

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

Form 10-Q

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

For the quarterly period ended March 31, 2000

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 of
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 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, 2000

Common stock, \$1.50 par value

651,969,658

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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 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 delays in the development, construction or start-up of planned 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 litigation (including, particularly, regulations and litigation dealing with gasoline composition and characteristics); 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. Unpredictable or unknown factors not discussed herein also could have material adverse effects on forward-looking statements. Chevron undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

PART I. FINANCIAL INFORMATION

CHEVRON CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF INCOME
(Unaudited)

Millions of Dollars, Except Per-Share Amounts	Three Months Ended March 31,	
	2000	1999
<hr/>		
Revenues and Other Income		
Sales and other operating revenues*	\$ 11,356	\$ 6,399
Income from equity affiliates	196	144
Other income	146	146
	<hr/>	
Total Revenues and Other Income	11,698	6,689
<hr/>		
Costs and Other Deductions		
Purchased crude oil and products	6,249	2,781
Operating expenses	1,238	1,160
Selling, general and administrative expenses	377	397
Exploration expenses	96	88
Depreciation, depletion and amortization	651	566
Taxes other than on income*	1,109	1,078
Interest and debt expense	129	105
	<hr/>	
Total Costs and Other Deductions	9,849	6,175
<hr/>		
Income Before Income Tax Expense	1,849	514
Income Tax Expense	805	185
	<hr/>	
Net Income	\$ 1,044	\$ 329
<hr/>		
Per Share of Common Stock:		
Net Income - Basic	\$ 1.59	\$.50
- Diluted	\$ 1.59	\$.50
Dividends	\$.65	\$.61
<hr/>		
Weighted Average Number of Shares Outstanding (000s)		
- Basic	656,132	654,677
- Diluted	658,124	654,793
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* Includes consumer excise taxes.	\$ 913	\$ 912

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(Unaudited)

Millions of Dollars,	Three Months Ended March 31,	
	2000	1999
<hr/>		
Net Income	\$ 1,044	\$ 329
	<hr/>	
Unrealized holding gain (loss) on securities	10	(6)
Minimum pension liability adjustment	(15)	(11)
	<hr/>	
Other Comprehensive Loss, net of tax	(5)	(17)
	<hr/>	
Comprehensive Income	\$ 1,039	\$ 312
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See accompanying notes to consolidated financial statements.

CHEVRON CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

Millions of Dollars	March 31, 2000 (Unaudited)	December 31, 1999
<hr/>		
ASSETS		
Cash and cash equivalents	\$ 1,185	\$ 1,345
Marketable securities	627	687
Accounts and notes receivable	4,013	3,688
Inventories:		
Crude oil and petroleum products	659	585
Chemicals	505	526
Materials, supplies and other	284	291
	<hr/>	<hr/>
	1,448	1,402
Prepaid expenses and other current assets	1,244	1,175
	<hr/>	<hr/>
Total Current Assets	8,517	8,297
Long-term receivables	824	815
Investments and advances	5,643	5,231
Properties, plant and equipment, at cost	54,293	54,212
Less: accumulated depreciation, depletion and amortization	29,111	28,895
	<hr/>	<hr/>
	25,182	25,317
Deferred charges and other assets	1,083	1,008
	<hr/>	<hr/>
Total Assets	\$41,249	\$40,668
	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Short-term debt	\$ 3,512	\$ 3,434
Accounts payable	3,064	3,103
Accrued liabilities	1,058	1,210
Federal and other taxes on income	1,041	718
Other taxes payable	408	424
	<hr/>	<hr/>
Total Current Liabilities	9,083	8,889
Long-term debt	5,085	5,174
Capital lease obligations	315	311
Deferred credits and other noncurrent obligations	1,821	1,739
Noncurrent deferred income taxes	5,094	5,010
Reserves for employee benefit plans	1,846	1,796
	<hr/>	<hr/>
Total Liabilities	23,244	22,919
	<hr/>	<hr/>
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	2,225	2,215
Deferred compensation	(636)	(646)
Accumulated other comprehensive income	(120)	(115)
Retained earnings	18,024	17,400
Treasury stock, at cost (60,664,587 and 56,140,994 shares at March 31, 2000 and December 31, 1999, respectively)	(2,557)	(2,174)
	<hr/>	<hr/>
Total Stockholders' Equity	18,005	17,749
	<hr/>	<hr/>
Total Liabilities and Stockholders' Equity	\$41,249	\$40,668
	<hr/> <hr/>	<hr/> <hr/>

See accompanying notes to consolidated financial statements.

CHEVRON CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited)

Millions of Dollars	Three Months Ended March 31,	
	2000	1999
<hr/>		
Operating Activities		
Net income	\$ 1,044	\$ 329
Adjustments		
Depreciation, depletion and amortization	651	566
Dry hole expense related to prior years' expenditures	14	19
Distributions less than income from equity affiliates	(129)	(102)
Net before-tax gains on asset retirements and sales	(56)	(108)
Net foreign currency (gains) losses	(27)	15
Deferred income tax provision	94	60
Net (increase) decrease in operating working capital	(325)	90
Other, net	30	(78)
	<hr/>	
Net Cash Provided by Operating Activities	1,296	791
	<hr/>	
Investing Activities		
Capital expenditures	(881)	(797)
Proceeds from asset sales	146	145
Net sales (purchases) of marketable securities	75	(102)
Other investing cash flows, net	(5)	(22)
	<hr/>	
Net Cash Used for Investing Activities	(665)	(776)
	<hr/>	
Financing Activities		
Net borrowings of short-term obligations	68	484
Proceeds from issuance of long-term debt	19	12
Repayments of long-term debt and other financing obligations	(80)	(214)
Cash dividends	(427)	(399)
Net (purchases) sales of treasury shares	(370)	70
	<hr/>	
Net Cash Used for Financing Activities	(790)	(47)
	<hr/>	
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(1)	1
	<hr/>	
Net Change in Cash and Cash Equivalents	(160)	(31)
Cash and Cash Equivalents at January 1	1,345	569
	<hr/>	
Cash and Cash Equivalents at March 31	\$ 1,185	\$ 538
	<hr/> <hr/>	

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, 1999. 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 1999 Annual Report on Form 10-K.

The results for the three-month period ended March 31, 2000, are not necessarily indicative of future financial results.

Note 2. Net Income

Net income for the first quarter of 2000 included a \$62 million special charge related to a patent litigation issue. Net special benefits in net income for the 1999 quarter included a gain of \$60 million from the sale of the company's interest in a coal mining affiliate, partially offset by net environmental remediation provisions of \$12 million for the company's U.S. exploration and production and refining, marketing and transportation operations.

Net income included foreign currency gains of \$46 million in the first quarter 2000, compared with losses of \$9 million in the first quarter 1999.

Note 3. Information Relating to the Statement of Cash Flows

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

Millions of Dollars	Three Months Ended	
	2000	March 31, 1999

(Increase) decrease in accounts and notes receivable	\$ (325)	\$ 41
(Increase) decrease in inventories	(46)	34
Increase in prepaid expenses and other current assets	(87)	(153)
(Decrease) increase in accounts payable and accrued liabilities	(186)	57
Increase in income and other taxes payable	319	111

Net (increase) decrease in operating working capital	\$ (325)	\$ 90

"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	
	2000	March 31, 1999
Interest paid on debt (net of capitalized interest)	\$ 143	\$ 110
Income taxes paid	\$ 380	\$ 9

The increase in "income taxes paid" between periods shown above primarily reflects higher payments of non-US income taxes in the first quarter 2000.

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

Millions of Dollars	Three Months Ended	
	2000	March 31, 1999
Marketable securities purchased	\$ (866)	\$ (793)
Marketable securities sold	941	691
Net sales (purchases) of marketable securities	\$ 75	\$ (102)

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

The company's Employee Stock Ownership Plan (ESOP) repaid \$10 million and \$70 million of matured debt guaranteed by Chevron Corporation in January of 2000 and 1999, respectively. These payments were recorded by the company as a reduction in its debt outstanding and in Deferred Compensation - ESOP.

Note 4. Operating Segments and Geographic Data

Chevron manages its exploration and production; refining, marketing and transportation; and chemicals businesses separately.

In February 2000, Chevron and Phillips Petroleum Company signed a letter of intent and exclusivity agreement to combine most of their chemicals businesses in a joint venture. Each company will own 50 percent of the joint venture - Chevron Phillips Chemical Company which expects to have annual sales and total assets of about \$6 billion. In April, the plan cleared U.S. Federal Trade Commission review. Other regulatory clearances and final approval of the companies' boards of directors are expected to be completed by mid-2000.

"All Other" activities include the company's share of earnings from and investment in Dynegy Inc., corporate administrative costs, worldwide cash management and debt financing activities, coal mining operations, insurance operations, and real estate activities. The company's primary country of operation is the United States, its country of domicile. Activities in no other country meet the materiality requirements for separate disclosure.

Reportable operating segment sales and other operating revenues, including internal transfers, for the three-month periods ended March 31, 2000 and 1999, are presented in the following table.

Millions of Dollars	Three Months Ended March 31,	
	2000	1999

Exploration and Production		
United States	\$ 1,221	\$ 628
International	2,360	988

Sub-total	3,581	1,616
Intersegment Elimination - United States	(756)	(306)
Intersegment Elimination - International	(1,019)	(440)

Total Exploration and Production	1,806	870

Refining, Marketing and Transportation		
United States	6,715	3,818
International	1,765	919

Sub-total	8,480	4,737
Intersegment Elimination - United States	(130)	(63)
Intersegment Elimination - International	(4)	(4)

Total Refining, Marketing and Transportation	8,346	4,670

Chemicals		
United States	917	627
International	250	176

Sub-total	1,167	803
Intersegment Elimination - United States	(53)	(39)

Total Chemicals	1,114	764

All Other		
United States	113	107
International	4	2

Sub-total	117	109
Intersegment Elimination - United States	(24)	(13)
Intersegment Elimination - International	(3)	(1)

Total All Other	90	95

Sales and Other Operating Revenues		
United States	8,966	5,180
International	4,379	2,085

Sub-total	13,345	7,265
Intersegment Elimination - United States	(962)	(421)
Intersegment Elimination - International	(1,027)	(445)

Total Sales and Other Operating Revenues	\$ 11,356	\$ 6,399
=====		

The company evaluates the performance of its operating segments on an after-tax basis, excluding the effects of debt financing interest expense or investment interest income, both of which are managed by Chevron Corporation on a worldwide basis. Corporate administrative costs and assets are not allocated to the operating segments; however, operating segments are billed for direct corporate services. Nonbillable costs remain as corporate center expenses. After-tax earnings by segment for the three-month month periods ended March 31, 2000 and 1999, are presented in the following table.

Millions of Dollars	Three Months Ended March 31,	
	2000	1999
Exploration and Production		
United States(1)	\$ 365	\$ 38
International	653	116
Total Exploration and Production	1,018	154
Refining, Marketing and Transportation		
United States	(7)	82
International	8	87
Total Refining, Marketing and Transportation	1	169
Chemicals		
United States	47	38
International	21	12
Total Chemicals	68	50
Total Segment Income	1,087	373
Interest Expense	(89)	(74)
Interest Income	15	13
Other(1)	31	17
Net Income	\$ 1,044	\$ 329

(1) 1999 restated to conform to the 2000 presentation. Effective in the first quarter 2000, the company's share of earnings from Dynegey, Inc. is reported in Other.

Segment assets at March 31, 2000 and year-end 1999 are presented in the following table. Segment assets do not include intercompany investments or intercompany receivables.

Millions of Dollars	March 31, 2000	December 31, 1999
Exploration and Production		
United States(1)	\$ 5,226	\$ 5,215
International	14,000	13,748
Total Exploration and Production	19,226	18,963
Refining, Marketing and Transportation		
United States	8,155	8,178
International	3,853	3,609
Total Refining, Marketing and Transportation	12,008	11,787
Chemicals		
United States	3,370	3,303
International	942	923
Total Chemicals	4,312	4,226
Total Segment Assets	35,546	34,976
All Other(1)		
United States	3,720	3,825
International	1,983	1,867
Total All Other	5,703	5,692
Total Assets - United States	20,471	20,521
Total Assets - International	20,778	20,147
Total Assets	\$41,249	\$40,668

(1) 1999 restated to conform to the 2000 presentation. Effective in the first quarter 2000, the company's investment in Dynegy, Inc. is reported in All Other.

Note 5. Summarized Financial Data - Chevron U.S.A. Inc.

At March 31, 2000, Chevron U.S.A. Inc. was Chevron Corporation's principal U.S. operating subsidiary, consisting primarily of the company's U.S. integrated petroleum operations (excluding most of the domestic pipeline operations) and the majority of the company's worldwide petrochemical operations. These operations were conducted by Chevron U.S.A. Production Company, Chevron Products Company and Chevron Chemical Company LLC. 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,	
	2000	1999
Sales and other operating revenues	\$9,145	\$5,252
Costs and other deductions	8,739	5,231
Net income	335	78

Millions of Dollars	March 31, 2000	December 31, 1999(1)
Current assets	\$ 4,205	\$ 3,889
Other assets	20,283	20,687
Current liabilities	4,104	4,685
Other liabilities	9,876	9,730
Net worth	10,508	10,161
Memo: Total Debt	\$ 6,934	\$ 7,462

(1) Certain asset and liability balances have been restated. Net worth remains unchanged.

Note 6. Summarized Financial Data - Chevron Transport Corporation Limited

Chevron Transport Corporation Limited (CTC), a Bermuda corporation, is an indirect, wholly owned subsidiary of Chevron Corporation. Effective July 1999, Chevron Transport Corporation, a Liberian corporation was merged into CTC, which assumed all of the assets and liabilities of Chevron Transport 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 accounting principles generally accepted in the United States.

Millions of Dollars	Three Months Ended March 31,	
	2000	1999
Sales and other operating revenues	\$122	\$122
Costs and other deductions	150	136
Net loss	(28)	(6)

Millions of Dollars	March 31, 2000	December 31, 1999
Current assets	\$ 206	\$ 184
Other assets	715	742
Current liabilities	606	580
Other liabilities	261	264
Net worth	54	82

Separate financial statements and other disclosures with respect to CTC are omitted because they 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, 2000. The increase in net loss between periods shown above is primarily due to higher vessel operating costs in 2000, mainly fuel costs.

Note 7. 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,	
	2000	1999
Gross revenues(1)	\$4,110	\$2,890
Income before income taxes	219	289
Net income	102	203

(1)1999 restated to conform to the 2000 presentation, netting certain offsetting trading sale and purchase contracts. The restatement has no impact on net income.

Note 8. Employee Termination Benefits and Other Restructuring Costs

In 1999, the company implemented a staff reduction program in all of its operating segments across several businesses and accrued \$220 million in severance and other termination benefits for 3,472 employees. Employees affected were primarily U.S.- based and all identified employees will be separated by June 30, 2000. Termination benefits for 3,070 of the 3,472 employees - accrued in accordance with SFAS No. 88, "Employers' Accounting for Settlements and Curtailments of Defined Benefit Plans and for Termination Benefits" - are payable from the assets of the company's U.S. and Canadian pension plans.

Accrual and payment activity for the employee termination benefits is presented in the following table:

	Restructuring Liability (Millions of Dollars)	Number of Employees
1999 Accruals	\$ 220	3,472
1999 Cash Payments	(135)	(2,157)
Balance at December 31, 1999	\$ 85	1,315
2000 Cash Payments	(25)	(427)
Balance at March 31, 2000	\$ 60	888

Note 9. Income Taxes

Taxes on income for the first quarter of 2000 were \$805 million compared with \$185 million in last year's first quarter. The effective tax rate for the first quarter of 2000 was 44 percent compared with 36 percent in last year's first quarter. The increase in the effective tax rate was the result of lower equity earnings recorded on an after-tax basis as a proportion of before-tax income and a decrease in tax credits and capital loss benefits in 2000, compared with the 1999 period.

Note 10. Litigation

Chevron and five other oil companies filed suit in 1995 contesting the validity of a patent granted to Unocal Corporation for reformulated gasoline, which Chevron sells in California in certain months of the year. On March 29, 2000, the U. S. Court of Appeals for the Federal Circuit upheld a trial court's decisions that Unocal's patent is valid and enforceable and assessed damages of 5.75 cents per gallon for gasoline produced in infringement of the patent. On April 26, 2000, Chevron and the five other defendants in this case filed a petition for rehearing with the U.S. Court of Appeals for the Federal Circuit. If Unocal's patent ultimately is upheld, the company's financial exposure includes royalties, plus interest, for production of gasoline that is ruled to have infringed the patent. As a result of the March 2000 ruling, the company recorded in the first quarter 2000 a special after-tax charge of \$62 million. The majority of this charge pertains to gasoline production in the earlier part of this period, before the company modified its manufacturing processes to minimize the production of gasoline that allegedly infringes on Unocal's patented formulations. Additional amounts were recorded as part of first quarter 2000 operational earnings, and the company will also accrue in the normal course of business any future estimated liability for potential infringement of the patent covered by the Court's ruling. Unocal has obtained additional patents for alternate formulations that could affect a larger share of U.S. gasoline production. Chevron believes these additional patents are invalid and unenforceable. However, if such patents are ultimately upheld, the competitive and financial effects on the company's refining and marketing operations, while presently indeterminable, could be material.

There is an ongoing public debate concerning the petroleum industry's use of MTBE and its potential environmental impact through seepage into drinking water wells. Along with other oil companies, the company is a party to actions related to the use of the chemical MTBE in certain oxygenated gasolines. These actions may require the company to take action to correct or ameliorate the alleged effects on the environment of prior disposal or release of MTBE by the company or other parties. Additional lawsuits and claims related to the use of MTBE may be filed in the future. Costs to the company related to these lawsuits and claims 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. Chevron has eliminated the use of MTBE in gasoline it sells in certain areas.

Note 11. Other Contingencies and Commitments

The U.S. federal income tax and California franchise tax liabilities of the company have been settled through 1993.

Settlement of open tax years, as well as tax issues in other countries where the company conducts its businesses, is not expected to have a material effect on the consolidated financial position or liquidity of the company and, in the opinion of management, adequate provision has been made for income and franchise taxes for all years under examination or subject to future examination.

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, including MTBE, 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 obligations to make such expenditures have 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 believes it has no material market or credit risk to its operations, financial position or liquidity as a result of its commodities, and other derivatives activities. However, the results of operations and financial position of the company's equity affiliates Caltex and Dynegy, may be affected by their business activities involving the use of derivative instruments.

