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 22, 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 July 22, 1997, the Registrant issued an Earnings Press Release entitled "Texaco Reports Strong Results - Second Quarter 1997 Earnings Total $571 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 July 22, 1997, entitled "Texaco Reports Strong Results - Second Quarter 1997 Earnings Total $571 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: July 22, 1997

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(8KJUL22)

EXHIBIT 99.1

TEXACO REPORTS STRONG RESULTS;
SECOND QUARTER 1997 EARNINGS TOTAL $571 MILLION

FOR IMMEDIATE RELEASE: TUESDAY, JULY 22, 1997.

WHITE PLAINS, N.Y., July 22 - Volume growth in both the upstream and downstream and a continuing commitment to manage per barrel operating expenses were key drivers of Texaco's strong second quarter performance Chairman and Chief Executive Officer Peter I. Bijur reported today. However, he added, abundant supplies of crude oil and products have put downward pressure on commodity prices and downstream margins.

Texaco's total reported net income for the second quarter of 1997 was $571 million, or $2.14 per share. The quarter included special items amounting to a net gain of $131 million. Net income for the second quarter of 1996, which included special items amounting to a net gain of $224 million, was $689 million, or $2.59 per share. For the first half of 1997, total reported net income was $1,551 million, or $5.86 per share, as compared with $1,075 million, or $4.01 per share for the first half of 1996. In commenting on 1997 second quarter results, Bijur highlighted the following:

- Net income before special items totaled $440 million.
- Worldwide daily production rose four percent.
- Branded gasoline sales in the U. S. increased two percent.
- Year-to-date capital and exploratory expenditures grew 25 percent to $1.8 billion.
- Expenses per barrel continued to be managed at levels below inflation.

Bijur further stated, "In the upstream, the successful push to increase production, especially in the United Kingdom and Partitioned Neutral Zone, is key to our results. But, while production rose in this year's second quarter, unanticipated start-up problems slowed expected production in the U.K. Captain Field. Overall, earnings for this year's second quarter were slightly below last year. Commodity prices this year were lower, and we increased exploratory spending focused on expanding our reserve base. International downstream results were higher this year. Earnings grew in Latin America and margins in Europe improved over depressed 1996 levels. However, in the U. S. downstream, 1997 results were significantly lower. A surplus of refined products, especially on the West Coast, and lackluster demand in the marketplace drove prices downward, negating the effects of improved refining operations and higher gasoline sales volumes.

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"In this year's second quarter, increased capital and exploratory spending accompanied our announcements of natural gas discoveries in Oklahoma and New Mexico, government approval of our Hamaca heavy oil project in Venezuela, the completion of a significant geothermal well in Indonesia and expansions of our natural gas liquids and refined products pipeline systems. Also, negotiations with Shell continued to combine major elements of our U. S. downstream operations," Bijur said.

Net income before special items for the second quarter of 1997 was $440 million, or $1.64 per share, as compared with $465 million, or $1.73 per share, for the second quarter of 1996. For the first half of 1997, net income before special items was $932 million, or $3.48 per share, as compared with $851 million, or $3.15 per share, for the first half of 1996.

Texaco Inc. (Millions):	Second Quarter 1997	Second Quarter 1996	First Half 1997	First Half 1996
Net income before special items	$440	$465	$ 932	$ 851
Gains on major asset sales	174	224	174	224
Financial reserves for various issues	(43)	-	(43)	-
U. S. tax issue	-	-	488	-
	131	224	619	224
Total reported net income	$571	$689	$1,551	$1,075

Details on special items are included in the following functional analysis.

ANALYSIS OF OPERATING EARNINGS
EXPLORATION AND PRODUCTION

UNITED STATES (Millions):	Second Quarter 1997	Second Quarter 1996	First Half 1997	First Half 1996
Operating earnings before special items	$ 232	$ 243	$ 543	$ 510
Special items	(43)	-	(43)	-
Total operating net income	$ 189	$ 243	$ 500	$ 510

In the U.S. upstream, lower commodity prices caused second quarter 1997 earnings to be below last year's level. Excess supplies in the global market led to the price declines. Average realized crude oil and natural gas prices for the second quarter of 1997 were $16.95 per barrel and $2.02 per thousand cubic feet (MCF), $.35 per barrel and $.05 per MCF lower than the same period last year.

