

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark one)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 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 1-8590

MURPHY OIL CORPORATION

(Exact name of registrant as specified in its charter)

DELAWARE

(State or other jurisdiction of
incorporation or organization)

71-0361522

(I.R.S. Employer
Identification Number)

200 PEACH STREET

P. O. BOX 7000, EL DORADO, ARKANSAS
(Address of principal executive offices)

71731-7000

(Zip Code)

(870) 862-6411

(Registrant's telephone number, including area code)

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 was required to file such reports), and (2) has been subject to
such filing requirements for the past 90 days.

Yes No

Number of shares of Common Stock, \$1.00 par value, outstanding at September
30, 1999, was 44,974,135.

PART I - FINANCIAL INFORMATION

Murphy Oil Corporation and Consolidated Subsidiaries
CONSOLIDATED BALANCE SHEETS
(Thousands of dollars)

	(unaudited) September 30, 1999	December 31, 1998
	-----	-----
ASSETS		
Current assets		
Cash and cash equivalents	\$ 43,976	28,271
Accounts receivable, less allowance for doubtful accounts of \$10,901 in 1999 and \$11,048 in 1998	317,306	233,906
Inventories		
Crude oil and blend stocks	49,407	41,090
Finished products	50,871	49,714
Materials and supplies	39,285	38,973
Prepaid expenses	27,772	32,292
Deferred income taxes	17,931	13,120

Total current assets	----- 546,548	----- 437,366
Property, plant and equipment, at cost less accumulated depreciation, depletion and amortization of \$3,084,660 in 1999 and \$2,985,854 in 1998	1,748,088	1,662,362
Deferred charges and other assets	68,088	64,691
Total assets	----- \$ 2,362,724 =====	----- 2,164,419 =====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Current maturities of long-term debt	\$ 71	5,951
Notes payable	-	1,961
Accounts payable and accrued liabilities	421,711	349,887
Income taxes	31,989	22,951
Total current liabilities	----- 453,771	----- 380,750
Notes payable	283,797	189,705
Nonrecourse debt of a subsidiary	143,378	143,768
Deferred income taxes	144,272	124,543
Reserve for dismantlement costs	158,996	154,686
Reserve for major repairs	17,976	43,519
Deferred credits and other liabilities	152,822	149,215
Stockholders' equity		
Cumulative Preferred Stock, par \$100, authorized 400,000 shares, none issued	-	-
Common Stock, par \$1.00, authorized 80,000,000 shares, issued 48,775,314 shares	48,775	48,775
Capital in excess of par value	511,316	510,116
Retained earnings	558,226	545,199
Accumulated other comprehensive loss - foreign currency translation	(8,756)	(23,520)
Unamortized restricted stock awards	(2,491)	(2,361)
Treasury stock, 3,801,179 shares of Common Stock in 1999, 3,824,838 shares in 1998, at cost	(99,358)	(99,976)
Total stockholders' equity	----- 1,007,712	----- 978,233
Total liabilities and stockholders' equity	----- \$ 2,362,724 =====	----- 2,164,419 =====

See Notes to Consolidated Financial Statements, page 4.

The Exhibit Index is on page 16.

Murphy Oil Corporation and Consolidated Subsidiaries
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
(Thousands of dollars, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1999	1998*	1999	1998*
	-----	-----	-----	-----
REVENUES				
Crude oil and natural gas sales	\$130,312	80,224	315,048	240,407
Petroleum product sales	485,468	342,011	1,031,290	1,025,219
Other operating revenues	16,612	10,013	38,895	54,174
Interest and other nonoperating revenues	1,163	1,071	3,079	2,815
	-----	-----	-----	-----
Total revenues	633,555	433,319	1,388,312	1,322,615
	-----	-----	-----	-----
COSTS AND EXPENSES				
Crude oil, products and related operating expenses	461,117	338,650	1,016,117	992,046
Exploration expenses, including undeveloped lease amortization	15,438	9,567	55,471	49,527
Selling and general expenses	19,022	15,387	52,450	49,031
Depreciation, depletion and amortization	52,241	50,914	149,281	148,757
Provision for reduction in force	-	-	1,513	-
Interest expense	7,553	4,891	20,870	12,861
Interest capitalized	(2,328)	(1,476)	(4,908)	(6,662)
	-----	-----	-----	-----
Total costs and expenses	553,043	417,933	1,290,794	1,245,560
	-----	-----	-----	-----
Income before income taxes	80,512	15,386	97,518	77,055
Federal and state income tax expense	9,636	3,456	9,750	23,869
Foreign income tax expense	19,665	2,915	27,535	6,431
	-----	-----	-----	-----
NET INCOME	\$ 51,211	9,015	60,233	46,755
	=====	=====	=====	=====
Net income per Common share - basic	\$ 1.14	.20	1.34	1.04
	=====	=====	=====	=====
Net income per Common share - diluted	\$ 1.14	.20	1.34	1.04
	=====	=====	=====	=====
Cash dividends per Common share	\$.35	.35	1.05	1.05
	=====	=====	=====	=====
Average Common shares outstanding - basic	44,971,310	44,964,657	44,963,505	44,954,021
Average Common shares outstanding - diluted	45,060,127	44,987,581	45,004,176	45,012,976

*Revenues have been reclassified to conform to 1999 presentation.

Murphy Oil Corporation and Consolidated Subsidiaries
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)
(Thousands of dollars)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1999	1998	1999	1998
	-----	-----	-----	-----

Net income	\$ 51,211	9,015	60,233	46,755
Other comprehensive income (loss) - net gain (loss) from foreign currency translation	13,657 -----	(9,169) -----	14,764 -----	(17,118) -----
COMPREHENSIVE INCOME (LOSS)	\$ 64,868 =====	(154) =====	74,997 =====	29,637 =====

See Notes to Consolidated Financial Statements, page 4.

