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 1934 For the period ended September 30, 2004
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.)
621 17th St., Suite 830, Denver, Colorado	80293
(Address of principal executive offices)	(Zip Code)

(303) 383-1555
(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

Indicate by check mark whether the Registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).
___ Yes X No

There were 566,900 shares of common stock outstanding on November 4, 2004, exclusive of 53,243 common shares held in treasury stock.

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, 2004 (UNAUDITED).

Forward-Looking Statements

Certain information included in this report, other materials filed or to be filed by the Company with the Securities and Exchange Commission ("SEC"), as well as information included in oral statements or other written statements made or to be made by the Company contain or incorporate by reference certain statements (other than statements of historical or present fact) that constitute "forward-looking statements" within the meaning of Section 27A of the Securities

Act of 1933 and Section 21E of the Securities Exchange Act of 1934.

All statements, other than statements of historical or present facts, that address activities, events, outcomes or developments that the Company plans, expects, believes, assumes, budgets, predicts, forecasts, estimates, projects, intends or anticipates (and other similar expressions) will or may occur in the future are forward-looking statements. These forward-looking statements are based on management's current belief, based on currently available information, as to the outcome and timing of future events. When considering forward-looking statements, you should keep in mind the cautionary statements in this Form 10-Q and the Company's Annual Report on Form 10-K for the year ended December 31, 2003. Such forward-looking statements appear in a number of places and include statements with respect to, among other things, such matters as: future capital, development and exploration expenditures (including the amount and nature thereof), drilling, deepening or refracing of wells, oil and gas reserve estimates (including estimates of future net revenues associated with such reserves and the present value of such future net revenues), estimates of future production of oil and natural gas, business strategies, expansion and growth of the Company's operations, cash flow and anticipated liquidity, prospects and development and property acquisitions, obtaining financial or industry partners for prospect or program development, or marketing of oil and natural gas. We caution you that these forward-looking statements are subject to risks and uncertainties. These risks include but are not limited to: general economic conditions, the Company's ability to finance acquisitions and drilling, the market price of oil and natural gas, the risks associated with exploration, the Company's ability to find, acquire, market, develop and produce new properties, operating hazards attendant to the oil and gas business, uncertainties in the estimation of proved reserves and in the projection of future rates of production and timing of development expenditures, the strength and financial resources of the Company's competitors, the Company's ability to find and retain skilled personnel, climatic conditions, labor relations, availability and cost of material and equipment, environmental risks, the results of financing efforts, regulatory developments and the other risks described in the Company's Annual Report on Form 10-K for the year ended December 31, 2003.

Reserve engineering is a subjective process of estimating underground accumulations of oil and natural gas that cannot be measured in an exact way. The accuracy of any reserve estimate depends on the quality of available data and the interpretation of that data by geological engineers. In addition, the results of drilling, testing and production activities may justify revisions of estimates that were made previously. If significant, these revisions could change the schedule of any further production and/or development drilling. Accordingly, reserve estimates are generally different from the quantities of oil and natural gas that are ultimately recovered.

Should one or more of the risks or uncertainties described above or elsewhere in this Form 10-Q or presented in the Company's Annual Report on Form 10-K for the year ended December 31, 2003 occur, or should underlying assumptions prove incorrect, actual results and plans could differ materially from those expressed in any forward-looking statements. We specifically disclaim all responsibility to publicly update any information contained in a forward-looking statement or any forward-looking statement in its entirety and therefore disclaim any resulting liability for potentially related damages.

All forward-looking statements attributable to us are expressly qualified in their entirety by this cautionary statement.

PART I. UNAUDITED FINANCIAL INFORMATION

ITEM 1. UNAUDITED FINANCIAL STATEMENTS

The financial statements included herein have been prepared in conformity with generally accepted accounting principles. The statements are unaudited but reflect all adjustments, which, in the opinion of management, are necessary to fairly present the Company's financial position and results of operations. All such adjustments are of a normal recurring nature.

