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

Form 10-Q

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

For the quarterly period ended March 31, 1997

OR

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

Commission File Number 1-368-2

Chevron Corporation
(Exact name of registrant as specified in its charter)

Delaware	94-0890210
(State or other jurisdiction incorporation or organization)	(I.R.S. Employer Identification Number)
575 Market Street, San Francisco, California	94105
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (415) 894-7700

NONE
(Former name or former address, 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 X No

Indicate the number of shares of each of the issuer's classes of common stock, as of the latest practicable date:

Class	Outstanding as of March 31, 1997
Common stock, $1.50 par value	653,464,995

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CAUTIONARY STATEMENTS RELEVANT TO FORWARD-LOOKING INFORMATION FOR THE PURPOSE OF "SAFE HARBOR" PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

This quarterly report on Form 10-Q contains forward-looking statements relating to Chevron's operations that are based on management's current expectations, estimates and projections about the petroleum and chemicals industries. Words such as "expects," "intends," "plans," "projects," "believes," "estimates" and similar expressions are used to identify such forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecast in such forward-looking statements.

Among the factors that could cause actual results to differ materially are crude oil and natural gas prices; refining margins and marketing margins; chemicals prices and competitive conditions affecting supply and demand for the company's aromatics, olefins and additives products; potential failure to achieve expected production from existing and future oil and gas development projects; potential disruption or interruption of the company's production or manufacturing facilities due to accidents or political events; potential liability for remedial actions under existing or future environmental regulations; and potential liability resulting from pending or future litigation. In addition, such statements could be affected by general domestic and international economic and political conditions.

PART I. FINANCIAL INFORMATION

CHEVRON CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF INCOME

Millions of Dollars, Except Per Share Amounts	Three Months Ended March 31, 1997	1996
Revenues		
Sales and other operating revenues*	$10,794	$10,157
Equity in net income of affiliated companies	178	136
Other income	121	43
Total Revenues	11,093	10,336
Costs and Other Deductions		
Purchased crude oil and products	5,710	5,448
Operating expenses	1,375	1,313
Selling, general and administrative expenses	345	354
Exploration expenses	81	92
Depreciation, depletion and amortization	546	531
Taxes other than on income*	1,495	1,413
Interest and debt expense	82	96
Total Costs and Other Deductions	9,634	9,247
Income Before Income Tax Expense	1,459	1,089
Income Tax Expense	628	473
Net Income	$ 831	$ 616
Per Share of Common Stock:		
Net Income	$ 1.27	$ .94
Dividends	$ .54	$ .50
Weighted Average Number of Shares Outstanding (000s)	653,323	652,563
*Includes consumer excise taxes.	$ 1,314	$ 1,244

See accompanying notes to consolidated financial statements.

CHEVRON CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

Millions of Dollars	March 31, 1997	December 31, 1996
ASSETS		
Cash and cash equivalents	$ 1,385	$ 892
Marketable securities	421	745
Accounts and notes receivable	3,718	4,035
Inventories:		
Crude oil and petroleum products	589	669
Chemicals	489	507
Materials, supplies and other	257	255
	1,335	1,431
Prepaid expenses and other current assets	842	839
Total Current Assets	7,701	7,942
Long-term receivables	270	261
Investments and advances	4,524	4,463
Properties, plant and equipment, at cost	47,451	46,936
Less: accumulated depreciation, depletion and amortization	25,767	25,440
	21,684	21,496
Deferred charges and other assets	738	692
Total Assets	$34,917	$34,854
LIABILITIES AND STOCKHOLDERS' EQUITY		
Short-term debt	$ 2,865	$ 2,706
Accounts payable	2,817	3,502
Accrued liabilities	1,371	1,420
Federal and other taxes on income	772	745
Other taxes payable	527	534
Total Current Liabilities	8,352	8,907
Long-term debt	3,586	3,650
Capital lease obligations	332	338
Deferred credits and other non-current obligations	1,873	1,858
Non-current deferred income taxes	3,012	2,851
Reserves for employee benefit plans	1,619	1,627
Total Liabilities	18,774	19,231
Preferred stock (authorized 100,000,000 shares, $1.00 par value, none issued)	-	-
Common stock (authorized 1,000,000,000 shares, $1.50 par value, 712,487,068 shares issued)	1,069	1,069
Capital in excess of par value	1,880	1,874
Deferred compensation - Employee Stock Ownership Plan (ESOP)	(750)	(800)
Currency translation adjustment and other	63	96
Retained earnings	15,893	15,408
Treasury stock, at cost (shares 59,022,073 and 59,401,015 at March 31, 1997 and December 31, 1996, respectively)	(2,012)	(2,024)
Total Stockholders' Equity	16,143	15,623
Total Liabilities and Stockholders' Equity	$34,917	$34,854

See accompanying notes to consolidated financial statements.

CHEVRON CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

Millions of Dollars,	Three Months Ended March 31, 1997	1996
Operating Activities		
Net income	$ 831	$ 616
Adjustments		
Depreciation, depletion and amortization	546	531
Dry hole expense related to prior years' expenditures	13	7
Distributions less than equity in affiliates' income	(88)	(69)
Net before-tax (gains) losses on asset retirements and sales	(67)	7
Net currency translation (gains) losses	(7)	6
Deferred income tax provision	168	86
Net increase in operating working capital	(315)	(44)
Other	(51)	(37)
Net Cash Provided by Operating Activities	1,030	1,103
Investing Activities		
Capital expenditures	(712)	(656)
Proceeds from asset sales	58	190
Net sales of marketable securities	328	326
Net Cash Used for Investing Activities	(326)	(140)
Financing Activities		
Net borrowings (payments) of short-term obligations	304	(205)
Proceeds from issuance of long-term debt	5	5
Repayments of long-term debt and other financing obligations	(156)	(72)
Cash dividends paid	(353)	(326)
Purchases of treasury shares	(2)	(2)
Net Cash Used for Financing Activities	(202)	(600)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(9)	(4)
Net Change in Cash and Cash Equivalents	493	359
Cash and Cash Equivalents at January 1	892	621
Cash and Cash Equivalents at March 31	$ 1,385	$ 980

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Interim Financial Statements

The accompanying consolidated financial statements of Chevron Corporation and its subsidiaries (the company) have not been audited by independent accountants, except for the balance sheet at December 31, 1996. In the opinion of the company's management, the interim data include all adjustments necessary for a fair statement of the results for the interim periods. These adjustments were of a normal recurring nature, except for the special items described in Note 2.

Certain notes and other information have been condensed or omitted from the interim financial statements presented in this Quarterly Report on Form 10-Q. Therefore, these financial statements should be read in conjunction with the company's 1996 Annual Report on Form 10-K.

The results for the three-month period ended March 31, 1997 are not necessarily indicative of future financial results.

Note 2. Net Income

Net income for the first quarter of 1997 benefited $27 million from special items. The 1997 results include special gains of $49 million from the sales of a producing property in the Gulf of Mexico and one in southern California. Partially offsetting these gains were special charges of $22 million for provisions for environmental remediation and other items.

First quarter 1996 net income of $616 million did not include any amounts for special items.

Foreign exchange losses of $18 million $14 million were included in first quarter 1997 and 1996 net income, respectively.

