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, 2000 Commission file number 1-27

Texaco Inc.
(Exact name of the registrant as specified in its charter)

Delaware	74-1383447
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

2000 Westchester Avenue White Plains, New York	10650
(Address of principal executive offices)	(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 28, 2000, there were outstanding 552,040,470 shares of Texaco Inc. Common Stock - par value $3.125.

PART I - FINANCIAL INFORMATION

TEXACO INC.
CONSOLIDATED STATEMENTS OF INCOME
(Millions of dollars, except as noted)

	(Unaudited) For the three months ended March 31, 2000	1999
REVENUES		
Sales and services	$11,086	$ 6,914
Equity in income of affiliates, interest, asset sales and other	185	276
	11,271	7,190
DEDUCTIONS		
Purchases and other costs	8,630	5,450
Operating expenses	590	559
Selling, general and administrative expenses	325	290
Exploratory expenses	53	130
Depreciation, depletion and amortization	484	361
Interest expense	122	121
Taxes other than income taxes	103	76
Minority interest	27	19
	10,334	7,006
Income before income taxes	937	184
Provision for (benefit from) income taxes	363	(15)

NET INCOME	$ 574	$ 199
Per common share (dollars)		
Basic net income	$ 1.05	$ .35
Diluted net income	$ 1.05	$ .35
Cash dividends paid	$ .45	$ .45

See accompanying notes to consolidated financial statements.

TEXACO INC.
CONSOLIDATED BALANCE SHEETS
(Millions of dollars)

	March 31, 2000 (Unaudited)	December 31, 1999
ASSETS		
Current Assets		
Cash and cash equivalents	$ 594	$ 419
Short-term investments - at fair value	44	29
Accounts and notes receivable, less allowance for doubtful accounts of $26 million in 2000 and $27 million in 1999	4,165	4,060
Inventories	1,509	1,182
Deferred income taxes and other current assets	309	273
Total current assets	6,621	5,963
Investments and Advances	6,547	6,426
Properties, Plant and Equipment - at cost	34,634	36,527
Less - Accumulated Depreciation, Depletion and Amortization	19,401	20,967
Net properties, plant and equipment	15,233	15,560
Deferred Charges	1,014	1,023
Total	$29,415	$28,972
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Short-term debt	$ 825	$ 1,041
Accounts payable and accrued liabilities		
Trade liabilities	2,710	2,585
Accrued liabilities	1,055	1,203
Estimated income and other taxes	1,241	839
Total current liabilities	5,831	5,668
Long-Term Debt and Capital Lease Obligations	6,590	6,606
Deferred Income Taxes	1,364	1,468
Employee Retirement Benefits	1,169	1,184
Deferred Credits and Other Non-current Liabilities	1,378	1,294
Minority Interest in Subsidiary Companies	709	710
Total	17,041	16,930
Stockholders' Equity		
Market auction preferred shares	300	300
Common stock (authorized: 850,000,000 shares, $3.125 par value; 567,576,504 shares issued in 2000 and 1999)	1,774	1,774
Paid-in capital in excess of par value	1,289	1,287
Retained earnings	10,072	9,748
Unearned employee compensation and benefit plan trust	(298)	(306)
Accumulated other comprehensive income (loss)		
Currency translation adjustment	(99)	(99)
Minimum pension liability adjustment	(27)	(23)
Unrealized net gain on investments	9	3
Total	(117)	(119)
	13,020	12,684
Less - Common stock held in treasury, at cost	646	642
Total stockholders' equity	12,374	12,042
Total	$29,415	$28,972

See accompanying notes to consolidated financial statements.

TEXACO INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Millions of dollars)

