

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, 1995  
Commission file number 1-737

TEXAS PACIFIC LAND TRUST  
(Exact name of registrant as specified in its charter)

NOT APPLICABLE  
State or other jurisdiction of  
incorporation or organization

75-0279735  
(I.R.S. Employer  
Identification No.)

80 Broad Street, Suite 2700, New York, New York 10004  
(Address of principal executive offices) (Zip Code)

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

</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 / /

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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, 1996, the aggregate market value of the voting stock held by non-affiliates of the registrant is approximately \$77,804,606. 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 prorata 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.

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(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. See Statements of Income for additional sources of income for the last three (3) years of Texas Pacific.

(c) Narrative Description of Business. (1) 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>

	1995	1994	1993
	----	----	----
<S>	<C>	<C>	<C>
Land Sales	32%	57%	28%
Oil and Gas Royalties	39%	23%	41%

</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.

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- (vii) Texas Pacific Land Trust received \$646,193 or 25.7 percent of its oil and gas royalty income from 138 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.

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## ITEM 2: PROPERTIES.

Texas Pacific Land Trust owns the surface estate in approximately 1,107,075 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 85,414 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, 1995, grazing leases were in effect on 97.4 percent or approximately 1,078,042 acres of the Trust's land. Approximately 27,604 acres of land were sold in 1995. The Trust leases office space in Dallas and El Paso, 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.

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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>

	1995		1994	
	HIGH	LOW	HIGH	LOW
<S>	<C>	<C>	<C>	<C>
1st Quarter	\$19 5/8	\$17	\$21 1/2	\$18 3/4
2nd Quarter	26 7/8	19	20 1/2	18 1/4
3rd Quarter	28 3/4	24 7/8	20 1/2	19 1/8
4th Quarter	27 1/4	22 3/8	22 1/8	18

</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 40 years. The dividend was \$.40 per sub-share in 1995 and \$.40 per sub-share in 1994. 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, 1996 were:

<TABLE>  
<S>

	<C>
Certificates of Proprietary Interest	1
Sub-shares in Certificates of Proprietary Interest	1,176
TOTAL	1,177

=====

</TABLE>

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ITEM 6: SELECTED FINANCIAL DATA.

SUMMARY OF SELECTED FINANCIAL DATA

<TABLE>  
<CAPTION>

	1995	1994	1993	1992	1991
<S>	<C>	<C>	<C>	<C>	<C>
Gross revenue	\$ 6,440,285	\$ 9,102,833	\$ 5,262,762	\$ 4,332,613	\$ 4,924,645
Expenses	1,688,567	1,792,839	1,681,745	1,591,693	1,647,748
Income before provision for Federal taxes on income	4,751,718	7,309,994	3,581,017	2,740,920	3,276,897
Provision for Federal taxes on income	1,422,817	2,336,325	1,894,131*	732,575	1,016,972
Net income	\$ 3,328,901	\$ 4,973,669	\$ 1,686,886	\$ 2,008,345	\$ 2,259,925
Net income per Sub-share	\$ 1.09	\$ 1.58	\$ .52	\$ .60	\$ .66
Dividends per Sub-share	\$ .40	\$ .40	\$ .40	\$ .40	\$ .40
Average number of Sub-shares outstanding	3,038,847	3,149,609	3,248,709	3,348,784	3,429,601
Total assets, exclusive of property with no assigned value	\$13,901,804	\$14,971,994	\$13,255,288	\$14,165,216	\$15,401,865

</TABLE>

\* Includes \$812,030, \$.25 per sub-share, cumulative effect of change in accounting for income taxes in 1993.

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

Land sales amounted to \$2,057,764 in 1995 compared with \$5,230,430 in 1994 and \$1,484,123 in 1993. A total of 27,604.37 acres were sold in 1995 at an average price of \$75 per acre, compared with 23,386.50 acres in 1994 and 14,724.48 acres in 1993 at an average price per acre of \$192 and \$99, respectively. In as much as land sales may vary from year to year, the dollar volume and total number of acres sold in any one year should not be assumed to be indicative of land sales in future years.

