UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 1998 Commission file number 1-27

TEXACO INC.
(Exact name of the registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	74-1383447 (I.R.S. Employer Identification No.)
2000 Westchester Avenue White Plains, New York (Address of principal executive offices)	10650 (Zip Code)

Registrant's telephone number, including area code (914) 253-4000

Texaco Inc. (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, and (2) HAS BEEN subject to such filing requirements for the past 90 days.

As of April 30, 1998, there were outstanding 541,115,315 shares of Texaco Inc. Common Stock - par value $3.125.

PART I - FINANCIAL INFORMATION

TEXACO INC. AND SUBSIDIARY COMPANIES
STATEMENT OF CONSOLIDATED INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 1998 AND 1997
(Millions of dollars, except as noted)

	(Unaudited) For the three months ended March 31, 1998	1997
REVENUES		
Sales and services	$ 7,922	$11,813
Equity in income of affiliates, interest, asset sales and other	225	216
	8,147	12,029
DEDUCTIONS		
Purchases and other costs	6,114	9,298
Operating expenses	580	781
Selling, general and administrative expenses	276	419
Exploratory expenses	141	99
Depreciation, depletion and amortization	388	385
Interest expense	118	101
Taxes other than income taxes	116	139
Minority interest	15	21
	7,748	11,243
Income before income taxes	399	786

Provision for (benefit from) income taxes	140	(194)
NET INCOME	$ 259	$ 980
Preferred stock dividend requirements	$ 14	$ 14
Net income available for common stock	$ 245	$ 966
Per common share (dollars)		
Basic net income	$ .46	$ 1.86
Diluted net income	$ .46	$ 1.80
Cash dividends paid	$ .45	$ .425
Average shares outstanding for computation of earnings per share (thousands)		
Basic	531,914	519,282
Diluted	551,421	540,063

See accompanying notes to consolidated financial statements.

TEXACO INC. AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEET
AS OF MARCH 31, 1998 AND DECEMBER 31, 1997

(Millions of dollars)

	March 31, 1998 (Unaudited)	December 31, 1997
ASSETS		
Current Assets		
Cash and cash equivalents	$ 335	$ 311
Short-term investments - at fair value	86	84
Accounts and notes receivable, less allowance for doubtful accounts of $20 million in 1998 and $22 million in 1997	4,021	4,230
Inventories	1,160	1,483
Deferred income taxes and other current assets	290	324
Total current assets	5,892	6,432
Investments and Advances	7,574	5,097
Properties, Plant and Equipment - at cost	34,821	38,956
Less - accumulated depreciation, depletion and amortization	20,226	21,840
Net properties, plant and equipment	14,595	17,116
Deferred Charges	810	955
Total	$28,871	$29,600
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Short-term debt	$ 889	$ 885
Accounts payable and accrued liabilities		
Trade liabilities	1,946	2,669
Accrued liabilities	1,195	1,480
Estimated income and other taxes	899	960
Total current liabilities	4,929	5,994
Long-Term Debt and Capital Lease Obligations	5,927	5,507
Deferred Income Taxes	1,846	1,825
Employee Retirement Benefits	1,213	1,224
Deferred Credits and Other Noncurrent Liabilities	1,572	1,639
Minority Interest in Subsidiary Companies	652	645
Total	16,139	16,834
Stockholders' Equity		
Market Auction Preferred Shares	300	300
ESOP Convertible Preferred Stock	448	457
Unearned employee compensation and benefit plan trust	(372)	(389)
Common stock (authorized: 700,000,000 shares, $3.125 par value; 567,606,290 shares issued)	1,774	1,774
Paid-in capital in excess of par value	1,682	1,688
Retained earnings	10,002	9,987
Other accumulated nonowner changes in equity		
Currency translation adjustment	(107)	(105)
Minimum pension liability adjustment	(14)	(16)
Unrealized net gain on investments	31	26
Total other accumulated nonowner changes in equity	(90)	(95)
	13,744	13,722
Less - Common stock held in treasury, at cost	1,012	956
Total stockholders' equity	12,732	12,766
Total	$28,871	$29,600

See accompanying notes to consolidated financial statements.

