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, 1995   Commission file number 1-27

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

Delaware (State or other jurisdiction of incorporation or organization)	74-1383447 (I.R.S. Employer Identification No.)
2000 Westchester Avenue White Plains, New York (Address of principal executive offices)	10650 (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 31, 1995, there were outstanding 264,109,696 shares of Texaco Inc. Common Stock - par value $6.25.

PART I - FINANCIAL INFORMATION

TEXACO INC. AND SUBSIDIARY COMPANIES
STATEMENT OF CONSOLIDATED INCOME
FOR THE NINE AND THREE MONTHS ENDED SEPTEMBER 30, 1995 AND 1994
(Millions of dollars, except per share amounts)

	(Unaudited)			
	For the nine months ended September 30,		For the three months ended September 30,	
	1995	1994	1995	1994
REVENUES				
Sales and services	$26,237	$23,822	$ 8,620	$ 8,725
Equity in income of affiliates, income from dividends, interest, asset sales and other	889	572	195	235
	27,126	24,394	8,815	8,960
DEDUCTIONS				
Purchases and other costs	20,062	17,431	6,556	6,461
Operating expenses	2,125	2,339	699	818
Selling, general and administrative expenses	1,159	1,229	411	366
Maintenance and repairs	272	282	88	97
Exploratory expenses	195	208	81	52
Depreciation, depletion and amortization	1,275	1,284	351	445
Interest expense	365	368	120	122
Taxes other than income taxes	361	373	115	131
Minority interest	42	30	12	12
	25,856	23,544	8,433	8,504
Income from continuing operations before income taxes	1,270	850	382	456
Provision for income taxes	419	252	94	175
Net income from continuing operations	851	598	288	281
Discontinued operations - Net loss on disposal	-	(87)	-	-
NET INCOME	$ 851	$ 511	$ 288	$ 281
Preferred stock dividend requirements	$ 46	$ 76	$ 15	$ 27
Net income available for common stock	$ 805	$ 435	$ 273	$ 254
Net income per common share (dollars)				

Net income (loss)				
Continuing operations	$ 3.10	$ 2.02	$ 1.05	$ .98
Discontinued operations	-	(.34)	-	-
Net income	$ 3.10	$ 1.68	$ 1.05	$ .98
Cash dividends paid	$ 2.40	$ 2.40	$ .80	$ .80
Average number of common shares outstanding (thousands)	259,862	259,192	260,087	259,117

See accompanying notes to consolidated financial statements.

TEXACO INC. AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEET
AS OF SEPTEMBER 30, 1995 AND DECEMBER 31, 1994

(Millions of dollars)

	September 30, 1995 (Unaudited)	December 31, 1994
ASSETS		
Current Assets		
Cash and cash equivalents	$ 360	$ 404
Short-term investments - at fair value	24	60
Accounts and notes receivable, less allowance for doubtful accounts of $23 million in 1995 and $25 million in 1994	3,338	3,297
Inventories	1,385	1,358
Assets under agreements for sale	-	488
Net assets of discontinued operations	195	195
Deferred income taxes and other current assets	242	217
Total current assets	5,544	6,019
Investments and Advances	5,629	5,336
Properties, Plant and Equipment - at cost	31,253	31,095
Less - Accumulated depreciation, depletion and amortization	18,091	17,612
Net properties, plant and equipment	13,162	13,483
Deferred Charges	661	667
Total	$24,996	$25,505
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Notes payable, commercial paper and current portion of long-term debt	$ 347	$ 917
Accounts payable and accrued liabilities	3,159	3,297
Estimated income and other taxes	793	801
Total current liabilities	4,299	5,015
Long-Term Debt and Capital Lease Obligations	5,605	5,564
Deferred Income Taxes	848	879
Employee Retirement Benefits	1,120	1,130
Deferred Credits and Other Noncurrent Liabilities	2,534	2,558
Minority Interest in Subsidiary Companies	600	610
Total	15,006	15,756
Stockholders' Equity		
Market Auction Preferred Shares	300	300
ESOP Convertible Preferred Stock	500	515
Unearned employee compensation	(256)	(282)
Common stock - par value $6.25:		
Shares authorized - 350,000,000		
Shares issued - 274,293,417 in 1995 and 1994, including treasury stock	1,714	1,714
Paid-in capital in excess of par value	654	654
Retained earnings	7,660	7,463
Currency translation adjustment	92	87
Unrealized net gain on investments	51	51
	10,715	10,502
Less - Common stock held in treasury, at cost - 14,212,232 shares in 1995 and 14,761,296 shares in 1994	725	753
Total stockholders' equity	9,990	9,749
Total	$24,996	$25,505

See accompanying notes to consolidated financial statements.