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, the United Kingdom, Norway, Republic of Congo, Angola, Nigeria, Democratic Republic of Congo, Papua New Guinea, China, Venezuela, Thailand and Argentina. The company's Caltex affiliates have significant operations in Indonesia, Korea, Australia, Thailand, the Philippines, Singapore, and South Africa. The company's Tengizchevroil affiliate operates in Kazakhstan. The company's Dynegy affiliate has operations in the United States, Canada, the United Kingdom and other European countries.

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

First Quarter 2000 Compared With First Quarter 1999

Financial Results

Net income for the first quarter of 2000 was \$1.044 billion (\$1.59 per share-diluted and basic), more than three times the first quarter 1999 net income of \$329 million (\$0.50 per share-diluted and basic). Net income for the first quarter of 2000 included a special charge of \$62 million for a patent litigation matter, compared with net benefits of \$48 million in last year's first quarter. In 1999, a \$60 million gain from the sale of the company's interest in a coal mining affiliate was partially offset by \$12 million of net environmental remediation provisions for the company's U.S. operations. Excluding the effect of the special items, the company posted record operating earnings of \$1.106 billion, nearly four times last year's first quarter operating results.

The company's exploration and production (upstream) operations benefited from a sharp rise in crude oil prices and earned \$1.018 billion in the first quarter 2000. However, the company's refining, marketing and transportation (downstream) businesses earned only \$63 million, excluding the special item litigation provision, in the quarter, as selling prices for refined products did not rise as fast as the cost of refinery feedstocks, primarily crude oil, which compressed margins.

Operating Environment and Outlook

Chevron's earnings are affected significantly by fluctuations in the price of crude oil and natural gas. In response to the 1999 agreement of certain OPEC and non-OPEC oil producing countries to restrict the production of crude oil, rising worldwide demand and low worldwide petroleum inventories, prices in the first quarter 2000 were significantly higher than the year-ago quarter. In the first quarter 2000, higher crude oil prices increased upstream earnings, while squeezing margins in the downstream business. The average spot price for West Texas Intermediate (WTI), a benchmark crude oil, was \$28.91 per barrel for the first quarter of 2000 the highest level since the pre-Gulf War buildup in late 1990. In comparison, crude oil prices in the first quarter 1999 were the lowest in 20 years. WTI spot prices exceeded \$34 per barrel in early March before settling into a trading range of \$24 to \$27 per barrel later in the month, after the oil producing countries agreed to raise production by about 2 million barrels per day. Average U.S. natural gas prices for the first quarter of 2000 were also significantly higher than in last year's quarter. Henry Hub spot natural gas prices increased 43 percent, compared with the first quarter 1999, to \$2.59 per thousand cubic feet. Crude oil and natural gas prices are expected to fluctuate but they are likely to remain at levels exceeding last year's if production curtailments continue and worldwide demand continues to strengthen.

As crude oil prices have dropped from their February-March highs above \$30 per barrel, earnings between upstream and downstream are expected to be more balanced in the second quarter 2000 than the heavily weighted upstream earnings recorded in the first quarter.

Chevron's production levels had not been materially affected by production curtailments prior to the easing in March of the OPEC and non-OPEC restrictions. Similarly, the company does not expect the easing of these restrictions to have a material impact on its production levels from existing fields. The company believes that in the current industry environment the net effect of any continuing curtailments directed by host countries will not be significant to its overall production levels. However, such curtailments or limits may have an adverse effect on the level of new production from current and future development projects. In addition, civil unrest, political uncertainty and economic conditions may affect the company's producing operations. Community protests have disrupted the company's production in the past, most recently in Nigeria. The company continues to monitor developments closely in the countries in which it operates.

Significant Developments Since the Beginning of 2000

Angola: Chevron had several successes in Block 14, a 1,560 square-mile concession adjacent to Chevron-operated Block 0 that lies offshore the Cabinda Province of Angola. Liquids production at the Chevron-operated Kuito Field, Angola's first deepwater oil field, which came on-stream in December of last year, reached 70,000 barrels per day in April. Commissioning work on the Kuito producing facilities is continuing during the second quarter and the

reservoir is performing as expected. Also, two successful appraisal wells were completed in the Benguela and Belize fields located in Block 14 near the Kuito Field. Technical evaluation of the well results and options for the development of the fields are under study.

Caspian Sea Region: Tengizchevroil (TCO), which is 45 percent owned by Chevron and located in Kazakhstan, is nearing completion of a three-year plant expansion project, Train 5. This will increase TCO's production to 260,000 barrels per day by the fourth quarter of 2000. In addition, construction continues on the \$2.5 billion pipeline by the Caspian Pipeline Consortium (CPC), in which Chevron owns a 15 percent interest. The new and refurbished sections of the 1,500-kilometer pipeline will deliver crude oil from the Tengiz Field to a new marine terminal and tank farm north of the city of Novorossiysk on the Black Sea. Site preparations for the terminal and tank farm are well under way. Overall, the CPC project remains on schedule for delivery of first oil in mid-2001. With the completion of this pipeline, TCO will have a lower cost export outlet for increased crude oil production from the Tengiz Field.

Chad and Cameroon: In April, Chevron announced that it had taken a 25 percent ownership interest in an international consortium developing the landlocked Doba oil fields in southern Chad and in a related 650-mile export pipeline project through Chad to the coast of Cameroon. Construction of the estimated \$3.5 billion project, which is expected to produce and transport about one billion barrels of oil over its 25- to 30-year life, is scheduled to begin later this year. This project increases Chevron's position as one of the largest U.S. investors in sub-Saharan Africa.

Norway: In April, Chevron was awarded three new licenses to explore for and produce petroleum offshore Norway - including the operatorship of License PL259. Combined with partnerships in other blocks, these new licenses provide Chevron with an excellent portfolio of near- and longer-term oil and gas exploration and production opportunities in Norway.

Chemicals: In February, Chevron and Phillips Petroleum Co. announced their intent to combine most of their petrochemicals businesses into a joint venture by mid-year. The plan cleared U.S. Federal Trade Commission review in April. Other regulatory clearances are expected as the formation of the joint venture proceeds. Each company will own 50 percent of the joint venture, to be named Chevron Phillips Chemical Co., which expects to have annual sales and total assets of about \$6 billion. When finalized, the combination will provide synergies that are expected to reduce annual costs by \$150 million and improve the effectiveness of capital spending.

Dynegy: Dynegy Inc., a 28 percent-owned affiliate, merged in February with Illinova Corp., an energy services holding company in Illinois. The merger with Illinova is part of Dynegy's energy convergence strategy, which includes expanding its power and natural gas marketing and trading activities, as well as its power generation business. Chevron invested an additional \$200 million in Dynegy at the time of the merger, and a further \$69 million at the time of Dynegy's April public offering of 4.6 million shares of common equity. These two investments maintain Chevron's approximate 28 percent ownership interest in Dynegy.

e-Business: The company is engaged in a number of initiatives as part of an aggressive strategy to capture value associated with Internet technologies. Chevron is participating in Petrocosm marketplace, a global procurement, independent Internet business-to-business marketplace - scheduled for go-live in June - that will be owned by buyers and suppliers across the energy industry. In March, the company announced the formation of RetailersMarketXchange, a business-to-business alliance that will provide services to convenience store and small business retailers and suppliers.

Contingencies and Significant Litigation

Chevron and five other oil companies filed suit in 1995 contesting the validity of a patent granted to Unocal Corporation for reformulated gasoline, which Chevron sells in California in certain months of the year. On March 29, 2000, the U. S. Court of Appeals for the Federal Circuit upheld a trial court's decisions that Unocal's patent is valid and enforceable and assessed damages of 5.75 cents per gallon for gasoline produced in infringement of the patent. On April 26, 2000, Chevron and the five other defendants in this case filed a petition for rehearing with the U.S. Court of Appeals for the Federal Circuit. If Unocal's patent ultimately is upheld, the company's financial

exposure includes royalties, plus interest, for production of gasoline that is ruled to have infringed the patent. As a result of the March 2000 ruling, the company recorded in the first quarter 2000 a special after-tax charge of approximately \$62 million for its estimated liability for the period ended December 31, 1999. The majority of this charge pertains to gasoline production in the earlier part of this period, before the company modified its manufacturing processes to minimize the production of gasoline that allegedly infringes on Unocal's patented formulations. Additional amounts were recorded as part of first quarter 2000 operational earnings, and the company will also accrue in the normal course of business any additional future estimated liability for potential infringement of the patent covered by the Court's ruling. Unocal has obtained additional patents for alternate formulations that could affect a larger share of U.S. gasoline production. We believe these additional patents are invalid and unenforceable. However, if such patents are ultimately upheld, the competitive and financial effects on the company's refining and marketing operations, while presently indeterminable, could be material.

There is an ongoing public debate concerning the petroleum industry's use of MTBE and its potential environmental impact through seepage into drinking water wells. Along with other oil companies, the company is a party to actions related to the use of the chemical MTBE in certain oxygenated gasolines. These actions may require the company to take action to correct or ameliorate the alleged effects on the environment of prior disposal or release of MTBE by the company or other parties. Additional lawsuits and claims related to the use of MTBE may be filed in the future. Costs to the company related to these lawsuits and claims are 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. Chevron has eliminated the use of MTBE in gasoline it sells in certain areas.

The company utilizes various derivative instruments to manage its exposure to price risk stemming from its integrated petroleum activities. All these instruments are commonly used in oil and gas trading activities and are relatively straightforward, involve little complexity and are of a short-term duration. Most of the activity in these instruments is intended to hedge a physical transaction; hence, gains and losses arising from these instruments offset, and are recognized concurrently with gains and losses from the underlying transactions. The company believes it has no material market or credit risks to its operations, financial position or liquidity as a result of its commodities and other derivatives activities, including forward exchange contracts and interest rate swaps. Chevron's control systems are designed to monitor and manage its financial exposures in accordance with company policies and procedures. The results of operations and financial position of the company's equity affiliates Dynegy and Caltex, may be affected by their business activities involving the use of derivative instruments.

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, the United Kingdom, Norway, Republic of Congo, Angola, Nigeria, Democratic Republic of Congo, Papua New Guinea, China, Venezuela, Thailand and Argentina. The company's Caltex affiliates have significant operations in Indonesia, Korea, Australia, Thailand, the Philippines, Singapore, and South Africa. The company's Tengizchevroil affiliate operates in Kazakhstan. The company's Dynegy affiliate has operations in the United States, Canada, the United Kingdom and other European countries.

The company and its affiliates continue to review and analyze their operations and may close, abandon, sell, exchange, acquire or restructure assets to achieve operational or strategic benefits and to improve competitiveness and profitability. In addition, the company receives claims from, and submits claims to, customers, trading partners, host governments, contractors, insurers and suppliers. The amounts of these claims, individually and in the aggregate, may be significant and take lengthy periods to resolve. The company also suspends the costs of exploratory wells pending a final determination of the commercial potential of the related oil and gas fields. The

ultimate disposition of these well costs is dependent on the results of future drilling activity and/or development decisions. If the company decides not to continue development, the costs of these wells are expensed. These activities, individually or together, may result in gains or losses in future periods.

Employee Staff Reductions and Restructurings

During the second quarter of 1999, Chevron began implementing a staff reduction program and other restructuring activities across the company. While the programs affect the activities of all the company's business segments, most of the net costs related to the termination and relocation of U.S.-based employees. The staff reductions will be completed by the end of the second quarter 2000.

Review of Operations

Excluding special items, first quarter 2000 operating earnings were \$1.106 billion, compared with \$281 million in last year's first quarter. This year's net income included a \$62 million special charge for a patent litigation issue. In 1999, a \$60 million gain from the sale of the company's interest in a coal mining affiliate was partially offset by \$12 million of net environmental remediation provisions for the company's U.S. upstream and downstream operations. Return on capital employed, excluding special items, improved to 13.2 percent for the 12 months ended March 31, 2000, up from 8.3 percent for the similar period last year.

Total revenues for the quarter were \$11.7 billion, a 75 percent increase from \$6.7 billion in last year's first quarter. The increase was primarily attributable to higher realizations from refined products, crude oil and natural gas.

Although the rise in crude oil and natural gas prices has improved the company's financial results, Chevron remains focused on reducing its cost structure for the long-term. The company succeeded in holding overall operating expenses at about the same level as last year's first quarter - approximately \$5.40 per barrel - despite higher fuel costs of 35 cents per barrel for refineries and other operations.

Taxes on income for the first quarter of 2000 were \$805 million compared with \$185 million in last year's first quarter. The effective tax rate for the first quarter of 2000 was 44 percent compared with 36 percent in last year's first quarter. The increase in the effective tax rate was the result of lower equity earnings recorded on an after-tax basis as a proportion of before-tax income and a decrease in tax credits and capital loss benefits in 2000, compared with the 1999 period.

Foreign currency gains increased net income by \$46 million in the first quarter of 2000, compared with losses of \$9 million in the 1999 first quarter. The gains in this year's first quarter reflected the strengthening of the U.S. dollar, particularly against the Australian dollar.

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

SELECTED OPERATING DATA (1) (2)

	Three Months Ended	
	March 31,	
	2000	1999

U.S. Exploration and Production		
Net Crude Oil and Natural Gas Liquids Production (MBPD)	307	306
Net Natural Gas Production (MMCFPD)	1,515	1,676
Sales of Natural Gas (MMCFPD)	3,331	3,359
Sales of Natural Gas Liquids (MBPD)	113	146
Revenue from Net Production		
Crude Oil (\$/Bbl.)	\$26.19	\$ 9.97
Natural Gas (\$/MCF)	\$ 2.40	\$ 1.63
International Exploration and Production		
Net Crude Oil and Natural Gas Liquids Production (MBPD)	844	809
Net Natural Gas Production (MMCFPD)	915	832
Sales of Natural Gas (MMCFPD)	2,050	1,908
Sales of Natural Gas Liquids (MBPD)	70	52
Revenue from Liftings		
Liquids (\$/Bbl.)	\$25.76	\$10.71
Natural Gas (\$/MCF)	\$ 2.22	\$ 1.82
Other Produced Volumes (MBPD) (3)	112	103
U.S. Refining, Marketing and Transportation		
Sales of Gasoline (MBPD) (4)	646	617
Sales of Other Refined Products (MBPD)	568	571
Refinery Input (MBPD)	816	924
Average Refined Product Sales Price (\$/Bbl.)	\$36.47	\$20.30
International Refining, Marketing and Transportation		
Sales of Refined Products (MBPD)	811	898
Refinery Input (MBPD)	434	494
Chemical Sales and Other Operating Revenues (5)		
United States	\$ 917	\$ 627
International	250	177
Worldwide	\$1,167	\$ 804

(1) Includes equity in affiliates.

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

(3) Total field production under the Boscan operating service agreement in Venezuela and other operating service agreements.

(4) Includes branded and unbranded gasoline.

(5) Millions of dollars. Includes sales to other Chevron companies.

NET INCOME BY MAJOR OPERATING AREA

Millions of Dollars	Three Months Ended March 31,	
	2000	1999

Exploration and Production		
United States (1)	\$ 365	\$ 38
International	653	116

Total Exploration and Production	1,018	154

Refining, Marketing and Transportation		
United States	(7)	82
International	8	87

Total Refining, Marketing and Transportation	1	169

Chemicals	68	50
All Other (1)(2)	(43)	(44)

Net Income	\$1,044	\$ 329

(1) 1999 restated to conform to the 2000 presentation. Effective in the first quarter 2000, the company's share of earnings for Dynegey, Inc. is reported in All Other.

(2) Includes coal-mining operations, the company's ownership interest in Dynegey Inc., worldwide cash management and debt financing activities, corporate administrative costs, and marketable securities, corporate center costs, insurance operations and real estate activities.

Worldwide exploration and production net income was \$1.018 billion in the first quarter of 2000 compared with \$154 million in the 1999 first quarter. U.S. exploration and production net income in the first quarter of 2000 was \$365 million compared with \$38 million in the year-ago quarter. There were no special items in this year's net income, whereas income benefited \$3 million from the reversal of certain environmental reserves in 1999. After adjusting for the special item in 1999, operating earnings rose over nine-fold on sharply higher crude oil and natural gas prices.

The company's average 2000 crude oil realization was \$26.19 per barrel, more than two and a half times the \$9.97 recorded in the 1999 first quarter. Net liquids production of 307,000 barrels per day was essentially flat between quarters. Average natural gas realization of \$2.40 per thousand cubic feet rose 47 percent in the 2000 first quarter in response to low storage volumes. The company's net natural gas production of 1.5 billion cubic feet per day declined about 10 percent from last year's level. The drop in natural gas production was primarily attributable to field declines, offset partially by new production from fields in the Gulf of Mexico, including Genesis and Gemini.

International exploration and production net income in the first quarter of 2000 was \$653 million, compared with \$116 million in the first quarter of 1999. The increase in earnings reflected significantly higher crude oil prices and increased sales volumes when compared with the year-ago quarter. Net international liquids production increased 35,000 barrels per day to 844,000 barrels per day, primarily due to production from properties in Thailand and Argentina acquired in March 1999 and September 1999, respectively, and higher production in Australia and Canada. These increases were partially offset by a decline in Chevron's share of Indonesian production - associated with the effect of higher prices on cost-oil recovery volumes allowed under the production-sharing agreement. Natural gas production increased 10 percent to 915 million cubic feet per day, mainly reflecting production volumes from the acquired fields in Thailand and Argentina and from higher production in the United Kingdom.

Earnings in the first quarter of 2000 included foreign currency gains of \$28 million, compared with losses of \$16 million in the 1999 quarter. Over half of the swing in foreign currency effects occurred in the company's Australian operations. In 1999, the foreign currency losses were mostly generated in the Australian, Canadian and U.K. operations.

Worldwide refining, marketing and transportation net income was \$1 million in the first quarter of 2000, compared with net income of \$169 million in last year's first quarter. U.S. refining, marketing and transportation reported a net loss of \$7 million in the first quarter of 2000 compared with net income of \$82 million in the year-ago quarter. Included in this year's results was a special charge of \$62 million for a patent litigation matter. Net income

for the 1999 first quarter included special charges of \$15 million for environmental remediation. Excluding the special charges in both periods, first quarter operating earnings were \$55 million compared with \$97 million in the first quarter of 1999.

