

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year
ended December 31, 2000

Commission file number 1-737

TEXAS PACIFIC LAND TRUST

(Exact name of registrant as specified in its charter)

<TABLE>
<CAPTION>
Not Applicable 75-0279735

<S> <C>
State or other jurisdiction of (I.R.S. Employer
incorporation or organization Identification No.)

80 Broad Street, Suite 2700, New York, New York 10004

(Address of principal executive offices) (Zip Code)
</TABLE>

Registrant's telephone number,
including area code: (212) 269-2266

Securities registered pursuant to Section 12(b) of the Act:

<TABLE>
<CAPTION>

Title of Each Class Name of Each
Exchange on Which Registered

<S> <C>
Sub-shares in Certificate of
Proprietary Interest New York Stock Exchange
(par value \$.16-2/3 per share)
</TABLE>

Securities Registered Pursuant to Section 12(g) of the Act: None.

Indicate by check mark whether the registrant (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 (or for such shorter period that the
registrant was required to file such reports), and (2) has been subject to such
filing requirements for the past 90 days. Yes X No .

- 1 -

Indicate by check mark if disclosure of delinquent filers pursuant to
Item 405 of Regulation S-K (Section 229,405 of this chapter) is not contained
herein, and will not be contained, to the best of registrant's knowledge, in
definitive proxy or information statements incorporated by reference in Part III
of this Form 10-K or any amendment to this Form 10-K. X

As of January 31, 2001, the aggregate market value of the voting stock
held by non-affiliates of the registrant is approximately \$98,448,041.

Documents Incorporated by Reference: None.

ITEM 1: BUSINESS.

(a) General Development of Business. The registrant (hereinafter called
"Texas Pacific" or the "Trust") was organized under a Declaration of Trust dated
February 1, 1888, to receive and hold title to extensive tracts of land in the
State of Texas, previously the property of the Texas and Pacific Railway
Company, and to issue transferrable Certificates of Proprietary Interest pro
rata to the holders of certain debt securities of the Texas and Pacific Railway
Company. The Trustees are empowered under the Declaration of Trust to manage the
lands with all the powers of an absolute owner, and to use the lands and the
proceeds of sale of the lands, either to pay dividends to the Certificate
holders or to buy in and cancel outstanding Certificates. The Trust's income is
derived primarily from land sales, oil and gas royalties, grazing leases, and
interest. This method of operation has continued through the present. During the
last five years there has not been any reorganization, disposition of any

material amount of assets not in the ordinary course of business (although in the ordinary course of business Texas Pacific does sell or lease large tracts of land owned by it), or any material change in the mode of conducting business.

Texas Pacific's income from oil and gas royalties has been limited in the past by the level of production authorized for prorated wells each year by the regulations of the Railroad Commission of Texas. The monthly percentage of allowable production has averaged 100% in recent years but because of the limited capacity of older wells and other operating problems, the percentage permitted by the Commission could not be produced by most operators.

(b) Financial Information about Industry Segments. Texas Pacific does not have identifiable industry segments, although as shown in the Statements of Income included in the financial statements, land sales, oil and gas royalties and interest income are the major contributors to the income of Texas Pacific. The Trust's management views its operations as one segment and believes the only significant activity is managing the land which was conveyed to the Trust in 1888. Managing the land includes sales

- 2 -

and leases of such land, and the retention of oil and gas royalties. See Statements of Income for additional sources of income for the last three (3) years of Texas Pacific.

(c) Narrative Description of Business. As previously indicated the business done and intended to be done by Texas Pacific consists of sales and leases of land owned by it, retaining oil and gas royalties, temporary cash investments and the overall management of the land owned by it.

- (i) During the last three fiscal years the following items have accounted for more than fifteen percent (15%) of consolidated revenues.

<TABLE>
<CAPTION>

| | 2000 | 1999 | 1998 |
|-----------------------|------|------|------|
| | ---- | ---- | ---- |
| <S> | <C> | <C> | <C> |
| Interest | -- | 16% | -- |
| Land Sales | 19% | -- | 48% |
| Oil and Gas Royalties | 54% | 46% | 24% |

</TABLE>

- (ii) Texas Pacific is not in the business of development of new products.
- (iii) Raw materials are not necessary to the business of Texas Pacific.
- (iv) Patents, trademarks, licenses, franchises or concessions held are not material to any business of Texas Pacific.
- (v) The business of Texas Pacific is not seasonal in nature.
- (vi) The business of Texas Pacific does not require Texas Pacific to maintain any particular amount or item of working capital.

- 3 -

- (vii) Texas Pacific Land Trust received in 2000 \$831,428 or 20 percent of its oil and gas royalty income from 80 leases operated by Texaco, Inc.
- (viii) Backlogs are not relevant to an understanding of Texas Pacific's business.
- (ix) No material portion of Texas Pacific business is subject to renegotiation or termination at the election of the Government.
- (x) The Trust does not have competitors as such in that it sells, leases and generally manages land owned by it and to that extent any owner of property located in areas comparable to the Trust is a potential competitor.
- (xi) Research activities relating to the development of new products or services or to the improvement of existing products or services are not material to the Trust's business.

(xii) Compliance with Federal, State and local provisions that have been enacted or adopted regulating the discharge of materials into the environment, or otherwise relating to the protection of the environment, have had no material effect upon the capital expenditures, earnings and competitive position of Texas Pacific. To date Texas Pacific has not been called upon to expend any funds for these purposes.

(xiii) Texas Pacific has nine (9) full-time employees.

(d) Financial Information about Foreign and Domestic Operations and Export Sales. Texas Pacific does not and has not during the preceding three (3) fiscal years had any export sales or foreign operations and the only geographic area in the United States in which land is sold or income derived is Texas.

- 4 -

ITEM 2: PROPERTIES.

Texas Pacific Land Trust owns the surface estate in approximately 1,035,563.73 acres of land located in 21 counties in the western part of Texas. Also, the Trust owns a 1/128 nonparticipating perpetual oil and gas royalty interest under 85,413 acres of land and a 1/16 nonparticipating perpetual oil and gas royalty interest under 386,988 acres of land in the western part of Texas. At December 31, 2000, grazing leases were in effect on 99.1 percent or approximately 1,026,351.6 acres of the Trust's land. Approximately 19,592.35 acres of land were sold in 2000. The Trust leases office space in Dallas, Texas and New York, New York.