TEXACO INC. AND SUBSIDIARY COMPANIES
CONDENSED STATEMENT OF CONSOLIDATED CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1995 AND 1994

(Millions of dollars)

	(Unaudited) For the nine months ended September 30, 1995	1994
OPERATING ACTIVITIES		
Net income	$ 851	$ 511
Reconciliation to net cash provided by (used in) operating activities		
Loss on disposal of discontinued operations	-	92
Depreciation, depletion and amortization	1,275	1,284
Deferred income taxes	2	(43)
Exploratory expenses	195	208
Minority interest in net income	42	30
Dividends from affiliates, less than equity in income	(117)	(52)
Gains on asset sales	(275)	(76)
Changes in operating working capital	(451)	(230)
Other - net	53	54
Net cash provided by operating activities	1,575	1,778
INVESTING ACTIVITIES		
Capital and exploratory expenditures	(1,681)	(1,443)
Proceeds from sale of discontinued operations, net of cash and cash equivalents sold	-	645
Proceeds from sales of assets	1,043	222
Sale of leasehold interests	214	-
Purchases of investment instruments	(959)	(589)
Sales/maturities of investment instruments	964	594
Other - net	13	2
Net cash used in investing activities	(406)	(569)
FINANCING ACTIVITIES		
Borrowings having original terms in excess of three months		
Proceeds	94	641
Repayments	(287)	(358)
Net decrease in other borrowings	(301)	(595)
Issuance of preferred stock by a subsidiary	-	112
Redemption of redeemable Series C preferred stock	-	(267)
Purchases of common stock for treasury	-	(77)
Dividends paid to the company's stockholders		
Common	(624)	(622)
Preferred	(36)	(65)
Dividends paid to minority shareholders	(46)	(77)
Other - net	-	(3)
Net cash used in financing activities	(1,200)	(1,311)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(13)	7
DECREASE IN CASH AND CASH EQUIVALENTS	(44)	(95)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	404	488
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 360	$ 393

See accompanying notes to consolidated financial statements.

TEXACO INC. AND SUBSIDIARY COMPANIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Assets Under Agreements for Sale

In 1994, Texaco announced that it agreed to sell more than 300 scattered U.S. producing fields to Apache Corporation and agreed to form a strategic alliance with STENA, involving the sale of a portion of its international marine fleet. At December 31, 1994, the net properties, plant and equipment and deferred income taxes relating to those assets, and to other non-core assets for which sales agreements had been signed, were classified as current assets in the Consolidated Balance Sheet under the caption "Assets under agreements for sale." During 1995, virtually all of these non-core asset sales have been completed, generating some $650 million in cash proceeds.

Note 2. Discontinued Operations

In 1993, Texaco Inc. entered into memorandums of understanding with an affiliate of the Jon M. Huntsman Group of Companies for the sale of substantially all of Texaco's worldwide chemical operations and, therefore, has accounted for these operations as discontinued operations.

On April 21, 1994, Texaco Inc. received from Huntsman Corporation $850 million as part of the sale of Texaco Chemical Company ("TCC"), consisting of $650 million in cash and an 11-year subordinated note with a face amount of $200 million. Not included in this transaction was Texaco's worldwide lubricant additives business.

On September 25, 1995, Texaco announced that it had signed an agreement with Ethyl Corporation ("Ethyl"), a fuel and lubricant additives manufacturer, for the sale of Texaco's worldwide lubricant additives business. The plan to sell Texaco's lubricant additives operations, which had been a division of TCC, was announced in December 1993 when it was separated from the sale of TCC to Huntsman Corporation. At that time, Texaco agreed to work with Huntsman to determine if there was an appropriate third-party buyer or an operating arrangement for the lubricant additives business. The sale to Ethyl is subject to approval by appropriate regulatory agencies and antitrust review under the Hart-Scott-Rodino Act.

The results for Texaco's worldwide lubricant additives business are accounted for as discontinued operations. The assets and liabilities of the worldwide lubricant additives business have been classified in the Consolidated Balance Sheet as "Net assets of discontinued operations."