The lower earnings in the 2000 first quarter primarily reflected lower margins for the sales of gasoline and other refined products. Sales prices for refined products did not rise fast enough to recover the large cost increases for raw materials - mainly crude oil until late in the quarter. Chevron's average sales realization for refined products rose 80 percent, while the price of crude oil increased about 150 percent from the year-ago quarter. Earnings in 2000 were further depressed by higher energy costs at the company's facilities, the effects of a major planned shutdown at the company's Pascagoula, Mississippi, refinery and repairs to the Richmond, California, refinery's Isomax unit, which returned to operation late in the first quarter 2000 after being out of service for nearly a year.

Total refined product sales volumes were 1,214,000 barrels per day in 2000, up about 2 percent from the comparable quarter last year. Branded motor gasoline sales of 514,000 barrels per day in 2000 declined 11,000 barrels per day. First quarter 2000 branded motor gasoline sales were constrained by the effect of late-1999 stockpiling in anticipation of Y2K-related supply disruptions, which did not materialize. In early 2000, distributors deferred purchases while working off these excess inventories.

International refining, marketing and transportation net income was \$8 million in the first quarter of 2000, down from \$87 million for the first quarter of 1999. The decline was primarily attributable to lower earnings from Caltex operations. Chevron's share of Caltex's first quarter 2000 losses was \$7 million, compared with earnings of \$74 million in last year's first quarter. Caltex's decline in earnings was primarily due to lower refined products sales margins, as competitive pricing prevented recovery of the rising raw material costs. The Asia-Pacific market continues to suffer from surplus manufacturing capacity for refined products. First quarter 1999 results also benefited from a \$29 million favorable inventory adjustment.

Chevron's total international downstream sales volumes decreased in the first quarter of 2000 to 811,000 barrels per day, compared with 898,000 barrels per day in last year's quarter. The decline in sales volumes was mainly attributable to the absence of Caltex's share of sales by a Japanese affiliate that was sold in the 1999 third quarter. In addition, Caltex experienced lower sales volumes in Korea and South Africa.

Net income included foreign currency gains of \$20 million in the first quarter 2000, compared with gains of \$5 million in the 1999 first quarter. Caltex's Australian operations were responsible for most of the favorable foreign currency swing.

Chemicals net income was \$68 million in the 2000 first quarter, up 36 percent from \$50 million in last year's first quarter. Higher demand for certain commodity chemical products in the United States and international areas resulted in higher sales volumes and prices, contributing to improved sales margins.

All Other activities include coal-mining operations, the company's ownership interest in Dynegy Inc., worldwide cash management and debt financing activities, corporate administrative costs, insurance operations and real estate activities. In the first quarter of 2000, these activities incurred net charges of \$43 million compared with \$44 million in 1999. Last year's charges included a special gain of \$60 million from the sale of the company's equity interest in a coal mining affiliate.

Excluding special items, coal mining operations earned \$3 million in the first quarter 2000, compared with \$19 million in the comparable prior-year quarter. Lower sales volumes and prices led to a decline in earnings in 2000. Results for 1999 benefited from lower depreciation of the company's coal assets, at a time when the assets were held for sale.

Net operating charges from other activities were \$46 million in 2000, compared with \$123 million in 1999. The reduction in net charges reflected a combination of several factors, including lower payroll costs, lower insurance expenses, higher pension settlement gains and higher equity earnings from Dynegy, Inc.

Liquidity and Capital Resources

Cash and cash equivalents totaled \$1.185 billion at March 31, 2000 - a \$160 million decrease from year-end 1999. Cash provided by operating activities was \$1.296 billion in the first quarter of 2000, up \$505 million from the corresponding 1999 quarter. Capital expenditures and dividend payments to stockholders totaled \$1.308 billion in the first quarter of 2000. Cash provided by operating activities in the first quarter of 2000 benefited from the higher crude oil prices and the resulting impact on the company's earnings.

Total debt and capital lease obligations were \$8.912 billion at March 31, 2000, about the same level as at year-end 1999.

At March 31, 2000, Chevron had \$4.750 billion in committed credit facilities with various major banks, \$2.725 billion of which had termination dates beyond one year. These facilities support commercial paper borrowing and also can be used for general requirements. No borrowings were outstanding under these facilities at March 31, 2000.

The company benefits from lower interest rates available on short-term debt; however, Chevron's proportionately large amount of short-term debt keeps its ratio of current assets to current liabilities at relatively low levels. The current ratio was 0.94 at March 31, 2000, about the same level as at December 31, 1999. The company's short-term debt, consisting primarily of commercial paper and the current portion of long-term debt, totaled \$6.237 billion at March 31, 2000. Of the total short-term debt, \$2.725 billion was reclassified to long-term debt because settlement of these obligations is not expected to require the use of working capital during the next twelve months, as the company has the intent and the ability, as evidenced by committed credit arrangements, 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 33.1 percent at March 31, 2000, down slightly from 33.4% at year-end 1999. The company continually monitors its spending levels, market conditions and related interest rates to maintain what it perceives to be reasonable debt levels.

In December 1997, Chevron's Board of Directors approved the repurchase of up to \$2 billion of its outstanding common stock, providing shares for use in its employee stock option programs. During the first quarter of this year, Chevron purchased 4.8 million shares of its common stock at an average cost of \$79.30 per share, for a total cost of \$380 million. Since the inception of the share repurchase program, 11.2 million shares have been bought on the open market for \$865 million, at an average cost of \$77.40 per share.

In April, the company's stockholders approved an increase in the number of authorized shares of Chevron Corporation common stock from 1 billion with a par value of \$1.50 to 2 billion with a par value of \$.75. The company has no present plan to issue any of these shares. The additional shares will be available for the declaration of stock splits, stock dividends, acquisitions and any other proper corporate purpose.

On April 26, 2000, Chevron declared a quarterly dividend of 65 cents per share, unchanged from the preceding quarter.

Worldwide capital and exploratory expenditures for the first quarter 2000, including the company's share of affiliates' expenditures, were \$1.195 billion, compared with \$1.425 billion in the first quarter 1999. Expenditures for international exploration and production projects were \$456 million, or 38 percent of total expenditures, reflecting the company's continued emphasis on increasing international oil and gas production. The first quarter 2000 expenditures included an investment of \$200 million in Dynegy Inc., which maintained Chevron's approximate 28 percent ownership interest following Dynegy's February merger with Illinova. The first quarter 1999 expenditures included about \$500 million attributable to the acquisition of Rutherford-Moran Oil Corporation and another interest in Block B8/32 offshore Thailand.

CAPITAL AND EXPLORATORY EXPENDITURES BY MAJOR OPERATING AREA

Millions of Dollars	Three Months Ended March 31,	
	2000	1999

United States		
Exploration and Production	\$ 210	\$ 225
Refining, Marketing and Transportation	81	113
Chemicals	23	101
All Other	301	48

Total United States	615	487

International		
Exploration and Production	456	860
Refining, Marketing and Transportation	108	53
Chemicals	16	25

Total International	580	938

Worldwide	\$1,195	\$1,425
=====		

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

None

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

3.1 Restated Certificate of Incorporation, dated May 3, 2000.

3.2 By-Laws of Chevron Corporation, as amended March 29, 2000.

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.

10.1 Chevron Corporation Long-Term Incentive Plan as amended effective March 29, 2000

10.2 Chevron Corporation Management Incentive Plan as amended effective March 29, 2000

10.3 Chevron Corporation Salary Deferral Plan as amended effective March 29, 2000.

12 Computation of Ratio of Earnings to Fixed Charges

27.1 Financial Data Schedule for three months ended March 31, 2000.

Copies of above exhibits not contained herein are available, at a fee of \$2 per document, to any security holder upon written request to the Secretary's Department, Chevron Corporation, 575 Market Street, San Francisco, California 94105.

(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 5, 2000

/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 (1)

(Dollars in Millions)

	Three Months Ended	Year Ended December 31,				
	March 31, 2000	1999	1998	1997	1996	1995
Net Income	\$1,044	\$2,070	\$1,339	\$3,256	\$2,607	\$ 930
Income Tax Expense	805	1,578	495	2,246	2,133	859
Distributions (Less Than) Greater Than Equity in Earnings of Affiliates	(129)	(258)	25	(353)	83	(132)
Minority Interest	1	4	7	11	4	-
Previously Capitalized Interest Charged to Earnings During Period	11	9	35	28	24	44
Interest and Debt Expense	129	472	405	312	364	401
Interest Portion of Rentals (2)	49	160	172	151	143	133
Earnings before Provisions for Taxes and Fixed Charges	\$1,910 =====	\$4,035 =====	\$2,478 =====	\$5,651 =====	\$5,358 =====	\$2,235 =====
Interest and Debt Expense	\$ 129	\$ 472	\$ 405	\$ 312	\$ 364	\$ 401
Interest Portion of Rentals (2)	49	160	172	151	143	133
Capitalized Interest	4	59	39	82	108	138
Total Fixed Charges	\$ 182 =====	\$ 691 =====	\$ 616 =====	\$ 545 =====	\$ 615 =====	\$ 672 =====
Ratio of Earnings to Fixed Charges	10.49	5.84	4.02	10.37	8.71	3.33

(1) Presentation of 1999 and prior years revised to conform to methodology for calculating Earnings and Fixed Charges prescribed by Item 503 of Regulation S-K, amended in 1998.

(2) Calculated as one-third of rentals.

RESTATED
CERTIFICATE OF INCORPORATION
OF
CHEVRON CORPORATION

CHEVRON CORPORATION, a corporation organized and existing under the laws of the State of Delaware, hereby certifies as follows:

1. The Corporation was originally incorporated under the name Standard Oil Company of California. The date of filing its original Certificate of Incorporation with the Secretary of State was January 27, 1926.

2. This Restated Certificate of Incorporation of the Corporation was duly adopted by the Board of Directors of the Corporation in accordance with the provisions of Section 245 of the General Corporation Law of the State of Delaware. This Restated Certificate of Incorporation of the Corporation only restates and integrates and does not further amend the provisions of the Corporation's Restated Certificate of Incorporation as heretofore amended or supplemented, and there is no discrepancy between those provisions and the provisions of this Restated Certificate of Incorporation.

3. The text of the Restated Certificate of Incorporation as heretofore amended or supplemented is hereby restated to read as herein set forth in full:

ARTICLE I

The name of the corporation is CHEVRON CORPORATION.

ARTICLE II

The corporation's registered office is located at 1013 Centre Road, in the City of Wilmington, County of New Castle. The name of the corporation's registered agent at such address is The Prentice-Hall Corporation System, Inc.

ARTICLE III

The purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

ARTICLE IV

1. The total number of shares of all classes of stock which the Corporation shall have authority to issue is two billion one hundred million (2,100,000,000), of which one hundred million (100,000,000) shares shall be Preferred Stock of the par value of one dollar (\$1.00) per

share, and two billion (2,000,000,000) shares shall be Common Stock of the par value of seventy-five cents (\$0.75) per share.

The number of authorized shares of Common Stock and Preferred Stock may be increased or decreased (but not below the number of shares thereof outstanding) if the increase or decrease is approved by the holders of a majority of the shares of Common Stock, without the vote of the holders of the shares of Preferred Stock or any series thereof, unless any such Preferred Stock holders are entitled to vote thereon pursuant to the provisions established by the Board of Directors in the resolution or resolutions providing for the issue of such Preferred Stock, and if such holders of such Preferred Stock are so entitled to vote thereon, then, except as may otherwise be set forth in this Restated Certificate of Incorporation, the only stockholder approval required shall be that of a majority of the combined voting power of the Common and Preferred Stock so entitled to vote.

2. The Board of Directors is expressly authorized to provide for the issue, in one or more series, of all or any shares of the Preferred Stock and, in the resolution or resolutions providing for such issue, to establish for each such series

(a) the number of its shares, which may thereafter (unless forbidden in the resolution or resolutions providing for such issue) be increased or decreased (but not below the number of shares of the series then outstanding) pursuant to a subsequent resolution of the Board of Directors,

(b) the voting powers, full or limited, of the shares of such series, or that such shares shall have no voting powers, and

(c) the designations, preferences and relative, participating, optional or other special rights of the shares of such series, and the qualifications, limitations or restrictions thereof.

3. In furtherance of the foregoing authority and not in limitation of it, the Board of Directors is expressly authorized, in the resolution or resolutions providing for the issue of a series of Preferred Stock,

(a) to subject the shares of such series, without the consent of the holders of such shares, to being converted into or exchanged for shares of another class or classes of stock of the Corporation, or to being redeemed for cash, property or rights, including securities, all on such conditions and on such terms as may be stated in such resolution or resolutions, and

(b) to make any of the voting powers, designations, preferences, rights and qualifications, limitations or restrictions of the shares of the series dependent upon facts ascertainable outside this Restated Certificate of Incorporation.

4. Whenever the Board of Directors shall have adopted a resolution or resolutions to provide for

(a) the issue of a series of Preferred Stock,

(b) a change in the number of authorized shares of a series of Preferred Stock, or

(c) the elimination from this Restated Certificate of Incorporation of all references to a previously authorized series of Preferred Stock by stating that none of the authorized shares of a series of Preferred Stock are outstanding and that none will be issued,

the officers of the Corporation shall cause a certificate, setting forth a copy of such resolution or resolutions and, if applicable, the number of shares of stock of such series, to be executed, acknowledged, filed and recorded, in order that the certificate may become effective in accordance with the provisions of the General Corporation Law of the State of Delaware, as from time to time amended. When any such certificate becomes effective, it shall have the effect of amending this Restated Certificate of Incorporation, and wherever such term is used in these Articles, it shall be deemed to include the effect of the provisions of any such certificate.

5. As used in this Article IV, the term "Board of Directors" shall include, to the extent permitted by the General Corporation Law of the State of Delaware, any duly authorized committee of the Board of Directors.

6. Holders of shares of Common Stock shall be entitled to receive such dividends or distributions as are lawfully declared on the Common Stock; to have notice of any authorized meeting of stockholders; to one vote for each share of Common Stock on all matters which are properly submitted to a vote of such stockholders; and, upon dissolution of the Corporation, to share ratably in the assets thereof that may be available for distribution after satisfaction of creditors and of the preferences, if any, of any shares of Preferred Stock.

7. The Series A Participating Preferred Stock of the Corporation shall consist of the following:

(a) Designation and Amount. The shares of the series of Preferred Stock shall be designated as "Series A Participating Preferred Stock," \$1.00 par value per share, and the number of shares constituting such series shall be five million. Such number of shares may be increased or decreased by resolution of the Board of Directors; provided, that no decrease shall reduce the number of shares of Series A Participating Preferred Stock to a number less than that of the shares then outstanding plus the number of shares issuable upon exercise of outstanding rights, options or warrants or upon conversion of outstanding securities issued by the Corporation.

(b) Dividends and Distributions.

(i) Subject to the prior and superior rights of the holders of any shares of any series of Preferred Stock ranking prior and superior to the shares of Series A Participating Preferred Stock with respect to dividends or distributions (except as provided in paragraph (f) below), the holders of shares of Series A Participating Preferred Stock, in preference to the holders of shares of Common Stock, par value \$0.75 per share (the "Common Stock"), of the Corporation and any other junior stock, shall be entitled to receive, when, as and if

declared by the Board of Directors out of funds legally available for the purpose, in an amount per share (rounded to the nearest cent) equal to the greater of (x) \$25.00 or (y) subject to the provision for adjustment hereinafter set forth, 1,000 times the aggregate per share amount of all cash dividends, and 1,000 times the aggregate per share amount (payable in kind) of all non-cash dividends or other distributions (except as provided in paragraph (f) below) other than a dividend payable in shares of Common Stock or a subdivision of the outstanding shares of Common Stock (by reclassification or otherwise), declared on the Common Stock, since the first issuance of any share or fraction of a share of Series A Participating Preferred Stock. In the event the Corporation shall at any time after the first issuance of any share or fraction of a share of Series A Participating Preferred Stock (A) declare any dividend on Common Stock payable in shares of Common Stock, (B) subdivide the outstanding Common Stock, or (C) combine the outstanding Common Stock into a smaller number of shares, by reclassification or otherwise, then in each such case the amount to which holders of shares of Series A Participating Preferred Stock were entitled immediately prior to such event under the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(ii) Other than with respect to a dividend on the Common Stock payable in shares of Common Stock, the Corporation shall declare a dividend or distribution on the Series A Participating Preferred Stock as provided in subparagraph (i) above at the same time as it declares a dividend or distribution on the Common Stock. The date or dates set for the payment of such dividend or distribution on the Series A Participating Preferred Stock and the record date or dates for the determination of entitlement to such dividend or distribution shall be the same date or dates as are set for the dividend or distribution on the Common Stock. On any such payment date, no dividend or distribution shall be paid on the Common Stock until the appropriate payment has been made on the Series A Participating Preferred Stock.

(iii) Other than as set forth in this Section 2(b), no dividend or other distribution shall be paid on the Series A Participating Preferred Stock.

(c) Voting Rights. The holders of shares of Series A Participating Preferred Stock shall have the following voting rights:

(i) Subject to the provision for adjustment hereinafter set forth, each share of Series A Participating Preferred Stock shall entitle the holder thereof to 1,000 votes on all matters submitted to a vote of the stockholders of the Corporation. In the event the Corporation shall at any time after the first issuance of any share or fraction of a share of Series A Participating Preferred Stock (A) declare any dividend on Common Stock payable in shares of Common Stock, (B) subdivide the outstanding Common Stock into a greater number of shares, or (C) combine the outstanding Common Stock into a smaller number of shares, by reclassification or otherwise, then in each such case the number of votes per share to which holders of shares of Series A Participating Preferred Stock were entitled

immediately prior to such event shall be adjusted by multiplying such number by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock outstanding immediately prior to such event.

(ii) Except as otherwise provided herein or by law, the holders of shares of Series A Participating Preferred Stock and the holders of shares of Common Stock shall vote together as one class on all matters submitted to a vote of stockholders of the Corporation.

(iii) (A) If at any time dividends on any Series A Participating Preferred Stock shall be in arrears in an amount equal to six (6) quarterly dividends thereon, the occurrence of such contingency shall mark the beginning of a period (herein called a "default period") which shall extend until such time when all accrued and unpaid dividends for all previous quarterly dividend periods and for the current quarterly dividend period on all shares of Series A Participating Preferred Stock then outstanding shall have been declared and paid or set apart for payment. During each default period, all holders of Preferred Stock (including holders of the Series A Participating Preferred Stock) with dividends in arrears in an amount equal to six (6) quarterly dividends thereon, voting as a class, irrespective of series, shall have the right to elect two (2) Directors.

