UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark one)
[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended SEPTEMBER 30, 2000

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	71-0361522
State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
200 PEACH STREET P. O. BOX 7000, EL DORADO, ARKANSAS	71731-7000
(Address of principal executive offices)	(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.

[X] Yes [ ] No

Number of shares of Common Stock, $1.00 par value, outstanding at September 30, 2000, was 45,053,009.

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

	(Unaudited) September 30, 2000	December 31, 1999
ASSETS		
Current assets		
Cash and cash equivalents	$ 155,261	34,132
Accounts receivable, less allowance for doubtful accounts of $8,485 in 2000 and $8,298 in 1999	405,713	357,472
Inventories		
Crude oil and blend stocks	83,309	61,853
Finished products	77,037	50,572
Materials and supplies	43,585	39,218
Prepaid expenses	33,506	28,145
Deferred income taxes	25,227	21,720

Total current assets	823,638	593,112
Property, plant and equipment, at cost less accumulated depreciation, depletion and amortization of $3,082,833 in 2000 and $3,007,578 in 1999	1,862,420	1,782,741
Deferred charges and other assets	67,342	69,655
Total assets	$2,753,400	2,445,508
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Current maturities of long-term debt	$ 68	71
Accounts payable and accrued liabilities	552,435	449,269
Income taxes	85,445	38,295
Total current liabilities	637,948	487,635
Notes payable	248,525	248,569
Nonrecourse debt of a subsidiary	138,213	144,595
Deferred income taxes	175,950	154,109
Reserve for dismantlement costs	154,503	158,377
Reserve for major repairs	32,215	22,099
Deferred credits and other liabilities	179,647	172,952
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	514,734	512,488
Retained earnings	770,751	601,956
Accumulated other comprehensive loss - foreign currency translation	(48,872)	(4,984)
Unamortized restricted stock awards	(1,692)	(2,328)
Treasury stock, 3,722,305 shares of Common Stock in 2000, 3,777,319 shares in 1999, at cost	(97,297)	(98,735)
Total stockholders' equity	1,186,399	1,057,172
Total liabilities and stockholders' equity	$2,753,400	2,445,508

See Notes to Consolidated Financial Statements, page 4.

The Exhibit Index is on page 14.

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,	
	2000	1999	2000	1999
REVENUES				
Crude oil and natural gas sales	$180,684	130,312	506,105	315,048
Petroleum product sales	725,592	485,468	1,979,104	1,031,290
Other operating revenues	12,236	16,612	34,799	38,895
Interest and other nonoperating revenues	15,045	1,163	20,611	3,079
Total revenues	933,557	633,555	2,540,619	1,388,312
COSTS AND EXPENSES				
Crude oil, products and related operating expenses	692,599	461,117	1,871,374	1,016,117
Exploration expenses, including undeveloped lease amortization	20,899	15,438	89,617	55,471
Selling and general expenses	22,962	19,022	61,603	52,450
Depreciation, depletion and amortization	49,517	52,241	153,101	149,281
Impairment of long-lived assets	20,997	-	20,997	-
Provision for reduction in force	-	-	-	1,513
Interest expense	6,821	7,553	20,393	20,870
Interest capitalized	(3,325)	(2,328)	(10,064)	(4,908)
Total costs and expenses	810,470	553,043	2,207,021	1,290,794
Income before income taxes	123,087	80,512	333,598	97,518
Federal and state income tax expense	2,473	9,636	17,101	9,750
Foreign income tax expense	35,025	19,665	99,303	27,535
NET INCOME	$ 85,589	51,211	217,194	60,233
Net income per Common share - basic	$ 1.90	1.14	4.82	1.34
Net income per Common share - diluted	$ 1.89	1.14	4.80	1.34
Cash dividends per Common share	$ .375	.35	1.075	1.05
Average Common shares outstanding - basic	45,043,061	44,971,310	45,025,280	44,963,505
Average Common shares outstanding - diluted	45,305,598	45,060,127	45,237,243	45,004,176

