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):
July 26, 1999

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

Delaware	1-27	74-1383447
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification Number)

2000 Westchester Avenue, White Plains, New York	10650
(Address of principal executive offices)	(Zip Code)

(914) 253-4000

(Registrant's telephone number, including area code)

Item 5. Other Events

On July 26, 1999, the Registrant issued an Earnings Press Release entitled "Texaco Reports Second Quarter Results," 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 Texaco Inc. dated July 26, 1999, entitled "Texaco Reports Second Quarter Results."

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: July 26, 1999

TEXACO REPORTS SECOND QUARTER RESULTS

FOR IMMEDIATE RELEASE: MONDAY, JULY 26, 1999.

WHITE PLAINS, N.Y.--July 26, 1999--Texaco reported today second quarter 1999 income before special items of $286 million ($.52 per share). This compares with income before special items of $335 million ($.60 per share) for the second quarter of 1998. Net income was $273 million ($.50 per share) for the second quarter of 1999 and $342 million ($.61 per share) for the second quarter of 1998. For the first half of 1999, income before special items was $391 million ($.70 per share), compared with $594 million ($1.06 per share) for last year. Net income was $472 million ($.85 per share) for the first half of 1999 and $576 million ($1.03 per share) for the first half of 1998.

Texaco Chairman and Chief Executive Officer Peter I. Bijur stated, "Texaco's second quarter earnings, while below last year, showed marked improvement over this year's first quarter as we benefited from the recovery in crude oil and natural gas prices. The benchmark price for crude has risen into the $19 to $20 per barrel range signaling higher upstream earnings in the months ahead. Refining margins, however, remain at historically low levels in most areas of the world. A bright spot in our downstream was the solid performance of our Western U.S. operations. Also, Latin American operations continue to grow led by solid earnings in the Caribbean and Central American areas."

Bijur added, "While we maintain our focus on strategic growth opportunities, our accelerated $650 million cost reduction program continues to produce benefits. Expenses per barrel declined nine percent versus a year ago, the U.S. downstream alliances are ahead of schedule in capturing synergy benefits and the cost reduction and restructuring programs by Caltex should enhance its returns as the Asian economies recover."

Bijur also highlighted the following recent successes in Texaco's pursuit of high-impact exploration and production opportunities:

- June start-up production from the Gemini project in the Gulf of Mexico;

- The acquisition of an additional 10 percent equity ownership in the Hamaca heavy oil project in Venezuela, raising the company's ownership share to 30 percent;

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- An agreement with Petrobras, Brazil's national oil company, to become an equity partner in the Campos exploration and the Frade development areas offshore Brazil; and

- A successful bid on three high potential offshore exploration blocks in Brazil's First License Round.

Texaco Inc. (Millions of dollars):	Second Quarter 1999	Second Quarter 1998	First Half 1999	First Half 1998
Income before special items	$286	$335	$391	$594
Inventory valuation adjustments	55	-	138	-
Write-down of assets	(76)	-	(76)	-
Tax issues	54	19	65	19
Gains on major asset sales	21	20	21	20
Reorganization, restructuring and employee separation costs	(67)	(32)	(67)	(32)
	(13)	7	81	7
Cumulative effect of accounting change	-	-	-	(25)
Total special items	(13)	7	81	(18)

Net income	$273	$342	$472	$576

Effective January 1, 1998, Texaco's Caltex affiliate adopted a new accounting standard, SOP 98-5, resulting in a change in accounting for start-up costs at its Thailand refinery. Texaco's first quarter 1998 results included a $25 million charge associated with this accounting change.

Details on special items are included in the following segment information.

OPERATING RESULTS

EXPLORATION AND PRODUCTION

	Second Quarter		First Half	
United States (Millions of dollars):	1999	1998	1999	1998
Operating income before special items	$138	$100	$165	$208
Special items	10	-	21	-
Total operating income	$148	$100	$186	$208

U.S. Exploration and Production earnings in the second quarter of 1999 were above last year's levels mostly due to higher crude oil prices. Prices continued to rise in the second quarter as there was high compliance by OPEC and several non-OPEC countries with previously announced production cutbacks leading to a decline in worldwide inventory levels. Average realized crude oil prices for the second quarter 1999 were $12.80 per barrel, a 40 percent increase over the first quarter and 19 percent above last year. Average natural gas prices were $2.05 per MCF in the second quarter, the same as last year.

Earnings for the first six months of 1999 were below last year due to lower production and depressed natural gas prices during the first quarter. Average natural gas prices were $1.92 per MCF, nine percent below last year. Also, average realized crude oil prices were $10.95 per barrel, three percent below last year.