Murphy Oil Corporation and Consolidated Subsidiaries
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(Thousands of dollars)

	Nine Months Ended September 30,	
	1999	1998
OPERATING ACTIVITIES		
Net income	\$ 60,233	46,755
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation, depletion and amortization	149,281	148,757
Provisions for major repairs	13,697	15,946
Expenditures for major repairs and dismantlement costs	(42,706)	(20,947)
Exploratory expenditures charged against income	47,208	41,504
Amortization of undeveloped leases	8,263	8,023
Deferred and noncurrent income tax charges	16,429	18,032
Pretax gains from disposition of assets	(10,019)	(761)
Other - net	12,015	6,534
	254,401	263,843
Net (increase) decrease in operating working capital other than cash and cash equivalents	(12,615)	19,696
Other adjustments related to operating activities	(8,062)	(1,779)
	233,724	281,760
INVESTING ACTIVITIES		
Capital expenditures requiring cash	(284,275)	(296,160)
Proceeds from the sale of property, plant and equipment	33,293	4,718
Other investing activities - net	(3,986)	(201)
	(254,968)	(291,643)
FINANCING ACTIVITIES		
Increase in notes payable	92,198	65,322
Decrease in nonrecourse debt of a subsidiary	(6,337)	(4,127)
Cash dividends paid	(47,206)	(47,204)
Other financing activities - net	(1,887)	520
	36,768	14,511
Effect of exchange rate changes on cash and cash equivalents	181	(37)
Net increase in cash and cash equivalents	15,705	4,591
Cash and cash equivalents at January 1	28,271	24,288
Cash and cash equivalents at September 30	\$ 43,976	28,879
SUPPLEMENTAL DISCLOSURES OF CASH FLOW ACTIVITIES		
Cash income taxes paid (refunded)	\$ (6,613)	29,248
Interest paid, net of amounts capitalized	8,164	4,204

See Notes to Consolidated Financial Statements, page 4.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

These notes are an integral part of the financial statements of Murphy Oil Corporation and Consolidated Subsidiaries (Murphy/the Company) on pages 1 through 3 of this Form 10-Q report.

NOTE A - INTERIM FINANCIAL STATEMENTS

The consolidated financial statements of the Company presented herein have not been audited by independent auditors, except for the Consolidated Balance Sheet at December 31, 1998. In the opinion of Murphy's management, the unaudited financial statements presented herein include all accruals necessary to present fairly the Company's financial position at September 30, 1999, and the results of operations and cash flows for the three-month and nine-month periods ended September 30, 1999 and 1998, in conformity with generally accepted accounting principles.

Financial statements and notes to consolidated financial statements included in this Form 10-Q report should be read in conjunction with the Company's 1998 Form 10-K report, as certain notes and other pertinent information have been abbreviated or omitted in this report. Financial results for the nine months ended September 30, 1999 are not necessarily indicative of future results.

NOTE B - ENVIRONMENTAL CONTINGENCIES

The Company's operations are subject to numerous laws and regulations intended to protect the environment and/or impose remedial obligations. The Company is also involved in personal injury and property damage claims, allegedly caused by exposure to or by the release or disposal of materials manufactured or used in the Company's operations. The Company operates or has previously operated certain sites and facilities, including refineries, oil and gas fields, service stations, and terminals, for which known or potential obligations for environmental remediation exist.

Under the Company's accounting policies, a liability for an environmental obligation is recorded when an obligation is probable and the cost can be reasonably estimated. If there is a range of reasonably estimated costs, the most likely amount will be recorded, or if no amount is most likely, the minimum of the range is used. Recorded liabilities are reviewed quarterly. Actual cash expenditures often occur one or more years after a liability is recognized.

The Company's reserve for remedial obligations, which is included in "Deferred Credits and Other Liabilities" in the Consolidated Balance Sheets, contains certain amounts that are based on anticipated regulatory approval for proposed remediation of former refinery waste sites. If regulatory authorities require more costly alternatives than the proposed processes, future expenditures could exceed the amount reserved by up to an estimated \$3 million.

The Company has received notices from the U.S. Environmental Protection Agency (EPA) that it is currently considered a Potentially Responsible Party (PRP) at three Superfund sites and has also been assigned responsibility by defendants at another Superfund site. The potential total cost to all parties to perform necessary remedial work at these sites may be substantial. Based on currently available information, the Company has reason to believe that it is a "de minimus" party as to ultimate responsibility at the four sites. The Company does not expect that its related remedial costs will be material to its financial condition or its results of operations, and it has not provided a reserve for remedial costs on Superfund sites. Additional information may become known in the future that would alter this assessment, including any requirement to bear a pro rata share of costs attributable to nonparticipating PRPs or indications of additional responsibility by the Company.

Following a compliance inspection in 1998, Murphy's Superior, Wisconsin refinery received notices of violations of the Clean Air Act from the EPA. Although the penalty amounts were not listed, the statutes involved provide for rates of up to \$27,500 per day of violation. The Superior refinery also received a Notice of Violation from the Wisconsin Department of Natural Resources for alleged failure to meet new source performance emission standards for the sulfur plant at the refinery. The Company believes it has valid defenses to these allegations and plans vigorous defenses. The Company does not believe that these or other known environmental matters will have a material adverse effect on its financial condition. There is the possibility that expenditures could be required at currently unidentified sites, and new or revised regulations could require additional expenditures at known sites. Such expenditures could materially affect the results of operations in a future period.

Certain environmental expenditures are likely to be recovered by the Company

from other sources, primarily environmental funds maintained by certain states. Since no assurance can be given that recoveries from other sources will occur, the Company has not recognized a benefit for likely recoveries at September 30, 1999.

NOTE C - OTHER CONTINGENCIES

The Company's operations and earnings have been and may be affected by various other forms of governmental action both in the United States and throughout the world. Examples of such governmental action include, but are by no means limited to: tax increases and retroactive tax claims; restrictions on drilling and/or production; import and export controls; price controls; currency controls; allocation of supplies of crude oil and petroleum products and other goods; expropriation of property; restrictions and preferences affecting issuance of oil and gas or mineral leases; laws and regulations intended for the promotion of safety; governmental support for other forms of energy; and laws and regulations affecting the Company's relationships with employees, suppliers, customers, stockholders and others. Because governmental actions are often motivated by political considerations, may be taken without full consideration of their consequences, and may be taken in response to actions of other governments, it is not practical to attempt to predict the likelihood of such actions, the form the actions may take or the effect such actions may have on the Company.

The Company and its subsidiaries are engaged in a number of legal proceedings, all of which the Company considers routine and incidental to its business and none of which is considered material. In the normal course of its business, the Company is required under certain contracts with various governmental authorities and others to provide letters of credit that may be drawn upon if the Company fails to perform under those contracts. At September 30, 1999, the Company had contingent liabilities of \$63.4 million on outstanding letters of credit and \$70.9 million under certain financial guarantees.

NOTE D - DERIVATIVE INSTRUMENTS

Murphy uses derivative instruments on a limited basis to manage certain risks related to interest rates, foreign currency exchange rates and commodity prices. Instruments that reduce the exposure of assets, liabilities or anticipated transactions to interest rate, currency or price risks are accounted for as hedges. Gains or losses on derivatives that cease to qualify as hedges are recognized in income or expense. The use of derivative instruments for risk management is covered by operating policies and is closely monitored by the Company's senior management. The Company does not hold any derivatives for trading purposes, and it does not use derivatives with leveraged or complex features. Counterparties to derivative instruments are either creditworthy major financial institutions or national exchanges.