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,	
	2000	1999	2000	1999
Net income	$ 85,589	51,211	217,194	60,233
Other comprehensive income (loss) - net gain (loss)				

from foreign currency translation	(15,671)	13,657	(43,888)	14,764
COMPREHENSIVE INCOME	$ 69,918	64,868	173,306	74,997

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, 2000	Nine Months Ended September 30, 1999
OPERATING ACTIVITIES		
Net income	$ 217,194	60,233
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation, depletion and amortization	153,101	149,281
Impairment of long-lived assets	20,997	-
Provisions for major repairs	17,141	13,697
Expenditures for major repairs and dismantlement costs	(9,185)	(42,706)
Exploratory expenditures charged against income	79,825	47,208
Amortization of undeveloped leases	9,792	8,263
Deferred and noncurrent income tax charges	29,265	16,429
Pretax gains from disposition of assets	(2,881)	(10,019)
Net (increase) decrease in operating working capital other than cash and cash equivalents	40,919	(12,615)
Other operating activities - net	14,321	3,953
Net cash provided by operating activities	570,489	233,724
INVESTING ACTIVITIES		
Capital expenditures requiring cash	(403,843)	(284,275)
Proceeds from the sale of property, plant and equipment	14,550	33,293
Other investing activities - net	(5)	(3,986)
Net cash required by investing activities	(389,298)	(254,968)
FINANCING ACTIVITIES		
Increase (decrease) in notes payable	(47)	92,198
Decrease in nonrecourse debt of a subsidiary	(6,382)	(6,337)
Cash dividends paid	(48,399)	(47,206)
Other financing activities - net	674	(1,887)
Net cash provided (required) by financing activities	(54,154)	36,768
Effect of exchange rate changes on cash and cash equivalents	(5,908)	181
Net increase in cash and cash equivalents	121,129	15,705
Cash and cash equivalents at January 1	34,132	28,271
Cash and cash equivalents at September 30	$ 155,261	43,976
SUPPLEMENTAL DISCLOSURES OF CASH FLOW ACTIVITIES		
Cash income taxes paid (refunded)	$ 27,466	(6,613)
Interest paid, net of amounts capitalized	5,201	8,164

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, 1999. 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, 2000, and the results of operations and cash flows for the three-month and nine-month periods ended September 30, 2000 and 1999, 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 1999 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, 2000 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, gasoline stations, and terminals, for which known or potential obligations for environmental remediation exist.

Under the Company's accounting policies, an environmental liability 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.

On June 29, 2000, the U.S. Government and the State of Wisconsin each filed a lawsuit against Murphy in the U.S. District Court for the Western District of Wisconsin. The suits, arising out of a 1998 compliance inspection, include claims for alleged violations of federal and state environmental laws at Murphy's Superior, Wisconsin refinery. The suits seek compliance as well as substantial monetary penalties. The Company believes it has valid defenses to these allegations and plans a vigorous defense. While no assurance can be given, 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 future recoveries from other sources will occur, the Company has not recognized a benefit for likely recoveries at September 30, 2000.

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; 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 the issuance of oil and gas or mineral leases; restrictions on drilling and/or production; 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, 2000, the Company had contingent liabilities of $53.1 million on outstanding letters of credit and $70 million under certain financial guarantees.

NOTE D - DERIVATIVE INSTRUMENTS

The Company 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. Derivative instruments are traded either with creditworthy major financial institutions or over 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 the pretax contract results 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 future natural gas fuel purchases. Unrealized gains or losses on such swap contracts are deferred and recognized in connection with the associated fuel purchases. The Company records the pretax 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, 2000 and 1999. The following table reconciles the weighted-average shares outstanding used for these computations.

