

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 March 31, 1998

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  
MARCH 31, 1998 and DECEMBER 31, 1997  
-----  
(Unaudited)

<TABLE>  
<CAPTION>

December 31,  
ASSETS  
1997

March 31,  
1998

-----  
<S>  
<C>  
Cash

<C>  
\$ 393,017 \$

|   |               |    |
|---|---------------|----|
| 112,591   |               |    |
| Temporary cash investments at cost which approximates market<br>1,800,000   | 2,150,000     |    |
| Accounts receivable   | 386,263       |    |
| 386,781   |               |    |
| Accrued interest receivable   | 446,858       |    |
| 411,674   |               |    |
| Prepaid expenses  | 31,850        |    |
| 45,500  |               |    |
| Notes receivable for land sales   | 10,201,360    |    |
| 9,307,218   |               |    |
| Real estate acquired through foreclosure:<br>(27,585.95 acres at March 31, 1998 and December 31, 1997)  | 4,466,895     |    |
| 4,466,895   |               |    |
| Water wells, leasehold improvements, furniture and<br>equipment - at cost less accumulated depreciation   | 120,999       |    |
| 142,630   |               |    |
| Property, no value assigned (note 2):   |               |    |
| Land (surface rights) situated in twenty-one counties in<br>Texas - 1,041,792.77 acres in 1998 and 1,065,481.33 acres in 1997   | --            |    |
| --  |               |    |
| Town lots in Iatan, Loraine and Morita - 628 lots in 1998 and 1997  | --            |    |
| --  |               |    |
| 1/16 nonparticipating perpetual royalty interest in 386,987.70 acres in 1998 and 1997   | --            |    |
| --  |               |    |
| 1/128 nonparticipating perpetual royalty interest in 85,413.60 acres in 1998 and 1997   | --            |    |
| --  |               |    |
| -----   |               | -  |
|   | \$ 18,197,242 | \$ |
| 16,673,289  | =====         |    |
| =====   |               |    |
| LIABILITIES AND CAPITAL   |               |    |
| Federal income taxes payable  | \$ 695,189    | \$ |
| 42,783  |               |    |
| Other taxes payable   | 97,094        |    |
| 24,372  |               |    |
| Other liabilities   | 186,487       |    |
| 93,072  |               |    |
| Escrow deposits on land sales   | 2,000         |    |
| --  |               |    |
| Deferred taxes  | 4,571,360     |    |
| 4,291,856   |               |    |
| -----   |               | -  |
| Total liabilities   | 5,552,130     |    |
| 4,452,083   |               |    |
| Capital (note 3)  |               |    |
| Certificates of Proprietary Interest, par value \$100<br>each; outstanding one certificate in 1998 and 1997   | --            |    |
| --  |               |    |
| Sub-share Certificates in Certificates of Proprietary Interest, par value<br>\$.16 2/3 each; outstanding 2,739,505 sub-shares in 1998 and<br>2,753,205 sub-shares in 1997 | --            |    |
| --  |               |    |
| Net proceeds from all sources   | 12,645,112    |    |
| 12,221,206  |               |    |
| -----   |               | -  |
| Total capital   | 12,645,112    |    |
| 12,221,206  |               |    |
| -----   |               | -  |
|   | \$ 18,197,242 | \$ |
| 16,673,289  | =====         |    |
| =====   |               |    |

</TABLE>

See accompanying notes to financial statements.

TEXAS PACIFIC LAND TRUST  
STATEMENTS OF INCOME  
-----

(Unaudited)