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Earnings for the first half of 1997 were six percent above 1996. The effects of higher commodity prices in the first quarter significantly exceeded the second quarter price declines. Lower gas trading results and higher exploratory activity, mostly in the Gulf of Mexico, partly negated the impact of higher prices.

Liquids and natural gas production in 1997 was maintained at prior-year levels. Continued success in enhancing liquids production from existing fields, particularly in the Gulf of Mexico and Louisiana, offset declines from maturing fields.

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

	Second Quarter		First Half	
INTERNATIONAL (Millions):	1997	1996	1997	1996
Operating earnings before special items	$ 79	$ 103	$ 235	$ 233
Special items	161	-	161	-
Total operating net income	$ 240	$ 103	$ 396	$ 233

In the international upstream, higher production had a favorable impact on 1997 results. Total daily production in 1997 increased 11 percent over last year. New production from the Captain Field in the U.K. North Sea contributed to the increase. Also, new activities coming onstream late in 1996 in the Wafra field in the Partitioned Neutral Zone between Saudi Arabia and Kuwait, in the Bagre Field offshore Angola and in the Danish North Sea led to higher liquids production. Natural gas production in 1997 benefited from a full six months operations at the Dolphin Field in Trinidad and from the Chuchupa "B" Field in Colombia. Crude oil prices were lower in 1997. Average crude oil prices were $16.91 per barrel for the second quarter, $1.50 per barrel below comparative 1996 prices.

Significantly higher activity levels associated with Texaco's aggressive exploration program contributed to lower overall results for the second quarter of 1997. Additionally, earnings for 1997 included lower gas trading results in the U.K.

The second quarter of 1997 included 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):	Second Quarter 1997	Second Quarter 1996	First Half 1997	First Half 1996
Operating earnings before special items	$ 87	$ 144	$ 93	$ 148
Special items	13	-	13	-
Total operating net income	$ 100	$ 144	$ 106	$ 148

In the U. S. downstream, weak West Coast margins caused lower earnings in the second quarter and first half of 1997. West Coast product prices were higher in 1996 from shortages caused by regional refining problems and new California gasoline formulation requirements. Throughout the first half of 1997 branded gasoline sales volumes increased; however, surplus supplies led to a squeeze on West Coast gasoline margins. Additionally, while refinery operations improved this year, refinery upsets in late 1996 and early 1997 caused higher repair costs and lower product yields in the first quarter of 1997. Lower crude oil trading margins, clean up costs associated with the Lake Barre, Louisiana, pipeline break and the absence of earnings from a PO/MTBE business sold on March 1, 1997, also lowered 1997 results. Partially offsetting these negative factors were improved Gulf Coast sour crude cracking margins.

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

INTERNATIONAL (Millions):	Second Quarter 1997	Second Quarter 1996	First Half 1997	First Half 1996
Operating earnings before special items	$ 132	$ 80	$ 236	$ 172
Special items	-	224	-	224
Total operating net income	$ 132	$ 304	$ 236	$ 396

In the international downstream, both second quarter and first half 1997 operating earnings were higher. Improved refining margins in the U.K. and Panama drove earnings upward this year. In addition, expense control at all refineries coupled with improved marketing margins and increased sales volumes in Latin America and the U.K. contributed to the higher earnings. Competitive pressures in the Norwegian marketplace led to lower results in Scandinavia.

Lower results in the Caltex area of operations partially offset the improved earnings in Latin America and Europe. Higher operating earnings in Korea were more than offset by currency impacts attributable to the South African Rand, and operational difficulties at the Thailand refinery that adversely affected product yields.

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Results for 1996 included a 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.

CORPORATE/NONOPERATING RESULTS

(Millions):	Second Quarter 1997	Second Quarter 1996	First Half 1997	First Half 1996
Results before special items	$ (91)	$(108)	$(188)	$(217)
Special items	-	-	488	-
Total corporate/nonoperating	$ (91)	$(108)	$ 300	$(217)

Reduced interest expense due to lower debt levels and slightly lower interest rates led to a comparative improvement in second quarter and first half 1997 results. Additionally, these results included higher gains on sales of marketable securities held for investment by insurance operations.

