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):
October 21, 1997

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

1. On October 21, 1997, the Registrant issued an Earnings Press Release entitled "Texaco Reports Strong Results: Third Quarter 1997 Earnings Total $490 Million," 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 October 21, 1997, entitled "Texaco Reports Strong Results: Third Quarter 1997 Earnings Total $490 Million."

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: October 21, 1997

EXHIBIT 99.1

TEXACO REPORTS STRONG RESULTS;

THIRD QUARTER 1997 EARNINGS TOTAL $490 MILLION

FOR IMMEDIATE RELEASE: TUESDAY, OCTOBER 21, 1997.

WHITE PLAINS, N.Y., Oct. 21 - Significantly improved downstream results and upstream production gains were key contributors to strong third quarter 1997 earnings, Texaco Chairman and Chief Executive Officer Peter Bijur reported today.

Texaco's total reported net income for the third quarter of 1997 was $490 million, or $.91 per share. Net income for the third quarter of 1996 was $434 million, or $.80 per share. For the first nine months of 1997, total reported net income was $2,041 million, or $3.84 per share, as compared with $1,509 million, or $2.81 per share, for the first nine months of 1996. Per share amounts reflect the two-for-one stock split, effective September 29, 1997. Commenting on the third quarter 1997, Bijur highlighted the following:

- o Net income rose 13 percent to $490 million.
- o Worldwide production rose three percent.
- o Branded gasoline sales in the U. S. increased six percent.
- o Quarterly dividend increased six percent to $.45 per share.
- o Year-to-date capital and exploratory expenditures grew 34 percent to $3.0 billion.

Bijur further stated, "The solid third quarter performance reflects the momentum we are building at Texaco. Downstream earnings significantly improved in the third quarter this year. Increased refinery throughput and higher gasoline sales volumes complimented higher margins. Upstream earnings for the third quarter were below last year due to the impacts of lower crude prices and higher exploratory activities. However, these factors were partially offset by higher production in the Partitioned Neutral Zone, the addition of production from the U.K. Captain field and higher U.S. natural gas prices."

Bijur also pointed to two major upstream initiatives announced during the third quarter which demonstrate Texaco's commitment to enhance shareholder value. "We continue our efforts to strengthen our competitive position in the global energy market. We acquired a 20 percent interest in the giant Karachaganak field in Kazakstan and announced plans to acquire the California heavy oil producer, Monterey Resources, Inc. Each will add significantly to our growing worldwide production and reserve base." He also stated, "Our two-for-one stock split and the six percent quarterly common stock dividend increase are further evidence of our continued confidence in our ability to grow earnings and cash flow."

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Bijur concluded, "We launched our `Texaco. A World of Energy' advertising campaign that will capitalize on the relentless drive, commitment and creativity of Texaco employees. This campaign and our new eight year sponsorship of the U.S. Olympic team will strengthen our efforts to position Texaco as a world-class, global energy company."

For the first nine months of 1997, net income before special items was $1,422 million, or $2.65 per share, as compared with $1,285 million, or $2.38 per share, for the first nine months of 1996.

	Third Quarter		Nine Months	
Texaco Inc. (Millions):	1997	1996	1997	1996
Net income before special items	$490	$434	$1,422	$1,285
Gains on major asset sales	-	-	174	224
Financial reserves for various issues	-	-	(43)	-
Tax issues	-	-	488	-
	-	-	619	224
Total reported net income	$490	$434	$2,041	$1,509

The following functional analysis includes details on special items.

ANALYSIS OF OPERATING EARNINGS
EXPLORATION AND PRODUCTION

UNITED STATES (Millions):	Third Quarter 1997	Third Quarter 1996	Nine Months 1997	Nine Months 1996
Operating earnings before special items	$232	$ 262	$775	$ 772
Special items	-	-	(43)	-
Total operating net income	$232	$262	$732	$772

In the U.S. upstream, third quarter 1997 earnings were below last year's level as the benefits of higher natural gas prices could not offset lower crude oil prices and higher operating expenses associated with increased activities. Average realized crude oil and natural gas prices for the third quarter of 1997 were $16.56 per barrel and $2.13 per thousand cubic feet (MCF); $1.37 per barrel lower and $.11 per MCF higher than 1996. Ample worldwide supply levels led to the weaker crude oil prices.