Murphy uses interest rate swap agreements to convert certain variable rate long-term debt to fixed rates. Under the accrual/settlement method of accounting, the Company records the net amount to be received or paid under the swap agreements as part of "Interest Expense" in the Consolidated Statements of Income. If the Company should terminate an interest rate swap prior to maturity, any cash paid or received as settlement would be deferred and recognized as an adjustment to "Interest Expense" over the shorter of the remaining life of the debt or the remaining contractual life of the swap.

The Company periodically uses crude oil swap agreements to reduce a portion of the financial exposure of its U.S. refineries to crude oil price movements. Unrealized gains or losses on such swap contracts are generally deferred and recognized in connection with the associated crude oil purchase. If conditions indicate that the market price of finished products would not allow for recovery of the costs of the finished products, including any unrealized loss on the crude oil swap, a liability will be provided for the nonrecoverable portion of the unrealized swap loss. The Company records pretax operating results associated with crude oil swaps in "Crude Oil, Products and Related Operating Expenses" in the Consolidated Statements of Income.

The Company periodically uses natural gas swap agreements to reduce a portion of the financial exposure of its Meraux, Louisiana refinery to fluctuations in the price of certain future natural gas fuel purchases. Unrealized gains or losses on such swap contracts are deferred until the contracts are settled and the associated natural gas is purchased. The Company will record the related contract results in "Crude Oil, Products and Related Operating Expenses" in the Consolidated Statements of Income.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

NOTE E - EARNINGS PER SHARE

Net income was used as the numerator in computing both basic and diluted income per Common share for the three-month and nine-month periods ended September 30, 1999 and 1998. Reconciliations of the weighted-average shares outstanding for these computations are shown in the following table.

Reconciliation of Shares Outstanding (Weighted-average shares)	Three Months Ended September 30,		Nine Months Ended September 30,	
	1999	1998	1999	1998
Basic method	44,971,310	44,964,657	44,963,505	44,954,021
Dilutive stock options	88,817	22,924	40,671	58,955
Diluted method	45,060,127	44,987,581	45,004,176	45,012,976

The following table presents additional information about outstanding options that were not considered in calculating diluted earnings per share because the effects of these options would have improved the Company's earnings per share.

Information About Options at End of Periods	Three Months Ended September 30,		Nine Months Ended September 30,	
	1999	1998	1999	1998
Total options outstanding	1,337,279	1,061,289	1,337,279	1,061,289
Options not considered in diluted calculations	386,750	705,000	1,008,250	705,000
Exercise price per share - maximum	\$ 65.49	65.49	65.49	65.49
- minimum	\$ 50.38	49.75	35.69	49.75
- average	\$ 56.12	53.25	47.72	53.25
Remaining life in years - maximum	7.3	9.3	9.3	9.3
- minimum	7.3	8.3	7.3	8.3
- average	7.3	8.8	8.3	8.8

NOTE F - PROVISION FOR REDUCTION IN FORCE

In early 1999, the Company offered enhanced voluntary retirement benefits to eligible exploration, production and administrative employees in its New Orleans and Calgary offices and severed certain other employees. As a result of this reduction in force, the Company recorded a "Provision for Reduction in Force" of \$1.5 million, \$1 million after taxes, in the Consolidated Statement of Income for the nine months ended September 30, 1999.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

NOTE G - BUSINESS SEGMENTS

(Millions of dollars)	Total Assets at Sept. 30, 1999	Three Months Ended September 30, 1999		
		External Revenues	Interseg. Revenues	Income (Loss)
Exploration and production*				
United States	\$ 385.3	40.1	14.7	12.4
Canada	691.5	48.0	17.0	16.7
United Kingdom	311.6	32.8	8.1	12.7
Ecuador	59.2	8.7	-	3.8
Other	10.9	.5	-	(1.8)
Total	1,458.5	130.1	39.8	43.8
Refining, marketing and transportation				
United States	541.2	410.1	1.3	7.9
United Kingdom	181.2	85.6	-	6.7
Canada	73.2	6.5	.4	1.5
Total	795.6	502.2	1.7	16.1
Total operating segments	2,254.1	632.3	41.5	59.9
Corporate and other	108.6	1.2	-	(8.7)
Total consolidated	\$2,362.7	633.5	41.5	51.2

(Millions of dollars)	Three Months Ended September 30, 1998		
	External Revenues	Interseg. Revenues	Income (Loss)
Exploration and production*			
United States	\$ 28.9	6.8	.9
Canada	24.8	10.0	1.7
United Kingdom	23.6	-	(.3)
Ecuador	4.1	-	.1
Other	.7	-	(2.7)
Total	82.1	16.8	(.3)
Refining, marketing and transportation			
United States	284.0	.9	5.9
United Kingdom	60.8	-	5.4
Canada	5.3	.1	.9
Total	350.1	1.0	12.2
Total operating segments	432.2	17.8	11.9
Corporate and other	1.1	-	(2.9)
Total consolidated	\$ 433.3	17.8	9.0

(Millions of dollars)	Nine Months Ended September 30, 1999		
	External Revenues	Interseg. Revenues	Income (Loss)
Exploration and production*			
United States	\$ 109.6	32.6	15.5
Canada	109.6	38.4	25.3
United Kingdom	77.7	14.1	17.6
Ecuador	20.4	-	7.9
Other	1.4	-	(5.6)
Total	318.7	85.1	60.7

Refining, marketing and
transportation

United States	853.0	3.4	6.5
United Kingdom	193.1	-	10.5
Canada	20.4	.6	5.2

Total	1,066.5	4.0	22.2

Total operating segments	1,385.2	89.1	82.9
Corporate and other	3.1	-	(22.7)

Total consolidated	\$1,388.3	89.1	60.2
=====			

Nine Months Ended September 30, 1998

(Millions of dollars)	External Revenues	Interseg. Revenues	Income (Loss)

Exploration and production*			
United States	\$ 113.7	25.3	15.8
Canada	66.6	31.2	2.0
United Kingdom	69.8	-	1.3
Ecuador	15.9	-	4.1
Other	1.9	-	(12.5)

Total	267.9	56.5	10.7

Refining, marketing and transportation			
United States	831.4	2.3	27.1
United Kingdom	202.7	-	14.0
Canada	17.8	.1	3.8

Total	1,051.9	2.4	44.9

Total operating segments	1,319.8	58.9	55.6
Corporate and other	2.8	-	(8.9)

Total consolidated	\$1,322.6	58.9	46.7
=====			

*Additional details about results of exploration and production operations, excluding special items, are presented in the tables on page 14.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

RESULTS OF OPERATIONS

THREE MONTHS ENDED SEPTEMBER 30, 1999 COMPARED TO THREE MONTHS ENDED SEPTEMBER 30, 1998

Net income in the third quarter of 1999 totaled \$51.2 million, \$1.14 a diluted share, compared to \$9 million, \$.20 a diluted share, in the third quarter a year ago. For the current quarter, Murphy's refining, marketing and transportation operations recorded income from special items of \$6.3 million, \$.14 a share, resulting from a gain on the sale of service stations in the southeastern United States. Cash flow from operating activities, excluding changes in noncash working capital items, totaled \$121.6 million in the third quarter of 1999 compared to \$79.9 million a year ago.

