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):
January 24, 2001

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
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On January 24, 2001, the Registrant issued an Earnings Press Release entitled "Texaco Reports Fourth Quarter and Year 2000 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
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(c) Exhibits

99.1 Press Release issued by Texaco Inc. dated January 24, 2001, entitled "Texaco Reports Fourth Quarter and Year 2000 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: /s/ MICHAEL H. RUDY

(Secretary)

Date: January 24, 2001

EXHIBIT 99.1

TEXACO REPORTS FOURTH QUARTER AND YEAR 2000 RESULTS

FOR IMMEDIATE RELEASE: WEDNESDAY, JANUARY 24, 2001.

WHITE PLAINS, N.Y., January 24 -- Texaco reported today fourth quarter 2000 income before special items of $840 million ($1.55 per share). Net income for the period was $545 million ($1.00 per share).

EARNINGS SUMMARY

	Fourth Quarter 2000	Fourth Quarter 1999	Year 2000	Year 1999
Income before special items (millions)	$ 840	$ 370	$2,898	$1,214
Per share	$ 1.55	$ .67	$ 5.31	$ 2.21
Net income (millions)	$ 545	$ 318	$2,542	$1,177
Per share	$ 1.00	$ .58	$ 4.65	$ 2.14

Chairman and Chief Executive Officer Peter I. Bijur commented, "We had an outstanding quarter and an outstanding year as we achieved record earnings. Strong worldwide crude oil and U.S. natural gas prices contributed greatly to our upstream results. Operationally, we met our production targets in the fourth quarter and ended the year with new production from the Captain B field development and the return to full production at the Erskine field, both in the U.K. North Sea. We also continued to improve our upstream portfolio by concluding the sales of non-strategic assets and by acquiring coalbed methane gas assets through our recent acquisition of EnerVest San Juan.

"Downstream performance worldwide continued to be adversely affected by high and volatile crude oil prices. Although refining margins were generally strong due to tight supply and demand balances, marketing margins throughout the world remained under intense pressure as high product acquisition costs could not be fully recovered in the marketplace.

"We ended the year in excellent financial shape and are confident we can continue to deliver solid results."

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Commenting on Texaco's proposed merger with Chevron, Bijur added, "The integration teams continue to make good progress toward the goal of completing the merger in the mid-year time frame and positioning the new company, ChevronTexaco, as one of the world's largest and most competitive energy companies."

Texaco Inc. (Millions of dollars):	Fourth Quarter 2000	Fourth Quarter 1999	Year 2000	Year 1999
Income before special items	$ 840	$ 370	$2,898	$1,214
Net losses on major asset sales	(17)	(3)	(94)	(62)
Tax issues	50	41	96	106
Tax benefits on asset sales	70	40	70	40
Inventory valuation adjustments	-	-	-	152
Write-downs of assets	(272)	(81)	(272)	(157)
Environmental, litigation and royalty issues	(116)	(42)	(138)	(42)
Reorganization, restructuring, employee related and other costs	-	(7)	(8)	(74)
Merger costs	(10)	-	(10)	-
Special items	(295)	(52)	(356)	(37)

Net income	$ 545	$ 318	$2,542	$1,177

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

OPERATING RESULTS

EXPLORATION AND PRODUCTION

United States (Millions of dollars):	Fourth Quarter 2000	Fourth Quarter 1999	Year 2000	Year 1999
Operating income before special items	$ 547	$ 243	$1,788	$ 666
Special items	(155)	(35)	(270)	(14)
Total operating income	$ 392	$ 208	$1,518	$ 652

U.S. Exploration and Production earnings for this year's fourth quarter and full year were significantly higher than last year due to higher crude oil and natural gas prices. During the fourth quarter the spot price of WTI averaged $31.96 per barrel, peaking at $36.22 per barrel in November. Prices declined toward year-end amid signs of accumulating oil inventories and uncertainty regarding

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the future course of OPEC production. Texaco's realized crude oil prices for the fourth quarter and year 2000 were $27.24 and $26.00 per barrel, 33 percent and 77 percent higher than last year.