ITEM 3: LEGAL PROCEEDINGS.

Texas Pacific is not involved in any material pending legal proceedings.

ITEM 4: SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

This item is not applicable to Texas Pacific.

- 5 -

ITEM 5: MARKET FOR SUB-SHARE CERTIFICATES AND RELATED SECURITY HOLDER MATTERS.

The range of reported sales for sub-shares on the New York Stock Exchange for the past two years has been as follows:

<TABLE>
<CAPTION>

| | 2000 | | 1999 | |
|-------------|---------|---------|---------|---------|
| | HIGH | LOW | HIGH | LOW |
| <C> | <C> | <C> | <C> | <C> |
| 1st Quarter | \$43.00 | \$35.50 | \$59.50 | \$48.25 |
| 2nd Quarter | 44.00 | 34.38 | 50.06 | 44.50 |
| 3rd Quarter | 46.00 | 37.69 | 55.13 | 44.06 |
| 4th Quarter | 38.25 | 33.50 | 46.38 | 37.75 |

</TABLE>

Certificates of Proprietary Interest and sub-shares are interchangeable in the ratio of one certificate for 600 sub-shares or 600 sub-shares for one Certificate of Proprietary Interest. Texas Pacific has paid a dividend once a year for the preceding 44 years. The dividend was \$.40 per sub-share in 2000 and \$.40 per sub-share in 1999. Texas Pacific is not a party to any agreement that would limit its ability to pay dividends in the future, although any future dividends are subject to sufficient earnings of the Trust being accomplished.

The approximate number of holders of certificates of proprietary interest and sub-shares as of January 31, 2001 were:

| <S> | <C> |
|--|-----|
| Certificates of proprietary interest | 1 |
| Sub-shares in certificates of proprietary interest | 800 |
| | --- |
| TOTAL | 801 |
| | === |

</TABLE>

- 6 -

ITEM 6: SELECTED FINANCIAL DATA.

SUMMARY OF SELECTED FINANCIAL DATA

| | 2000 | 1999 | 1998 | 1997 | 1996 |
|--|--------------|--------------|--------------|--------------|--------------|
| <S> | <C> | <C> | <C> | <C> | <C> |
| Gross income | \$ 7,798,999 | \$ 5,924,237 | \$10,479,670 | \$13,075,037 | \$ 8,581,087 |
| Expenses | 2,456,242 | 1,724,815 | 1,638,132 | 3,243,920 | 2,442,527 |
| Income before Federal income taxes | 5,342,757 | 4,199,422 | 8,841,538 | 9,831,117 | 6,138,560 |
| Federal income taxes | 1,584,688 | 1,261,595 | 2,808,277 | 3,124,376 | 1,874,287 |
| Net income | \$ 3,758,069 | \$ 2,937,827 | \$ 6,033,261 | \$ 6,706,741 | \$ 4,264,273 |
| Net income per Sub-share | \$ 1.47 | \$ 1.11 | \$ 2.22 | \$ 2.39 | \$ 1.46 |
| Dividends per Sub-share | \$.40 | \$.40 | \$.40 | \$.40 | \$.40 |
| Average number of Sub-shares outstanding | 2,555,062 | 2,642,626 | 2,717,872 | 2,809,313 | 2,913,913 |
| Total assets, exclusive of property with no assigned value | \$15,329,316 | \$15,876,606 | \$18,856,414 | \$16,673,289 | \$13,710,234 |

- 7 -

ITEM 7: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Earnings per sub-share certificate for 2000 were \$1.47 compared to \$1.11 in 1999 and \$2.22 in 1998. Total revenues in 2000 were \$7,798,999, and in 1999 \$5,924,237, and in 1998 \$10,479,670.

Land sales in 2000 were \$1,443,173 compared to \$516,525 in 1999, and \$5,020,462 in 1998. A total of 19,592 acres were sold in 2000 at an average price of \$74 per acre, compared to 5,413 acres in 1999 and 31,962 acres in 1998 at an average price per acre of \$95 and \$157 respectively.

Land Sales may vary widely from year to year and quarter to quarter. The total dollar amount, the average price per acre, and the number of acres sold in any one year or quarter should not be assumed to be indicative of land sales in the future. The Trust is a passive seller of land; it does not actively solicit sales of land. The demand for and the sales price of any particular tract of the Trust's land is influenced by many factors including the national and local economies, the rate of residential and commercial development in nearby areas, livestock carrying capacity, and the conditions of the local agricultural industry which itself is influenced by range conditions and prices for livestock and other agricultural products. Approximately 99% of the Trust's land is classified as ranch land and intermingled with other ownerships to form ranching units. Ranch land sales are, therefore, largely dependent on the actions of the adjoining landowners.

Rentals, royalties and other income were \$6,355,826 in 2000 compared to \$5,407,712 in 1999 and \$5,459,208 in 1998.

Oil and gas royalty revenue in 2000 was \$4,230,775 compared to \$2,713,638 in 1999 and \$2,488,439 in 1998. Oil royalty revenue was \$2,839,984 and gas royalty revenue was \$1,390,791 in 2000. Crude oil production from Trust royalty wells decreased 5.6% and the average price received for crude oil increased 77.2%. Total gas production decreased 6.6% and the average price for gas increased 46.7%. The average price per royalty barrel of crude oil for 2000, 1999, and 1998 was \$28.17, \$15.90 and \$13.51 respectively. The Trust's oil and

gas royalty income is from perpetual non participating royalty interests. The Trust has no control over changes in production or prices of oil and gas.

Interest revenue was \$874,294 compared to \$960,492 in 1999 and \$1,004,124 in 1998. Interest on notes receivable amounted to \$781,804 in 2000, compared to \$841,136 in 1999, and \$905,451 in 1998. At year end 2000, notes receivable from land sales were \$8,591,998 compared to \$8,393,007 in 1999 and \$11,006,307 in 1998. Sundry interest amounted to \$92,490 in 2000, \$119,356 in 1999, and \$98,673 in 1998. Total principal payments on notes receivable were \$532,235.

Easement and sundry income revenue in 2000 was \$743,368 compared to \$1,210,648 in 1999, and \$1,436,316 in 1998. The significant decrease was due mainly to decrease in seismic and easement revenue.