Both net income and income before special items were at record levels in the current quarter. A 10% increase in crude oil production and a 76% increase in the average worldwide crude oil sales price were significant contributors to Murphy's exploration and production operations, which had earnings of \$43.8 million in the current quarter compared to a loss of \$.3 million in the third quarter of 1998. Worldwide downstream operations earned \$9.8 million before special items in the current quarter compared to \$12.2 million a year ago, as margins in the United States were under pressure throughout the quarter.

Exploration and production operations in the United States earned \$12.4 million compared to \$.9 million in the third quarter of 1998. Operations in Canada earned \$16.7 million compared to \$1.7 million a year ago, and U.K. operations earned \$12.7 million compared to losing \$.3 million. Operations in Ecuador earned \$3.8 million in the third quarter of 1999 compared to \$.1 million a year ago. Other international operations reported a loss of \$1.8 million compared to a \$2.7 million loss a year earlier. The Company's worldwide crude oil and condensate sales prices averaged \$19.40 a barrel in the current quarter compared to \$11.00 a year ago. Crude oil and condensate sales prices averaged \$20.26 a barrel in the United States and \$20.90 in the United Kingdom, increases of 66% and 68%, respectively. In Canada, sales prices averaged \$19.57 a barrel for light oil, up 69% from last year; \$15.71 for heavy oil, up 100%; \$21.34 for production from the offshore Hibernia field, up 91%; and \$20.86 for synthetic oil, up 53%. The average crude oil sales price in Ecuador was \$14.32 a barrel, up 113%. Total crude oil and gas liquids production averaged 66,980 barrels a day compared to 60,864 in the third quarter of 1998. The increase was primarily due to production from new fields in the United Kingdom and Canada and storm-related downtime last year in the U.S. Gulf of Mexico. Production increased 3,173 barrels a day or 18% in the United Kingdom, 1,587 or 30% at Hibernia, 1,719 or 25% in the United States, and 1,191 or 12% for synthetic oil in Canada. In other areas, production decreased 13% for Canadian light oil, 8% for Canadian heavy oil and 4% for crude oil in Ecuador. Natural gas sales prices in the United States averaged \$2.55 a thousand cubic feet (MCF) in the current quarter, an increase of 26%, and \$2.06 an MCF in Canada, an increase of 72%. Total natural gas sales averaged 231 million cubic feet a day in the current quarter compared to 214 million a year ago. Sales of natural gas in the United States averaged 167 million cubic feet a day, up from 154 million in the third quarter of 1998, when storm-related downtime in the Gulf of Mexico reduced production. Canadian natural gas sales averaged 58 million cubic feet a day in the current quarter, an increase of 12%. Exploration expenses totaled \$15.5 million compared to \$9.5 million in 1998. The tables on page 14 provide additional details of the results of exploration and production operations for the third quarter of each year.

Refining, marketing and transportation operations in the United States earned \$1.6 million before special items compared to \$5.9 million a year ago. Operations in the United Kingdom earned \$6.7 million compared to \$5.4 million in the third quarter of 1998. Earnings from purchasing, transporting and reselling crude oil in Canada were \$1.5 million in the current quarter compared to \$.9 million a year ago. Murphy's refinery crude runs worldwide averaged 167,563 barrels a day compared to 162,842 in the third quarter of 1998. Worldwide refined product sales were 179,853 barrels a day compared to 175,506 a year ago.

Corporate functions, which include interest income and expense and corporate overhead not allocated to operating functions, reflected a loss of \$8.7 million in the current quarter compared to a loss of \$2.9 million in the third quarter of 1998.

NINE MONTHS ENDED SEPTEMBER 30, 1999 COMPARED TO NINE MONTHS ENDED SEPTEMBER 30, 1998

For the first nine months of 1999, net income totaled \$60.2 million, \$1.34 a diluted share, compared to \$46.7 million, \$1.04 a diluted share, a year ago. The current nine-month period included an after-tax benefit from special items of \$5.3 million, \$.12 a share, while the same period a year ago included an after-tax benefit of \$4.2 million, \$.09 a share. Special items in the 1999 period included the gain of \$6.3 million, \$.14 a share, on the sale of U.S.

RESULTS OF OPERATIONS (CONTD.)

service stations in the third quarter, partially offset by a charge of \$1 million, \$.02 a share, for a reduction in force. The 1998 special items were \$2.8 million, \$.06 a share, for modification of a natural gas sales contract in the United Kingdom and \$1.4 million, \$.03 a share, for partial recovery of a 1996 loss resulting from modification to a crude oil production contract in Ecuador.

Year-to-date earnings before special items from exploration and production operations were up \$54.2 million over the prior year, mainly due to increases in average worldwide crude oil prices and crude oil production, higher natural gas sales, and improved Canadian natural gas sales prices, partially offset by lower U.S. natural gas sales prices and increased exploration expenses. Year-to-date results were unfavorably affected by a \$29 million decrease in earnings before special items for the Company's worldwide downstream operations and an additional loss of \$12.8 million from corporate functions. Earnings from refining, marketing and transportation activities decreased primarily because of pressure on product margins in the United States and lower product sales volumes in the United Kingdom.

