

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K
CURRENT REPORT

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

Date of Report (Date of earliest event reported): **August 17, 2006**

TEXAS PACIFIC LAND TRUST
(Exact Name of Registrant as Specified in its Charter)

Not Applicable (State or Other Jurisdiction of Incorporation)	1-737 (Commission File Number)	75-0279735 (I.R.S. Employer Identification Number)
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1700 Pacific Avenue, Suite 1670, Dallas, Texas 75201
(Address of Principal Executive Offices, including Zip Code)

Registrant's Telephone Number, including Area Code: **214-969-5530**

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 8.01. Other Events.

On August 17, 2006, Mercury Real Estate Advisors LLC ("Mercury"), an affiliate of Mercury Partners LLC, issued a press release in which it stated that it had sent a letter (the "Mercury Letter") to Mr. Roy Thomas, the General Agent of Texas Pacific Land Trust (the "Trust"). The press release included the text of the Mercury Letter. A copy of that press release is filed as Exhibit 99.1 to this Report. The Trust has not yet received a copy of the Mercury Letter directly.

On August 18, 2006, the Trust issued a press release in which it stated that it had sent a letter (the "Trust Letter") to Mercury in response to the Mercury Letter. The press release included the text of the Trust Letter. A copy of that press release is filed as Exhibit 99.2 to this Report. The Trust Letter was sent to Mercury on August 18, 2006.

Item 9.01. Financial Statements and Exhibits.

- (d) Exhibits.
- 99.1 Press Release, dated August 17, 2006, issued by Mercury Real Estate Advisors LLC.
- 99.2 Press Release, dated August 18, 2006, issued by the Trust.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Trust has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TEXAS PACIFIC LAND TRUST

Date: August 18, 2006

By: /s/ Roy Thomas
Roy Thomas
General Agent and Chief Executive Officer

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EXHIBIT INDEX

**Exhibit
Number**

Description

99.1	Press Release, dated August 17, 2006, issued by Mercury Real Estate Advisors LLC.
99.2	Press Release, dated August 18, 2006, issued by the Trust.

Press Release

Mercury Urges More Aggressive Stock Buyback

Thursday, August 17, 9:30 am ET

GREENWICH, Conn., Aug. 17 /PRNewswire/ — Mercury Real Estate Advisors LLC, an affiliate of Mercury Partners LLC, a real estate investment management company based in Greenwich, CT, sent the following letter today to Roy Thomas, Texas Pacific Land Trusts (NYSE: TPL—News) General Agent.

Mercury Real Estate Advisors LLC
100 Field Point Road
Greenwich, Connecticut 06830

August 17, 2006

Texas Pacific Land Trust
Attn: Roy Thomas, General Agent
1700 Pacific Avenue
Suite 1670
Dallas, TX 75201

Dear Mr. Thomas:

As you know, Mercury Real Estate Advisors LLC and its affiliates have been shareholders of Texas Pacific Land Trust (the “Company”) for almost three years. First, we would like to commend the Company on its very positive second quarter 2006 results. Nevertheless, we continue to believe that the Company is trading at a meaningful discount to its liquidation value. At the current price per sub-share certificate of \$145, the Company’s irreplaceable 980,043 acres of land are valued at approximately \$300 per acre without accounting for its valuable perpetual royalty interests in an additional 472,402 acres in Texas.

As you are aware, we have demanded on numerous occasions that the Company continue to aggressively buy back its stock given this compelling level of valuation. As there is over \$12 million of unencumbered cash and over \$18 million of notes receivable relating to land sales (for which the Company receives interest and principal payments) on the balance sheet, buying back stock is clearly one of the best methods by which you can continue to maximize shareholder value and utilize your strong cash position. For example, the Company could use \$10 million to pay an approximately \$5 dividend per sub-share certificate or pursue a buyback of approximately 70,000 sub-share certificates. Such actions would not adversely affect the financial stability of the Company, as it is currently generating after-tax cash at a rate of \$2.5 — \$3.0 million per quarter in 2006, without any capital expenditure or cash requirements.

As a value investor in public real estate companies, we believe that management should be more aggressively focused on buying back shares at such an attractive valuation discount or otherwise returning excess cash to shareholders.

Very truly yours,

MERCURY REAL ESTATE ADVISORS LLC

David R. Jarvis
Chief Executive Officer

Malcolm F. MacLean IV
President

PRESS RELEASE

TEXAS PACIFIC LAND TRUST RESPONDS TO MERCURY LETTER

Friday, August 18, 1:00 pm CT

DALLAS, TX, August 18, 2006 – Texas Pacific Land Trust (NYSE:TPL) announced today that it had sent the following letter to Mercury Real Estate Advisors LLC (“Mercury”) in response to a letter which Mercury said yesterday that it had sent to Texas Pacific:

TEXAS PACIFIC LAND TRUST

1700 Pacific Avenue
Suite 1670
Dallas, Texas 75201

Telephone (214) 969-5530

TRUSTEES:
Maurice Meyer III
John R. Norris III
James K. Norwood

ROY THOMAS
General Agent

DAVID M. PETERSON
Assistant General Agent

August 18, 2006

Mercury Real Estate Advisors LLC
100 Field Point Road
Greenwich, CT 06830

Attn: David R. Jarvis, Chief Executive Officer
Malcolm F. MacLean, IV, President

Dear Messrs. Jarvis and MacLean:

This letter is in response to your letter of August 17, 2006. Although the Trust has not received your letter, the Trust noticed the press release regarding your letter.

The Trust agrees with many of the items noted in your letter. The Trust is an active purchaser of its shares. In 2005, the Trust spent \$5,400,790 to repurchase shares, the most in its history. It also paid \$1,203,670 in dividends in 2005. These two items represented almost 65% of the cash flow generated by the Trust in 2005. Through August 17, 2006, the Trust has spent \$2,958,685 to repurchase shares and \$1,400,994 for dividends.

While the Trust seeks almost every day to purchase shares, the shares are very thinly traded which makes it difficult to acquire substantial amounts of stock. For example, the average daily volume for the last 3 months was only 2,444 shares. More importantly, the SEC's rules on repurchases of stock impose substantial restrictions on the ability of the Trust to repurchase shares, especially given the low volume of daily trading. Please be assured that the Trust is actively seeking to purchase more of its shares but the thin trading volume and the SEC rules impose certain restraints on the Trust.

In October 2004, the Trust did declare a special dividend of \$1.75 a share. In 2006, the Trust also increased its annual dividend to \$.65 a share. The Trust has considered, and will continue to consider, declaring another special dividend and/or increasing the annual dividend but no final decisions have been made.

The Trust acts in the best interests of its certificate holders as a whole. We agree on the objective of maximizing value for the certificate holders which can include prudent share repurchases and dividends. However, the Trust expresses no views on your statements regarding liquidation value. As the Trust always notes in its reports, the ability of the Trust to sell land depends on market conditions and the pace of land sales from year to year is hard to predict.

We appreciate your confidence in the Trust while you have been a shareholder for the last 3 years. The Trust hopes that you will continue to be a loyal and long-term holder of its shares. The Trust has been well managed for the last 118 years creating enormous value for its certificate holders and our objective is to continue that stewardship in the best interests of all those who hold shares in the Trust.

Thank you for your continuing interest in the Trust.

Sincerely yours,

Roy Thomas
General Agent