<TABLE>  
<CAPTION>

|  | Three Months Ended<br>March 31 |             |
|--|--------------------------------|-------------|
|  | 1998                           | 1997        |
| <S>  | <C>                            | <C>         |
| Income:  |                                |             |
| Rentals, royalties and sundry income   | \$1,465,516                    | \$1,285,946 |
| Land sales   | 1,879,400                      | 2,188,172   |
| Interest   | 244,834                        | 168,868     |
|  | -----                          | -----       |
|  | 3,589,750                      | 3,642,986   |
|  | -----                          | -----       |
| Expenses:  |                                |             |
| Taxes, other than Federal income taxes   | 124,418                        | 152,435     |
| General and administrative expenses  | 347,643                        | 299,056     |
|  | -----                          | -----       |
|  | 472,061                        | 451,491     |
|  | -----                          | -----       |
| Income before provision for<br>Federal income taxes  | 3,117,689                      | 3,191,495   |
| Provision for Federal income taxes (note 4)  | 976,036                        | 1,014,168   |
|  | -----                          | -----       |
| Net income   | \$2,141,653                    | \$2,177,327 |
|  | =====                          | =====       |
| Average number of sub-share certificates<br>and equivalent sub-share certificates<br>outstanding |                                |             |
|  | 2,750,988                      | 2,842,905   |
|  | =====                          | =====       |
| Earnings per sub-share certificate   | \$ .78                         | \$ .77      |
|  | =====                          | =====       |
| Cash dividend per sub-share certificate  | \$ .40                         | \$ .40      |
|  | =====                          | =====       |

</TABLE>

See accompanying notes to financial statements.

(2)

TEXAS PACIFIC LAND TRUST  
STATEMENTS OF CASH FLOWS  
-----

(Unaudited)

<TABLE>  
<CAPTION>

|  | Three Months Ended<br>March 31 |              |
|--|--------------------------------|--------------|
|  | 1998                           | 1997         |
| <S>  | <C>                            | <C>          |
| Cash flows from operating activities:  |                                |              |
| Net income   | \$ 2,141,653                   | \$ 2,177,327 |
| Adjustments to reconcile net income to net cash provided by operating<br>activities: |                                |              |
| Depreciation   | 28,500                         | 10,050       |
| Deferred taxes   | 279,504                        | 347,798      |
| (Increase) decrease in assets:   |                                |              |

|  |              |              |
|--|--------------|--------------|
| Accounts receivable  | 518          | 889          |
| New notes from land sales  | (1,329,000)  | (1,311,203)  |
| Payments received on notes receivable  | 434,858      | 296,507      |
| Accrued interest receivable  | (35,184)     | (56,181)     |
| Prepaid expenses   | 13,650       | 13,722       |
| Increase in liabilities:   |              |              |
| Federal income taxes   | 652,406      | 563,427      |
| Other taxes  | 72,722       | 87,196       |
| Escrow deposits on land sales  | 2,000        | 27,000       |
| Other liabilities  | 93,415       | 23,617       |
|  | -----        | -----        |
| Total adjustments  | 213,389      | 2,822        |
|  | -----        | -----        |
| Net cash provided by operating activities                                    | 2,355,042    | 2,180,149    |
|  | -----        | -----        |
| Cash flows from investing activities:  |              |              |
| Additions to water wells, leasehold improvements,<br>furniture and equipment | (6,869)      | (20,569)     |
|  | -----        | -----        |
| Cash flows from financing activities:  |              |              |
| Sub-shares purchased for retirement  | (614,945)    | (651,578)    |
| Dividends paid   | (1,102,802)  | (1,134,882)  |
|  | -----        | -----        |
| Net cash used by financing activities  | (1,717,747)  | (1,786,460)  |
|  | -----        | -----        |
| Net increase in cash and cash equivalents                                    | 630,426      | 373,120      |
| Cash and cash equivalents at beginning<br>of year                            | 1,912,591    | 1,794,898    |
|  | -----        | -----        |
| Cash and cash equivalents at end<br>of period                                | \$ 2,543,017 | \$ 2,168,018 |
|  | =====        | =====        |

</TABLE>

See accompanying notes to financial statements.

(3)

TEXAS PACIFIC LAND TRUST  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 1998  
-----

- (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 March 31, 1998 and December 31, 1997 and the results of its operations and its cash flows for the three months ended March 31, 1998 and March 31, 1997, respectively. These financial statements and footnotes included herein should be read in conjunction with the Trust's annual financial statements as of December 31, 1997 and 1996 and for each of the years in the three year period ended December 31, 1997 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 three months ended March 31, 1998 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 three months ended March 31, 1998 and 1997 is summarized as follows:

<TABLE>  
<CAPTION>

|                           | 1998      | 1997       |
|---------------------------|-----------|------------|
|                           | -----     | -----      |
| <S>                       | <C>       | <C>        |
| Federal income taxes paid | \$ 44,126 | \$ 102,943 |
|                           | =====     | =====      |

</TABLE>

There were no non-cash investing and financing activities during the three months ended March 31, 1998 and 1997.