Oil and gas royalty revenue was \$2,508,663 in 1995 compared with \$2,064,324 in 1994 and \$2,166,045 in 1993. Oil royalty revenue was \$1,773,060 and gas royalty revenue amounted to \$735,603 in 1995. Crude oil production from Trust royalty wells increased 10.4%. The average price per royalty barrel was \$16.54 in 1995, \$15.22 in 1994 and \$17.26 in 1993. Interest revenue was \$609,895 in 1995 compared with \$571,257 in 1994 and \$535,313 in 1993. Interest on notes receivable amounted to \$480,073 in 1995 compared with \$502,889 in 1994 and \$469,264 in 1993. Sundry interest amounted to \$129,822 in 1995, \$68,368 in 1994 and \$66,049 in 1993.

Taxes, other than Federal taxes on income, were \$558,697 in 1995 compared with \$510,635 in 1994 and \$525,423 in 1993. Oil and gas production taxes were \$138,018 in 1995 compared with \$112,990 in 1994 and \$116,335 in 1993. Ad valorem taxes were \$390,122 in 1995, \$363,034 in 1994 and \$378,413 in 1993. Other expenses were \$1,129,870 in 1995, \$1,282,204 in 1994 and \$1,156,322 in 1993.

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 predictable future.

ITEM 8: FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

See Index to Financial Statements attached hereto.

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ITEM 9: CHANGE IN AND DISAGREEMENTS ON ACCOUNTING AND FINANCIAL DISCLOSURES.

This item is not applicable to Texas Pacific.

ITEM 10: DIRECTORS AND EXECUTIVE OFFICERS.

(a) Directors:

<TABLE>  
<CAPTION>

NAME	AGE	POSITION AND OFFICES HELD WITH REGISTRANT	PERIOD DURING WHICH PERSON HAS SERVED IN OFFICE
<S>	<C>	<C>	<C>
George C. Fraser III	73	Trustee and Chairman of the Trustees	Trustee since 10/01/61
Maurice Meyer III	60	Trustee and Member of Audit Committee	Trustee since 02/28/91
Joe R. Clark	68	Trustee and Member of Audit Committee	Trustee since 02/20/87

</TABLE>

The Trustees hold office until their death, resignation or disqualification. No Trustee was selected to be a Trustee 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.

(b) Executive Officers.

<TABLE>  
<CAPTION>

NAME	AGE	POSITION AND OFFICES HELD WITH REGISTRANT	PERIOD DURING WHICH PERSON HAS SERVED IN OFFICE
<S>	<C>	<C>	<C>
George C. Fraser III	73	Trustee and Chairman of the Trustees	Chairman of Trustees since 02/28/91

Roy Thomas	49	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>

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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.

(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>	<C>
George C. Fraser III	Chairman of the Trustees of Texas Pacific Land Trust; geologist Self-employed as independent oil & gas producer and operator, Austin, Texas
Maurice Meyer III	Former Vice Chairman of Henderson Brothers
Joe R. Clark	Personal investments. Former President of Texas Pacific Oil Company, Inc.
Roy Thomas	Assistant General Agent of Texas Pacific Land Trust and General Agent 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.

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ITEM 11: MANAGEMENT REMUNERATION AND TRANSACTIONS.

REMUNERATION TABLE

<TABLE>  
<CAPTION>

(A) NAME OF INDIVIDUALS	(B) CAPACITIES IN WHICH SERVED	(C) CASH & CASH EQUIVALENT FORMS OF REMUNERATION SERVED	(D) AGGREGATE OF CONTINGENT FORMS OF REMUNERATION
-----	-----	-----	-----
<S>	<C>	<C>	<C>
		(C1) SALARIES, FEES, DIRECTOR'S FEES, COMMISSIONS AND BONUSES	(C2) SECURITIES OF PROPERTY, INSURANCE BENEFITS OR REIMBURSEMENTS; PERSONAL BENEFITS
		-----	-----
Roy Thomas	Secretary & General Agent	\$90,833.34	(1) (2)
All Officers & Directors as a Group (four in number)	Trustees including Chairman; General Agent	\$98,833.34	(1) (2)

</TABLE>

- (1) During the year ending December 31, 1995, 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.