Revenues for the discontinued operations totaled $171 million and $57 million for the first nine months and the third quarter of 1995, respectively, representing revenues of the lubricant additives business. For 1994, revenues for the discontinued operations totaled $364 million for the first nine months and $53 million for the third quarter, representing revenues of the chemical and lubricant additives businesses for the first quarter of 1994 and only the revenues of the lubricant additives business for the second and third quarters of 1994.

A net charge of $87 million, (including a $2 million provision for income taxes), or $.34 per share, was recorded in the second quarter of 1994 relating to the disposal of the chemical business.

Note 3. Inventories

The inventories of Texaco Inc. and consolidated subsidiary companies were as follows:

	As of September 30, 1995 (Unaudited)	As of December 31, 1994
	(Millions of dollars)	
Crude oil	$ 311	$ 284
Petroleum products and petrochemicals	852	854
Other merchandise	32	30
Materials and supplies	190	190
Total	$1,385	$1,358

Note 4. Contingent Liabilities

Information relative to commitments and contingent liabilities of Texaco Inc. and subsidiary companies is presented in Notes 16 and 17, beginning on page 57, of Texaco Inc.'s 1994 Annual Report to Stockholders.

In the company's opinion, while it is impossible to ascertain the ultimate legal and financial liability with respect to the above-mentioned and other contingent liabilities and commitments, including lawsuits, claims, guarantees, taxes and regulations, the aggregate amount of such liability in excess of financial reserves, together with deposits and prepayments made against disputed tax claims, is not anticipated to be materially important in relation to the consolidated financial position or results of operations of Texaco Inc. and its subsidiaries.

Note 5. Caltex Group of Companies

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

	For the nine months ended September 30,		For the three months ended September 30,	
	1995	1994	1995	1994
	(Millions of dollars)			
Gross revenues	$11,603	$10,844	$3,304	$3,906
Income before income taxes	$ 1,034	$ 774	$ 202	$ 268
Net income	$ 667	$ 448	$ 87	$ 151

Net income for the first nine months of 1995 includes a third quarter net charge of $26 million for the restructuring of certain operations and a first quarter net gain for U.S. financial reporting of $171 million relating to the sale of a portion of land and air utility rights by a Caltex Petroleum Corporation affiliate in Japan required for a public project. The proceeds include compensation that will be used to remove and relocate or replace existing fixed operating assets affected by the sale.

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In the determination of preliminary and unaudited financial statements for the nine -month and three-month periods ended September 30, 1995 and 1994, Texaco's accounting policies have been applied on a basis consistent with the application of such policies in Texaco's financial statements issued in its 1994 Annual Report to Stockholders. In the opinion of Texaco, all adjustments and disclosures necessary to present fairly the results of operations for such periods have been made. These adjustments are of a normal recurring nature. The information is subject to year-end audit by independent public accountants. Texaco makes no forecasts or representations with respect to the level of net income for the year 1995.

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

RESULTS OF OPERATIONS

Consolidated worldwide net income for Texaco Inc. and subsidiary companies for the third quarter of 1995 was $288 million, or $1.05 per share, as compared with $281 million, or $.98 per share, for the third quarter of 1994. For the first nine months of 1995, net income was $851 million, or $3.10 per share, as compared with $511 million, or $1.68 per share, for the first nine months of 1994.

Net income for the first nine months of 1994 reflects a second quarter net charge of $87 million, (including a $2 million provision for income taxes), or $0.34 per share, for discontinued operations relating to the sale of substantially all of Texaco's worldwide chemical business.

Net income for the third quarter and nine months of 1995 includes $44 million in tax benefits realizable through the sale of an interest in a subsidiary. Nine months 1994 results include similar tax benefits of $87 million, of which $79 million was recognized in the second quarter and $8 million in the third quarter. Results for the third quarter of 1995 also include a net special charge of $42 million, comprised of $56 million for the cost of additional employee separations, $13 million for the restructuring of certain Caltex Petroleum Corporation operations and a $27 million gain from the sale of Texaco's interest in Pekin Energy Company. Additionally, nine-month results for 1995 include first quarter special net gains of $88 million, principally relating to the sale of land by a Caltex affiliate in Japan and to sales of non-core U.S. producing properties.

Third quarter 1994 results include a net special gain of $3 million resulting from a $23 million gain on the sale of an interest in a downstream joint venture in Sweden and a charge of $20 million by an insurance subsidiary related to property damage from a refinery fire. Nine months results for 1994 also include second quarter special charges of $119 million related to employee separations and the write-down of certain non-core assets.