CROFF ENTERPRISES, INC.
BALANCE SHEETS
(Unaudited)

	December 31, 2003	September 30, 2004
ASSETS		
Current assets:		
Cash and cash equivalents	$ 154,490	$ 81,175
Investments		
Marketable equity securities, available for sale	48,470	-
Mutual fund	77,429	-
Natural gas "put" contracts, at fair value	7,660	-
Accounts receivable	80,531	106,480
	368,580	187,655
Oil and gas properties, at cost, successful efforts method:	985,565	1,338,341
Accumulated depletion and depreciation	(455,924)	(487,424)
	529,641	850,917
Total assets	$ 898,221	$1,038,572
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 21,383	$ 54,542
Accrued liabilities	10,726	18,921
	32,109	73,463
Stockholders' equity:		
Class A Preferred stock, no par value 5,000,000 shares authorized, none issued	-	-
Class B Preferred stock, no par value; 1,000,000 shares authorized, 540,659 shares issued and outstanding	559,295	678,898
Common stock, $.10 par value; 20,000,000 shares authorized, 620,143 shares issued and outstanding	62,014	62,014
Capital in excess of par value	369,761	250,158
Treasury stock, at cost, 53,243 shares issued and outstanding	(83,151)	(83,151)
Accumulated other comprehensive loss	(41,210)	-
Retained earnings (deficit)	(597)	57,190
	866,112	965,109
Total liabilities and stockholders' equity	$ 898,221	$1,038,572

See accompanying notes to unaudited condensed financial statements.

CROFF ENTERPRISES, INC.
STATEMENTS OF OPERATIONS
(Unaudited)

	Three months ended September 30, 2003	Three months ended September 30, 2004	Nine months ended September 30, 2003	Nine months ended September 30, 2004
Revenues				
Oil and gas sales	$ 90,612	$176,707	$315,289	$446,849
Gain (loss) on natural gas "put" contracts	4,644	-	(27,177)	(7,599)
Gain on sale of marketable equity securities	19,450	-	19,450	(38,166)
Other income	705	228	3,679	1,851
	115,411	176,935	311,241	402,935
Expenses				
Lease operating expense including production taxes	30,619	50,278	97,337	156,981
Yorktown Re-entry Prospect	2,814	16,435	13,787	24,903
General and administrative	21,752	26,543	80,495	88,887
Overhead expense, related party	6,000	12,000	18,000	36,000
Depreciation and depletion	10,000	10,500	30,000	31,500
	71,185	115,756	239,619	338,271
Pretax income	44,226	61,179	71,622	64,664
Provision for income taxes	2,000	6,397	6,000	6,877
Net income	$ 42,226	$ 54,782	$ 65,622	$ 57,787
Net income applicable to preferred B shareholders	36,460	71,041	58,837	119,603
Net income (loss) applicable to Common shareholders	$ 5,766	$(16,259)	$ 6,785	$(61,816)
Basic and diluted net income per common share	$ 0.01	$ (0.03)	$ 0.01	$ (0.11)
Weighted average common shares outstanding	566,900	566,900	566,900	566,900

See accompanying notes to unaudited condensed financial statements.

CROFF ENTERPRISES, INC.
STATEMENTS OF STOCKHOLDERS' EQUITY
For the year ended December 31, 2003 and
the nine months ended September 30, 2004
(Unaudited)

	Preferred B stock		Common stock		Capital in excess of par value	Treasury stock	Accumulated other comprehensive loss	Retained Earnings (deficit)
	Shares	Amount	Shares	Amount				
Balance at December 31, 2002	540,659	$470,910	629,143	$ 62,914	$ 456,246	$(83,151)	$ (65,205)	$ (94,706)
Net unrealized gain on marketable equity securities	-	-	-	-	-	-	23,995	-
Net income for the year ended December 31, 2003	-	-	-	-	-	-	-	65,622
Common stock issued for services	-	-	1,000	100	900	-	-	-
Cancellation of treasury stock	-	-	(10,000)	(1,000)	1,000	-	-	-
Preferred stock allocation	-	88,385	-	-	(88,385)	-	-	-
Balance at December 31, 2003	540,659	559,295	620,143	62,014	369,761	(83,151)	(41,210)	(597)
Net loss on marketable equity securities	-	-	-	-	-	-	41,210	-
Net income for the nine months ended September 30, 2004	-	-	-	-	-	-	-	57,787
Preferred stock allocation	-	119,603	-	-	(119,603)	-	-	-
Balance at September 30, 2004	540,659	$678,898	620,143	$ 62,014	$ 250,158	$(83,151)	$ -	$ 57,190

See accompanying notes to unaudited condensed financial statements.