Earnings before special items for nine months of 1997 were slightly above 1996. Higher realized commodity prices offset lower gas trading results and higher expenses associated with increased operating and exploratory activities. Average realized crude oil and natural gas prices for nine months of 1997 were $17.71 per barrel and $2.28 per MCF; $.47 per barrel and $.20 per MCF higher than 1996. Production gains from new and existing fields, particularly in the Gulf of Mexico and Louisiana, offset declines from maturing fields.

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Results for 1997 included a second quarter special charge of $43 million for the establishment of financial reserves for royalty and severance tax issues.

INTERNATIONAL (Millions):	Third Quarter 1997	Third Quarter 1996	Nine Months 1997	Nine Months 1996
Operating earnings before special items	$103	$132	$338	$365
Special items	-	-	161	-
Total operating net income	$103	$132	$499	$365

In the international upstream, third quarter and nine months 1997 earnings before special items were below 1996 levels. Improved production only partly offset the cost of Texaco's expanded exploration programs, lower gas trading results in the U.K. and lower crude prices. Average realized crude oil prices were $16.88 per barrel for the third quarter and $17.79 per barrel for the nine months 1997; $2.55 and $.85 per barrel below 1996 prices.

Production in 1997 increased 10 percent over last year. New production from the Captain field in the U.K. North Sea and record production in the Partitioned Neutral Zone contributed to the increase. Also, new activities coming onstream late in 1996 in the Bagre field offshore Angola and in the Danish North Sea led to higher liquids production this year. Natural gas production in 1997 benefited from a full nine months of operations at the Dolphin field in Trinidad and from the Chuchupa "B" field in Colombia.

Results for the third quarter and nine months of 1997 included noncash currency benefits of $13 million and $26 million, due to the weakening of the Pound Sterling versus the U.S. dollar relating to deferred income taxes, compared to minimal charges in 1996.

Results for 1997 included second quarter special gains of $161 million from the sales of a 15 percent interest in the Captain field in the U.K. North Sea, an interest in Canadian gas properties and an interest in an Australian pipeline system.

MANUFACTURING, MARKETING AND DISTRIBUTION

UNITED STATES (Millions):	Third Quarter 1997	Third Quarter 1996	Nine Months 1997	Nine Months 1996
Operating earnings before special items	$132	$94	$225	$242
Special items	-	-	13	-
Total operating net income	$132	$94	$238	$242

In the U.S. downstream, strong gasoline demand bolstered third quarter 1997 margins. Gulf Coast sour crude cracking margins also were higher in the third quarter of 1997, maintaining the strength shown throughout the year. Improved refinery operations and higher gasoline sales volumes also benefited 1997 results.

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During the first nine months of 1997, Gulf Coast sour crude cracking margins were higher than last year. However, weaker West Coast margins in the first half of the year contributed to the lower earnings for the nine months of 1997 versus the same period in 1996. Last year, regional refining problems and new California gasoline formulation requirements caused a supply disruption resulting in margin increases that peaked in the second quarter of 1996. In 1997, competitive pressures and increased costs dampened West Coast margins; however, third quarter margin increases resulted in a modest recovery. Additionally, the impact of refinery fires late in 1996 and early 1997 at the Los Angeles, California, refinery resulted in property damage and processing unit downtime in the first quarter of 1997. Lower crude oil trading margins and clean-up costs from the May pipeline break in Lake Barre, Louisiana, also contributed to the decline in 1997 earnings.

Results for 1997 included a second quarter special gain of $13 million from the sale of credit card operations.

	Third Quarter		Nine Months	
INTERNATIONAL (Millions):	1997	1996	1997	1996
Operating earnings before special items	$134	$37	$370	$209
Special items	-	-	-	224
Total operating net income	$134	$37	$370	$433

In the international downstream, the strong 1997 earnings before special items reflected higher manufacturing and marketing results. The refining segment experienced improved margins and lower expenses. Improved U.K. marketing results reflected a recovery from significantly depressed 1996 margins. Increased sales volumes and stronger marketing margins in Latin America also contributed to the higher earnings. Lower results in Scandinavia, primarily from competitive pressures in the Norwegian marketplace, partly offset these improvements.

In the Caltex area of operations, third quarter and nine months 1997 benefited from higher earnings in Korea through improved petrochemical results, refining margins and higher refined product sales. Currency devaluations, notably in Thailand, Malaysia and the Philippines, have caused an erosion in third quarter marketing margins due to the inability to fully recover feedstock costs. Prices are being raised to restore margins as quickly as market forces and regulations permit. In the third quarter, favorable balance sheet currency translations caused by the devaluations more than offset related product margin declines.