Production decreased 12 percent for the second quarter and first half of 1999 due to natural field declines and asset sales. Focusing on capital efficiency, Texaco and its operating partners reduced developmental activities such as infill drilling, recompletions and secondary recovery projects, normally undertaken to offset production declines within mature fields.

Expenses were lower for the second quarter and first half of 1999 as a result of cost savings from the restructuring of our worldwide upstream organization. Exploratory expenses for the second quarter and first half of 1999 were $38 million and $92 million before tax, $13 million and $55 million below the same periods of 1998.

Results for the second quarter of 1999 included a special gain of $21 million for the sale of our interest in six California onshore and offshore fields, and a special charge of $11 million for employee separation costs. Results for the first half of 1999 also included a first quarter special benefit of $11 million for a production tax refund.

	Second Quarter		First Half	
International (Millions of dollars):	1999	1998	1999	1998
Operating income before special items	$ 78	$ 61	$ 58	$109
Special items	(2)	-	(2)	-
Total operating income	$ 76	$ 61	$ 56	$109

International Exploration and Production operating results for the second quarter of 1999 were above last year's levels mostly due to higher crude oil prices. Crude oil prices for the second quarter of 1999 continued to rise due to worldwide production cutbacks and inventory declines. Average realized crude oil prices for the second quarter of 1999 were $13.73 per barrel, a 39 percent increase over the prior quarter and 20 percent above last year.

Operating results for the first six months of 1999 were below last year mostly due to higher exploratory expenses. Also, average realized crude oil prices were $11.60 per barrel, slightly lower than last year and average natural gas prices were $1.37 per MCF, 15 percent below last year.

Daily production in the second quarter and first six months of 1999 was flat with last year. During the first half of 1999 production declines from the U.K. North Sea, due to temporary operating problems in the first quarter, and lower gas production in Latin America were offset by increased production in the Partitioned Neutral Zone, Indonesia and Karachaganak. Expenses were lower for the second quarter of 1999 as a result of cost savings from the restructuring of our worldwide upstream organization. Exploratory expenses for the second quarter of 1999 were $42 million before taxes, slightly higher than last year. Exploratory expenses for the first six months of 1999 were $118 million before taxes, $34 million higher than last year due to an unsuccessful first quarter exploratory well in a new offshore area of Trinidad.

Results for the second quarter of 1999 included a special charge of $2 million for employee separation costs.

REFINING, MARKETING AND DISTRIBUTION

	Second Quarter		First Half	
United States (Millions of dollars):	1999	1998	1999	1998
Operating income before special items	$111	$ 96	$166	$143
Special items	(87)	(32)	(79)	(32)
Total operating income	$ 24	$ 64	$ 87	$111

U.S. Refining, Marketing and Distribution earnings before special items were higher than last year for the second quarter and first half of this year. U.S. downstream activities are primarily conducted through Equilon Enterprises LLC, Texaco's western alliance with Shell Oil Company, and Motiva Enterprises LLC, Texaco's eastern alliance with Shell Oil Company and Saudi Refining, Inc.

During the second quarter and first half of 1999, Equilon's earnings benefited from improved West Coast refining and marketing margins, although operational problems at the Puget Sound refinery and scheduled maintenance at the Los Angeles refinery had a negative impact on earnings. Margins on the West Coast remained strong as a result of refinery outages leading to industry supply disruptions.

Motiva continued to experience weak refining margins during the second quarter due to high industry wide inventory levels. These effects were partially offset by higher gasoline volumes.

The second quarter and first half of 1999 also benefited from the realization of synergies for Equilon and Motiva, which included higher utilization of proprietary pipelines, marketing staff and function consolidations, reduced additive costs, and hydrotreater realignment at the Convent refinery.

Results for the second quarter included special charges for asset write-downs on the pending sales of the El Dorado and Wood River refineries for $76 million, and reorganization, restructuring and employee separation costs of $11 million. Results for 1999 also included a first quarter special benefit of $8 million for inventory valuation adjustments to reflect higher prices for crude oil and refined products. The second quarter of 1998 included a special charge of $32 million mainly for alliance employee separation costs.

	Second Quarter		First Half	
International (Millions of dollars):	1999	1998	1999	1998
Operating income before special items	$ 76	$194	$221	$376
Special items	75	-	150	-
Total operating income	$151	$194	$371	$376

International Refining and Marketing results for the second quarter of 1999 declined significantly from 1998. The decline was due to the protracted weakness of international refining margins in both the Caltex and European areas of operation. Results in Latin America declined due to weak economic conditions in Brazil and poor refining margins in Panama.