Earnings from exploration and production operations for the nine months ended September 30, 1999 were \$60.7 million, up from \$6.5 million before special items in 1998. Significant increases from the prior year occurred in Canada, which had earnings of \$25.3 million compared to \$2 million in 1998; in the United Kingdom, which had earnings of \$17.6 million compared to a loss of \$1.5 million before special items; and in Ecuador, which had earnings of \$7.9 million compared to \$2.7 million before special items. Operations in the United States earned \$15.5 million for the 1999 period compared to \$15.8 million a year ago, and other international operations recorded losses of \$5.6 million in the first nine months of 1999 and \$12.5 million in the 1998 period. The Company's worldwide crude oil and condensate sales prices averaged \$14.93 a barrel in 1999 compared to \$11.17 a year ago. Crude oil and condensate sales prices averaged \$16.10 a barrel in the United States, up 22%, and \$15.86 in the United Kingdom, up 21%. In Canada, sales prices averaged \$15.27 a barrel for light oil, up 25% from last year; \$11.62 for heavy oil, up 86%; \$16.77 for Hibernia field production, up 43%; and \$16.90 for synthetic oil, up 19%. The average crude oil sales price in Ecuador was \$10.49 a barrel, up 46%. Crude oil and gas liquids production for the 1999 period averaged 65,373 barrels a day compared to 56,491 during the first nine months of 1998. Production of crude oil and gas liquids in the United Kingdom averaged 20,146 barrels a day, up 42%, and crude oil production at Hibernia averaged 5,918 barrels a day, up 74%. In other areas, crude oil and gas liquids production averaged 11,164 barrels a day for Canadian synthetic oil, up 9%; 8,558 in the United States, up 10%; 8,874 for Canadian heavy oil, down 7%; 3,536 for Canadian light oil, down 9%; and 7,177 in Ecuador, down 3%. Total natural gas sales averaged 243 million cubic feet a day in 1999 compared to 231 million in 1998. Sales of natural gas in the United States averaged 176 million cubic feet a day, up 2%. In other areas, average natural gas sales volumes in Canada were 56 million cubic feet a day, up 17%, and 11 million in the United Kingdom, up 7%. Natural gas sales prices for the first nine months of 1999 averaged \$2.16 an MCF in the United States, down 3%; \$1.79 in Canada, up 48%; and \$1.65 in the United Kingdom, down 31%. Exploration expenses totaled \$55.5 million for the nine months ended September 30, 1999, compared to \$49.5 million a year ago. The tables on page 14 provide additional details of the results of exploration and production operations for the first nine months of each year.

Refining, marketing and transportation operations in the United States were affected by lower product margins and earned only \$.2 million before special items in the first nine months of 1999 compared to \$27.1 million for the same period last year. Operations in the United Kingdom were affected by lower product sales volumes and earned \$10.5 million in the 1999 period compared to \$14 million in the prior year. Earnings from purchasing, transporting and reselling crude oil in Canada were \$5.2 million in the current year compared to \$3.8 million a year ago. The Company's refinery crude runs worldwide were 140,312 barrels a day compared to 164,722 a year ago. Worldwide petroleum product sales averaged 153,869 barrels a day, down from 174,075 in 1998. Crude runs and product sales were both adversely affected by a scheduled turnaround at the Company's Meraux, Louisiana refinery in early 1999.

Financial results from corporate functions reflected a loss of \$21.7 million before special items in the first nine months of 1999 compared to a loss of \$8.9 million a year ago. The additional loss was primarily due to higher net interest expense.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTD.)

FINANCIAL CONDITION

Net cash provided by operating activities was \$233.7 million for the first nine months of 1999 compared to \$281.8 million for the same period in 1998. Changes in operating working capital other than cash and cash equivalents required cash of \$12.6 million in the first nine months of 1999, but provided cash of \$19.7 million in the 1998 period. The cash results for operating activities were reduced by expenditures for refinery turnarounds and abandonment of oil and gas properties totaling \$42.7 million in the current year and \$20.9 million in 1998. Investing activities included \$33.3 million provided by proceeds from the sale of property, plant and equipment in 1999 compared to \$4.7 million in the 1998 period. Other predominant uses of cash in both years were for capital expenditures (which, including amounts expensed, are summarized in the following table) and for dividends of \$47.2 million.

Capital Expenditures (Millions of dollars)	Nine Months Ended September 30,	
	1999	1998
Exploration and production	\$216.4	256.8
Refining, marketing and transportation	66.2	37.6
Corporate and other	1.7	1.8
	\$284.3	296.2

Working capital at September 30, 1999 was \$92.8 million, up \$36.2 million from December 31, 1998. This level of working capital does not fully reflect the Company's liquidity position, because the lower historical costs assigned to inventories under LIFO accounting were \$105.5 million below current costs at September 30, 1999.

At September 30, 1999, long-term notes payable of \$283.8 million were up \$94.1 million due to additional borrowing for certain oil and gas development projects and other capital needs. In May 1999, Murphy issued \$250 million of 30-year, 7.05% notes and used the proceeds to retire floating rate debt with shorter maturities. Long-term nonrecourse debt of a subsidiary was \$143.4 million, down slightly from December 31, 1998. A summary of capital employed at September 30, 1999 and December 31, 1998 follows.

Capital Employed (Millions of dollars)	September 30, 1999		December 31, 1998	
	Amount	%	Amount	%
Notes payable	\$ 283.8	20	189.7	14
Nonrecourse debt of a subsidiary	143.4	10	143.8	11
Stockholders' equity	1,007.7	70	978.2	75
	\$1,434.9	100	1,311.7	100

In July 1999, Murphy sold 60 Company-owned Spur-branded retail stations located throughout the southeastern United States. The Company received consideration totaling \$31.5 million, which was primarily used to reduce outstanding debt.

In August 1999, Murphy filed a registration statement, which was declared effective September 13, 1999 by the U.S. Securities and Exchange Commission and allows the Company to issue up to \$1 billion in common and preferred stock, debt securities, depositary shares and warrants. Any proceeds from sales of these securities will be used for general corporate purposes, which may include working capital, capital expenditures, debt repayment or financing of possible acquisitions.

NEW ACCOUNTING STANDARD

The Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 133, "Accounting for Derivative Instruments and Hedging Activities," in 1998. This statement establishes accounting and reporting standards for derivative instruments and hedging activities. Effective January 1, 2001, Murphy must recognize the fair value of all derivative instruments as either assets or liabilities in its Consolidated Balance Sheet. A derivative instrument meeting certain conditions may be designated as a hedge of a specific exposure; accounting for changes in a derivative's fair value will depend on the intended use of the derivative and the resulting designation. Any transition adjustments resulting from adopting this statement will be reported in either net income or other comprehensive income, as appropriate, as a cumulative effect of a change in accounting principle. As described in Note D on page 5 of this Form 10-Q report, the Company makes limited use of derivative instruments to hedge specific market risks. The Company has not yet determined the effects that SFAS No. 133

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTD.)

NEW ACCOUNTING STANDARD (CONTD.)

will have on its future consolidated financial statements or the amount of the cumulative adjustment that will be made upon adopting this new standard.

