

FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

(Mark One)

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

For the quarterly period ended September 30, 1996

OR

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

For the transition period from _____ to _____

Commission file number 1-737

TEXAS PACIFIC LAND TRUST

(Exact name of registrant as specified in its charter)

NOT APPLICABLE

75-0279735

(State or other jurisdiction of incorporation
or organization)

(I.R.S. Employer
Identification No.)

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

(Address of principal executive offices)
(Zip Code)

212/269-2266

(Registrant's telephone number, including area code)

NOT APPLICABLE

(Former name, former address and former fiscal year,
if changed since last report)

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 No

Part I
FINANCIAL INFORMATION
TEXAS PACIFIC LAND TRUST
BALANCE SHEETS
SEPTEMBER 30, 1996 & DECEMBER 31, 1995

(Unaudited)

<TABLE>
<CAPTION>

ASSETS	September 30, 1996	DECEMBER 31, 1995
Cash	\$ 216,286	\$ 72,985
Temporary cash investments	1,750,000	2,950,000
Accounts receivable	293,254	294,582
Accrued interest receivable	185,016	128,482
Prepaid expenses	4,837	48,365

Federal income taxes receivable	20,483	--
Notes receivable	4,368,674	3,509,008
Real estate acquired through foreclosure: (27,830.19 acres at September 30, 1996 and 28,140.75 acres at December 31, 1995)	6,034,969	6,844,336
Water wells, leasehold improvements, furniture and equipment - at cost less accumulated depreciation	61,954	54,046
Property, no value assigned (Note 2):		
Land (surface rights) situated in twenty-one counties in Texas -- 1,076,637.27 acres in 1996 and 1,078,934.60 acres in 1995.	--	--
Town lots in Iatan, Loraine and Morita -- 628 lots in 1996 and 1995.	--	--
1/16 nonparticipating perpetual royalty interest in 386,987.70 acres in 1996 and 1995.	--	--
1/128 nonparticipating perpetual royalty interest in 85,413.60 acres in 1996 and 1995.	--	--
	-----	-----
	\$12,935,473	\$13,901,804
	=====	=====
 LIABILITIES AND CAPITAL -----		
Federal taxes on income	\$ --	\$ 240,412
Other taxes	312,709	17,401
Other liabilities	12,783	5,046
Escrow deposits on land sales	100,000	50,000
Deferred taxes	3,154,910	3,294,317
	-----	-----
Total liabilities	3,580,402	3,607,176
Capital (Note 3)		
Certificates of Proprietary Interest, par value \$100 each; outstanding one certificate in 1996 and 1995	--	--
Sub-share Certificates in Certificates of Proprietary Interest, par value \$.16 2/3 each; outstanding 2,876,705 sub-shares in 1996 and 2,962,405 sub-shares in 1995	--	--
Net proceeds from all sources	9,355,071	10,294,628
	-----	-----
Total capital	9,355,071	10,294,628
	-----	-----
	\$12,935,473	\$13,901,804
	=====	=====

</TABLE>

See accompanying notes to financial statements.

(1)

TEXAS PACIFIC LAND TRUST
STATEMENTS OF INCOME

(Unaudited)

<TABLE>
<CAPTION>
<S>

	<C> Three Months Ended September 30		<C> Nine Months Ended September 30	
	1996	1995	1996	1995
	-----	-----	-----	-----
Income:				
Rentals, royalties and sundry income	\$1,276,800	\$ 870,785	\$3,586,225	\$2,640,887
Land sales	373,391	41,600	1,987,111	1,818,718
Interest	129,888	161,240	359,625	471,470
	-----	-----	-----	-----

	1,780,079	1,073,625	5,932,961	4,931,075
	-----	-----	-----	-----
Expenses:				
Taxes, other than Federal taxes				
on income	152,589	135,675	453,004	410,035
General and administrative expenses	236,567	243,184	796,129	891,772
Basis in real estate sold	7,321	--	809,367	--
	-----	-----	-----	-----
	396,477	378,859	2,058,500	1,301,807
	-----	-----	-----	-----
Income before provision for				
Federal taxes on income	1,383,602	694,766	3,874,461	3,629,268
Provision for Federal taxes on				
income (Note 4)	414,113	202,709	1,165,508	1,084,768
	-----	-----	-----	-----
Net income	\$ 969,489	\$ 492,057	\$2,708,953	\$2,544,500
	=====	=====	=====	=====
Average number of sub-share certificates				
and equivalent sub-share certificates				
outstanding	2,900,638	3,040,838	2,929,160	3,055,875
	=====	=====	=====	=====
Earnings per sub-share certificate	33c.	16c.	92c.	83c.
	=====	=====	=====	=====
Cash dividend per sub-share certificate	--	--	40c.	40c.
	=====	=====	=====	=====

</TABLE>

See accompanying notes to financial statements.