Continuing concerns over low U.S. natural gas storage levels and strong weather-driven demand helped push U.S. natural gas prices to record levels with the spot price of gas at the Henry Hub peaking at $10.53 per thousand cubic feet (MCF) in December. For the fourth quarter and year 2000, Texaco's average realized natural gas prices were $5.18 and $3.69 per MCF, 113 percent and 69 percent above last year.

Daily production decreased 12 percent for the fourth quarter and ten percent for the year. Half of this expected reduction was due to the sale of non-core producing properties and the balance of the decrease was due to natural field declines partly offset by new production.

Operating expenses increased three percent for the fourth quarter and seven percent for the year as higher crude oil and natural gas prices led to significantly higher utilities expenses and production taxes. Exploratory expenses for the fourth quarter were $50 million before tax, $80 million lower than last year. Exploratory expenses for the year 2000 were $120 million before tax, $114 million below last year.

Special charges for 2000 of $270 million included $129 million of net losses on the sale of non-core producing properties, including $14 million in the fourth quarter. The fourth quarter also included special charges of $126 million for write-downs of assets and $15 million for crude oil and gas royalty settlements.

The year 1999 included net special charges of $14 million comprised of an $11 million charge for employee separation costs, a $30 million charge for a crude oil royalty settlement, an $18 million gain on asset sales in California and a $9 million production tax refund. Special charges of $35 million in the fourth quarter included the above referenced crude oil royalty settlement.

	Fourth Quarter		Year	
International (Millions of dollars):	2000	1999	2000	1999
Operating income before special items	$ 271	$ 195	$1,058	$ 386
Special items	(43)	(24)	19	(26)
Total operating income	$ 228	$ 171	$1,077	$ 360

International Exploration and Production operating results for the fourth quarter and year 2000 were considerably higher than last year due mostly to higher crude oil prices and lower expenses.

Market conditions kept crude oil prices strong throughout the fourth quarter and year 2000. Our realized crude oil prices for the fourth quarter and year 2000 were $25.51 and $24.83 per barrel, 24 percent and 63 percent higher than last year. Average natural gas prices were $1.81 per MCF for the fourth quarter and $1.58 per MCF for the year, 39 percent and 18 percent above last year.

Daily production decreased 12 percent for the fourth quarter and seven percent for the year. The sale of non-core producing properties caused 70 percent of this decrease in the fourth quarter and 40 percent of the decrease for the year. Other factors contributing to the production decrease were maintenance and repairs in our U.K. North Sea operations and lower lifting entitlements for cost recovery in Indonesia as a result of higher crude oil prices. Partly offsetting these decreases were production in the Partitioned Neutral Zone and the Karachaganak field in the Republic of Kazakhstan which continue to be above last year's levels. Also, first production from the second phase (Area B) of the Captain field in the U.K. North Sea began late in December. Our share of total production is expected to rise to a rate of 72,000 barrels per day during 2001. Additionally, the Erskine field in the U. K. resumed production in December after being shut in for most of the year to replace a pipeline.

Operating expenses decreased 15 percent for the fourth quarter and seven percent for the year 2000 in line with production declines. Exploratory expenses for the fourth quarter were $89 million before tax, comparable with last year's level. Exploratory expenses for the year 2000 were $238 million before tax, $29 million lower than last year.

Special benefits in 2000 of $19 million included $76 million for net gains on the sale of non-core producing properties and $14 million for net losses resulting from the Erskine pipeline interruption in the U.K. North Sea recorded earlier in the year. In addition to these, in the fourth quarter we recorded gains of $14 million for asset sales, charges of $37 million for prior years' tax adjustments and a $20 million charge for an asset write-down.

Results for 1999 included special charges of $26 million, including $24 million in the fourth quarter for prior years' tax issues in the U.K.

REFINING, MARKETING AND DISTRIBUTION

	Fourth Quarter		Year	
United States (Millions of dollars):	2000	1999	2000	1999
Operating income before special items	$ 68	$ 4	$ 243	$ 287
Special items	(50)	-	(85)	(79)
Total operating income	$ 18	$ 4	$ 158	$ 208

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U.S. Refining, Marketing and Distribution earnings before special items were higher than last year for the fourth quarter, but lower for the year.