Taxes, other than Federal income taxes, were \$554,339 compared to

- 8 -

\$477,295 in 1999 and \$459,168 in 1998. Oil and gas production taxes were \$236,918 in 2000 compared to \$155,482 in 1999 and \$140,588 in 1998. Ad valorem taxes were \$275,515 in 2000 compared to \$282,004 in 1999 and \$281,264 in 1998. Basis in real estate sold was \$606,322 in 2000, \$55,827 in 1999, and \$44,817 in 1998. All other expenses were \$1,295,581 in 2000, \$1,191,693 in 1999, and \$1,134,147 in 1998.

The Trust's oil and gas royalty revenue, lease rentals, and receipts of interest and principal payments on notes receivable have generated more than adequate amounts of cash to meet the Trust's needs and should continue to do so in the foreseeable future.

A special meeting of certificate and sub-share certificate holders was held on June 7, 2000 to elect a Trustee to succeed Mr. George C. Fraser III who resigned effective June 7, 2000. John R. Norris III was elected a Trustee. Mr. Norris, age 47, is an attorney and partner in the law firm of Calloway, Norris & Burdette in Dallas, Texas. Mr. Norris' current firm and its predecessors have been the Trust's Texas counsel for more than fifty years.

Following the special meeting of certificate holders, the Trustees elected Mr. Joe R. Clark and Mr. Maurice Meyer III as Chairman and Vice-Chairman, respectively.

The Trustees appreciate very much the many years that Mr. George C. Fraser III served in the capacity of Trustee and Chairman. Mr. Fraser's tenure as Trustee since October 1961 was just four months less than 39 years, the longest service as Trustee in the history of the Trust.

ITEM 7.a: QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

The Trust's primary market risk exposure relates to changes in interest rates related to its notes receivable. To limit the impact of interest rate changes, the Trust enters into fixed rate notes receivable that approximate the current interest rate for land sales at the time. As a result, the Trust's only interest rate risk is the opportunity loss should interest rates increase. The following table summarizes expected maturities of the Trust's notes receivable. As the interest rates represent rates which management believes are current rates on similar land sales, the Trust believes the fair value of its notes receivable approximate the carrying amounts.

<TABLE>

<CAPTION>

| Year ending December 31 ----- | Maturity ----- |
|----------------------------------|-------------------|
| <S> | <C> |
| 2001 | \$ 578,259 |
| 2002 | 631,318 |
| 2003 | 667,031 |
| 2004 | 709,259 |
| 2005 | 643,906 |
| Thereafter | 5,362,225 |
| | ----- |
| | \$ 8,591,998 |

</TABLE>

The Trust's remaining financial instruments consist of cash, temporary

- 9 -

cash investments and accounts payable and other liabilities and the carrying amount of these instruments approximate fair value due to the short-term nature

of these instruments.

ITEM 8: FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

See Index to Financial Statements attached hereto included under Item 14 and incorporated herein by reference.

ITEM 9: CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES.

This item is not applicable to Texas Pacific.

- 10 -

ITEM 10: DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.

(a) Directors:

<TABLE>
<CAPTION>

| NAME ---- | AGE --- | POSITION AND OFFICES HELD WITH REGISTRANT ----- | PERIOD DURING WHICH PERSON HAS SERVED IN OFFICE ----- |
|---------------------|------------|---|--|
| <S> Joe R. Clark | <C> 73 | <C> Trustee, Chairman of the Trustees and Member of Audit Committee | <C> Trustee since 02/20/87 |
| Maurice Meyer III | 65 | Trustee and Member of Audit Committee | Trustee since 02/28/91 |
| John R. Norris III | 47 | Trustee and Member Of Audit Committee | Trustee since 06/07/00 |

</TABLE>

(b) Executive Officers.

<TABLE>
<CAPTION>

| NAME ---- | AGE --- | POSITION AND OFFICES HELD WITH REGISTRANT ----- | PERIOD DURING WHICH PERSON HAS SERVED IN OFFICE ----- |
|---------------------|------------|---|--|
| <S> Joe R. Clark | <C> 73 | <C> Trustee, Chairman of the Trustees and Member of Audit Committee | <C> Chairman of Trustees since 06/07/00 |
| Roy Thomas | 54 | General Agent and Secretary | General Agent of Texas Pacific Land Trust commencing 01/01/95 and Secretary commencing 01/01/95; Assistant General Agent from 12/01/92 through 12/31/94 |

</TABLE>

The Chairman of the Trustees holds office until his death, resignation or disqualification. General Agent and Secretary holds office until his death, resignation, discharge or retirement pursuant to Texas Pacific Land Trust Employees' Pension Plan. No executive officer was selected to be an officer pursuant to any arrangement or understanding between him and any other person or persons other than the Trustees acting solely in their capacity as such.

(c) Certain Significant Employees. The Trust does not employ any person who is not an executive officer who makes or is expected to make significant contributions to the business of the Trust.

- 11 -

(d) Family Relations. There is no family relationship between any Trustee and any other Trustee or any executive officer of the registrant.

(e) Business Experience.

<TABLE>

| <CAPTION> NAME OF TRUSTEE OR EXECUTIVE OFFICER ----- | PRINCIPAL OCCUPATION OR EMPLOYMENT DURING THE PAST FIVE YEARS ----- |
|---|---|
| <S> Maurice Meyer III | <C> Former Vice Chairman of Henderson Brothers; personal investments |
| Joe R. Clark | Former President of Texas Pacific Oil Company, Inc.; personal investments |
| John R. Norris III | Attorney; Calloway, Norris & Burdette, Dallas, Texas |
| Roy Thomas | General Agent and Secretary of Texas Pacific Land Trust |

</TABLE>

(f) Involvement in Certain Legal Proceedings. During the past five years, no Director or Executive Officer is or has been involved in any event reportable under this caption.

ITEM 11: EXECUTIVE COMPENSATION.