Results for 1996 included a second quarter special gain of $224 million for Caltex's sale of its interest in a Japanese affiliate, including the tax on the portion of the sale proceeds distributed to the shareholders.

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CORPORATE/NONOPERATING RESULTS

(Millions):	Third Quarter 1997	Third Quarter 1996	Nine Months 1997	Nine Months 1996
Results before special items	$(114)	$(97)	$(302)	$(314)
Special items	-	-	488	-
Total corporate/nonoperating	$(114)	$(97)	$ 186	$(314)

During the third quarter 1997, corporate expenses increased with the introduction of the new advertising campaign.

Comparative nine months 1997 results benefited from reduced interest expense due to lower debt levels and slightly lower interest rates. Additionally, 1997 included higher gains on sales of marketable securities held for investment by insurance operations.

Results for nine months 1997 included a first quarter special benefit of $488 million associated with the "Aramco Advantage" U.S. tax case.

CAPITAL AND EXPLORATORY EXPENDITURES

Capital and exploratory expenditures, including equity in such expenditures of affiliates, were $3,023 million for the first nine months of 1997, as compared to $2,252 million for the same period of 1996.

Increased U.S. exploration and production expenditures in 1997 reflected the continued focus on strategic projects both onshore and offshore, especially in the deepwater Gulf of Mexico. Platform construction and development drilling is underway in the Petronius and Arnold fields while delineation drilling continues in the Fuji and Gemini prospects. Additionally, enhanced oil recovery efforts in California and drilling and development programs in the traditional offshore shelf area and onshore increased investments. Construction continued during the third quarter on a jointly-owned natural gas pipeline and processing complex in the Gulf Coast area.

Internationally, exploration and production expenditures in 1997 were 30 percent higher than last year. During the third quarter 1997, Texaco acquired a 20 percent interest in Kazakstan's giant Karachaganak oil and gas field. One of the largest oil and gas fields in the world, the Karachaganak field holds huge quantities of recoverable reserves. Development work in Indonesia continued, including expenditures for enhanced oil recovery installations. In the U.K., North Sea activities in the Galley and Mariner fields moved forward while work in the Erskine field neared completion with start-up production expected shortly. Exploration activities expanded with significant spending in China, Indonesia and Nigeria.

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Downstream expenditures outside the U.S. showed a significant increase in marketing investments for facilities and service station reimaging throughout the Asia-Pacific area by Texaco's affiliate, Caltex Petroleum Corporation. Marketing investments throughout Latin America also increased as compared to 1996.

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Additional Texaco information is available on the World Wide Web at: http://www.texaco.com

	Third Quarter 1997	Third Quarter 1996	Nine Months 1997(a)	Nine Months 1996(a)
FUNCTIONAL NET INCOME ($000,000)				
Operating Earnings				
Petroleum and natural gas				
Exploration and production				
United States	$ 232	$ 262	$ 732	$ 772
International	103	132	499	365
Total	335	394	1,231	1,137
Manufacturing, marketing and distribution				
United States	132	94	238	242
International	134	37	370	433
Total	266	131	608	675
Total petroleum and natural gas	601	525	1,839	1,812
Nonpetroleum	3	6	16	11
Total operating earnings	604	531	1,855	1,823
Corporate/Nonoperating	(114)	(97)	186	(314)
Total net income	$ 490	$ 434	$2,041	$1,509
Net income per common share (dollars)(b)	$ .91	$ .80	$ 3.84	$ 2.81
Average number of common shares outstanding for computation of earnings per share (000,000)(b)	520.7	521.5	520.4	521.5
Provision for income taxes included in total net income above	$ 270	$ 348	$ 411	$ 968

(a) Includes special items as detailed in this release.
(b) Reflects two-for-one stock split effective 9/29/97.

OTHER FINANCIAL DATA ($000,000)	Third Quarter 1997	Third Quarter 1996	Nine Months 1997	Nine Months 1996
Revenues	$11,093	$11,097	$34,618	$32,629
Total assets as of September 30			$26,815	$25,696
Stockholders' equity as of September 30			$11,617	$10,236
Total debt as of September 30			$ 5,637	$ 5,628
Capital and exploratory expenditures (includes equity in affiliates)				
Exploration and production				
United States	$ 491	$ 273	$ 1,272	$ 894
International	444	312	990	762
Total	935	585	2,262	1,656
Manufacturing, marketing and distribution				
United States	94	78	246	234
International	178	144	486	345
Total	272	222	732	579
Other	18	8	29	17
Total	$ 1,225	$ 815	$ 3,023	$ 2,252
Texaco Inc. and subsidiary companies				
Exploratory expenses included above:				
United States	$ 46	$ 45	$ 122	$ 112
International	68	39	184	131
Total	$ 114	$ 84	$ 306	$ 243
Dividends paid to common stockholders	$ 235	$ 222	$ 676	$ 638
Dividends per common share (dollars)(b)	$ .45	$ .425	$ 1.30	$ 1.225
Dividend requirements for preferred stockholders	$ 14	$ 14	$ 42	$ 43

(b) Reflects two-for-one stock split effective 9/29/97.