Reconciliation of Shares Outstanding	Three Months Ended September 30,		Nine Months Ended September 30,	
(Weighted-average shares)	2000	1999	2000	1999
Basic method.	45,043,061	44,971,310	45,025,280	44,963,505
Dilutive stock options. .	262,537	88,817	211,963	40,671
Diluted method	45,305,598	45,060,127	45,237,243	45,004,176

The computations of earnings per share in the Consolidated Statements of Income did not consider outstanding options at the end of the periods of 73,500 shares for the three-month period of 2000, 386,750 shares for the three-month period of 1999, 147,000 shares for the nine-month period of 2000, and 1,008,250 shares for the nine-month period of 1999 because the effects of these options would have improved the Company's earnings per share. Average exercise prices per share of the options not used were $65.49, $56.12, $62.97 and $47.72, respectively.

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 at these locations. The voluntary retirements and severances reduced the Company's work force by 31 employees, and a "Provision for Reduction in Force" of $1.5 million was recorded in the Consolidated Statement of Income for the nine months ended September 30, 1999. The provision included additional deferred benefit plan expense of $1 million and severance and other costs of $.5 million, the latter of which was essentially all paid during 1999.

NOTE G - IMPAIRMENT OF LONG-LIVED ASSETS

In the three-month period ended September 30, 2000, the Company recorded a noncash charge of $21 million, $13.6 million after related income tax benefits, for impairment of certain long-lived assets. The charge related to two natural gas fields in the Gulf of Mexico that have depleted earlier than previously anticipated. The carrying values for the assets determined to be impaired were adjusted to the assets' fair values based on projected future discounted net cash flows, using the Company's estimates of future commodity prices.

NOTE H - SUBSEQUENT EVENT

On October 4, 2000, Murphy announced that it has agreed to buy Beau Canada Exploration Ltd. (Beau) for a total consideration of US$255 million, consisting of a cash offer of Cdn$2.15 (US$1.44) for each Beau share and assumption of approximately US$123 million of Beau's debt obligations. The transaction is expected to close in November and will be accounted for as a purchase. The agreement provides that Beau will pay Murphy a termination fee of Cdn$10 million in certain circumstances. The Offer, which will expire on November 3, 2000, is conditional on, among other things, at least two-thirds of Beau's shares (fully diluted) being tendered, receipt of all regulatory approvals, and conditions customary in transactions of this nature. During the quarter ended September 30, 2000, Beau's net daily production averaged 57 million cubic feet of natural gas and 5,200 barrels of crude oil and condensate. Beau also has an inventory of high-potential exploration prospects, including a significant position in the Ladyfern area, where Murphy made a significant natural gas discovery that came on stream earlier this year.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

NOTE I - BUSINESS SEGMENTS (UNAUDITED)

(Millions of dollars)	Total Assets at Sept. 30, 2000	Three Mos. Ended Sept. 30, 2000 External Revenues	Interseg. Revenues	Income (Loss)
Exploration and production*				
United States	$ 383.8	55.5	18.7	8.7
Canada	782.9	60.2	31.5	28.4
United Kingdom	256.0	51.1	-	20.9
Ecuador	62.3	13.0	-	8.5
Other	8.6	.6	-	(2.6)
Total	1,493.6	180.4	50.2	63.9
Refining, marketing and transportation				
United States	701.8	621.5	-	4.1
United Kingdom	201.1	110.1	-	7.3
Canada	126.3	6.5	.2	1.5
Total	1,029.2	738.1	.2	12.9
Total operating segments	2,522.8	918.5	50.4	76.8
Corporate and other	230.6	15.0	-	8.8
Total consolidated	$2,753.4	933.5	50.4	85.6

(Millions of dollars)	Three Mos. Ended Sept. 30, 1999 External Revenues	Interseg. Revenues	Income (Loss)
Exploration and production*			
United States	$ 40.1	14.7	12.4
Canada	48.0	17.0	16.7
United Kingdom	32.8	8.1	12.7
Ecuador	8.7	-	3.8
Other	.5	-	(1.8)
Total	130.1	39.8	43.8
Refining, marketing and transportation			
United States	410.1	1.3	7.9
United Kingdom	85.6	-	6.7
Canada	6.5	.4	1.5
Total	502.2	1.7	16.1
Total operating segments	632.3	41.5	59.9
Corporate and other	1.2	-	(8.7)
Total consolidated	$ 633.5	41.5	51.2