Results for the first half of 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 $1,798 million for the first half of 1997, as compared to $1,437 million for the same period of 1996. Expenditures for the second quarter of 1997 amounted to $999 million versus $796 million for the second quarter of 1996.

Texaco's continued focus on high impact projects in the U.S. upstream, both onshore and offshore, generated increased exploration and development expenditures in the first half of 1997. In the deepwater Gulf of Mexico, platform construction and development drilling continued in the Arnold and Petronius fields while delineation drilling is underway in the Fuji and Gemini prospects. Aggressive drilling and development programs in the traditional offshore shelf area and onshore, as well as enhanced oil recovery efforts in California also increased investments. Construction continued during the second quarter on a jointly owned natural gas pipeline and processing complex in the Gulf Coast area. There was, however, reduced spending this year on lease acquisitions compared to significant expenditures in 1996.

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Internationally, upstream investments for the first half of 1997 exceeded the aggressive activity level of 1996. Higher expenditures reflected development work in the U.K. North Sea, principally for continuing activities in the Mariner and Galley fields. Exploration and development activities continued in China and Indonesia.

Downstream expenditures in the U.S. declined slightly in 1997. While spending for refinery upgrades and marketing investment decreased, construction continued on a major crude oil pipeline that will service new deepwater and subsalt production in the Gulf of Mexico.

Internationally, downstream spending increased due to marketing investments and initiatives in the Asia-Pacific area by Texaco's affiliate, Caltex Petroleum Corporation, principally in Hong Kong. Texaco also continued to invest in selected Latin American growth markets.

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

FUNCTIONAL NET INCOME ($000,000)	Second Quarter 1997	Second Quarter 1996	First Half 1997	First Half 1996
Operating Earnings				
Petroleum and natural gas				
Exploration and production (a)				
United States	$ 189	$ 243	$ 500	$ 510
International	240	103	396	233
Total	429	346	896	743
Manufacturing, marketing and distribution (a)				
United States	100	144	106	148
International	132	304	236	396
Total	232	448	342	544
Total petroleum and natural gas	661	794	1,238	1,287
Nonpetroleum	1	3	13	5
Total operating earnings	662	797	1,251	1,292
Corporate/Nonoperating (a)	(91)	(108)	300	(217)
Total net income (b)	$ 571	$ 689	$ 1,551	$ 1,075
Net income per common share (dollars)	$ 2.14	$ 2.59	$ 5.86	$ 4.01
Average number of common shares outstanding for computation of earnings per share (000,000)	260.1	260.8	260.1	260.7

(a) Includes special items as detailed in news release.
(b) Includes provision for income taxes ($000,000): $ 335 (Second Quarter 1997), $ 342 (Second Quarter 1996), $ 141 (First Half 1997), $ 620 (First Half 1996)

OTHER FINANCIAL DATA ($000,000)	Second Quarter 1997	Second Quarter 1996	First Half 1997	First Half 1996
Revenues	$11,496	$11,261	$23,525	$21,532
Total assets as of June 30			$27,134	$25,241
Stockholders' equity as of June 30			$11,415	$10,026
Total debt as of June 30			$ 5,539	$ 5,525
Capital and exploratory expenditures (includes equity in affiliates)				
Exploration and production				
United States	$ 429	$ 355	$ 781	$ 621
International	264	243	546	450
Total	693	598	1,327	1,071
Manufacturing, marketing and distribution				
United States	92	79	152	156
International	207	114	308	201
Total	299	193	460	357
Other	7	5	11	9
Total	$ 999	$ 796	$ 1,798	$ 1,437
Texaco Inc. and subsidiary companies				
Exploratory expenses included above:				
United States	$ 34	$ 44	$ 76	$ 67
International	59	46	116	92
Total	$ 93	$ 90	$ 192	$ 159
Dividends paid to common stockholders	$ 220	$ 208	$ 441	$ 416
Dividends per common share (dollars)	$ .85	$ .80	$ 1.70	$ 1.60
Dividend requirements for preferred stockholders	$ 14	$ 14	$ 28	$ 29