REMUNERATION TABLE

| <TABLE> <CAPTION> (A) | (B) | (C) | (D) | |
|--|--|--|--|-----|
| NAME OF INDIVIDUALS ----- | CAPACITIES IN WHICH SERVED ----- | CASH & CASH EQUIVALENT FORMS OF REMUNERATION SERVED ----- | AGGREGATE OF CONTINGENT FORMS OF REMUNERATION ----- | |
| <S> | <C> | <C> | <C> | |
| | | (C1) | (C2) | |
| | | Salaries, Fees, Director's Fees, Commissions and Bonuses ----- | Securities of Property, In- surance Benefits or Reimbursements; Personal Benefits ----- | |
| Roy Thomas | Secretary & General Agent | \$136,475 | (1) | (2) |
| All Officers & Directors as a Group (four in number) | Trustees in- cluding Chairman; General Agent | \$144,475 | (1) | (2) |

</TABLE>

- (1) During the year ended December 31, 2000, no Trustee or executive officer of the registrant received any compensation for services to the registrant in the form of securities or property, life or health insurance, medical reimbursement, personal benefits or other unreported compensation except for certain personal benefits such that the extent to which they were personal rather than business cannot be specifically or precisely ascertained without unreasonable effort or expenses and which did not in any event exceed the minimum reportable amount under this caption.
- (2) The registrant maintains Texas Pacific Land Trust Employees' Pension Plan, a non-contributory defined benefit pension plan qualified under Section 401 of the Internal Revenue Code in which the employees, excluding the Trustees, participate. The amount of the registrant's contribution, payment or accrual in respect to Mr. Thomas is not and cannot readily be separately or individually calculated by the regular actuaries for the Plan. Based upon the Plan formula of 1-1/2% of each covered year times the average salary of the last five years, Mr. Thomas is estimated to have retirement benefits of \$55,272.38 per year upon retirement at age 65. Total compensation paid during 2000 to the nine (9) employees covered by the

Employees' Pension Plan was \$593,883. No contribution was made to

the plan in 2000. The remuneration covered by the plan is salary.

Effective January 1, 1998, the Trust implemented a defined contribution plan available to all regular employees having one or more years of continuous service. Contributions are at the discretion of the Trustees of the Trust. During 2000, the Trust contributed \$35,633.

- (3) The Chairman of the Trustees receives the sum of four thousand dollars per year as compensation for his services, and the other two trustees receive the sum of two thousand dollars per year for their services.
- (4) There is no compensation plan or arrangement with respect to any individual named in the remuneration table that results, or will result, from the resignation, retirement or any other termination of such individual's employment or from a change in control of Texas Pacific or in a change in the individual's responsibilities following a change in control of Texas Pacific.

ITEM 12: SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

(a) Security Ownership of Certain Beneficial Owners. No person or group owns of record, or is known by Texas Pacific to own beneficially, more than 5% of any class of voting certificates of Texas Pacific, treating the interchangeable Certificates of Proprietary Interest and Sub-Share Certificates as a single class for this purpose.

(b) Security Ownership of Management: The following table gives the information indicated as to equity securities (Certificates of Proprietary Interest and Sub-Share Certificates) of Texas Pacific beneficially owned directly or indirectly by all trustees, naming them, and by all trustees and officers of the registrant, as a group:

<TABLE>
<CAPTION>

| TITLE AND CLASS (1) | NAME OF BENEFICIAL OWNER | AMOUNT AND NATURE OF OWNERSHIP ON JANUARY 31, 2000 | PERCENT OF CLASS |
|-------------------------|---|--|---------------------|
| <S> | <C> | <C> | <C> |
| Sub-share certificates: | Joe R. Clark | 500 | .02% |
| Sub-share certificates: | Maurice Meyer III | 14,950 (2) | .59% |
| Sub-share certificates: | John R. Norris III | 200 | .007% |
| Sub-share certificates: | Roy Thomas | 100 | .0035% |
| Sub-share certificates: | All Trustees and Officers as a Group | 15,750 | .62% |

</TABLE>

- 14 -

- (1) The sub-shares and the Certificates of Proprietary Interest are freely interchangeable in the ratio of one Certificate of Proprietary Interest for six hundred sub- shares or six hundred sub-shares for one Certificate of Proprietary Interest, and are deemed to constitute a single class. On December 31, 2000, no trustee or officer was the beneficial owner, directly or indirectly, of any Certificates of Proprietary Interest.
- (2) Does not include 2,300 sub-shares owned by the wife of Mr. Maurice Meyer III in which Mr. Meyer disclaims any beneficial ownership.

(c) Changes in Control. Texas Pacific has no knowledge of any arrangement that may result in any change of the control of the Trust.

ITEM 13: CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

(a) Transaction with management and others. There are no reportable transactions or currently proposed transactions between Texas Pacific and any Trustee or executive officer of Texas Pacific or any nominee for election as Trustee or any security holder of Texas Pacific or any member of the immediate family of the foregoing persons.

(b) Certain business relationships. There are no relationships existing or have ever existed concerning Trustees or nominees for Trustee that are required to be disclosed under this paragraph.

(c) Indebtedness of Management. There are no persons indebted to Texas Pacific in an amount in excess of \$60,000 that are required to be disclosed under this paragraph.

(d) Transactions with Promoters. Texas Pacific has not been organized within the last five years and disclosure under this paragraph is not applicable to Texas Pacific.

- 15 -

ITEM 14: EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K.

(a) Financial Statements.

1. All schedules have been omitted because the required information is contained in the financial statements or related notes, or is not applicable or immaterial.
2. Exhibits required by Item 7 Regulation S-K
 - a. Annual Report to Security Holders
 - b. Copy of Trust Indenture

(b) No reports on Form 8-K have been filed for the last quarter of the period covered by this report.

(c) See (a) (2) above.

(d) See (a) (1) above.

- 16 -

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

(Registrant) TEXAS PACIFIC LAND TRUST

By: /s/ JOE R. CLARK

Joe R. Clark
Chief Executive Officer

Date: March 21, 2001

By: /s/ ROY THOMAS

ROY THOMAS
Chief Financial and Chief
Accounting Officer

Date: March 21, 2001

- 17 -

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ JOE R. CLARK

Joe R. Clark, Trustee

Date: March 21, 2001

By: /s/ MAURICE MEYER III

Maurice Meyer III, Trustee

Date: March 22, 2001

By: /s/ JOHN R. NORRIS III

John R. Norris III, Trustee

Date: March 21, 2001

- 18 -
TEXAS PACIFIC LAND TRUST

Financial Statements

December 31, 2000, 1999 and 1998

(With Independent Auditors' Report Thereon)

TEXAS PACIFIC LAND TRUST

TABLE OF CONTENTS

| <TABLE> <CAPTION> | PAGE |
|---|----------|
| <S> Independent Auditors' Report | <C> 1 |
| Balance Sheets - December 31, 2000 and 1999 | 2 |
| Statements of Income - Years ended December 31, 2000, 1999 and 1998 | 3 |
| Statements of Net Proceeds from All Sources - Years ended December 31, 2000, 1999 and 1998 | 4 |
| Statements of Cash Flows - Years ended December 31, 2000, 1999 and 1998 | 5 |
| Notes to Financial Statements | 6 |

</TABLE>

All schedules have been omitted because the required information is contained in the financial statements of related notes, or is not applicable.

