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

[X] Quarterly Report Pursuant to Section 13 or 15(d) of the Securities and Exchange Act of 1934For the period ended June 30, 1999
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: 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, Colorado 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 class of common stock, as of the latest practicable date: 516,315 shares, one class only as of June 1, 1999.

INDEX

INDEX TO INFORMATION INCLUDED IN THE QUARTERLY REPORT (FORM 10-Q) TO THE SECURITIES AND EXCHANGE COMMISSION FOR THE SIX MONTHS ENDED JUNE 30, 1999(UNAUDITED).

Forward-looking statements in this report, including without limitation, statements relating to the Company's plans, strategies, objectives, expectations, intentions and adequacy of resources, are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act 1995. Investors are cautioned that such forward-looking statements involve risks and uncertainties; including without limitation to, the following: (i) the Company's plans, strategies, objective, expectations and intentions are subject to change at any time at the discretion of the Company plans and results of operations will be affected by the Company's ability to manage its growth and inventory (iii) other risks and uncertainties indicated from time to time in the Company's filings with the Securities and Exchange Commission. Neither the Securities and nor any other regulatory body takes any position as to the accuracy of forward-looking statements.

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

	DEC 31, 1998	June 30, 1999		
CURRENT ASSETS:				
Cash and Cash Equivalents:	$14,294	$7,535		
Marketable equity securities	3,125	3,063		
Accounts receivable:				
Oil and gas purchasers	32,271	46,796		
Refundable income taxes	2,900	4,300		
Total current assets	$52,590	$61,694		
PROPERTY AND EQUIPMENT, AT COST:				
Oil & gas properties, successful efforts method:				
Proved properties	636,595	636,595		
Unproved properties	97,102	97,102		
	$733,697	$733,697		
less accumulated depletion and depreciation	(288,717)	(308,317)		
Net property and equipment	$ 444,980	425,380		
Coal investment	11,277	11,277		
Total assets			$508,847	$498,351

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

	Dec. 31, 1998	June 30, 1999		
CURRENT LIABILITIES:				
Accounts payable	$19,290	$20,417		
Accrued liabilities	8,065	17,834		
Note payable - Union Bank	23,369	-		
Total current liabilities			$50,724	$38,251
CONTINGENCIES (NOTE 2)				
STOCKHOLDERS' EQUITY:				
Class A preferred stock, no par value; 500,000 shares, none issue				
Class B Preferred stock, no par value; 520,000 authorized, 516,505 shares (1997) and 490,859 shares (1998) issued and outstanding	329,559	329,559		
Common stock, $.10 par value 20,000,000 shares authorized 579,143 shares issued	57,914	57,914		
Capital in excess of par value	552,797	552,797		
Accumulated deficit	(399,251)	(397,274)		
	$541,019	$542,996		
Less treasury stock at cost, 62,628 shares (1997 and 1998)in 1996 and 62,828 in 1997	(82,896)	(82,896)		
Total stockholders' equity			$458,123	$460,100
Total liabilities & equity			$508,847	$498,351

CROFF ENTERPRISES, INC.
Statement of Operations

For months ended June 30, 1998 and 1999

[S]

	FOR THREE MONTHS ENDED		FOR SIX MONTHS ENDED	
REVENUE:Oil and gas sales	$ 47,675	$46,929	$90,405	$87,437
Gain on disposal of oil and gas properties	-	-	-	-
Other income (loss).....	1,521	271	6,243	6
Total revenue	$ 49,196	$47,200	$96,648	$87,443
COSTS AND EXPENSES:				
Lease operating expense	10,179	8,465	21,252	18,602
Depreciation and depletion	6,657	9,800	12,815	19,600
General and administrative	20,510	16,585	43,052	40,990
Interest	2,228	-	2,228	395
Rent Expense - Related Party	2,940	2,940	5,880	5,880
Total cost and expenses	$42,514	$37,790	$85,227	$85,467
Net Income (Loss)	$ 6,682	$9,410	$11,421	$1,976
Earning (Loss) Per Share	$.01	$.02	$.02	$.01

CROFF ENTERPRISES, INC.
Statement of Cash Flows
For Six Month Ended
June 30, 1999