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- (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 \$36,788.50 per year upon retirement age of 65. Total compensation paid during 1995 to the nine (9) employees covered by the Employees' Pension Plan was \$413,800.00. No contribution was made to the plan in 1995. The remuneration covered by the plan is salary. The Trust does not maintain any other pension or retirement plan annuity contract, deferred compensation plan, incentive compensation plan or arrangement, stock purchase plan, profit sharing or thrift plan, or other similar arrangement.

A supplemental pension in the amount of \$20,000 annually was paid to Frances L. McCaul, widow of James A. McCaul, Jr., former General Agent and Secretary of the Trust. This supplemental payment was in addition to normal pension benefits being paid to Mrs. McCaul from the Texas Pacific Land Trust Employees' Pension Plan, and such supplemental payments continued until November 1, 1995. A total of \$18,333.00 was paid in 1995 under this arrangement.

- (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.

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

(a) The following table sets forth information as to all persons known to the Trust to be the beneficial owner of more than 5% of the Trust's voting securities.

<TABLE>  
<CAPTION>

NAME AND ADDRESS	NUMBER OF SECURITIES BENEFICIALLY OWNED	TYPE OF SECURITIES	PERCENT OF CLASS
- - - - -	- - - - -	- - - - -	- - - - -
<S>	<C>	<C>	<C>
Fund American Enterprises Holdings, Inc. The 1820 House Main Street Norwich, VT 05055-0850	246,000 (1)	Sub-share certificates	8.1%

(1) Reflects holdings as of December 31, 1995.

(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, 1996	PERCENT OF CLASS
- - - - -	- - - - -	- - - - -	- - - - -

<S>	<C>	<C>	<C>
Sub-share certificates:	George C. Fraser III	28,420 (2)	.95%
Sub-share certificates:	Maurice Meyer III	3,500 (3)	.1%
Sub-share certificates:	Joe R. Clark	500	.01%
Sub-share certificates:	All Trustees and Officers as a Group	32,420	1.06%

</TABLE>

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- (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, 1995, no trustee or officer was the beneficial owner, directly or indirectly, of any Certificates of Proprietary Interest.
- (2) Includes 600 sub-shares owned by trusts of which Mr. Fraser is a trustee and beneficiary.
- (3) Does not include 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 \$60,000.00 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.

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ITEM 14: EXHIBITS, FINANCIAL STATEMENTS SCHEDULE AND REPORT 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
  - c. Exhibit No. 27 Financial Data Schedule

(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.

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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: GEORGE C. FRASER III  
-----  
George C. Fraser III  
Chief Executive Officer

Date: March 22, 1996  
-----

By: ROY THOMAS  
-----  
Roy Thomas  
Chief Financial and Chief  
Accounting Officer

Date: March 22, 1996  
-----

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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: GEORGE C. FRASER III  
-----  
George C. Fraser III, Trustee

Date: March 22, 1996  
-----

By: JOE R. CLARK  
-----  
Joe R. Clark, Trustee

Date: March 24, 1996  
-----

By: MAURICE MEYER III  
-----  
Maurice Meyer III, Trustee

Date: March 25, 1996  
-----

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TEXAS PACIFIC LAND TRUST

10-K FINANCIAL STATEMENTS

DECEMBER 31, 1995 AND 1994

(With Independent Auditors' Report Thereon)  
TEXAS PACIFIC LAND TRUST

INDEX TO FINANCIAL STATEMENTS

Independent Auditors' Report

Balance Sheets - December 31, 1995 and 1994

Statements of Income - Years ended December 31, 1995, 1994 and 1993

Statements of Net Proceeds from all Sources - Years ended December 31, 1995, 1994 and 1993

Statements of Cash Flows - Years ended December 31, 1995, 1994 and 1993

Notes to Financial Statements

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

INDEPENDENT AUDITORS' REPORT

The Trustees and Certificate Holders  
Texas Pacific Land Trust:

We have audited the financial statements of Texas Pacific Land Trust as listed in the accompanying index. 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 generally accepted auditing standards. 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, 1995 and 1994, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 1995, in conformity with generally accepted accounting principles.