	(Unaudited) For the three months ended March 31, 2000	1999
OPERATING ACTIVITIES		
Net income	$ 574	$ 199
Reconciliation to net cash provided by (used in) operating activities		
Depreciation, depletion and amortization	484	361
Deferred income taxes	(103)	(83)
Exploratory expenses	53	130
Minority interest in net income	27	19
Dividends from affiliates, less than equity in income	(21)	(71)
Gains on asset sales	(22)	(22)
Changes in operating working capital	(35)	(377)
Other - net	96	6
Net cash provided by operating activities	1,053	162
INVESTING ACTIVITIES		
Capital and exploratory expenditures	(630)	(529)
Proceeds from asset sales	271	46
Purchases of investment instruments	(112)	(178)
Sales/maturities of investment instruments	95	504
Collection of note from affiliate	--	101
Net cash used in investing activities	(376)	(56)
FINANCING ACTIVITIES		
Borrowings having original terms in excess of three months		
Proceeds	555	837
Repayments	(731)	(243)
Net decrease in other borrowings	(42)	(419)
Purchases of common stock	(1)	--
Dividends paid to the company's stockholders		
Common	(245)	(237)
Preferred	(5)	(3)
Dividends paid to minority shareholders	(28)	(8)
Net cash used in financing activities	(497)	(73)
CASH AND CASH EQUIVALENTS		
Effect of exchange rate changes	(5)	(19)
Increase during period	175	14
Beginning of year	419	249
End of period	$ 594	$ 263

See accompanying notes to consolidated financial statements.

TEXACO INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Millions of dollars)

	(Unaudited) For the three months ended March 31, 2000	1999
NET INCOME	$ 574	$ 199
Other comprehensive income (loss), net of tax		
Minimum pension liability adjustment	(4)	--
Unrealized net gain (loss) on investments	6	(20)
	2	(20)
COMPREHENSIVE INCOME	$ 576	$ 179

TEXACO INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Basis of Preparing Interim Financial Statements

The consolidated interim financial statements of Texaco Inc. included herein are unaudited and have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission. Accordingly, we have condensed or omitted from these financial statements certain footnotes and other information included in our 1999 Annual Report on Form 10-K. Therefore, you should read these unaudited condensed financial statements in conjunction with our 1999 Annual Report. Certain prior period amounts have been reclassified to conform to current year presentation.

We have consistently applied the accounting policies described in our 1999 Annual Report on Form 10-K in preparing the unaudited financial statements for the three-month periods ended March 31, 2000 and 1999. In our opinion, we have made all adjustments and disclosures necessary to present fairly our results of operations, financial position and cash flows for such periods. These adjustments include normal recurring adjustments. The information is subject to year-end audit by independent public accountants.

The results for the interim periods are not necessarily indicative of trends or future financial results.

Note 2. Net Income Per Common Share

	For the three months ended March 31, 2000	1999
	(Millions of dollars, except as noted) (Unaudited)	
Basic Net Income Per Common Share:		
Net income	$ 574	$ 199
Less: Preferred stock dividends	3	13
Net income available for common stock	$ 571	$ 186
Weighted average shares outstanding (thousands)	543,899	526,230
Basic net income per common share (dollars)	$ 1.05	$ 0.35
Diluted Net Income Per Common Share:		
Net income available for common stock	$ 571	$ 186
Weighted average shares outstanding (thousands)	543,899	526,230
Dilutive effect of stock-based compensation (thousands)	1,579	662
Weighted average shares outstanding for diluted computation (thousands)	545,478	526,892
Diluted net income per common share (dollars)	$ 1.05	$ 0.35

Note 3. Segment Information

Quarter Ended March 31, 2000	Sales and Services Outside	Inter-Segment	Total	After Tax Profit (Loss)	Assets at Quarter-End
	(Millions of dollars) (Unaudited)				
Exploration and production					
United States	$ 823	$ 430	$ 1,253	$ 294	$ 8,359
International	873	411	1,284	293	5,518
Refining, marketing and distribution					
United States	1,380	24	1,404	18	3,512
International	6,721	95	6,816	51	9,079
Global gas and power	1,285	35	1,320	20	1,241
Segment totals	$11,082	$ 995	12,077	676	27,709
Other business units			10	--	383
Corporate/Non-operating			1	(102)	1,685
Intersegment eliminations			(1,002)	--	(362)
Consolidated			$11,086	$ 574	$29,415

Quarter Ended March 31, 1999	Sales and Services: Outside	Sales and Services: Inter-Segment	Sales and Services: Total	After Tax Profit (Loss)	Assets at December 31, 1999
	(Millions of dollars) (Unaudited)				(Millions of dollars)
Exploration and production					
United States	$ 349	$296	$ 645	$ 38	$ 8,696
International	445	110	555	(18)	5,333
Refining, marketing and distribution					
United States	611	3	614	62	3,714
International	4,546	3	4,549	220	8,542
Global gas and power	960	23	983	6	1,297
Segment totals	$ 6,911	$435	7,346	308	27,582
Other business units			11	(1)	365
Corporate/Non-operating			1	(108)	1,430
Intersegment eliminations			(444)	--	(405)
Consolidated			$6,914	$199	$28,972