YEAR 2000 ISSUES

GENERAL - Year 2000 issues affect all companies and relate to the possibility that computer programs and embedded computer chips may be unable to accurately process data with year dates of 2000 and beyond. Murphy has devoted significant internal and external resources to address Year 2000 compliance, and the Company's Year 2000 project (Project) is nearing completion. In 1993, Murphy began a worldwide business systems replacement project using systems primarily from J.D. Edwards & Company (Edwards) in the United States and the United Kingdom, PricewaterhouseCoopers LLP (PW*Sequel) in Canada, and for exploration and production operations, Applied Terravision Systems Inc. (Artesia) in the United States and EFA Software Services Ltd. (PRISM) in Canada. Certain U.S. business software systems developed by the Company will not be replaced with compliant vendor systems by the end of 1999 and have been remedied to be Year 2000 ready. Remaining hardware, software and facilities are expected to be made Year 2000 ready through the Project. None of the Company's other information technology projects are expected to be significantly delayed due to the implementation of the Project.

PROJECT - The Company has an Enterprise Project Office (EPO) and has used KPMG LLP to assist with Project management. The Project is primarily being managed by major operating location. At each location, the Project is divided into three major components: Computer Hardware, Applications Software, and Process Control and Instrumentation (Embedded Technology). The Computer Hardware component consists of computing equipment and systems software other than Applications Software. Applications Software includes both internally developed and vendor software systems. Embedded Technology includes the hardware, software and associated embedded computer chips (other than computing equipment) that are used in facilities operated by the Company. The general phases common to all components are: (1) inventorying Year 2000 items, (2) assigning priorities to identified items, (3) assessing the Year 2000 compliance of identified items, (4) repairing or replacing material items that are determined not to be Year 2000 compliant, (5) evaluating and testing required material items, and (6) designing and implementing contingency and business continuation plans as necessary. Material items are those that the Company believes to have safety, environmental or property damage risks, or that may adversely affect the Company's ability to process and record revenues if not properly addressed. The inventorying and priority assessment phases of the Project were completed during 1998. The other phases of the Project have been addressed throughout 1998 and 1999 and were nearly complete at October 31, 1999. These phases were performed primarily by employees of the Company, with assistance from vendors and independent contractors.

A fourth major component of the Project involves the review of third party suppliers, customers and business partners (Third Parties) and is being managed for all locations by the EPO. This includes the process of identifying and prioritizing critical Third Parties and communicating with them about their plans and progress in addressing the Year 2000 problem. Evaluations of the most critical Third Parties began in the second quarter of 1998 and will continue throughout 1999. Based on the results of evaluations and other available information, contingency plans have been developed as necessary to address potential Year 2000 problems related to critical Third Parties.

The Company engaged an engineering firm to perform independent evaluations of the Company's Year 2000 readiness at selected U.S. operating sites during the second and third quarters of 1999. Although these selected evaluations did not uncover any significant shortcomings in Year 2000 preparedness, their findings have been considered at other operating sites.

A Year 2000 compliant version of Edwards has been fully implemented in the United States, and implementation is essentially complete in the United Kingdom. The final phases of the Edwards implementation in the United Kingdom became operational with October 1999 transactions. PW*Sequel, Artesia and Prism systems are Year 2000 ready. Certain internally developed downstream accounting, customer invoicing and human resources systems in the United States were remedied in 1998. Systems at other major facilities operated by the Company, including those located at U.S. offshore production platforms, various exploration offices, U.S. refineries and marketing sites, U.K. marketing sites, and Canadian supply and transportation facilities are also Year 2000 ready. The operator at the Company's jointly owned U.K. refinery is directing that location's Year 2000 action plan and has reported that the

project was essentially complete at October 31, 1999.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTD.)

YEAR 2000 ISSUES (CONTD.)

Murphy maintains comprehensive disaster recovery plans for significant worldwide operating facilities. In addition to these plans, the Company has developed Year 2000 specific contingency plans in operating areas that are deemed critical. Contingency plans will be monitored throughout the remainder of 1999, and are likely to include accumulating higher than normal levels of crude oil, finished products and critical supplies for short-term needs; addressing potential failures of critical operating and administrative systems; and identifying alternative providers of services and supplies for the Company's longer-term needs. The Company will supplement its normal emergency response teams to assist with Year 2000 transition issues that may arise, and staffing will be increased at certain locations during the critical year-end period. Additionally, Murphy is monitoring the state of its partner's contingency planning at the jointly owned U.K. refinery.

COSTS - The Company's total cost to become Year 2000 compliant is not expected to be material to its financial position. The most likely estimate of the cost of the Project is approximately \$5 million, including certain costs for new systems that concurrently provide improved business functionality and Year 2000 compliance. The total cost estimate includes \$2 million for the EPO (including assessment of Third Parties); the remaining costs are for miscellaneous hardware replacement, noncompliant system renovations and upgrades, and Embedded Technology issues. It is reasonably possible that total costs could exceed the most likely estimate by up to \$1 million. Funds for the Project are primarily obtained from internally generated cash flows. This cost estimate does not include the Company's potential share of Year 2000 costs that may be incurred by partnerships and joint ventures that the Company does not operate, except for an estimated \$0.8 million to make Murphy's jointly owned U.K. refinery Year 2000 compliant.

The total amount expended on the Project through September 30, 1999 was \$3.9 million, including \$2.3 million in the first nine months of 1999. Of this amount, \$2.3 million has been included in expense, including \$0.7 million in the first nine months of 1999, and costs of \$1.6 million have been capitalized as improvements in business functionality beyond Year 2000 compliance. The remaining cost for the Project is estimated to be approximately \$1.1 million.

RISKS - Not correcting material Year 2000 problems could result in interruptions in, or failures of, certain normal business activities or operations. It is possible that such failures could materially and adversely affect the Company's results of operations, liquidity or financial condition by impeding the Company's ability to produce and deliver crude oil, natural gas and finished petroleum products, and to invoice and collect related revenues from customers. Under the Company's most reasonably likely worst-case scenario, certain operations may be disrupted on a short-term basis. The Company does not believe such disruptions, if any, will be either long-term in nature or of major consequence to its operations. The Company cannot completely eliminate, however, the possibility of significant disruptions.

Due to the general uncertainty inherent in the Year 2000 problem, resulting in part from uncertainty about the Year 2000 readiness of critical Third Parties, the Company is unable to determine at this time whether or not the consequences of possible Year 2000 failures will materially affect its results of operations, liquidity or financial condition. The Project is expected to significantly reduce the Company's level of uncertainty about the Year 2000 issue, and in particular, about the Year 2000 compliance and readiness of the Company's critical Third Parties. The Company believes that it has taken reasonable steps to address potentially material Year 2000 failures, and the possibility of significant interruptions of normal operations has been greatly reduced.

Readers are cautioned that forward-looking statements contained in this Year 2000 section should be read in conjunction with Murphy's disclosures in the following paragraph of this Form 10-Q report.