	1998	1999
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net INCOME (LOSS)	$ 11,921	$1,976
Adjustments to reconcile net income (loss) to net cash provided by Operating activities:		
Depreciation & deletion	12,315	19,600
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	1,382	(15,925)
(Increase) decrease in other assets	(2,422)	-
Increase (decrease) in notes payable	-	(23,369)
Increase (decrease) in accounts payable	(9,869)	1,127
Increase (decrease) in accrued liabilities	(234)	9,766
(Increase) decrease in marketable securities	(3,829)	62
Total adjustments	$(2,657)	$(8,735)
Net cash provided by operating activities	$9,264	$(6,759)
CASH FLOWS FROM INVESTING ACTIVITIES:	-	-
Sale/depreciation of marketable equity securities		
Sale/purchase of producing properties		
CASH FLOWS FROM FINANCING ACTIVITIES:		
Purchase of treasury stock	-	-
Note payable-Union Bank and Trust	90,000	-
Increase (decrease) in cash	97,555	(6,759)
Cash and cash equivalents at beginning of period4,294	166,883	14,294
Cash and cash equivalents at end of period	48,459	$7,535

CROFF ENTERPRISES, INC.

NOTES TO FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED JUNE 30, 1999

PART I FINANCIAL INFORMATION

BASIS OF PREPARATION.

The condensed financial statements for the three month periods ended June 30, 1999 and 1998 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 the 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 year's financial statements to conform to the 1999 presentan 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, 1998, 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 June 30, 1999
as Compared to the Three-Month Period Ended June 30, 1998.

OIL AND GAS OPERATIONS

Oil and gas revenue, primarily from royalties, for the three months ended June 30, 1999, was $46,929 compared to $47,675 for the quarter ending June 30 , 1998. This slight decrease in revenue reflected a rising price for oil and natural gas which was offset by lower production due to wells which were shut in, or sales which were held back, awaiting higher prices. Prices for oil increased from approximately $14-$15 per barrel from the March 31, 1999 quarter, to slightly over $16-$17 per barrel for the quarter June 30, 1999. Natural gas prices increased to over $2 per mcf by the end of the second quarter.
Production costs, which include lease operating expenses and all production related taxes, for the three months ended June 30, 1999, decreased from $10,179 in the quarter ending June 30, 1998, to $8,465 in the quarter ending June 30, 1999. The reason for this decrease was that operators were doing minimal work on the wells because of low prices, and no work-overs for the same reason. Overall, operating expenses are low due to the large amount of royalty income. Depletion increased due to the purchase of new well in 1998, which were not fully reflected one year ago.

OTHER INCOME
During the three month period ended June 30, 1999, the company had other income of $271 compared to $1,521 for the quarter ending June 30, 1998. This was a due to higher interest income last year as the Company held accumulated cash which was used to pay off bank debt, thus reducing other assets and cash, hence, reducing interest this year.

GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses for the current quarter ending June 30, 1999, were $16,585 plus rent expense of $2,940 for a total of $19,525 compared to $20,510 plus rent expense of $2,940 for a total of $23,450 in the current quarter ending June 30, 1998. The Company expects general and administrative costs to remain stable this year.

Six-Month period Ended June 30, 1999
as Compared to the Six-Month Period Ended June 30, 1998

OIL AND GAS OPERATIONS
Oil and gas income, primarily from royalties, for the six months ending June 30, 1999, was $87,437 compared to $90,405 for the six months ended June 30, 1998. This slight decrease was caused, despite recovering prices, by lower oil and gas production. Production decreased due to wells being produced slower and product not being sold due to the long period of low prices. Oil prices and natural gas prices rose during the second quarter.

Production costs, which include lease operating expenses and all production related taxes, for the six months ended June 30, 1999, were $18,602 as compared to $21,252 in the same quarter of 1998. Less work on the wells in 1999 after a sustained period of low prices was the primary reason.

OTHER INCOME

During the six month period ended June 30, 1998, the Company had other income of $6,243, primarily from interest, dividends, and lease bonuses. During the first six months of 1999, the Company had other income of only $6 since cash reserves were low and interest was also low. The drop was also due to receiving a small bonus from leasing acreage during the fist six months of 1998.