Note 3. Information Relating to the Statement of Cash Flows

The "Net increase in operating working capital" is composed of the following:

	Three Months Ended March 31,	
Millions of Dollars,	1997	1996
Decrease (increase) in accounts and notes receivable	$ 302	$ (255)
Decrease in inventories	101	215
Increase in prepaid expenses and other current assets	(14)	(6)
Decrease in accounts payable and accrued liabilities	(722)	(137)
Increase in income and other taxes payable	18	139
Net increase in operating working capital	$ (315)	$ (44)

"Net Cash Provided by Operating Activities" includes the following cash payments for interest on debt and for income taxes:

Millions of Dollars,	Three Months Ended March 31, 1997	1996
Interest paid on debt (net of capitalized interest)	$ 98	$ 115
Income taxes paid	$ 445	$ 237

The "Net sales of marketable securities" consists of the following gross amounts:

Millions of Dollars,	Three Months Ended March 31, 1997	1996
Marketable securities purchased	$ (671)	$ (871)
Marketable securities sold	999	1,197
Net sales of marketable securities	$ 328	$ 326

The Consolidated Statement of Cash Flows excludes the following non-cash transactions:

The company's Employee Stock Ownership Plan (ESOP) repaid $50 million of matured debt guaranteed by Chevron Corporation in January of 1997 and 1996. These payments were recorded by the company as a reduction in its debt outstanding and in Deferred Compensation - ESOP.

Note 4. Summarized Financial Data - Chevron U.S.A. Inc.

At March 31, 1997, Chevron U.S.A. Inc. was Chevron Corporation's principal operating company, consisting primarily of the company's U.S. integrated petroleum operations (excluding most of the domestic pipeline operations). These operations were conducted by Chevron U.S.A. Production Company, Chevron Products Company and, through August 31, 1996, Warren Petroleum Company divisions. On September 1, 1996, substantially all of Chevron U.S.A. Inc.'s natural gas liquids operations previously conducted by Warren Petroleum Company and its natural gas marketing operations previously conducted by Chevron U.S.A. Production Company were contributed to NGC Corporation in exchange for cash, notes and a 28 percent equity ownership in NGC. Summarized financial information for Chevron U.S.A. Inc. and its consolidated subsidiaries is presented in the following table:

Millions of Dollars,	Three Months Ended March 31, 1997	1996
Sales and other operating revenues	$ 7,639	$ 6,999
Costs and other deductions	7,187	6,735
Net income	378	233

Millions of Dollars	March 31, 1997	December 31, 1996
Current assets	$ 2,809	$ 3,126
Other assets	13,699	13,209
Current liabilities	3,900	4,035
Other liabilities	5,239	5,300
Net worth	7,369	7,000

Note 5. Summarized Financial Data - Chevron Transport Corporation

Chevron Transport Corporation (CTC), a Liberian corporation, is an indirect, wholly-owned subsidiary of Chevron Corporation. CTC is the principal operator of Chevron's international tanker fleet and is engaged in the marine transportation of crude oil and refined petroleum products. Most of CTC's shipping revenue is derived by providing transportation services to other Chevron companies. Chevron Corporation has guaranteed this subsidiary's obligations in connection with certain debt securities where CTC is deemed to be an issuer. In accordance with the Securities and Exchange Commission's disclosure requirements, summarized financial information for CTC and its consolidated subsidiaries is presented below. This summarized financial data was derived from the financial statements prepared on a stand alone basis in conformity with generally accepted accounting principles.

Millions of Dollars,	Three Months Ended March 31, 1997	1996
Sales and other operating revenues	$ 121	$ 123
Costs and other deductions	137	142
Net income (loss)	4	(3)

Millions of Dollars	March 31, 1997	December 31, 1996
Current assets	$ 121	$ 99
Other assets	1,667	1,622
Current liabilities	687	617
Other liabilities	378	385
Net worth	723	719

Separate financial statements and other disclosures with respect to CTC are omitted as such separate financial statements and other disclosures are not material to investors in the debt securities deemed issued by CTC. There were no restrictions on CTC's ability to pay dividends or make loans or advances at March 31, 1997.

Note 6. Summarized Financial Data - Caltex Group of Companies

Summarized financial information for the Caltex Group of Companies, owned 50 percent by Chevron and 50 percent by Texaco Inc., is as follows (amounts reported are on a 100 percent Caltex Group basis):

Millions of Dollars,	Three Months Ended March 31, 1997	1996
Sales and other operating revenues	$ 4,629	$ 4,085
Operating income	287	279
Net income	186	194

Note 7. Income Taxes

Taxes on income for the first quarter of 1997 were $628 million compared with $473 million in last year's first quarter. The effective tax rate was about flat from year to year. A shift in the 1997 international earnings mix from higher effective tax rate countries to lower effective tax rate countries was offset by lower U.S. tax credits and a decrease in the proportion of the company's share of equity affiliates' after-tax earnings included in the company's before-tax income.

Note 8. Contingent Liabilities

Litigation -

The company is a defendant in numerous lawsuits, including, along with other oil companies, actions challenging oil and gas royalty and severance tax payments based on posted prices. Plaintiffs may seek to recover large and sometimes unspecified amounts, and some matters may remain unresolved for several years. It is not practical to estimate a range of possible loss for the company's litigation matters, and losses could be material with respect to earnings in any given period. However, management is of the opinion that resolution of the lawsuits will not result in any significant liability to the company in relation to its consolidated financial position or liquidity.

OXY U.S.A. brought a lawsuit in its capacity as successor in interest to Cities Service Company, which involved claims for damages resulting from the allegedly improper termination of a tender offer to purchase Cities' stock in 1982 made by Gulf Oil Corporation, acquired by Chevron in 1984. A trial with respect to the claims ended in July 1996 with a judgment against the company of $742 million, including interest, which continues to accrue. The company has filed an appeal. While the ultimate outcome of this matter cannot be determined presently with certainty, the company believes that errors were committed by the trial court that should result in the judgment being reversed on appeal.

Other Contingencies -

The U.S. federal income tax and California franchise tax liabilities of Chevron have been settled through 1982 and 1991, respectively. For federal income tax purposes, all issues other than the creditability of taxes paid to the Government of Indonesia have been resolved through 1987. While the amounts under dispute with the Internal Revenue Service (IRS) are significant, settlement of open tax matters is not expected to have a material effect on the consolidated net assets or liquidity of the company and, in the opinion of management, adequate provision has been made for income and franchise taxes for all years either under examination or subject to future examination. Caltex also is involved in IRS tax audits in which claims may be made for substantial amounts, and which may require cash deposits until such claims are resolved.

The company and its subsidiaries have certain other contingent liabilities with respect to guarantees, direct or indirect, of debt of affiliated companies or others and long-term unconditional purchase obligations and commitments,throughput agreements and take-or-pay agreements, some of which relate to suppliers' financing arrangements.

The company is subject to loss contingencies pursuant to environmental laws and regulations that in the future may require the company to take action to correct or ameliorate the effects on the environment of prior disposal or release of chemical or petroleum substances by the company or other parties. Such contingencies may exist for various sites including, but not limited to: Superfund sites and refineries, oil fields, service stations, terminals and land development areas, whether operating, closed or sold. The amount of such future cost is indeterminable due to such factors as the unknown magnitude of possible contamination, the unknown timing and extent of the corrective actions that may be required, the determination of the company's liability in proportion to other responsible parties and the extent to which such costs are recoverable from third parties. While the company has provided for known environmental obligations that are probable and reasonably estimable, the amount of future costs may be material to results of operations in the period in which they are recognized. The company does not expect these costs to have a material effect on its consolidated financial position or liquidity. Also, the company does not believe its obligation to make such expenditures has had or will have any significant impact on the company's competitive position relative to other domestic or international petroleum or chemical concerns.