FORWARD-LOOKING STATEMENTS

This Form 10-Q report contains statements of the Company's expectations, intentions, plans and beliefs that are forward-looking and are dependent on certain events, risks and uncertainties that may be outside of the Company's control. These forward-looking statements are made in reliance upon the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Actual results and developments could differ materially from those expressed or implied by such statements due to a number of factors, including those described in the context of such forward-looking statements as well as those

contained in the Company's January 15, 1997 Form 8-K on file with the U.S. Securities and Exchange Commission.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company is exposed to market risks associated with interest rates; foreign currency exchange rates; and prices of crude oil, natural gas and petroleum products. As described in Note D on page 5 of this Form 10-Q report, Murphy makes limited use of derivative financial and commodity instruments to manage risks associated with existing or anticipated transactions.

At September 30, 1999, the Company was a party to interest rate swaps with notional amounts totaling \$100 million that were designed to convert a similar amount of variable-rate debt to fixed rates. The interest rate swaps mature in 2002 and 2004. The swaps require the Company to pay an average interest rate of 6.46% over their composite lives, and at September 30, 1999, the interest rate to be received by the Company averaged 5.35%. The variable interest rate received by the Company under each swap contract is repriced quarterly. The Company considers these swaps to be a hedge against potentially higher future interest rates. At September 30, 1999, the estimated fair value to settle these interest rate swaps was a cost of \$1.2 million.

At September 30, 1999, 34% of the Company's long-term debt had variable interest rates and 24% was denominated in Canadian dollars. Based on debt outstanding at September 30, 1999, a 10% increase in variable interest rates would increase the Company's interest expense over the next 12 months by an estimated \$.3 million after a \$.5 million favorable effect of lower net settlement payments under the aforementioned interest rate swaps. A 10% increase in the exchange rate of the Canadian dollar versus the U.S. dollar would increase interest expense over the next 12 months by an estimated \$.4 million.

At September 30, 1999, the Company was a party to crude oil swap agreements for a total notional volume of 2.3 million barrels that reduce a portion of the financial exposure of Murphy's U.S. refineries to crude oil price movements. The agreements mature in 2001 and 2002. At termination, the swaps require Murphy to pay an average crude oil price of \$16.76 a barrel and to receive the average of the near-month NYMEX West Texas Intermediate (WTI) crude oil prices during the respective contractual maturity periods. At September 30, 1999, the estimated fair value to settle these crude oil swaps was a gain of \$2.3 million; a 10% fluctuation in the price of WTI crude oil over the next 12 months would change the estimated fair value of these swaps by \$3.5 million.

At September 30, 1999, Murphy was also a party to natural gas price swap agreements for a total notional volume of 7 million MMBTU that are intended to reduce a portion of the financial exposure of its Meraux, Louisiana refinery to fluctuations in the price of natural gas purchased for fuel. The agreements are to be settled equally over the 12 months of 2004. In each month of settlement, the swaps require Murphy to pay an average natural gas price of \$2.61 an MMBTU and to receive the average NYMEX Henry Hub price for the final three trading days of the month. At September 30, 1999, the estimated fair value of these agreements was a gain of \$.5 million; a 10% fluctuation in the average NYMEX Henry Hub price of natural gas over the next 12 months would change the estimated fair value by \$1.4 million.

OIL AND GAS OPERATING RESULTS* (UNAUDITED)

(Millions of dollars)	United States	Canada	United Kingdom	Ecuador	Other	Synthetic Oil - Canada	Total
THREE MONTHS ENDED							
SEPTEMBER 30, 1999							
Oil and gas sales and operating revenues	\$ 54.8	43.2	40.9	8.7	.5	21.8	169.9
Production costs	8.7	10.6	7.2	3.0	-	8.9	38.4
Depreciation, depletion and amortization	16.5	11.4	10.4	1.9	-	1.8	42.0
Exploration expenses							
Dry hole costs	3.0	1.8	-	-	-	-	4.8
Geological and geophysical costs	1.2	3.1	.6	-	.2	-	5.1
Other costs	.6	.3	.2	-	1.7	-	2.8
Undeveloped lease amortization	4.8	5.2	.8	-	1.9	-	12.7
Total exploration expenses	1.8	1.0	-	-	-	-	2.8
Total exploration expenses	6.6	6.2	.8	-	1.9	-	15.5
Selling and general expenses	4.1	1.2	.7	-	.3	-	6.3
Income tax provisions	6.5	4.5	9.1	-	.1	3.7	23.9
Results of operations (excluding corporate overhead and interest)	\$ 12.4	9.3	12.7	3.8	(1.8)	7.4	43.8
THREE MONTHS ENDED							
SEPTEMBER 30, 1998							
Oil and gas sales and operating revenues	\$ 35.7	22.1	23.6	4.1	.7	12.7	98.9
Production costs	12.3	8.1	9.5	1.6	-	8.8	40.3
Depreciation, depletion and amortization	15.5	10.3	11.2	2.4	-	1.5	40.9
Exploration expenses							
Dry hole costs	.4	1.0	-	-	-	-	1.4
Geological and geophysical costs	.1	.7	.2	-	2.7	-	3.7
Other costs	.8	.3	.4	-	.3	-	1.8
Undeveloped lease amortization	1.3	2.0	.6	-	3.0	-	6.9
Total exploration expenses	1.7	.8	.1	-	-	-	2.6
Total exploration expenses	3.0	2.8	.7	-	3.0	-	9.5
Selling and general expenses	3.8	1.3	1.1	-	.3	.1	6.6
Income tax provisions (benefits)	.2	(.5)	1.4	-	.1	.7	1.9
Results of operations (excluding corporate overhead and interest)	\$.9	.1	(.3)	.1	(2.7)	1.6	(.3)
NINE MONTHS ENDED							
SEPTEMBER 30, 1999							
Oil and gas sales and operating revenues	\$142.2	96.5	91.8	20.4	1.4	51.5	403.8
Production costs	28.2	28.0	24.3	6.4	-	27.0	113.9
Depreciation, depletion and amortization	48.5	31.0	31.2	6.0	-	5.3	122.0
Exploration expenses							
Dry hole costs	16.5	3.8	2.3	-	1.1	-	23.7
Geological and geophysical costs	7.0	7.3	1.2	-	1.7	-	17.2
Other costs	1.8	.6	.8	-	3.1	-	6.3

Undeveloped lease amortization	25.3	11.7	4.3	-	5.9	-	47.2
	5.3	3.0	-	-	-	-	8.3

Total exploration expenses	30.6	14.7	4.3	-	5.9	-	55.5

Selling and general expenses	12.0	4.2	2.3	.1	.8	-	19.4
Income tax provisions	7.4	6.1	12.1	-	.3	6.4	32.3

