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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

ANNUAL REPORT

Pursuant to Section 15(d) of the Securities Exchange Act of 1934

For the Three Months Ended December 31, 1998

Commission File Number 001-04601

PRODUCTION OPERATORS THRIFT PLAN
(Full title of the plan)

SCHLUMBERGER LIMITED
(Name of issuer of the securities held pursuant
to the plan)

277 Park Avenue
New York, NY 10172-2066
(Address, including zip code, of principal
executive office)

(212) 350-9400
(Telephone number, including area code)

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PRODUCTION OPERATORS THRIFT PLAN

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FINANCIAL STATEMENTS

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All other schedules are omitted because they are not applicable, not required or the information is included in the Notes to Financial Statements.

SIGNATURES

THE PLAN. Pursuant to the requirement of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have caused this annual report to be signed on their behalf by the undersigned hereunto duly authorized.

PRODUCTION OPERATORS THRIFT PLAN

BY /s/ J. CHRISTOPHER HOLLAND

J. Christopher Holland
Secretary, Retirement Plan Committee

Date: June 11, 1999

INDEPENDENT AUDITORS' REPORT

To the Retirement Plan Committee of the
Production Operators Thrift Plan:

We have audited the accompanying statements of net assets available for benefits of the Production Operators Thrift Plan as of December 31, 1998 and September 30, 1998, and the related statement of changes in net assets available for benefits for the three months ended December 31, 1998. These financial statements are the responsibility of the Plan'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 net assets available for benefits of the Production Operators Thrift Plan as of December 31, 1998 and September 30, 1998, and the changes in net assets available for benefits for the three months ended December 31, 1998, in conformity with generally accepted accounting principles.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of assets held for investment purposes and reportable transactions are presented for the purpose of additional analysis and are not a required part of the basic financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. These supplemental schedules are the responsibility of the Plan's management. The Fund Information in the statement of changes in net assets available for benefits is presented for purposes of additional analysis rather than to present the changes in net assets available for plan benefits of each fund. The supplemental schedules and Fund Information have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ LARKIN, ERVIN & SHIRLEY, L.L.P.

Houston, Texas
June 11, 1999

PRODUCTION OPERATORS THRIFT PLAN
Statements of Net Assets Available for Benefits

	December 31 1998	September 30 1998
	-----	-----
Assets		
Investments:		
At fair value -		
Registered investment company shares:		
IDS International Fund	\$ 27,198	\$ 4,151
IDS New Dimensions Fund	5,831,555	4,695,161
IDS Mutual Fund	3,251,966	2,888,506
IDS Federal Income Fund	559,757	294,557
AIM Constellation Fund	798,965	626,383
Schlumberger Stock Fund	55,525	1,511
Participant notes receivable	1,114,147	1,014,866
	-----	-----
	11,639,113	9,525,135
	-----	-----
At contract value -		
AET Equity Index Fund I	9,956,645	8,236,266
AET Income Fund II	5,107,977	5,341,613
	-----	-----
	15,064,622	13,577,879
	-----	-----
Total investments	26,703,735	23,103,014
Other assets	-	-
	-----	-----
Total assets	26,703,735	23,103,014
	-----	-----
Liabilities		
Total liabilities	-	-
	-----	-----
Net assets available for benefits	\$ 26,703,735	\$ 23,103,014
	=====	=====

The accompanying notes are an integral
part of these financial statements.

PRODUCTION OPERATORS THRIFT PLAN
Statement of Changes in Net Assets Available for Benefits
with Fund Information
For the Three Months Ended December 31, 1998