TEXACO INC. AND SUBSIDIARY COMPANIES
CONDENSED STATEMENT OF CONSOLIDATED CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 1998 AND 1997

(Millions of dollars)

	(Unaudited) For the three months ended March 31, 1998	1997
OPERATING ACTIVITIES		
Net income	$ 259	$ 980
Reconciliation to net cash provided by (used in) operating activities		
Receivable for refund of IRS deposits	-	(700)
Depreciation, depletion and amortization	388	385
Deferred income taxes	56	100
Exploratory expenses	141	99
Minority interest in net income	15	21
Dividends from affiliates, less than equity in income	(130)	(40)
Gains on asset sales	(5)	(19)
Changes in operating working capital	(242)	257
Other - net	175	(49)
Net cash provided by operating activities	657	1,034
INVESTING ACTIVITIES		
Capital and exploratory expenditures	(784)	(678)
Proceeds from asset sales	42	140
Purchases of investment instruments	(256)	(349)
Sales/maturities of investment instruments	247	389
Other - net	-	(57)
Net cash used in investing activities	(751)	(555)
FINANCING ACTIVITIES		
Borrowings having original terms in excess of three months		
Proceeds	396	150
Repayments	(277)	(75)
Net increase (decrease) in other borrowings	363	(174)
Purchases of common stock	(105)	(31)
Dividends paid to the company's stockholders		
Common	(239)	(221)
Preferred	(5)	(4)
Dividends paid to minority shareholders	(9)	(10)
Net cash provided by (used in) financing activities	124	(365)
CASH AND CASH EQUIVALENTS		
Effect of exchange rate changes	(6)	(6)
Increase during period	24	108
Beginning of year	311	511
End of period	$ 335	$ 619

See accompanying notes to consolidated financial statements.

TEXACO INC. AND SUBSIDIARY COMPANIES
CONDENSED STATEMENT OF CONSOLIDATED NONOWNER CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 1998 AND 1997

(Millions of dollars)

	(Unaudited) For the three months ended March 31, 1998	1997
NET INCOME	$259	$980
Other nonowner changes in equity (net of tax)		
Currency translation adjustment	(2)	(30)
Minimum pension liability adjustment	2	-
Unrealized net gain (loss) on investments	5	(11)
	5	(41)
TOTAL NONOWNER CHANGES IN EQUITY	$264	$939

TEXACO INC. AND SUBSIDIARY COMPANIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Formation of Equilon Enterprises LLC

On January 15, 1998, Texaco and Shell Oil Company reached agreement on the formation and operational start up, effective January 1, 1998, of Equilon Enterprises LLC (Equilon), a Delaware limited liability company. Equilon is a joint venture that combines major elements of the companies' western and midwestern U.S. refining and marketing businesses and their nationwide trading, transportation and lubricants businesses. Texaco owns 44 percent and Shell owns 56 percent of Equilon.

Beginning January 1, 1998, we are accounting for our interest in Equilon using the equity method. Under this method, we record our share of Equilon's results of operations on a one-line basis to Equity in Income of Affiliates in the Consolidated Statement of Income. We reclassified the net amount of assets and liabilities of the businesses contributed to Equilon to Investments and Advances in the Consolidated Balance Sheet. Additionally, we now record transactions between Texaco and Equilon as outside third-party transactions. The foregoing results in significant variances between the 1998 and 1997 periods in the individual line captions appearing in our financial statements.

The carrying amounts at January 1, 1998, of the principal assets and liabilities of the businesses we contributed to Equilon were $.3 billion of net working capital assets, $2.8 billion of net properties, plant and equipment and $.2 billion of debt.

Summarized unaudited financial information for Equilon, for the three month period ended March 31, 1998, is presented below on a 100% Equilon basis (in millions of dollars):

Gross revenues	$6,360
Income before income taxes	$ 112

We record provision for income taxes and related liability applicable to our share of Equilon's income in our consolidated financial statements.

At March 31, 1998, we had a note receivable from Equilon of $463 million, representing reimbursement of certain capital expenditures incurred prior to the formation of the joint venture. These proceeds were received in April, 1998.

In April, 1998, Shell Oil Company entered into an agreement to sell its Anacortes refinery to Tesoro Petroleum Corporation as part of an agreement with the Federal Trade Commission (FTC). Equilon is entitled to the net proceeds of the sale and any gain or loss which may result from the disposition of the refinery. Tesoro will acquire the refinery for $237 million plus a working capital adjustment. Subject to final FTC approval, the transaction is expected to close during the summer of 1998.

Texaco, Shell and Saudi Refining, Inc. are working to finalize agreements for a separate joint venture involving their eastern United States and Gulf Coast refining and marketing businesses. Initially, Texaco and Saudi Refining, Inc. will each own 32.5 percent and Shell will own 35 percent of the joint venture.