(B) During any default period, such voting right of the holders of Series A Participating Preferred Stock may be exercised initially at a special meeting called pursuant to subparagraph (C) of this Section 7(c)(iii) or at any annual meeting of stockholders, and thereafter at annual meetings of stockholders, provided that neither such voting right nor the right of the holders of any other series of Preferred Stock, if any, to increase, in certain cases, the authorized number of Directors shall be exercised unless the holders of ten percent (10%) in number of shares of Preferred Stock outstanding shall be present in person or by proxy. The absence of a quorum of the holders of Common Stock shall not affect the exercise by the holders of Preferred Stock of such voting right. At any meeting at which the holders of Preferred Stock shall exercise such voting right initially during an existing default period, they shall have the right, voting as a class, to elect Directors to fill such vacancies, if any, in the Board of Directors as may then exist up to two (2) Directors, or if such right is exercised at an annual meeting, to elect two (2) Directors. If the number which may be so elected at any special meeting does not amount to the required number, the holders of the Preferred Stock shall have the right to make such increase in the number of Directors as shall be necessary to permit the election by them of the required number. After the holders of the Preferred Stock shall have exercised their right to elect Directors in any default period and during the continuance of such period, the number of Directors shall not be increased or decreased except by vote of the holders of Preferred Stock as herein provided or pursuant to the rights of any equity securities ranking senior to or pari passu with the Series A Participating Preferred Stock.

(C) Unless the holders of Preferred Stock shall, during an existing default period, have previously exercised their right to elect Directors, the Board of Directors

may order, or any stockholder or stockholders owning in the aggregate not less than ten percent (10%) of the total number of shares of Preferred Stock outstanding, irrespective of series, may request, the calling of a special meeting of the holders of Preferred Stock, which meeting shall thereupon be called by the Chairman of the Board, a Vice Chairman of the Board or the Secretary of the Corporation. Notice of such meeting and of any annual meeting at which holders of Preferred Stock are entitled to vote pursuant to this subparagraph (c)(iii)(C) shall be given to each holder of record of Preferred Stock by mailing a copy of such notice to him at his last address as the same appears on the books of the Corporation. Such meeting shall be called for a time not earlier than 10 days and not later than 60 days after such order or request or in default of the calling of such meeting within 60 days after such order or request, such meeting may be called on similar notice by any stockholder or stockholders owning in the aggregate not less than ten percent (10%) of the total number of shares of Preferred Stock outstanding. Notwithstanding the provisions of this subparagraph (c)(iii)(C), no such special meeting shall be called during the period within 60 days immediately preceding the date fixed for the next annual meeting of the stockholders.

(D) In any default period, the holders of Common Stock, and other classes of stock of the Corporation, if applicable, shall continue to be entitled to elect the whole number of Directors until the holders of Preferred Stock shall have exercised their right to elect two (2) Directors voting as a class, after the exercise of which right (x) the Directors so elected by the holders of Preferred Stock shall continue in office until their successors shall have been elected by such holders or until the expiration of the default period, and (y) any vacancy in the Board of Directors may (except as provided in subparagraph (c)(iii)(B) of this Section 7) be filled by vote of a majority of the remaining Directors theretofore elected by the holders of the class of stock which elected the Director whose office shall have become vacant. References in this paragraph (iii) to Directors elected by the holders of a particular class of stock shall include Directors elected by such Directors to fill vacancies as provided in clause (y) of the foregoing sentence.

(E) Immediately upon the expiration of a default period (x) the right of the holders of Preferred Stock as a class to elect Directors shall cease, (y) the term of any Directors elected by the holders of Preferred Stock as a class shall terminate, and (z) the number of Directors shall be such number as may be provided for in, or pursuant to, this Restated Certificate of Incorporation or By-Laws irrespective of any increase made pursuant to the provisions of subparagraph (c)(iii)(B) of this Section 7 (such number being subject, however, to change thereafter in any manner provided by law or in this Restated Certificate of Incorporation or By-Laws). Any vacancies in the Board of Directors effected by the provisions of clauses (y) and (z) in the preceding sentence may be filled by a majority of the remaining Directors, even though less than a quorum.

(iv) Following the establishment of a Fairness Committee of the Board of Directors, pursuant to the provisions of Article VII of this Restated Certificate of Incorporation of the Corporation as in effect on the date hereof, no action requiring the approval of the holders of Common Stock pursuant to such provisions may be effected

without the approval of the holders of a majority of the voting power of the aggregate outstanding shares of the Series A Participating Preferred Stock and the Common Stock.

(v) Except as set forth herein, holders of Series A Participating Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote on matters submitted to the stockholders of the Corporation as set forth herein) for taking any corporate action.

(d) Certain Restrictions.

(i) Whenever quarterly dividends or other dividends or distributions payable on the Series A Participating Preferred Stock as provided in Subsection (b) are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on shares of Series A Participating Preferred Stock outstanding shall have been paid in full, the Corporation shall not:

(A) declare or pay dividends on, make any other distributions on, or redeem or purchase or otherwise acquire for consideration any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Participating Preferred Stock;

(B) declare or pay dividends on or make any other distributions on any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Participating Preferred Stock except dividends paid ratably on the Series A Participating Preferred Stock and all such parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled;

(C) redeem or purchase or otherwise acquire for consideration shares of any stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Participating Preferred Stock provided that the Corporation may at any time redeem, purchase or otherwise acquire shares of any such parity stock in exchange for shares of any stock of the Corporation ranking junior (either as to dividends or upon dissolution, liquidation or winding up) to the Series A Participating Preferred Stock; or

(D) purchase or otherwise acquire for consideration any shares of Series A Participating Preferred Stock or any shares of stock ranking on a parity with the Series A Participating Preferred Stock except in accordance with a purchase offer made in writing or by publication (as determined by the Board of Directors) to all holders of such shares upon such terms as the Board of Directors, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series and classes, shall determine in good faith will result in fair and equitable treatment among the respective series or classes.

(ii) The Corporation shall not permit any subsidiary of the Corporation to

purchase or otherwise acquire for consideration any shares of stock of the Corporation unless the Corporation could, under subparagraph (i) of this Subsection (d), purchase or otherwise acquire such shares at such time and in such manner.

(e) Reacquired Shares. Any shares of Series A Participating Preferred Stock purchased or otherwise acquired by the Corporation in any manner whatsoever shall be retired and canceled promptly after the acquisition thereof. All such shares shall upon their cancellation become authorized but unissued shares of Preferred Stock and may be reissued as part of a new series of Preferred Stock to be created by resolution or resolutions of the Board of Directors, subject to the conditions and restrictions on issuance set forth herein.

(f) Liquidation, Dissolution or Winding Up.

(i) Upon any liquidation (voluntary or otherwise), dissolution or winding up of the Corporation, no distribution shall be made to the holders of shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Participating Preferred Stock unless, prior thereto, the holders of shares of Series A Participating Preferred Stock shall have received per share, the greater of \$1,000 or 1,000 times the payment made per share of Common Stock, plus an amount equal to accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment (the "Series A Liquidation Preference"). Following the payment of the full amount of the Series A Liquidation Preference, no additional distributions shall be made to the holders of shares of Series A Participating Preferred Stock unless, prior thereto, the holders of shares of Common Stock shall have received an amount per share (the "Common Adjustment") equal to the quotient obtained by dividing (A) the Series A Liquidation Preference by (B) 1,000 (as appropriately adjusted as set forth in subparagraph (iii) below to reflect such events as stock splits, stock dividends and recapitalization with respect to the Common Stock) (such number in clause (B), the "Adjustment Number"). Following the payment of the full amount of the Series A Liquidation Preference and the Common Adjustment in respect of all outstanding shares of Series A Participating Preferred Stock and Common Stock, respectively, holders of Series A Participating Preferred Stock and holders of shares of Common Stock shall receive their ratable and proportionate share of the remaining assets to be distributed in the ratio of the Adjustment Number to 1 with respect to such Preferred Stock and Common Stock, on a per share basis, respectively.

(ii) In the event there are not sufficient assets available to permit payment in full of the Series A Liquidation Preference and the liquidation preferences of all other series of Preferred Stock, if any, which rank on a parity with the Series A Participating Preferred Stock then such remaining assets shall be distributed ratably to the holders of such parity shares in proportion to their respective liquidation preferences. In the event there are not sufficient assets available to permit payment in full of the Common Adjustment, then such remaining assets shall be distributed ratably to the holders of Common Stock.

(iii) In the event the Corporation shall at any time after the first issuance of any share or fraction of a share of Series A Participating Preferred Stock (A) declare any dividend on Common Stock payable in shares of Common Stock, (B) subdivide the

outstanding Common Stock, or (C) combine the outstanding Common Stock into a smaller number of shares, by reclassification or otherwise, then in each such case the Adjustment Number in effect immediately prior to such event shall be adjusted by multiplying such Adjustment Number by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(g) Consolidation, Merger, etc. In case the Corporation shall enter into any consolidation, merger, combination or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash and/or any other property, then in any such case the shares of Series A Participating Preferred Stock shall at the same time be similarly exchanged or changed in an amount per share (subject to the provision for adjustment hereinafter set forth) equal to 1,000 times the aggregate amount of stock, securities, cash and/or any other property (payable in kind), as the case may be, into which or for which each share of Common Stock is changed or exchanged. In the event the Corporation shall at any time after the first issuance of any share or fraction of a share of Series A Participating Preferred Stock (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock, or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the amount set forth in the preceding sentence with respect to the exchange or change of shares of Series A Participating Preferred Stock shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that are outstanding immediately prior to such event.

(h) Redemption. The shares of Series A Participating Preferred Stock shall not be redeemable.

(i) Ranking. The Series A Participating Preferred Stock shall rank junior to all other series of the Corporation's Preferred Stock as to the payment of dividends and the distribution of assets, unless the terms of any such series shall provide otherwise.

(j) Amendment. This Restated Certificate of Incorporation and the By-Laws of the Corporation shall not be amended in any manner which would materially alter or change the powers, preferences or special rights of the Series A Participating Preferred Stock so as to affect them adversely without the affirmative vote of the holders of a majority of the outstanding shares of Series A Participating Preferred Stock voting separately as a class.

(k) Fractional Shares. Series A Participating Preferred Stock may be issued in fractions of a share which shall entitle the holder, in proportion to such holder's fractional shares, to exercise voting rights, receive dividends, participate in distributions and have the benefit of all other rights of holders of Series A Participating Preferred Stock.

ARTICLE V

The corporation shall be entitled to treat the person in whose name any share is registered as the owner thereof, for all purposes, and shall not be bound to recognize any equitable or other claim to, or interest in, such share on the part of any other person, whether or not the corporation shall have notice thereof, save as expressly provided by the laws of the United States of America or of the State of Delaware.

ARTICLE VI

The Board of Directors is expressly authorized to make and alter the By-Laws of the corporation, without any action on the part of the stockholders; but the By-Laws made by the Directors and the powers so conferred may be altered or repealed by the Directors or stockholders.

ARTICLE VII

1. A Fairness Committee of the Board of Directors of the Corporation is hereby established during any period of the existence of a 10% Stockholder. The Fairness Committee shall have such powers and duties as may be set forth in this Certificate of Incorporation, and such additional powers and duties as may be established and set forth in the By-Laws of the Corporation or a resolution of the Board of Directors of the Corporation. Each Director of the Corporation who is not a 10% Stockholder and has served continuously since before any current establishment of the Fairness Committee, shall be a member of such committee; no other Director shall be a member of the committee unless chosen unanimously by the other members. The Fairness Committee shall act by a majority of its members, and shall establish such other rules of procedure as it sees fit to govern its actions; provided, however, that it shall have no power to take any action unless there are at least three members in agreement on such action. The Corporation shall pay all the reasonable expenses of the Fairness Committee, including the fees and expenses of persons (including former members of the committee) hired to assist the committee or its members in their tasks, and expenses incurred by the members of the committee in the course of attending its meetings or otherwise carrying out its functions.

2. It shall be the duty of the Fairness Committee to make a separate determination as to the fairness to the Corporation and all of its stockholders of transactions that are not in the ordinary course of the business of the Corporation. Such extraordinary transactions shall include:

(a) any liquidation or dissolution of the Corporation, or its merger or consolidation with or into any other corporation;

(b) any one or any series of sales, leases, exchanges, pledges, transfers or other dispositions of any substantial portion of the assets of the Corporation and its consolidated subsidiaries, taken as a whole;

(c) any substantial increase in the total debt of the Corporation and its consolidated

subsidiaries, taken as a whole;

(d) any purchase or other acquisition of securities or other assets or liabilities from, or any loan of money or other assets to, or any guarantee of indebtedness or other obligations of, any 10% Stockholder; and

(e) any issuance, redemption, reclassification or other exchange or transfer (except the recordation of transfer) of securities of the Corporation or any of its subsidiaries, which, directly or indirectly, increases any 10% Stockholder's relative voting power or other beneficial interest in the Corporation or any of its subsidiaries.

If the Fairness Committee does not determine it to be in the best interests of the Corporation and its stockholders for an extraordinary transaction to proceed without special ratification by the stockholders, then such ratification shall be a condition to any corporate act that would effect or facilitate such transaction. Such ratification shall require not less than the affirmative vote of either

(a) two-thirds of the outstanding shares of the Common Stock of the Corporation, or

(b) a majority of the outstanding shares of the Common Stock of the Corporation, and a majority of the outstanding shares of the Common Stock of the Corporation excluding any shares of which any 10% Stockholder is a beneficial owner.

Any determination by the Fairness Committee or ratification by the stockholders of the Corporation pursuant to the provisions of this paragraph 2 shall not affect any other requirements that applicable law, this Certificate of Incorporation, or the By-Laws of the Corporation may establish as conditions to particular corporate acts.

3. For purposes of this Article VII:

(a) "10% Stockholder" shall mean any person who is a beneficial owner of securities of the Corporation aggregating at least ten percent of the voting power of the outstanding securities of the Corporation entitled to vote on the election of Directors.

(b) A person shall be deemed to be a "beneficial owner" of securities if the right, pursuant to an agreement or otherwise, to

(i) vote such securities,

(ii) receive dividends or interest declared thereon,

(iii) dispose or receive money or other property upon the sale or surrender thereof, whether at maturity or otherwise, or

(iv) acquire the beneficial ownership thereof, whether immediately, at the expiration of a term, or upon satisfaction of any condition,

is held or shared by

(i) such person,

(ii) anyone related to such person, or

(iii) anyone else with whom such person or any such related person has any agreement, arrangement or understanding (except to act solely as a holder of record, or as a broker for purchasing or selling securities) for the purpose of acquiring, holding, voting or disposing of securities of the Corporation.

Without limiting the generality of the foregoing, a person is also a "beneficial owner" of securities if such securities are listed or described in the text of, or a note to, any report on a Schedule 13-D or a Form 3 or 4 or any successor form or schedule which such person has on file with the Securities and Exchange Commission or a successor agency; and, notwithstanding any of the foregoing,

(i) a trustee under a qualified profit-sharing plan established by the Corporation is not a beneficial owner of securities in the trust if the trustee is not permitted to vote such securities other than in accordance with the direction of the beneficiaries of the trust, and

(ii) the holder of a revocable proxy to vote securities of the Corporation at a meeting of stockholders or with respect to a proposed action by written consent shall not be deemed a beneficial owner of such securities if such revocable proxy was solicited on the basis of information presented in a proxy statement conforming to the requirements of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, and such proxy holder possesses no other incident of beneficial ownership with respect to such securities.

(c) One is "related to" a person and is a "related person" to such person if one is

(i) the spouse of such person,

(ii) a relative of such person or such spouse sharing the home of such person,

(iii) a corporation, trust, estate, partnership, joint venture or other organization in which such person, spouse or relative is a director, officer, trustee, executor, partner, joint venturer or other executive or manager, or in which such person, spouse or relative has a substantial beneficial interest, or

(iv) a person who, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, any of the foregoing.

4. The Fairness Committee shall have the power to interpret and to determine the satisfaction of all the terms, provisions and requirements of this Article VII. If the Fairness

Committee shall be unable to act, a majority of all present and former members of the Fairness Committee shall have the power to determine who is a 10% Stockholder, what transactions are extraordinary, and what percentage of the outstanding shares of the Common Stock of the Corporation that are not held by any 10% Stockholder have voted to ratify any extraordinary transaction.

5. Nothing contained in this Article VII shall relieve any person from any fiduciary obligation otherwise imposed by law, or impose any fiduciary obligation not otherwise imposed by law on the Board of Directors of the Corporation or any committee or member thereof to approve any action or recommend its adoption or approval by the stockholders of the Corporation.

6. Any proposal to amend or repeal any provision of this Article VII or any other proposal to amend this Certificate of Incorporation that is inconsistent with any provision set forth in this Article VII shall require not less than the affirmative vote of two-thirds of the outstanding shares of the Common Stock of the Corporation.

ARTICLE VIII

1. Not less than thirty days' prior notice of any meeting of stockholders and of any business to be conducted at such meeting, together with a proxy statement which

(a) complies as to form and content with the requirements which have been established for proxy statements pursuant to the Securities Exchange Act of 1934, as amended, and

(b) describes any action of stockholders to be taken at such meeting and the recommendations of the several Directors with respect thereto,

shall be given in writing by the Corporation to each stockholder entitled to vote at such meeting, and no business shall be conducted at such meeting except that which has been set forth in the notice of such meeting.

2. Any action which may be taken by stockholders of the Corporation at an annual or special meeting and which requires the approval of at least a majority of

(a) the voting power of the securities of the Corporation present at such meeting and entitled to vote on such action, or

(b) the shares of the Common Stock of the Corporation present at such meeting,

may not be effected except at such an annual or special meeting by the vote required for the taking of such action.

3. Any of the provisions of paragraph 1 or 2 of this Article VIII may be waived by the Fairness Committee, if one has been established by the provisions of Article VII of this Certificate of Incorporation, or, if no such Fairness Committee shall have been established, then

by the Board of Directors of the Corporation.

4. Any proposal to amend or repeal any provision of this Article VIII or any other proposal to amend this Certificate of Incorporation that is inconsistent with any provision set forth in this Article VIII shall require not less than the affirmative vote of two-thirds of the outstanding shares of the Common Stock of the Corporation.

ARTICLE IX

1. A director of the Corporation shall not be liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (a) for any breach of the director's duty of loyalty to the Corporation or its stockholders; (b) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (c) pursuant to section 174 of the Corporation Law; or (d) for any transaction from which the director derived an improper personal benefit.