	IDS International Fund	IDS New Dimensions Fund	IDS Mutual Fund	IDS Federal Income Fund	AIM Constellation Fund
Additions					
Additions to net assets attributed to:					
Investment income					
Net appreciation/(depreciation) in fair value of investments	\$ 2,076	\$ 794,584	\$ (57,055)	\$ (11,160)	\$ 135,766
Interest	-	-	-	-	-
Dividends	444	335,366	357,272	12,725	19,597
	2,520	1,129,950	300,217	1,565	155,363
Contributions					
Participants'	19,700	81,491	63,813	7,168	32,490
Employer's	747	20,283	11,575	2,514	4,435
	20,447	101,774	75,388	9,682	36,925
Total additions	22,967	1,231,724	375,605	11,247	192,288
Deductions					
Deductions from net assets attributable to:					
Benefits paid to participants	-	37,186	13,211	-	93
Administrative expenses	3	205	113	17	36
Total deductions	3	37,391	13,324	17	129
Net increase/(decrease) prior to interfund transfers	22,964	1,194,333	362,281	11,230	192,159
Interfund transfers	83	(57,939)	1,179	253,970	(19,577)
Net increase/(decrease)	23,047	1,136,394	363,460	265,200	172,582
Net assets available for benefits:					
Beginning of year	4,151	4,695,161	2,888,506	294,557	626,383
End of year	\$ 27,198	\$ 5,831,555	\$ 3,251,966	\$ 559,757	\$ 798,965

	AET Equity Index Fund I	AET Income Fund II	Schlumberger Stock Fund	Participant Notes	Total
Additions					
Additions to net assets attributed to:					
Investment income					
Net appreciation/(depreciation) in fair value of investments	\$ 1,741,346	\$ 75,274	\$ (6,212)	\$ -	\$ 2,674,619
Interest	-	-	-	24,898	24,898
Dividends	-	-	183	-	725,587
	1,741,346	75,274	(6,029)	24,898	3,425,104
Contributions					
Participants'	221,923	52,870	3,402	-	482,857
Employer's	27,312	17,020	964	-	84,850
	249,235	69,890	4,366	-	567,707
Total additions	1,990,581	145,164	(1,663)	24,898	3,992,811
Deductions					
Deductions from net assets attributable to:					
Benefits paid to participants	39,293	290,621	-	10,787	391,191
Administrative expenses	284	236	5	-	899
Total deductions	39,577	290,857	5	10,787	392,090
Net increase/(decrease) prior to interfund transfers	1,951,004	(145,693)	(1,668)	14,111	3,600,721
Interfund transfers	(230,625)	(87,943)	55,682	85,170	-
Net increase/(decrease)	1,720,379	(233,636)	54,014	99,281	3,600,721
Net assets available for benefits:					
Beginning of year	8,236,266	5,341,613	1,511	1,014,866	23,103,014
End of year	\$ 9,956,645	\$ 5,107,977	\$ 55,525	\$ 1,114,147	\$ 26,703,735

The accompanying notes are an integral part of these financial statements.

PRODUCTION OPERATORS THRIFT PLAN
Notes to Financial Statements
December 31, 1998

NOTE 1 - DESCRIPTION OF THE PLAN

The Production Operators Thrift Plan (the "Plan"), a defined contribution plan, was established on July 1, 1974. It covers substantially all domestic employees and certain employees in foreign service of Production Operators, Inc. (the "Company"). The following description of the Plan and Plan Amendments is provided for general purposes only. Participants should refer to the Plan Document, as amended, for more complete information.

General

Administration of the Plan is conducted by a committee consisting of no less than three members appointed by the board of directors of the Company. The Plan was amended and restated effective July 1, 1998, to become the mirror image of two other defined contribution plans sponsored by Camco International Inc. (see Note 2 - Corporate Structure and Continuation of Plan). On that date, American Express Trust Company ("American Express") succeeded Fidelity Management Trust Company ("Fidelity") as asset custodian and record keeper for the Plan, and the board of directors appointed two officers of the Company to succeed Fidelity as Trustees for the Plan. Concomitantly, the end of the Plan's fiscal year was changed from September 30 to December 31 for fiscal years beginning after October 1, 1998, so that after December 31, 1998, the Plan's fiscal year will coincide with the calendar year.

Eligibility and Vesting

Prior to July 1, 1998, employees were eligible to participate in the Plan on the first day of the next calendar quarter after one year of service, provided they had completed one thousand hours of service. Participants were fully vested in their contributions and the related earnings/losses. Participants were not vested in Company matching contributions and related earnings/losses until they had completed five years of service.