CROFF ENTERPRISES, INC.
STATEMENTS OF CASH FLOWS
For the nine months ended September 30, 2003 and 2004
(Unaudited)

	2003	2004
Cash flows from operating activities:		
Net income	$ 65,622	$ 57,787
Adjustments to reconcile net income to net cash provided by operating activities:		
Depletion and depreciation	30,000	31,500
Realized (gain) loss on marketable equity securities	(19,450)	38,166
Loss on natural gas "put" contracts	31,821	7,599
Changes in operating assets and liabilities:		
Accounts receivable	(19,149)	(25,949)
Accrued interest on notes receivable	(704)	-
Accounts payable	3,674	33,159
Accrued liabilities	5,833	8,195
Net cash provided by operating activities	93,003	150,457
Cash flows from investing activities:		
Purchase of natural gas contracts	(58,041)	-
Proceeds from sale of natural gas contracts	-	61
Acquistion of property leases and improvements	(135,473)	(352,766)
Purchase of working interest in proved properties	(30,000)	-
Proceeds from sale of marketable equity securities	-	51,514
Proceeds from sale of mutual fund	-	77,429
Net cash used in investing activities	(166,999)	(223,772)
Cash flows from financing activities:		
Payment on note receivable from a director	10,600	-
Payment on note receivable from a related party	10,022	-
Net Cash provided by financing activities	20,622	-
Net decrease in cash and cash equivalents	(53,374)	(73,315)
Cash and cash equivalents at beginning of period	316,473	154,490
Cash and cash equivalents at end of period	$ 263,099	$ 81,175

Supplemental disclosure of non-cash investing and financing activities:

During the nine month period ended September 30, 2004, the Company had unrealized gains on available for sale securities in the amount of $18,665. During the nine month period ended September 30, 2003, the Company had net losses on natural gas contracts of $27,177.

See accompanying notes to unaudited condensed financial statements.

CROFF ENTERPRISES, INC.
NOTES TO UNAUDITED CONDENSED FINANCIAL STATEMENTS

Basis of preparation

The condensed financial statements for the six month periods ended June 30, 2003 and 2004 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 information in footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America 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, 2003, which report has been filed with the Securities and Exchange Commission, and is available from the Company or at www.croff.com.

Subsequent events

On November 8, 2004, Croff entered into a Prospect Participation Agreement ("Agreement") related to its Yorktown Re-entry Program with Tempest Energy Resources, LP ("Tempest") of Dallas, Texas. The parties intend to complete wells in the Wilcox formation for natural gas and condensate. The prospects will be jointly developed in an area containing up to 1,100 acres with 8 re-entry prospects as well as new drilling locations. The Agreement provides for the parties to work together in this area of mutual interest for a period of up to 5 years. Under the general terms of the Agreement Croff will retain a 40% working interest and Tempest will acquire a 60% working interest in the first well bore. Tempest will be the operator of the well. Tempest has the right to acquire a 75% working interest in all leases in this area of mutual interest. Croff recovered approximately $150,000 of costs expended in the re-entry of the first well at the closing with Tempest. A more detailed description of the Agreement is disclosed out in the contemporaneously filed Form 8-K report by Croff.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

Croff Enterprises, Inc. ("Croff" or the "Company") was incorporated in Utah in 1907. Croff is an independent energy company engaged in the business of oil and natural gas exploration and production, primarily through the acquisition of producing oil and natural gas leases as well as the ownership of perpetual mineral interests. Other companies operate almost all of the wells from which Croff receives revenues and Croff has no control over the factors which determine royalty or working interest revenues, such as markets, prices and rates of production. Today, Croff participates as a working interest owner in approximately 50 wells or units of several wells. Croff also holds small royalty interests in approximately 200 wells.

Croff's business strategy is focused on targeting opportunities that are of lower risk with the potential for stable cash flow and long asset life while seeking to keep operating costs low. The Company has no short-term or long-term debt outstanding. The Company over the last four years acquired three wells in Michigan, one well in Montana, six wells in Oklahoma and eight wells in Texas.