Fourth quarter earnings for Equilon improved due to substantially higher refining margins. However, results for the year declined due to depressed marketing margins as pump prices lagged increases in supply costs in a very competitive market. Weak lubricant margins as a result of higher base oil costs also negatively impacted earnings. Maintenance activity at the Puget Sound, Martinez and Wood River refineries adversely impacted results for both years.

Compared to last year, Motiva's results benefited from improved East and Gulf Coast refining margins stemming from tight supplies due to increased demand, industry refinery downtime and unusually cold weather. Maintenance activities this year at the Delaware City and Port Arthur refineries adversely impacted results.

Results for 2000 included special charges of $85 million, of which $50 million were recorded in the fourth quarter. In the fourth quarter, $17 million in additional losses were recorded for the Wood River refinery and marketing asset sales along with charges of $10 million for asset write-downs and $23 million for environmental and litigation issues. Recorded earlier in the year were special charges of $31 million for the sale of the Wood River refinery, as well as charges of $22 million for environmental and litigation issues and benefits of $18 million for an employee benefit revision.

The year 1999 included special charges of $76 million for losses on refinery asset sales and $11 million for reorganization, restructuring and employee separation costs and a special benefit of $8 million for inventory valuation adjustments.

	Fourth Quarter		Year	
International (Millions of dollars):	2000	1999	2000	1999
Operating income before special items	$ 58	$ 45	$ 272	$ 338
Special items	(117)	(52)	(129)	32
Total operating income (loss)	$ (59)	$ (7)	$ 143	$ 370

International Refining and Marketing earnings before special items for the fourth quarter of 2000 increased from last year. Refining results improved dramatically in Europe and in the Caltex area from higher margins in the U.K., Netherlands and Asia, but decreased in Latin America due to increased crude costs. Rising utility expenses negatively impacted refining results in all areas. Marketing results declined from lower margins in the Caltex area, Europe and Latin America.

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Results for the year 2000 declined due to weak marketing margins from increased costs and highly competitive market conditions in the Caltex region, Latin America, and Europe. Lower volumes impacted results in most areas with the exception of Europe where market share in the U.K. increased. Refining results were mixed as European and Asian margins improved, while the inability to fully recover increased crude costs negatively impacted refining margins in Latin America. Rising utility costs negatively impacted refining results in all areas.

For the fourth quarter of 2000, special charges of $117 million included $112 million for the write-down of assets, mainly at the Panama Refinery and $5 million for environmental issues. Results for 2000 also included a first quarter charge of $12 million for employee separation costs.

Results for the fourth quarter of 1999 included special charges of $23 million for asset write-downs in Caltex and Europe, $22 million in prior year tax charges and $7 million for Caltex restructuring. Results for 1999 also included special benefits of $144 million for inventory valuation adjustments and $54 million for a Korean tax revaluation. Additionally, 1999 included $80 million for our share of Caltex's loss on the sale of its equity interest in Koa Oil, plus restructuring, reorganization and employee separation costs of $34 million.

GLOBAL GAS AND POWER

	Fourth Quarter		Year	
(Millions of dollars):	2000	1999	2000	1999
Operating income before special items	$ 17	$ 5	$ 50	$ 21
Special items	-	(32)	-	(35)
Total operating income (loss)	$ 17	$ (27)	$ 50	$ (14)

Operating results for 2000 benefited from improved natural gas liquids and natural gas margins. Results for 1999 included gains from several asset sales, including a gas gathering pipeline in the U.S. and our 50 percent interest in a U.K. retail gas-marketing venture.

Results for 1999 included a special charge of $32 million in the fourth quarter for gas plant write-downs and employee separation costs of $3 million recorded earlier in the year.