2. To the fullest extent authorized by the Corporation Law, the Corporation shall indemnify any Corporate Servant who was or is a party or is threatened to be made a party to any Proceeding by reason of the fact that such person was or is a Corporate Servant.

3. In serving or continuing to serve the Corporation, a Corporate Servant is entitled to rely and shall be presumed to have relied on the rights granted pursuant to the foregoing provisions of this Article IX, which shall be enforceable as contract rights and inure to the benefit of the heirs, executors and administrators of the Corporate Servant; and no repeal or modification of the foregoing provisions of this Article IX shall adversely affect any right existing at the time of such repeal or modification.

4. The Board of Directors is authorized, to the extent permitted by the Corporation Law, to cause the Corporation to pay expenses incurred by Corporate Servants in defending Proceedings and to purchase and maintain insurance on their behalf whether or not the corporation would have the power to indemnify them under the provisions of this Article IX or otherwise.

5. Any right or privilege conferred by or pursuant to the provisions of this Article IX shall not be exclusive of any other rights to which any Corporate Servant may otherwise be entitled.

6. As used in this Article IX:

(a) "Corporate Servant" means any natural person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, manager, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust or other organization or enterprise, nonprofit or otherwise, including an employee benefit plan;

(b) "Corporation Law" means the General Corporation Law of the State of Delaware,

as from time to time amended;

(c) "indemnify" means to hold harmless against expenses (including attorneys' fees), judgments, fines (including excise taxes assessed with respect to an employee benefit plan) and amounts paid in settlement actually and reasonably incurred by the Corporate Servant in connection with a Proceeding;

(d) "Proceeding" means any threatened, pending or completed action, suit or proceeding, whether civil, criminal or administrative; and

(e) "request of the Corporation" includes any written authorization by an officer of the Corporation.

IN WITNESS WHEREOF, Chevron Corporation has caused this certificate to be signed by Lydia I. Beebe, its Secretary, as of this 3rd day of May, 2000.

CHEVRON CORPORATION

By: /s/ Lydia I. Beebe

Lydia I. Beebe
Secretary

BY-LAWS
of
CHEVRON CORPORATION
As Amended
March 29, 2000

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ARTICLE I.

The Board of Directors

SECTION 1. Authority of Board. The business and affairs of Chevron Corporation (herein called the "Corporation") shall be managed by or under the direction of the Board of Directors (the "Board") or, if authorized by the Board, by or under the direction of one or more committees thereof, to the extent permitted by law and by the Board. Except as may be otherwise provided by law or these By-Laws or, in the case of a committee of the Board, by applicable resolution of the Board or such committee, the Board or any committee thereof may act by unanimous written consent or, at an authorized meeting at which a quorum is present, by the vote of the majority of the Directors present at the meeting. Except as may be otherwise provided by law, the Board shall have power to determine from time to time whether, and if allowed, when and under what conditions and regulations any of the accounts and books of the Corporation shall be open to inspection.

SECTION 2. Number of Directors; Vacancies. The authorized number of Directors who shall constitute the Board shall be fixed from time to time by resolution of the Board approved by at least a majority of the Directors then in office, provided that no such resolution other than a resolution to take effect as of the next election of Directors by the stockholders shall have the effect of reducing the authorized number of Directors to less than the number of Directors in office as of the effective time of the resolution.

Whenever there shall be fewer Directors in office than the authorized number of Directors, the Board may, by resolution approved by a majority of the Directors then in office, choose one or more additional Directors, each of whom shall hold office until the next annual meeting of stockholders and until his or her successor is duly elected.

SECTION 3. Authorized Meetings of the Board. The Board shall have authority to hold annual, regular and special meetings. An annual meeting of the Board may be held immediately after the conclusion of the annual meeting of the stockholders. Regular meetings of the Board may be held at such times as the Board may determine. Special meetings may be held if called by the Chairman of the Board, a Vice-Chairman of the Board, or by at least one third of the Directors then in office.

Notice of the time or place of a meeting may be given in person or by telephone by any officer of the Corporation, or transmitted electronically to the Director's home or office, or entrusted to a third party company or governmental entity for delivery to the Director's business address. Notice of annual or regular meetings is required only if the time for the meeting is changed or the meeting is not to be held at the principal executive offices of the Corporation. When notice is required, it shall be given not less than four hours prior to the time fixed for the meeting; provided, however, that if notice is transmitted electronically or entrusted to a third party for delivery, the electronic transmission shall be effected or the third party shall promise delivery by not later than the end of the day prior to the day fixed for the meeting. The Board may act at meetings held without required notice if all Directors consent to the holding of the meeting before, during or after the meeting.

At all meetings of the Board, a majority of the Directors then in office shall constitute a quorum for all purposes. If any meeting of the Board shall lack a quorum, a majority of the Directors present may adjourn the meeting from time to time, without notice, until a quorum is obtained.

SECTION 4. Committees. The Board may, by resolution approved by at least a majority of the authorized number of Directors, establish committees of the

Board with such powers, duties and rules of procedure as may be provided by the resolutions of the Board establishing such committees. Any such committee shall have a secretary and report its actions to the Board.

SECTION 5. Compensation. Directors who are not also employees of the Corporation shall be entitled to such compensation for their service on the Board or any committee thereof as the Board may from time to time determine.

ARTICLE II

Officers

SECTION 1. Executive Committee. The Board may, by resolution approved by at least a majority of the authorized number of Directors, establish and appoint one or more officers of the Corporation to constitute an Executive Committee (the "Executive Committee"), which, under the direction of the Board and subject at all times to its control, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation, except as may be provided in the resolution establishing the Executive Committee or in another resolution of the Board or by the General Corporation Law of the State of Delaware. The Executive Committee shall have a secretary and report its actions to the Board.

SECTION 2. Designated Officers. The officers of the Corporation shall be elected by, and serve at the pleasure of, the Board and shall consist of a Chairman of the Board and a Secretary and such other officers, including, without limitation, one or more Vice-Chairmen of the Board, a Vice-President and Chief Financial Officer, a Vice-President and General Counsel, one or more other Vice-Presidents, one or more Assistant Secretaries, a Treasurer, one or more Assistant Treasurers, a Comptroller and a General Tax Counsel, as may be elected by the Board to hold such offices or such other offices as may be created by resolution of the Board.

SECTION 3. Chairman of the Board. The Chairman of the Board shall be the chief executive officer of the Corporation. He shall be a member of the Board and Chairman of the Executive Committee. He shall preside at meetings of the stockholders, the Board and the Executive Committee, and shall have such other powers and perform such other duties as may from time to time be granted or assigned to him by the Board or, subject to the control of the Board, by a committee thereof or by the Executive Committee, or otherwise be in accordance with the direction of the Board. In his absence, each Vice-Chairman of the Board, as available, shall rotate in presiding at meetings of the stockholders, the Board and the Executive Committee.

SECTION 4. Vice-Chairman of the Board. Each Vice-Chairman of the Board shall be a member of the Board and a Vice-Chairman of the Executive Committee, and shall have such other powers and perform such other duties as may from time to time be granted or assigned to him by the Board or, subject to the control of the Board, by a committee thereof or by the Executive Committee, or otherwise be in accordance with the direction of the Board.

SECTION 5. Vice-President and Chief Financial Officer. The Vice-President and Chief Financial Officer shall consider the adequacy of, and make recommendations to the Board and Executive Committee concerning, the capital resources available to the Corporation to meet its projected obligations and business plans; report periodically to the Board on financial results and trends affecting the business; and shall have such other powers and perform such other duties as may from time to time be granted or assigned to him by the Board or, subject to the control of the Board, by a committee thereof or by the Executive Committee, or otherwise be in accordance with the direction of the Board.

SECTION 6. Vice-President and General Counsel. The Vice-President and General Counsel shall supervise and direct the legal affairs of the Corporation and shall have such other powers and perform such other duties as may from time to time be granted or assigned to him by the Board or, subject to the control of the Board, by a committee thereof or by the Executive Committee, or otherwise be in accordance with the direction of the Board.

SECTION 7. Vice-Presidents. In the event of the absence or disability of the Chairman of the Board and the Vice-Chairmen of the Board, one of the Vice-Presidents may be designated by the Board to exercise their powers and perform their duties, and the Vice-Presidents shall have such other powers and perform such other duties as may from time to time be granted or assigned to them by the Board or, subject to the control of the Board, by a committee thereof or by the Executive Committee, or otherwise be in accordance with the direction of the Board.

SECTION 8. Secretary. The Secretary shall keep full and complete records of the proceedings of the Board, the Executive Committee and the meetings of the stockholders; keep the seal of the Corporation, and affix the same to all instruments which may require it; have custody of and maintain the Corporation's stockholder

records; and shall have such other powers and perform such other duties as may from time to time be granted or assigned to him by the Board or, subject to the control of the Board, by a committee thereof or by the Executive Committee, or otherwise be in accordance with the direction of the Board.

SECTION 9. Assistant Secretaries. The Assistant Secretaries shall assist the Secretary in the performance of his duties and shall have such other powers and perform such other duties as may from time to time be granted or assigned to them by the Board or, subject to the control of the Board, by a committee thereof or by the Executive Committee, or otherwise be in accordance with the direction of the Board.

SECTION 10. Treasurer. The Treasurer shall have custody of the funds of the Corporation and deposit and pay out such funds, from time to time, in such manner as may be prescribed by, or be in accordance with the direction of, the Board, and shall have such other powers and perform such other duties as may from time to time be granted or assigned to him by the Board or, subject to the control of the Board, by a committee thereof or by the Executive Committee, or otherwise be in accordance with the direction of the Board.

SECTION 11. Assistant Treasurers. The Assistant Treasurers shall assist the Treasurer in the performance of his duties and shall have such other powers and perform such other duties as may from time to time be granted or assigned to them by the Board or, subject to the control of the Board, by a committee thereof or by the Executive Committee, or otherwise be in accordance with the direction of the Board.

SECTION 12. Comptroller. The Comptroller shall be the principal accounting officer of the Corporation and shall have charge of the Corporation's books of accounts and records; and shall have such other powers and perform such other duties as may from time to time be granted or assigned to him by the Board or, subject to the control of the Board, by a committee thereof or by the Executive Committee, or otherwise be in accordance with the direction of the Board.

SECTION 13. General Tax Counsel. The General Tax Counsel shall supervise and direct the tax matters of the Corporation and shall have such other powers and perform such other duties as may from time to time be granted or assigned to him by the Board or, subject to the control of the Board, by a committee thereof or by the Executive Committee, or otherwise be in accordance with the direction of the Board.

SECTION 14. Other Officers. Any other elected officer shall have such powers and perform such duties as may from time to time be granted or assigned to him by the Board or, subject to the control of the Board, by a committee thereof or by the Executive Committee, or otherwise be in accordance with the direction of the Board.

SECTION 15. Powers of Attorney. Whenever an applicable statute, decree, rule or regulation requires a document to be subscribed by a particular officer of the Corporation, such document may be signed on behalf of such officer by a duly appointed attorney-in-fact, except as otherwise directed by the Board or the Executive Committee or limited by law.

SECTION 16. Compensation. The officers of the Corporation shall be entitled to compensation for their services. The amounts and forms of compensation which each of such officers shall receive, and the manner and times of its payment, shall be determined by, or be in accordance with the direction of, the Board.

ARTICLE III

Stock and Stock Certificates

SECTION 1. Stock. The Board or, to the extent permitted by the General Corporation Law of the State of Delaware, any committee of the Board expressly so authorized by resolution of the Board may authorize from time to time the issuance of new shares of the Corporation's Common Stock ("Common Stock") or any series of Preferred Stock ("Preferred Stock"), for such lawful consideration as may be approved by the Board or such committee, up to the limit of authorized shares of Common Stock or such series of Preferred Stock. The Board, the Executive Committee or any committee of the Board expressly so authorized by resolution of the Board may authorize from time to time the purchase on behalf of the Corporation for its treasury of issued and outstanding shares of Common Stock or Preferred Stock and the resale, assignment or other transfer by the Corporation of any such treasury shares.

SECTION 2. Stock Certificates. Shares of Stock shall be represented by certificates, which shall be registered upon the books of the Corporation; provided, that the Board may provide by resolution that some or all of any or all classes or series of the Corporation's Stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation. Notwithstanding the adoption of such a resolution by the Board, every holder of stock represented by a certificate and, upon request, every holder of uncertificated shares shall be entitled to have a certificate signed by the Chairman of the Board, a Vice-Chairman of the Board or a Vice-President, together with the Secretary or an Assistant Secretary of the Corporation representing the number of shares owned by him or her. Certificates of Stock shall not have any validity whatsoever until and unless they have been signed and countersigned as herein provided. All such certificates shall bear the seal of the Corporation or a facsimile thereof, and shall be countersigned by a Transfer Agent and the Registrar for the Stock, each of whom shall by resolution of the Board be appointed with authority to act as such at the pleasure of the Board. No certificate for a fractional share of Common Stock shall be issued.

Certificates of Stock signed by the Chairman of the Board, a Vice-Chairman of the Board or a Vice-President, together with the Secretary or an Assistant Secretary, being such at the time of such signing, if properly countersigned as set forth above by a Transfer Agent and the Registrar, and if regular in other respects, shall be valid, whether such officers hold their respective positions at the date of issue or not. Any signature or countersignature on certificates of Stock may be an actual signature or a printed or engraved facsimile thereof.

SECTION 3. Lost or Destroyed Certificates. The Board or the Executive Committee may designate certain persons to authorize the issuance of new certificates of Stock or uncertificated shares to replace certificates alleged to have been lost or destroyed, upon the filing with such designated persons of both an affidavit or affirmation of such loss or destruction and a bond of indemnity or indemnity agreement covering the issuance of such replacement certificates or uncertificated shares, as may be requested by and be satisfactory to such designated persons.

SECTION 4. Stock Transfers. Transfer of shares of Stock represented by certificates shall be made on the books of the Corporation only upon the surrender of a valid certificate or certificates for not less than such number of shares, duly endorsed by the person named in the certificate or by an attorney lawfully constituted in writing. Transfer of uncertificated shares of Stock shall be made on the books of the Corporation upon receipt of proper transfer instructions from the registered owner of the uncertificated shares or from an attorney lawfully constituted in writing. The Corporation may impose such additional conditions to the transfer of its Stock as may be necessary or appropriate for compliance with applicable law or to protect the Corporation, a Transfer Agent or the Registrar from liability with respect to such transfer.

SECTION 5. Stockholders of Record. The Board may fix a time as a record date for the determination of stockholders entitled to receive any dividend or distribution declared to be payable on any shares of the Corporation; or to vote upon any matter to be submitted to the vote of any stockholders of the Corporation; or to be present or to be represented by proxy at any meeting of the stockholders of the Corporation, which record date in the case of a meeting of the stockholders shall be not more than sixty nor less than ten days before the date set for such meeting; and only stockholders of record as of the record date shall be entitled to receive such dividend or distribution, or to vote on such matter, or to be present or represented by proxy at such meeting.

ARTICLE IV

Meetings of Stockholders

SECTION 1. Meetings of Stockholders. An annual meeting of the stockholders of the Corporation shall be held each year, at which Directors shall be elected to serve for the ensuing year and until their successors are elected. Special meetings of the stockholders for any purpose or purposes, unless prohibited by law, may be called by the Board or the Chairman of the Board and shall be called by the Chairman of the Board or the Secretary at the request in writing of at least one third of the members of the Board. The time and place of any meeting of stockholders shall be determined by the Board in accordance with law.

SECTION 2. Conduct of Meetings. The Chairman of the Board, or such other officer as may preside at

any meeting of the stockholders, shall have authority to establish, from time to time, such rules for the conduct of such meeting, and to take such action, as may in his judgment be necessary or proper for the conduct of the meeting and in the best interests of the Corporation and the stockholders in attendance in person or by proxy.

SECTION 3. Quorum for Action by Stockholders; Elections. At all elections or votes had for any purpose, there must be a majority of the outstanding shares of Common Stock represented. All elections for Directors shall be held by written ballot and determined by a plurality of the votes cast. Except as may otherwise be required by law or the Restated Certificate of Incorporation, all other matters shall be decided by a majority of the votes cast affirmatively or negatively.

SECTION 4. Proxies. To the extent permitted by law, any stockholder of record may appoint a person or persons to act as the stockholder's proxy or proxies at any stockholder meeting for the purpose of representing and voting the stockholder's shares. The stockholder may make this appointment by any means the General Corporation Law of the State of Delaware specifically authorizes, and by any other means the Secretary of the Corporation may permit. Prior to any vote, and subject to any contract rights of the proxy holder, the stockholder may revoke the proxy appointment either directly or by the creation of a new appointment, which will automatically revoke the former one. The Inspector of Elections appointed for the meeting may establish requirements concerning such proxy appointments or revocations that the Inspector considers necessary or appropriate to assure the integrity of the vote and to comply with law.

SECTION 5. Adjournments. Any meeting of the stockholders (whether annual or special and whether or not a quorum shall have been present), may be adjourned from time to time and from place to place by vote of a majority of the shares of Common Stock represented at such meeting, without notice other than announcement at such meeting of the time and place at which the meeting is to be resumed--such adjournment and the reasons therefor being recorded in the journal of proceedings of the meeting; provided, however, that if the date of any adjourned meeting is more than thirty days after the date for which the meeting was originally noticed, or if a new record date is fixed for the adjourned meeting, written notice of the place, date and time of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. At any meeting so resumed after such adjournment, provided a majority of the outstanding shares of Common Stock shall then be represented, any business may be transacted which might have been transacted at the meeting as originally scheduled.

ARTICLE V

Corporate Seal

The seal of the Corporation shall have inscribed thereon the name of the Corporation and the words "Incorporated Jan. 27, 1926 Delaware."

ARTICLE VI

Change in Control Benefit Protection

SECTION 1. As used in this Article VI, the following terms shall have the meanings here indicated:

"Beneficial Ownership," when attributed to a Person with respect to a security, means that the Person is deemed to be a beneficial owner of such security pursuant to Rule 13d-3 promulgated under the Exchange Act.

