

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

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.
For the quarterly period ended March 31, 2006

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
(State or Other Jurisdiction of Incorporation
or Organization)

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

1700 Pacific Avenue, Suite 1670, Dallas, Texas
(Address of Principal Executive Offices)

75201
(Zip Code)

(214) 969-5530
(Registrant's Telephone Number, Including Area Code)

(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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer

Accelerated Filer

Non-Accelerated Filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Cautionary Statement Regarding Forward-Looking Statements

Statements in this Quarterly Report on Form 10-Q that are not purely historical are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including statements regarding management's expectations, hopes, intentions or strategies regarding the future. Forward-looking statements include statements regarding the Trust's future operations and prospects, the markets for real estate in the areas in which the Trust owns real estate, applicable zoning regulations, the markets for oil and gas, production limits on prorated oil and gas wells authorized by the Railroad Commission of Texas, expected competition, management's intent, beliefs or current expectations with respect to the Trust's future financial performance and other matters. All forward-looking statements in this Report are based on information available to us as of the date this Report is filed with the Securities and Exchange Commission, and we assume no responsibility to update any such forward-looking statements, except as required by law. All forward-looking statements are subject to a number of risks, uncertainties and other factors that could cause our actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements. These risks, uncertainties and other factors include, but are not limited to, the factors discussed in Item 1A "Risk Factors" of Part I of our Annual Report to the Securities and Exchange Commission on Form 10-K for the year ended December 31, 2005, and in Part I, Item 2 "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Part II, Item 1A "Risk Factors" of this Quarterly Report on Form 10-Q.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

**TEXAS PACIFIC LAND TRUST
BALANCE SHEETS**

ASSETS	March 31, 2006	December 31, 2005
	(Unaudited)	
Cash	\$ 146,224	\$ 226,984
Temporary cash investments - at cost which approximates market	10,599,675	9,400,000
Accounts receivable	1,085,369	902,211
Accrued interest receivable	189,013	212,710
Prepaid expenses	288,944	320,481
Notes receivable for land sales	18,486,578	19,083,848
Real estate acquired:		
(12,119 acres at March 31, 2006 and December 31, 2005)	1,838,325	1,838,325
Water wells, leasehold improvements, furniture and equipment - at cost less accumulated depreciation	122,935	91,764
Prepaid Federal income taxes	--	228,570
Property, no value assigned:		
Land (surface rights) situated in twenty counties in Texas - 971,409 acres in 2006 and 971,449 acres in 2005	--	--
Town lots in Iatan, Loraine and Morita - 628 lots in 2006 and 2005	--	--
1/16 nonparticipating perpetual royalty interest in 386,988 acres in 2006 and 2005	--	--
1/128 nonparticipating perpetual royalty interest in 85,414 acres in 2006 and 2005	--	--
	<u>\$32,757,063</u>	<u>\$32,304,893</u>

LIABILITIES AND CAPITAL

Federal income taxes payable	\$ 825,522	\$ --
Other taxes payable	103,400	54,822
Other liabilities	710,282	727,911
Escrow deposits on land sales	7,000	--
Deferred revenue	100,000	100,000
Deferred taxes	6,616,784	6,808,490
Total liabilities	<u>8,362,988</u>	<u>7,691,223</u>
Capital:		
Certificates of Proprietary Interest, par value \$100 each; no certificates outstanding in 2006 and 2005	--	--
Sub-share Certificates in Certificates of Proprietary Interest, par value \$.16 2/3 each; outstanding: 2,153,175 sub-shares in 2006 and 2,158,575 sub-shares in 2005	--	--
Net proceeds from all sources	24,394,075	24,613,670
Total capital	<u>24,394,075</u>	<u>24,613,670</u>
	<u>\$32,757,063</u>	<u>\$32,304,893</u>

See accompanying notes to financial statements.

TEXAS PACIFIC LAND TRUST STATEMENTS OF INCOME (Unaudited)

	Three Months Ended March 31,	
	2006	2005
Income:		
Rentals, royalties and sundry income	\$ 3,051,927	\$ 2,135,205
Interest	446,841	444,056
	<u>3,498,768</u>	<u>2,579,261</u>
Expenses:		
Taxes, other than Federal income taxes	195,363	156,309
General and administrative expenses	488,401	489,876
	<u>683,764</u>	<u>646,185</u>

Income before Federal income taxes	2,815,004	1,933,076
Federal income taxes	862,385	580,503
Net income	\$ 1,952,619	\$ 1,352,573
Average number of sub-share certificates and equivalent sub-share certificates outstanding	2,156,242	2,189,392
Basic and dilutive earnings per sub-share certificate	\$.91	\$.62
Cash dividends per sub-share certificate	\$.65	\$.55

See accompanying notes to financial statements.