The company's operations, particularly oil and gas exploration and production, can be affected by changing economic, regulatory and political environments in the various countries, including the United States, in which it operates. In certain locations, host governments have imposed restrictions, controls and taxes, and, in others, political conditions have existed that may threaten the safety of employees and the company's continued presence in those countries. Internal unrest or strained relations between a host government and the company or other governments may affect the company's operations. Those developments have, at times, significantly affected the company's related operations and results, and are carefully considered by management when evaluating the level of current and future activity in such countries.

Areas in which the company has significant operations include the United States, Canada, Australia, United Kingdom, Congo, Angola, Nigeria, Zaire, Papua New Guinea, China and Indonesia. The company's Caltex affiliates have significant operations in Indonesia, Korea, Japan, Australia, Thailand, the Philippines, Singapore, and South Africa. The company's Tengizchevroil affiliate operates in Kazakstan.

Note 9. Issuance of Statement of Financial Accounting Standards (SFAS) No. 128, "Earnings Per Share"

In February 1997 the Financial Accounting Standards Board issued Statement No. 128, "Earnings per Share", which is effective for interim period and annual financial statements ending after December 15, 1997. Early adoption of the statement is not permitted. The company believes that adoption of the statement will not have a material effect on its earnings per share disclosures.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

First Quarter 1997 Compared With First Quarter 1996

Overview and Outlook

Net income for the 1997 first quarter was $831 million ($1.27 per share), a 35 percent increase from $616 million ($.94 per share) earned in the first quarter of 1996. Special items benefited this year's first quarter earnings $27 million; there were no special items in last year's first quarter. Excluding special items, quarterly earnings were an all-time high $804 million.

Worldwide upstream results, excluding special items, improved 28 percent in the 1997 first quarter, benefiting from higher prices and higher production volumes. Crude oil and natural gas prices on average were higher than a year ago, although they have fallen significantly from year-end 1996 levels.

Worldwide liquids production was up 63,000 barrels per day, or 6 percent, from the first quarter of last year to 1,076,000 barrels per day. Worldwide natural gas production also increased in the 1997 first quarter, up 5 percent from the prior-year first quarter to 2.5 billion cubic feet per day. For the second consecutive quarter, U.S. oil and gas production was higher than the year before, evidence that the company is reversing its domestic production decline. The company's continued production growth and cost containment efforts should help lessen the impact on upstream results of the recent decline in oil and gas prices.

Downstream operating results improved 44 percent, worldwide, to $134 million in the 1997 first quarter compared with $93 million in 1996. The decline in oil and gas prices during the 1997 quarter benefited the company's U.S. downstream and chemicals businesses, as lower feedstock and fuel costs improved product sales margins. In contrast, prices rose steadily during last year's first quarter, dampening downstream profitability. Crude oil prices have continued to soften into the second quarter, which should help maintain downstream and chemical margins.

Return on capital employed, excluding special items, was 13.5 percent for the 12 months ended March 31, 1997, compared with 12.8 percent for the year 1996.

Current Developments

In April 1997, Chevron completed the sale of 10 percent of its interest in the Tengizchevroil joint venture to LUKARCO, a joint venture between the Russian oil company LUKoil, and Arco. The company will record a gain from the sale in the second quarter of 1997. The equity interests of the joint venture participants are: Chevron, 45 percent; the Republic of Kazakstan and Mobil, 25 percent each; and LUKARCO, 5 percent.

In April 1997, Chevron announced the discovery of crude oil in Block 14 off the coast of Cabinda Province in Angola, in waters more than 1,300 feet deep. It is the company's first discovery in Angola's deep-water area. The new discovery is the second of five wells planned in Block 14, which is adjacent to the Chevron-operated Cabinda Concession, an established network of oil fields and facilities in shallower waters off the coast of Angola. Additional appraisal of the discovery is required to confirm the oil reserves and to determine plans for development. The company is the operator and holds a 31 percent interest in Block 14.

Also in Angola, in May 1997 the first oil production began in Area C, the farthest offshore area in the Chevron-operated Cabinda Concession. Production from the North Ndola oil field is expected to reach 20,000 barrels per day by year end. Chevron's share is 39.2 percent.

In March 1997, Murco Petroleum Limited withdrew from the previously announced proposed merger of Chevron's United Kingdom refining and marketing operations with those of Murco and Elf Oil UK Ltd. Chevron and Elf are continuing to negotiate the proposed merger.

In March, Chevron and its partner, the Saudi Industrial Venture Capital Group, broke ground on a $650 million petrochemical complex in Al-Jubail, Saudi Arabia. Construction of the 482,000-ton-per-year benzene plant and 220,000-ton-per-year cyclohexane unit is scheduled to be completed in 1999. Chevron's Aromax technology will be used to manufacture benzene from a natural gas feedstock supplied by Saudi Aramco.

Chevron, Warren Petroleum and Koch Energy Services Company have formed a partnership to double the capacity of their combined Venice, Louisiana, natural gas facilities to 800 million cubic feet per day. A cryogenic plant, contributed by Koch, will also increase gas processing from 1.0 billion to 1.3 billion cubic feet per day. Chevron will continue to be the majority owner. The Venice complex, consisting of an offshore gas-gathering system, a gas processing plant, a gas liquids fractionation facility, an underground gas storage facility and a multi-barge gas liquids terminal, is well positioned to benefit from the growing deepwater developments in the Gulf of Mexico.

Chevron, in March, increased its commitment to the Gulf of Mexico's deepwater oil and gas prospects, spending $52 million in high bids on 75 tracts in a major federal offshore lease auction. The company's deepwater lease inventory totals 300 tracts after this latest auction.

In February, Chevron announced the discovery of a major natural gas field, Dionysus, offshore Western Australia in the prolific Gorgon/Chrysaor trend. Chevron holds a 50 percent interest in the discovery.

Chevron has significant production and development projects underway in West Africa. Its share of current combined production from Nigeria, Angola, Congo and Zaire is about 300,000 barrels per day. While the company's producing operations in Nigeria and other West African countries have been generally unaffected by the civil unrest, political uncertainty and economic conditions in this area, the company continues to closely monitor developments.

Chevron's partner in Nigeria, the government-owned Nigerian National Petroleum Corporation (NNPC) announced in March 1997 that it will fund only 60 percent of its share of the previously approved 1997 budgets for Chevron and for the other oil companies operating in Nigeria. Chevron is evaluating its options under these circumstances, which could result in a slower pace of development of future production potential.

On April 1, 1997, Caltex Petroleum Corporation completed the previously announced sale of its interest in its Bahrain refinery joint venture to its partner, the Government of the State of Bahrain, at net book value. The sale was not material to the Caltex Group's results of operations or financial position.

Review of Operations

Total revenues for the first quarter of 1997 were $11.1 billion, up 8 percent from $10.3 billion in last year's first quarter. Revenues increased on higher prices for crude oil, natural gas and refined products and higher sales volumes of crude oil and natural gas; chemicals revenues were about flat.

The company continues to operate with a significantly lower cost structure, achieved through successful cost reduction initiatives implemented since 1991, coupled with various divestments of non-core assets and businesses. Ongoing operating, selling, general and administrative expenses in the 1997 first quarter totaled $1.685 billion, up marginally from $1.667 billion in the 1996 first quarter. However, using the company's internal performance measurement, on a per unit basis, operating expenses declined to $5.89 per equivalent barrel, down ten cents from the year-ago quarter, reflecting higher production and sales volumes.