"Benefit Plan" means any pension, retirement, profit-sharing, employee stock ownership, 401(k), excess benefit, supplemental retirement, bonus, incentive, salary deferral, stock option, performance unit, restricted stock, tax gross-up, life insurance, dependent life insurance, accident insurance, health coverage, short-term disability, long-term disability, severance, welfare or similar plan or program (or any trust, insurance arrangement or any other fund forming a part or securing the benefits thereof) maintained prior to a Change in Control by the Corporation or a Subsidiary for the benefit of directors, officers, employees or former employees, and shall include any successor to any such plan or program; provided, however, that "Benefit Plan" shall include only those plans and programs which have been designated by the Corporation as a constituent part of the Change in Control benefit protection program.

"Board" means the Board of Directors of the Corporation.

"Change in Control" means the occurrence of any of the following:

- (A) A Person other than the Corporation, a Subsidiary, a Benefit Plan or, pursuant to a Non-Control Merger, a Parent Corporation, acquires Common Stock or other Voting Securities (other than directly from the Corporation) and, immediately after the acquisition, the Person has Beneficial Ownership of twenty percent (20%) or more of the Corporation's Common Stock or Voting Securities;
- (B) The Incumbent Directors cease to constitute a majority of the Board or, if there is a Parent Corporation, the board of directors of the Ultimate Parent, unless such event results from the death or disability of an Incumbent Director and, within 30 days of such event, the Incumbent Directors constitute a majority of such board; or
- (C) There is consummated a Merger (other than a Non-Control Merger), a complete liquidation or dissolution of the Corporation, or the sale or other disposition of all or substantially all of the assets of the Corporation (other than to a Subsidiary or as a distribution of a Subsidiary to the stockholders of the Corporation).

"Common Stock" means the Common Stock of the Corporation.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Incumbent Directors" means the Directors of the Corporation as of March 29, 2000 and any Director of the Corporation or, if there is a Parent Corporation, any Director of the Ultimate Parent, elected after such date, provided that (A) the election, or nomination for election by the stockholders of the Corporation, of such new Director was approved by a vote of at least two-thirds of the Persons then constituting the Incumbent Directors, (B) any Director who assumes office as a result of a Merger after March 29, 2000 shall not be deemed an Incumbent Director until the Director has been in office for at least three years, and (C) no Director who assumes office as a result of a Proxy Contest shall be considered an Incumbent Director.

"Merger" means a merger, consolidation or reorganization or similar business combination of the Corporation with or into another Person or in which securities of the Corporation are issued.

"Non-Control Merger" means a Merger if immediately following the Merger (A) the stockholders of the Corporation immediately before the Merger own directly or indirectly at least fifty-five percent (55%) of the outstanding common stock and the combined voting power of the outstanding voting securities of the Surviving Corporation (if there is no Parent Corporation) or of the Ultimate Parent, if there is a Parent Corporation, and (B) no Person other than a Benefit Plan owns twenty percent (20%) or more of the combined voting power of the outstanding voting securities of the Ultimate Parent, if there is a Parent Corporation, or of the Surviving Corporation, if there is no Parent Corporation.

"Parent Corporation" means a corporation with Beneficial Ownership of more than fifty percent (50%) of the combined voting power of the Surviving Corporation's outstanding voting securities immediately following a Merger.

"Person" means a person as such term is used for purposes of Section 13(d) or Section 14(d) of the Exchange Act.

"Proxy Contest" means any actual or threatened solicitation of proxies or consents by or on behalf of any Person other than the Board, including, without limitation, any solicitation with respect to the election or removal of Directors of the Corporation, and any agreement intended to avoid or settle the results of any such actual or threatened solicitation.

"Subsidiary" means any corporation or other Person (other than a human being) of which a majority of its

voting power or its voting equity securities or equity interest is owned, directly or indirectly, by the Corporation.

"Surviving Corporation" means the corporation resulting from a Merger.

"Ultimate Parent" means, if there is a Parent Corporation, the Person with Beneficial Ownership of more than fifty percent (50%) of the Surviving Corporation and of any other Parent Corporation.

"Voting Securities" means the outstanding Common Stock and other voting securities, if any, of the Corporation entitled to vote for the election of Directors of the Corporation.

SECTION 2. The Corporation and one or more of its Subsidiaries may, from time to time, maintain Benefit Plans providing for payments or other benefits or protections conditioned partly or solely on the occurrence of a Change in Control. The Corporation shall cause any Surviving Corporation (or any other successor to the business and assets of the Corporation) to assume any such obligations of such Benefit Plans and make effective provision therefor, and such Benefit Plans shall not be amended except in accordance with their terms.

SECTION 3. No amendment or repeal of this Article VI shall be effective if adopted within six months before or at any time after the public announcement of an event or proposed transaction which would constitute a Change in Control (as such term is defined prior to such amendment); provided, however, that an amendment or repeal of this Article VI may be effected, even if adopted after such a public announcement, if (a) the amendment or repeal has been adopted after any plans have been abandoned to cause the event or effect the transaction which, if effected, would have constituted the Change in Control, and the event which would have constituted the Change in Control has not occurred, and (b) within a period of six months after such adoption, no other event constituting a Change in Control shall have occurred, and no public announcement of a proposed transaction which would constitute a Change in Control shall have been made, unless thereafter any plans to effect the Change in Control have been abandoned and the event which would have constituted the Change in Control has not occurred. In serving and continuing to serve the Corporation, an employee is entitled to rely and shall be presumed to have relied on the provisions of this Article VI, which shall be enforceable as contract rights and inure to the benefit of the heirs, executors and administrators of the employee, and no repeal or modification of this Article VI shall adversely affect any right existing at the time of such repeal or modification.

ARTICLE VII

Amendments

Any of these By-Laws may be altered, amended or repealed by the affirmative vote of the holders of a majority of the outstanding shares of Common Stock at any annual or special meeting of the stockholders, if notice of the proposed alteration, amendment or repeal be contained in the notice of the meeting; or any of these By-Laws may be altered, amended or repealed by resolution of the Board approved by at least a majority of the Directors then in office. Notwithstanding the preceding sentence, any amendment or repeal of Article VI of the By-Laws shall be made only in accordance with the terms of said Article VI, and the authority of the Directors to amend the By-Laws is accordingly hereby limited.

CHEVRON CORPORATION

LONG-TERM INCENTIVE PLAN

(Including March 29, 2000 Amendments)

1. PURPOSE.

The purpose of the Chevron Corporation Long-Term Incentive Plan is to promote and advance the interests of Chevron Corporation and its stockholders by strengthening the ability of the Corporation and its Subsidiaries to attract, motivate and retain managerial and other key employees, and to strengthen the mutuality of interests between such employees and the Corporation's stockholders. The Plan replaces the Management Contingent Incentive Plan. Certain capitalized terms used in the Plan have the meaning set forth in Section 2.

2. DEFINITIONS.

For purposes of the Plan, the following terms shall have the meanings set forth below:

(a) "Award" or "Awards" means a grant of a Stock Option, Restricted Stock, a Stock Appreciation Right, an Other Share-Based Award or a Nonstock Award under the Plan.

(b) "Board" means the Board of Directors of the Corporation.

(c) "Code" means the Internal Revenue Code of 1986, as amended.

(d) "Committee" means the committee appointed by the Board to administer the Plan as provided in Section 3.

(e) "Common Stock" means the \$1.50 par value common stock of the Corporation or any security of the Corporation identified by the Committee as having been issued in substitution, exchange or lieu thereof.

(f) "Corporation" means Chevron Corporation, a Delaware corporation, or any successor corporation.

(g) "Disability" means that because of an injury or sickness the Participant is unable to perform any occupation for which the Participant is qualified or may reasonably become qualified by reason of education, training, or experience, whether or not a job involving such occupation is available within the Corporation.

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(h) "Employee" means any individual who is a salaried employee on the payroll of the Corporation or any Subsidiary.

(i) "Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, or any successor statute.

(j) "Fair Market Value" of a Share as of a specified date means the price per share at which Shares were traded at the close of business on such date as reported in the New York Stock Exchange composite transactions published in the Western Edition of the Wall Street Journal or, if no trading of Common Stock is reported for that day, the next preceding day on which trading was reported.

(k) "Incentive Stock Option" means any Stock Option granted pursuant to the Plan that is intended to be and is specifically designated as an "Incentive Stock Option" within the meaning of section 422A of the Code.

(l) "Nonstatutory Stock Option" means any Stock Option granted pursuant to the provisions of the Plan that is not an Incentive Stock Option.

(m) "Nonstock Award" means an Award under the Plan the amount, value and denomination of which is not determined with reference to, or expressed in, Shares. "Nonstock Award Agreement" means the agreement between the Corporation and the recipient of a Nonstock Award that contains the terms and conditions pertaining to the Nonstock Award.

(n) "Optionee" means an Employee who has received the grant of a Stock Option.

(o) "Other Share-Based Award" means an Award granted pursuant to Section 8 of the Plan. "Other Share-Based Award Agreement" means the agreement between the Corporation and the recipient of an Other Share-Based Award that contains the terms and conditions pertaining to the Other Share-Based Award.

(p) "Participant" means an Employee who is granted an Award under the Plan.

(q) "Plan" means the Chevron Corporation Long-Term Incentive Plan, as amended from time to time.

(r) "Restricted Stock Award" means an Award granted pursuant to the provisions of Section 7 of the Plan. "Restricted Stock" means Shares granted pursuant to Section 7 of the Plan. "Restricted Stock Agreement" means the agreement between the Corporation and the recipient of Restricted Stock that contains the terms, conditions and restrictions pertaining to such Restricted Stock.

(s) "Rules" means regulations and rules adopted from time to time by the Committee.

(t) "Share" means one share of Common Stock, adjusted in accordance with Section 10 (if applicable).

(u) "Stock Option" means an Incentive Stock Option or a Nonstatutory Stock Option granted pursuant to Section 6 of the Plan. "Stock Option Agreement" means the agreement between the Corporation and the Optionee that contains the terms and conditions pertaining to a Stock Option.

(v) "Subsidiary" means any corporation or entity in which the Corporation directly or indirectly controls more than 50% of the total voting power of all classes of its stock having voting power and which the Board has designated as a Subsidiary for purposes of the Plan.

In addition, the terms "Rule 16b-3" and "Restriction Period" have the meanings set forth below in Sections 3(a) and 7(b) respectively.

3. ADMINISTRATION.

(a) Composition of the Committee.

The Plan shall be administered by a Committee appointed by the Board, consisting of not less than a sufficient number of disinterested members of the Board so as to qualify the Committee to administer the Plan as contemplated by Rule 16b-3 promulgated by the Securities and Exchange Commission pursuant to the Exchange Act, or any successor or replacement rule adopted by the Commission ("Rule 16b-3"). The Board may from time to time remove members from, or add members to, the Committee. Vacancies on the Committee, however caused, shall be filled by the Board. The Board shall appoint one of the members of the Committee as Chairman. The term "disinterested members of the Board" shall be interpreted pursuant to Rule 16b-3. The Management Compensation Committee of the Board shall serve as the Committee. The Board may at any time replace the Management Compensation Committee with another Committee. In the event that the Management Compensation Committee shall cease to satisfy the requirements of Rule 16b-3, the Board shall appoint another Committee that shall satisfy such requirements. If any member of the Committee does not qualify as an "outside director" for purposes of section 162(m) of the Code, Awards under the Plan for the chief executive officer and the four most highly compensated officers of the Corporation (other than the chief executive officer) shall be administered by a subcommittee of the Board consisting of each Committee member who qualifies as an "outside director." If fewer than two Committee members qualify as an "outside director," the Board shall appoint one or more other members to such subcommittee who do qualify as "outside directors"

so that it will at all times consist of at least two members who qualify as an "outside director" for purposes of section 162(m) of the Code.

(b) Actions by the Committee.

The Committee shall hold meetings at such times and places as it may determine. Acts approved by a majority of the members of the Committee present at a meeting at which a quorum is present, or acts reduced to or approved in writing by a majority of the members of the Committee, shall be the valid acts of the Committee.

(c) Powers of the Committee.

The Committee shall have the authority to administer the Plan in its sole discretion. To this end, the Committee is authorized to construe and interpret the Plan, to promulgate, amend and rescind Rules relating to the implementation of the Plan and to make all other determinations necessary or advisable for the administration of the Plan, including the selection of Employees who shall be granted Awards, the number of Shares or Share equivalents to be subject to each Award, the Award price, if any, the vesting or duration of Awards, the designation of Stock Options as Incentive Stock Options or Nonstatutory Stock Options, other terms and conditions of Awards and the disposition of Awards in the event of a Participant's divorce or dissolution of marriage. Subject to the requirements of applicable law, the Committee may designate persons other than members of the Committee to carry out its responsibilities and may prescribe such conditions and limitations as it may deem appropriate, except that the Committee may not delegate its authority with regard to the selection for participation of or the granting of Awards to persons subject to Section 16 of the Exchange Act. Any determination, decision or action of the Committee in connection with the construction, interpretation, administration, or application of the Plan shall be final, conclusive and binding upon all persons participating in the Plan and any person validly claiming under or through persons participating in the Plan.

(d) Liability of Committee Members.

No member of the Board or the Committee will be liable for any action or determination made in good faith by the Board or the Committee with respect to the Plan or any Award under it.

(e) Administration of the Plan Following a Change in Control.

Within 30 days after the occurrence of a "change of control" of the Corporation as defined in Article VI of the bylaws of the Corporation, as such bylaws may be amended from time to time (a "Change in Control"), the Committee shall appoint an independent organization which shall thereafter administer the Plan and have all of the powers and duties formerly held and exercised by the Committee with respect to the Plan

as provided in Section 3(c). Upon such appointment, the Committee shall cease to have any responsibility with respect to the administration of the Plan.

4. DURATION OF THE PLAN AND SHARES SUBJECT TO THE PLAN.

(a) Duration of the Plan.

The Plan was adopted by the Board on January 24, 1990, to be effective upon the date it is approved by the stockholders of the Corporation. The Plan shall remain in effect until terminated by the Board.

(b) Shares Subject to the Plan.

The maximum number of Shares for which Awards may be granted under the Plan in each calendar year during any part of which the Plan is in effect shall be one percent (1%) of the total issued and outstanding Shares as of January 1 of such year; provided, however, that for the first ten years in which the Plan is in effect, no more than ten million (10,000,000) Shares shall be cumulatively available for the issuance of Shares upon the exercise of Incentive Stock Options under the Plan. The limitations set forth in this Section 4(b) shall be subject to adjustment as provided in Section 10.

(c) Accounting for Numbers of Shares.

For the purpose of computing the total number of Shares available for Awards under the Plan in a calendar year there shall be counted against the limitation for the current calendar year the number of Shares issued or subject to issuance upon exercise or settlement of Stock Options (whether or not granted in conjunction with a stock appreciation right) and Restricted Stock Awards granted in that calendar year and the number of Shares that equals the value of Other Share-Based Awards and Nonstock Awards granted in that calendar year, determined as of the dates on which such Awards are granted. For this purpose, Nonstock Awards shall be converted into Shares by dividing the cash value (or target cash value, in the case of an Award with a fluctuating value) of the Nonstock Award by the Fair Market Value on the date of grant of such Award. In the case of a stock appreciation right not granted in connection with a Stock Option, the full number of underlying Shares shall be counted against the limitation. Dividends paid, dividend equivalents granted and interest or other amounts credited with respect to any Award outstanding under the Plan shall not be taken into consideration in applying the Plan limitation.

(d) Source of Stock Issued Under the Plan.

Common Stock issued under the Plan may be either authorized and unissued Shares or issued Shares that have been reacquired by the Corporation, as

determined in the sole discretion of the Committee. No fractional Shares of Common Stock shall be issued under the Plan.

5. PERSONS ELIGIBLE FOR AWARDS; LIMITS ON INDIVIDUAL AWARDS.

Persons eligible for Awards under the Plan shall consist of managerial and other key Employees (including officers, whether or not they are directors) of the Corporation and its Subsidiaries who hold positions of significant responsibility or whose performance or potential contribution, in the judgment of the Committee, would benefit the future success of the Corporation. A Participant may receive more than one Award, including Awards of the same type subject to the restrictions of the Plan.

The following limits shall apply to grants of Awards under the Plan:

(a) Stock Options, Restricted Stock and Other Share-Based Awards: The aggregate number of Shares that may be granted in the form of Stock Options, Restricted Stock and Other Share-Based Awards in any one calendar year to any Participant shall not exceed 0.15% of the Shares outstanding on the date of grant.

(b) Nonstock Awards: The value of all Nonstock Awards granted in any single calendar year to any Participant shall not exceed \$1 million. For this purpose, the value of a Nonstock Award shall be determined on the date of grant without regard to any conditions imposed on the Nonstock Award.

6. STOCK OPTIONS.

Stock Options granted under the Plan may be in the form of Incentive Stock Options or Nonstatutory Stock Options and shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the express provisions of the Plan, as the Committee in its sole discretion shall deem desirable:

(a) Awards of Stock Options.

Subject to the terms of the Plan the Committee shall have complete authority in its sole discretion to determine the persons to whom and the time or times at which grants of Stock Options will be made. The terms of each Stock Option shall be set forth in a Stock Agreement, which shall contain such provisions not inconsistent with the terms of the Plan, including, without limitation, restrictions upon the exercise of the Stock Option or restrictions on the transferability of Shares issued upon the exercise of a Stock Option, as the Committee shall deem advisable in its sole discretion. Stock Options may be granted alone, in addition to, or in tandem with other Awards under the Plan.

(b) Number of Shares.

Each Stock Option shall state the number of Shares to which it pertains and shall provide for the adjustment thereof in accordance with the provisions of Section 10. No fractional Shares will be issued pursuant to the exercise of a Stock Option.

(c) Exercise Price.

Each Stock Option shall state the price per Share, determined by the Committee in its sole discretion, at which the Stock Option may be exercised; provided, however, that in the case of an Incentive Stock Option the exercise price shall not be less than the Fair Market Value of a Share on the date of grant; and provided that in the case of a Nonstatutory Stock Option the exercise price shall not be less than fifty percent (50%) of the Fair Market Value of a Share on the date of grant.

(d) Method of Payment.