CONDENSED CONSOLIDATED BALANCE SHEET ($000,000)	As Of June 30, 1997 (Unaudited)	As Of December 31, 1996
ASSETS		
Current Assets		
Cash and cash equivalents	$ 657	$ 511
Other current assets	6,491	7,154
Total current assets	7,148	7,665
Investments and Advances	5,438	4,996
Net Properties, Plant and Equipment	13,584	13,411
Deferred Charges	964	891
Total	$27,134	$26,963
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Short-term debt	$ 472	$ 465
Other current liabilities	5,052	5,719
Total current liabilities	5,524	6,184
Long-Term Debt and Capital Lease Obligations	5,067	5,125
Deferred Income Taxes	809	795
Other Noncurrent Liabilities	3,663	3,829
Minority Interest in Subsidiary Companies	656	658
Stockholders' Equity	11,415	10,372
Total	$27,134	$26,963

OPERATING DATA - INCLUDING INTERESTS IN AFFILIATES	Second Quarter 1997	Second Quarter 1996	First Half 1997	First Half 1996
Exploration and Production				
United States				
Net production of crude oil and natural gas liquids (000 BPD)	385	391	385	387
Net production of natural gas - available for sale (000 MCFPD)	1,677	1,685	1,666	1,666
Total net production (000 BOEPD)	665	672	663	665
Natural gas sales (000 MCFPD)	3,561	3,007	3,700	3,120
Natural gas liquids sales (including purchased LPGs) (000 BPD)	172	188	188	216
Average U.S. crude (per bbl.)	$16.95	$17.30	$18.29	$16.90
Average U.S. natural gas (per mcf)	$ 2.02	$ 2.07	$ 2.36	$ 2.11
Average WTI (Spot) (per bbl.)	$19.97	$21.73	$21.38	$20.74
Average Kern (Spot) (per bbl.)	$14.11	$15.46	$15.07	$15.18
International				
Net production of crude oil and natural gas liquids (000 BPD)				
Europe	118	110	116	115
Indonesia	153	144	147	140
Partitioned Neutral Zone	94	75	92	74
Other	68	60	67	60
Total	433	389	422	389
Net production of natural gas - available for sale (000 MCFPD)				
Europe	172	180	207	192
Colombia	173	111	156	113
Other	83	66	93	60
Total	428	357	456	365
Total net production (000 BOEPD)	504	449	498	450
Natural gas sales (000 MCFPD)	528	442	574	459
Natural gas liquids sales (including purchased LPGs) (000 BPD)	104	95	93	106
Average International crude (per bbl.)	$16.91	$18.41	$18.22	$18.25
Average U.K. natural gas (per mcf)	$ 2.59	$ 2.48	$ 2.73	$ 2.56
Average Colombia natural gas (per mcf)	$ 1.12	$ .92	$ 1.09	$ .93

OPERATING DATA - INCLUDING INTERESTS IN AFFILIATES	Second Quarter 1997	Second Quarter 1996	First Half 1997	First Half 1996
Manufacturing, Marketing and Distribution				
United States				
Refinery input (000 BPD)				
Subsidiary	418	403	413	399
Affiliate - Star Enterprise	328	318	332	317
Total	746	721	745	716
Refined product sales (000 BPD)				
Gasolines	512	507	505	491
Avjets	94	127	92	129
Middle Distillates	216	205	215	212
Residuals	59	62	72	62
Other	117	133	119	133
Total	998	1,034	1,003	1,027
International				
Refinery input (000 BPD)				
Europe	335	340	341	337
Affiliate - Caltex	414	266	411	383
Latin America/West Africa	55	66	59	62
Total	804	672	811	782
Refined product sales (000 BPD)				
Europe	494	467	495	473
Affiliate - Caltex	561	539	574	626
Latin America/West Africa	406	396	391	391
Other	74	73	55	74
Total	1,535	1,475	1,515	1,564