Taxes on income for the first quarter of 1997 were $628 million compared with $473 million in last year's first quarter and the effective tax rate was about flat at 43.0 percent compared with 43.4 percent for the 1996 first quarter. A shift in the 1997 international earnings mix from higher effective tax rate countries to lower tax rate countries was offset by lower U. S. tax credits and a proportionate decrease in certain equity affiliates' after-tax earnings included in the company's before-tax income.

Foreign currency effects reduced net income in both quarters - $18 million in 1997 and $14 million in 1996. The 1997 losses reflect primarily the U. S. dollar's fluctuation against the Korean currency in Caltex's operations, whereas the 1996 losses were caused primarily by the U.S. dollar fluctuation against the Australian currency.

The following tables detail the company's after-tax earnings by major operating area and selected operating data.

EARNINGS BY MAJOR OPERATING AREA

Millions of Dollars,	Three Months Ended March 31, 1997	1996
Exploration and Production		
United States	$ 361	$ 268
International	347	251
Total Exploration and Production	708	519
Refining, Marketing and Transportation		
United States	70	18
International	56	75
Total Refining, Marketing and Transportation	126	93
Total Petroleum Operations	834	612
Chemicals	63	64
Coal	15	12
Corporate and Other	(81)	(72)
Net Income	$ 831	$ 616

SELECTED OPERATING DATA (1)

	Three Months Ended March 31, 1997	1996
U.S. Exploration and Production		
Net Crude Oil and Natural Gas Liquids Production (MBPD)	347	339
Net Natural Gas Production (MMCFPD)	1,927	1,876
Sales of Natural Gas Liquids (MBPD)	157	240
Revenue from Net Production		
Crude Oil ($/Bbl.)	$ 19.86	$ 16.67
Natural Gas ($/MCF)	$ 2.77	$ 2.28
International Exploration and Production		
Net Crude Oil and Natural Gas Liquids Production (MBPD)	729	674
Net Natural Gas Production (MMCFPD)	617	547
Revenue from Liftings		
Liquids ($/Bbl.)	$ 20.02	$ 17.93
Natural Gas ($/MCF)	$ 2.28	$ 1.84
U.S. Refining, Marketing and Transportation		
Sales of Gasoline (MBPD)	585	541
Sales of Other Refined Products (MBPD)	585	537
Refinery Input (MBPD)	846	927
Average Refined Product Sales Price ($/Bbl.)	$ 30.40	$ 27.15

International Refining, Marketing and Transportation		
Sales of Refined Products (MBPD)	912	1,073
Refinery Input (MBPD)	573	670
Chemical Sales and Other Operating Revenues (2)		
United States	$ 752	$ 716
International	134	151
Worldwide	$ 886	$ 867

(1) Includes equity in affiliates.
(2) Millions of dollars. Includes sales to other Chevron companies.

MBPD=thousand barrels per day; MMCFPD=million cubic feet per day;
Bbl.=barrel; MCF=thousand cubic feet

Worldwide exploration and production net earnings were $708 million in the first quarter of 1997, up 36 percent from $519 million in the 1996 first quarter. U.S. exploration and production net earnings were $361 million, up from $268 million in the 1996 first quarter. The 1997 results included special gains of $49 million from the sales of two producing properties and charges of $6 million for environmental remediation provisions. Excluding special items, earnings were $318 million, compared with $268 million in last year's first quarter. Highercrude oil and natural gas prices and volumes accounted for the strong increase in operating earnings.

Average crude oil realizations of $19.86 per barrel were up $3.19 from the 1996 first quarter. Average natural gas prices of $2.77 per thousand cubic feet were 49 cents higher than in the first quarter of last year.

Net liquids production increased to 347,000 barrels per day from 339,000 in the prior-year first quarter. Also, net natural gas production of 1.93 billion cubic feet per day was up from 1.88 billion cubic feet.

International exploration and production net earnings were $347 million, up 38 percent from $251 million in the 1996 first quarter. The strong earnings reflected increased crude oil liftings and higher crude oil and natural gas prices, when compared with the year-ago quarter.

Net liquids production increased 55,000 barrels per day to 729,000, mostly due to higher volumes in Kazakstan and Congo. Natural gas production increased 13 percent to 617 million cubic feet per day, from higher production in Kazakstan and Canada.

Worldwide refining and marketing had net earnings of $126 million in the first quarter of 1997, up 35 percent from $93 million in last year's first quarter. U.S. refining and marketing net earnings were $70 million. Excluding a special charge of $8 million included in the 1997 results, operating earnings were $78 million, a sharp improvement from the $18 million reported in last year's first quarter.

In the 1996 first quarter, crude oil prices increased faster than prices for the company's refined products, particularly gasoline. The reverse occurred in the 1997 first quarter when crude oil prices rapidly declined, benefiting the company's downstream sales margins. Partially offsetting this improvement was significant refinery downtime for planned maintenance.

Total product sales volumes were 1.17 million barrels a day, up 9 percent from the comparable quarter last year. Branded gasoline sales increased 2 percent to480,000 barrels per day. The average refined product sales price in the 1997 quarter was $30.40 per barrel, up 12 percent from $27.15 in last year's quarter.

International refining and marketing net earnings were $56 million, down from $75 million reported for the first quarter of 1996. Product sales margins continue to be weak in the United Kingdom and in most of Caltex's Asia-

Pacific areas of operation. Additionally, foreign currency effects in 1997, mostlyrelated to Caltex translation losses in Korea, reduced earnings $29 million. Inthe 1996 first quarter, foreign currency losses were $10 million.

Sales volumes declined 15 percent to 912,000 barrels per day, reflecting the absence of volumes associated with Caltex's interest in a Japanese affiliate that was sold in the second quarter of 1996, and lower sales volumes from Chevron's international trading activities.

Chemicals net earnings were $63 million in the 1997 quarter, about flat with $64 million earned in last year's first quarter. Results continue to reflect the cyclical downturn in the chemicals industry, but were much improved from the 1996 fourth quarter because of lower feedstock and fuel costs and price improvements for some of the company's products. Results for 1997 also benefited from reduced depreciation expense as a result of a reassessment of the useful lives of certain assets.

Corporate and other includes interest expense, interest income on cash and marketable securities, corporate cost centers and real estate and insurance operations. These activities incurred charges of $81 million compared with charges of $72 million in the comparable prior-year quarter. However, after excluding a 1997 special charge of $8 million for environmental remediation, charges were flat between periods, as lower interest expense was offset by higher performance-based employee compensation costs.

Liquidity and Capital Resources

Cash and cash equivalents totaled $1.4 billion at March 31, 1997, up $493 million from year-end 1996. Cash from operations and proceeds from asset sales were more than adequate to fund the company's capital expenditures and dividend payments to stockholders.

On April 30, 1997 the company declared a quarterly dividend of $0.58 per share, payable June 10, 1997 to stockholders of record on May 20. The quarterly dividend rate increased $0.04, or 7.4 percent, over the previous quarterly rate of $0.54, the rate since the third quarter 1996.

Total debt and capital lease obligations were $6.783 billion at March 31, 1997, up $89 million from $6.694 billion at year-end 1996. The increase was primarily from a net increase in short-term commercial paper outstanding, partially offset by the scheduled retirement of $138 million of Swiss Franc denominated 4.625 percent debt and $50 million in 7.28 percent ESOP debt.

