United States

Securities and Exchange Commission

Washington, D.C. 20549

Form 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

For the quarterly period ended September 30, 1999   Commission file number 1-27

Texaco Inc.
(Exact name of the registrant as specified in its charter)

Delaware	74-1383447
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
2000 Westchester Avenue White Plains, New York	10650
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (914) 253-4000

Texaco Inc. (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days.

As of October 29, 1999, there were outstanding 553,059,992 shares of Texaco Inc. Common Stock - par value $3.125.

PART I - FINANCIAL INFORMATION

TEXACO INC.
STATEMENT OF CONSOLIDATED INCOME
FOR THE NINE AND THREE MONTHS ENDED SEPTEMBER 30, 1999 AND 1998

(Millions of dollars, except as noted)

	(Unaudited)			
	For the nine months ended September 30,		For the three months ended September 30,	
	1999	1998	1999	1998
REVENUES				
Sales and services	$24,502	$23,132	$ 9,472	$ 7,481
Equity in income of affiliates, interest, asset sales and other	634	766	205	226
	25,136	23,898	9,677	7,707
DEDUCTIONS				
Purchases and other costs	19,254	17,922	7,448	5,836
Operating expenses	1,653	1,818	544	593
Selling, general and administrative expenses	871	862	270	290
Exploratory expenses	282	324	72	93
Depreciation, depletion and amortization	1,082	1,172	356	409
Interest expense	369	355	124	121
Taxes other than income taxes	211	328	63	103
Minority interest	62	43	27	13
	23,784	22,824	8,904	7,458
Income before income taxes and cumulative effect of accounting change	1,352	1,074	773	249

Provision for income taxes	493	258	386	34
Income before cumulative effect of accounting change	859	816	387	215
Cumulative effect of accounting change	-	(25)	-	-
NET INCOME	$ 859	$ 791	$ 387	$ 215
Preferred stock dividend requirements	$ 26	$ 40	$ 3	$ 13
Net income available for common stock	$ 833	$ 751	$ 384	$ 202
Per common share (dollars)				
Basic net income	$ 1.56	$ 1.42	$ 0.71	$ 0.38
Diluted net income	$ 1.56	$ 1.42	$ 0.71	$ 0.38
Cash dividends paid	$ 1.35	$ 1.35	$ 0.45	$ 0.45
Average shares outstanding for computation of earnings per share (thousands)				
Basic	532,534	529,433	543,671	525,836
Diluted	535,208	548,575	546,343	526,382

See accompanying notes to consolidated financial statements.

TEXACO INC.
CONSOLIDATED BALANCE SHEET
AS OF SEPTEMBER 30, 1999 AND DECEMBER 31, 1998

(Millions of dollars)

	September 30, 1999 (Unaudited)	December 31, 1998
ASSETS		
Current Assets		
Cash and cash equivalents	$ 193	$ 249
Short-term investments - at fair value	26	22
Accounts and notes receivable, less allowance for doubtful accounts of $27 million in 1999 and $28 million in 1998	4,150	3,955
Inventories	1,380	1,154
Deferred income taxes and other current assets	224	256
Total current assets	5,973	5,636
Investments and Advances	6,773	7,184
Properties, Plant and Equipment - at cost	35,870	35,494
Less - accumulated depreciation, depletion and amortization	20,875	20,733
Net properties, plant and equipment	14,995	14,761
Deferred Charges	1,037	989
Total	$28,778	$28,570
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Short-term debt	$ 665	$ 939
Accounts payable and accrued liabilities		
Trade liabilities	2,643	2,302
Accrued liabilities	1,003	1,368
Estimated income and other taxes	883	655
Total current liabilities	5,194	5,264
Long-Term Debt and Capital Lease Obligations	6,626	6,352
Deferred Income Taxes	1,556	1,644
Employee Retirement Benefits	1,251	1,248
Deferred Credits and Other Noncurrent Liabilities	1,480	1,550
Minority Interest in Subsidiary Companies	711	679
Total	16,818	16,737
Stockholders' Equity		
Market Auction Preferred Shares	300	300
ESOP Convertible Preferred Stock	-	428
Unearned employee compensation and benefit plan trust	(332)	(334)
Common stock (authorized: 700,000,000 shares, $3.125 par value; 567,576,504 shares issued in 1999; 567,606,290 shares issued in 1998)	1,774	1,774
Paid-in capital in excess of par value	1,304	1,640
Retained earnings	9,677	9,561
Other accumulated nonowner changes in equity		
Currency translation adjustment	(97)	(107)
Minimum pension liability adjustment	(24)	(24)
Unrealized net gain on investments	3	30
Total other accumulated nonowner changes in equity	(118)	(101)
	12,605	13,268
Less - Common stock held in treasury, at cost	645	1,435
Total stockholders' equity	11,960	11,833
Total	$28,778	$28,570

See accompanying notes to consolidated financial statements.

TEXACO INC.
CONDENSED STATEMENT OF CONSOLIDATED CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1999 AND 1998

(Millions of dollars)

	(Unaudited) For the nine months ended September 30, 1999	1998
OPERATING ACTIVITIES		
Net income	$ 859	$ 791
Reconciliation to net cash provided by (used in) operating activities		
Cumulative effect of accounting change	-	25
Depreciation, depletion and amortization	1,082	1,172
Deferred income taxes	3	(36)
Exploratory expenses	282	324
Minority interest in net income	62	43
Dividends from affiliates, greater (less) than equity in income	25	(30)
Gains on asset sales	(70)	(61)
Changes in working capital	(290)	(164)
Other - net	(66)	14
Net cash provided by operating activities	1,887	2,078
INVESTING ACTIVITIES		
Capital and exploratory expenditures	(1,729)	(2,226)
Proceeds from asset sales	306	130
Purchases of investment instruments	(406)	(809)
Sales/maturities of investment instruments	685	806
Collection of note/formation payments from U.S. affiliate	101	612
Other - net	(23)	25
Net cash used in investing activities	(1,066)	(1,462)
FINANCING ACTIVITIES		
Borrowings having original terms in excess of three months		
Proceeds	2,086	1,028
Repayments	(763)	(493)
Net increase (decrease) in other borrowings	(1,395)	166
Purchases of common stock	-	(579)
Dividends paid to the company's stockholders		
Common	(719)	(716)
Preferred	(26)	(31)
Dividends paid to minority stockholders	(31)	(45)
Net cash used in financing activities	(848)	(670)
CASH AND CASH EQUIVALENTS		
Effect of exchange rate changes	(29)	(7)
Decrease during period	(56)	(61)
Beginning of year	249	311
End of period	$ 193	$ 250

See accompanying notes to consolidated financial statements.