Note 4. Inventories

The inventory accounts of Texaco are presented below (in millions of dollars):

	As of March 31, 2000 (Unaudited)	As of December 31, 1999
Crude oil	$ 193	$ 141
Petroleum products and other	1,124	857
Materials and supplies	192	184
Total	$1,509	$1,182

Note 5. Investments in Significant Equity Affiliates

U.S. Downstream Alliances

Summarized unaudited financial information for Equilon, owned 44% by Texaco and 56% by Shell Oil Company, is presented below on a 100% Equilon basis (in millions of dollars):

	For the three months ended March 31, 2000	1999
Gross revenues	$9,957	$5,601
Income (loss) before income taxes	$ (31)	$ 171

The following table presents summarized unaudited financial information for Motiva, in millions of dollars, on a 100% Motiva basis. Motiva is owned by Texaco, Saudi Refining, Inc. (a corporate affiliate of Saudi Aramco) and Shell Oil Company. Under the terms of the Limited Liability Agreement for Motiva, the ownership in Motiva is subject to annual adjustment through year-end 2005, based on the performance of the assets contributed to Motiva. Accordingly, the initial ownership in Motiva was adjusted effective as of January 1, 2000, so that currently, Texaco and Saudi Refining, Inc. each own just under 31% and Shell owns just under 39% of Motiva. These ownership percentages will be effective through year-end 2000. The Agreement provides that a final ownership percentage will be calculated at the end of 2005.

	For the three months ended March 31, 2000	1999
Gross revenues	$4,391	$2,150
Income before income taxes	$ 63	$ 41

We record income tax effects applicable to our share of Equilon's and Motiva's pre-tax results in our consolidated financial statements, since Equilon and Motiva are limited liability companies.

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, 2000	1999
Gross revenues	$4,110	$2,890
Income before income taxes	$ 219	$ 289
Net income	$ 102	$ 203

Note 6. Other Financial Information, Commitments and Contingencies

Information relative to commitments and contingent liabilities of Texaco is presented in Note 15, pages 54-55, of our 1999 Annual Report.

It is impossible for us to determine the ultimate legal and financial liability with respect to contingencies and commitments. However, we do not anticipate that the aggregate amount of such liability in excess of accrued liabilities will be materially important in relation to our consolidated financial position or results of operations.

SUPPLEMENTAL MARKET RISK DISCLOSURES

We are exposed to the following types of market risks:

- The price of crude oil, natural gas and petroleum products
- The value of foreign currencies in relation to the U.S. dollar
- Interest rates

We use derivative financial instruments, such as futures, forwards, options and swaps, in managing these risks. There were no material changes during the first quarter of 2000 in our exposures to loss from possible future changes in the price of crude oil, natural gas and petroleum products, from possible future changes in the value of foreign currencies in relation to the U. S. dollar, or from possible future changes in interest rates.

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

RESULTS OF OPERATIONS

The following table provides a summary of Texaco's net income and income before special items for the first quarter of 2000 and 1999:

	For the three months ended March 31, 2000	1999
	(Millions of dollars, except per share amounts) (Unaudited)	
Income before special items	$ 602	$105
Per share	$1.10	$.18
Net income	$ 574	$199
Per share	$1.05	$.35

Reacting to OPEC production cuts, lower inventory levels and increased demand, crude oil prices more than doubled from a year ago. Increased demand and lower inventory levels pushed U.S. natural gas prices 44 percent higher than last year. Both of these factors significantly increased upstream earnings. Natural gas prices remained strong into the second quarter, while recent OPEC actions to increase production caused crude oil prices to fall, leveling-off in the mid-$20 per-barrel range.

While the higher crude oil prices benefited our upstream operations, for the downstream they meant higher costs which were not fully recovered in the marketplace. As a result, downstream earnings this year were 62 percent below last year's levels. However, with the recent leveling-off of crude oil prices and lower product inventory levels, downstream margins began to improve in the latter part of the quarter, and this trend is expected to continue in the upcoming months.