(4)

Management's Discussion and  
Analysis of Financial Condition and  
Results of Operations for the  
Three Months Ended  
March 31, 1998 and 1997  
-----

Earnings per sub-share were \$.78 for the first quarter of 1998 compared with \$.77 in the first quarter of 1997.

Total revenues for the first quarter of 1998 were \$3,589,750 compared with \$3,642,986 in the first quarter of 1997, a decrease of 1.5%.

The Trust sold 23,688 acres of land for a total of \$1,879,400, an average of \$79 per acre, in the first quarter of 1998. In the comparable period of 1997 a total of 5,839.39 acres were sold for \$2,188,172, an average of \$375 per acre.

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 \$1,465,516 in the first quarter of 1998, an increase of 14.0% compared with the first quarter of 1997.

Oil and gas royalty revenue was \$754,987, down 28.5% compared with the first quarter of 1997. Oil royalty revenue was \$509,248, down 28.0% compared with 1997. Crude oil production subject to the Trust's royalty interest was up 3.9% in the first quarter, and the average price per barrel was down 30.7% compared with 1997. Gas royalty revenue was \$245,739 in the first quarter, down 29.5% on a volume decrease of 1.1% and a price decrease of 28.5%.

Easement and Sundry income was \$623,010 up 348.2% over the first quarter of 1997. This was mainly due to increases in pipeline easement and seismic permit income neither of which are recurring or can be predicted.

Interest revenue increased 45.0% in the first quarter of 1998, compared with 1997. Interest from notes receivable amounted to \$210,695, an increase of 51.4%. Notes receivable were \$10,201,360 as of March 31, 1998, an increase of 67.7% for the comparable period due to substantial land sales made in 1997, of which a portion was financed by the Trust. Sundry interest was \$34,139, up 14.8% compared with 1997.

Taxes, other than Federal taxes on income, were down 18.4% due to a decrease in land inventory and a decrease in royalty income in the first quarter of 1998 compared with last year.

General and administrative expenses increased due to an increase in depreciation expense related to the purchase of computer hardware and software.

(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 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 5/14/98

By /s/ ROY THOMAS

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

(7)

INDEX TO EXHIBITS

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EXHIBIT  
NUMBER  
-----  
<S>  
27  
</TABLE>

EXHIBIT  
-----  
<C>  
Financial Data Schedule

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|------------------------------|-------------|
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| <FISCAL-YEAR-END>            | DEC-31-1998 |
| <PERIOD-START>               | JAN-01-1998 |
| <PERIOD-END>                 | MAR-31-1998 |
| <CASH>                       | 2,543,017   |
| <SECURITIES>                 | 0           |
| <RECEIVABLES>                | 11,034,481  |
| <ALLOWANCES>                 | 0           |
| <INVENTORY>                  | 0           |
| <CURRENT-ASSETS>             | 3,407,988   |
| <PP&E>                       | 4,587,894   |
| <DEPRECIATION>               | 28,500      |
| <TOTAL-ASSETS>               | 18,197,242  |
| <CURRENT-LIABILITIES>        | 978,770     |
| <BONDS>                      | 0           |
| <PREFERRED-MANDATORY>        | 0           |
| <PREFERRED>                  | 0           |
| <COMMON>                     | 0           |
| <OTHER-SE>                   | 0           |
| <TOTAL-LIABILITY-AND-EQUITY> | 18,197,242  |
| <SALES>                      | 0           |
| <TOTAL-REVENUES>             | 3,589,750   |
| <CGS>                        | 0           |
| <TOTAL-COSTS>                | 472,061     |
| <OTHER-EXPENSES>             | 0           |
| <LOSS-PROVISION>             | 0           |
| <INTEREST-EXPENSE>           | 0           |
| <INCOME-PRETAX>              | 3,117,689   |
| <INCOME-TAX>                 | 976,036     |
| <INCOME-CONTINUING>          | 2,141,653   |
| <DISCONTINUED>               | 0           |
| <EXTRAORDINARY>              | 0           |
| <CHANGES>                    | 0           |
| <NET-INCOME>                 | 2,141,653   |
| <EPS-PRIMARY>                | 0.78        |
| <EPS-DILUTED>                | 0.78        |

</TABLE>