TEXACO INC.
CONDENSED STATEMENT OF CONSOLIDATED NONOWNER CHANGES IN EQUITY
FOR THE NINE AND THREE MONTHS ENDED SEPTEMBER 30,1999 AND 1998

(Millions of dollars)

	(Unaudited)			
	For the nine months ended September 30,		For the three months ended September 30,	
	1999	1998	1999	1998
Net income	$ 859	$ 791	$ 387	$ 215
Other nonowner changes in equity (net of tax)				
Currency translation adjustment	10	(2)	10	-
Minimum pension liability adjustment	-	2	-	-
Unrealized net gain (loss) on investments	(27)	2	(5)	(5)
	(17)	2	5	(5)
Total nonowner changes in equity	$ 842	$ 793	$ 392	$ 210

TEXACO INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Segment Information

	For the nine months ended September 30,							
	1999				1998			
	Sales and Services				Sales and Services			
	Outside	Inter-Segment	Total	After Tax Profit (Loss)	Outside	Inter-Segment	Total	After Tax Profit (Loss)
	(Millions of dollars) (Unaudited)							
Exploration and production								
United States	$ 1,434	$1,100	$ 2,534	$ 444	$ 1,330	$1,293	$ 2,623	$ 301
International	1,770	605	2,375	189	1,518	467	1,985	166
Refining, marketing and distribution								
United States	2,461	12	2,473	204	1,982	100	2,082	233
International	15,761	137	15,898	377	14,700	74	14,774	414
Global gas and power	3,068	82	3,150	13	3,555	68	3,623	(9)
Segment totals	$24,494	$1,936	26,430	1,227	$23,085	$2,002	25,087	1,105
Other business units			27	(3)			73	(1)
Corporate/Non-operating			5	(365)			3	(288)
Intersegment eliminations			(1,960)	--			(2,031)	--
Consolidated, before cumulative effect of accounting change			$24,502	$ 859			$23,132	$ 816

	For the three months ended September 30,							
	1999				1998			
	Sales and Services			After Tax	Sales and Services			After Tax
	Outside	Inter-Segment	Total	Profit (Loss)	Outside	Inter-Segment	Total	Profit (Loss)
	(Millions of dollars) (Unaudited)							
Exploration and production								
United States	$ 608	$434	$ 1,042	$258	$ 404	$388	$ 792	$ 93
International	748	307	1,055	129	491	170	661	53
Refining, marketing and distribution								
United States	1,021	5	1,026	118	624	22	646	124
International	5,905	63	5,968	6	4,817	48	4,865	38
Global gas and power	1,189	35	1,224	6	1,125	24	1,149	(8)
Segment totals	$9,471	$844	10,315	517	$7,461	$652	8,113	300
Other business units			7	(1)			29	(1)
Corporate/Non-operating			1	(129)			1	(84)
Intersegment eliminations			(851)	--			(662)	--
Consolidated			$ 9,472	$387			$7,481	$215

	Assets as of	
	September 30, 1999	December 31, 1998
	(Unaudited) (Millions of dollars)	
Exploration and production		
United States	$ 8,871	$ 8,699
International	4,600	4,349
Refining, marketing and distribution		
United States	3,780	4,095
International	8,829	8,210
Global gas and power	1,314	1,088
Segment totals	27,394	26,441
Other business units	388	384
Corporate/Non-operating	1,264	1,945
Intersegment eliminations	(268)	(200)
Consolidated	$28,778	$28,570

During the third quarter of 1999, responsibility for the global gas marketing segment and our cogeneration, gasification, hydrocarbons-to-liquids and fuel cell technology units was combined under a single senior executive, creating the Global Gas and Power segment. Prior period information has been restated to reflect this change.

Note 2. Inventories

The inventory accounts of Texaco are presented below (in millions of dollars):

	As of	
	September 30, 1999	December 31, 1998
	(Unaudited)	
Crude oil	$ 260	$ 116
Petroleum products and petrochemicals	887	799
Other merchandise	46	40
Materials and supplies	187	199
Total	$1,380	$1,154

Note 3. Redemption of Series B and Series F ESOP Convertible Preferred Stock

On June 30, 1999, after having called the Series B ESOP Convertible Preferred Stock for redemption, each share of Series B was converted into 25.736 shares, or 15.1 million shares in total, of Common Stock of Texaco Inc.

On February 16, 1999, after having called the Series F ESOP Convertible Preferred Stock for redemption, each share of Series F was converted into 20 shares, or 1.1 million shares in total, of Common Stock of Texaco Inc.

These noncash financing activities for the first nine months of 1999 resulted in reductions of $391 million in preferred stock outstanding and $308 million in paid-in capital. This was offset by a $699 million reduction in the cost of shares held in treasury.

Note 4. Other Financial Information, Commitments and Contingencies

Information relative to commitments and contingent liabilities of Texaco is presented in Note 16, pages 67 and 68, of our 1998 Annual Report and in Note 4, pages 5 and 6, of our first quarter, 1999 Form 10-Q.

It is impossible for us to ascertain the ultimate legal and financial liability with respect to contingencies and commitments. However, we do not anticipate that the aggregate amount of such liability in excess of accrued liabilities will be materially important in relation to our consolidated financial position or results of operations.

Note 5. Investments in Significant Equity Affiliates

U.S. Downstream Alliances

Summarized unaudited financial information for Equilon, formed January 1, 1998 and jointly owned 44% by Texaco and 56% by Shell Oil Company, is presented below on a 100% Equilon basis (in millions of dollars):

	For the nine months ended September 30,		For the three months ended September 30,	
	1999	1998	1999	1998
Gross revenues	$19,955	$18,195	$8,501	$6,100
Income before income taxes	$ 378	$ 542	$ 330	$ 232

Summarized unaudited financial information for Motiva, formed July 1, 1998 and jointly owned 32.5% each by Texaco and Saudi Refining, Inc. (a corporate affiliate of Saudi Aramco) and 35% by Shell Oil Company, is presented below on a 100% Motiva basis (in millions of dollars):

	For the nine months ended September 30, 1999	For the three months ended September 30, 1999	1998
Gross revenues	$8,432	$3,416	$2,877
Income before income taxes	$ 65	$ 45	$ 59

We account for our interests in Equilon and Motiva using the equity method of accounting. Under this method, we record our share of Equilon's and Motiva's results of operations on a one-line basis to Equity in Income of Affiliates in the Statement of Consolidated Income. Additionally, since Equilon and Motiva are limited liability companies, we record the provision and related liability for income taxes applicable to our share of Equilon's and Motiva's pre-tax income in our consolidated financial statements.