In the upstream, we are upgrading our portfolio by divesting non-strategic assets while focusing investment on high return, high impact opportunities like our Agbami project in offshore Nigeria, the Malampaya gas project in the Philippines and our Karachaganak project in Kazakhstan. During the first quarter, we received $263 million from the sale of non-core U.S. producing properties and we will have additional upstream property sales in the second quarter. These proceeds will help fund our capital spending program.

Further, we are moving to capture the potential of the "new economy" by investing in a number of e-business ventures including TradeCapture.com, Petrocosm and OceanConnect.com. Coupled with our recently announced technology partnership with Dell Computer, we are well positioned to harness the Internet to capture cost reductions, enhance our existing business and develop new revenue streams. The future execution of these strategies, combined with our continued cost discipline and operational focus, should signal strong results throughout the year and in the new century.

Results for the first quarter of 2000 and 1999 are summarized in the following table. Details on special items are included in the segment analysis which follows this table. The following discussion of operating earnings is presented on an after-tax basis.

	For the three months ended March 31, 2000	1999
	(Millions of dollars) (Unaudited)	
Income before special items	$602	$105
Gains (losses) on major asset sales	(67)	-
Tax issue	46	-
Inventory valuation adjustments	-	83
Employee benefits revision	18	-
Employee separation costs	(12)	-
Litigation issue	(13)	-
Production tax refund	-	11
Special items	(28)	94
Net income	$574	$199

OPERATING RESULTS

Exploration and Production

United States	For the three months ended March 31, 2000	1999
	(Millions of dollars)	
Operating income before special items	$361	$27
Special items	(67)	11
Operating income	$294	$38

U.S. exploration and production earnings for the first quarter of 2000 were significantly greater than last year due to higher crude oil and natural gas prices. Our average realized crude oil price more than doubled to $24.46 per barrel. Our average natural gas price was $2.45 per MCF, 37 percent higher than last year. Natural gas prices strengthened due to increased demand and lower than normal inventory levels.

Daily production for the first quarter of 2000 was 604,000 barrels of oil equivalent per day, eight percent lower than last year. Natural field declines and asset sales caused this expected reduction.

Our operating expenses were eight percent higher for the first quarter due to higher utilities and production taxes, both related to higher crude oil and natural gas prices. Exploratory expenses for the first quarter were $19 million before tax, $35 million lower than last year due to a strategy shift to high impact international opportunities.

Results for the first quarter of 2000 included a special charge of $67 million for net losses on the sales of low-margin producing assets. This charge was comprised of write-downs of assets sold to their sales prices and related disposal costs, partially offset by gains on the sale of certain other assets. The special benefit for 1999 of $11 million was for a production tax refund.

International	For the three months ended March 31, 2000	1999
	(Millions of dollars)	
Operating income (loss)	$293	$(18)

International exploration and production operating results for the first quarter of 2000 were significantly higher than last year due mostly to higher crude oil prices. Crude oil prices rose throughout most of the first quarter, more than doubling versus last year. Our average realized crude oil price this year was $23.32 per barrel, 136 percent higher than last year. Our average natural gas price was $1.48 per MCF, two percent lower than 1999.

Daily production for the first quarter of 2000 was 581,000 barrels of oil equivalent per day, slightly lower than last year. The slight decrease was due to lower lifting entitlements for cost recovery in Indonesia as a result of higher crude oil prices. Excluding Indonesia, production increased in the first quarter. Areas of increase included the Partitioned Neutral Zone and the Karachaganak field in the Republic of Kazakhstan. Additionally, production increased in the U.K. North Sea at the Captain field, which experienced operational problems last year.

Operating expenses were seven percent lower for the first quarter of 2000. Exploratory expenses for the first quarter were $34 million before taxes, $42 million lower than last year which included an unsuccessful exploratory well in a new offshore area of Trinidad.

Refining, Marketing and Distribution

United States	For the three months ended March 31, 2000	1999
	(Millions of dollars)	
Operating income before special items	$13	$54
Special items	5	8
Operating income	$18	$62

U.S. refining, marketing and distribution earnings were lower than last year. We conduct our U.S. downstream activities primarily through Equilon Enterprises LLC, our western alliance with Shell Oil Company, and Motiva Enterprises LLC, our eastern alliance with Shell Oil Company and Saudi Refining, Inc.

Equilon's earnings were lower for the quarter due to increased refinery maintenance and weak marketing margins. During this year's first quarter, Equilon had scheduled and unscheduled maintenance activity at the Wood River, Martinez and Puget Sound refineries. Marketing margins were depressed because pump prices lagged increases in supply costs, lubricant margins were weak and trading results were lower.