Results for the first half of 1999 were similarly affected by lower refining margins and intensified competitive pressures. Improved economic conditions in Asia, resulting in higher sales volumes and reduced currency volatility, were more than offset by lower margins in the Caltex region. Results in Latin America and Europe were down due to the economic situation in Brazil and poor refining margins in the U.K., Netherlands and Panama. In the Caribbean and Central American areas, marketing results increased due to lower acquisition costs and increased sales in the industrial sector.

Results for the second quarter 1999 included net special benefits of $75 million. Special items included favorable inventory valuation adjustments of $55 million and a Korean tax benefit of $54 million. Other special items for the quarter included Caltex restructuring charges of $25 million and employee separation costs in Europe and Latin America of $9 million. Additionally, 1999 results included a first quarter special benefit of $75 million for inventory valuation adjustments.

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GLOBAL GAS MARKETING

(Millions of dollars):	Second Quarter 1999	Second Quarter 1998	First Half 1999	First Half 1998
Operating income (loss) before special items	$ 4	$(10)	$ 16	$(19)
Special items	(3)	20	(3)	20
Total operating income	$ 1	$ 10	$ 13	$ 1

Global Gas Marketing operating results for the second quarter of 1999 benefited from the continued improvement of natural gas margins. Results for the first half of 1999 reflected gains on normal asset sales including our interest in a U.K. retail gas marketing operation and the sale of a U.S. gas gathering pipeline.

Results for the second quarter of 1999 included a special charge of $3 million for employee separation costs. The second quarter of 1998 included a special gain of $20 million from the sale of a partial interest in a pipeline.

CORPORATE/NON-OPERATING RESULTS

(Millions of dollars):	Second Quarter 1999	Second Quarter 1998	First Half 1999	First Half 1998
Results before special items	$(122)	$(104)	$(230)	$(223)
Special items	(6)	19	(6)	19
Total corporate/non-operating	$(128)	$ (85)	$(236)	$(204)

Corporate/Non-operating Results for the second quarter and first half of 1999 reflect higher net interest expense due to decreased interest income from investments and higher interest expense due to increased debt. First half results this year included gains on the first quarter sales of marketable securities.

Results for 1999 included a second quarter special charge of $6 million for employee separation costs. Results for 1998 included a second quarter special tax benefit of $19 million attributable to the sale of an interest in a subsidiary.

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CAPITAL AND EXPLORATORY EXPENDITURES

Capital and Exploratory Expenditures were $1,458 million for the first half of 1999 compared with $1,881 million for 1998.

Upstream expenditures in the U.S. for the first six months were significantly below 1998 levels due to reductions and deferrals of exploratory and developmental spending related to market conditions. Continuing areas of focus included platform development in deep water Gulf of Mexico projects and developmental drilling in California.

Internationally, expenditures increased slightly as we raised our ownership interest in the Venezuelan Hamaca project and continued to focus spending for Nigerian lease acquisitions and developmental work in the U.K. North Sea - Captain B field. These increases were offset by decreased spending in Eurasia where a significant investment in the Karachaganak project was made in the first half of 1998. Exploratory expenditures increased due to activity in offshore Trinidad.

Downstream capital expenditures decreased following refinery project completions in the U.S. and the slowing of re-imaging and brand initiatives in the U.S. and Caltex areas of operation. There was also lower spending on a gas pipeline project which incurred peak expenditures in 1998. Other operations showed an increase in spending for Indonesia, California and Philippines cogeneration facilities.

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Listen in live to Texaco's second quarter 1999 earnings discussion with financial analysts on Tuesday, July 27, at 11:30 am EDT at:

http://www.webevents.broadcast.com/texaco/q299earnings

For technical assistance, call Sheila Lujan at 800-366-9831

Note: This press release contains forward-looking statements about our expectations for upstream earnings and downstream margins in 1999. Our actual earnings and margins in 1999 may be different than we currently expect, if business conditions, such as energy prices, world economic conditions, demand growth, and inventory levels, change. For a further discussion of additional factors that could cause actual results to materially differ from those in the forward-looking statement, please refer to the section entitled "Forward-Looking Statements and Factors That May Affect Our Business" in Texaco's 1998 Annual Report on Form 10-K.

Income (loss) (Millions of dollars)	Second Quarter (a) 1999	1998	First Half(a) 1999	1998
Exploration and production				
United States	$ 148	$ 100	$ 186	$ 208
International	76	61	56	109
Total	224	161	242	317
Refining, marketing and distribution				
United States	24	64	87	111
International	151	194	371	376
Total	175	258	458	487
Global gas marketing	1	10	13	1
Total operating segments	400	429	713	805
Other business units	1	(2)	(5)	-
Corporate/Non-operating	(128)	(85)	(236)	(204)
Income before cumulative effect of accounting change	273	342	472	601
Cumulative effect of accounting change (b)	-	-	-	(25)
Net income	$ 273	$ 342	$ 472	$ 576
Net income per common share (dollars) - diluted	$ .50	$ .61	$ .85	$1.03
Average number of common shares outstanding for computation of earnings per share (millions) - diluted	530.2	549.8	529.6	550.6
Provision for income taxes included in net income	$ 122	$ 84	$ 107	$ 224

(a) Includes special items indicated in this release.