Caltex Group of Companies

Summarized unaudited financial information for the Caltex Group of Companies, owned 50% by Texaco and 50% by Chevron Corporation, is presented below on a 100% Caltex Group basis (in millions of dollars):

	For the nine months ended September 30,		For the three months ended September 30,	
	1999	1998	1999	1998
Gross revenues	$15,617	$12,407	$6,951	$3,852
Income before income taxes and cumulative effect of accounting change	$ 666	$ 606	$ 148	$ 16
Income (loss) before cumulative effect of accounting change	$ 378	$ 369	$ 35	$ (58)
Net income (loss)	$ 378	$ 319	$ 35	$ (58)

Effective January 1, 1998, Caltex adopted a new accounting standard, Statement of Position 98-5, "Reporting on the Costs of Start-Up Activities," issued by the American Institute of Certified Public Accountants. This resulted in a change in accounting for start-up costs at Caltex' Thailand refinery. Caltex' first quarter 1998 results included a $50 million charge (no tax benefit) associated with this accounting change.

On September 22, 1999, Caltex sold 97.2% of its 50% equity interest (70.6 million shares) in Koa Oil Co. Ltd. to Nippon Mitsubishi Oil Corporation in response to their public tender offer. In late October 1999, Caltex sold its remaining 1,977,000 shares of Koa to Mitsubishi Corporation in a private transaction. Caltex recorded a loss of $63 million in the third quarter of 1999, resulting from the U.S. tax consequences of the sale.

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We have consistently applied the accounting policies we used in preparing the financial statements we issued in our 1998 Annual Report to our unaudited financial statements for the nine and three month periods ended September 30, 1999 and 1998. In our opinion, we have made all adjustments and disclosures necessary to present fairly our results of operations for such periods. These adjustments include normal recurring adjustments. The information is subject to year-end audit by independent public accountants. We make no forecasts or representations with respect to the level of net income for the year 1999.

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SUPPLEMENTAL MARKET RISK DISCLOSURES

We are exposed to the following types of market risks:

- The price of crude oil, natural gas and petroleum products
- The value of foreign currencies in relation to the U.S. dollar
- Interest rates

We use derivative financial instruments, such as futures, forwards, options and swaps, in managing these risks. There were no material changes during the first nine months of 1999 in our exposure to losses from possible future changes in the price of crude oil, natural gas and petroleum products, or from possible future changes in the value of foreign currencies in relation to the U. S. dollar.

The Liquidity and Capital Resources section of the MD&A appearing on page 15 of this Form 10-Q describes financing and related hedging transactions we entered into during the first nine months of 1999. As a result of those transactions, our variable rate debt, before the effects of interest rate swaps, now totals $2.1 billion, as compared with $2.7 billion at year-end 1998. The notional amount of interest rate swaps increased $850 million and now totals $1.6 billion. Based on our present interest rate exposure on variable rate debt and interest rate swaps, a hypothetical increase or decrease in interest rates of 200 basis points would not materially affect our consolidated financial position, net income or cash flows.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

The following table provides a summary of Texaco's net income and income before special items for the third quarter and first nine months of 1999 and 1998:

	For the nine months ended September 30,		For the three months ended September 30,	
	1999	1998	1999	1998
	(Millions of dollars, except per share amounts) (Unaudited)			
Income before special items	$ 844	$ 802	$ 453	$ 208
Per share	$1.53	$1.44	$0.83	$0.37
Net income	$ 859	$ 791	$ 387	$ 215
Per share	$1.56	$1.42	$0.71	$0.38

Boosted by significantly higher crude oil and natural gas prices, our third quarter results improved dramatically from the first half of the year to their highest quarterly level since 1997. Cutbacks in OPEC and non-OPEC production, plus improving global economies pushed benchmark crude oil prices over $20 a barrel. But, prices remain volatile. Operationally, we had strong production during September in the North Sea, led by record production in the Captain field. In addition, we are benefiting significantly from synergy capture and expense reductions as our $650 million global target will be realized by year end, a full year ahead of schedule. In the downstream, our refineries ran well and sales volumes increased. However, these businesses, already burdened by generally low refining margins, were further hampered by the higher crude costs which could not be fully recovered in product prices.

Looking ahead, our recent acquisition of a 45 percent interest in the Malampaya Deep Water Natural Gas Project in the Philippines exemplifies our strategy of pursuing projects that will provide for long-term growth and strong near-term earnings and cash flow. We also continue to execute our long-term strategy of reducing refining exposure through the completion of Caltex' sale of its interest in Koa Oil Co. Ltd. and the anticipated sales by Equilon of its Wood River and El Dorado refineries.

Results for 1999 and 1998 are summarized in the table on the following page. Details on special items are included in the segment analysis which follows this table. The following discussion of operating earnings is presented on an after-tax basis.

	For the nine months ended September 30,		For the three months ended September 30,	
	1999	1998	1999	1998
	(Millions of dollars) (Unaudited)			
Income before special items	$ 844	$ 802	$ 453	$ 208
Inventory valuation adjustments	152	-	14	-
Write-down of assets	(76)	-	-	-
Tax issues	65	44	-	25
Gains (losses) on major asset sales	(59)	20	(80)	-
Reorganization, restructuring and employee separation costs	(67)	(50)	-	(18)
Special items	15	14	(66)	7
Adoption of new accounting standard				
Cumulative effect of accounting change	-	(25)	-	-
Net income	$ 859	$ 791	$ 387	$215

Effective January 1, 1998, our affiliate, Caltex, adopted a new accounting standard, Statement of Position 98-5, "Reporting on the Costs of Start-Up Activities," issued by the American Institute of Certified Public Accountants. This resulted in a change in accounting for start-up costs at its Thailand refinery. Our first quarter 1998 results included a $25 million charge associated with this accounting change.

OPERATING RESULTS

EXPLORATION AND PRODUCTION

United States

Exploration and production earnings in the U.S. for the third quarter of 1999 were $258 million, as compared with $93 million for the third quarter of 1998. For the first nine months of 1999 and 1998, earnings were $444 million and $301 million. Results for 1999 included a second quarter special gain of $21 million from the sale of our interest in six California onshore and offshore fields, and a special charge of $11 million for employee separation costs. See the section entitled, Reorganizations, Restructurings and Employee Severance Programs beginning on page 15 of this Form 10-Q for additional information. Results for 1999 also included a first quarter special benefit of $11 million for a production tax refund. Excluding these special items, results for the first nine months of 1999 totaled $423 million.