Motiva's results for the quarter benefited from improved East and Gulf Coast refining margins. Lower gasoline and distillate inventory levels, combined with a high level of industry refinery maintenance and unscheduled downtime, helped product prices. While marketing margins were negatively impacted by higher spot prices and competitive market conditions, they began to improve during March.

Results for the first quarter of 2000 included net special benefits of $5 million comprised of a benefit of $18 million for an employee benefits revision and a charge of $13 million for a patent litigation issue. Results for the first quarter of 1999 included a special benefit of $8 million due to higher inventory values on March 31, 1999. This follows a fourth-quarter 1998 charge of $34 million to reflect lower prices on December 31, 1998 for inventories of crude oil and refined products.

International	For the three months ended March 31, 2000	1999
	(Millions of dollars)	
Operating income before special items	$63	$145
Special items	(12)	75
Operating income	$51	$220

International refining and marketing earnings for the first quarter of 2000 declined from 1999 levels. The decline was due to operating losses experienced by our Caltex affiliate. Marketing margins suffered in Korea and the Southeast Asian region as a result of high product inventories and aggressive competitor pricing. Refining margins were also weak throughout most of the period.

Operating results for the first quarter of 2000 in Europe improved over last year due to higher refining margins and more efficient refinery operations in the U.K. and the Netherlands. However, lower marketing margins in Europe negatively impacted earnings. In contrast to European results, Latin America experienced lower refining margins, while marketing operations in Latin America improved over last year, as a result of the ongoing economic recovery and currency stabilization in Brazil.

Results for the first quarter of 2000 included special charges of $12 million for employee separation costs. See the section entitled, Reorganizations, Restructurings and Employee Separation Programs on page 14 of this Form 10-Q for additional information. Results for the first quarter of 1999 included a special benefit of $75 million due to higher inventory values at March 31, 1999. This follows a fourth-quarter 1998 charge of $108 million to reflect lower prices on December 31, 1998 for inventories of crude oil and refined products.

Global Gas and Power

	For the three months ended March 31, 2000	1999
	(Millions of dollars)	
Operating income	$ 20	$ 6

Global gas and power earnings for the first quarter of 2000 benefited from the recovery of natural gas liquids prices. Our results for 1999 included gains from several asset sales, including our 50 percent interest in a U.K. retail gas marketing operation and the sale of a U.S. gas gathering pipeline.

Other Business Units

	For the three months ended March 31, 2000	1999
	(Millions of dollars)	
Operating loss	$ --	$ (1)

Our other business units mainly include our insurance operations. There were no significant items in either quarter's results.

CORPORATE/NON-OPERATING

	For the three months ended March 31, 2000	1999
	(Millions of dollars)	
Results before special items	$(148)	$(108)
Special items	46	--
Total Corporate/non-operating	$(102)	$(108)

Corporate and non-operating results for the first quarter of 2000 included expenses for our Olympic sponsorship program and higher other corporate expenses. Results in 1999 benefited from a $21 million gain on the sale of marketable securities.

Results for the first quarter of 2000 included special benefits of $46 million for favorable income tax settlements in the quarter.

LIQUIDITY AND CAPITAL RESOURCES

Our cash, cash equivalents and short-term investments were $638 million at March 31, 2000, compared with $448 million at year-end 1999.

During 2000, strong earnings from our operations provided cash of $1.1 billion. We also had cash inflows of $271 million from assets sales, including $263 million from the sale of non-core U.S. producing properties. We spent $630 million on our capital and exploratory program, paid $278 million in common, preferred and minority interest dividends and used $218 million to reduce debt.

At March 31, 2000, our ratio of total debt to total borrowed and invested capital was 36.1%, compared with 37.5% at year-end 1999. At March 31, 2000, our long-term debt included $2.05 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 2000, we reduced our commercial paper by $669 million, to $430 million at quarter end. In consideration of payment from the swap counterparties, we terminated fixed-pay interest rate swaps having an aggregate notional principal amount of $300 million. We initiated floating-pay interest rate swaps having an aggregate notional principal amount of $530 million in connection with the first quarter issuance of medium-term notes for this amount. A $50 million notional floating-pay swap matured in March. In addition, we reduced other debt obligations by $79 million.