These results are summarized in the following table:

	(Unaudited)			
	For the nine months ended September 30,		For the three months ended September 30,	
	1995	1994	1995	1994
	(Millions of dollars)			
Net income from continuing operations before special items	$ 761	$ 627	$ 286	$ 270
Tax benefits on asset sale	44	87	44	8
Net special (charges) credits	46	(116)	(42)	3
Net income from continuing operations	851	598	288	281
Net loss on disposal of discontinued chemical operations	-	(87)	-	-
Net income	$ 851	$ 511	$ 288	$ 281

Third quarter operating results reflect continued positive progress on Texaco's plan for growth, despite the impact of lower prices for both U.S. natural gas and worldwide crude oil. Improved earnings in the face of these factors reflect Texaco's focus on maximizing core oil and gas results and divesting non-core assets.

Nine months 1995 earnings were boosted by higher worldwide crude oil prices earlier in the year, and continued significant operational improvements and cost reductions, helping offset the $.41 per MCF decrease in U.S. natural gas prices and poor manufacturing margins which dampened solid U.S. marketing performance.

OPERATING EARNINGS FROM CONTINUING OPERATIONS

PETROLEUM AND NATURAL GAS

UNITED STATES

Exploration and Production

Exploration and production earnings in the U.S. for the third quarter of 1995 were $159 million, as compared with $127 million for the third quarter of 1994. Earnings for the first nine months of 1995 and 1994, including special items, were $472 million and $299 million, respectively. Results for 1995 include a first quarter gain of $120 million from non-core producing property sales, mostly offset by certain write-downs of properties being held for sale and reserves for environmental remediation on these properties which totaled $112 million, resulting in a net gain of $8 million. Results for 1994 included second quarter special charges of $24 million relating to the cost associated with employee separations.

Improvements in comparative results for both the third quarter and first nine months reflect lower operating expenses in core producing properties, the effects of reduced overhead and operating improvements from the application of new technologies. These savings are in addition to expense reductions associated with the sales of non-core producing properties.

Net income for the first nine months of 1995 also benefited from crude oil prices that averaged some $2 per barrel higher than last year, although third quarter 1995 prices were only $.06 per barrel above the comparable 1994 levels. The 1995 prices for heavy Californian crudes, approximately 35 percent of Texaco's U.S. production, were higher than 1994 due to continuing strong regional demand. However, results for both the third quarter and first nine months of 1995 were reduced by the significant deterioration of natural gas prices from last year.

Excluding non-core producing properties, which represented some nine percent of U.S. production, crude oil and natural gas production in 1995 was essentially equal to 1994 levels due to enhanced production from core areas.

Manufacturing, Marketing and Distribution

Manufacturing, marketing and distribution earnings in the U.S. for the third quarter of 1995, including special charges, were $60 million, as compared with $92 million for the third quarter of 1994. Earnings for the first nine months of 1995 and 1994, including special charges, were $69 million and $185 million, respectively. Third quarter and nine months 1995 results include special charges of $11 million relating to employee separations. Results for the first nine months of 1994 include second quarter special charges of $24 million relating to the write-down of certain non-core assets and employee separations.

Third quarter 1995 margins improved substantially over the second quarter of the year, principally on the West Coast. However, third quarter and nine months 1995 results were below the levels experienced last year, reflecting continuing weak margins in many areas and the effects of storm-related downtime and scheduled maintenance at refineries, particularly on the East and Gulf coasts. Expense containment programs partly offset these declines.

INTERNATIONAL

Exploration and Production

Exploration and production earnings outside the U.S. for the third quarter of 1995 were $89 million, as compared with $83 million for the third quarter of 1994. Earnings for the first nine months of 1995 were $253 million, as compared with $146 million for the first nine months of 1994, including special charges. Results for 1994 include second quarter special charges of $16 million related to the write-down of certain non-core assets and employee separations.

The increase in comparative operating results for the third quarter reflects production from new fields in China, as well as expanded production in Indonesia and in the Partitioned Neutral Zone between Kuwait and Saudi Arabia. However, these benefits were largely offset by the impact of temporary interruptions of some crude oil production in the North Sea, as well as lower crude oil prices largely in Far East markets.