U.S. exploration and production earnings for the third quarter and nine months of 1999 were above last year's levels due to higher crude oil and natural gas prices and lower expenses. Prices continued to rise in the third quarter as production cutbacks by OPEC and several non-OPEC countries, coupled with increasing demand in improving global economies, led to a decline in worldwide inventory levels. Average realized crude oil prices for the third quarter and nine months of 1999 were $16.65 and $12.81 per barrel, 66 percent and 18 percent higher than the 1998 levels. For the third quarter and nine months of 1999, average natural gas prices were $2.44 and $2.09 per MCF, 29 percent and three percent above last year's periods.

Production decreased 11 percent for both the third quarter and nine months of 1999 due to natural field declines and asset sales. Capital expenditures for developmental activities, such as infill drilling, recompletions and secondary recovery projects, normally undertaken to offset production declines within mature fields were reduced as Texaco and its operating partners concentrated on maximizing capital efficiency.

Operating expenses declined significantly for the first nine months of 1999 as a result of cost savings from the restructuring of our worldwide upstream organization. Exploratory expenses for the third quarter and first nine months of 1999 were $12 million and $104 million before tax, $36 million and $91 million below the same periods of 1998.

International

Exploration and production earnings outside the U.S. for the third quarter of 1999 were $129 million, as compared with $53 million for the third quarter of 1998. For the first nine months of 1999 and 1998, earnings were $189 million and $166 million. Results for 1999 included a second quarter special charge of $2 million for employee separation costs. See the section entitled, Reorganizations, Restructurings and Employee Severance Programs beginning on page 15 of this Form 10-Q for additional information. Excluding the special charge, results for the first nine months of 1999 totaled $191 million.

International exploration and production operating results for the third quarter and nine months of 1999 improved over last year's levels as crude oil prices continued to rise throughout the third quarter due to worldwide production cutbacks and improving demand. Average realized crude oil prices for the third quarter and nine months of 1999 were $16.96 and $13.36 per barrel, 53 percent and 16 percent above the 1998 periods. For the third quarter and first nine months of 1999, average natural gas prices were $1.35 and $1.36 per MCF, nine percent and 13 percent below last year.

Daily production in the third quarter and first nine months of 1999 was slightly below last year's levels. Third quarter production declines in the U.K. North Sea due to temporary operating problems early in the quarter and in Indonesia due to lower volumes as a result of higher prices were offset by increased production in the Partitioned Neutral Zone as a result of increased drilling activity. Year-to-date production declines in the U.K. North Sea and lower gas production in Latin America were offset by increased production in the Partitioned Neutral Zone.

Expenses were lower for the third quarter of 1999 as a result of continued cost savings from the restructuring of our worldwide upstream organization. Exploratory expenses for the third quarter of 1999 were $60 million before taxes, $15 million higher than last year. Exploratory expenses for the first nine months of 1999 were $178 million before taxes, $49 million higher than last year.

Looking Forward in the Worldwide Upstream

We intend to continue to cost-effectively explore for, develop and produce crude oil and natural gas reserves. In an effort to boost long-term upstream profitability, we are planning to sell producing properties that no longer fit our business strategy. Specifically, we plan to sell selected producing assets totaling about 100,000 barrels per day in the United States, offshore Trinidad and in the North Sea. As a result, we now anticipate that worldwide production will increase by one-to-two percent annually over the next three-to-five years.

Our growth areas of focus include the U.S. Gulf of Mexico, Kazakhstan, Brazil, Venezuela and West Africa. Earlier this year, we announced two major oil discoveries offshore Nigeria. We recently signed an agreement to acquire a 45 percent interest in the Malampaya Deep Water Natural Gas Project in the Philippines. Malampaya is on schedule to deliver first gas by the end of 2001, and is expected to achieve gas production rates of 360 million cubic feet per day by the year 2002. We expect at year-end 1999 this project will add 140 million barrels of oil equivalent to our proved reserve base and increase our international gas reserves by 30 percent.

Our expense reduction program is also showing success. We are well on our way to capturing the expected $200 million in annual pre-tax cash expense savings from our worldwide upstream restructuring program announced in November, 1998. The program is designed to place greater emphasis on our long-term production and reserve growth, and to address the need for streamlining costs and improving competitiveness. These savings include lower people-related and operating expenses.

REFINING, MARKETING AND DISTRIBUTION

United States

We conduct our U.S. downstream activities primarily through Equilon, our western alliance with Shell Oil Company, and Motiva, our eastern alliance with Shell Oil Company and Saudi Refining, Inc.

Our share of refining, marketing and distribution earnings in the U.S. for the third quarter of 1999 was $118 million, as compared with $124 million for the third quarter of 1998. For the first nine months of 1999 and 1998, earnings were $204 million and $233 million. Results for 1999 included second quarter special charges of $76 million for the write-down of assets to their estimated sales values due to the pending sales by Equilon of its El Dorado and Wood River refineries and $11 million for alliance reorganization, restructuring and employee separation costs. Results for 1999 also included a first quarter special benefit of $8 million due to higher inventory values on March 31, 1999. This follows a fourth-quarter 1998 charge of $34 million to reflect lower prices on December 31, 1998 for inventories of crude oil and refined products. We value inventories at the lower of cost or market, after initial recording at cost. Inventory valuation adjustments are reversed when the associated physical units of inventory are sold. Excluding these special items, results for the first nine months of 1999 were $283 million.

Results for the third quarter of 1998 included a net special gain of $25 million for U.S. alliance formation issues. This included gains of $73 million for the Federal Trade Commission-mandated sales of the Anacortes refinery and Plantation pipeline. Also included were charges of $9 million for alliance employee separation costs and $39 million for asset write-downs of closed facilities and surplus equipment to their net realizable values. These facilities included a refinery in Texas, research labs located in Texas and New York and a lube plant in Virginia. Results for 1998 also included a second quarter special charge of $32 million, mainly for alliance employee separation costs. Excluding these special items, results for the third quarter and first nine months of 1998 were $99 million and $240 million.

U.S. refining, marketing and distribution earnings before special items were higher than last year for the third quarter and nine months 1999. During these periods, Equilon's earnings benefited from improved West Coast refining margins and improved utilization at the Martinez refinery, although operational problems at the Puget Sound refinery earlier this year had a negative impact on earnings. Refining margins on the West Coast benefited from industry refinery outages which caused market supply disruptions. Marketing margins were weak for the quarter as gasoline pump prices lagged increases in spot prices.

Motiva's earnings for the nine months were affected by weak refining margins on the East and Gulf Coasts due to high industry-wide refined product inventory levels. These effects were mitigated by higher gasoline sales volumes and improved refinery utilization in 1999.

The third quarter and first nine months of 1999 also benefited from the realization of synergies for Equilon and Motiva, including re-engineering of work processes, leveraging economies of scale to reduce supply costs, sharing best practices and capitalizing on logistical and trading opportunities including higher utilization of proprietary pipelines and other assets.

