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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15 (d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):
December 24, 1996

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

Delaware (State or other jurisdiction of incorporation)	1-27 (Commission File Number)	74-1383447 (I.R.S. Employer Identification Number)
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2000 Westchester Avenue, White Plains, New York (Address of principal executive offices)	10650 (Zip Code)
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(914) 253-4000

(Registrant's telephone number, including area code)

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Item 5. Other Events

1. On December 24, 1996, the Registrant announced that Huntsman Corporation will purchase the Registrant's propylene oxide/methyl tertiary butyl ether (PO/MTBE) business for approximately \$600 million, primarily cash. The earnings effects of this transaction will not be material in relation to the consolidated financial position or results of operations of the Registrant and its subsidiaries. The cash proceeds from the sale will be used to retire a related lease obligation.

In connection with this matter, on December 24, 1996 the Registrant issued a Press Release entitled "Texaco Sells PO/MTBE Business to Huntsman Corporation," a copy of which is attached hereto as Exhibit 99.1 and made a part hereof.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits

(c) Exhibits

- 99.1 Press Release issued by the Registrant dated December 24, 1996, entitled "Texaco Sells PO/MTBE Business to Huntsman Corporation."

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 hereunto duly authorized.

TEXACO INC.

(Registrant)

By: R. E. KOCH

(Assistant Secretary)

Date: January 6, 1997

TEXACO SELLS PO/MTBE BUSINESS TO HUNTSMAN CORPORATION
FOR RELEASE: TUESDAY, DECEMBER 24, 1996.

WHITE PLAINS, N.Y., Dec. 24 - Texaco Inc. today announced that Huntsman Corporation will purchase Texaco's propylene oxide/methyl tertiary butyl ether (PO/MTBE) business for approximately \$600 million.

The PO/MTBE manufacturing site is located adjacent to Huntsman facilities at Port Neches, Texas. Huntsman has operated the plant for Texaco since it began operations in August, 1994. It has a production capacity of approximately 400 million pounds per year of propylene oxide and approximately 15,000 barrels per day of MTBE.

Texaco Chairman and Chief Executive Officer Peter I. Bijur commented, "This is the last major step in the sale of Texaco's chemical business and is in keeping with our plans to focus on our core oil and gas business. Huntsman Corporation will continue to be both a customer and a supplier to Texaco."

Huntsman Corporation Chairman and Chief Executive Officer Jon M. Huntsman commented, "This acquisition will greatly enhance our product integration and diversification by allowing us to add propylene oxide to our list of core products. It also will make us the nation's second-largest producer of MTBE, with capacity of more than 27,000 barrels per day."

Propylene oxide is a highly versatile petrochemical used in the home furnishings, construction, appliance, packaging, transportation and surfactants industries. Among its many product applications are foams for furniture and automobile seats; pleasure boats; fiberglass tubs and showers; aircraft deicing fluids; dishwasher detergents; and industrial solvents.

MTBE is a gasoline additive and oxygenate that increases octane and causes gasoline to burn more cleanly. Many areas of the country use MTBE, particularly in winter months, to help meet the requirements of the U.S. Clean Air Act.

As part of today's agreement, Huntsman also will acquire Texaco's exclusive, state-of-the-art PO/MTBE manufacturing technology, including the right to license the technology around the world.

Huntsman is a major consumer of propylene oxide for the production of its specialty amines and surfactants. Texaco and Huntsman have negotiated a long-term MTBE supply agreement.

It is anticipated that closing will take place in the first quarter 1997.

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CONTACTS:	Texaco	Paul Weeditz	713-752-6475
	Huntsman	Don Olsen	801-584-5700