Nine-month 1995 prices were $1.71 per barrel higher than in 1994. These higher prices, combined with increased crude oil and natural gas production, contributed to the strong comparative earnings improvement for the first nine months.

Manufacturing, Marketing and Distribution

Manufacturing, marketing and distribution earnings outside the U.S. for the third quarter of 1995 and 1994, including special items, were $15 million and $98 million, respectively. Earnings for the first nine months of 1995 and 1994, including special items, were $275 million and $252 million, respectively. Net income for the first nine months of 1995 includes a net special gain of $38 million, comprised of $42 million of third quarter special charges relating to employee separations in subsidiary operations and Caltex restructuring charges and a first quarter net gain of $80 million, principally relating to the sale of land by a Caltex affiliate in Japan. Nine months 1994 results included a $23 million third quarter gain related to the sale of an interest in a downstream joint venture in Sweden and second quarter special charges of $38 million related to employee separations and to the write-down of certain non-core assets.

Comparative third quarter international downstream operating earnings declined as improved results in United Kingdom operations were more than offset by weakened margins in Latin America and lower volumes as a result of the continuing refinery upgrade project in Panama, and lower results in the Caltex operating areas.

The decrease in operating earnings before special charges for the first nine months of 1995 mainly reflects overall weak European margins during the first half of the year, particularly in the U.K., partly offset by solid first-half margins and volumes in Latin America and higher margins in the Caltex operating areas.

NONPETROLEUM

Nonpetroleum results for the third quarter of 1995 and 1994, including special items, were earnings of $36 million and losses of $26 million, respectively. Results for the first nine months of 1995 and 1994, including special items, were earnings of $47 million and losses of $33 million, respectively.

Results for the third quarter and nine months 1995 include a $27 million gain from the sale of the company's interest in Pekin Energy Company. The third quarter and nine months 1994 results included a $20 million special charge in the insurance operations related to property fire damage at the Pembroke, Wales, refinery.

Higher 1995 nonpetroleum earnings mainly reflect the improved loss experience of insurance operations.

CORPORATE/NONOPERATING RESULTS FROM CONTINUING OPERATIONS

Corporate/nonoperating charges for the third quarter of 1995 and 1994, including special items, were $71 million and $93 million, respectively. Charges for the first nine months of 1995 and 1994, including special items, were $265 million and $251 million, respectively. Results for the first nine months of 1995 include first quarter gains of $25 million, principally from sales of equity securities held for investment by the insurance operations.

The third quarter and nine months 1995 results include $44 million of tax benefits realizable through the sale of an interest in a subsidiary. Nine months 1994 results include similar tax benefits of $87 million, of which $79 million was recognized in the second quarter and $8 million in the third quarter. Special charges for employee separations totaled $16 million for the third quarter and nine months of 1995. The results for the first nine months of 1994 included second quarter special charges of $17 million for employee separations.

LIQUIDITY AND CAPITAL RESOURCES

As of September 30, 1995, Texaco's cash, cash equivalents and short-term investments totaled $384 million, as compared to the 1994 year-end level of $464 million. Texaco's total cash from operating activities for the first nine months of 1995 (as presented on the Condensed Statement of Consolidated Cash Flows) included several significant items that were not directly related to current period operations, and which in the aggregate, amounted to a net outflow of some $200 million. Among these items were payments related to employee severance and litigation settlements (primarily the State of Louisiana royalty dispute).

During the first nine months of 1995, cash generated from normal operating activities and proceeds from asset sales, which are discussed below, were used to support Texaco's capital and exploratory expenditures of $1,681 million, for payment of dividends to common, preferred and minority shareholders of $706 million, and for the reduction of debt.

Total debt at September 30, 1995 amounted to $5,952 million as compared to $6,481 million at year-end 1994. Texaco's ratio of total debt to total borrowed and invested capital was 36.0% at September 30, 1995 and 38.5% at year-end 1994. At September 30, 1995, Texaco's long-term debt included $741 million of debt scheduled to mature within one year, which the company has both the intent and the ability to refinance on a long-term basis. Texaco maintains a revolving credit facility with commitments of $2.0 billion, which remained unused at both September 30, 1995 and at year-end 1994. Additionally, a subsidiary maintains a long-term revolving credit facility for $330 million, which was fully utilized at September 30, 1995 and year-end 1994 and is reflected in long-term debt. Texaco's total notional principal amount of interest rate swaps declined from $1,202 million at December 31, 1994 to $790 million at September 30, 1995 through maturities and terminations.