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**TEXAS PACIFIC LAND TRUST
STATEMENTS OF CASH FLOWS
(Unaudited)**

	Three Months Ended March 31,	
	2006	2005
Cash flows from operating activities:		
Net income	\$ 1,952,619	\$ 1,352,573
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	7,200	6,901
Deferred taxes	(191,706)	(116,171)
(Increase) decrease in assets:		
Accounts receivable	(183,158)	7,964
Payments received on notes receivable	597,269	360,236
Accrued interest receivable	23,697	(2,888)
Federal income taxes receivable	228,570	42,870
Prepaid expenses	31,537	30,257
Real estate acquired	--	(297,022)
Increase (decrease) in liabilities:		
Federal income taxes payable	825,523	653,804
Other taxes payable	48,578	46,000
Escrow deposits on land sales	7,000	3,000
Other liabilities payable	(17,629)	10,920
Total adjustments	1,376,881	745,871
Net cash provided by operating activities	3,329,500	2,098,444
Cash flows from investing activities-		
Additions to water wells, leasehold improvements, furniture and equipment	(38,371)	(22,549)
Cash flows from financing activities:		
Sub-shares purchased for retirement	(771,220)	(1,222,148)
Dividends paid	(1,400,994)	(1,203,386)
Net cash used by financing activities	(2,172,214)	(2,425,534)
Net increase (decrease) in cash and cash equivalents	1,118,915	(349,639)
Cash and cash equivalents at beginning of period	9,626,984	5,942,945
Cash and cash equivalents at end of period	\$ 10,745,899	\$ 5,593,306

See accompanying notes to financial statements.

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- (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 Texas Pacific Land Trust (the "Trust") as of March 31, 2006 and the results of its operations for the three month periods ended March 31, 2006 and 2005, respectively, and its cash flows for the three month periods ended March 31, 2006 and 2005, respectively. The financial statements and footnotes included herein should be read in conjunction with the Trust's annual financial statements as of December 31, 2005 and 2004 and for each of the years in the three year period ended December 31, 2005 included in the Trust's Annual Report on Form 10-K for the year ended December 31, 2005.
- (2) No value has been assigned to the land held by the Trust other than parcels which have been acquired through foreclosure and a limited number of parcels which have been acquired because they were offered for sale and were contiguous to parcels already owned by the Trust. Consequently, no allowance for depletion is computed, and no charge to income is made, with respect thereto, 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 three month period ended March 31, 2006 are not necessarily indicative of the results to be expected for the full year.
- (6) The Trust invests cash in excess of daily requirements primarily in overnight investments in loan participation instruments and U.S. Treasury bills with maturities of ninety days or less. Such investments are deemed to be highly liquid debt instruments and classified as cash equivalents for purposes of the statements of cash flows.

Supplemental cash flow information for the three month periods ended March 31, 2006 and 2005 is summarized as follows:

	2006	2005
Federal income taxes paid	\$ --	\$ --

- (7) SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information" 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. The Trust's management makes decisions about resource allocation and performance assessment based on the same financial information presented in these financial statements. Managing the land includes sales and leases of such land, and the retention of oil and gas royalties.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read together with (i) the factors discussed in Item 1A "Risk Factors" of Part I of our Annual Report to the Securities and Exchange Commission on Form 10-K for the year ended December 31, 2005, (ii) the factors discussed in Part II, Item 1A "Risk Factors," if any, of this Quarterly Report on Form 10-Q and (iii) the Financial Statements, including the Notes thereto, and the other financial information appearing elsewhere in this Report. Period-to-period comparisons of financial data are not necessarily indicative, and therefore should not be relied upon as indicators, of the Trust's future performance. Words or phrases such as "does not believe" and "believes", or similar expressions, when used in this Form 10-Q or other filings with the Securities and Exchange Commission, are intended to identify "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995.

Results of Operations for the Quarter Ended March 31, 2006 Compared to the Quarter Ended March 31, 2005

Earnings per sub-share certificate were \$.91 for the first quarter of 2006 compared to \$.62 for the first quarter of 2005. Total revenues were \$3,498,768 for the first quarter of 2006 compared to \$2,579,261 for the first quarter of 2005, an increase of 35.7%. This increase in revenue and earnings was due primarily to increases in oil and gas royalty income and easement and sundry income during the first quarter of 2006 compared to the first quarter of 2005.

The Trust did not sell any land during the first quarter of 2006 or the first quarter of 2005.

Rentals, royalties and sundry income were \$3,051,927 for the first quarter of 2006 compared to \$2,135,205 for the first quarter of 2005, an increase of 42.9%. This increase resulted primarily from increases in oil and gas royalty income and, to a lesser extent, an increase in easement and sundry income.

Oil and gas royalty revenue was \$2,512,260 for the first quarter of 2006, compared to \$1,831,534 for the first quarter of 2005, an increase of 37.2%. Oil royalty revenue was \$1,443,384 for the first quarter of 2006, an increase of 18.2% from the first quarter of 2005. Crude oil production subject to the Trust's royalty interest decreased 13.0% for the first quarter of 2006 compared to the first quarter of 2005, but this decrease in volume was more than offset by a 35.9% increase in the average price per royalty barrel of crude oil in the first quarter of 2006 compared to the 2005 period. Gas royalty revenue was \$1,068,876 for the first quarter of 2006, an increase of 75.1% from the first quarter of 2005, when gas royalty income was \$610,304. This increase in gas royalty income is attributable to a volume increase of 3.8% and price increases of 68.7%.