Results of operations (excluding corporate overhead and interest)	\$ 15.5	12.5	17.6	7.9	(5.6)	12.8	60.7
=====							
NINE MONTHS ENDED							
SEPTEMBER 30, 1998							
Oil and gas sales and operating revenues	\$139.0	57.6	65.8	14.5	1.9	40.2	319.0
Production costs	32.0	25.8	25.1	5.1	-	25.7	113.7
Depreciation, depletion and amortization	50.9	26.7	30.1	7.4	-	4.7	119.8
Exploration expenses							
Dry hole costs	11.4	4.2	-	-	8.3	-	23.9
Geological and geophysical costs	2.4	3.6	2.8	-	3.7	-	12.5
Other costs	1.7	.6	1.4	-	1.4	-	5.1

	15.5	8.4	4.2	-	13.4	-	41.5
Undeveloped lease amortization	4.9	3.0	.1	-	-	-	8.0

Total exploration expenses	20.4	11.4	4.3	-	13.4	-	49.5

Selling and general expenses	11.9	4.5	2.8	.1	1.1	.1	20.5
Income tax provisions (benefits)	8.0	(6.2)	5.0	(.8)	(.1)	3.1	9.0

Results of operations (excluding corporate overhead and interest)	\$ 15.8	(4.6)	(1.5)	2.7	(12.5)	6.6	6.5
=====							

*Excludes special items.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Following a 1998 compliance inspection of the Superior, Wisconsin refinery, the Company received notices of violations of the Clean Air Act from the U.S. Environmental Protection Agency. Although the penalty amounts were not listed, the statutes involved provide for rates of up to \$27,500 per day of violation. The Superior refinery also received a Notice of Violation from the Wisconsin Department of Natural Resources for alleged failure to meet new source performance emission standards for the sulfur plant at the refinery. Penalties for these alleged violations could exceed \$100,000. The Company believes it has valid defenses to the alleged violations and plans vigorous defenses. While the notices of violation are preliminary in nature and no assurance can be given, the Company does not believe that the ultimate resolution of these matters will have a material adverse effect on the financial condition of the Company.

Murphy and its subsidiaries are engaged in a number of other legal proceedings, all of which Murphy considers routine and incidental to its business and none of which is expected to have a material adverse effect on the Company's financial condition.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

- (a) The Exhibit Index on page 16 of this Form 10-Q report lists the exhibits that are hereby filed or incorporated by reference.
- (b) No reports on Form 8-K have been filed for the quarter ended September 30, 1999.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MURPHY OIL CORPORATION
(Registrant)

By /s/ Ronald W. Herman

Ronald W. Herman, Controller
(Chief Accounting Officer and Duly
Authorized Officer)

November 10, 1999
(Date)

EXHIBIT INDEX

Exhibit No. -----	Incorporated by Reference to -----
3.1 Certificate of Incorporation of Murphy Oil Corporation as of September 25, 1986	Exhibit 3.1 of Murphy's Form 10-K report for the year ended December 31, 1996
3.2 By-laws of Murphy Oil Corporation as amended May 12, 1999	Exhibit 3.3 of Murphy's Form 10-Q report for the quarterly period ended June 30, 1999
4 Instruments Defining the Rights of Security Holders. Murphy is party to several long-term debt instruments in addition to the ones below, none of which authorizes securities exceeding 10% of the total consolidated assets of Murphy and its subsidiaries. Pursuant to Regulation S-K, item 601(b), paragraph 4(iii)(A), Murphy agrees to furnish a copy of each such instrument to the Securities and Exchange Commission upon request.	
4.1 Credit Agreement among Murphy Oil Corporation and certain subsidiaries and the Chase Manhattan Bank et al as of November 13, 1997	Exhibit 4.1 of Murphy's Form 10-K report for the year ended December 31, 1997
4.2 Form of Indenture and Form of Supplemental Indenture between Murphy Oil Corporation and SunTrust Bank, Nashville, N.A., as Trustee	Exhibits 4.1 and 4.2 of Murphy's Form 8-K report filed April 29, 1999 under the Securities Exchange Act of 1934
4.3 Rights Agreement dated as of December 6, 1989 between Murphy Oil Corporation and Harris Trust Company of New York, as Rights Agent	Exhibit 4.1 of Murphy's Form 10-K report for the year ended December 31, 1994
4.4 Amendment No. 1 dated as of April 6, 1998 to Rights Agreement dated as of December 6, 1989 between Murphy Oil Corporation and Harris Trust Company of New York, as Rights Agent	Exhibit 3 of Murphy's Form 8-A/A, Amendment No. 1, filed April 14, 1998 under the Securities Exchange Act of 1934
4.5 Amendment No. 2 dated as of April 15, 1999 to Rights Agreement dated as of December 6, 1989 between Murphy Oil Corporation and Harris Trust Company of New York, as Rights Agent	Exhibit 4 of Murphy's Form 8-A/A, Amendment No. 2, filed April 19, 1999 under the Securities Exchange Act of 1934
10.1 1987 Management Incentive Plan as amended February 7, 1990 retroactive to February 3, 1988	Exhibit 10.2 of Murphy's Form 10-K report for the year ended December 31, 1994
10.2 1992 Stock Incentive Plan as amended May 14, 1997	Exhibit 10.2 of Murphy's Form 10-Q report for the quarterly period ended June 30, 1997
10.3 Employee Stock Purchase Plan	Exhibit 99.01 of Murphy's Form S-8 Registration Statement filed May 19, 1997 under the Securities Act of 1933
27 Financial Data Schedule for the nine months ended September 30, 1999	Filed herewith in electronic filing

Exhibits other than those listed above have been omitted since they are either not required or not applicable.

THIS FINANCIAL DATA SCHEDULE CONTAINS SUMMARY UNAUDITED FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED BALANCE SHEET AT SEPTEMBER 30, 1999, AND THE CONSOLIDATED STATEMENT OF INCOME FOR THE NINE MONTHS THEN ENDED OF MURPHY OIL CORPORATION AND CONSOLIDATED SUBSIDIARIES AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000

9-MOS	DEC-31-1999	SEP-30-1999
		43,976
		0
		328,207
		10,901
		139,563
		546,548
		4,832,748
		3,084,660
		2,362,724
	453,771	
		427,175
	0	
		0
		48,775
		958,937
2,362,724		
		1,346,338
	1,388,312	
		1,165,398
		1,165,398
		56,984
		0
	15,962	
		97,518
		37,285
	60,233	
		0
		0
		0
		60,233
		1.34
		1.34

Includes 1,513 provision for reduction in force.