INDEPENDENT AUDITORS' REPORT

The Trustees and Certificate Holders
Texas Pacific Land Trust:

We have audited the accompanying balance sheets of Texas Pacific Land Trust as of December 31, 2000 and 1999, and the related statements of income, net proceeds from all sources, and cash flows for each of the years in the three-year period ended December 31, 2000. These financial statements are the responsibility of the Trust's management. Our responsibility is to express an

opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Texas Pacific Land Trust as of December 31, 2000 and 1999, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States of America.

/s/ KPMG LLP

Dallas, Texas
January 25, 2001

TEXAS PACIFIC LAND TRUST

Balance Sheets

December 31, 2000 and 1999

<TABLE>
<CAPTION>

| ASSETS | 2000 | 1999 |
|---|--------------|--------------|
| | ----- | ----- |
| <S> | <C> | <C> |
| Cash | \$ 263,834 | \$ 222,539 |
| Temporary cash investments - at cost which approximates market | 1,350,000 | 1,650,000 |
| Notes receivable for land sales (\$578,259 due in 2001 and \$504,634 due in 2000) (note 1) | 8,591,998 | 8,393,007 |
| Prepaid insurance | 43,792 | 40,162 |
| Other assets | 966,492 | 810,771 |
| Prepaid Federal income taxes | -- | 41,523 |
| Real estate acquired through foreclosure (note 3) | 3,992,302 | 4,598,624 |
| Water wells, leasehold improvements, furniture and equipment - at cost less accumulated depreciation | 120,898 | 119,980 |
| Property, no value assigned (note 1): | | |
| Land (surface rights) situated in twenty-one counties in Texas - 1,025,894.27 acres in 2000 and 1,030,388.67 acres in 1999 | -- | -- |
| Town lots in Iatan, Loraine and Morita, Texas - 628 lots | -- | -- |
| 1/16 nonparticipating perpetual royalty interest in 386,987.70 acres | -- | -- |
| 1/128 nonparticipating perpetual royalty interest in 85,413.60 acres | -- | -- |
| | ----- | ----- |
| Total assets | \$15,329,316 | \$15,876,606 |
| | ===== | ===== |
| LIABILITIES AND CAPITAL | | |
| Accounts payable and other liabilities | \$ 51,711 | \$ 80,650 |
| Federal income taxes | 67,290 | -- |
| Other taxes | 36,330 | 27,383 |
| Deferred taxes (note 5) | 3,905,678 | 4,021,803 |
| | ----- | ----- |
| Total liabilities | 4,061,009 | 4,129,836 |
| | ----- | ----- |
| Capital (notes 1 and 6): | | |
| Certificates of Proprietary Interest, par value \$100 each; outstanding 1 certificate | -- | -- |
| Sub-share Certificates in Certificates of Proprietary Interest, par value \$.16-2/3 each; outstanding 2,504,205 Sub-shares in 2000 and 2,588,505 Sub-shares in 1999 | -- | -- |
| Net proceeds from all sources | 11,268,307 | 11,746,770 |
| | ----- | ----- |
| Total capital | 11,268,307 | 11,746,770 |
| | ----- | ----- |
| Total liabilities and capital | \$15,329,316 | \$15,876,606 |
| | ===== | ===== |

</TABLE>

See accompanying notes to financial statements.

2

TEXAS PACIFIC LAND TRUST

Statements of Income

Years ended December 31, 2000, 1999 and 1998

<TABLE>

<CAPTION>

| | 2000 | 1999 | 1998 |
|--|--------------|--------------|--------------|
| | ----- | ----- | ----- |
| <S> | <C> | <C> | <C> |
| Income: | | | |
| Oil and gas royalties | \$ 4,230,775 | \$ 2,713,638 | \$ 2,488,439 |
| Grazing lease rentals | 507,389 | 522,934 | 530,329 |
| Land sales | 1,443,173 | 516,525 | 5,020,462 |
| Interest | 874,294 | 960,492 | 1,004,124 |
| Easements and sundry income | 743,368 | 1,210,648 | 1,436,316 |
| | ----- | ----- | ----- |
| | 7,798,999 | 5,924,237 | 10,479,670 |
| | ----- | ----- | ----- |
| Expenses: | | | |
| Taxes, other than Federal income taxes | 554,339 | 477,295 | 459,168 |
| Salaries and related employee benefits | 629,516 | 597,056 | 556,143 |
| General expense, supplies and travel | 468,945 | 413,616 | 398,692 |
| Basis in real estate sold | 606,322 | 55,827 | 44,817 |
| Legal and professional fees | 143,538 | 117,659 | 109,615 |
| Commissions to local agents | 1,169 | 7,336 | 1,376 |
| Depreciation | 44,413 | 48,026 | 60,321 |
| Trustees' compensation | 8,000 | 8,000 | 8,000 |
| | ----- | ----- | ----- |
| | 2,456,242 | 1,724,815 | 1,638,132 |
| | ----- | ----- | ----- |
| Income before Federal income taxes | 5,342,757 | 4,199,422 | 8,841,538 |
| | ----- | ----- | ----- |
| Federal income taxes (note 5): | | | |
| Current | 1,700,813 | 2,080,272 | 2,259,654 |
| Deferred | (116,125) | (818,677) | 548,623 |
| | ----- | ----- | ----- |
| | 1,584,688 | 1,261,595 | 2,808,277 |
| | ----- | ----- | ----- |
| Net income | \$ 3,758,069 | \$ 2,937,827 | \$ 6,033,261 |
| | ===== | ===== | ===== |
| Net income per Sub-share Certificate | \$ 1.47 | \$ 1.11 | \$ 2.22 |
| | ===== | ===== | ===== |

</TABLE>

See accompanying notes to financial statements.