(b) Caltex adoption of SOP 98-5 of the AICPA, "Reporting on the Costs of Start-Up Activities".

Other Financial Data (Millions of dollars)	Second Quarter 1999	Second Quarter 1998	First Half 1999	First Half 1998
Revenues	$8,269	$8,044	$15,459	$16,191
Total assets as of June 30			(c)$28,200	$28,795
Stockholders' equity as of June 30			(c)$11,810	$12,515
Total debt as of June 30			(c)$ 7,400	$ 6,970
Capital and exploratory expenditures				
Exploration and production				
United States	$ 207	$ 374	$ 463	$ 816
International	346	261	568	551
Total	553	635	1,031	1,367
Refining, marketing and distribution				
United States	85	95	158	183
International	99	129	176	228
Total	184	224	334	411
Global gas marketing	14	49	25	83
Total operating segments	751	908	1,390	1,861
Other business units	38	6	68	20
Total	$ 789	$ 914	$ 1,458	$ 1,881
Exploratory expenses included above				
United States	$ 38	$ 51	$ 92	$ 147
International	42	39	118	84
Total	$ 80	$ 90	$ 210	$ 231
Dividends paid to common stockholders	$ 237	$ 240	$ 474	$ 479
Dividends per common share (dollars)	$ .45	$ .45	$ .90	$ .90
Dividend requirements for preferred stockholders	$ 10	$ 13	$ 23	$ 27

(c) Preliminary

Operating Data	Second Quarter 1999	Second Quarter 1998	First Half 1999	First Half 1998
Exploration and production				
United States				
Net production of crude oil and natural gas liquids (MBPD)	399	447	404	449
Net production of natural gas available for sale (MMCFPD)	1,479	1,703	1,483	1,721
Total net production (MBOEPD)	646	731	651	736
Natural gas sales (MMCFPD)	3,015	3,934	3,295	3,908
Average U.S. crude (per bbl.)	$12.80	$10.72	$10.95	$11.26
Average U.S. natural gas (per mcf)	$ 2.05	$ 2.05	$ 1.92	$ 2.10
Average WTI (Spot) (per bbl.)	$17.66	$14.62	$15.44	$15.26
Average Kern (Spot) (per bbl.)	$11.26	$ 7.75	$ 9.49	$ 8.31
International				
Net production of crude oil and natural gas liquids (MBPD)				
Europe	143	149	136	154
Indonesia	150	156	165	155
Partitioned Neutral Zone	121	105	119	106
Other	69	67	67	69
Total	483	477	487	484
Net production of natural gas available for sale (MMCFPD)				
Europe	244	245	265	251
Colombia	160	185	157	196
Other	112	112	111	118
Total	516	542	533	565
Total net production (MBOEPD)	569	567	576	578
Natural gas sales (MMCFPD)	549	665	557	721
Average International crude (per bbl.)	$13.73	$11.42	$11.60	$11.68
Average International natural gas (per mcf)	$ 1.23	$ 1.59	$ 1.37	$ 1.61
Average U.K. natural gas (per mcf)	$ 2.17	$ 2.64	$ 2.39	$ 2.64
Average Colombia natural gas (per mcf)	$ .59	$ .92	$ .62	$ .91
Total worldwide net production (MBOEPD)	1,215	1,298	1,227	1,314

Operating Data	Second Quarter 1999	Second Quarter 1998	First Half 1999	First Half 1998
Refining, marketing and distribution				
United States				
Refinery input (MBPD)				
Equilon area	373	396	369	377
Motiva area	313	333	307	323
Total	686	729	676	700
Refined product sales (MBPD)				
Equilon area	741	590	669	561
Motiva area	376	341	378	337
Other	291	234	299	234
Total	1,408	1,165	1,346	1,132
International				
Refinery input (MBPD)				
Europe	368	367	367	371
Caltex area	416	419	427	428
Latin America/West Africa	72	70	73	64
Total	856	856	867	863
Refined product sales (MBPD)				
Europe	601	602	619	582
Caltex area	663	586	667	589
Latin America/West Africa	501	460	489	444
Other	82	56	93	51
Total	1,847	1,704	1,868	1,666