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CORPORATE/NON-OPERATING RESULTS

(Millions of dollars):	Fourth Quarter 2000	Fourth Quarter 1999	Year 2000	Year 1999
Results before special items	$ (116)	$ (122)	$ (502)	$ (481)
Special items	70	91	109	85
Total corporate/non-operating	$ (46)	$ (31)	$ (393)	$ (396)

Corporate and non-operating results for the fourth quarter and year 2000 included lower net interest and tax expenses and higher corporate expenses. The increase in corporate expenses included spending for our Olympic sponsorship program and increased incentive compensation for employees associated with the higher level of earnings. Results for 1999 benefited from a gain on the sale of marketable securities earlier in the year.

Results for the fourth quarter of 2000 included net special benefits of $70 million. These included $87 million of favorable prior years' income tax adjustments and tax benefits of $70 million on the sale of an interest in a subsidiary. Also, recorded in the fourth quarter were charges of $73 million for environmental and litigation issues, $4 million for asset write-downs and $10 million for costs associated with the proposed merger with Chevron. Results for the full year also included a special benefit of $46 million for favorable income tax settlements and a special charge of $7 million for early extinguishment of debt associated with the sale of a U.K. North Sea offshore producing facility.

Results for 1999 included net special benefits of $85 million. Recorded in the fourth quarter were $89 million of favorable prior years' income tax adjustments and tax benefits of $40 million attributable to the sale of an interest in a subsidiary. Other fourth quarter items included charges of $26 million for asset write-downs and $12 million for environmental issues. A $6 million charge for employee separation costs was recorded earlier in the year.

CAPITAL AND EXPLORATORY EXPENDITURES

Capital and exploratory expenditures were $4,234 million for the year 2000, compared with $3,893 million for 1999.

Total upstream expenditures increased by 12 percent as we continued to focus on high impact projects. In the United States spending increased 21 percent. Contributing to this increase was the fourth quarter acquisition of EnerVest San Juan Acquisition Limited Partnership whose assets consist

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entirely of coalbed methane gas properties located in the San Juan Basin of southwestern Colorado and northwestern New Mexico. In addition, drilling and workover expenditures in 2000 were focused in the Central, Gulf and Permian regions while 1999 spending was concentrated in the deepwater Gulf of Mexico. Internationally, investment continued in the Malampaya natural gas project in the Philippines and the Karachaganak field in Kazakhstan. In addition to these projects, we completed spending on our development of the Captain B project in the U.K. North Sea which began production in December and continued development work in offshore Nigeria deepwater and China.

Expenditures for Global Gas and Power increased more than 19 percent in 2000. Contributing to this increase was the purchase of a 20 percent investment in Energy Conversion Devices, Inc. and the development of a power project in Thailand.

In the United States downstream, expenditures were slightly higher due to increased spending on marketing initiatives. In the international segment, expenditures decreased due to the completion of a project at the Pembroke refinery last year and lower spending in the U.K. marketing and Latin America segments in 2000.

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Listen in live to Texaco's fourth quarter 2000 earnings discussion with financial analysts on Wednesday, January 24th at 11:30 am EST at:

http://www.webevents.broadcast.com/texaco/q400earnings

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

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Income (loss) (Millions of dollars)	Fourth Quarter (a) 2000	Fourth Quarter (a) 1999	Year (a) 2000	Year (a) 1999
Exploration and production				
United States	$ 392	$ 208	$1,518	$ 652
International	228	171	1,077	360
Total	620	379	2,595	1,012
Refining, marketing and distribution				
United States	18	4	158	208
International	(59)	(7)	143	370
Total	(41)	(3)	301	578
Global gas and power	17	(27)	50	(14)
Total operating segments	596	349	2,946	1,576
Other business units	(5)	-	(11)	(3)
Corporate/Non-operating	(46)	(31)	(393)	(396)
Net income	$ 545	$ 318	$2,542	$1,177
Net income per common share (dollars) - diluted	$1.00	$ .58	$ 4.65	$ 2.14
Average number of common shares outstanding for computation of earnings per share (millions) - diluted	542.6	546.4	544.0	537.9
Provision for income taxes included in net income	$ 287	$ 109	$1,676	$ 602

(a) Includes special items indicated in this release.