Although the company benefits from lower interest rates on short-term debt, the large amount of short-term debt has kept Chevron's ratio of current assets to current liabilities at relatively low levels. The current ratio was .92 at March 31, 1997. The company's short-term debt, consisting of commercial paper and current portion of long-term debt, totaled $2.865 billion at March 31, 1997. This amount excludes $1.8 billion of short-term obligations that were reclassified to long-term as the company has both the intent and ability, as evidenced by committed credit agreements, to refinance them on a long-term basis. The company's practice has been to continually refinance its commercial paper, maintaining levels it believes to be appropriate.

The company's debt ratio (total debt to total debt plus equity) was 29.6 percent at March 31, 1997, down from 30.0 percent at year-end 1996. The company continually monitors its spending levels, market conditions and related interest rates to maintain what it perceives to be reasonable debt levels.

Worldwide capital and exploratory expenditures for the first quarter of 1997, including the company's share of affiliates' expenditures, totaled $941 million, 2 percent more than the $923 million spent in the 1996 first quarter. Spending for chemicals projects worldwide more than doubled from the first quarter of last year to $118 million in the 1997 quarter, reflecting the company's multiple expansion projects underway. Expenditures for exploration and production activities represented 68 percent of total spending in the 1997 first quarter, about the same as the comparable 1996 period. Of these amounts, expenditures for exploration and production activities in the United States were 47 percent in 1997 compared with 30 percent in 1996, reflecting spending on development projects to stabilize U.S. oil and gas production. For the year, U. S. spending is expected to be about 36 percent of total exploration and production spending. Total capital and exploratory spending for the year 1997 is forecast at a record $5.9 billion, a 22 percent increase from 1996 spending levels.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

None

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

(4) Pursuant to the Instructions to Exhibits, certain instruments defining the rights of holders of long-term debt securities of the company and its consolidated subsidiaries are not filed because the total amount of securities authorized under any such instrument does not exceed 10 percent of the total assets of the company and its subsidiaries on a consolidated basis. A copy of any such instrument will be furnished to the Commission upon request.

(10) Chevron Corporation Excess Benefit Plan, amended and restated as of July 1, 1996.

(12) Computation of Ratio of Earnings to Fixed Charges

(27) Financial Data Schedule

(b) Reports on Form 8-K

None.

SIGNATURE

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.

CHEVRON CORPORATION
(Registrant)

Date May 9, 1997

/s/ S. J. CROWE
S. J. Crowe, Comptroller
(Principal Accounting Officer and Duly Authorized Officer)

CHEVRON CORPORATION - TOTAL ENTERPRISE BASIS
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

(Dollars in Millions)

	Three Months Ended	Year Ended December 31,				
	March 31, 1997	1996	1995	1994	1993	1992
Net Income before Cumulative Effect of Changes in Accounting Principles (1)	$ 831	$2,607	$ 930	$1,693	$1,265	$2,210
Income Tax Expense	695	2,624	1,094	1,322	1,389	1,508
Distributions Greater Than (Less Than) Equity in Earnings of Less Than 50 Percesnt Owned Affiliates	2	29	(5)	(3)	6	(9)
Minority Interest	3	4	0	3	(2)	2
Previously Capitalized Interest Charged to Earnings During Period	7	24	47	32	20	18
Interest and Debt Expense	118	471	557	453	390	490
Interest Portion of Rentals (2)	37	158	148	156	169	152
Earnings before Provisions for Taxes and Fixed Charges	$1,693	$5,917	$2,771	$3,656	$3,237	$4,371
Interest and Debt Expense	$ 118	$ 471	$ 557	$ 453	$ 390	$ 490
Interest Portion of Rentals (2)	37	158	148	156	169	152
Capitalized Interest	25	108	141	80	60	46
Total Fixed Charges	$ 180	$ 737	$ 846	$ 689	$ 619	$ 688
Ratio of Earnings to Fixed Charges	9.41	8.03	3.28	5.31	5.23	6.35

(1) The information for 1995 and thereafter reflects the company's adoption of the Financial Accounting Standards Board Statement No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of."

(2) Calculated as one-third of rentals.

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE COMPANY'S BALANCE SHEET AT MARCH 31, 1997 AND INCOME STATEMENT FOR THE THREE MONTH PERIOD ENDED MARCH 31, 1997 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS AND THEIR RELATED FOOTNOTES.

1,000,000

3-MOS
DEC-31-1997
MAR-31-1997
1,385
421
3,778
60
1,335
7,701
47,451
25,767
34,917
8,352
3,918
1,069
0
0
15,074
34,917
10,794
11,093
0
9,634
0
0
82
1,459
628
831
0
0
0
831
1.27
1.27

Exhibit 10

CHEVRON CORPORATION

EXCESS BENEFIT PLAN

Amended and Restated as of July 1, 1996

TABLE OF CONTENTS

CHEVRON CORPORATION
EXCESS BENEFIT PLAN

Amended and Restated as of July 1, 1996

SECTION 1. INTRODUCTION.

The Chevron Corporation Excess Benefit Plan (the "Excess Benefit Plan") was originally established effective January 1, 1976. Effective as of July 1, 1996, the Excess Benefit Plan was last amended and restated to read as set forth herein. The purposes of the Excess Benefit Plan are: (i) to supplement benefits provided under the Retirement Plan, to the extent such benefits are reduced as a result of the limitation on regular earnings imposed under section 401(a)(17) of the Code or the limitations on annual pension benefits imposed under section 415 of the Code; (ii) to provide retirement benefits that take into account Unrestricted Awards made under the MIP, the Aramco ICP and the Caltex ICP, and salary deferrals under the Salary Deferral Plan; and (iii) to supplement employer-provided benefits under the PS/SP to the extent such benefits are reduced as a result of the limitation on regular earnings imposed under section 401(a)(17) of the Code, the dollar limitation on "annual additions" imposed under section 415(c)(1)(A) of the Code or salary deferrals under the Salary Deferral Plan.

SECTION 2. ELIGIBILITY AND PARTICIPATION.

Participation in the Excess Benefit Plan shall be limited to:

(i) All Members of the Retirement Plan whose benefits thereunder are reducedbecause of the limitations imposed under section 401(a)(17) or 415 of the Code;

(ii) All Members of the Retirement Plan who receive Unrestricted Awards under the MIP, the Aramco ICP or the Caltex ICP;

(iii) All Members of the Retirement Plan or PS/SP who defer salary under the Salary Deferral Plan; and

(iv) All Members of the PS/SP whose allocations of Company Contributions and Allocable Forfeitures thereunder are reduced because of the limitations imposed under section 401(a)(17) or 415(c)(1)(A) of the Code.

SECTION 3. PLAN BENEFITS.

Plan Benefits under the Excess Benefit Plan shall consist of the Retirement Excess Benefit and the PS/SP Excess Benefit. No

Participant shall be entitled to Plan Benefits until the Participant ceases to be an Employee.

(a) <u>Retirement Excess Benefit</u>. A Participant's Retirement Excess Benefit shall be the sum of (i) and (ii) below:

(i) The lump sum value of an Individual Life Pension, determined by subtracting the Individual Life Pension to which the Participant is entitled under the Retirement Plan from the Individual Life Pension to which the Participant would be entitled thereunder without regard to the Section 401(a)(17) and Section 415 Reductions and the Participant's salary deferrals under the Salary Deferral Plan. In addition, a Participant's Retirement ExcessBenefit shall include any Interest payable under the Retirement Plan that may not be paid from that Plan because of the limitations imposed under section 415 of the Code. Any such Interest shall be paid or credited, as appropriate, at the time payments are made from the Retirement Plan.