A Stock Option may be exercised, in whole or in part, by giving written notice of exercise to the Corporation specifying the number of Shares to be purchased. Such notice shall be accompanied by payment in full of the purchase price in cash or, if acceptable to the Committee in its sole discretion, and in accordance with its Rules, (i) in Shares already owned by the Participant or (ii) by the withholding and surrender of the Shares subject to the Stock Option. The Committee in its sole discretion, and in accordance with its Rules, may also permit payment to be made by delivery (on a form prescribed by the Committee) of an irrevocable direction to a securities broker approved by the Committee to sell Shares and to deliver all or part of the sales proceeds to the Corporation in payment of all or part of the purchase price and any withholding taxes. The Committee in its sole discretion, and in accordance with its Rules, may also permit payment to be made by the delivery (on a form prescribed by the Committee) of an irrevocable direction to pledge Shares to a securities broker or lender approved by the Committee as security for a loan and to deliver all or part of the loan proceeds to the Corporation in payment of all or part of the purchase price and any withholding taxes. Payment may also be made in any other form approved by the Committee, consistent with applicable law, regulations and rules.

(e) Term and Exercise of Stock Options; Nontransferability of Stock Options.

Each Stock Option shall state the time or times when it becomes exercisable and the time or times when any stock appreciation right granted with it may be exercised, which shall be determined by the Committee in its sole discretion. No Stock Option shall be exercisable before six (6) months have elapsed from the date it is granted (except in the case of death or Disability) and no Incentive Stock Option shall be exercisable after the expiration of ten (10) years from the date it is granted. Except as otherwise provided in the Rules or in a Stock Option Agreement, during the lifetime of

the Optionee, the Stock Option shall be exercisable only by the Optionee and shall not be assignable or transferable. In the event of the Optionee's death, no Incentive Stock Option shall be transferable by the Optionee otherwise than by will or the laws of descent and distribution. In the event of the Optionee's death, any Nonstatutory Stock Option shall be transferred to the beneficiary designated by the Optionee for this purpose pursuant to procedures adopted by the Committee.

(f) Termination of Employment.

Each Stock Option Agreement shall set forth the extent to which the Optionee shall have the right to exercise the Stock Option following termination of the Optionee's employment with the Corporation and its Subsidiaries. Such provisions shall be determined in the sole discretion of the Committee, need not be uniform among all Stock Options issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination of employment.

(g) Rights as a Stockholder.

An Optionee or a transferee of an Optionee shall have no rights as a stockholder with respect to any Shares covered by his or her Stock Option until the date of the issuance of a stock certificate for such Shares. No adjustment shall be made for dividends (ordinary or extraordinary, whether in cash, securities or other property) or distributions or other rights for which the record date is prior to the date such stock certificate is issued, except as provided in Section 10.

(h) Stock Appreciation Rights.

In connection with the grant of any Stock Option pursuant to the Plan, the Committee, in its sole discretion, may also grant a stock appreciation right pursuant to which the Optionee shall have the right to surrender all or part of the unexercised portion of such Stock Option, exercise the stock appreciation right, and thereby obtain payment of an amount equal to (or less than, if the Committee shall so determine in its sole discretion at the time of grant) the difference obtained by subtracting the aggregate exercise price of the Shares subject to the Stock Option (or the portion thereof) so surrendered from the Fair Market Value of such Shares on the date of such surrender. The exercise of such stock appreciation right shall be subject to such limitations (including, but not limited to, limitations as to time and amount) as the Committee shall deem appropriate. The payment of a stock appreciation right may be made in Shares (determined with reference to its Fair Market Value on the date of exercise), or in cash, or partly in cash and in Shares, as determined in the sole discretion of the Committee. In the event of the exercise of a stock appreciation right, the underlying Stock Option will be deemed to have been exercised for all purposes under the Plan, including Section 4.

7. RESTRICTED STOCK.

Restricted Stock Awards shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the express provisions of the Plan, as the Committee in its sole discretion shall deem desirable.

(a) Restricted Stock Awards.

Subject to the provisions of the Plan, the Committee shall have complete authority in its sole discretion to determine the persons to whom, and the time or times at which, grants of Restricted Stock will be made, the number of Shares of Restricted Stock to be awarded, the price (if any) to be paid by the recipient of Restricted Stock, the time or times within which such Awards may be subject to forfeiture, and all other terms and conditions of the Awards. Any price that the recipient shall be required to pay shall be either (i) not less than 50% of the Fair Market Value of the Shares on the date the award is made or (ii) the amount required to be received by the Corporation in order to assure compliance with applicable state law. The Committee may condition the grant of a Restricted Stock Award upon the attainment of specified performance goals (such as earnings per share, total shareholder return or return on capital employed) or such other factors as the Committee may determine, in its sole discretion. Restricted Stock Awards may be granted alone, in addition to or in tandem with other Awards under the Plan.

The terms of each Restricted Stock Award shall be set forth in a Restricted Stock Agreement between the Corporation and the Employee, which Agreement shall contain such provisions as the Committee determines to be necessary or appropriate to carry out the intent of the Plan with respect to such Award. Each Participant receiving a Restricted Stock Award shall be issued a stock certificate in respect of such Shares of Restricted Stock. Such certificate shall be registered in the name of such Participant, and shall bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Award. The Committee shall require that stock certificates evidencing such Shares be held by the Corporation until the restrictions thereon shall have lapsed, and that, as a condition of any Restricted Stock Award, the Participant shall have delivered to the Corporation a stock power, endorsed in blank, relating to the stock covered by such Award.

(b) Restrictions and Conditions.

The Shares of Restricted Stock awarded pursuant to this Section 7 shall be subject to the following terms, conditions and restrictions:

(i) The Committee in its sole discretion shall specify the terms, conditions and restrictions under which Shares of Restricted Stock shall vest or be forfeited. These terms, conditions and restrictions must include continued employment with the Corporation for at least six (6) months except in the case

of death or Disability, and may include continued employment with the Corporation or a Subsidiary for a specified period of time, termination of the Employee's employment for specified reasons such as death or Disability prior to the completion of the specified period, or the attainment of certain performance objectives. The period of time commencing with the date of such Award and ending on the date on which all Shares of Restricted Stock in such Award either vest or are forfeited shall be known as the "Restriction Period". With respect to the Restricted Stock during the Restriction Period the Committee, in its sole discretion, may provide for the lapse of any such term, condition or restriction in installments and may accelerate or waive such term, condition or restriction in whole or in part, based on service, performance, and/or such other factors or criteria as the Committee may determine in its sole discretion. Except as otherwise provided in the Rules or in a Restricted Stock Agreement, during the Restriction Period the Participant shall not be permitted to sell, transfer, pledge, assign or encumber Shares of Restricted Stock awarded under the Plan.

(ii) Except as provided in this paragraph (ii) and paragraph (i) above, the Participant shall have, with respect to the Shares of Restricted Stock, all of the rights of a stockholder of the Corporation, including the right to vote the Shares and the right to receive any cash or stock dividends. The Committee, in its sole discretion, as determined at the time of Award, may provide that the payment of cash dividends shall or may be deferred. Any deferred cash dividends may be reinvested as the Committee shall determine in its sole discretion, including reinvestment in additional Shares of Restricted Stock. Stock dividends issued with respect to Restricted Stock shall be Restricted Stock and will be subject to the same terms, conditions and restrictions that apply to the Shares with respect to which such dividends are issued. Any additional shares of Restricted Stock issued with respect to cash or stock dividends shall not be counted against the maximum number of shares for which awards may be granted under the Plan in each calendar year as set forth in Section 4.

(iii) If and when the Restriction Period applicable to Shares of Restricted Stock expires without a prior forfeiture of the Restricted Stock, certificates for an appropriate number of unrestricted Shares shall be delivered promptly to the Participant, and the certificates for the Shares of Restricted Stock shall be canceled.

8. OTHER SHARE-BASED AWARDS.

(a) Grants.

Other Share-Based Awards may be granted either alone or in addition to or in conjunction with other Awards under the Plan. Any such Awards are to be bonus awards, issued for no consideration other than services rendered or to be rendered.

The Committee may condition the grant of an Other Share-Based Award upon the attainment of specified performance goals (such as earnings per share, total shareholder return or return on capital employed) or such other factors as the Committee may determine, in its sole discretion. Awards under this Section 8 may include, but are not limited to, stock units, stock appreciation rights not granted in connection with the grant of any Stock Option pursuant to Section 6, dividend equivalents, the grant of Shares conditioned upon some specified event, the ownership for a specified period of time of Shares obtained through the exercise of a Stock Option or the lapse of restrictions on Restricted Stock, the payment of cash based upon the performance of the Shares or the grant of securities convertible into Shares.

Subject to the provisions of the Plan, the Committee shall have sole and complete authority to determine the persons to whom and the time or times at which Other Share-Based Awards shall be made, the number of Shares or other securities, if any, to be granted pursuant to Other Share-Based Awards, and all other conditions of the Other Share-Based Awards. In making an Other Share-Based Award, the Committee may determine that the recipient of an Other Share-Based Award shall be entitled to receive, currently or on a deferred basis, interest or dividends or dividend equivalents with respect to the Shares or other securities covered by the Award, and the Committee may provide that such amounts (if any) shall be deemed to have been reinvested in additional Shares or otherwise reinvested. The terms of any Other Share-Based Award shall be set forth in an Other Share-Based Award Agreement between the Corporation and the Employee, which Agreement shall contain such provisions as the Committee determines to be necessary or appropriate to carry out the intent of the Plan with respect to such Award.

(b) Terms and Conditions.

In addition to the terms and conditions specified in the Other Share-Based Award Agreement, Other Share-Based Awards made pursuant to this Section 8 shall be subject to the following:

(i) Except as otherwise provided in the Rules or in an Other Share-Based Award Agreement, any Other Share-Based Award may not be sold, assigned, transferred, pledged or otherwise encumbered prior to the date on which the Shares are issued or the Award becomes payable, or, if later, the date on which any applicable restriction, performance or deferral period lapses.

(ii) The Other Share-Based Award Agreement shall contain provisions dealing with the disposition of such Award in the event of a termination of the Employee's employment prior to the exercise, realization or payment of such Award.

9. NONSTOCK AWARDS.

(a) Grants.

Nonstock Awards may be granted either alone or in addition to or in conjunction with other Awards under the Plan. Any such Awards are to be bonus awards, issued for no consideration other than services rendered or to be rendered. Awards under this Section 9 may take any form that the Committee in its sole discretion shall determine.

Subject to the provisions of the Plan, the Committee shall have sole and complete authority to determine the persons to whom and the time or times at which Nonstock Awards shall be made, the amount of any Nonstock Award and all other conditions of the Nonstock Awards. The Committee may condition the grant of a Nonstock Award upon the attainment of specified performance goals (such as earnings per share, total shareholder return or return on capital employed) or such other factors as the Committee may determine, in its sole discretion. The terms of any Nonstock Award shall be set forth in Nonstock Award Agreement between the Corporation and the Employee, which Agreement shall contain such provisions as the Committee determines to be necessary or appropriate to carry out the intent of the Plan with respect to such Award.

(b) Terms and Conditions.

In addition to the terms and conditions specified in the Nonstock Award Agreement, Nonstock Awards made pursuant to this Section 9 shall be subject to the following:

(i) Except as otherwise provided in the Rules or in a Nonstock Award Agreement, any Nonstock Award may not be sold, assigned, transferred, pledged or otherwise encumbered prior to the date on which the Award becomes payable, or, if later, the date on which the requirements of any applicable restriction, condition, performance goal or deferral period is met or lapses.

(ii) The Nonstock Award Agreement shall contain provisions dealing with the disposition of such Award in the event of a termination of the Employee's employment prior to the exercise, realization or payment of such Award.

10. RECAPITALIZATION.

Subject to any required action by the stockholders, the number of Shares covered by the Plan as provided in Section 4, the number of Shares covered by or referred to in each outstanding Award (other than an Award of Restricted Stock that is

outstanding at the time of the event described in this paragraph), and the Exercise Price of each outstanding Stock Option and any price required to be paid for Restricted Stock not yet outstanding at the time of the event described in this paragraph or Other Share-Based Award shall be proportionately adjusted for: (a) any increase or decrease in the number of issued Shares resulting from a subdivision or consolidation of Shares, (b) the payment of a stock dividend (but only of Common Stock) or any other increase or decrease in the number of such Shares effected without receipt of consideration by the Corporation, or (c) the declaration of a dividend payable in cash that has a material effect on the price of issued Shares.

Subject to any required action by the stockholders, if the Corporation shall be the surviving corporation in any merger, consolidation or other reorganization, each outstanding Award (other than an Award of Restricted Stock that is outstanding at such time) shall pertain and apply to the securities to which a holder of the number of Shares subject to the Award would have been entitled. In the event of a dissolution or liquidation of the corporation or a merger, consolidation or other reorganization in which the Corporation is not the surviving corporation, each outstanding Stock Option, each unvested Restricted Stock Award or Other Share-Based Award and each Nonstock Award shall be assumed by the surviving corporation and each Stock Option, unvested Restricted Stock Award and Other Share-Based Award shall pertain to a comparable number of shares in the surviving corporation, unless the terms of the agreement of merger, consolidation or reorganization call for the full vesting and cash out of such Awards.

In the event of a change in the Common Stock, which is limited to a change of all of the Corporation's authorized shares with par value into the same number of shares with a different par value or without par value, the shares resulting from any such change shall be deemed to be the Common Stock within the meaning of the Plan.

The Committee may make appropriate adjustments in the number of Shares covered by the Plan and the price or other value of any outstanding Awards in the event of a spin-off or other distribution (other than normal cash dividends) of Corporation assets to stockholders.

To the extent that the foregoing adjustments relate to stock or securities of the Corporation, such adjustments shall be made by the Committee in its sole discretion, and its determination in that respect shall be final, binding and conclusive, provided that each Incentive Stock Option granted pursuant to the Plan shall not be adjusted in a manner that causes the Stock Option to fail to continue to qualify as an incentive stock option within the meaning of section 422A of the Code.

Except as expressly provided in this Section 10, a Participant shall have no rights by reason of any subdivision or consolidation of shares of stock of any class or the payment of any stock dividend or any other increase or decrease in the number of shares of stock of any class or by reason of any dissolution, liquidation, merger or consolidation

or spin-off of assets or stock of another corporation, and any issuance by the Corporation of shares of stock of any class or securities convertible into shares of stock of any class, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number or price of Shares subject to the Stock Option.

The grant of an Award pursuant to the Plan shall not affect in any way the right or power of the Corporation to make adjustments, reclassifications, reorganizations or changes of its capital or business structure or to merge or consolidate or to dissolve, liquidate, sell or transfer all or any part of its business or assets.

In the event that another corporation or business entity is acquired by the Corporation and the Corporation agrees to assume outstanding employee stock options, the aggregate number of Shares available for Awards under Section 4 shall be increased accordingly.

The Committee shall prescribe rules governing the adjustment of the number of shares covered by the Plan as provided in Section 4 and of awards outstanding under the Plan in the event that the preferred stock purchase rights issued pursuant to the Corporation's stockholder rights plan or any successor rights plan detach from the Common Stock and become exercisable.

11. SECURITIES LAW REQUIREMENTS.

No Shares shall be issued and no Stock Options shall become exercisable pursuant to the Plan unless and until the Corporation has determined that: (i) it and the Participant have taken all actions required to register the Shares under the Securities Act of 1933 or perfect an exemption from the registration requirements thereof; (ii) any applicable listing requirement of any stock exchange on which the Common Stock is listed has been satisfied; and (iii) any other applicable provision of state or federal law has been satisfied.

12. AMENDMENTS OF THE PLAN AND AWARDS.

(a) Plan Amendments.

The Board may, insofar as permitted by law, from time to time, with respect to any Shares at the time not subject to Awards, suspend or discontinue the Plan or revise or amend it in any respect whatsoever. However, unless the Board specifically otherwise provides, any revision or amendment that would cause the Plan to fail to comply with Rule 16b-3 or any other requirement of applicable law or regulation if such amendment were not approved by the holders of the Common Stock of the Corporation shall not be effective unless and until the approval of the holders of Common Stock of the Corporation is obtained. The foregoing notwithstanding, no amendment, revision, suspension or discontinuation of the Plan (including any amendment to this Section 12)

approved by the Board after six months prior to the public announcement of the proposed transaction which, when effected, is a Change in Control or before the date which is two years after the date of a Change in Control (the "Benefit Protection Period") shall be valid or effective if such amendment, revision, suspension or discontinuation would alter the provisions of this Section 12 or adversely affect an Award outstanding under the Plan; provided, however, any amendment, revision, suspension or discontinuation may be effected, even if so approved after such a public announcement, if (a) the amendment or revision is approved after any plans have been abandoned to effect the transaction which, if effected, would have constituted a Change in Control and the event which would have constituted the Change in Control has not occurred, and (b) within a period of six months after such approval, no other event constituting a Change in Control shall have occurred, and no public announcement of a proposed event which would constitute a Change in Control shall have been made, unless thereafter any plans to effect the Change in Control have been abandoned and the event which would have constituted the Change in Control has not occurred. Any amendment, revision, suspension or discontinuation of the Plan which is approved by the Board prior to a Change in Control at the request of a third party who effectuates a Change in Control shall be deemed to be an amendment, revision, suspension or discontinuation of the Plan so approved during the Benefit Protection Period.

(b) Amendments of Awards.

Subject to the terms and conditions and within the limitations of the Plan, the Committee may amend, cancel, modify, extend or renew outstanding Awards granted under the Plan, or accept the exchange of outstanding Awards (to the extent not theretofore exercised) for the granting of new Awards (at the same or a different price, if applicable) in substitution therefor.

(c) Rights of Participant.

No amendment, suspension or termination of the Plan nor any amendment, cancellation or modification of any Award outstanding under it that would adversely affect the right of any Participant in an Award previously granted under the Plan will be effective without the written consent of the affected Participant.

13. GENERAL PROVISIONS.

(a) Application of Funds.

The proceeds received by the Corporation from the sale of Common Stock pursuant to the exercise of a Stock Option or the grant of Restricted Stock will be used for general corporate purposes.

(b) Employment Rights.

Neither the Plan nor any Award granted under the Plan shall be deemed to give any individual a right to remain employed by the Corporation or a Subsidiary. The Corporation and its Subsidiaries reserve the right to terminate the employment of any employee at any time and for any reason, which right is hereby reserved.

(c) Stockholders' Rights.

A Participant shall have no dividend rights, voting rights or other rights as a stockholder with respect to any Shares covered by his or her Award prior to the issuance of a stock certificate for such Shares. No adjustment shall be made for cash dividends or other rights for which the record date is prior to the date when such certificate is issued.

(d) Creditors' Rights.