Easement and sundry income was \$449,247 for the first quarter of 2006, an increase of 143.0% from the first quarter of 2005. This category of income is unpredictable and may vary significantly from quarter to quarter.

Interest revenue was \$446,841 for the first quarter of 2006, an increase of 0.6% over the first quarter of 2005. Interest on notes receivable was \$341,837 for the first quarter of 2006, down 16.6% from the first quarter of 2005. As of March 31, 2006, notes receivable for land sales were \$18,486,578 compared to \$21,891,447 at March 31, 2005. This decrease in notes receivable for land sales is due to pay down of notes since March 31, 2005. Sundry interest was \$105,004 for the first quarter of 2006, up 208.5% from the first quarter of 2005. Sundry interest fluctuates based on cash on hand for investment and interest rates on short-term investments.

Taxes other than Federal income taxes increased 25.0% for the first quarter of 2006 compared to the first quarter of 2005. This increase is attributable to an increase in oil and gas production taxes. The increase in oil and gas production taxes, in turn, resulted primarily from the increased oil and gas royalty

income occasioned by the higher oil and gas prices which prevailed during the first quarter of 2006 compared to the first quarter of 2005.

General and administrative expenses for the first quarter of 2006 were down 0.3% compared to the first quarter of 2005.

Liquidity and Capital Resources

The Trust's principal sources of liquidity are revenues from oil and gas royalties, lease rentals and receipts of interest and principal payments on the notes receivable arising from land sales. In the past, those sources have generated more than adequate amounts of cash to meet the Trust's needs and, in the opinion of management, should continue to do so in the foreseeable future.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes in the information related to market risk of the Trust since December 31, 2005.

Item 4. Controls and Procedures

Pursuant to Rule 13a-15, management of the Trust under the supervision and with the participation of Roy Thomas, the Trust's Chief Executive Officer and David M. Peterson, the Trust's Chief Financial Officer, carried out an evaluation of the effectiveness of the design and operation of the Trust's disclosure controls and procedures as of the end of the Trust's fiscal quarter covered by this Report on Form 10-Q. Based upon that evaluation, Mr. Thomas and Mr. Peterson concluded that the Trust's disclosure controls and procedures are effective in timely alerting them to material information relating to the Trust required to be included in the Trust's periodic SEC filings.

There have been no changes in the Trust's internal control over financial reporting during the Trust's most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

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PART II OTHER INFORMATION

Item 1A. Risk Factors

There have been no material changes in the risk factors previously disclosed in response to Item 1A "Risk Factors" of Part I of the Trust's Annual Report to the Securities and Exchange Commission on Form 10-K for the year ended December 31, 2005.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(c) During the first quarter of 2006, the Trust repurchased Sub-share certificates as follows:

Period	Total Number of Sub-shares Purchased	Average Price Paid per Sub-share	Total Number of Sub-shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Sub-shares that May Yet Be Purchased Under the Plans or Programs
January 1, through January 31, 2006	2,200	\$143.18	-	-
February 1, through February 28, 2006	1,000	\$143.10	-	-
March 1, through March 31, 2006	2,200	\$142.33	-	-
Total	5,400*	\$142.82	-	-

* The Trust purchased and retired 5,400 Sub-shares in the open market.

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Item 6. Exhibits

31.1	Rule 13a-14(a) Certification of Chief Executive Officer.
31.2	Rule 13a-14(a) Certification of Chief Financial Officer.
32.1	Certification of Chief Executive Officer furnished pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer furnished pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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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: May 5, 2006

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

Date: May 5, 2006

By: /s/ David M. Peterson
David M. Peterson, Assistant General Agent,
and Chief Financial Officer

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INDEX TO EXHIBITS

<u>EXHIBIT NUMBER</u>	<u>DESCRIPTION</u>
31.1	Rule 13a-14(a) Certification of Chief Executive Officer.
31.2	Rule 13a-14(a) Certification of Chief Financial Officer.
32.1	Certification of Chief Executive Officer furnished pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer furnished pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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CERTIFICATION

I, Roy Thomas, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended March 31, 2006 of Texas Pacific Land Trust;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 5, 2006

By: /s/ Roy Thomas

Roy Thomas, General Agent and Chief
Executive Officer

CERTIFICATION

I, David M. Peterson, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended March 31, 2006 of Texas Pacific Land Trust;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 5, 2006

By: /s/ David M. Peterson

David M. Peterson, Assistant General Agent
and Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Texas Pacific Land Trust (the "Trust") on Form 10-Q for the quarter ended March 31, 2006 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Roy Thomas, Chief Executive Officer of the Trust, certifies, to the best of his knowledge, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Trust.

TEXAS PACIFIC LAND TRUST
(Registrant)

Date: May 5, 2006

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

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Texas Pacific Land Trust (the "Trust") on Form 10-Q for the quarter ended March 31, 2006 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), David M. Peterson, Chief Financial Officer of the Trust, certifies, to the best of his knowledge, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Trust.

TEXAS PACIFIC LAND TRUST
(Registrant)

Date: May 5, 2006

By: /s/ David M. Peterson
David M. Peterson, Assistant General Agent and
Chief Financial Officer