On July 1, 1998, and thereafter, employees are eligible to participate in the Plan after completing one hour of service. Participants continue to be fully vested in their contributions and the related earnings/losses. Participants vest in Company matching contributions and related earnings/losses at 20% per year, becoming fully vested after five years of service. In the event the Plan is partially or completely terminated, all participants will become 100% vested in their account balances.

Contributions

Prior to July 1, 1998, participants could elect to defer from 1% to 15% of their compensation on a pre-tax basis, subject to maximum annual contributions of \$10,000 (\$9,500 in 1997), and have the Company contribute to the Plan on their behalf the amount so deferred. The Company made matching contributions of 50% of the participants' first 6% of pre-tax contributions. Participants' accounts also

included frozen after-tax contributions made by participants to the Production Operators, Inc. Profit Sharing Plan, that was merged into the Plan on October 1, 1996.

On July 1, 1998, and thereafter, participants could continue to elect to defer from 1% to 15% of their compensation on a pre-tax basis, subject to maximum annual contributions of \$10,000, and have the Company contribute to the Plan on their behalf the amount so deferred. After-tax contributions of up to 10% of compensation also became permitted. The Company matching contributions of 50% of participants' pre-tax contributions became subject to a maximum contribution amount of \$1,500 per year.

Expenses

Prior to July 1, 1998, administrative expenses incurred by the Trustee and record keeper were paid by the Plan participants. On July 1, 1998, and thereafter, the accounts of participants have been charged fees of \$2.50 per quarter, which have been applied to the cost of administering the Plan, and the Company has paid all administrative expenses in excess of these fees. Transaction fees are also charged for participant loans, withdrawals and distributions.

Withdrawals

All after-tax contributions may be withdrawn by participants by making written application to the Plan's record keeper. Company matching contributions, pre-tax contributions and rollover contributions may be withdrawn after the participant has attained age 59-1/2 or if the participant suffers an immediate and heavy financial hardship that cannot be satisfied from other reasonably available resources. Additionally, Company matching contributions may be withdrawn only if they have been credited to a participant's account for more than two years. Prior to July 1, 1998, no more than one withdrawal could be made during any Plan Year. On July 1, 1998, and thereafter, withdrawals are permitted once each calendar quarter.

Loans

Participants may borrow a portion of their account balance to relieve a financial hardship or for any other suitable purpose. Loan amounts are limited in accordance with a formula based on 50% of the present value of a participant's vested account balance, not to exceed \$50,000. Loans must be repaid within five years and are secured by the participant's account balance.

Forfeitures

Participants who terminate employment forfeit the non-vested portion of their account. Forfeited amounts will be restored for former participants who resume employment if they repay, within five years, the full amount of termination distribution they received. Amounts forfeited are used first to restore accounts, as above, and then to reduce Company contributions.

NOTE 2 - CORPORATE STRUCTURE AND CONTINUATION OF PLAN

Production Operators, Inc. is a wholly owned subsidiary of Production Operators Corp. On June 13, 1997, Production Operators Corp. merged into Camco International Inc. ("Camco"). On August 31, 1998, Camco merged into Schlumberger Technology Corporation ("STC"), a wholly owned subsidiary

of Schlumberger Limited ("Schlumberger"). Schlumberger maintains defined contribution plans similar to the Plan and expects to merge the Plan into a Schlumberger plan before the end of 2001. Nevertheless, the Company has reserved the right to terminate the Plan at any time by resolution of the board of directors.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Plan are presented on the accrual basis of accounting in compliance with generally accepted accounting principles. Certain reclassifications have been made to prior year balances to conform to current year financial statement presentation.