Proceeds from asset sales for the first nine months of 1995 amounted to $1,043 million. These proceeds included the sale of non-core producing properties in the United States, mainly some 300 scattered properties sold to Apache Corporation, the sale and leaseback of equipment in a foreign offshore development project, the sale of Texaco's 50 percent equity interest in Pekin Energy Company and the sale of a portion of Texaco's marine fleet. Additionally, Texaco expects to collect some $250 million during the next six months relative to receivables associated with asset sales in 1994 and 1995. Proceeds from asset sales are key to financing growth opportunities in core businesses.

During the third quarter of 1995, Texaco received $214 million, representing partial proceeds from the sale of equipment leasehold interests in conjunction with a sale/leaseback arrangement. Texaco will repurchase these interests at a future date.

Also, during the third quarter of 1995, Texaco announced that it had signed an agreement with Ethyl Corporation, a fuel and lubricant additives manufacturer, for the sale of Texaco's worldwide lubricant additives business, subject to antitrust review under the Hart-Scott-Rodino Act. The proceeds from this sale will be applied to opportunities in core businesses and for other general corporate purposes.

Subsequent to September 30, 1995, Texaco announced a stock repurchase program to buy up to $500 million of its common stock through open market or privately negotiated transactions. Subject to market conditions and applicable regulatory requirements, the stock repurchase program is expected to be completed around the second quarter of 1997.

The company considers its financial position sufficient to meet its anticipated future financial requirements.

EMPLOYEE SEVERANCE PROGRAM

On July 5, 1994, Texaco announced its plan for growth which included a series of action steps to increase competitiveness and profitability. This program also called for reduction in overheads and improvements in operating efficiencies. Implementation of Texaco's program was expected to result in the reduction of approximately 2,500 employees worldwide by June 30, 1995, involving both the U.S. and international upstream and downstream segments, as well as various support staff functions. During the second quarter of 1994, Texaco recorded a charge of $88 million, net of tax, for the anticipated severance costs associated with the employee reductions.

On October 2, 1995, Texaco announced additional employee separations as a result of the continued successful application of its overhead reduction initiative. In this regard, in the third quarter 1995, Texaco recorded an after-tax charge of $56 million for the cost of these employee separations. By year-end 1996, these overhead reduction initiatives will have effected workload reductions and non-core asset sales, resulting in approximately 4,000 fewer positions worldwide compared with June 1994 levels.

As of September 30, 1995, implementation of Texaco's program has included reductions of over 3,000 employees worldwide with a related commitment to severance payments of $143 million, or an after-tax cost of $99 million. Of this commitment, payments of $128 million have been made as of September 30, 1995.

CAPITAL AND EXPLORATORY EXPENDITURES

Capital and exploratory expenditures for continuing operations, including equity in such expenditures of affiliates, were $2,058 million for the first nine months of 1995, as compared to $1,788 million for the same period of 1994. Consistent with the intent to reinvest the proceeds of non-core asset sales, expenditures for the third quarter of 1995 amounted to $786 million, versus $557 million for the third quarter of 1994.

Increased worldwide exploration and production expenditures in 1995 reflect the continued development of the Captain field in the U.K. sector of the North Sea, as well as higher U.S. expenditures, both onshore and offshore, during the third quarter of 1995.

Downstream expenditures remained relatively stable as compared to the prior year as 1995's higher worldwide marketing investments were balanced out by the completion of several refinery upgrade projects.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

Reference is made to the discussion of Contingent Liabilities in Note 4 to the Consolidated Financial Statements of this Form 10-Q, Item 1 of Texaco Inc.'s Form 10-Q for the quarterly periods ended March 31, 1995 and June 30, 1995 and to Item 3 of Texaco Inc.'s 1994 Annual Report on Form 10-K, which are incorporated herein by reference.

Environmental Matters

As of September 30, 1995, Texaco Inc. and its subsidiaries were parties to various proceedings, instituted by governmental authorities, arising under the provisions of applicable laws or regulations relating to the discharge of materials into the environment or otherwise relating to the protection of the environment, none of which is material to the business or financial condition of the company. The following is a brief description of one new proceeding which, because of the amount involved, requires disclosure under applicable Securities and Exchange Commission regulations:

> The Delaware Department of Natural Resources and Environmental Control (DNREC) has informally cited Star Enterprise's Delaware City refinery for emitting nitrogen oxide in quantities exceeding the refinery's permit levels in 1993 and 1994. The DNREC seeks civil penalties of $175,000. Star Enterprise is contesting liability.