(Millions of dollars)	Nine Mos. Ended Sept. 30, 2000 External Revenues	Interseg. Revenues	Income (Loss)
Exploration and production*			
United States	$ 137.4	54.8	22.6
Canada	178.4	84.7	82.9
United Kingdom	151.9	11.6	64.9
Ecuador	36.8	-	23.4
Other	1.9	-	(13.4)
Total	506.4	151.1	180.4
Refining, marketing and transportation			
United States	1,688.7	.8	17.0

(Millions of dollars)	External Revenues	Interseg. Revenues	Income (Loss)
United Kingdom	304.2	-	17.9
Canada	20.7	.5	5.3
Total	2,013.6	1.3	40.2
Total operating segments	2,520.0	152.4	220.6
Corporate and other	20.6	-	(3.4)
Total consolidated	$2,540.6	152.4	217.2

	Nine Mos. Ended Sept. 30, 1999		
(Millions of dollars)	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

*Additional details about results of exploration and production operations, excluding special items, are presented in the tables on page 12.

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

RESULTS OF OPERATIONS

THREE MONTHS ENDED SEPTEMBER 30, 2000 COMPARED TO THREE MONTHS ENDED SEPTEMBER 30, 1999

Income before special items in the third quarter of 2000 totaled a Company record $83.7 million, $1.85 a diluted share, compared to earnings of $44.9 million, $1.00 a diluted share, in the third quarter of 1999. Third quarter 2000 net income totaled $85.6 million, $1.89 a diluted share, and included two special items with a net after-tax benefit of $1.9 million, $.04 a diluted share. Special items in the 2000 quarter included settlement of prior years' U.S. income tax matters, which provided $15.5 million of income to corporate functions, and an after-tax charge of $13.6 million for impairment of two U.S. natural gas properties. Net income in the same quarter of 1999 was $51.2 million, $1.14 a share, and included an after-tax gain of $6.3 million, $.14 a share, on the sale of service stations in the southeastern United States. Cash flow from operating activities, excluding changes in noncash working capital items, totaled $196.2 million in the current quarter compared to $121.6 million in the prior year's third quarter.

Strengthened prices for crude oil and North American natural gas led to a second consecutive record quarterly income for the Company. Income from Murphy's exploration and production operations improved by 77% over the 1999 quarter, while results for the Company's downstream segment increased by 32%.

Murphy's exploration and production operations posted earnings of $77.5 million before special items in the third quarter of 2000, also a second consecutive record, compared to $43.8 million in the 1999 quarter. Exploration and production operations in the United States earned $22.3 million compared to $12.4 million in the third quarter of 1999. Operations in Canada earned $28.4 million compared to $16.7 million a year ago, and U.K. operations earned $20.9 million compared to $12.7 million. Operations in Ecuador earned $8.5 million in the third quarter of 2000 compared to $3.8 million a year ago. Other international operations reported a loss of $2.6 million compared to a $1.8 million loss a year earlier. The Company's worldwide crude oil and condensate sales prices averaged $26.75 a barrel in the current quarter compared to $19.40 a year ago. Crude oil and condensate sales prices averaged $31.68 a barrel in the United States and $27.87 in the United Kingdom, increases of 56% and 33%, respectively. In Canada, sales prices averaged $29.33 a barrel for light oil, up 50% from last year; $21.27 for heavy oil, up 35%; $26.16 for production from the offshore Hibernia field, up 23%; and $31.22 for synthetic oil, up 50%. The average crude oil sales price in Ecuador was $22.04 a barrel, up 54%. Total crude oil and gas liquids production averaged 61,852 barrels a day compared to 66,980 in the third quarter of 1999. Production decreased 2,046 barrels a day or 24% in the United States, 3,221 or 28% for synthetic oil in Canada, 900 or 27% for Canadian light oil, 1,406 or 7% in the United Kingdom and 583 or 8% for crude oil in Ecuador. In other areas, production increased 1,532 barrels a day or 17% for Canadian heavy oil and 1,496 or 21% at Hibernia. Natural gas sales prices in the United States averaged $4.41 a thousand cubic feet (MCF) in the current quarter, an increase of 73%, and $3.37 an MCF in Canada, an increase of 64%. Total natural gas sales averaged 211 million cubic feet a day in the current quarter compared to 231 million a year ago. Sales of natural gas in the United States averaged 141 million cubic feet a day, down from 167 million in the third quarter of 1999 as a result of a decrease in production from mature fields in the Gulf of Mexico. Canadian natural gas sales averaged 68 million cubic feet a day in the current quarter, an increase of 10 million, but sales of 2 million in the United Kingdom decreased 5 million. Exploration expenses totaled $20.9 million compared to $15.5 million in 1999. The tables on page 12 provide additional details of the results of exploration and production operations for the third quarter of each year.