3

TEXAS PACIFIC LAND TRUST

Statements of Net Proceeds from All Sources

Years ended December 31, 2000, 1999 and 1998

<TABLE>

<CAPTION>

| | 2000 | 1999 | 1998 |
|------------------------------|--------------|--------------|--------------|
| | ----- | ----- | ----- |
| <S> | <C> | <C> | <C> |
| Balance at beginning of year | \$11,746,770 | \$13,641,706 | \$12,221,206 |
| Add: Net income for year | 3,758,069 | 2,937,827 | 6,033,261 |
| | ----- | ----- | ----- |
| | 15,504,839 | 16,579,533 | 18,254,467 |
| | ----- | ----- | ----- |

Deduct:

| | | | |
|---|--------------|--------------|--------------|
| Cost of Sub-share Certificates in Certificates of Proprietary Interest purchased and cancelled - 84,900 sub-shares in 2000, 81,300 Sub-shares in 1999 and 83,400 Sub-shares in 1998 | 3,202,690 | 3,765,561 | 3,509,959 |
| Dividends paid - per Certificate of Proprietary Interest - \$240 in 2000, 1999 and 1998; per Sub-share Certificate - \$.40 in 2000, 1999 and 1998 | 1,033,842 | 1,067,202 | 1,102,802 |
| | ----- | ----- | ----- |
| | 4,236,532 | 4,832,763 | 4,612,761 |
| | ----- | ----- | ----- |
| Balance at end of year | \$11,268,307 | \$11,746,770 | \$13,641,706 |
| | ===== | ===== | ===== |

</TABLE>

See accompanying notes to financial statements.

4

TEXAS PACIFIC LAND TRUST

Statements of Cash Flows

Years ended December 31, 2000, 1999 and 1998

<TABLE>

<CAPTION>

| | 2000 | 1999 | 1998 |
|---|--------------|--------------|--------------|
| | ----- | ----- | ----- |
| <S> | <C> | <C> | <C> |
| Cash flows from operating activities: | | | |
| Net income | \$ 3,758,069 | \$ 2,937,827 | \$ 6,033,261 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | |
| Depreciation | 44,413 | 48,026 | 60,321 |
| Deferred taxes | (116,125) | (818,677) | 548,623 |
| Changes in assets and liabilities: | | | |
| New notes receivable from land sales | (731,226) | (261,149) | (3,053,978) |
| Payments received on notes receivable | 532,235 | 2,654,122 | 1,354,889 |
| Real estate acquired through foreclosure | 606,322 | 53,645 | 44,817 |
| Prepaid insurance and other assets | (159,351) | (155,708) | 138,866 |
| Accounts payable and other liabilities | (28,939) | 71,586 | (84,008) |
| Federal income and other taxes payable | 117,760 | (379,304) | 298,010 |
| | ----- | ----- | ----- |
| Net cash provided by operating activities | 4,023,158 | 4,150,368 | 5,340,801 |
| | ----- | ----- | ----- |
| Cash flows from investing activities: | | | |
| Additions to water wells, leasehold improvements, furniture and equipment | (61,005) | (57,941) | (56,243) |
| Retirements of water wells, leasehold improvements, furniture and equipment | 15,674 | 15,500 | 12,987 |
| | ----- | ----- | ----- |
| Net cash used in investing activities | (45,331) | (42,441) | (43,256) |
| | ----- | ----- | ----- |
| Cash flows from financing activities: | | | |
| Purchase of Sub-share Certificates in certificates of Proprietary Interest | (3,202,690) | (3,765,561) | (3,509,959) |
| Dividends | (1,033,842) | (1,067,202) | (1,102,802) |
| | ----- | ----- | ----- |
| Net cash used in financing activities | (4,236,532) | (4,832,763) | (4,612,761) |
| | ----- | ----- | ----- |
| Net increase (decrease) in cash and temporary cash investments | (258,705) | (724,836) | 684,784 |
| Cash and temporary cash investments at beginning of year | 1,872,539 | 2,597,375 | 1,912,591 |
| | ----- | ----- | ----- |
| Cash and temporary cash investments at end of year | \$ 1,613,834 | \$ 1,872,539 | \$ 2,597,375 |
| | ===== | ===== | ===== |

Supplemental disclosure of non-cash transactions:

Conversion of notes receivable and accrued interest

receivable to real estate acquired through
foreclosure (note 3)

-- \$ 232,373 --
=====

</TABLE>

See accompanying notes to financial statements.

5

TEXAS PACIFIC LAND TRUST

Notes to Financial Statements

December 31, 2000, 1999 and 1998

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) GENERAL

The fair market value of the Texas Pacific Land Trust's (Trust) land and royalty interests was not determined in 1888 when the Trust was formed; therefore, no value is assigned to the land, town lots, royalty interests, Certificates of Proprietary Interest and Sub-share Certificates in Certificates of Proprietary Interest in the accompanying balance sheets. Consequently, in the statements of income, no allowance is made for depletion and no cost is deducted from the proceeds of original land sales. Even though the 1888 value of the real properties cannot be precisely determined, the Trustees have concluded that the effect of this matter can no longer be significant to the Trust's financial position or results of operations. For Federal income tax purposes, however, deductions are made for depletion, computed on the statutory percentage basis of income received from royalties.

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

(b) REVENUE RECOGNITION AND NOTES RECEIVABLE

The Trust generally receives cash payments on land sales of 25% or more within the first year of such sales. Thereafter, annual principal and interest payments are required by the Trust. Accordingly, income is recognized on land sales during the periods in which such sales are closed and sufficient amounts of cash down payments are received. For Federal income tax purposes, such sales are recognized on the installment method. The installment method is also used for sales not meeting the minimum down payment requirements.

Notes receivable related to land sales bear interest rates ranging from 8.75% to 11% as of December 31, 2000 and are secured by first lien deeds of trust on the properties sold. The weighted average interest rate is 9.10% as of December 31, 2000. The annual installments on notes are generally payable over terms of 3 to 15 years. There is no penalty for prepayment of principal, and prepayments in 2000, 1999 and 1998 were \$25,518, \$1,766,015 and \$575,428, respectively. The interest rates on notes receivable are considered comparable with current rates on similar land sales and, accordingly, the carrying value of such notes receivable approximates fair value. There was no allowance for uncollectible accounts at December 31, 2000, 1999 or 1998. One customer represented approximately 18% and 16% and another represented approximately 19% and 15% of the Trust's notes receivable balance at December 31, 2000 and 1999, respectively.