(2)

TEXAS PACIFIC LAND TRUST
STATEMENTS OF CASH FLOWS

(Unaudited)

<TABLE>
<CAPTION>

	Nine Months Ended September 30	
	1996	1995
	-----	-----
<S>	<C>	<C>
Cash flows from operating activities:		
Net income	\$ 2,708,953	\$ 2,544,500
Adjustments to reconcile net income to net		
cash provided by operating activities:		
Depreciation	8,460	8,190
Deferred taxes	(139,407)	(141,938)
(Increase) decrease in assets:		
Notes and accounts receivable	(858,338)	405,409
Accrued interest receivable	(56,534)	15,810
Federal income taxes receivable	(20,483)	(117,827)
Prepaid expenses	43,528	43,528
Real estate acquired through foreclosure	809,367	--
Increase (decrease) in liabilities:		
Federal taxes on income	(240,412)	(218,708)
Other taxes	295,308	277,712
Escrow deposits on land sales	50,000	50,000
Other liabilities	7,737	(50,375)
	-----	-----
Total adjustments	(100,774)	271,801
	-----	-----
Net cash provided by operating activities	2,608,179	2,816,301

Cash flows from investing activities:	-----	-----
Additions to water wells, leasehold improvements, furniture and equipment	(16,368)	(14,664)
Cash flows from financing activities:	-----	-----
Sub-shares purchased for retirement	(2,469,708)	(1,578,203)
Dividends paid	(1,178,802)	(1,222,802)
Net cash used by financing activities	(3,648,510)	(2,801,005)
Net (decrease) increase in cash and cash equivalents	(1,056,699)	632
Cash and cash equivalents at beginning of year	3,022,985	2,232,843
Cash and cash equivalents at end of period	\$ 1,966,286	\$ 2,233,475
	=====	=====

</TABLE>

See accompanying notes to financial statements.

(3)
TEXAS PACIFIC LAND TRUST
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1996

- (1) In the opinion of management the accompanying unaudited financial statements contain all adjustments (consisting of only normal recurring accruals) necessary to present fairly the financial position of the Trust as of September 30, 1996 and December 31, 1995 and the results of its operations and its cash flows for the three and nine months ended September 30, 1996 and September 30, 1995, respectively.
- (2) No value is assigned to the land; consequently, no allowance for depletion is computed, and no charge to income is made therefor, and no cost is deducted from the proceeds of the land sales in computing gain or loss thereon.
- (3) The Sub-shares and the Certificates of Proprietary Interest are freely interchangeable in the ratio of one Certificate of Proprietary Interest for 600 Sub-shares or 600 Sub-shares for one Certificate of Proprietary Interest.
- (4) The Trust's effective Federal income tax rate is less than the 34% statutory rate because taxable income is reduced by statutory percentage depletion allowed on mineral royalty income.
- (5) The results of operations for the nine months ended September 30, 1996 are not necessarily indicative of the results to be expected for the full year.
- (6) Cash in excess of daily requirements is invested in money market instruments with maturities of ninety days or less. Such investments are deemed to be cash equivalents for purposes of the statements of cash flows.

Supplemental cash flow information for the nine months ended September 30, 1996 and 1995 is summarized as follows:

	1996	1995
	----	----
Federal income taxes paid	\$1,565,810	\$1,560,000
	=====	=====

There were no non-cash investing and financing activities during the nine months ended September 30, 1996 and 1995.

Management's Discussion and
Analysis of Financial Condition and
Results of Operations

Earnings per sub-share certificate for the third quarter of 1996 were \$.33 compared with \$.16 in the third quarter of 1995. Earnings per sub-share certificate for nine months ended September 30, were \$.92 compared with \$.83.