The Company's refining, marketing and transportation operations earned $12.9 million in the most recent quarter compared to $9.8 million before special items in the similar quarter last year. The improved earnings were primarily attributable to the United States, where earnings increased from $1.6 million to $4.1 million as a result of higher sales volumes and improved margins that occurred during the 2000 quarter. The increase in finished product sales was due to expanding retail operations at the Company's gasoline stations located on Wal-Mart parking lots. Operations in the United Kingdom earned $7.3 million compared to $6.7 million in the third quarter of 1999. Earnings of $1.5 million in the current quarter from purchasing, transporting and reselling crude oil in Canada were unchanged from a year ago. Murphy's refinery crude runs worldwide averaged 164,350 barrels a day compared to 167,563 in the third quarter of 1999. Worldwide refined product sales were 184,237 barrels a day compared to 179,853 a year ago.

Corporate functions, which include interest income and expense and corporate overhead not allocated to operating functions, reflected a loss of $6.7 million before special items in the current quarter compared to a loss of $8.7 million in the third quarter of 1999. The improvement was primarily due to higher interest income and lower net interest expense in the current quarter.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTD.)

RESULTS OF OPERATIONS (CONTD.)

NINE MONTHS ENDED SEPTEMBER 30, 2000 COMPARED TO NINE MONTHS ENDED SEPTEMBER 30, 1999

For the first nine months of 2000, net income totaled $217.2 million, $4.80 a diluted share, compared to $60.2 million, $1.34 a share, a year ago. The current nine-month total included net benefits of $3.4 million, $.07 a diluted share, from special items, while the same period in 1999 included net special benefits of $5.3 million, $.12 a share. Special items in 2000 included the aforementioned settlement of prior years' U.S. income tax matters, which provided $15.5 million of income to corporate functions, and the after-tax charge of $13.6 million for impairment of two U.S. natural gas properties. In addition, the current period included an after-tax gain of $1.5 million, $.03 a share, from the sale of corporate assets. Special items in the 1999 period included the downstream gain of $6.3 million, $.14 a share, on the sale of U.S. service stations in the third quarter, partially offset by a corporate charge of $1 million, $.02 a share, for a reduction in force.

Year-to-date earnings before special items from exploration and production operations were up 220% or $133.3 million from the 1999 period, mainly due to increases in worldwide crude oil prices, North American natural gas sales prices, and Canadian natural gas sales volumes, partially offset by lower U.S. natural gas sales volumes and increased exploration expenses. In addition, earnings before special items for the Company's worldwide downstream operations increased 153% or $24.3 million, primarily because of higher product margins in the United States and the United Kingdom and higher product sales volumes in the United States.