Other Financial Data (Millions of dollars)	Fourth Quarter 2000	Fourth Quarter 1999	Year 2000	Year 1999
Revenues	$14,431	$10,555	$51,130	$35,691
Total assets as of December 31			$30,900(b)	$28,972
Stockholders' equity as of December 31			$13,440(b)	$12,042
Total debt as of December 31			$ 7,200(b)	$ 7,647
Capital and exploratory expenditures				
Exploration and production				
United States	$ 427	$ 276	$ 1,088	$ 900
International	606	958	1,967	1,823
Total	1,033	1,234	3,055	2,723
Refining, marketing and distribution				
United States	157	136	405	379
International	145	193	380	487
Total	302	329	785	866
Global gas and power	81	150	333	279
Total operating segments	1,416	1,713	4,173	3,868
Other business units	15	3	61	25
Total	$ 1,431	$ 1,716	$ 4,234	$ 3,893
Exploratory expenses included above				
United States	$ 50	$ 130	$ 120	$ 234
International	89	89	238	267
Total	$ 139	$ 219	$ 358	$ 501
Dividends paid to common stockholders	$ 243	$ 245	$ 976	$ 964
Dividends per common share (dollars)	$ .45	$ .45	$ 1.80	$ 1.80
Dividend requirements for preferred stockholders	$ 4	$ 3	$ 15	$ 29

b) Preliminary

Operating Data	Fourth Quarter 2000	Fourth Quarter 1999	Year 2000	Year 1999
Exploration and production				
United States				
Net production of crude oil and natural gas liquids (MBPD)	342	381	356	395
Net production of natural gas available for sale (MMCFPD)	1,259	1,468	1,310	1,462
Total net production (MBOEPD)	552	626	574	639
Natural gas sales (MMCFPD)	4,142	3,635	3,854	3,373
Average U.S. crude (per bbl.)	$27.24	$20.50	$26.00	$14.70
Average U.S. natural gas (per mcf)	$ 5.18	$ 2.43	$ 3.69	$ 2.18
Average WTI (Spot) (per bbl.)	$31.96	$24.55	$30.37	$19.31
Average Kern (Spot) (per bbl.)	$23.91	$18.98	$24.10	$13.35
International				
Net production of crude oil and natural gas liquids (MBPD)				
Europe	112	161	120	147
Indonesia	122	138	122	152
Partitioned Neutral Zone	147	132	139	124
Other	55	72	63	67
Total	436	503	444	490
Net production of natural gas available for sale (MMCFPD)				
Europe	206	269	217	263
Colombia	196	183	194	165
Other	153	126	146	109
Total	555	578	557	537
Total net production (MBOEPD)	529	599	537	579
Natural gas sales (MMCFPD)	582	616	586	567
Average International crude (per bbl.)	$25.51	$20.57	$24.83	$15.23
Average International natural gas (per mcf)	$ 1.81	$ 1.30	$ 1.58	$ 1.34
Average U.K. natural gas (per mcf)	$ 3.31	$ 2.29	$ 2.59	$ 2.35
Average Colombia natural gas (per mcf)	$ 1.33	$ .74	$ 1.18	$ .67
Total worldwide net production (MBOEPD)	1,081	1,225	1,111	1,218

Operating Data	Fourth Quarter 2000	Fourth Quarter 1999	Year 2000	Year 1999
Refining, marketing and distribution				
United States				
Refinery input (MBPD)				
Equilon area	204	367	246	374
Motiva area	289	267	278	297
Total	493	634	524	671
Refined product sales (MBPD)				
Equilon area	676	650	688	682
Motiva area	365	383	361	377
Other	378	263	324	288
Total	1,419	1,296	1,373	1,347
International				
Refinery input (MBPD)				
Europe	393	346	374	353
Caltex area	369	355	356	397
Latin America/West Africa	72	69	64	70
Total	834	770	794	820
Refined product sales (MBPD)				
Europe	657	622	636	606
Caltex area	540	633	540	614
Latin America/West Africa	521	515	484	493
Other	99	32	92	76
Total	1,817	1,802	1,752	1,789