(ii) The lump sum value of an Individual Life Pension, determined as follows:

(A) The Participant's MIP Excess Benefit Earnings shall be determined by subtracting the Participant's Highest Average Earnings from the amount that would constitute the Participant's Highest Average Earnings if the Participant's Unrestricted Awards under the MIP, the Aramco ICP and the Caltex ICP, as determined by the Committee in its sole discretion, were taken into account as Regular Earnings.

(B) "Unrestricted Awards" with respect to the MIP means any awards under the MIP that are not subject to forfeiture conditions established by the Committee (other than the forfeiture conditions expressly described in the text of the MIP). "Unrestricted Awards" with respect to the Aramco ICP means any awards under the Aramco ICP that are taken into account under the Aramco Plan prior to 1989. "Unrestricted Awards" with respect to the Caltex ICP means any awards under the Caltex ICP that are taken into account under the Caltex Plan.

(C) Each Unrestricted Award under the MIP shall be deemed paid in equal monthly installments for that portion of the MIP Award Year during which the Participant was an Employee and a participant in the MIP, without regard to when the Participant is informed of such Award or when such Award is actually paid. If an Unrestricted Award under the MIP is made after the close of the applicable MIP Award Year, if necessary, the Committee shall recalculate the Participant's Plan Benefit solely for the purpose of taking such Award into consideration. For purposes of any such recalculation, the Committee shall not credit the Participant with any interest nor make any other change in the methods, factors or assumptions used in the original calculation. All Unrestricted Awards under the Aramco ICP and/or the Caltex ICP shall be deemed paid in equal monthly installments for that portion of the award year under the Aramco Plan and the Caltex Plan, respectively, during which the Participant was a participant in such Plan.

(D) The Participant's MIP Credited Service shall be that portion of the Participant's Period of Service which is taken into account in computing the Participant's Plan Benefit under the Retirement Plan, excluding all service prior to the date on which the Participant reaches age 25 that occurs before July 1, 1986.

(E) An Individual Life Pension shall be determined under the applicable formula set forth in sections 3(c), 4(c) and 6(d) of the Retirement Plan, on the basis of the Participant's MIP Excess Benefit Earnings and MIP Credited Service, without regard to any Social Security Offset provided in such formula.

(b) Calculation of Retirement Excess Benefit.

(i) The lump sum value of a Participant's Retirement Excess Benefit shall be the present value of the Individual Life Pension described in Section 3(a) above. Such present value shall be computed under whichever of the following rules is applicable:

(A) If the Participant elects to have his or her Plan Benefit under the Retirement Plan paid in the form of a monthly pension, such present value shall be computed under the rules and assumptions that would be used for calculating the payment of such Individual Life Pension under the Lump Sum Option of the Retirement Plan, based on the Participant's age and the interest rates in effect on the first day of the first month for which the Retirement Plan pension is paid; or

(B) If the Participant elects to have his or her Plan Benefit under the Retirement Plan paid under the Lump Sum Option, such present value shall be computed under the same rules and assumptions and shall be determined as of the same date used for the calculation of the basic amount of the lump sum payment from the Retirement Plan.

(ii) Interest shall accrue on the unpaid portion, if any, of a Participant's Retirement Excess Benefit, commencing on the last day of the month after the month as of which the lump sum value of such Excess Benefit is calculated. If a Participant receives an Unrestricted Award under the MIP after termination of employment, any additional Retirement Excess Benefit attributable to that Award shall accrue interest commencing as of the first day of the month after the month in which the Award is granted. Interest shall be credited and compounded at the end of each Quarter at a rate equal to the average market yield for the preceding Quarter on U.S. Government 10-year bonds, constant maturity, as published by Data Resources Inc. in Data Resources Review of the U.S. Economy, or in such other source as the Committee may from time to time prescribe.

(c) PS/SP Excess Benefit. A Participant's PS/SP Excess Benefit shall be the lump sum value of a Participant's Stock Units, determined as follows:

(i) The Committee shall establish a PS/SP Excess Benefit Account for each Participant whose share of Company Contributions and Allocable Forfeitures under the PS/SP is reduced for any Quarter on account of the Section 401(a)(17) or Section 415(c)(1)(A) Reductions or on account of deferrals under the Salary Deferral Plan. Stock Units shall be credited to such Account as set forth in (ii) and (iii) below.

(ii) As of the last day of each Quarter, each Participant's PS/SP Excess Benefit Account shall be credited with the number of Stock Units determined by subtracting the amount of Company Contributions and Allocable Forfeitures allocated to such Participant's Accounts under the PS/SP for such Quarter from the amount of Company Contributions and Allocable Forfeitures that would have been allocated to such Participant for such Quarter without regard to the Section 401(a)(17) and Section 415(c)(1)(A) Reductions and the Participant's deferrals under the Salary Deferral Plan, and by dividing the resulting amount by the per share price used in allocating the Company Profit Sharing Contribution or ESOP Contribution under the PS/SP for such Quarter.

(iii) As of the last day of each Quarter in which a cash dividend is paid with respect to shares of Chevron Stock, each Participant's PS/SP Excess Benefit Account shall be credited with the number of Stock

Units determined by multiplying the number of Stock Units in such Account on the appropriate dividend payment date by the per share amount of such dividend, and by dividing the resulting amount by the per share price used in allocating the Company Profit Sharing Contribution or ESOP Contribution under the PS/SP for such Quarter.

(iv) No PS/SP Excess Benefit shall become payable hereunder unless the Participant is fully vested in his or her Contingent Account under the PS/SP.

(d) Integration with Gulf SPP Benefits. The Retirement Excess Benefit of any Participant who is an Eligible Employee under the Gulf SPP shall be reduced as follows. Before conversion to a present lump sum value, the Individual Life Pension determined under Section 3(a) above with respect to the Participant's MIP Credited Service completed before July 1, 1986, shall be reduced (but not below zero) by the Participant's net Gulf SPP individual life pension (determined after the application of all offsets under the Gulf SPP for qualified pension plan benefits). Any Spouse-Pension or Gulf Retirement Bonus provided under the Gulf SPP shall be ignored.

SECTION 4. DISTRIBUTION OF PLAN BENEFITS.

Distribution of Plan Benefits hereunder shall be made in cash after the Participant ceases to be an Employee at such time or times as the Committee shall determine in its sole discretion. The Committee has established the following guidelines for determining the time of distribution of Plan Benefits:

(a) Retirement Excess Benefit.

(i) In no event shall distribution of the Participant's Retirement Excess Benefit be made prior to the date payment of the Participant's benefit under the Retirement Plan is made or commences.

(ii) Unless the Committee approves a Participant's distribution request pursuant to Section 4(a)(iii) below, distribution of the Participant's Retirement Excess Benefit shall commence in the first January, April, July or October that is at least 12 months after the Participant ceases to be an Employee and shall be made in ten approximately equal annual installments.

(iii) At any time a Participant may make a request for distribution at the time and in the manner described in (A) or (B) below by filing the prescribed form with the Committee. Distribution of the Participant's Retirement Excess Benefit shall be made in accordance with the first such request made after

December 31, 1996, unless the Committee has disapproved the Participant's request or has determined that the distribution shall be made at some other time; provided, however, that (1) no distribution may be made pursuant to such request within the 12-month period commencing on the date the request is filed with the Committee and (2) any distribution scheduled to be made within such 12-month period pursuant to Section 4(a)(ii) above shall be made without regard to the request made pursuant to this Section 4(a)(iii):

(A) In a lump sum in any January, April, July or October after the Participant ceases to be an Employee, but not later than the first January after the later of the date the Participant attains age 70 1/2 or the date the Participant ceases to be an Employee;

(B) In fifteen or fewer approximately equal annual installments, commencing in any January, April, July or October after the Participant ceases to be an Employee, but not later than the first January after the later of the date the Participant attains age 70 1/2 or the date the Participant ceases to be an Employee.