Item 5. Other Information

	(Unaudited)			
	For the nine months ended September 30,		For the three months ended September 30,	
	1995	1994	1995	1994
	(Millions of dollars)			
FUNCTIONAL NET INCOME				
Operating earnings (losses) from continuing operations				
Petroleum and natural gas				
Exploration and production				
United States	$ 472	$ 299	$ 159	$ 127
International	253	146	89	83
Total	725	445	248	210
Manufacturing, marketing and distribution				
United States	69	185	60	92
International	275	252	15	98
Total	344	437	75	190
Total petroleum and natural gas	1,069	882	323	400
Nonpetroleum	47	(33)	36	(26)
Total operating earnings	1,116	849	359	374
Corporate/Nonoperating	(265)	(251)	(71)	(93)
Net income from continuing operations	851	598	288	281
Discontinued operations - Net loss on disposal	-	(87)	-	-
Net income	$ 851	$ 511	$ 288	$ 281
CAPITAL AND EXPLORATORY EXPENDITURES				
Texaco Inc. and subsidiary companies				
Exploration and production				
United States	$ 633	$ 598	$ 246	$ 148
International	644	376	260	111
Total	1,277	974	506	259
Manufacturing, marketing and distribution				
United States	168	166	66	64
International	187	181	69	60
Total	355	347	135	124
Other	18	20	6	6
Total	1,650	1,341	647	389
Equity in affiliates				
United States	97	96	32	45
International	311	351	107	123
Total	408	447	139	168
Total continuing operations	2,058	1,788	786	557
Discontinued operations	2	21	1	1
Total worldwide	$2,060	$1,809	$ 787	$ 558

	(Unaudited)			
	For the nine months ended September 30,		For the three months ended September 30,	
	1995	1994	1995	1994
OPERATING DATA - INCLUDING INTERESTS IN AFFILIATES				
Net production of crude oil and natural gas liquids (thousands of barrels per day)				
United States	381	408	373	407
Other Western Hemisphere	17	20	15	21
Europe	117	116	118	126
Other Eastern Hemisphere	243	234	257	232
Total	758	778	763	786
Net production of natural gas available for sale (millions of cubic feet per day)				
United States	1,627	1,728	1,618	1,720
Europe	210	148	172	137
Other International	170	153	163	157
Total	2,007	2,029	1,953	2,014
Natural gas sales (millions of cubic feet per day)				
United States	3,162	3,083	3,046	3,156
Europe	254	153	227	141
Other International	180	164	171	167
Total	3,596	3,400	3,444	3,464
Natural gas liquids sales, including purchased LPG's (thousands of barrels per day)				
United States	214	211	207	212
International	79	70	86	93
Total	293	281	293	305
Refinery input (thousands of barrels per day)				
United States	691	661	703	704
Other Western Hemisphere	35	47	41	53
Europe	284	279	312	188
Other Eastern Hemisphere	443	456	453	447
Total	1,453	1,443	1,509	1,392
Refined product sales (thousands of barrels per day)				
United States	913	876	942	908
Other Western Hemisphere	340	308	331	318
Europe	453	445	487	411
Other Eastern Hemisphere	736	702	698	707
Total	2,442	2,331	2,458	2,344

Item 6. Exhibits and Reports on Form 8-K
- ---------------------------------------

(a) Exhibits

_ (11) Computation of Earnings Per Share of Common Stock of Texaco Inc. and Subsidiary Companies.

_ (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, 1994 (including portions of Texaco Inc.'s Annual Report to Stockholders for the year 1994) and a copy of Texaco Inc.'s Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 1995 and June 30, 1995, 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 1995, the Registrant filed two Current Reports on Form 8-K for the following events:

1. July 25, 1995 (date of earliest event reported: July 25, 1995)

   Item 5. Other Events - reported that Texaco issued an Earnings Press Release for the second quarter 1995. Texaco appended as an exhibit thereto a copy of the Press Release entitled "Texaco Reports Results for the Second Quarter and First Half 1995," dated July 25, 1995.