As discussed in notes 1 and 5 to the financial statements, the Trust adopted the provisions of the Financial Accounting Standards Board's Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes," in 1993.

KPMG PEAT MARWICK LLP

Dallas, Texas  
January 23, 1996

TEXAS PACIFIC LAND TRUST

BALANCE SHEETS

DECEMBER 31, 1995 AND 1994

<TABLE>  
<CAPTION>

<S>	1995 <u>&lt;C&gt;</u>	1994 <u>&lt;C&gt;</u>
ASSETS		
Cash	\$ 72,985	\$ 232,843
Temporary cash investments - at cost which approximates market	2,950,000	2,000,000
Accounts receivable	294,582	227,067
Notes receivable for land sales (\$749,740 due in 1996 and \$907,171 due in 1995) (note 1)	3,509,008	5,347,947
Accrued interest receivable	128,482	225,470
Prepaid expenses	48,365	48,365
Real estate acquired through foreclosure (note 3)	6,844,336	6,844,336
Water wells, leasehold improvements, furniture and equipment - at cost less accumulated depreciation	54,046	45,966
Property, no value assigned (note 1):		
Land (surface rights) situated in twenty-one counties in Texas - 1,078,934.61 acres in 1995 and 1,106,607.34 acres in 1994	-	-
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	-	-
	----- \$13,901,804	----- \$14,971,994
	=====	=====
LIABILITIES AND CAPITAL		
Accounts payable and other liabilities	\$ 55,046	\$ 104,575
Federal income taxes	240,412	218,708
Other taxes	17,401	13,084
Deferred taxes (note 5)	3,294,317	3,766,446
	-----	-----
Total liabilities	3,607,176	4,102,813
	-----	-----
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 2,962,405 sub-shares in 1995 and 3,075,305 sub-shares	-	-

in 1994	-	-
Net proceeds from all sources	10,294,628	10,869,181
	-----	-----
Total capital	10,294,628	10,869,181
	-----	-----
	\$13,901,804	\$14,971,994
	=====	=====

</TABLE>

See accompanying notes to financial statements.  
TEXAS PACIFIC LAND TRUST

STATEMENTS OF INCOME

YEARS ENDED DECEMBER 31, 1995, 1994, AND 1993

<TABLE>  
<CAPTION>

	1995	1994	1993
	-----	-----	-----
<S>	<C>	<C>	<C>
Income:			
Oil and gas royalties	\$2,508,663	\$2,064,324	\$2,166,045
Grazing lease rentals	531,927	538,106	529,757
Land sales (note 7)	2,057,764	5,230,430	1,484,123
Interest	609,895	571,257	535,313
Easements and sundry income	732,036	698,716	547,524
	-----	-----	-----
	6,440,285	9,102,833	5,262,762
	-----	-----	-----
Expenses:			
Taxes, other than federal taxes on income	558,697	510,635	525,423
Salaries	413,800	508,200	448,452
General expense, supplies and travel	455,972	475,427	475,953
Basis in real estate sold	-	34,886	-
Legal and professional fees	192,218	125,420	168,997
Commissions to local agents	30,233	100,424	24,147
Depreciation	11,314	9,847	10,773
Trustees' compensation	8,000	8,000	8,000
Other	18,333	20,000	20,000
	-----	-----	-----
	1,688,567	1,792,839	1,681,745
	-----	-----	-----
Income before provision for federal taxes on income and cumulative effect of accounting change	4,751,718	7,309,994	3,581,017
	-----	-----	-----
Provision for federal taxes on income (note 5);			
Current	1,894,946	1,611,105	1,268,852
Deferred	(472,129)	725,220	(186,751)
	-----	-----	-----
	1,422,817	2,336,325	1,082,101
	-----	-----	-----
Income before cumulative effect of accounting change	3,328,901	4,973,669	2,498,916
Cumulative effect of accounting change (note 5)	-	-	(812,030)
	-----	-----	-----
Net income	\$3,328,901	\$4,973,669	\$1,686,886
	=====	=====	=====
Per Sub-share Certificate:			
Income before cumulative effect of accounting change	\$1.09	\$1.58	\$.77
Cumulative effect of accounting change	-	-	(.25)
	-----	-----	-----
Net Income	\$1.09	\$1.58	\$.52
	=====	=====	=====

</TABLE>

See accompanying notes to financial statements.

