

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 June 30, 1997

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
JUNE 30, 1997 and DECEMBER 31, 1996
(Unaudited)

<TABLE>
<CAPTION>

December 31, 1996	ASSETS	June 30, 1997	
-----		-----	-----
<S>		<C>	<C>
Cash		\$ 238,645	\$
144,898			
Temporary cash investments		1,900,000	
1,650,000			
Accounts receivable		440,474	
436,142			

Accrued interest receivable	248,111	
203,107		
Prepaid expenses	18,296	
45,740		
Federal income taxes receivable	18,696	
--		
Notes receivable for land sales	7,714,871	
5,067,778		
Real estate acquired through foreclosure:		
(27,585.95 acres at June 30, 1997 and 27,830.19 acres at		
December 31, 1996)	4,466,895	
6,034,969		
Water wells, leasehold improvements, furniture and		
equipment - at cost less accumulated depreciation	153,162	
127,600		
Property, no value assigned (Note 2):		
Land (surface rights) situated in twenty-one counties in		
Texas - 1,069,205.64 acres in 1997 and 1,075,685.03 acres in 1996	--	
--		
Town lots in Iatan, Loraine and Morita - 628 lots in 1997 and 1996	--	
--		
1/16 nonparticipating perpetual royalty interest in 386,987.70 acres in 1997 and 1996	--	
--		
1/128 nonparticipating perpetual royalty interest in 85,413.60 acres in 1997 and 1996	--	
--		
-----		-----
	\$15,199,150	
\$13,710,234		=====
=====		

LIABILITIES AND CAPITAL

Federal income taxes	\$	--	\$
99,824			
Other taxes		196,894	
26,338			
Other liabilities		94,036	
15,034			
Escrow deposits on land sales		55,000	
55,000			
Deferred taxes		3,745,536	
3,388,382			
-----			-----
Total liabilities		4,091,466	
3,584,578			
Capital (Note 3)			
Certificates of Proprietary Interest, par value \$100			
each; outstanding one certificate in 1997 and 1996		--	
--			
Sub-share Certificates in Certificates of Proprietary			
Interest, par value \$.16 2/3 each; outstanding			
2,808,405 sub-shares in 1997 and 2,848,105 sub-			
shares in 1996		--	
--			
Net proceeds from all sources		11,107,684	
10,125,656			
-----			-----
Total capital		11,107,684	
10,125,656			
-----			-----
		\$15,199,150	
\$13,710,234		=====	
=====			

</TABLE>

See accompanying notes to financial statements.

TEXAS PACIFIC LAND TRUST
STATEMENTS OF INCOME

(Unaudited)

Months Ended	Three Months Ended		Six
	June 30		Months Ended
June 30	1997	1996	1997
-----	-----	-----	-----
1996	1997	1996	1997
-----	-----	-----	-----
-	<C>	<C>	<C>
<S>	<C>	<C>	<C>
<C>			
Income:			
Rentals, royalties and sundry income	\$1,145,581	\$1,371,296	\$2,431,527
\$2,309,425			
Land sales	2,344,150	1,262,194	4,532,322
1,613,720			
Interest	180,848	110,609	349,716
229,737			
-----	-----	-----	-----
-	3,670,579	2,744,099	7,313,565
4,152,882	-----	-----	-----
-----	-----	-----	-----
Expenses:			
Taxes, other than Federal taxes			
on income	137,900	153,301	290,335
300,415			
General and administrative expenses	349,381	255,391	648,437
559,562			
Basis in real estate sold	1,568,074	802,046	1,568,074
802,046			
-----	-----	-----	-----
-	2,055,355	1,210,738	2,506,846
1,662,023	-----	-----	-----
-----	-----	-----	-----
Income before provision for			
Federal income taxes	1,615,224	1,533,361	4,806,719
2,490,859			
Provision for Federal income taxes			
(Note 4)	502,409	474,681	1,516,577
751,395			
-----	-----	-----	-----
-	\$1,112,815	\$1,058,680	\$3,290,142
\$1,739,464	=====	=====	=====
=====	=====	=====	=====
Average number of sub-share certificates			
and equivalent sub-share certificates			
outstanding	2,820,572	2,930,105	2,831,739
2,943,422	=====	=====	=====
=====	=====	=====	=====
Earnings per sub-share certificate	\$.39	\$.36	\$ 1.16
\$.59	=====	=====	=====
=====	=====	=====	=====
Cash dividend per sub-share certificate	--	--	\$.40
\$.40	=====	=====	=====
=====	=====	=====	=====

See accompanying notes to financial statements.