2. September 26, 1995 (date of earliest event reported: September 25, 1995)

   Item 5. Other Events - reported that Texaco announced that it had signed an agreement with Ethyl Corporation for the sale of Texaco's worldwide additives business, subject to antitrust review under the Hart-Scott-Rodino Act. Texaco appended as an exhibit thereto a copy of the Press Release entitled "Texaco to Sell Worldwide Lubricant Additives Business to Ethyl Corporation," dated September 25, 1995.

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: R.C. Oelkers
(Comptroller)

By: R.E. Koch
(Assistant Secretary)

Date: November 13, 1995

EXHIBIT 11

TEXACO INC. AND SUBSIDIARY COMPANIES
COMPUTATION OF EARNINGS PER SHARE OF COMMON STOCK
FOR THE NINE AND THREE MONTHS ENDED SEPTEMBER 30, 1995 AND 1994

(Millions of dollars, except per share amounts)

	(Unaudited)			
	For the nine months ended September 30,		For the three months ended September 30,	
	1995	1994	1995	1994
Primary Net Income Per Common Share				
Net income from continuing operations	$ 851	$ 598	$ 288	$ 281
Discontinued operations	-	(87)	-	-
Net income	851	511	288	281
Less: Preferred stock dividend requirements	(46)	(76)	(15)	(27)
Primary net income available for common stock	$ 805	$ 435	$ 273	$ 254
Average number of primary common shares outstanding (thousands)	259,862	259,192	260,087	259,117
Primary net income per common share	$ 3.10	$ 1.68	$ 1.05	$ .98
Fully Diluted Net Income Per Common Share				
Net income	$ 851	$ 511	$ 288	$ 281
Preferred stock dividend requirements of non-dilutive issues and adjustments to net income associated with dilutive securities	(18)	(76)	(6)	(18)
Fully diluted net income	$ 833	$ 435	$ 282	$ 263
Average number of primary common shares outstanding (thousands)	259,862	259,192	260,087	259,117
Additional shares outstanding assuming full conversion of dilutive convertible securities into common stock (thousands):				
Convertible debentures	147	-	146	148
Convertible Preferred Stock				
Series B ESOP	9,883	-	9,790	10,183
Series F ESOP	663	-	660	702
Other	52	69	52	67
Average number of fully diluted common shares outstanding (thousands)	270,607	259,261	270,735	270,217
Fully diluted net income per common share	$ 3.08	$ 1.68	$ 1.04	$ .97

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, 1995 AND
FOR EACH OF THE FIVE YEARS ENDED DECEMBER 31, 1994 (a)

(Millions of dollars)

	For the Nine Months Ended September 30, 1995	Years Ended December 31, 1994	1993	1992	1991	1990
Income from continuing operations, before provision or benefit for income taxes and cumulative effect of accounting changes effective 1-1-92	$1,435	$1,409	$1,392	$1,707	$1,744	$2,448
Dividends from less than 50% owned companies more or (less) than equity in net income	2	(1)	(8)	(9)	5	(7)
Minority interest in net income	42	44	17	18	16	12
Previously capitalized interest charged to income during the period	25	29	33	30	23	16
Total earnings	1,504	1,481	1,434	1,746	1,788	2,469
Fixed charges:						
Items charged to income:						
Interest charges	465	594	546	551	644	676
Interest factor attributable to operating lease rentals	89	118	91	94	76	58
Preferred stock dividends of subsidiaries guaranteed by Texaco Inc.	28	31	4	-	-	-
Total items charged to income	582	743	641	645	720	734
Interest capitalized	19	21	57	109	80	50
Interest on ESOP debt guaranteed by Texaco Inc.	10	14	14	18	26	38
Total fixed charges	611	778	712	772	826	822
Earnings available for payment of fixed charges (Total earnings + Total items charged to income)	$2,086	$2,224	$2,075	$2,391	$2,508	$3,203
Ratio of earnings to fixed charges of Texaco on a total enterprise basis	3.41	2.86	2.91	3.10	3.04	3.90

(a) Excludes discontinued operations.

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM TEXACO INC.'S QUARTERLY REPORT ON FORM 10-Q FOR THE PERIOD ENDED SEPTEMBER 30, 1995 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

0000097349
TEXACO INC.
1,000,000

9-MOS
DEC-31-1995
JAN-1-1995
SEP-30-1995
360
24
3,361
23
1,385
5,544
31,253
18,091
24,996
4,299
5,605
1,643
0
544
7,803
24,996
26,237
27,126
20,062
22,187
3,304
0
365
1,270
419
851
0
0
0
851
3.10
3.08