Critical Accounting Policies and Estimates

The Company's discussion and analysis of its financial condition and results of operations are based upon financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires the Company to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. The Company analyzes its estimates, including those related to oil and gas revenues, oil and gas properties, marketable securities, income taxes and contingencies. The Company bases its estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. The Company believes the following critical accounting policies affect its more significant judgments and estimates used in the preparation of its financial statements and the uncertainties that it could impact results of operations, financial condition and cash flows. The Company accounts for its oil and gas properties under the successful efforts method of accounting. Depletion, depreciation and amortization of oil and gas properties and the periodic assessments for impairment are based on underlying oil and gas reserve estimates and future cash flows using then current oil and gas prices combined with operating and capital development costs. There are numerous uncertainties inherent in estimating quantities of proved oil and gas reserves and in projecting future rates of production and timing of development expenditures. The Company has designated its marketable equity securities as "securities available for sale". The Company follows SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended, which establishes accounting and reporting standards requiring that every derivative instrument (including certain derivative instruments embedded in other contracts) be recorded on the balance sheet as either an asset or liability measured at its fair value. It also requires that changes in the derivatives' fair value be recognized currently in earnings unless specific hedge accounting criteria are met. Historically, oil and gas prices have experienced significant fluctuations and have been particularly volatile in recent years. Price fluctuations can result from variations in weather, levels of regional or national production and demand, availability of transportation capacity to other regions of the country and various other factors. Increases or decreases in oil and gas prices received could have a significant impact on future results.

Liquidity and Capital Resources

At September 30, 2004, the Company had assets of $1,038,572 and current assets totaled $187,655 compared to current liabilities of $73,463. Working capital at September 30, 2004 totaled $114,192, a decrease of 66% compared to $336,471 at December 31, 2003. The Company had a current ratio at September 30, 2004 of approximately 3:1. During the first quarter of 2004, the Company sold its portfolio of marketable equity securities and a mutual fund for a net realized loss of $38,166. In addition, the Company sold its remaining natural gas "put" contracts during the first quarter of 2004 for a realized loss of $7,599. During the nine month period ended September 30, 2004, net cash provided by operations totaled $150,457, as compared to $93,003 for the same period in 2003. This increase in net cash provided by operations is primarily attributable to the higher oil and natural gas prices, combined with slight increases in oil production levels. The Company's cash flows from operations are highly dependent on oil and gas prices. The Company had no short-term or long-term debt outstanding at September 30, 2004.

Capital expenditures for nine months ended September 30, 2004, totaled $352,776. These capital expenditures were all related to the Yorktown Re-entry Program located in DeWitt County, Texas; including $188,832 for the phase I re-entry on the Helen Gips #1. Croff has recently entered a Prospect Participation Agreement as earlier described. In addition, a more detailed description of the Agreement is set-out in the contemporaneously filed Form 8-K report by Croff.

The Company believes that borrowings from financial institutions, projected operating cash flows and the cash on hand will be sufficient to cover its working capital requirements for the next 12 months.

While certain costs are affected by the general level of inflation, factors unique to the oil and natural gas industry result in independent price fluctuations. Over the past five years, significant fluctuations have occurred in oil and natural gas prices. Although it is particularly difficult to estimate future prices of oil and natural gas, price fluctuations have had, and will continue to have, a material effect on the Company. Overall, it is management's belief that inflation, especially in commodity prices, is generally favorable to the Company.

Results of Operations

Three months ended September 30, 2004 compared to three months ended September 30, 2003.

Revenues for the third quarter of 2004 totaled $176,935, a 53% increase from the same period in 2003. Net income for the three months ended September 30, 2004 and 2003 totaled $54,782 and $42,226, respectively. Oil and gas sales for the third quarter of 2004 totaled $176,707, a 95% increase from the same period in 2003. A combination of increased oil and natural gas prices, combined with slight increases in oil production levels during the third quarter of 2004, were major factors causing this increase in oil and gas sales compared to the same period in 2003. The Company's average sale price per barrel of oil in the third quarter of 2004 was approximately $30 per barrel compared to $27.46 per barrel for the same period in 2003. The Company's average sale price of natural gas in the third quarter of 2004 was approximately $5.20 per Mcf (Mcf equates to one thousand cubic feet), compared to $4.45 per Mcf for the same period in 2003. Production of crude oil primarily increased due to the acquisition of a working interest in a well in Michigan and a well in Texas. Other income for the three months ended September 30, 2004 and 2003 totaled $705 and $228, respectively.