TEXAS PACIFIC LAND TRUST
STATEMENTS OF CASH FLOWS

(Unaudited)

<TABLE>
<CAPTION>

	Six Months Ended June 30	
	1997	1996
	-----	-----
<S>	<C>	<C>
Cash flows from operating activities:		
Net income	\$ 3,290,142	\$ 1,739,464
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	20,100	5,640
Deferred taxes	357,154	(194,390)
(Increase) decrease in assets:		
Notes and accounts receivable	(2,651,425)	(695,026)
Accrued interest receivable	(45,004)	(14,070)
Federal income taxes receivable	(18,696)	--
Prepaid expenses	27,444	29,019
Real estate acquired through foreclosure	1,568,074	802,046
Increase (decrease) in liabilities:		
Federal income taxes	(99,824)	(140,025)
Other taxes	170,556	193,913
Escrow deposits on land sales	--	30,000
Other liabilities	79,002	16,004
Total adjustments	(592,619)	33,111
Net cash provided by operating activities	2,697,523	1,772,575
Cash flows from investing activities:		
Additions to water wells, leasehold improvements, furniture and equipment	(45,662)	(16,368)
Cash flows from financing activities:		
Sub-shares purchased for retirement	(1,173,232)	(1,554,870)
Dividends paid	(1,134,882)	(1,178,802)
Net cash used by financing activities	(2,308,114)	(2,733,672)
Net (decrease) increase in cash and cash equivalents	343,747	(977,465)
Cash and cash equivalents at beginning of year	1,794,898	3,022,985
Cash and cash equivalents at end of period	\$ 2,138,645	\$ 2,045,520
	=====	=====

</TABLE>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1997

- (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 (Trust) as of June 30, 1997 and December 31, 1996 and the results of its operations and its cash flows for the three and six months ended June 30, 1997 and June 30, 1996, respectively. These financial statements and footnotes included herein should be read in conjunction with the Trust's annual financial statements as of December 31, 1996 and 1995 and for each of the years in the three year period ended December 31, 1996 included in the Trust's Form 10-K.
- (2) No value is assigned to the land, unless acquired through foreclosure; 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 six months ended June 30, 1997 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 six months ended June 30, 1997 and 1996 is summarized as follows:

<TABLE>
<CAPTION>

	1997 ----	1996 ----
<S>	<C>	<C>
Federal income taxes paid	\$1,277,943 =====	\$1,085,810 =====

</TABLE>

There were no non-cash investing and financing activities during the six months ended June 30, 1997 and 1996.

(4)

Management's Discussion and
Analysis of Financial Condition and
Results of Operations for the
Six Months Ended

June 30, 1997 and 1996

Earnings per sub-share were \$.39 for the second quarter of 1997 compared with \$.36 in the second quarter of 1996.

Total revenues for the second quarter of 1997 were \$3,670,579 compared with \$2,744,099 in the second quarter of 1996, an increase of 33.8%. One second

quarter land sale of \$2,296,150 had a land cost basis (from repossession) of \$1,568,074. As indicated in note 2 to the financial statements, land sold by the Trust typically has no related costs, unless acquired through foreclosure.

The Trust had one land sale in El Paso County in the second quarter, totaling 241.7 acres, and one sale of 640 acres in Ector County for total consideration of \$2,344,150, an average of \$2,659 per acre. This compares to 715 acres for \$1,262,194, an average of \$1,765 per acre, in the second quarter of 1996.

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 amounted to \$1,145,581 for the second quarter compared to \$1,371,296 for the second quarter of 1996, down 16.5%. This 16.5% decrease is primarily due to a decrease in pipeline easement income due to unusually large income in this category in the comparison second quarter of 1996.

Oil and gas royalty revenue was \$812,514, down just fractionally for the period. Oil royalty revenue was \$606,690, up 4.2% compared with 1996. Crude oil production subject to the Trust's royalty interest was up 7.8% in the second quarter, and the average price per barrel was down 3.4% compared to 1996. Gas royalty revenue was \$205,824 in the second quarter, down 12.6% on a fractional volume decrease and a price decrease of 12.1%.

Interest revenue was up 63.5% in the second quarter, compared with 1996. Interest from notes receivable amounted to \$155,512 in the second quarter, and \$294,637 in the first six months, up 78.1% and 73.4% respectively for the second quarter and first six months of 1997. Notes receivable have increased from \$4,201,182 to \$7,714,871 or 83.6% in the period since June 30, 1996. Sundry interest for the second quarter was \$25,336, up 8.7% and for the first six months was \$55,079, down 8.0% compared to 1996.

Taxes, other than Federal income taxes, were down 10.1% in the second quarter and 3.4% in the first six months of 1997.

General and administrative expenses increased \$93,990 (36.8%) in the second quarter and \$88,875 (15.9%) in the first six months primarily due to a \$90,000 expense for an environmental cleanup of a tract of land sold during the second quarter.

(5)

Management's Discussion (cont'd)

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

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 August 12, 1997

By /s/ ROY THOMAS

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

(7)

INDEX TO EXHIBITS

<TABLE> <CAPTION> EXHIBIT NUMBER	EXHIBIT
----- <S> 27	----- <C> Financial Data Schedule

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