The preparation of financial statements in conformity with generally accepted accounting principles requires the Plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Investments in registered investment companies (mutual funds) are valued at quoted market prices. American Express Trust Equity Index Fund I and American Express Trust Income Fund II are collective trusts stated at contract value. Units of the Schlumberger Stock Fund, invested primarily in Schlumberger common stock, but also in cash or cash equivalents to provide liquidity, are valued using quoted market prices for the common stock. Gains and losses on the sale of investments were calculated using the first-in-first-out (FIFO) method.

NOTE 4 - INVESTMENT PROGRAMS

Participants may invest their account balances and all contributions made to their accounts in the investment choices described below. Investments may be made in one or more of the funds in 1% increments and choices may be changed any business day. The number of participants investing in each fund at December 31, 1998, is shown parenthetically.

IDS International Fund (14 participants)

A specialty growth fund for aggressive investors whose objective is long-term growth of capital that invests in common stocks of foreign companies.

IDS New Dimensions Fund (205 participants)

A growth fund for aggressive investors whose objective is long-term growth of capital that invests in a portfolio of company stocks in which powerful economic and/or technical changes may take place.

IDS Mutual Fund (163 participants)

A growth and income fund for investors with moderate tolerance for risk whose objective is balance of growth of capital and current income that invests in a portfolio of common and preferred stocks and bonds.

IDS Federal Income Fund (32 participants)

An income fund for conservative investors whose objective is current income and preservation of capital that invests in a portfolio of U.S. government and government agency securities.

AIM Constellation Fund (69 participants)

A growth fund for aggressive investors whose objective is capital appreciation primarily through investments in common stocks with emphasis on medium-sized and smaller emerging growth companies.

American Express Trust Equity Index Fund I (239 participants)

A growth fund for aggressive investors whose objective is to achieve a rate of return as close as possible to the return of the Standard & Poor's 500 Index that employs a passive portfolio structuring and stock selecting strategy by investing primarily in common stocks of the S&P 500 Index.

American Express Trust Income Fund II (150 participants)

A stable capital fund for conservative investors whose objective is to preserve principal and income while maximizing current income that invests in investment contracts and stable value contracts.

Schlumberger Stock Fund (17 participants)

A stock fund for aggressive investors whose objective is growth of capital and dividend income that invests in Schlumberger common stock. Participants may invest no more than 25% of their account balances and/or contributions in this fund. See Note 6, below.

NOTE 5 - REGULATORY STATUS OF THE PLAN

In a determination letter dated March 12, 1996, the Internal Revenue Service (the "IRS") stated that the Plan met the requirements of Section 401(a) of the Internal Revenue Code of 1986, as amended (the "Code"), and that the trust established thereunder was entitled to exemption from federal income tax under the provisions of Section 501(a) of the Code. Company matching contributions will not be required to be included in participants' taxable income until they are distributed to the participants.

Shortly after the 1997 merger of the Company into Camco, the Plan was extensively reviewed incident to an internal audit of all the Company's employee benefit plans. As a result, a determination was made that the Production Operators, Inc. Profit Sharing Plan (Note 1) should have been terminated as of September 30, 1989, and the account balances of all participants should have become 100% vested at that time. The Profit Sharing Plan was not terminated until September 30, 1996, at which time, remaining participant account balances were merged into the Plan. Thus, potential operational defects of the Profit Sharing Plan have been brought forward into the Plan.

The Plan Administrator and the Plan's tax counsel believe that all Profit Sharing Plan participants who terminated employment after September 30, 1989, and suffered a forfeiture of a portion of their account balance due to incomplete vesting are entitled to payment of the amounts so forfeited. The Company

intends to seek relief for the Plan under the IRS's Walk-in Closing Agreement Program. The Plan Administrator and the Plan's tax counsel believe that the Company will be able to obtain an agreement with the IRS incorporating the steps necessary to correct the defects described above, to include payment by the Company of the amounts forfeited along with earnings on the forfeited amounts imputed from the date of forfeiture. The amount of the required payments has not yet been quantified. However, the Plan Administrator believes the effect on the Plan Financial Statements will not be material.