Earnings before special items from exploration and production operations for the nine months ended September 30, 2000 were $194 million, up from $60.7 million in 1999. All producing areas recorded significant increases from the prior year. Operations in the United States earned $36.2 million before special items for the 2000 period compared to $15.5 million a year ago; in Canada, earnings were $82.9 million compared to $25.3 million; in the United Kingdom, earnings were $64.9 million compared to $17.6 million; and in Ecuador, earnings were $23.4 million compared to $7.9 million. Other international operations recorded losses of $13.4 million in the first nine months of 2000 and $5.6 million in the 1999 period; the additional loss was caused by higher exploration expenses in Malaysia. The Company's worldwide crude oil and condensate sales prices averaged $25.89 a barrel in 2000 compared to $14.93 a year ago. Crude oil and condensate sales prices averaged $29.67 a barrel in the United States, up 84%, and $27.51 in the United Kingdom, up 73%. In Canada, sales prices averaged $27.14 a barrel for light oil, up 78% from last year; $20.15 for heavy oil, up 73%; $26.50 for Hibernia field production, up 58%; and $29.18 for synthetic oil, up 73%. The average crude oil sales price in Ecuador was $20.40 a barrel, up 94%. Crude oil and gas liquids production for the 2000 period averaged 65,065 barrels a day compared to 65,373 during the first nine months of 1999. Crude oil production for the current year at Hibernia averaged 9,194 barrels a day, up 55%, and Canadian heavy oil production averaged 10,092, up 14%. In other areas, production of crude oil and gas liquids averaged 20,851 barrels a day in the United Kingdom, up 3%; 8,627 for Canadian synthetic oil, down 23%; 6,882 in the United States, down 20%; 6,576 in Ecuador, down 8%; and 2,843 for Canadian light oil, down 20%. Total natural gas sales averaged 223 million cubic feet a day in 2000 compared to 243 million in 1999. Sales of natural gas in the United States averaged 148 million cubic feet a day, down 15% as production from mature fields in the Gulf of Mexico declined. In other areas, average natural gas sales volumes were 64 million cubic feet a day in Canada, up 16%, and 11 million in the United Kingdom, virtually unchanged. Natural gas sales prices for the first nine months of 2000 averaged $3.44 an MCF in the United States, up 59%; $2.80 in Canada, up 56%; and $1.69 in the United Kingdom, up 2%. Exploration expenses totaled $89.6 million for the nine months ended September 30, 2000 compared to $55.5 million a year ago. The increase in exploration expenses occurred primarily in the United States, Malaysia and Canada. The tables on page 12 provide additional details of the results of exploration and production operations for the first nine months of each year.

Earnings from the Company's downstream operations for the nine months ended September 30, 2000 were $40.2 million, up from $15.9 million before special items in 1999. Refining, marketing and transportation operations in the United States reported earnings of $17 million in the first nine months of 2000 compared to $.2 million before special items for the same period last year; the improvement resulted from increases in product margins and product sales volumes. Operations in the United Kingdom were also affected by higher product margins and earned $17.9 million in the 2000 period compared to $10.5 million in the prior year. Earnings from purchasing, transporting and reselling crude oil in Canada were $5.3 million in the current year compared to $5.2 million a year ago. Murphy's refinery crude runs worldwide were 166,487 barrels a day compared to 140,312 a year ago. Petroleum product sales were 177,326 barrels a day, up from 153,869 in 1999. Crude runs and product sales in 1999 were both adversely affected by a plant-wide turnaround at the Company's Meraux, Louisiana refinery.

RESULTS OF OPERATIONS (CONTD.)

Excluding special items, financial results from corporate functions reflected losses of $20.4 million in the first nine months of 2000 and $21.7 million a year ago.

FINANCIAL CONDITION

Net cash provided by operating activities was $570.5 million for the first nine months of 2000 compared to $233.7 million for the same period in 1999. Changes in operating working capital other than cash and cash equivalents provided cash of $40.9 million in 2000, while requiring cash of $12.6 million in the 1999 period. Cash from operating activities was reduced by expenditures for refinery turnarounds and abandonment of oil and gas properties totaling $9.2 million in the current year and $42.7 million in 1999. Investing activities included $14.6 million provided by proceeds from the sale of property, plant and equipment in 2000 compared to $33.3 million in the 1999 period. Other predominant uses of cash in each year were for capital expenditures, which including amounts expensed, are summarized in the following table, and for dividends, which totaled $48.4 million in 2000 and $47.2 million in 1999.

