beginning of period: \$ 19,385 37,933

Cash at end of period: \$ 44,226 \$160,163

CROFF OIL COMPANY

NOTES TO FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 1996

BASIS OF PREPARATION.

The condensed financial statements for the three and nine month periods ended September 30, 1996 and 1995 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, 1995, 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 September 30, 1996,
as Compared to the Three-Month Period Ended September 30, 1995.

OIL AND GAS OPERATIONS

Oil and gas income, primarily from royalties, for the three months ended September 30, 1996 was \$46,315 compared to \$42,150 for the same time period of the prior year. This increase was due primarily to higher oil and natural gas prices, offset somewhat by lower production due to the sale of the leases in Texas.

Production costs, which include lease operating expenses and production related taxes, for the three months ended September 30, 1996, increased when compared to the same time period of the prior year, \$9,324 in 1996 compared to \$8,856 in 1995. This decrease was insignificant. The sale of the Taylor Ina wells, with their carved out production payment which creates no expenses with the purchase of additional working interests should cause a small increase in the lease operating expenses.

Nine Month Period Ended September 30, 1996,
as Compared to the Nine Month Period Ended September 30, 1995.

OIL AND GAS OPERATIONS

Oil and gas income, primarily from royalties, for the nine months

ending September 30, 1996, was \$133,784 compared to \$135,113 for the same time period of the prior year. This slight decrease was due primarily to the sale of the Texas leases, which was partially offset by higher prices for oil and natural gas.

Production costs, which include lease operating expenses and all production related taxes, for the nine months ended September 30, 1996, increased when compared to the same time period of the prior year, \$29,636 in 1996 compared to \$29,209 in 1995. This difference was insignificant.

OTHER INCOME.

During the nine month period ended September 30, 1996, the Company had other income of \$23,298 from interest earned, dividend payments, a lease bonus, and gain from the sale of producing properties. During the same nine month period in 1995, the Company had other income of \$12,137, primarily from dividends. The Company's other income was higher due primarily to the sale of producing leases. The Company is crediting all cash flow from the coal investment against its cost basis.

GENERAL AND ADMINISTRATIVE.

General and administrative expenses for the nine month period ending September 30, 1996, were \$61,447 compared to \$55,946 for the nine month period ending September 30, 1995. This difference was due to moving costs when the Company moved its offices in Denver. During the nine month period ended September 30, the Company's total expenses decreased from \$119,246 in 1995 to \$116,626 in 1996. The decrease was due to lower depreciation after the sale of the Texas leases. General and administrative expenses will likely remain at approximately this level. 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, 1996, the Company's current assets exceeded current liabilities by \$186,440, compared to working capital of \$26,457 at December 31, 1995. This increase of \$159,983 in the Company's working capital position during the nine month period ending September 30, 1996 was due to the sale of leases in North Dakota and Texas, and the retirement of the Bank note from cash flow. The Company's ratio of current assets to current liabilities was approximately 3 to 2 on December 31, 1995 and 15 to 1 on September 30, 1996.

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

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 OIL COMPANY

By _____
Gerald L. Jensen
Chief Executive Officer

By _____
M. Ward Smith
Chief Accounting Officer

Date: November 12, 1996

9-MOS

DEC-31-1996
SEP-30-1996
160,163
8,250
30,130
0
0
198,543
433,616
(225,861)
493,086
12,103
0
57,914
0
423,069
133,784
157,082
0
46,136
70,490
0
223
40,456
0
40,456
0
0
40,456
.08
.08

493,086