In the third quarter of 1996, land sales totalled \$373,391 which was 1,827.73 acres at an average price of \$204 per acre. In the comparable period of 1995, 640 acres were sold for \$41,600, a price of \$65 per acre. The first nine months of 1996 had total land sales of 2,593.27 acres for \$1,987,111, an average of \$766 per acre, compared to 25,039.95 acres for \$1,818,718, an average of \$73 per acre in 1995. As indicated in Note 2 to the financial statements, land sold by the Trust typically has no related costs.

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 sundry income were \$3,586,225 in the first nine months of 1996, which is an increase of 35.8% over the first nine months of 1995.

Oil and gas royalty was \$844,266 in the third quarter compared to \$593,006 in the third quarter of 1995, up 42.4%. Crude oil production subject to the Trust's royalty interest was up 17.9% in the third quarter, and the average price per barrel increased 20.5%. Oil royalty revenue was \$617,038 compared to \$434,518 up 42.0%. Gas royalty revenue for the quarter was \$227,228 compared to \$158,488, up 43.4% on a volume decrease of 8.3%.

(5)

Management's Discussion (cont'd)

Oil and gas revenue for the first nine months of 1996 was \$2,381,597, up 33.0%. Oil royalty revenue was \$1,708,336, up 32.3%. Crude oil production was up 16.0% and the average price for crude oil increased 14.1% over the first nine months of 1995. Gas royalty revenue for the first nine months was \$673,261 compared to \$499,462 in 1995, an increase of 34.8%. Gas volume was decreased by 9.7% and price was increased by 49.0%.

Interest revenue decreased 19.4% in the third quarter, and 23.7% for the first nine months of 1996. Interest on notes receivable was \$104,638 for the third quarter of 1996 compared to \$124,771 in 1995. Interest on notes receivable for the first nine months of 1996 was \$274,527 compared to \$374,089 in the 1995 period. At the end of September 1996 notes receivable were \$4,368,674 compared to \$4,944,353 at September 30, 1995. Prepaid principal on notes amounted to \$106,392 at September 30, 1996 compared to \$234,838 the prior year.

Taxes, other than Federal taxes on income, were up 12.5% for the third quarter of 1996, and up 10.5% for the first nine months of 1996 compared to 1995.

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

(6)

PART II

OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

- (a) Exhibits. Interim report furnished to shareholders upon request per sub-part Item 601 (19) Regulation S-K. Exhibit 27 - Financial Data Schedule.
- (b) Reports on Form 8-K. The registrant has filed no reports on Form 8-K during the quarter for which this report is filed.

SIGNATURES

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

TEXAS PACIFIC LAND TRUST

(Registrant)

Date November 12, 1996

By /s/ ROY THOMAS

Roy Thomas, General Agent,
Authorized Signatory and Principal
Financial Officer

(7)

INDEX TO EXHIBITS

EXHIBIT
NUMBER

DESCRIPTION

27

Financial Data Schedule

(8)

<TABLE> <S> <C>

<ARTICLE> 5
<MULTIPLIER> 1,000

<S>	<C>
<PERIOD-TYPE>	9-MOS
<FISCAL-YEAR-END>	DEC-31-1996
<PERIOD-START>	JAN-01-1996
<PERIOD-END>	SEP-30-1996
<CASH>	1,966,286
<SECURITIES>	0
<RECEIVABLES>	4,846,944
<ALLOWANCES>	0
<INVENTORY>	0
<CURRENT-ASSETS>	2,469,876
<PP&E>	6,096,923
<DEPRECIATION>	8,460
<TOTAL-ASSETS>	12,935,473
<CURRENT-LIABILITIES>	425,492
<BONDS>	0
<PREFERRED-MANDATORY>	0
<PREFERRED>	0
<COMMON>	0
<OTHER-SE>	0
<TOTAL-LIABILITY-AND-EQUITY>	12,935,473
<SALES>	0
<TOTAL-REVENUES>	5,932,961
<CGS>	0
<TOTAL-COSTS>	2,058,500
<OTHER-EXPENSES>	0
<LOSS-PROVISION>	0
<INTEREST-EXPENSE>	0
<INCOME-PRETAX>	3,874,461
<INCOME-TAX>	1,165,508
<INCOME-CONTINUING>	2,708,953
<DISCONTINUED>	0
<EXTRAORDINARY>	0
<CHANGES>	0
<NET-INCOME>	2,708,953
<EPS-PRIMARY>	.92
<EPS-DILUTED>	0

</TABLE>