Note 2. Inventories

The inventory accounts of Texaco Inc. and consolidated subsidiary companies are presented below (in millions of dollars):

	As of	
	March 31, 1998	December 31, 1997
	(Unaudited)	
Crude oil	$ 169	$ 308
Petroleum products and petrochemicals	768	893
Other merchandise	39	59
Materials and supplies	184	223
Total	$1,160	$1,483

Note 3. Contingent Liabilities

Information relative to commitments and contingent liabilities of Texaco Inc. and subsidiary companies is presented in Notes 16 and 18, pages 57-58 and 61, respectively, of Texaco Inc.'s 1997 Annual Report to Stockholders.

In the company's opinion, while it is impossible to ascertain the ultimate legal and financial liability with respect to contingent liabilities and commitments, the aggregate amount of such liability in excess of financial reserves is not anticipated to be materially important in relation to the consolidated financial position or results of operations of Texaco.

Note 4. Caltex Group of Companies

Summarized unaudited financial information for the Caltex Group of Companies, owned 50% by Texaco and 50% by Chevron Corporation, is presented below on a 100% Caltex Group basis (in millions of dollars):

	For the three months ended March 31, 1998	1997
Gross revenues	$4,306	$4,694
Income before income taxes	$ 319	$ 320
Net income	$ 204	$ 186

Effective October 1, 1997, Caltex changed the functional currency used to account for operations in its Korean and Japanese affiliates to the U.S. dollar.

Effective April 1, 1997, Caltex' 40% interest in its Bahrain refining joint venture (Bapco) was sold to the Government of the State of Bahrain at approximately net book value.

* * * * * * * * * * *

In the determination of preliminary and unaudited financial statements for the three-month periods ended March 31, 1998 and 1997, our accounting policies have been applied on a basis consistent with the application of such policies in our financial statements issued in our 1997 Annual Report to Stockholders. In our opinion, we have made all adjustments and disclosures necessary to present fairly our results of operations for such periods. These adjustments include normal recurring adjustments. The information is subject to year-end audit by independent public accountants. We make no forecasts or representations with respect to the level of net income for the year 1998.

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

RESULTS OF OPERATIONS

Texaco's net income for the first quarter of 1998 was $259 million ($.46 per share). This compares with net income for the first quarter of 1997 of $980 million ($1.80 per share), including a special item. Net income for the first quarter of 1997, before a special benefit of $488 million associated with a tax settlement, was $492 million ($.90 per share).

In the first quarter of 1998:

- Worldwide daily production rose 16 percent;
- Cash operating expenses per barrel dropped more than five percent, aided by lower energy costs and higher volumes;
- Capital and exploratory expenditures grew 21 percent; and
- Equilon Enterprises LLC, a joint venture combining Texaco's and Shell's western and midwestern U.S. downstream assets, began commercial operations.

Our first quarter 1998 results were marked by increases in production, improved downstream results and tight controls on cash operating expenses. However, these positive factors could not overcome the decline in worldwide crude oil and natural gas prices. Operationally, we experienced a very good first quarter. Production increases were on target toward achieving our planned double-digit growth for the year; however, total earnings were significantly impacted by the drop in worldwide crude oil and natural gas prices.

The first quarter of 1998 included a full quarter of production from the Captain and Erskine fields, both in the U.K. North Sea. Production increased in the Partitioned Neutral Zone (between Saudi Arabia and Kuwait), Colombia, and in the U.S. as a result of the November, 1997 acquisition of Monterey Resources. Additionally, first quarter production included the recently acquired 20 percent interest in the Karachaganak field in Kazakhstan.

Our worldwide downstream operations benefited from higher gasoline sales volumes and higher margins. In the U.S., margins improved over last year's depressed levels but weakened during the quarter due to oversupply. Equilon, our U.S. downstream alliance with Shell Oil Company, recently began operations and agreements are being finalized by Texaco, Shell and Saudi Refining, Inc. for a separate joint venture involving the Eastern and Gulf Coast refining and marketing businesses.

OPERATING EARNINGS

PETROLEUM AND NATURAL GAS

EXPLORATION AND PRODUCTION

United States

First quarter 1998 earnings were $107 million, compared to $311 million for the first quarter of 1997. The decline was a result of lower crude oil and natural gas prices. Average realized crude oil prices were $11.78 per barrel, $7.84 below 1997. Crude oil prices have plummeted due to rising oil stocks and slowing of world demand growth. Average natural gas prices were $2.14 per thousand cubic feet (MCF), $.52 below 1997. Prices for natural gas decreased due to mild weather as well as increased inventory levels.

Production increased more than 12 percent; however, earnings did not significantly benefit from this increase due to low heavy crude oil prices. Higher volumes included production from the acquired Monterey properties and continued development of natural gas opportunities in Texas and Louisiana.