6

(Continued)

TEXAS PACIFIC LAND TRUST

Notes to Financial Statements

December 31, 2000, 1999 and 1998

The maturities of notes receivable for each of the five years subsequent to December 31, 2000 are:

<TABLE>
<CAPTION>

YEAR ENDING
DECEMBER 31,

<S>

| | <C> |
|------|------------|
| 2001 | \$ 578,259 |
| 2002 | 631,318 |
| 2003 | 667,031 |
| 2004 | 709,259 |
| 2005 | 643,906 |

</TABLE>

As of December 31, 2000, there were no significant delinquencies in the Trust's notes receivable. The Trust reviews its aging, financial operations information on its debtors and estimated fair value of collateral held as security to determine an appropriate allowance for delinquencies, if any.

The Trust's oil and gas royalty interest, grazing and lease rentals and easement and sundry income are recorded on a cash basis, which approximates the accrual method.

(c) NET INCOME PER SUB-SHARE

The cost of Sub-share Certificates purchased and retired is charged to net proceeds from all sources. Net income per Sub-share Certificate is based on the weighted average number of Sub-share Certificates in Certificates of Proprietary Interest and equivalent Sub-share Certificates of Proprietary Interest outstanding during each period (2,555,062 in 2000, 2,642,626 in 1999 and 2,717,872 in 1998).

(d) CASH FLOWS

Temporary cash investments at December 31, 2000 and 1999 consist primarily of commercial paper. For purposes of the statements of cash flows, the Trust considers all highly liquid debt instruments with original maturities of three months or less to be temporary cash investments. Cash disbursed for income taxes in 2000, 1999 and 1998 was \$1,592,000, \$2,470,106 and \$1,954,126, respectively.

(e) DEPRECIATION

Provision for depreciation of depreciable assets is made by charges to income at straight-line and accelerated rates considered to be adequate to amortize the cost of such assets over their useful lives.

TEXAS PACIFIC LAND TRUST

Notes to Financial Statements

December 31, 2000, 1999 and 1998

(f) INCOME TAXES

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

(2) SEGMENT INFORMATION

Segment information has been considered in accordance with SFAS No. 131, Disclosures about Segments of an Enterprise and Related Information. SFAS No. 131 establishes standards for the way public business enterprises are to report information about operating segments. SFAS No. 131 utilizes the management approach as a basis for identifying reportable segments. The management approach is based on the way that management organizes the segments within the enterprise for making operating decisions and assessing performance. The Trust's management views its operations as one segment and believes the only significant activity is managing the land which was conveyed to the Trust in 1888. Managing the land includes sales

and leases of such land, and the retention of oil and gas royalties.

(3) REAL ESTATE ACQUIRED THROUGH FORECLOSURE

Real estate acquired through foreclosure is carried at the lower of cost or fair value less disposition costs at the date of foreclosure. Cost is considered to be the aggregate of the outstanding principal balance, accrued interest, past due ad valorem taxes and other fees incurred relating to the foreclosure. Valuations are periodically performed or obtained by management whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, and any further losses are recorded by a charge to operations and a valuation allowance (none at December 31, 2000, 1999 or 1998) if the carrying value of the property exceeds its estimated fair value.

Real estate acquired through foreclosure included the following activity for the years ended December 31, 2000 and 1999:

<TABLE>
<CAPTION>

| | 2000 | | 1999 | |
|------------------------|-------------|--------------|------------|--------------|
| | ACRES | BOOK VALUE | ACRES | BOOK VALUE |
| <S> | <C> | <C> | <C> | <C> |
| Balance at January 1 | 25,027.51 | \$ 4,598,624 | 26,450.63 | \$ 4,422,078 |
| Additions | -- | -- | 2.46 | 232,373 |
| Sales | (15,358.05) | (606,322) | (1,425.58) | (55,827) |
| Balance at December 31 | 9,669.46 | \$ 3,992,302 | 25,027.51 | \$ 4,598,624 |

</TABLE>

8

(Continued)

TEXAS PACIFIC LAND TRUST

Notes to Financial Statements

December 31, 2000, 1999 and 1998

(4) EMPLOYEE BENEFIT PLANS

The Trust has a noncontributory pension plan (Plan) available to all regular employees having one or more years of continuous service. The Plan provides for normal retirement at age 65. Contributions to the Plan reflect benefits attributed to employees' services to date, as well as services expected in the future. Plan assets consist primarily of investments in Banc of America Common Trust Fund.

The following table sets forth the Plan's changes in benefit obligation, fair value of plan assets, funded status and weighted average assumptions as of December 31, 2000 and 1999:

<TABLE>
<CAPTION>

| | 2000 | 1999 |
|--|--------------|--------------|
| | <C> | <C> |
| Change in benefits obligation: | | |
| Benefit obligation at beginning of year | \$ 1,265,474 | \$ 1,408,231 |
| Service cost | 47,987 | 57,540 |
| Interest cost | 102,184 | 93,497 |
| Actuarial (gain) loss | 102,712 | (222,005) |
| Benefits paid | (75,678) | (71,789) |
| Other | 40,608 | -- |
| Benefit obligation at end of year | \$ 1,483,287 | \$ 1,265,474 |
| Change in plan assets: | | |
| Fair value of plan assets at beginning of year | \$ 1,934,528 | \$ 1,813,235 |
| Actual return on plan assets | 27,034 | 193,082 |
| Benefits paid | (75,678) | (71,789) |
| Fair value of plan assets at end of year | \$ 1,885,884 | \$ 1,934,528 |
| Funded status | \$ 402,597 | \$ 669,054 |

| | | |
|--|------------|------------|
| Unrecognized net actuarial gain | (255,107) | (484,686) |
| Unrecognized prior service cost | 106,211 | 79,069 |
| Unrecognized portion of net asset existing at January 1, 1987 | (46,429) | (69,647) |
| | ----- | ----- |
| Prepaid benefit cost | \$ 207,272 | \$ 193,790 |
| | ===== | ===== |
| Weighted average assumptions as of December 31: | | |
| Discount rate | 7.50% | 8.00% |
| Expected return on plan assets | 7.00 | 7.00 |
| Rate of compensation increase | 7.79 | 7.79 |

</TABLE>

9 (Continued)
TEXAS PACIFIC LAND TRUST
Notes to Financial Statements
December 31, 2000, 1999 and 1998

Net periodic benefit costs (benefits) for the years ended December 31, 2000, 1999 and 1998 include the following components:

<TABLE>
<CAPTION>

| | 2000 | 1999 | 1998 |
|--|-------------|-----------|-----------|
| | ----- | ----- | ----- |
| <S> | <C> | <C> | <C> |
| Components of net periodic benefit costs (benefits): | | | |
| Service cost | \$ 47,987 | \$ 57,540 | \$ 47,470 |
| Interest cost | 102,184 | 93,497 | 88,021 |
| Expected return on plan assets | (132,751) | (124,422) | (116,751) |
| Amortization of the unrecognized transition asset | (23,218) | (23,218) | (23,218) |
| Amortization of unrecognized gains | (21,150) | -- | (3,980) |
| Amortization of prior service cost | 13,466 | 10,440 | 10,440 |
| | ----- | ----- | ----- |
| Net periodic benefit costs (benefits) | \$ (13,482) | \$ 13,837 | \$ 1,982 |
| | ===== | ===== | ===== |

</TABLE>

Effective January 1, 1998, the Trust implemented a defined contribution plan available to all regular employees having one or more years of continuous service. Contributions are at the discretion of the Trustees of the Trust. The Trust contributed \$35,633, \$33,456 and \$28,409 in 2000, 1999 and 1998, respectively.

(5) FEDERAL TAXES ON INCOME

The Trust is taxed as if it were a corporation. Total income tax expense differed from the amounts computed by applying the U.S. federal income tax rate of 34% to pretax income before federal income taxes as a result of the following:

<TABLE>
<CAPTION>

| | 2000 | 1999 | 1998 |
|--|--------------|--------------|--------------|
| | ----- | ----- | ----- |
| <S> | <C> | <C> | <C> |
| Computed tax expense at the statutory rate | \$ 1,816,537 | \$ 1,427,803 | \$ 3,006,123 |
| Reduction in income taxes resulting from: | | | |
| Statutory depletion | (237,862) | (163,234) | (150,526) |
| Other, net | 6,013 | (2,974) | (47,320) |
| | ----- | ----- | ----- |
| | \$ 1,584,688 | \$ 1,261,595 | \$ 2,808,277 |
| | ===== | ===== | ===== |

</TABLE>

The tax effects of temporary differences that give rise to significant portions of the deferred tax liabilities at December 31, 2000 and 1999 are as follows:

<TABLE>
<CAPTION>

| | 2000 | 1999 |
|--|-------------|-------------|
| | ----- | ----- |
| <S> | <C> | <C> |
| Basis differences in real estate acquired through foreclosure | \$1,168,333 | \$1,323,941 |
| Deferred installment revenue on land sales | | |

| | | |
|------------------------------|-------------|-------------|
| for tax purposes | 2,737,345 | 2,697,862 |
| | ----- | ----- |
| Total deferred tax liability | \$3,905,678 | \$4,021,803 |
| | ===== | ===== |

</TABLE>

10
TEXAS PACIFIC LAND TRUST

(Continued)

Notes to Financial Statements
December 31, 2000, 1999 and 1998

(6) CAPITAL

Certificates of Proprietary Interest (Certificates) and Sub-share Certificates in Certificates of Proprietary Interest (Sub-shares) are exchangeable in the ratio of one Certificate to 600 Sub-shares. No Certificates were exchanged for Sub-shares in 2000, 1999 or 1998.

The number of Certificates authorized for issuance at a given date is the number then outstanding plus one/six-hundredth of the number of Sub-shares then outstanding. The number of Sub-shares authorized for issuance at a given date is the number then outstanding plus six hundred times the number of Certificates then outstanding.

The Declaration of Trust was executed and delivered in New York. In the opinion of counsel for the Trust, under the laws of the State of New York, the Certificate and Sub-share Certificate holders are not subject to any personal liability for the acts or obligations of the Trust.

The assets of the Trust are located in Texas. In the opinion of Texas counsel, under the laws of the State of Texas, the Certificate and Sub-share Certificate holders may be held personally liable with respect to claims against the Trust, but only after the assets of the Trust first have been exhausted.

(7) OIL AND GAS PRODUCING ACTIVITIES (UNAUDITED)

The Trust's share of oil and gas produced, all of which is from royalty interests, was as follows for the years ended December 31, 2000, 1999 and 1998, respectively: oil (in barrels) - 100,807, 106,760 and 120,334, and gas (in thousands of cubic feet) - 413,817, 442,983 and 389,698. Reserves related to the Trust's royalty interests are not presented because the information is unavailable.

(8) SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)

The following tables present unaudited financial data of the Trust for each quarter of 2000 and 1999:

<TABLE>

<CAPTION>

| | QUARTER ENDED | | | |
|---|----------------------|-----------------------|------------------|-------------------|
| | DECEMBER 31, 2000 | SEPTEMBER 30, 2000 | JUNE 30, 2000 | MARCH 31, 2000 |
| | ----- | ----- | ----- | ----- |
| <S> | <C> | <C> | <C> | <C> |
| Income | \$ 2,254,050 | \$ 1,898,689 | \$ 1,571,735 | \$ 2,074,525 |
| | ===== | ===== | ===== | ===== |
| Income before Federal income taxes | \$ 1,789,538 | \$ 1,408,996 | \$ 1,150,569 | \$ 993,654 |
| | ===== | ===== | ===== | ===== |
| Net income | \$ 1,256,177 | \$ 994,417 | \$ 810,801 | \$ 696,674 |
| | ===== | ===== | ===== | ===== |
| Net income per Sub-share Certificate | \$.49 | \$.39 | \$.32 | \$.27 |
| | ===== | ===== | ===== | ===== |

</TABLE>

(Continued)

<TABLE>
<CAPTION>

| | QUARTER ENDED | | | |
|---|----------------------|-----------------------|------------------|-------------------|
| | DECEMBER 31, 1999 | SEPTEMBER 30, 1999 | JUNE 30, 1999 | MARCH 31, 1999 |
| <S> | <C> | <C> | <C> | <C> |
| Income | \$ 1,779,418 | \$ 1,222,169 | \$ 1,427,961 | \$ 1,494,689 |
| Income before Federal income taxes | \$ 1,297,317 | \$ 821,588 | \$ 1,041,912 | \$ 1,038,605 |
| Net income | \$ 916,619 | \$ 580,658 | \$ 724,365 | \$ 716,185 |
| Net income per Sub-share Certificate | \$.35 | \$.22 | \$.27 | \$.27 |

</TABLE>