International

Refining, marketing and distribution earnings outside the U.S. for the third quarter of 1999 were $6 million, as compared with $38 million for the third quarter of 1998. For the first nine months of 1999 and 1998, earnings were $377 million and $414 million. Results for each of the first three quarters of 1999 included special benefits of $75 million, $55 million and $14 million, respectively, to reflect higher prices for crude oil and refined products. This follows a fourth-quarter 1998 special charge of $108 million to reflect lower prices on December 31, 1998, as well as additional charges previously recorded. We value inventories at the lower of cost or market, after initial recording at cost. Inventory valuation adjustments are reversed when the associated physical units of inventory are sold. Results for the third quarter of 1999 also included special charges of $32 million for our 50 percent share of Caltex' loss on the sale of its equity interest in Koa Oil Co. Ltd. and $48 million for related deferred currency translation amounts. Additionally, our results for the second quarter of 1999 included a Korean tax benefit of $54 million, as well as a $25 million charge for our share of Caltex' restructuring charges and $9 million for employee separation costs in Europe and Latin America. See the section entitled, Reorganizations, Restructurings and Employee Severance Programs beginning on page 15 of this Form 10-Q for additional information. Excluding these special items, results for the third quarter and first nine months of 1999 were $72 million and $293 million.

Our results for 1998 included a third quarter net special charge of $43 million for a reorganization program in Caltex. This charge results from their decision to structure their organization along functional lines and to reduce costs by establishing a shared service center in the Philippines. In implementing this change, Caltex relocated its headquarters from Dallas to Singapore. About $35 million of the charge relates to severance and other retirement benefits for about 200 employees who have not relocated, write-downs of surplus furniture and equipment and other costs. The balance of the charge is for severance costs in other affected areas and amounts spent in relocating employees to the new shared service center. Excluding this special charge, results for the third quarter and first nine months of 1998 were $81 million and $457 million.

Lower international refining and marketing results in 1999 reflected the squeeze on margins as escalating crude costs have outpaced product price increases. This pressure on refining margins impacted all major operating areas. Results were also adversely impacted by depressed marketing margins and lower volumes in Brazil due to poor economic conditions and related currency devaluation. In the Caltex region, results benefited from reduced currency volatility as economic conditions improved. The third quarter also included gains from the sales of marketable securities.

Looking Forward in the Worldwide Downstream

Our U.S. joint ventures with Shell and Saudi Refining, Inc. should continue to achieve lower costs and capture synergies. We expect that our share of these annual pre-tax cost reductions will be over $300 million, and we are well on our way to capturing these savings. These savings include lower people-related expenses and reductions in cash operating expenses due to efficiencies. We have already captured about $35 million in annual pre-tax cost savings from our international downstream operations' announced restructuring, representing lower people-related expenses. In addition, we have already realized our share of the previously-announced $25 million of annual pre-tax cost savings from the Caltex reorganization. These savings represent lower people-related expenses. We now anticipate that we will capture by the end of this year an additional $10 million in annual pre-tax cost savings from the Caltex reorganization. We are also well on our way to capturing $25 million in annual pre-tax cost reductions from our worldwide Fuel and Marine Marketing joint venture with Chevron, representing our share of reductions in cash operating expenses due to efficiencies.

GLOBAL GAS AND POWER

During the third quarter of 1999, responsibility for the global gas marketing segment and our cogeneration, gasification, hydrocarbons-to-liquids and fuel cell technology units was combined under a single senior executive, creating the Global Gas and Power segment. Prior period information has been restated to reflect this change.

Global gas and power earnings for the third quarter of 1999 were $6 million, as compared with a loss of $8 million for the third quarter of 1998. Earnings for the first nine months of 1999 were $13 million, as compared with a loss of $9 million for the comparable period of 1998. Results for 1999 included a second quarter special charge of $3 million for employee separation costs. See the section entitled, Reorganizations, Restructurings and Employee Severance Programs beginning on page 15 of this Form 10-Q for additional information. Excluding this special charge, results for the first nine months of 1999 were $16 million. Results for 1998 included a second quarter special gain of $20 million from the sale of a partial interest in a pipeline. Excluding this special gain, results for the first nine months of 1998 were a loss of $29 million.

Gas marketing operating results for the third quarter and first nine months of 1999 benefited from the continued improvement of natural gas margins. Results for the first nine months 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, as well as lower operating expenses.

Operating results for the power related activities in the third quarter and first nine months of 1999 reflected lower margins from Indonesian geothermal activities, due to higher costs and lower revenues caused by the currency devaluation, non-recurring recoupment of development costs in 1998 and lower gasification licensing revenues.

We have already captured the previously-announced $20 million in annual pre-tax cost savings from the global gas marketing restructuring announced in November 1998. We now anticipate that we will capture by the end of this year an additional $10 million in annual pre-tax cost savings. These savings include lower people-related expenses and benefits from our exiting the United Kingdom gas marketing business.

OTHER BUSINESS UNITS

Results for both the third quarter of 1999 and 1998 were losses of $1 million. Results for the first nine months of 1999 were a loss of $3 million, as compared with a loss of $1 million for the comparable period in 1998. Other business units include our insurance activity.

CORPORATE/NON-OPERATING

Corporate/Non-operating charges for the third quarter of 1999 were $129 million, as compared with charges of $84 million for the third quarter of 1998. For the first nine months of 1999 and 1998, charges were $365 million and $288 million. Results for 1999 included a second quarter special charge of $6 million for employee separation costs. See the section entitled, Reorganizations, Restructurings and Employee Severance Programs beginning on page 15 of this Form 10-Q for additional information. Excluding this special charge, charges for the first nine months of 1999 were $359 million. Results for 1998 included a third quarter special benefit of $25 million to adjust for prior years' federal tax liabilities and a second quarter special tax benefit of $19 million attributable to the sale of an interest in a subsidiary. Excluding these special gains, charges for the third quarter and first nine months of 1998 were $109 million and $332 million.

Corporate/Non-operating results for the third quarter and first nine months of 1999 reflected higher interest expense from increases in interest rates and debt levels. Additionally, third quarter 1998 results included gains from the sale of securities by a subsidiary.

We are well on our way to capturing the expected $60 million in annual pre-tax cost savings as a result of the fourth quarter 1998 corporate center reorganization and other cost-cutting initiatives, mainly lower operating expenses and people-related expenses.

LIQUIDITY AND CAPITAL RESOURCES

Our cash, cash equivalents and short-term investments were $219 million at September 30, 1999, as compared with $271 million at year-end 1998.