We continued to aggressively pursue producing opportunities in the Gulf of Mexico leading to higher exploration expenses this year. Exploration expenses for the first quarter were $96 million before tax versus $42 million last year. Operationally, cash operating expenses on a per barrel basis were lower than the first quarter of 1997.

International

First quarter 1998 earnings were $40 million, compared to $156 million for the first quarter of 1997. The decline in earnings was the result of lower crude oil prices. Average realized crude oil prices were $11.95 per barrel for the quarter, $7.53 below 1997. At these depressed prices, earnings did not significantly benefit from a daily production increase of 20 percent. The increase was from a full quarter of Captain and Erskine production in 1998, both of which are in the U.K. North Sea. Production also increased in the Partitioned Neutral Zone and Colombia, and as a result of our recently acquired 20 percent interest in the Karachaganak field in Kazakhstan.

Operating results for the first quarter 1998 included a non-cash currency charge of $4 million related to deferred income taxes denominated in British pounds. This compares to a benefit of $19 million for the first quarter of 1997.

MANUFACTURING, MARKETING AND DISTRIBUTION

United States

First quarter 1998 earnings were $47 million and include results from the recently formed Equilon, our downstream alliance with Shell Oil Company. Earnings for the first quarter of 1997 were $6 million.

Earnings in 1998 included the impact of overall lower crude costs that temporarily improved margins. However, weather conditions weakened demand for heating oil and West Coast gasoline. Gasoline prices, adjusted for inflation, hit their lowest levels in 25 years. Additionally, refinery results included scheduled downtime at several plants within our system.

Earnings for 1997 included the adverse effects of intense competition that squeezed margins in the West Coast marketplace. Refinery fires late in 1996 and early in 1997 negatively affected product yields and caused casualty loss expenses during 1997.

International

First quarter 1998 earnings were $182 million, compared to $104 million for the first quarter of 1997. The international refining and marketing businesses in Europe, Latin America and our affiliate Caltex, reported higher 1998 earnings.

Our refining operations in Europe and Latin America experienced improved margins from lower crude costs in 1998. Improved European marketing results were due to increased sales volumes and higher retail margins primarily in the United Kingdom. The recovery from the 1997 Scandinavian price war also contributed to the higher earnings. Improved margins and higher sales volumes in Central America, the Caribbean, and Brazil drove stronger marketing results in Latin America.

In the Caltex area, margins in Korea improved due to decreased crude costs and partial recovery of local fourth quarter 1997 currency losses. The Caltex area also experienced a modest increase in refined product sales volumes. Although inland sales volumes were lower due to the economic crisis in Southeast Asia, higher trading volumes led to the overall volume improvement. Included in 1998 earnings were unfavorable net currency-related effects of $16 million; primarily tax charges on local currency gains on U.S. obligations resulting from the strengthening of the Korean won. Last year's results included Korean currency losses of $21 million.

Results for 1998 included a non-cash currency charge of $3 million for the first quarter related to deferred income taxes denominated in British pounds. This compares to a benefit of $5 million for the first quarter of 1997.

NONPETROLEUM

Nonpetroleum earnings for the first quarter of 1998 were $2 million, compared with $12 million for the first quarter of 1997.

CORPORATE/NONOPERATING

Corporate and nonoperating results for the first quarter of 1998 were charges of $119 million, compared to $97 million for the first quarter of 1997, excluding special items. The change was due principally to increased interest expense on higher debt levels and Texaco's corporate advertising campaign introduced in the second half of 1997.

Including a special benefit of $488 million associated with an IRS settlement, corporate/nonoperating earnings for the first quarter of 1997 totaled $391 million.

LIQUIDITY AND CAPITAL RESOURCES

Our cash, cash equivalents and short-term investments were $421 million at March 31, 1998, as compared with $395 million at year-end 1997.

During 1998, our operations provided cash of $657 million. We raised an additional $482 million from net borrowings. We spent $784 million on our capital and exploratory program and paid $253 million in common, preferred and minority interest dividends.

At March 31, 1998, our ratio of total debt to total borrowed and invested capital was 33.7%, as compared with 32.3% at year-end 1997. At March 31, 1998, our long-term debt included $1.7 billion of debt scheduled to mature within one year which we have both the intent and ability to refinance on a long-term basis. During the first quarter of 1998, we issued $83 million under our Medium-Term Note Program and borrowed $150 million at 5.92% for seven years to cover expenditures at our Erskine field in the U.K. North Sea. Commercial paper at March 31, 1998 totaled $1,245 million, as compared with $892 million at December 31, 1997. We maintained revolving credit facilities with commitments of $1.7 billion, which were unused at March 31, 1998.