CONDENSED CONSOLIDATED BALANCE SHEET ($000,000)

	As Of September 30, 1997 (Unaudited)	As Of December 31, 1996
ASSETS		
Current Assets		
Cash and cash equivalents	$ 451	$ 511
Other current assets	5,867	7,154
Total current assets	6,318	7,665
Investments and Advances	5,439	4,996
Net Properties, Plant and Equipment	14,093	13,411
Deferred Charges	965	891
Total	$26,815	$26,963
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Short-term debt	$ 521	$ 465
Other current liabilities	5,023	5,719
Total current liabilities	5,544	6,184
Long-Term Debt and Capital Lease Obligations	5,116	5,125
Deferred Income Taxes	808	795
Other Noncurrent Liabilities	3,081	3,829
Minority Interest in Subsidiary Companies	649	658
Stockholders' Equity	11,617	10,372
Total	$26,815	$26,963

OPERATING DATA - INCLUDING INTERESTS IN AFFILIATES	Third Quarter 1997	Third Quarter 1996	Nine Months 1997	Nine Months 1996
Exploration and Production				
United States				
Net production of crude oil and natural gas liquids (000 BPD)	391	393	387	388
Net production of natural gas - available for sale (000 MCFPD)	1,722	1,708	1,686	1,680
Total net production (000 BOEPD)	678	678	668	668
Natural gas sales (000 MCFPD)	3,312	3,059	3,570	3,100
Natural gas liquids sales (including purchased LPGs) (000 BPD)	189	191	189	208
Average U.S. crude (per bbl.)	$16.56	$17.93	$17.71	$17.24
Average U.S. natural gas (per mcf)	$ 2.13	$ 2.02	$ 2.28	$ 2.08
Average WTI (Spot) (per bbl.)	$19.78	$22.41	$20.83	$21.30
Average Kern (Spot) (per bbl.)	$14.30	$14.41	$14.81	$14.92
International				
Net production of crude oil and natural gas liquids (000 BPD)				
Europe	118	115	116	115
Indonesia	150	146	148	143
Partitioned Neutral Zone	97	79	94	75
Other	64	65	67	62
Total	429	405	425	395
Net production of natural gas - available for sale (000 MCFPD)				
Europe	176	162	197	182
Colombia	190	124	168	117
Other	79	77	88	66
Total	445	363	453	365
Total net production (000 BOEPD)	503	466	501	456
Natural gas sales (000 MCFPD)	536	450	562	456
Natural gas liquids sales (including purchased LPGs) (000 BPD)	107	74	98	95
Average International crude (per bbl.)	$16.88	$19.43	$17.79	$18.64
Average U.K. natural gas (per mcf)	$ 2.55	$ 2.55	$ 2.68	$ 2.56
Average Colombia natural gas (per mcf)	$ .95	$ .97	$ 1.04	$ .94

OPERATING DATA - INCLUDING INTERESTS IN AFFILIATES	Third Quarter 1997	Third Quarter 1996	Nine Months 1997	Nine Months 1996
Manufacturing, Marketing and Distribution				
United States				
Refinery input (000 BPD)				
Subsidiary	420	417	415	405
Affiliate - Star Enterprise	339	325	334	320
Total	759	742	749	725
Refined product sales (000 BPD)				
Gasolines	525	515	511	499
Avjets	103	122	95	127
Middle Distillates	222	217	217	214
Residuals	102	70	82	65
Other	109	132	115	133
Total	1,061	1,056	1,020	1,038
International				
Refinery input (000 BPD)				
Europe	329	334	337	336
Affiliate - Caltex	379	340	400	368
Latin America/West Africa	60	68	59	64
Total	768	742	796	768
Refined product sales (000 BPD)				
Europe	508	496	496	481
Affiliate - Caltex	545	555	564	602
Latin America/West Africa	440	408	408	397
Other	66	39	62	61
Total	1,559	1,498	1,530	1,541