During 1999, our operations provided cash of $1,887 million. We also had cash inflows of $306 million from asset sales and $279 million from net sales of investment instruments. Early collection of a note receivable from our affiliate Equilon provided another $101 million. We spent $1,729 million on our capital and exploratory program and paid $776 million in common, preferred and minority interest dividends.

At September 30, 1999, our ratio of total debt to total borrowed and invested capital was 36.5%, as compared with 36.8% at year-end 1998. At September 30, 1999, our long-term debt included $2.05 billion of debt scheduled to mature within one year, which we have both the intent and ability to refinance on a long-term basis. During the first nine months of 1999, we reduced our commercial paper by $1,158 million, to $458 million at September 30, 1999. We issued $1,268 million under our medium-term note program and borrowed $400 million due 2009. In addition, we reduced other debt obligations by $582 million. During the first nine months of 1999, we entered into $850 million of floating rate pay interest rate swaps. All floating rate swaps entered into during 1999 are indexed to LIBOR. We maintain $2.05 billion in revolving credit facilities, which were unused at September 30, 1999, to provide additional support for liquidity and our commercial paper program.

During the third quarter of 1999, we established a new "shelf" registration for $1.5 billion of combined debt and equity securities, bringing our total capacity under this program to $1.975 billion.

We consider our financial position to be sufficiently strong to meet our anticipated future financial requirements.

REORGANIZATIONS, RESTRUCTURINGS AND EMPLOYEE SEVERANCE PROGRAMS

In the fourth quarter of 1998, we announced that we were reorganizing several of our operations and implementing other cost-cutting initiatives. The principal units affected were our worldwide upstream operations; our international downstream operations, principally our marketing operations in the United Kingdom and Brazil and our refining operations in Panama; our global gas marketing operations, now included as part of our global gas and power operating segment; and our corporate center. The reorganizations were substantially completed by the end of the first quarter of 1999. We accrued $115 million ($80 million, net of tax) for employee separations, curtailment costs and special termination benefits associated with these announced restructurings in the fourth quarter of 1998. During the second quarter of 1999, we expanded the employee severance programs and recorded an additional provision of $48 million ($31 million, net of tax). For the most part, severance accruals are shown as operating expenses in the Statement of Consolidated Income.

The table on the following page, which identifies each of our four restructuring initiatives, provides the provision recorded in the fourth quarter of 1998 and the additional provision recorded in the second quarter of 1999, along with the payments made through September 30, 1999 and the remaining obligations as of September 30, 1999. We will pay the remaining obligations in future periods in accordance with plan provisions.

	Provision Recorded in the			
	Fourth Quarter, 1998	Second Quarter, 1999	Payments Made Through September 30, 1999	Remaining Obligations as of September 30, 1999
	(Millions of dollars)			
Worldwide upstream	$ 56	$20	$(50)	$26
International downstream	25	13	(22)	16
Global gas and power	5	4	(5)	4
Corporate center	29	11	(19)	21
Total	$115	$48	$(96)	$67

At the time we initially announced these programs, we estimated that over 1,400 employee reductions would result. Employee reductions of 800 in our worldwide upstream operations, 300 in our international downstream areas, 100 in our global gas and power operations and 200 in our corporate center were expected. During the second quarter of 1999, we expanded the program by almost 1,100 employees, comprised of 600 employees in our worldwide upstream operations, 250 employees in our international downstream areas, 100 employees in our global gas and power operations and 150 employees in our corporate center. Through September 30, 1999, employee reductions totaled 1,334 in our worldwide upstream operations, 426 in our international downstream areas, 163 in our global gas and power operations and 398 in our corporate center. Almost all of the remaining reductions, representing about 6% of the total reductions, will occur prior to the end of this year.

CAPITAL AND EXPLORATORY EXPENDITURES

Capital and exploratory expenditures were $2,176 million for the first nine months of 1999, compared with $2,769 million for the same period in 1998.

In our U.S. upstream, expenditures for developmental activities dropped significantly and platform construction activity slowed in the deepwater Gulf of Mexico. Spending increased for enhanced oil recovery projects in California which continues to be an area of focus. Internationally, spending rose slightly as compared to the prior year as development work continued on the Captain B project in the U.K. North Sea. Also, 1999 levels reflect higher spending for lease acquisitions offshore Nigeria and increased ownership in the Venezuelan Hamaca project. Project completions during 1998 in other U.K. North Sea fields led to comparatively lower spending in 1999.

In our downstream, spending declines reflected the completion last year of refinery upgrade projects in the United States and abroad. Also, poor economic conditions in international areas and globally depressed downstream returns resulted in deferrals of selected refinery and marketing expansion projects.

Global gas and power continues to invest in cogeneration projects in California and in Indonesia, while spending on natural gas transportation is down due to pipeline completions last year.

NEW ACCOUNTING STANDARDS

In June 1998, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS 133 establishes new accounting rules and disclosure requirements for most derivative instruments and hedge transactions. In July 1999, the FASB issued SFAS 137, which deferred the effective date of SFAS 133. We will adopt SFAS 133 effective January 1, 2001 and are currently assessing the initial effects of adoption.

EURO CONVERSION

On January 1, 1999, 11 of the 15 member countries of the European Union established fixed conversion rates between their existing legacy currencies and one common currency--the euro. The euro began trading on world currency exchanges and may be used in business transactions. On January 1, 2002, new euro-denominated bills and coins will be issued, and legacy currencies will be completely withdrawn from circulation by June 30 of that year.

Prior to introduction of the euro, our operating subsidiaries affected by the euro conversion completed computer systems upgrades and fiscal and legal due diligence to ensure our euro readiness. Computer systems have been adapted to ensure that all our operating subsidiaries have the capability to comply with necessary business requirements and customer/supplier preferences. Legal due diligence was conducted to ensure post-euro continuity of contracts, and fiscal reviews were completed to ensure compatibility with our banking relationships. We, therefore, experienced no major impact to our current business operations.

We continue to review our marketing and operational policies and procedures to ensure our ability to continue to successfully conduct all aspects of our business in this new, price-transparent market. We believe that the euro conversion will not have a material adverse impact on our financial condition or results of operations.

YEAR 2000

On pages 39 and 40 of our 1998 Annual Report, we discussed our state of readiness and our costs, risks and contingency plans for dealing with potential Year 2000 (Y2K) date change problems. We reported that approximately 95% of the computers and computer software involved in corporate financial applications, and about 5% of our industrial automation systems used in refineries, lubricant and gas plants and oil well operations needed modification or upgrade. Since that time, we have not identified any additional material Y2K risks. We continue to believe that the worst case scenario we described in our 1998 Annual Report is not likely to occur. However, if it occurs, Y2K failures, if not corrected on a timely basis or otherwise mitigated by our contingency plans, could have a material adverse effect on our results of operations, liquidity and overall financial condition.