During the first quarter of 1998, we purchased about $100 million of common stock in the open market. This completed a program under which we purchased $650 million of our common stock during the last two years. On March 30, 1998, we announced that we will purchase up to an additional $1 billion of our common stock, subject to market conditions, through open market purchases or privately negotiated transactions.

In April ,1998, we received $463 million from Equilon, representing reimbursement of certain capital expenditures incurred prior to the formation of Equilon. Also in April, 1998, we received a cash distribution from Equilon of $83 million.

During April, 1998, we repurchased approximately $200 million of 10.61% notes which we assumed in connection with the November, 1997 acquisition of Monterey Resources. We funded the repurchase by issuing commercial paper.

CAPITAL AND EXPLORATORY EXPENDITURES

Capital and exploratory expenditures were $967 million for the first quarter of 1998, compared to $799 million for the same period in 1997.

In the United States upstream, offshore development continued in the deepwater Gulf of Mexico where Texaco holds a strong lease-acreage position. Work continued during the quarter on the fabrication and installation of the Petronius compliant tower. Also, subsea development work moved forward on the Gemini field, a major gas reserve with production expected during 1999. Expenditures in 1998 increased for enhanced oil recovery projects using advanced thermal recovery techniques to increase production from the acquired Monterey properties and other core producing fields. Exploratory expenses in the United States increased as we aggressively pursued our program to grow oil and gas production and reserves.

Internationally, higher upstream expenditures include our investment in discovered reserve opportunities, such as the Karachaganak venture. Development work continued in the U.K. North Sea, Indonesia and other promising areas.

In the downstream operations, through domestic and international alliances and subsidiaries, Texaco continues to invest in projects that enhance brand loyalty and increase market share.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

Reference is made to the discussion of Contingent Liabilities in Note 5 to the Consolidated Financial Statements of this Form 10-Q and to Item 3 of Texaco Inc.'s 1997 Annual Report on Form 10-K, which are incorporated herein by reference.

Environmental Matters

As of March 31, 1998, Texaco Inc. and/or its subsidiaries were parties to various proceedings, instituted by governmental authorities arising under the provisions of applicable laws or regulations relating to the discharge of materials into the environment or otherwise relating to the protection of the environment, none of which is material to the business or financial condition of the company. The following is a brief description of a new proceeding which, because of the amount involved, requires disclosure under applicable Securities and Exchange Commission regulations:

> On March 26, 1998, the Department of Justice and the U.S. Environmental Protection Agency sued Texaco Exploration and Production Inc. (TEPI) alleging that TEPI violated the Clean Water Act and the Oil Pollution Act due to leaks and spills at the Aneth unit, located in southeastern Utah. The complaint seeks $2.3 million and unspecified injunctive relief for spills between December 6, 1991 and the time of the complaint.

Item 4. Submission of Matters to a Vote of Security Holders

The Annual Meeting of the Stockholders of Texaco Inc. was held on April 28, 1998, for the purpose of (1) electing five directors, (2) approving the appointment of auditors for the year 1998, (3) approval of an amendment to the Stockholder Rights Plan and (4) acting on two stockholder proposals relating to an independent chairperson and classification of the Board of Directors. The following summarizes the stockholder voting results:

Stockholders elected Peter I. Bijur, John Brademas, Mary K. Bush, Sam Nunn and Charles H. Price, II, each for a three-year term expiring at the 2001 Annual Meeting. The vote tabulation for each individual director was as follows:

Director	Shares Voted for	% of Vote	Shares Withheld
Peter I. Bijur	477,015,808	97.7%	11,212,699
John Brademas	478,602,997	98.0%	9,625,510
Mary K. Bush	478,489,714	98.0%	9,738,793
Sam Nunn	478,865,062	98.1%	9,363,445
Charles H. Price, II	478,979,573	99.1%	9,248,934

Directors continuing in office were Willard C. Butcher, Edmund M. Carpenter, Michael C. Hawley, Franklyn G. Jenifer, Robin B. Smith, William C. Steere, Jr., Thomas A. Vanderslice and William Wrigley.

The appointment of Arthur Andersen LLP to audit the accounts of the company and its subsidiaries for the fiscal year 1998 was approved. Of those shares voted, 483,830,368 shares, or 99.4%, voted in favor, 2,829,316 shares, or .6% voted against, and 1,568,421 shares abstained.

The proposal to approve an amendment to the Stockholder Rights Plan as set forth in Item 3 of the 1998 Proxy Statement was approved. Of those shares voted, 281,120,105 shares, or 65.6%, voted in favor, 147,633,897 shares, or 34.4% voted against, and 3,326,210 shares abstained.