(iv) Distribution of a Participant's Retirement Excess Benefit shall be made in accordance with the Participant's request, unless the Committee has disapproved the request or has determined that the distribution shall be made at some other time.

(v) The amount of any installment payment shall be determined by dividing the unpaid balance of the Participant's Retirement Excess Benefit, including credited interest, as of the close of the Quarter preceding the distribution date, by the number of annual payments remaining to be made. The last installment payment shall include interest for the Quarter in which such payment is made.

(vi) The time of distribution pursuant to Section 4(a)(ii) or (iii) above may only be changed by the Committee. A Participant may request such a change by describing to the Committee in writing the Participant's reason for such request. The Committee shall approve such change only upon a showing of hardship or significantly changed circumstances based on substantial evidence.

(vii) In the event that a Participant receives an Unrestricted Award under the MIP after the date distribution of such Participant's Retirement Excess Benefit is made or commenced pursuant to Section 4(a)(ii) or (iii) above, the following rules shall apply:

(A) If the Participant received a single payment pursuant to Section 4(a)(iii)(A) above, the additional Retirement Excess Benefit attributable to such Unrestricted Award under the MIP shall be paid in a lump sum as soon as practicable; and

(B) If the Participant commenced to receive installment payments pursuant to Section 4(a)(ii) or (iii)(B) above, such Participant's future installment payments shall be recalculated to reflect the additional Retirement Excess Benefit attributable to such Unrestricted Award under the MIP.

(b) PS/SP Excess Benefit.

(i) Unless the Committee approves a Participant's distribution request pursuant to Section 4(b)(ii) below, distribution of the value of the Stock Units credited to the Participant's PS/SP Excess Benefit Account shall commence in the first January, April, July or October that is at least 12 months after the Participant ceases to be an Employee and shall be made in ten approximately equal annual installments.

(ii) At any time a Participant may make a request for distribution at the time and in the manner described in (A) or (B) below by filing the prescribed form with the Committee. Distribution of the value of the Stock Units credited to the Participant's PS/SP Excess Benefit Account shall be made in accordance with the first such request made after December 31, 1996, unless the Committee has disapproved the Participant's request or has determined that the distribution shall be made at some other time; provided, however, that (1) no distribution may be made pursuant to such request within the 12-month period commencing on the date the request is filed with the Committee and (2) any distribution scheduled to be made within such 12-month period pursuant to Section 4(b)(i) above shall be made without regard to the request made pursuant to this Section 4(b)(ii):

(A) In a lump sum in any January, April, July or October after the Participant ceases to be an Employee, but not later than

the first January
after the later of the date the Participant attains age 70 1/2 or the date the Participant ceases to be an Employee;

(B) In fifteen or fewer approximately equal annual installments, commencing in any January, April, July or October after the Participant ceases to be an Employee, but not later than the first January after the later of the date the Participant attains age 70 1/2 or the date the Participant ceases to be an Employee.

(iii) Distribution of a Participant's PS/SP Excess Benefit shall be made in accordance with the Participant's request, unless the Committee has disapproved the request or has determined that the distribution shall be made at some other time.

(iv) The amount of a cash payment pursuant to Section 4(b)(i) or (ii) shall be determined by dividing the number of Stock Units credited to the Participant's PS/SP Excess Benefit Account as of the close of the Quarter preceding the distribution date by the number of annual payments remaining to be made, and by converting the resulting number of Stock Units to a cash amount by multiplying such number of Stock Units by the closing price of Chevron Stock on the last day the New York Stock Exchange is open during Quarter preceding the distribution date (as reported in the Composite Transaction Report).

(v) The time of distribution pursuant to Section 4(b)(i) or (ii) above may only be changed by the Committee. The Participant may request such a change by writing to the Committee setting forth the Participant's reason for such request. The Committee shall approve such distribution only upon a showing of hardship or significantly changed circumstances based on substantial evidence.

(c) Benefits in Pay Status on July 1, 1996. Notwithstanding the foregoing provisions of this Section 4, Plan Benefits in pay status on July 1, 1996 shall continue to be paid in accordance with the terms of the Excess Benefit Plan as in effect prior to July 1, 1996.

SECTION 5. DEATH BENEFITS.

(a) Retirement Excess Benefit.

(i) If a Participant dies after ceasing to be an Employee, the unpaid portion of the Participant's Retirement Excess Benefit shall be distributed to the

Participant's Beneficiary in accordance with Section 5(c).

(ii) If a Participant ceases to be an Employee by reason of death and the Participant's Beneficiary under the Retirement Plan is entitled to a Pre-Retirement Lump Sum Death Benefit under the Retirement Plan, the Participant's Retirement Excess Benefit shall be distributed to the Participant's Beneficiary in accordance with Section 5(c). The lump sum value of such Excess Benefit shall be determined as of the first day of the month following the month in which the Participant dies.

(iii) If a Participant ceases to be an Employee by reason of death and the Participant's surviving spouse is entitled to a Pre-Retirement Spouse Pension under the Retirement Plan, a portion of the Participant's Retirement Excess Benefit shall be distributed to the Participant's surviving spouse. Such portion shall be calculated in the manner prescribed in Sections 9(b)(ii) and 9(c)(ii)(B) of the Retirement Plan. Such distribution to the Participant's surviving spouse shall be made in accordance with Section 5(c).

(b) PS/SP Excess Benefit.

(i) If a Participant dies after ceasing to be an Employee, the unpaid portion of the Participant's PS/SP Excess Benefit shall be distributed to a Participant's Beneficiary in accordance with Section 5(c).

(ii) If a Participant ceases to be an Employee by reason of death, his or her PS/SP Excess Benefit shall be distributed to the Participant's Beneficiary in accordance with Section 5(c).

(c) Beneficiaries. A Participant may designate on the prescribed form filed with the Committee one or more Beneficiaries to receive payment of any Plan Benefits hereunder that become distributable after the Participant's death. A Participant may change such designation at any time by filing the prescribed form with the Committee. If a Beneficiary has not been designated or if no designated Beneficiary survives the Participant, distribution will be made to the Participant's surviving spouse as Beneficiary if such spouse is then living or, if not, in equal shares to the then living children of the Participant as Beneficiaries or, if none, to the Participant's estate as Beneficiary. Distributions under this Section 5(c) will be made in such manner and at such times as the Committee shall determine in its sole discretion. Unless the Committee directs otherwise, the elections provided in Section 4 may be made by the Beneficiary following the Participant's death.

SECTION 6. MISCELLANEOUS.

(a) Forfeitures. Plan Benefits which are unpaid shall be forfeited under the following circumstances:

(i) If the Participant is dismissed for cause or otherwise ceases to be an Employee at a time when a basis for such dismissal exists; or

(ii) If, before or after the Participant ceases to be an Employee, the Participant engages in any activity which, in the opinion of the Committee, is prejudicial to the interests of any member of the Affiliated Group; or

(iii) If the Participant is indebted to any member of the Affiliated Group at the time he or she becomes entitled to payment of a Plan Benefit hereunder. In such a case, to the extent that the amount of the Plan Benefit does not exceed such indebtedness, the amount of such Plan Benefit shall be forfeited and the Participant's indebtedness shall be extinguished to the extent of such forfeiture. The Committee in its sole discretion shall determine how and why such forfeiture shall be effected, including the valuation of any Stock Units credited to the Participant's PS/SP Excess Benefit Account. Any forfeiture under this Section 6(a)(iii) shall be deemed to come first from the Participant's Retirement Excess Benefit and then from his or her PS/SP Excess Benefit.