## STATEMENTS OF NET PROCEEDS FROM ALL SOURCES

YEARS ENDED DECEMBER 31, 1995, 1994 AND 1993

<TABLE>  
<CAPTION>

	1995	1994	1993
	-----	-----	-----
<S>	<C>	<C>	<C>
Balance at beginning of year	\$10,869,181	\$ 9,237,084	\$10,889,448
Add net income for year	3,328,901	4,973,669	1,686,886
	-----	-----	-----
	14,198,082	14,210,753	12,576,334
Deduct:			
Cost of Sub-share Certificates in Certificates of Proprietary Interest purchased and cancelled - 112,900 Sub-shares in 1995, 103,900 Sub-shares in 1994 and 107,200 Sub-shares in 1993	2,680,652	2,074,290	2,025,408
Dividends paid - per Certificate of Proprietary Interest-\$240.00 in 1995, 1994 and 1993; per Sub-share Certificate-\$.40 in 1995, 1994 and 1993	1,222,802	1,267,282	1,313,842
	-----	-----	-----
	3,903,454	3,341,572	3,339,250
	-----	-----	-----
Balance at end of year	\$10,294,628	\$10,869,181	\$ 9,237,084
	=====	=====	=====

&lt;/TABLE&gt;

See accompanying notes to financial statements.

## TEXAS PACIFIC LAND TRUST

## STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 1995, 1994 AND 1993

<TABLE>  
<CAPTION>

	1995	1994	1993
	-----	-----	-----
<S>	<C>	<C>	<C>
Cash flows from operating activities;			
Net income	\$3,328,901	\$4,973,669	\$1,686,886
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	11,314	9,847	10,773
Deferred taxes	(472,129)	725,220	(186,751)
Cumulative effect of accounting change	-	-	812,030
Change in assets and liabilities:			
Notes receivable	1,838,939	(524,704)	787,527
Real estate acquired through foreclosure	-	(938,227)	(295,074)
Other assets	29,473	(15,810)	215,315
Accounts payable	(49,529)	(66,929)	142,504
Taxes payable	26,021	172,056	(28,711)
Deferred revenues on land sales	-	(745,738)	3,364
	-----	-----	-----
Net cash provided by operating activities	4,712,990	3,589,384	3,147,863
	-----	-----	-----
Cash flows from investing activities - additions to leasehold improvements, furniture and equipment	(19,394)	(11,976)	(17,890)
	-----	-----	-----
Cash flows from financing activities:			
Purchase of Sub-share Certificates in Certificates of Proprietary Interest	(2,680,652)	(2,074,290)	(2,025,408)
Dividends	(1,222,802)	(1,267,282)	(1,313,842)
	-----	-----	-----
Net cash used in financing activities	(3,903,454)	(3,341,572)	(3,339,250)
	-----	-----	-----
Net increase (decrease) in cash and temporary cash investments	790,142	235,836	(209,277)
Cash and temporary cash investments at beginning of year	2,232,843	1,997,007	2,206,284

Cash and temporary cash investments at end of year	----- \$3,022,985 =====	----- \$2,232,843 =====	----- \$1,997,007 =====
---	-------------------------------	-------------------------------	-------------------------------

</TABLE>

See accompanying notes to financial statements.

TEXAS PACIFIC LAND TRUST

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1995, 1994 AND 1993

(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 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 generally accepted accounting principles 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 revenues 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 in Statement of Financial Accounting Standards No. 66. Notes receivable related to land sales bear interest rates ranging from 9% to 11% and are secured by first lien deeds of trust on the properties sold. 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 1995, 1994 and 1993 were \$1,638,911, \$959,053 and \$483,035, 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. One customer represented approximately 14% and another represented approximately 10% of the Trust's notes receivable balance at December 31, 1995.