Stockholders rejected the two stockholder proposals. The proposal relating to an independent chairperson, as set forth in Item 4 of the 1998 Proxy Statement, was rejected by a vote of 315,507,089 shares, or 74.3%. Shares voting for the proposal totaled 109,171,418 shares, or 25.7%, and 7,395,177 shares abstained.

The proposal relating to the classification of the Board of Directors, as set forth in Item 5 of the 1998 Proxy Statement, was rejected by a vote of 240,083,047 shares, or 56.5%. Shares voting for the proposal totaled 184,737,419 shares, or 43.5%, and 7,234,521 shares abstained.

Item 5. Other Information

	(Unaudited) For the three months ended March 31, 1998	1997
	(Millions of dollars)	
FUNCTIONAL NET INCOME		
Operating earnings		
Petroleum and natural gas		
Exploration and production		
United States	$ 107	$ 311
International	40	156
Total	147	467
Manufacturing, marketing and distribution		
United States	47	6
International	182	104
Total	229	110
Total petroleum and natural gas	376	577
Nonpetroleum	2	12
Total operating earnings	378	589
Corporate/Nonoperating	(119)	391
Total net income	$ 259	$ 980
CAPITAL AND EXPLORATORY EXPENDITURES		
Exploration and production		
United States	$ 476	$ 352
International	290	282
Total	766	634
Manufacturing, marketing and distribution		
United States	88	60
International	99	101
Total	187	161
Other	14	4
Total	$ 967	$ 799

	(Unaudited) For the three months ended March 31, 1998	1997
OPERATING DATA		
Exploration and Production		
United States		
Net production of crude oil and natural gas liquids (000 BPD)	452	384
Net production of natural gas - available for sale (000 MCFPD)	1,738	1,656
Total net production (000 BOEPD)	742	660
Natural gas sales (000 MCFPD)	3,882	3,841
Average U.S. crude (per bbl)	$11.78	$19.62
Average U.S. natural gas (per mcf)	$ 2.14	$ 2.66
Average WTI (Spot) (per bbl)	$15.92	$22.76
Average Kern (Spot) (per bbl)	$ 8.89	$15.98
International		
Net production of crude oil and natural gas liquids (000 BPD)		
Europe	158	114
Indonesia	155	140
Partitioned Neutral Zone	108	90
Other	70	69
Total	491	413
Net production of natural gas - available for sale (000 MCFPD)		
Europe	258	241
Colombia	208	132
Other	123	102
Total	589	475
Total net production (000 BOEPD)	589	492
Natural gas sales (000 MCFPD)	777	620
Average International crude (per bbl)	$11.95	$19.48
Average U.K. natural gas (per mcf)	$ 2.65	$ 2.85
Average Colombia natural gas (per mcf)	$ .91	$ 1.05
Worldwide		
Total worldwide net production (MBOEPD)	1,331	1,152

	(Unaudited) For the three months ended March 31, 1998	1997
OPERATING DATA		
Manufacturing, Marketing and Distribution		
United States		
Refinery input (000 BPD)		
Western U.S.	358	409
Eastern U.S.	313	336
Total	671	745
Refined product sales (000 BPD)		
Gasolines	492	497
Avjets	163	89
Middle Distillates	180	214
Residuals	96	85
Other	120	120
Total	1,051	1,005
International		
Refinery input (000 BPD)		
Europe	374	348
Affiliate - Caltex	437	407
Latin America/West Africa	57	62
Total	868	817
Refined product sales (000 BPD)		
Europe	564	495
Affiliate - Caltex	593	586
Latin America/West Africa	428	366
Other	49	44
Total	1,634	1,491

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

- -- (11) Computation of Earnings Per Share of Common Stock.

- -- (12) Computation of Ratio of Earnings to Fixed Charges of Texaco on a Total Enterprise Basis.

- -- (20) Copy of Texaco Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 1997 (including portions of Texaco Inc.'s Annual Report to Stockholders for the year 1997), as previously filed by the Registrant with the Securities and Exchange Commission, File No. 1-27.

- -- (22) Information relative to the various matters submitted to a vote of security holders are described on pages 9 through 28 of the 1998 Proxy Statement of Texaco Inc., relating to the Annual Meeting of Stockholders held on April 28, 1998, as previously filed by the Registrant with the Securities and Exchange Commission, File No. 1-27.

- -- (27.1) Financial Data Schedule for the three months ended March 31, 1998.

- -- (27.2) Financial Data Schedules for periods ended March 31, 1996, June 30, 1996, September 30, 1996, and December 31, 1996, restated from previous filings to report basic and diluted Earnings per Share in accordance with FASB Statement No. 128, "Earnings per Share."