We maintain $2.05 billion in revolving credit facilities to provide liquidity and to support our commercial paper program. We had nothing outstanding at March 31, 2000. As of March 31, 2000, the total dollar amount of securities remaining available for issuance and sale under our "shelf" registration statement is $1,445 million, covering possible future issuances of both debt and equity securities.

On March 20, 2000, we announced the resumption of our $1 billion common stock repurchase program, initially announced in March of 1998. During the last week of the first quarter of 2000, we purchased less than $1 million of common stock under this program. During April 2000, we purchased an additional $45 million of our common stock. This brings our total purchases under this program, including $474 million purchased during 1998, to $520 million. No shares were purchased under this program in 1999. We will continue to repurchase shares of common stock, subject to market conditions, through open market purchases or privately negotiated transactions.

We consider our financial position to be sufficiently strong to meet our anticipated future financial requirements.

REORGANIZATIONS, RESTRUCTURINGS AND EMPLOYEE SEPARATION PROGRAMS

On pages 26 and 27 of our 1999 Annual Report, we discussed our fourth quarter 1998 reorganizations, restructurings and employee separation programs. In 1998, we accrued $115 million ($80 million, net of tax) for employee separations, curtailment costs and special termination benefits. During the second quarter of 1999, we expanded the employee separation programs and recorded an additional provision of $48 million ($31 million, net of tax). Through December 31, 1999, cash payments totaled $124 million and transfers to long-term obligations totaled $12 million. During the first quarter of 2000, we made additional cash payments of $18 million. We will pay the remaining obligations of $9 million in future periods in accordance with plan provisions. Refer to our 1999 Annual Report for a further discussion of these programs.

During the first quarter of 2000, we announced an additional employee separation program for our international downstream, primarily our marketing operations in Brazil and Ireland. We accrued $17 million ($12 million, net of tax) for employee separations, curtailment costs and special termination benefits for about 200 employees. These separation accruals are shown as selling, general and administrative expenses in the Consolidated Statement of Income. Through March 31, 2000, employee reductions totaled 84. The remaining reductions will occur during the second quarter of this year. During the first quarter, we made cash payments of $1 million and transfers to long-term obligations of $8 million. We will pay the remaining obligations of $8 million in future periods in accordance with plan provisions.

CAPITAL AND EXPLORATORY EXPENDITURES

Capital and exploratory expenditures were $724 million for the first quarter of 2000, compared with $669 million for the same period in 1999.

Led by a 60 percent increase in our international segment, total upstream expenditures increased 11 percent as a result of our strategy shift to high margin, high impact projects. This shift includes our continued investment in the Malampaya natural gas project in the Philippines, the Venezuelan Hamaca project and the Karachaganak field in Kazakhstan. In addition to spending on these high impact projects, expenditures for development work continued on the Captain B project in the U.K. North Sea. In the United States, upstream spending decreased by 32 percent due to prior year project completions in the Deepwater Gulf of Mexico.

In the United States downstream, refinery expenditures declined due to the sale of the El Dorado refinery in November of 1999 and the planned sale of the Wood River refinery. This decline is consistent with our strategy of reducing our exposure to the refining business. Internationally, marketing expenditures increased due to the rebranding of service stations recently acquired in the Poland/U.K. asset swap with Shell and additional service station investments in Central America.

Global gas and power continues to invest in cogeneration projects in California and in Indonesia, while spending on natural gas transportation is down due to pipeline project completions in 1999.

FORWARD-LOOKING STATEMENTS
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Portions of the foregoing discussion of RESULTS OF OPERATIONS and REORGANIZATIONS, RESTRUCTURINGS AND EMPLOYEE SEPARATION PROGRAMS contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements are based on our current expectations, estimates and projections. Therefore, they could ultimately prove to be inaccurate. Factors which could affect our expectations for upstream earnings, downstream margins, non-strategic asset sales and investments in e-business ventures are changes in business conditions, such as energy prices, world economic conditions, demand growth, and inventory levels, or if anticipated upstream property sales or the benefits to be realized from investments in e-business ventures are not as projected. The extent and timing of our anticipated cost savings and reorganization programs will depend upon worldwide and industry economic conditions. For a further discussion of additional factors that could cause actual results to materially differ from those in the forward-looking statements, please refer to the section entitled "Forward-Looking Statements and Factors That May Affect Our Business" in our 1999 Annual Report on Form 10-K.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

We have provided information about legal proceedings pending against Texaco in Note 6 to the Consolidated Financial Statements of this Form 10-Q and in Item 3 of our 1999 Annual Report on Form 10-K. Note 6 of this Form 10-Q and Item 3 of our 1999 Form 10-K are incorporated here by reference.