We identified over 45,000 systems for assessment of potential Y2K issues. These were categorized as: Applications, Telecommunications, Computer Systems or Embedded Systems (Industrial Automation). We assessed each system and prioritized them as Critical, Essential or Important. Critical systems are those related to safety, health and environment, including monitoring and regulatory reporting systems. Essential systems are those required to accomplish business objectives. Important systems are those used in a support role and are not required for day-to-day operations.

As of the end of the third quarter of 1999, we completed modifying or upgrading all of our Critical and Essential systems that required such work, with the exception of one Essential system. In October, we successfully implemented a workaround for this one system.

We completed our review of our critical suppliers and customers and developed contingency plans. If we were not satisfied that these critical suppliers and customers will be able to operate in 2000, we have established alternatives and/or developed contingency plans.

As part of our contingency planning, we have completed evaluating the business resumption plans of all our business units for any Y2K issues, and we have completed end-of-year rollover plans. During the fourth quarter, we will be coordinating tests of our Early Alert System, which we will use for monitoring the Y2K status of our key facilities around the world. We will be testing our procedures to manage both the information flows and our responses to different situations.

During the third quarter of 1999, we spent $6 million in readying our systems for Y2K, bringing our total spent through September 30, 1999 to $55 million. We estimate that we will spend an additional $10 million on Y2K-related activities. The majority of these future expenditures will be incurred during the fourth quarter, with some expenditures in 2000.

FORWARD-LOOKING STATEMENTS

Portions of the foregoing discussion of RESULTS OF OPERATIONS; REORGANIZATIONS, RESTRUCTURINGS AND EMPLOYEE SEVERANCE PROGRAMS; EURO CONVERSION; and, YEAR 2000 contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements are based on our current expectations, estimates and projections. Therefore, they could ultimately prove to be inaccurate. Factors which could affect our expectations for worldwide crude oil production, upstream earnings and downstream margins in 1999 are changes in business conditions, such as energy prices, world economic conditions, demand growth and inventory levels. The extent and timing of our anticipated cost savings and reorganization programs will depend upon worldwide and industry economic conditions. Factors that could alter the financial impact of our euro conversion include: changes in current governmental regulations and interpretations of such regulations; unanticipated implementation costs; and the effect of the euro conversion on product prices and margins. Factors that could affect our ability to be Year 2000 compliant by the end of 1999 include: the failure of our customers, suppliers, governmental entities and others to achieve compliance and the inaccuracy of certifications received from them; our inability to identify and remediate every possible problem; and a shortage of necessary programmers, hardware and software. For a further discussion of additional factors that could cause actual results to materially differ from those in the forward-looking statements, please refer to the section entitled "Forward-Looking Statements and Factors That May Affect Our Business" in our 1998 Annual Report on Form 10-K.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

We have provided information about legal proceedings pending against Texaco in Note 4 to the Consolidated Financial Statements of this Form 10-Q, in Item 1 of our first and second quarter, 1999 Form 10-Qs and in Item 3 of our 1998 Annual Report on Form 10-K. Note 4 of this Form 10-Q, Item 1 of our first and second quarter 1999 Form 10-Qs and Item 3 of our 1998 Form 10-K are incorporated here by reference.

The Securities and Exchange Commission ("SEC") requires us to report proceedings that were instituted or contemplated by governmental authorities against us under laws or regulations relating to the protection of the environment. None of these proceedings is material to our business or financial condition. Following is a brief description of notices of violation that we received and settled during the third quarter of 1999.

- In August 1999, California's San Joaquin Valley Unified Air Pollution Control District ("SJVUAPCD") issued 13 notices of violation to Texaco California Inc. related to storage of organic material in tanks having a true vapor pressure in excess of 1.5 psia without vapor control. The agency has not made a penalty demand, but it is possible that the agency will seek penalties in excess of $100,000.

- On August 30, 1999, Texaco Exploration and Production Inc. and Texaco California Inc. settled a series of notices of violation filed by the SJVUAPCD in 1997-1999. The notices alleged improper permitting and inadequate maintenance at facilities in California. Under the settlement, we paid a fine of $500,000, retired some emission reduction credits, and agreed to install vapor control equipment and implement an enhanced environmental management plan.

Item 5. Other Information

	For the nine months ended September 30,		For the three months ended September 30,	
	1999	1998	1999	1998
	(Millions of dollars) (Unaudited)			
CAPITAL AND EXPLORATORY EXPENDITURES				
Exploration and production				
United States	$ 623	$1,142	$ 162	$ 328
International	865	812	304	276
Total	1,488	1,954	466	604
Refining, marketing and distribution				
United States	243	298	85	116
International	294	355	118	127
Total	537	653	203	243
Global gas and power	129	141	43	39
Total operating segments	2,154	2,748	712	886
Other business units	22	21	6	2
Total	$2,176	$2,769	$ 718	$ 888
Exploratory expenses included above				
United States	$ 104	$ 195	$ 12	$ 48
International	178	129	60	45
Total	$ 282	$ 324	$ 72	$ 93

	For the nine months ended September 30,		For the three months ended September 30,	
	1999	1998	1999	1998
	(Unaudited)			
OPERATING DATA				
Exploration and Production				
United States				
Net production of crude oil and natural gas liquids (000 BPD)	400	443	395	432
Net production of natural gas - available for sale (000 MCFPD)	1,460	1,694	1,416	1,641
Total net production (000 BOEPD)	643	726	631	706
Natural gas sales (000 MCFPD)	3,284	3,926	3,263	3,963
Average U.S. crude (per bbl)	$12.81	$10.87	$16.65	$10.06
Average U.S. natural gas (per mcf)	$ 2.09	$ 2.03	$ 2.44	$ 1.89
Average WTI (Spot) (per bbl)	$17.58	$14.89	$21.71	$14.16
Average Kern (Spot) (per bbl)	$11.49	$ 8.43	$15.38	$ 8.65
International				
Net production of crude oil and natural gas liquids (000 BPD)				
Europe	142	157	152	163
Indonesia	156	159	141	168
Partitioned Neutral Zone	122	106	127	104
Other	65	66	60	59
Total	485	488	480	494
Net production of natural gas - available for sale (000 MCFPD)				
Europe	261	255	252	261
Colombia	158	185	161	165
Other	105	108	91	87
Total	524	548	504	513
Total net production (000 BOEPD)	573	579	564	580
Natural gas sales (000 MCFPD)	551	692	539	633
Average International crude (per bbl)	$13.36	$11.55	$16.96	$11.05
Average International natural gas (per mcf)	$ 1.36	$ 1.57	$ 1.35	$ 1.49
Average U.K. natural gas (per mcf)	$ 2.37	$ 2.53	$ 2.34	$ 2.34
Average Colombia natural gas (per mcf)	$ 0.64	$ 0.88	$ 0.67	$ 0.79
Worldwide				
Total worldwide net production (000 BOEPD)	1,216	1,305	1,195	1,286