- -- (27.3) Financial Data Schedules for periods ended March 31, 1997, June 30, 1997, and September 30, 1997, restated from previous filings to report basic and diluted Earnings per Share in accordance with FASB Statement No. 128, "Earnings per Share."

(b) Reports on Form 8-K:

During the first quarter of 1998, the Registrant filed Current Reports on Form 8-K for the following events:

1. January 23, 1998 (date of earliest event reported: January 22, 1998)

   Item 5. Other Events -- reported that Texaco issued an Earnings Press Release for the fourth quarter and year 1997.

2. January 30, 1998 (date of earliest event reported: January 15, 1998)

   Item 2. Acquisition or Disposition of Assets -- reported that Texaco and Shell Oil Company reached agreement on the formation and operational start up of Equilon Enterprises LLC, a newly formed Delaware limited liability company. Equilon is a joint venture that combines major elements of the companies' western and mid-western U.S. refining and marketing businesses and their nationwide trading, transportation and lubricants businesses; and Item 7(b), Proforma Financial Information, provided applicable unaudited proforma financial statements.

3. March 5, 1998 (date of earliest event reported: March 4, 1998)

   Item 5. Other Events -- provided a description of an Officer's Certificate executed by Texaco Capital Inc., a wholly-owned subsidiary of the Registrant, which established the terms and provisions of a series of securities designated "Series 1998 Medium-Term Notes," for up to $500 million.

4. April 1, 1998 (date of earliest event reported: March 30, 1998)

   Item 5. Other Events -- reported that Texaco announced a stock repurchase program for up to $1 billion.

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.

Texaco Inc.
(Registrant)

By: R.C. Oelkers
(Vice President and Comptroller)

By: R.E. Koch
(Assistant Secretary)

Date: May 13, 1998

TEXACO INC. AND SUBSIDIARY COMPANIES
COMPUTATION OF EARNINGS PER SHARE OF COMMON STOCK
FOR THE THREE MONTHS ENDED MARCH 31, 1998 AND 1997

(Millions of dollars, except as noted)

	(Unaudited) For the three months ended March 31,	
	1998	1997(a)
Basic Net Income Per Common Share:		
Net income less preferred stock dividend requirements	$ 245	$ 966
Average shares outstanding (thousands)	531,914	519,282
Basic net income per common share (dollars)	$ 0.46	$ 1.86
Diluted Net Income Per Common Share:		
Net income less preferred stock dividend requirements	$ 245	$ 966
Adjustments, mainly ESOP preferred stock dividends	9	9
Net income for diluted net income per share	$ 254	$ 975
Average shares outstanding (thousands)	531,914	519,282
Adjustments, mainly ESOP preferred stock	19,507	20,781
Shares outstanding for diluted computation (thousands)	551,421	540,063
Diluted net income per common share (dollars)	$ 0.46	$ 1.80

(a) Reflects two-for-one stock split, effective September 29, 1997.

EXHIBIT 12

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES OF TEXACO ON A TOTAL ENTERPRISE BASIS (UNAUDITED) FOR THE THREE MONTHS ENDED MARCH 31, 1998 AND FOR EACH OF THE FIVE YEARS ENDED DECEMBER 31, 1997

(Millions of dollars)

	For the Three Months Ended March 31, 1998	Years Ended December 31,				
		1997	1996	1995	1994(a)	1993(a)
Income from continuing operations, before provision or benefit for income taxes and cumulative effect of accounting changes effective 1-1-95	$ 458	$3,514	$3,450	$1,201	$1,409	$1,392
Dividends from less than 50% owned companies more or (less) than equity in net income	(2)	(11)	(4)	1	(1)	(8)
Minority interest in net income	15	68	72	54	44	17
Previously capitalized interest charged to income during the period	6	25	27	33	29	33
Total earnings	477	3,596	3,545	1,289	1,481	1,434
Fixed charges						
Items charged to income:						
Interest charges	162	528	551	614	594	546
Interest factor attributable to operating lease rentals	23	112	129	110	118	91
Preferred stock dividends of subsidiaries guaranteed by Texaco Inc	9	33	35	36	31	4
Total items charged to income	194	673	715	760	743	641
Interest capitalized	6	27	16	28	21	57
Interest on ESOP debt guaranteed by Texaco Inc	1	7	10	14	14	14
Total fixed charges	201	707	741	802	778	712
Earnings available for payment of fixed charges (Total earnings + Total items charged to income)	$ 671	$4,269	$4,260	$2,049	$2,224	$2,075
Ratio of earnings to fixed charges of Texaco on a total enterprise basis	3.34	6.04	5.75	2.55	2.86	2.91

(a) Excludes discontinued operations.