Capital Expenditures	Nine Months Ended September 30,	
(Millions of dollars)	2000	1999
Exploration and production	$282.7	216.4
Refining, marketing and transportation . .	111.7	66.2
Corporate and other	9.4	1.7
	$403.8	284.3

Working capital at September 30, 2000 was $185.7 million, up $80.2 million from December 31, 1999. 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 $170 million below current costs at September 30, 2000.

At September 30, 2000, long-term notes payable of $248.5 million were virtually unchanged since the first of the year. Long-term nonrecourse debt of a subsidiary was $138.2 million, down $6.4 million from December 31, 1999. A summary of capital employed at September 30, 2000 and December 31, 1999 follows.

Capital Employed	September 30, 2000		December 31, 1999	
(Millions of dollars)	Amount	%	Amount	%
Notes payable.	$ 248.5	16	248.6	17
Nonrecourse debt of a subsidiary.	138.2	9	144.6	10
Stockholders' equity	1,186.4	75	1,057.2	73
	$1,573.1	100	1,450.4	100

NEW ACCOUNTING STANDARD

The Financial Accounting Standards Board 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 the cumulative effect of a change in accounting principle. As described under 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 will have on its future consolidated financial statements or the amount of the cumulative adjustment that will be made upon adopting this new standard.

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

FORWARD-LOOKING STATEMENTS (CONTD.)

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 report on file with the U.S. Securities and Exchange Commission.

ITEM 3. 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 certain risks associated with anticipated transactions.

At September 30, 2000, the Company had interest rate swaps with notional amounts totaling $100 million that were designed to convert a similar amount of variable-rate debt to fixed rates. These 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, 2000, the interest rate to be received by the Company averaged 6.71%. 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. The estimated fair value of these interest rate swaps was a gain of less than $.1 million at September 30, 2000.

At September 30, 2000, the Company's long-term debt included $110.5 million with variable interest rates and $68.8 million denominated in Canadian dollars. Based on debt outstanding at September 30, 2000, a 10% increase in variable interest rates would not affect the Company's interest expense for the next 12 months after a $.7 million favorable effect of net settlements under the aforementioned interest rate swaps. A 10% increase in the exchange rate of the Canadian dollar vs. the U.S. dollar would increase interest expense over the next 12 months by $.3 million on debt denominated in Canadian dollars.

Prior to April 2000, the Company was a party to crude oil swap agreements for a total notional volume of 2.3 million barrels that reduced a portion of the financial exposure of Murphy's U.S. refineries to crude oil price movements in 2001 and 2002. Under each swap agreement, Murphy would have paid a fixed crude oil price and would have received the average near-month NYMEX West Texas Intermediate crude oil price during the agreement's contractual maturity period. In April 2000, Murphy settled contracts for 1.7 million barrels, receiving cash of $5.8 million from the counterparties, and entered into offsetting contracts for the remaining swap agreements, locking in a future net cash settlement of $1.9 million. These settlement gains have been deferred and will be recognized as a reduction of costs of crude oil purchases in 2001 and 2002.