Lease operation expense, which includes all production related taxes for the third quarter of 2004 totaled $50,278 and is compared to the $30,619 incurred for the same period in 2003. Lease operating expenses primarily increased due to the Company's acquisition of a working interest in a well in Michigan and a well in Texas.

Depletion and depreciation expense for the third quarter of 2004 totaled $10,500 and is comparable to the $10,000 incurred for the same period in 2003.

Yorktown Re-entry Prospect expense incurred during the third quarter of 2004 totaled $16,435 compared to the $2,814 incurred for the same period in 2003. In accordance with the "successful efforts" method of accounting, certain geological and geophysical activities are charged to expense as incurred and are not capitalized as part of the drilling program. In addition, Yorktown Re-entry expense includes certain professional fees and travel expenses incurred in connection with the drilling program.

General and administrative expense, including overhead expense paid to a related party, for the third quarter of 2004, totaled $38,543 compared to $27,752 for the same period in 2003. Overhead expense paid to a related party for the third quarter of 2004 totaled $12,000 compared to the $6,000 incurred for the same period in 2003. In November 2003, the Company's Board of Directors authorized an increase in the overhead from $2,000 per month to $4,000 per month, due to the amount of additional services being rendered to the Company from Jenex Petroleum Corporation, which is owned by the Company's President.

Provision for income taxes for the third quarter of 2004 totaled $6,397 compared to $2,000 from the same period in 2003.

Nine months ended September 30, 2004 compared to nine months ended September 30, 2003.

Revenues for the nine months ended September 30, 2004 totaled $402,935, a 29% increase from the prior year period. Net income for the nine months ended September 30, 2004 and 2003 totaled $57,787 and $65,622, respectively. During the first quarter of 2004, the Company sold its portfolio of marketable equity securities and mutual funds for a net realized loss of $38,166 and sold its remaining natural gas "put" contracts for a realized loss of $7,599. The Company's liquidation of its marketable equity securities, mutual fund and natural gas "put" contracts combined for a net realized loss of $45,765.

Oil and gas sales for the nine months ended September 30, 2004 totaled $446,849, a 42% increase from the same period in 2003. The increase in oil and gas sales in 2004 compared to 2003 is primarily attributable to increased oil and natural gas prices as well as slightly higher oil production levels during 2004. Production of crude oil primarily increased due to the Company's acquisition of a working interest in a well in Michigan and a well in Texas

Lease operation expense, which includes all production related taxes for the nine months ended September 30, 2004 totaled $156,981, a 61% increase from the prior year period. Included in the 2004 lease operating expense is approximately $20,000 for well workover costs. In addition, acquisitions of oil well working interests have increased the operating expenses for 2004 as compared to 2003.

Depletion and depreciation expense for the nine months ended September 30, 2004 totaled $31,500 and is comparable to the $30,000 incurred for the same period in 2003.

Yorktown Re-entry Prospect expense for the nine months ended September 30, 2004 totaled $24,903 compared to $13,787 incurred for the same period in 2003.

General and administrative expense, including overhead expense paid to a related party, the nine months ended September 30, 2004 totaled $124,887 compared to $98,495 for the same period in 2003. Overhead expense paid to a related party for the nine months ended September 30, 2004 totaled $36,000 compared to the $18,000 incurred for the same period in 2003. This increase in overhead expenses is primarily attributable to the additional time incurred establishing the Yorktown Re-entry Prospect. The Company has also incurred additional costs during 2004 associated with compliance with the Sarbanes-Oxley Act of 2002 compared to 2003.

Provision for income taxes for 2004 totaled $6,877 compared to $6,000 from the same period in 2003.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company's major market risk exposure is in the pricing applicable to its oil and natural gas production. Realized pricing is primarily driven by the prevailing domestic price for oil and natural gas. Historically, prices received for oil and natural gas production have been volatile and unpredictable. Pricing volatility is expected to continue. Natural gas price realizations during 2003 and the nine months ended September 30, 2004, ranged from a monthly low of $2.05 per Mcf to a monthly high of $7.17 per Mcf. Oil prices ranged from a monthly low of $20.05 per barrel to a monthly high of $40.70 per barrel during 2003 and the first quarter of 2004. A decline in prices of oil or natural gas could have a material adverse effect on the Company's financial condition and results of operations. For the nine months ended September 30, 2004, a 10% reduction in oil and natural gas prices would have reduced revenues by approximately $45,000.