Effective January 1, 1995, the Trust concurrently adopted Statement of Financial Accounting Standards (SFAS) No. 114, "Accounting by Creditors for Impairment of a Loan," and SFAS No. 118, "Accounting by Creditors for Impairment of a Loan -- Income Recognition and Disclosures." SFAS No. 114 requires that impaired loans be measured based on the present value of expected future cash flows discounted at the loan's effective interest rate or the market price or fair value of the collateral if the loan is collateral dependent. SFAS No. 118 amends SFAS No. 114 to allow a creditor to

(continued)

TEXAS PACIFIC LAND TRUST

NOTES TO FINANCIAL STATEMENTS

use existing methods for recognizing interest income on an impaired loan and amends certain disclosure requirements. The adoption of SFAS No. 114 and No. 118 had no effect on the Trust's financial statements.

(c) 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 (3,038,847 in 1995, 3,149,609 in 1994 and 3,248,709 in 1993).

(d) Cash Flows

Temporary cash investments at December 31, 1995 and 1994 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 1995, 1994 and 1993 was \$1,873,242, \$1,438,373 and \$1,294,073, 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.

(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.

Effective January 1, 1993, the Trust adopted SFAS No. 109 and has reported the cumulative effect of that change in method of accounting for income taxes in the 1993 statement of income.

(2) Segment Information

The Trust's only significant activity is managing the land which was conveyed to the Trust in 1888 and includes sales and leases of such land, and the retention of oil and gas royalties.

(continued)

TEXAS PACIFIC LAND TRUST

NOTES TO FINANCIAL STATEMENTS

(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 and any further losses are recorded by a charge to operations and a valuation allowance (none at December 31, 1995 and 1994) 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, 1995 and 1994:

<TABLE>  
<CAPTION>

	1995		1994	
	ACRES	BOOK VALUE	ACRES	BOOK VALUE
<S>	<C>	<C>	<C>	<C>
Balance at January 1	28,140.75	\$ 6,844,336	4,359.71	\$ 5,906,109
Additions	-	-	24,666.02	973,114
Sales	-	-	(884.98)	(34,887)
Balance at December 31	28,140.75	\$ 6,844,336	28,140.75	\$ 6,844,336

</TABLE>

(4) Retirement Plan

The Trust has a noncontributory pension 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 NationsBank of Texas, N.A. common trust funds.

Net pension cost (income) for the years ended December 31, 1995, 1994 and 1993 includes the following components:

<TABLE>  
<CAPTION>

	1995	1994	1993
	-----	-----	-----
<S>	<C>	<C>	<C>
Service cost of the current period	\$30,305	\$ 39,487	\$ 32,254
Interest cost on projected benefit obligation	79,734	78,056	75,370
Actual return on assets	(88,963)	(116,090)	(110,319)
Net amortization and deferral	(16,273)	(18,238)	(18,238)
	-----	-----	-----
Net periodic pension cost (income)	\$ 4,803	\$ (16,785)	\$ (20,933)
	=====	=====	=====

</TABLE>

The following is a reconciliation of the funding status of the Plan at December 31, 1995 and 1994:

<TABLE>  
<CAPTION>

	1995	1994
	-----	-----
<S>	<C>	<C>
Actuarial present value of benefit obligations:		
Vested benefits	\$943,268	\$867,876
Nonvested benefits	15,822	12,714
	-----	-----
Accumulated benefit obligation	\$959,090	\$880,590
	=====	=====

</TABLE>

(continued)

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TEXAS PACIFIC LAND TRUST

NOTES TO FINANCIAL STATEMENTS

<TABLE>  
<CAPTION>

	1995	1994
	-----	-----
<S>	<C>	<C>
Projected benefit obligation for services rendered to date	\$ (1,114,906)	\$ (1,077,146)
Plan assets at fair value	1,322,678	1,443,551
	-----	-----
Plan assets in excess of projected benefit obligation	207,772	366,405
Unrecognized net loss	163,024	5,844
Unrecognized net asset at transition	(185,737)	(208,955)
Unrecognized prior service cost	48,549	53,529
	-----	-----
Prepaid pension cost	\$ 233,608	\$ 216,823
	=====	=====

</TABLE>

The actuarial present value of vested and nonvested accrued benefits is based on an assumed discount rate of 7.5% in 1995 and 1994, and a weighted-average expected long-term rate of return on Plan assets of 7.0%. The projected benefit obligations were calculated assuming annual rates of salary increases ranging from 5.3% to 11.0% depending upon the employee's age category.