GENERAL AND ADMINISTRATIVE

General and administrative expenses for the period ending June 30, 1999, were $40,990 plus rent expense of $5,880, for a total of $46,870, compared to $43,052 plus rent expense of $5,880 for a total of $48,932 for the six month period ending June 30, 1998. There was no significant change in general and administrative expenses.

FINANCIAL CONDITION

As of June 30, 1999, the Company's current assets were $61,694 while current liabilities were $38,251, for a ratio of 3 to 2. As of December 31, 1998 the Company's current assets were $52,590, and current liabilities were $50,724, giving the Company a working capital position of near zero, and a ratio of 1 to 1. This increase was due to paying off bank debt ad paying down other liabilities as cash flow increased. The Company has no current bank debt. The current recovering energy prices have increased the Company's cash flow, so the Company expects to continue to operate at a positive cash flow for the calendar year.

PART II. OTHER INFORMATION

ITEM 2. CHANGES IN SECURITIES

For the last two years the Company has conducted a clearinghouse where it brings together buyers and sellers of its Preferred B stock, which is not otherwise traded. Probably because of the low oil and natural gas prices, there were few purchasers this year and less than 1,000 shares were traded.

ITEM 5. OTHER INFORMATION

YEAR 2,000 DISCLOSURE

There has been increasing concern about the effect upon the financial results of all public companies due to the year 2000 problem. The year 2000 problem is based on the concern that certain computer programs and computers are not presently configured to recognize the year 2000 or succeeding years. This defect in computer functions could have an adverse impact upon our company and other industries in which we deal if the various programs and applications cease to function or function erroneously as we approch year 2000. Programs dealing with accounting and financial functions of the Company could cease to function if they are not year 2000 compliant. Our Company has viewed the year 2000 problem hereafter "Y2K" compliance, in three general categories. The first is the impact on the Company's own information technology system consisting ofits computers, software, and financial records. The second is the possible failure of other equipment which the Company uses such as security systems, telephone systems, vehicles, and gas meters which rely on computer components. The third, are third party service and product suppliers, including payment by the various companies which operate oil and natural gas wells which pay the Company.

The Company has addressed the first problem, its own accounting and financial records, and its well records by confirming the software systems are Y2K compliant. The Company financial records, are being transferred to the "Roughneck" system which has been Y2K compliant for two years and amply tested. This system is owned and operated by Jenex Petroleum Corp. which provides it to the Company as part of its overhead services. The Company intends to have its complete 1999 records on the Roughneck system and fully compliant by September 30, 1999. The previous records of the Company are also being kept on a Y2K compliant system, primarily on Excel, which has been upgraded to a Y2K compliant status. The Company anticipates no further problems with its own records in order to be fully Y2K compliant.

With respect to other IT systems which may fail on or around the advent of the year 2000, the Company is conferring with its supplier of services, Jenex, and has confirmed that its telephone, fax, and email systems are Y2K compliant. The Company does not anticipate any major problems with these systems. Because the Company does not operate any of its oil or natural gas wells, it is in a position to withstand, without any material adverse consequences, a break down of days or even weeks in these systems.

With respect to the third possibility, the third party suppliers from which the Company derives its cash flow being unable to operate wells and or pay timely for the Company's production, the Company has begun a program of reserving cash, as a contingency in the event of a disruption in its cash flow. The Company believes in its capacity as a low overhead company with no operations of its own, and that this problem can be addressed by simply having adequate cash reserves to replace at least two months of. The Company plans to be in this position by the end of 1999.

Under the Company's agreements, the Company's costs to become Y2K compliant, will not increase its overhead from its normal operations. The Company feels its efforts are adequate to handle any Y2K problems that can be reasonably anticipated.

ITEM 6(B) REPORTS ON FORM 8-K

The registrant has filed no reports on Form 8-K for the period ending June 30, 1999.

SIGNATURES

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 and Chief Financial Officer

By:
Beverly Licholat
Chief Accounting Officer

Dated:___________________