ITEM 4. CONTROLS AND PROCEDURES

Croff's principal executive officer and principal financial officer have evaluated the effectiveness of Croff's "disclosure controls and procedures," as such term is defined in Rule 13a-14(c) and 15d-14(c) of the Securities Exchange Act of 1934, as amended, within 90 days of the filing date of this Quarterly Report on Form 10-Q. Based upon their evaluation, the principal executive officer and principal financial officer concluded that the Company's disclosure controls and procedures are effective. There were no significant changes in the Company's internal controls or in other factors that could significantly affect these controls, since the date the controls were evaluated.

PART II. OTHER INFORMATION

ITEM 5. OTHER INFORMATION

Subsequent events

On November 8, 2004, Croff entered into a Prospect Participation Agreement ("Agreement") related to its Yorktown Re-entry Program with Tempest Energy Resources, LP ("Tempest") of Dallas, Texas. The parties intend to complete wells in the Wilcox formation for natural gas and condensate. The prospects will be jointly developed in an area containing up to 1,100 acres with 8 re-entry prospects as well as new drilling locations. The Agreement provides for the parties to work together in this area of mutual interest for a period of up to 5 years. Under the general terms of the Agreement Croff will retain a 40% working interest and Tempest will acquire a 60% working interest in the first well bore. Tempest will be the operator of the well. Tempest has the right to acquire a 75% working interest in all leases in this area of mutual interest. Croff recovered approximately $150,000 of costs expended in the re-entry of the first well at the closing with Tempest. A more detailed description of the Agreement is disclosed out in the contemporaneously filed Form 8-K report by Croff.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits - The following documents are filed as exhibits to this Quarterly Report on Form 10-Q:

31.1 Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. *
31.2 Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. *
32.1 Certification of Chief Executive Officer, dated November 12, 2004, pursuant to 18 U.S.C. Section 1350, as adopted to Section 906 of the Sarbanes-Oxley Act of 2002. *
32.2 Certification of Chief Financial Officer, dated November 12, 2004, pursuant to 18 U.S.C. Section 1350, as adopted to Section 906 of the Sarbanes-Oxley Act of 2002. *

* Filed herewith

(b) The following report on Form 8-K was filed by Registrant during the quarter ended September 30, 2004:

The Company filed a current report on Form 8-K on August 11, 2004 to furnish the information required under Item 5 related to the August 11, 2004 press release announcing the Company's successful completion of the overshot re-entry on the Helen Gips #1.

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.

Date: November 12, 2004 By: /S/Gerald L. Jensen
Gerald L. Jensen, President,
Chief Executive Officer

Date: November 12, 2004 By: /s/Stuart D. Kroonenberg
Stuart D. Kroonenberg,
Chief Financial Officer

Exhibit 31.1

CERTIFICATIONS

I, Gerald L. Jensen, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Croff Enterprises, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 12, 2004

By: /S/Gerald L. Jensen
Gerald L. Jensen, President,
Chief Executive Officer

Exhibit 31.2

CERTIFICATIONS

I, Stuart D. Kroonenberg, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Croff Enterprises, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 12, 2004

By: /s/Stuart D. Kroonenberg
Stuart D. Kroonenberg,
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the Quarterly Report of Croff Enterprises, Inc. (the "Company") on Form 10-Q for the period ending September 30, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Gerald L. Jensen, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) I further certify to the best of my knowledge that the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: November 12, 2004

By: /S/Gerald L. Jensen

Gerald L. Jensen, President,
Chief Executive Officer

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the Quarterly Report of Croff Enterprises, Inc. (the "Company") on Form 10-Q for the period ending September 30, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Stuart D. Kroonenberg, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) I further certify to the best of my knowledge that the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: November 12, 2004

By: /s/Stuart D. Kroonenberg

Stuart D. Kroonenberg,
Chief Financial Officer