(5) Federal Taxes on Income

As discussed in note 1, the Trust adopted SFAS No. 109 as of January 1, 1993. The cumulative effect of this change in accounting for income taxes of \$812,030 was determined as of January 1, 1993 and is reported separately in the statement of income for the year ended December 31, 1993.

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 from operations as a result of the following:

<TABLE>  
<CAPTION>

	1995	1994	1993
	-----	-----	-----
<S>	<C>	<C>	<C>

Computed tax expense at the expected statutory rate	\$1,615,584	\$2,485,398	\$1,217,546
Reduction in income taxes resulting from:			
Statutory depletion	(149,394)	(128,005)	(127,039)
Other, net	(43,373)	(21,068)	(8,406)
	-----	-----	-----
	\$1,422,817	\$2,336,325	\$1,082,101
	=====	=====	=====

</TABLE>

The tax effects of temporary differences that give rise to significant portions of the deferred tax liabilities at December 31, 1995 and 1994 are as follows:

<TABLE>

<CAPTION>

	1995	1994
	-----	-----
	<C>	<C>
Basis differences in real estate acquired through foreclosure	\$2,030,847	\$2,046,938
Deferred installment revenue on land sales	1,263,470	1,719,508
	-----	-----
Total deferred tax liability	\$3,294,317	\$3,766,446
	=====	=====

</TABLE>

(Continued)

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TEXAS PACIFIC LAND TRUST

NOTES TO FINANCIAL STATEMENTS

(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 1995 or 1994.

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) Deferred Revenue on Land Sales

In 1991, the Trust sold 362.15 acres of land for total consideration of \$1,035,749. The Trust received \$129,470 in cash and an 11%, 15-year note receivable for the remainder. This transaction was accounted for under the installment method of accounting; accordingly, a portion of the profit was deferred and recognized ratably into income as the note amortized. During 1994, the note was collected and the remaining deferred revenue of \$745,738 was recognized.

(8) 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, 1995, 1994 and 1993, respectively: oil (in barrels) - 107,203, 97,066 and 94,482; and gas (in thousands of cubic feet) - 504,177, 362,827 and 319,362. Reserves related to the Trust's royalty interests are not presented because the information is unavailable.

(Continued)

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TEXAS PACIFIC LAND TRUST

NOTES TO FINANCIAL STATEMENTS

(9) Selected Quarterly Financial Data (Unaudited)

The following tables present unaudited financial data of the Trust for each

quarter of 1995 and 1994:

<TABLE>  
<CAPTION>

	QUARTER ENDED			
	DECEMBER 31, 1995	SEPTEMBER 30, 1995	JUNE 30, 1995	MARCH 31, 1995
<S>	<C>	<C>	<C>	<C>
Income	\$1,509,210	\$1,073,625	\$2,181,662	\$1,675,788
Income before provision for federal taxes on income	\$1,122,450	\$ 694,766	\$1,725,774	\$1,208,728
Net income	\$ 784,401	\$ 492,057	\$1,200,935	\$ 851,508
Net income per Sub-Share Certificate	\$.26	\$.16	\$.39	\$.28

</TABLE>

<TABLE>  
<CAPTION>

	QUARTER ENDED			
	DECEMBER 31, 1994	SEPTEMBER 30, 1994	JUNE 30, 1994	MARCH 31, 1994
<S>	<C>	<C>	<C>	<C>
Income	\$2,212,887	\$2,715,940	\$1,948,991	\$2,225,015
Income before provision for federal taxes on income	\$1,806,352	\$2,285,489	\$1,506,491	\$1,711,662
Net income	\$1,242,265	\$1,542,743	\$1,036,689	\$1,151,972
Net income per Sub-Share Certificate	\$.40	\$.49	\$.33	\$.36

</TABLE>

INDEX TO EXHIBITS

<TABLE>  
<CAPTION>

EXHIBIT NUMBER	DESCRIPTION
<S>	<C>
27	- Financial Data Schedule

</TABLE>



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