As indicated above in Note 1, the Plan was amended and restated effective July 1, 1998, to become the mirror image of two other defined contribution plans sponsored by Camco International Inc. These other plans received favorable determination letters from the IRS dated February 12 and February 19, 1998. Although a separate request for an IRS redetermination for the Plan has not been made, the Plan administrator and the Plan's counsel believe that the Plan currently is designed and being operated in compliance with the applicable requirements of the Code. They believe, therefore, subject to obtaining the agreement with the IRS noted in the paragraph above, that the Plan was qualified and the related trust was tax-exempt as of the financial statement date. The Plan is also in compliance with the provisions of the ERISA.

NOTE 6 - SUBSEQUENT EVENT

The Company has been the plan sponsor of the Production Operators Employee Stock Ownership Plan (the "ESOP"). Based on a careful study and analysis of the ESOP following the merger described in Note 2 of Production Operators into Camco, the Company determined that the ESOP did not integrate well with plans sponsored by Camco. Accordingly, on February 23, 1999, the ESOP was merged into the Plan, retroactively effective to September 30, 1998, by transferring 566,053 shares of Schlumberger common shares with a September 30, 1998 market value of approximately \$28,800,000 from the ESOP's custodian to American Express. Each ESOP participant's share of the ESOP was credited to their Plan accounts and invested in the Schlumberger Stock Fund. The Plan's 25% limit on investments in the Schlumberger Stock Fund was waived by the Plan's administrative committee for the ESOP transfers.

Line 27a - Schedule of Assets Held for Investment Purposes
 Production Operators Thrift Plan
 EIN: 74-1622039; P/N 002
 December 31, 1998

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current value
	Participant loans	9.25% - 10.0% interest	\$ -	\$ 1,114,147
	Schlumberger Stock Fund	Employer common stock 3,516 units	61,763	55,525
	AET Equity Index Fund I	Common/collective trusts: 284,346 shares	9,203,550	9,956,645
	AET Income Fund II	276,975 shares	4,967,133	5,107,977
	IDS International Fund	Registered investment companies: 2,350 shares	25,753	27,198
	IDS New Dimensions Fund	202,169 shares	5,686,182	5,831,555
	IDS Mutual Fund	249,690 shares	3,555,724	3,251,966
	IDS Federal Income Fund	110,953 shares	565,184	559,757
	AIM Constellation Fund	26,178 shares	778,522	798,965
			<u>\$ 24,843,811</u>	<u>\$ 26,703,735</u>

Line 27d - Schedule of Reportable Transactions
Production Operators Thrift Plan
EIN: 74-1622039; P/N 002
For the Three Months Ended December 31, 1998

(a) Identity of party involved	(b) Description of asset	(c) Purchase price	(d) Selling price	(i) Net gain or (loss)
Schlumberger Stock Fund	Employer common stock 14 purchases, 1 sale	\$ 60,231	\$ 5	\$ (1)
AET Equity Index Fund I	Common/collective trusts: 10 purchases, 18 sales	382,658	403,625	(12,281)
AET Income Fund II	10 purchases, 17 sales	149,372	458,282	8,844
	Registered investment companies:			
IDS International Fund	14 purchases, 1 sale	20,974	3	(1)
IDS New Dimensions Fund	11 purchases, 19 sales	437,458	95,648	(11,334)
IDS Mutual Fund	15 purchases, 11 sales	462,376	41,861	(1,445)
IDS Federal Income Fund	17 purchases, 1 sale	276,376	17	-
AIM Constellation Fund	14 purchases, 5 sales	58,202	21,387	(4,981)
		----- \$ 1,847,647 =====	----- \$ 1,020,828 =====	----- \$ (21,199) =====

EXHIBIT INDEX

Exhibit No. -----	Description -----
23	-- Consent of Larkin, Ervin & Shirley, L.L.P.

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 of Schlumberger Limited filed concurrently herewith of our report dated June 11, 1999, appearing in this Annual Report on Form 11-K of the Production Operators Thrift Plan for the period ended December 31, 1998.

/s/ LARKIN, ERVIN & SHIRLEY, L.L.P.

Houston, Texas
June 28, 1999