(b) Funding. The Excess Benefit Plan shall be unfunded, and all Plan Benefits shall be paid only from the general assets of Chevron Corporation.

(c) Tax Withholding. The Committee shall make appropriate arrangements with each Participant for the satisfaction of any federal or state tax withholding required under the Federal Insurance Contributions Act or the Federal Unemployment Tax Act with respect to a Participant's Retirement Excess Benefit and with respect to amounts credited to a Participant's PS/SP Excess Benefit Account.

(d) No Employment Rights. Nothing in this Plan shall be deemed to give any individual a right to remain in the employ of any member of the Affiliated Group nor affect the right of a member of the Affiliated Group to terminate any individual's employment at any time and for any reason, which right is hereby reserved.

(e) No Assignment of Property Rights. Except as otherwise provided in Section 6(a)(iii) with respect to a Participant's indebtedness to any member of the Affiliated Group, or except as otherwise provided by applicable law, the interest or property rights of any person in the Excess Benefit Plan or in any distribution to be made hereunder shall not be assigned (either at law or in equity), alienated, anticipated or subject to attachment, bankruptcy, garnishment, levy, execution or other legal or equitable process. Any act in violation of this Section 6(e) shall be void. Notwithstanding the foregoing, the creation, assignment or recognition of a right to all or any portion of a Participant's Plan Benefit hereunder pursuant to a "qualified domestic relations order," (within the meaning of section 414(p) of the Code) shall not constitute a violation of this Section 6(e).

(f) Effect of Change in Capitalization on PS/SP Excess Benefit Accounts. In the event of a stock split, stock dividend or other change in capitalization affecting Chevron Stock, an appropriate number of Stock Units shall be substituted for, or added to, each Stock Unit then credited to the PS/SP Excess Benefit Account of each Participant, and such substituted or added Unit shall be subject to the same terms and conditions as the original Unit.

(g) Administration. The Excess Benefit Plan shall be administered by the Committee. No member of the Committee shall become a Participant in the Excess Benefit Plan. The Committee shall make such rules, interpretations and computations as it may deem appropriate. The Committee shall have sole discretion to interpret the terms of the Excess Benefit Plan, and any decision of the Committee with respect to the Excess Benefit Plan, including (without limitation) any determination of eligibility to participate in the Excess Benefit Plan and any calculation of Plan Benefits shall be conclusive and binding on all persons.

(h) Amendment and Termination. Chevron Corporation expects to continue the Excess Benefit Plan indefinitely. Future conditions, however, cannot be foreseen, and Chevron Corporation shall have the authority to amend or to terminate the Excess Benefit Plan at any time and for any reason, by action of its board of directors or by action of a committee or individual(s) acting pursuant to a valid delegation of authority. In the event of the amendment or termination of the Excess Benefit Plan, a Participant's Retirement Excess Benefit and PS/SP Excess Benefit shall not be less than the amounts to which he or she would have been entitled if his or her employment had terminated immediately prior to such amendment or termination.

SECTION 7. DEFINITIONS.

Except as provided below, capitalized terms used in the Excess Benefit Plan shall have the same meaning as in the Retirement Plan or PS/SP, as appropriate:

7.1 "Aramco ICP" means the Arabian American Oil Company Incentive Compensation Plan.

7.2 "Aramco Plan" means the Arabian American Oil Company Supplementary Retirement Plan.

7.3 "Beneficiary" means the person or persons entitled to receive a Participant's Plan Benefit in the event the Participant dies prior to receiving the entire amount of such Plan Benefit, as provided in Section 5(c).

7.4 "Caltex ICP" means the Caltex-Amoseas Incentive Compensation Plan.

7.5 "Caltex Plan" means the Pension Supplementation Plan of Caltex Petroleum Corporation.

7.6 "Code" means the Internal Revenue Code of 1986, as amended.

7.7 "Committee" means the Management Compensation Committee of the Board of Directors of Chevron Corporation.

7.8 "Composite Transaction Report" means the New York Stock Exchange, Inc. Composite Transaction Report, or such other stock report as the Committee from time to time may designate.

7.9 "Gulf SPP" means the Supplemental Pension Plan of Gulf Oil Corporation.

7.10 "Gulf SPP Benefit" means the benefits provided for in the Gulf SPP, other than the Special Retirement Bonus provided for in Section 11 thereof.

7.11 "MIP" means the Management Incentive Plan of Chevron Corporation.

7.12 "MIP Award Year" means the calendar year with respect to which an award is made under the MIP.

7.13 "MIP Credited Service" is defined in Section 3(a)(ii)(D).

7.14 "MIP Excess Benefit Earnings" is defined in Section 3(a)(ii)(A).

7.15 "Participant" means a person who is eligible to participate in the Excess Benefit Plan as provided in Section 2.

7.16 "Plan Benefit" means the benefits described in Section 3.

7.17 "Plan Year" means the calendar year.

7.18 "PS/SP" means the Chevron Corporation Profit Sharing/Savings Plan.

7.19 "PS/SP Excess Benefit" means the benefit described in Section 3(c).

7.20 "PS/SP Excess Benefit Account" means the account described in Section 3(c)(i).

7.21 "Retirement Excess Benefit" means the benefit described in Section 3(a).

7.22 "Retirement Plan" means the Chevron Corporation Retirement Plan, including all Supplements thereto.

7.23 "Salary Deferral Plan" means the Chevron Corporation Salary Deferral Plan for Executive Employees.

7.24 "Section 401(a)(17) Reduction" means, as the context may require, (I) any reduction in the allocation of Company Contributions and Allocable Forfeitures to a Participant by reason of the limitation on Member Profit Sharing Contributions that is required to comply with section 401(a)(17) of the Code, and (ii) any reduction in a Participant's Plan Benefit under the Retirement Plan by reason of the limitation on Regular Earnings that is required to comply with section 401(a)(17) of the Code.

7.25 "Section 415 Reduction" means any reduction in a Participant's Plan Benefit under the Retirement Plan that is required to comply with any of the limitations on annual pension benefits imposed under section 415 of the Code.

7.26 "Section 415(c)(1)(A) Reduction" means any reduction in the allocation of Company Contributions and Allocable Forfeitures to a Participant that is required to comply with the dollar limitation on "annual additions" imposed under section 415(c)(1)(A) of the Code.

7.27 "Spouse-Pension" means the Spouse-Pension provided for in the Gulf SPP.

7.28 "Stock Units" means the Chevron stock equivalents credited to a Participant's PS/SP Excess Benefit Account in accordance with Section 3(c).

7.29 "Unrestricted Award" means a nonforfeitable award under the MIP, Aramco ICP or Caltex ICP, as described in Sections 3(a)(ii)(B) and (C).

SECTION 8. EXECUTION.

To record the amendment and restatement of the Excess Benefit Plan to read as set forth herein effective as of July 1, 1996, Chevron Corporation has caused its authorized officer execute this document this 16th day of December, 1997.

CHEVRON CORPORATION

By /s/ K. T. DERR

Chairman of the Board