The Securities and Exchange Commission ("SEC") requires us to report proceedings that were instituted or contemplated by governmental authorities against us under laws or regulations relating to the protection of the environment. None of these proceedings is material to our business or financial condition. Following is a brief description of an investigation that could lead to a reportable proceeding.

- The U.S. Department of Justice (DOJ) is conducting an investigation into possible civil or criminal violations at the refinery in Los Angeles formerly owned and operated by Texaco Refining and Marketing Inc. The investigation involves alleged violations of the Clean Water Act, the Clean Air Act, the Emergency Planning and Community Right to Know Act and the False Statements statute, by Texaco Refining and Marketing Inc. and certain of its employees. If an indictment or complaint is filed, the DOJ is expected to seek more than $100,000 in penalties. We are contesting liability.

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

We held our Annual Meeting of Stockholders on April 26, 2000, for the purpose of (1) electing four directors, (2) approving the appointment of auditors for 2000, (3) acting on a stockholder proposal relating to classification of our Board of Directors, and (4) acting on a stockholder proposal relating to a code of conduct on worker rights. The following summarizes the voting results:

Item (1). Stockholders elected A. Charles Baillie, Edmund M. Carpenter, Franklyn G. Jenifer and Thomas A. Vanderslice, each for a three-year term expiring at the 2003 Annual Meeting. The vote for each director was as follows:

Director	Votes For	% of Vote	Votes Withheld
A. Charles Baillie	467,381,657	97.1%	14,129,273
Edmund M. Carpenter	468,345,420	97.3%	13,165,510
Franklyn G. Jenifer	467,855,090	97.2%	13,655,840
Thomas A. Vanderslice	467,909,398	97.2%	13,601,532

Directors continuing in office were Peter I. Bijur, Mary K. Bush, Michael C. Hawley, Sam Nunn, Charles H. Price, II, Charles R. Shoemate, Robin B. Smith and William C. Steere, Jr.

Item (2). The appointment of Arthur Andersen LLP to audit the accounts of the company and its subsidiaries for the fiscal year 2000 was approved.

Votes For (% of shares represented)	Votes Against	Votes Abstained
474,913,977 (98.6%)	4,331,664	2,265,282

Item (3). The stockholder proposal relating to the classification of the Board of Directors was defeated.

Votes For (% of shares represented)	Votes Against	Votes Abstained	Broker Non-Votes
204,549,142 (49.4%)	201,294,665	7,728,385	67,938,738

Item (4). The stockholder proposal relating to a code of conduct on worker rights was defeated.

Votes For (% of shares represented)	Votes Against	Votes Abstained	Broker Non-Votes
50,565,844 (12.2%)	338,831,578	24,110,001	68,003,507

Item 5. Other Information

	For the three months ended March 31, 2000	1999
	(Millions of dollars) (Unaudited)	
CAPITAL AND EXPLORATORY EXPENDITURES		
Exploration and production		
United States	$175	$256
International	353	221
Total	528	477
Refining, marketing and distribution		
United States	65	73
International	100	77
Total	165	150
Global gas and power	28	35
Total operating segments	721	662
Other business units	3	7
Total	$724	$669

	For the three months ended March 31, 2000	1999
	(Unaudited)	
OPERATING DATA		
Exploration and Production		
United States		
Net production of crude oil and natural gas liquids (MBPD)	377	406
Net production of natural gas - available for sale (MMCFPD)	1,361	1,487
Total net production (MBOEPD)	604	654
Natural gas sales (MMCFPD)	3,394	3,579
Average U.S. crude (per bbl)	$24.46	$ 9.11
Average U.S. natural gas (per mcf)	$ 2.45	$ 1.79
Average WTI (Spot) (per bbl)	$28.91	$13.15
Average Kern (Spot) (per bbl)	$22.84	$ 7.65
International		
Net production of crude oil and natural gas liquids (MBPD)		
Europe	144	130
Indonesia	124	180
Partitioned Neutral Zone	135	116
Other	70	67
Total	473	493
Net production of natural gas - available for sale (MMCFPD)		
Europe	289	286
Colombia	208	153
Other	152	111
Total	649	550
Total net production (MBOEPD)	581	585
Natural gas sales (MMCFPD)	685	565
Average International crude (per bbl)	$23.32	$ 9.88
Average International natural gas (per mcf)	$ 1.48	$ 1.51
Average U.K. natural gas (per mcf)	$ 2.63	$ 2.64
Average Colombia natural gas (per mcf)	$ .94	$ .65
Worldwide		
Total worldwide net production (MBOEPD)	1,185	1,239