	For the nine months ended September 30,		For the three months ended September 30,	
	1999	1998	1999	1998
	(Unaudited)			
OPERATING DATA				
Refining, marketing and distribution				
United States				
Refinery input (000 BPD)				
Equilon area	376	388	390	410
Motiva area	307	316	307	301
Total	683	704	697	711
Refined product sales (000 BPD)				
Equilon area	697	579	752	616
Motiva area	376	366	371	421
Other	296	228	290	216
Total	1,369	1,173	1,413	1,253
International				
Refinery input (000 BPD)				
Europe	356	356	331	326
Caltex area	411	417	381	397
Latin America/West Africa	71	64	68	66
Total	838	837	780	789
Refined product sales (000 BPD)				
Europe	609	567	585	547
Caltex area	663	580	654	563
Latin America/West Africa	485	455	479	474
Other	90	53	86	56
Total	1,847	1,655	1,804	1,640

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

-- 11) Computation of Earnings Per Share of Common Stock.

-- (12) Computation of Ratio of Earnings to Fixed Charges of Texaco on a Total Enterprise Basis.

-- (20) Copy of Texaco Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 1998 (including portions of Texaco Inc.'s Annual Report to Stockholders for the year 1998) and a copy of Texaco Inc.'s Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 1999 and June 30, 1999, as previously filed by the Registrant with the Securities and Exchange Commission, File No. 1-27.

-- (27) Financial Data Schedule.

(b) Reports on Form 8-K:

During the third quarter of 1999, the Registrant filed Current Reports on Form 8-K for the following events:

1. July 26, 1999

   Item 5. Other Events -- reported that Texaco issued an Earnings Press Release for the second quarter 1999.

2. August 3, 1999

   Item 5. Other Events -- provided a description of an Officers' Certificate dated August 3, 1999 executed by Texaco Capital Inc., a wholly-owned subsidiary of the Registrant, which established the terms and provisions of a series of securities designated "Second Series 1999 Medium-Term Notes," for up to $2 billion.

3. September 27, 1999

   Item 5. Other Events -- reported that Texaco's 50%-owned affiliate, Caltex Corporation, sold 97.2% of its 50% equity interest in Koa Oil Co. Ltd. to Nippon Mitsubishi Oil Corporation in response to their public tender offer.

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, thereunto duly authorized.

Texaco Inc.
(Registrant)

By: G.J. Batavick
(Comptroller)

By: R.E. Koch
(Assistant Secretary)

Date: November 12, 1999

EXHIBIT 11

TEXACO INC.
COMPUTATION OF CONSOLIDATED EARNINGS PER SHARE OF COMMON STOCK
FOR THE NINE AND THREE MONTHS ENDED SEPTEMBER 30, 1999 AND 1998

(Millions of dollars, except as noted)

	For the nine months ended September 30,		For the three months ended September 30,	
	1999	1998	1999	1998
	(Unaudited)			
Basic Earnings Per Common Share:				
Income before cumulative effect of accounting change less preferred stock dividend requirements	$ 833	$ 776	$ 384	$ 202
Average shares outstanding (thousands)	532,534	529,433	543,671	525,836
Basic income before cumulative effect of accounting change per common share (dollars)	$ 1.56	$ 1.47	$ 0.71	$ 0.38
Diluted Earnings Per Common Share:				
Income before cumulative effect of accounting change less preferred stock dividend requirements	$ 833	$ 776	$ 384	$ 202
Adjustments, mainly ESOP preferred stock dividends in 1998	3	25	1	-
Income before cumulative effect of accounting change for diluted earnings per share	$ 836	$ 801	$ 385	$ 202
Average shares outstanding (thousands)	532,534	529,433	543,671	525,836
Adjustments, mainly ESOP preferred stock in 1998	2,674	19,142	2,672	546
Shares outstanding for diluted computation (thousands)	535,208	548,575	546,343	526,382
Diluted income before cumulative effect of accounting change per common share (dollars)	$ 1.56	$ 1.46	$ 0.71	$ 0.38

EXHIBIT 12

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
OF TEXACO ON A TOTAL ENTERPRISE BASIS (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1999 AND
FOR EACH OF THE FIVE YEARS ENDED DECEMBER 31, 1998

(Millions of dollars)

	For the Nine Months Ended September 30, 1999	Years Ended December 31, 1998	1997	1996	1995	1994
Income from continuing operations, before provision or benefit for income taxes and cumulative effect of accounting changes effective 1-1-98 and 1-1-95	$1,488	$ 892	$3,514	$3,450	$1,201	$1,409
Dividends from less than 50% owned companies more or (less) than equity in net income	70	--	(11)	(4)	1	(1)
Minority interest in net income	62	56	68	72	54	44
Previously capitalized interest charged to income during the period	11	22	25	27	33	29
Total earnings	1,631	970	3,596	3,545	1,289	1,481
Fixed charges Items charged to income:						
Interest charges	432	664	528	551	614	594
Interest factor attributable to operating lease rentals	66	120	112	129	110	118
Preferred stock dividends of subsidiaries guaranteed by Texaco Inc.	31	33	33	35	36	31
Total items charged to income	529	817	673	715	760	743
Interest capitalized	21	26	27	16	28	21
Interest on ESOP debt guaranteed by Texaco Inc.	-	3	7	10	14	14
Total fixed charges	550	846	707	741	802	778
Earnings available for payment of fixed charges (Total earnings + Total items charged to income)	$2,160	$1,787	$4,269	$4,260	$2,049	$2,224
Ratio of earnings to fixed charges of Texaco on a total enterprise basis	3.93	2.11	6.04	5.75	2.55	2.86

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM TEXACO INC.'S 1999 QUARTERLY REPORT ON FORM 10-Q FOR THE QUARTER ENDED SEPTEMBER 30, 1999 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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9-MOS
SEP-30-1999
JAN-1-1999
SEP-30-1999
193
26
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27
1,380
5,973
35,870
20,875
28,778
5,194
6,626
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263
2,138
9,559
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859
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1.56

EPS-PRIMARY REPRESENTS BASIC EARNINGS PER SHARE IN ACCORDANCE WITH STATEMENT OF FINANCIAL ACCOUNTING STANDARD 128.