At September 30, 2000, Murphy was also a party to natural gas 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, 2000, the estimated fair value of these agreements was a gain of $4.4 million; a 10% fluctuation in the average NYMEX Henry Hub price of natural gas would have changed the estimated fair value of these swaps by $1.9 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, 2000							
Oil and gas sales, other operating revenues	$ 74.2	68.3	51.1	13.0	.6	23.4	230.6
Production costs	9.9	13.2	7.1	2.8	-	10.1	43.1
Depreciation, depletion and amortization	12.3	13.2	9.0	1.6	.2	1.9	38.2
Exploration expenses							
Dry hole costs	10.2	.6	-	-	-	-	10.8
Geological and geophysical costs	.9	2.5	-	-	.8	-	4.2
Other costs	.9	.1	.4	-	.9	-	2.3
	12.0	3.2	.4	-	1.7	-	17.3
Undeveloped lease amortization	2.0	1.6	-	-	-	-	3.6
Total exploration expenses	14.0	4.8	.4	-	1.7	-	20.9
Selling and general expenses	3.5	1.4	.7	.1	1.3	-	7.0
Income tax provisions	12.2	14.0	13.0	-	-	4.7	43.9
Results of operations (excluding corporate overhead and interest)	$ 22.3	21.7	20.9	8.5	(2.6)	6.7	77.5
THREE MONTHS ENDED SEPTEMBER 30, 1999							
Oil and gas sales, other 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
	4.8	5.2	.8	-	1.9	-	12.7
Undeveloped lease amortization	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
NINE MONTHS ENDED SEPTEMBER 30, 2000							
Oil and gas sales, other operating revenues	$192.2	194.1	163.5	36.8	1.9	69.0	657.5
Production costs	28.2	35.6	22.6	8.0	-	29.2	123.6
Depreciation, depletion and amortization	39.5	39.7	31.0	5.2	.3	5.7	121.4
Exploration expenses							

Dry hole costs	45.2	3.9	-	-	.3	-	49.4
Geological and geophysical costs	6.1	8.9	.2	-	8.5	-	23.7
Other costs	2.0	.5	1.1	-	3.1	-	6.7
	53.3	13.3	1.3	-	11.9	-	79.8
Undeveloped lease amortization	5.6	4.2	-	-	-	-	9.8
Total exploration expenses	58.9	17.5	1.3	-	11.9	-	89.6
Selling and general expenses	9.9	3.6	2.3	.2	2.9	.1	19.0
Income tax provisions	19.5	35.8	41.4	-	.2	13.0	109.9
Results of operations (excluding corporate overhead and interest)	$ 36.2	61.9	64.9	23.4	(13.4)	21.0	194.0
NINE MONTHS ENDED SEPTEMBER 30, 1999							
Oil and gas sales, other 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
	25.3	11.7	4.3	-	5.9	-	47.2
Undeveloped lease amortization	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

* Excludes special items.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

On June 29, 2000, the U.S. Government and the State of Wisconsin each filed a lawsuit against Murphy in the U.S. District Court for the Western District of Wisconsin. The suits, arising out of a 1998 compliance inspection, include claims for alleged violations of federal and state environmental laws at Murphy's Superior, Wisconsin refinery. The suits seek compliance as well as substantial monetary penalties. The Company believes it has valid defenses to these allegations and plans a vigorous defense. While no assurance can be given, the Company does not believe that the ultimate resolution of these matters will have a material adverse effect on its financial condition.

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 14 of this Form 10-Q report lists the exhibits that are hereby filed or incorporated by reference.

(b) No reports on Form 8-K were filed during the quarter ended September 30, 2000.

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/ JOHN W. ECKART

John W. Eckart, Controller
(Chief Accounting Officer and Duly Authorized Officer)

November 2, 2000
(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 effective May 10, 2000	Exhibit 3.2 of Murphy's Form 10-Q report for the quarter ended June 30, 2000
4	Instruments Defining the Rights of Security Holders. Murphy is party to several long-term debt instruments in addition to the ones in Exhibits 4.1 and 4.2, 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 4.3 of Murphy's Form 10-K report for the year ended December 31, 1999
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 10.1 of Murphy's Form 10-K report for the year ended December 31, 1999
10.2	1992 Stock Incentive Plan as amended May 14, 1997	Exhibit 10.2 of Murphy's Form 10-Q report for the quarter ended June 30, 1997
10.3	Employee Stock Purchase Plan as amended May 10, 2000	Exhibit 99.01 of Murphy's Form S-8 Registration Statement filed August 4, 2000 under the Securities Act of 1933
27	Financial Data Schedule for the nine months ended September 30, 2000	Exhibit 27 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, 2000, 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.

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SEP-30-2000
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217,194
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INCLUDES 20,997 FOR IMPAIRMENT OF LONG-LIVED ASSETS.