	For the three months ended March 31, 2000	1999
	(Unaudited)	
OPERATING DATA		
Refining, Marketing and Distribution		
United States		
Refinery input (MBPD)		
Equilon area	277	365
Motiva area	265	302
Total	542	667
Refined product sales (MBPD)		
Equilon area	690	572
Motiva area	341	379
Other operations	292	307
Total	1,323	1,258
International		
Refinery input (MBPD)		
Europe	364	368
Caltex area	346	438
Latin America/West Africa	52	71
Total	762	877
Refined product sales (MBPD)		
Europe	635	638
Caltex area	613	672
Latin America/West Africa	448	479
Other	95	103
Total	1,791	1,892

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

- -- (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, 1999 (including portions of Texaco Inc.'s Annual Report to Stockholders for the year 1999), dated March 24, 2000, incorporated herein by reference, SEC File No. 1-27.

- -- (22) Information relative to the various matters submitted to a vote of security holders are described on pages 9 through 16 of the 2000 Proxy Statement of Texaco Inc., dated March 14, 2000, relating to the Annual Meeting of Stockholders held on April 26, 2000, incorporated herein by reference, SEC File No. 1-27.

- -- (27) Financial Data Schedule (included only in the electronic filing of this document).

b) Reports on Form 8-K:

During the first quarter of 2000, we filed a Current Report on Form 8-K for the following event:

1. January 26, 2000

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

Texaco Inc.
(Registrant)

By: George J. Batavick
(Comptroller)

By: Michael H. Rudy
(Secretary)

Date: May 8, 2000

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, 2000 AND
FOR EACH OF THE FIVE YEARS ENDED DECEMBER 31, 1999

(Millions of dollars)

	For the Three Months Ended March 31, 2000	Years Ended December 31, 1999	1998	1997	1996	1995
Income from continuing operations, before provision or benefit for income taxes and cumulative effect of accounting changes effective 1-1-98 and 1-1-95..........	$ 984	$1,955	$ 892	$3,514	$3,450	$1,201
Dividends from less than 50% owned companies more or (less) than equity in net income................	6	189	--	(11)	(4)	1
Minority interest in net income............................	27	83	56	68	72	54
Previously capitalized interest charged to income during the period................................	4	14	22	25	27	33
Total earnings....................................	1,021	2,241	970	3,596	3,545	1,289
Fixed charges						
Items charged to income						
Interest charges.....................................	147	587	664	528	551	614
Interest factor attributable to operating lease rentals..................................	21	90	120	112	129	110
Preferred stock dividends of subsidiaries guaranteed by Texaco Inc.........................	28	55	33	33	35	36
Total items charged to income......................	196	732	817	673	715	760
Interest capitalized..................................	13	28	26	27	16	28
Interest on ESOP debt guaranteed by Texaco Inc..........	--	--	3	7	10	14
Total fixed charges...............................	209	760	846	707	741	802
Earnings available for payment of fixed charges............ (Total earnings + Total items charged to income)	$1,217	$2,973	$1,787	$4,269	$4,260	$2,049
Ratio of earnings to fixed charges of Texaco on a total enterprise basis.............................	5.82	3.91	2.11	6.04	5.75	2.55

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM TEXACO INC.'S 2000 QUARTERLY REPORT ON FORM 10-Q FOR THE QUARTER ENDED MARCH 31, 2000 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000,000

3-MOS
MAR-31-2000
JAN-1-2000
MAR-31-2000
594
44
4,191
26
1,509
6,621
34,634
19,401
29,415
5,831
6,590
0
300
2,119
9,955
29,415
11,086
11,271
8,630
9,220
992
0
122
937
363
574
0
0
0
574
1.05
1.05