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM TEXACO INC.'S FIRST QUARTER 1998 FORM 10-Q AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000,000

3-MOS
DEC-31-1998
JAN-1-1998
MAR-31-1998
335
86
4,041
20
1,160
5,892
34,821
20,226
28,871
4,929
5,927
0
651
2,169
9,912
28,871
7,922
8,147
6,114
6,694
936
0
118
399
140
259
0
0
0
259
.46
.46

5

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FRO TEXACO INC.'S BALANCE SHEET AT MARCH 31 1996, JUNE 30, 1996, SEPTEMBER 30, 1996, AND DECEMBER 31 1996, AND INCOME STATEMENTS FOR THE PERIODS ENDED MARCH 31, 1996, JUNE 30, 1996, SEPTEMBER 30, 1996, AND DECEMBER 31, 1996, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS AND THEIR RELATED FOOTNOTES. THIS SCHEDULE IS A RESTATEMENT OF SCHEDULES FROM PREVIOUS FILINGS TO INCORPORATE THE PROVISIONS OF SFAS NO. 128 - EARNINGS PER SHARE. IN ADDITION, THE EARNINGS PER SHARE (EPS) INFORMATION REFLECTS THE IMPACT OF THE TWO-FOR-ONE SPLIT OF THE COMPANY'S COMMON STOCK, EFFECTIVE SEPTEMBER 29, 1997.

1,000,000

3-MOS	6-MOS	9-MOS	12-MOS
DEC-31-1996	DEC-31-1996	DEC-31-1996	DEC-31-1996
MAR-31-1996	JUN-30-1996	SEP-30-1996	DEC-31-1996
468	724	903	511
34	98	42	41
3,831	4,061	4,055	5,229
28	28	36	34
1,361	1,478	1,526	1,460
5,897	6,561	6,694	7,665
31,186	31,666	32,143	33,988
18,558	18,805	19,097	20,577
24,639	25,241	25,696	26,963
4,979	5,206	5,319	6,184
5,129	5,159	5,044	5,125
0	0	0	0
576	613	611	629
1,637	1,595	1,590	1,483
7,440	7,818	8,035	8,260
24,639	25,241	25,696	26,963
10,059	20,876	31,777	44,561
10,271	21,532	32,629	45,500
7,782	16,127	24,526	34,643
8,466	17,511	26,631	37,621
1,028	2,105	3,193	4,462
0	0	0	0
113	221	328	434
664	1,695	2,477	2,983
278	620	968	965
386	1,075	1,509	2,018
0	0	0	0
0	0	0	0
0	0	0	0
386	1,075	1,509	2,018
.71	2.01	2.82	3.77
.70	1.96	2.75	3.68

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM TEXACO INC.'S BALANCE SHEET AT MARCH 31, 1997, JUNE 30, 1997 AND SEPTEMBER 30, 1997 AND INCOME STATEMENTS FOR THE PERIODS ENDED MARCH 31, 1997, JUNE 30, 1997 AND SEPTEMBER 30, 1997 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS AND THEIR RELATED FOOTNOTES. THIS SCHEDULE IS A RESTATEMENT OF SCHEDULES FROM PREVIOUS FILINGS TO INCORPORATE THE PROVISIONS OF SFAS NO. 128 - EARNINGS PER SHARE. IN ADDITION, THE EARNINGS PER SHARE (EPS) INFORMATION REFLECTS THE IMPACT OF THE TWO-FOR-ONE SPLIT OF THE COMPANY'S COMMON STOCK, EFFECTIVE SEPTEMBER 29, 1997.

1,000,000

3-MOS	6-MOS	9-MOS
DEC-31-1997	DEC-31-1997	DEC-31-1997
MAR-31-1997	JUN-30-1997	SEP-30-1997
619	564	451
18	46	48
4,708	4,546	4,021
34	22	22
1,677	1,632	1,537
7,361	7,055	6,318
34,166	34,462	35,291
20,764	20,878	21,198
27,008	27,041	26,815
5,742	5,431	5,544
5,029	5,067	5,116
0	0	0
628	633	631
1,459	1,454	1,420
8,975	9,328	9,566
27,008	27,041	26,815
11,813	22,796	33,630
12,029	23,525	34,618
9,298	17,796	26,324
10,014	19,413	28,508
1,128	2,217	3,349
0	0	0
101	203	309
786	1,692	2,452
(194)	141	411
980	1,551	2,041
0	0	0
0	0	0
0	0	0
980	1,551	2,041
1.86	2.93	3.84
1.80	2.85	3.75