A holder of an Other Share-Based Award or a Nonstock Award shall have no rights other than those of a general creditor of the Corporation. Other Share-Based Awards and Nonstock Awards shall represent unfunded and unsecured obligations of the Corporation, subject to the terms and conditions of the applicable Other Share-Based Award Agreement and of the Nonstock Award. Notwithstanding the foregoing, the Committee is authorized to arrange for the creation of one or more trusts to fund payments of Other Share-Based Awards or Nonstock Awards payable or to become payable under the Plan. In such case the rights of affected Participants shall be determined with reference to the terms of the applicable trust agreement pursuant to which the trust was created.

(e) No Obligation to Exercise Stock Option.

The granting of a Stock Option shall impose no obligation upon the Optionee to exercise such Stock Option.

(f) Deferral Elections.

The Committee may permit a Participant to elect to defer his or her receipt of the payment of cash or the delivery of Shares that would otherwise be due to such Participant by virtue of the exercise, the satisfaction of any requirements or goals or lapse of restrictions of an Award made under the Plan. If any such election is permitted, the Committee shall establish Rules and procedures for such payment deferrals, including the possible (i) payment or crediting, with respect to deferred amounts credited in cash, of reasonable interest or other investment return determined with reference to any investment performance measurement selected by the Committee from time to time, (ii) payment or crediting of dividend equivalents in respect of deferrals credited in units of Common Stock, and (iii) impact on a Participant's current tax liability.

(g) Withholding Taxes.

(i) General.

To the extent required by applicable federal, state, local or foreign law, the recipient of any payment or distribution under the Plan shall make arrangements satisfactory to the Corporation for the satisfaction of any withholding tax obligations that arise by reason of such payment or distribution. The Corporation shall not be required to make such payment or distribution until such obligations are satisfied.

(ii) Stock Withholding.

The Committee in its sole discretion may permit a Participant to satisfy all or part of his or her withholding tax obligations incident to the exercise of a Nonstatutory Stock Option or the vesting of Restricted Stock by having the Corporation withhold a portion of the Shares that otherwise would be issued to him or her. Such Shares shall be valued at their Fair Market Value on the date when taxes otherwise would be withheld in cash. The payment of withholding taxes by surrendering Shares to the Corporation, if permitted by the Committee, shall be subject to such restrictions as the Committee may impose, including any restrictions required by rules of the Securities and Exchange Commission.

(h) Other Corporation Benefit and Compensation Programs.

Payments and other benefits received by a Participant under the Plan shall not be deemed a part of a Participant's regular, recurring compensation for purposes of the termination indemnity or severance pay law of any country, state or political subdivision thereof and shall not be included in, nor have any effect on, the determination of benefits under any other employee benefit plan or similar arrangement provided by the Corporation or a Subsidiary unless expressly so provided by such other plan or arrangement, or except where the Committee expressly determines that inclusion of an Award or portion of an Award is necessary to accurately reflect competitive compensation practices or to recognize that an Award has been made in lieu of a portion of competitive annual cash compensation. Awards under the Plan may be made in combination with or in tandem with, or as alternatives to, grants, awards or payments under any Corporation or Subsidiary plans. The Plan notwithstanding, the Corporation or any Subsidiary may adopt such other compensation programs and additional compensation arrangements as it deems necessary to attract, retain and reward employees for their service with the Corporation and its Subsidiaries.

(i) Costs of the Plan.

The costs and expenses of administering the Plan shall be borne by the Corporation.

(j) Participant's Beneficiary.

The Rules may provide that in the case of an Award that is not forfeitable by its terms upon the death of the Participant, the Participant may designate a beneficiary with respect to such Award in the event of death of a Participant. If such beneficiary is the executor or administrator of the estate of the Participant, any rights with respect to such Award may be transferred to the person or persons or entity (including a trust, if permitted under rules or procedures approved by the Committee) entitled thereto by bequest of or inheritance from the holder of such Award.

(k) Awards in Foreign Countries.

The Committee shall have the authority to adopt such modifications, procedures and subplans as may be necessary or desirable to comply with provisions of the laws of foreign countries in which the Corporation or its Subsidiaries may operate to assure the viability of the benefits of Awards made to Participants employed in such countries and to meet the intent of the Plan.

(l) Severability.

The provisions of the Plan shall be deemed severable and the validity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof.

(m) Binding Effect of Plan.

The Plan shall be binding upon and shall inure to the benefit of the Corporation, its successors and assigns and the Corporation shall require any successor or assign to expressly assume and agree to perform the Plan in the same manner and to the same extent that the Corporation would be required to perform it if no such succession or assignment had taken place. The term "the Corporation" as used herein shall include such successors and assigns. The term "successors and assigns" as used herein shall mean a corporation or other entity acquiring all or substantially all the assets and business of the Corporation (including the Plan) whether by operation of law or otherwise.

(n) No Waiver of Breach.

No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of the Plan to be

performed by such other party shall be deemed a waiver of similar or dissimilar provisions of conditions at the same or at any prior or subsequent time.

(o) Authority to Establish Grantor Trust.

The Committee is authorized in its sole discretion to establish a grantor trust for the purpose of providing security for the payment of Awards under the Plan; provided, however, that no Participant shall be considered to have a beneficial ownership interest (or any other sort of interest) in any specific asset of the Corporation or of its subsidiaries or affiliates as a result of the creation of such trust or the transfer of funds or other property to such trust.

14. APPROVAL OF STOCKHOLDERS.

Adoption of the Plan shall be subject to approval by affirmative vote of the stockholders of the Corporation in accordance with applicable law.

MANAGEMENT INCENTIVE PLAN OF
CHEVRON CORPORATION
As Amended Effective March 29, 2000

1. Purpose.

The purpose of the Management Incentive Plan of Chevron Corporation is to obtain, develop and retain able management personnel, stimulate constructive and imaginative thinking, and contribute to the growth and profits of the Corporation.

2. Effective Date.

The Plan was adopted effective January 1, 1966 and approved by the Corporation's stockholders at the Annual Meeting on May 5, 1966. The Plan was revised to read as set forth herein effective January 1, 1980, subject to approval by the Corporation's stockholders at the Annual Meeting held on May 6, 1980.

3. Awards Under the Plan.

Awards under the Plan shall be made in the sole discretion of the Committee. After the close of an Award Year, the Committee shall determine the dollar amount of the award to be made to each Eligible Employee whom the Committee selects to be an award recipient for that Award Year; provided, however, that the award amount for the chief executive officer and the next four highest compensated officers of the corporation shall be subject to the following limitations:

A. 0.5% of the Corporation's "Annual Income" shall be set aside for awards to such officers. For this purpose, "Annual Income" shall mean reported earnings before special items and accounting changes.

B. The maximum awards to the following officers shall equal the indicated percentage of the aggregate fund set forth in A above, determined pursuant to the following schedule:

-1-

Officer -----	Percentage -----
CEO	40%
Second and third highest compensated officers	20% each
Fourth and fifth highest compensated officers	10% each
Total	100%

C. The Committee in its sole discretion may reduce the award otherwise payable to any such officer as determined above, but in no event may any such reduction result in an increase of the award payable to any other participant, including but not limited to any other such officer.

The foregoing notwithstanding, following a "change in control" of the Corporation, as defined in Article VI of the bylaws of the Corporation, as such bylaws may be amended from time to time (a "Change in Control"), neither the Committee nor any other entity or individual(s) shall have the discretion to make awards under the Plan. Rather, for the calendar year in which the Change in Control occurs and, if payment of awards for the calendar year prior to the year in which the Change of Control occurs has not been completed as of the date of the Change in Control, that prior calendar year, each Eligible Employee shall be entitled to receive an award in an amount not less than that Eligible Employee's target bonus, as determined pursuant to the Committee's established procedures prior to the Change in Control. For any Eligible Employee whose employment terminates other than on the last day of a calendar year, the award determined pursuant to the preceding sentence for the year in which such termination occurs shall be prorated on the basis of the number of weeks elapsed in the calendar year to the date of such termination of employment.

4. Management Compensation Committee.

The Management Compensation Committee of the Board of Directors of Chevron Corporation will administer the Plan. If any member of the Committee does not qualify as an "outside director" for purposes of section 162(m) of the Internal Revenue Code of 1986, as amended, awards under the Plan for the chief executive officer and the four most highly

compensated officers of the Corporation (other than the chief executive officer) shall be administered by a subcommittee of the Board consisting of each Committee member who qualifies as an "outside director." If fewer than two Committee members qualify as an "outside director," the Board shall appoint one or more other members to such

subcommittee who do qualify as "outside directors" so that it will at all times consist of at least two members who qualify as an "outside director" for purposes of section 162(m) of the Code.

Decisions and determinations as to the number and identity of participants, as to the form and amount of awards and as to any other matters relating to awards made under the Plan, shall rest with the Committee. The Corporation management will make recommendations to the Committee, but the Committee will not be bound by such recommendations and will make its own final determinations.

Within 30 days after the occurrence of a Change in Control, the Committee shall appoint an independent organization which shall thereafter administer the Plan and have all of the powers and duties formerly held and exercised by the Committee with respect to the Plan. Upon such appointment, the Committee shall cease to have any responsibility with respect to the administration of the Plan.

5. Eligibility for Management Incentive Awards.

Regular salaried employees including directors, officers, and other individuals serving in important executive, administrative, professional or technical capacities, as determined by the Committee, who have been on the payroll of the Corporation or the payroll of a participating affiliate at any time during the year, shall be eligible for participation in the Plan. As used herein, the term "participating affiliate" shall mean any corporation in which the Corporation holds directly or indirectly more than 50% of the voting securities and whose financial accounts are consolidated with those of the Corporation in the financial statement included in the Annual Report to Stockholders.

6. Form, Amount, Time and Conditions of Awards.

(a) Form. Awards may be made in any of the following forms or in any combination of forms as determined by the Committee:

- (i) Units representing shares of Common Stock of the Corporation, together with dividend equivalents, as described in Section 7 ("stock units");
- (ii) Cash, including cash measured by stock units or any other investment performance measurement selected by the Committee from time to time; or
- (iii) Shares of Common Stock of the Corporation.

In the case of awards in stock units or cash measured by stock units, the number of units shall be adjusted for any stock splits, stock dividends, or other relevant changes in capitalization occurring after the date of award.

(b) Amount. The amount of each award shall be determined by the Committee.

(c) Time and Conditions. Any award may be paid in a lump sum in the year in which the award is made or in a series of annual installments, or such awards may be deferred until retirement, death or disability, and then paid in a lump sum or installments, all as the Committee shall determine. The Committee in its discretion may determine that interest (at such rate as may be selected by the Committee) shall be credited to and paid at the same time and in the same manner as a deferred award. Any award and the payment thereof may be made subject to such forfeiture and other conditions for such period of time as the Committee shall determine. Any award which becomes payable after the recipient's death shall be delivered or distributed to the award recipient's Beneficiary or Beneficiaries. Each recipient of an award under the Plan may designate on the prescribed form filed with the Committee one or more Beneficiaries. An award recipient may change such designation at any time by filing the prescribed form with the Committee. If a Beneficiary has not been designated or no designated Beneficiary survives the award recipient, any award which becomes payable after the award recipient's death will be made to the award recipient's Surviving Spouse as Beneficiary if such Spouse is still living or, if not living, in equal shares to the then living children of the award recipient as Beneficiaries or, if none, to the award recipient's estate as Beneficiary. The Committee, at its sole discretion, shall determine the form and time of any distribution(s) to an award recipient's Beneficiary or Beneficiaries.

In addition to any forfeiture condition established by the Committee with respect to any award, until any award granted under the Plan (or a portion thereof) is delivered or distributed, such award (or such portion) shall be forfeited under the following circumstances:

- (i) The participant is dismissed for cause or otherwise ceases to be an employee of the Corporation or a participating affiliate at a time when cause for dismissal exists; or
- (ii) The participant, before or after the termination of his or her employment as an Employee, engages in any activity which, in the Committee's opinion, is prejudicial to the interests of the Corporation or any participating affiliate; or
- (iii) The participant is indebted to the Corporation or any participating affiliate at the time when the participant becomes entitled to payment of an award under the Plan following termination of employment with the Corporation or any participating affiliate.

In such case, the payment, to the extent that the amount thereof (determined as of the date payment is scheduled to be made) does not exceed such indebtedness, shall be forfeited and the participant's indebtedness to the Corporation or participating affiliate shall be extinguished to the extent of such forfeiture.

The Committee may cancel the payment of all or any part of an award under the Plan if the Committee determines that the payment of such award or part thereof would violate any mandatory wage controls in effect at the time payment would otherwise be made.

7. Dividend Equivalents.

The Committee may determine that any stock unit awarded (or a cash award measured by stock units) will carry with it until paid a dividend equivalent which will entitle the holder to receive payments from the Corporation equal to the cash dividends paid on one share of Common Stock of the Corporation during the periods from the time of the award of the stock units to the time the shares are delivered to the participant (or the cash award is paid). Payment of dividend equivalents may be made in cash or stock and at such time or times as determined by the Committee. Dividend equivalents shall be subject to the same forfeiture and other provisions as the related stock unit.

8. Administration, Amendment and Termination of the Plan.

The Management Compensation Committee shall have the power and authority to interpret and administer the Plan. The Board of Directors may, at any time, alter, amend or terminate the Plan; provided, however, that no alteration, amendment or termination approved by the Board of Directors after six months prior to the public announcement of the proposed transaction which, when effected, is a Change in Control or before the date which is two years after the date of a Change in Control (the "Benefit Protection Period") shall be valid or effective if such alteration, amendment or termination would alter the provisions of this Section 8 or adversely affect the amount of a participant's award under the Plan, whether or not the participant's employment had terminated at the time the alteration, amendment or termination was approved; provided, however, any alteration, amendment or termination may be effected, even if so approved after such a public announcement, if (a) the alteration, amendment or termination is approved after any plans have been abandoned to effect the transaction which, if effected, would have constituted a Change in Control and the event which would have constituted the Change in Control has not occurred, and (b) within a period of six months after such approval, no other event constituting a Change in Control shall have occurred, and no public announcement of a proposed event which would constitute a Change in Control shall have been made, unless thereafter any plans

to effect the Change in Control have been abandoned and the event which would have constituted the Change in Control has not occurred. Any alteration, amendment or termination of the Plan which is approved by the Board of Directors prior to a Change in Control at the request of a third party who effectuates a Change in Control shall be deemed to be an alteration, amendment or termination approved during the Benefit Protection Period.

The Committee is authorized in its sole discretion to establish a grantor trust for the purpose of providing security for the payment of Awards under the Plan; provided, however, that no Participant shall be considered to have a beneficial ownership interest (or any other sort of interest) in any specific asset of the Corporation or of its subsidiaries or affiliates as a result of the creation of such trust or the transfer of funds or other property to such trust.

9. Assignability.

Except as otherwise determined by the Committee, a participant's award, the interest, if any, of a participant's beneficiary and (during the period, shares of Common Stock of the Corporation awarded under the Plan are subject to forfeiture conditions) such shares may not be assigned, either by voluntary or involuntary assignment or by operation of law, including, but without limitation, garnishment, attachment or other creditor's process and any act in violation hereof shall be void.

CHEVRON CORPORATION
SALARY DEFERRAL PLAN
FOR MANAGEMENT EMPLOYEES
(Including March 29, 2000 Amendments)

1. ESTABLISHMENT AND PURPOSE.

Chevron Corporation (the "Corporation") hereby establishes the Chevron Corporation Salary Deferral Plan for Management Employees (the "Plan"), effective January 1, 1997, to enhance the ability of the Corporation and its Subsidiaries to attract, motivate and retain executive and other key employees. This Plan is intended to qualify as an unfunded ERISA pension plan maintained by an employer for a select group of management or highly compensated employees, as described in 26 C.F.R. ss. 2520.104-23(d).

2. DEFINITIONS.

For purposes of the Plan, the following terms shall have the meanings set forth below:

(a) "Account" means the bookkeeping account maintained on behalf of a Participant to which shall be credited any amount deferred pursuant to a deferral election under Section 5.

(b) "Beneficiary" means the person designated as such by the Participant pursuant to Section 11(b).

(c) "Board" means the Board of Directors of the Corporation.

(d) "Change in Control" means a 'change in control' as that term is defined in Article VI of the bylaws of the Corporation, as such bylaws may be amended from time to time.

(e) "Code" means the Internal Revenue Code of 1986, as amended.

(f) "Committee" means the Committee appointed by the Board to administer the Plan as provided in Section 3.

(g) "Corporation" means Chevron Corporation, a Delaware corporation, or any successor corporation.

(h) "Eligible Employee" means an executive or other key employee (including an officer, whether or not a director) of the Corporation or a Subsidiary who holds a position of significant responsibility or whose performance or potential contribution, in the judgment of the

-1-

Committee, would benefit the future success of the Corporation and who is designated by the Committee as eligible to participate in the Plan.

(i) "Employee" means an individual who is a salaried employee on the payroll of the Corporation or any Subsidiary.

(j) "ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

(k) "Participant" means an Eligible Employee who elects to participate in the Plan.

(l) "Plan" means the Chevron Corporation Salary Deferral Plan for Management Employees, as set forth herein and as amended from time to time.

(m) "Plan Year" means the calendar year.

(n) "Subsidiary" means any corporation or entity in which the Corporation directly or indirectly controls more than 50% of the total voting power of all classes of its stock having voting powers and which the Board has designated as a Subsidiary for purposes of the Plan.

3. ADMINISTRATION.

(a) The Committee.

The Plan shall be administered by the Management Compensation Committee of the Board, or any successor thereto. The Board may at any time replace the Management Compensation Committee with another Committee.

(b) Actions by the Committee.

The Committee shall hold meetings at such times and places as it may determine. Acts approved by a majority of the members of the Committee present at a meeting at which a quorum is present, or acts reduced to or approved in writing by a majority of the members of the Committee, shall be the valid acts

of the Committee.

(c) Powers of the Committee.

The Committee shall have the authority to administer the Plan in its sole discretion. To this end, the Committee is authorized to construe and interpret the Plan, to promulgate, amend and rescind Rules relating to the implementation of the Plan and to make all other determinations necessary or advisable for the administration of the Plan, including the selection of Employees who shall be eligible to participate in the Plan. Subject to the requirements of applicable law, the Committee may designate persons other than members of the Committee to carry out its responsibilities and may prescribe such conditions and limitations as it may deem appropriate. Any determination, decision or action of the Committee in connection with the construction, interpretation, administration, or application of the Plan shall be final, conclusive and binding

upon all persons participating in the Plan and any person validly claiming under or through persons participating in the Plan.

(d) Liability of Committee Members.

No member of the Board or the Committee will be liable for any action or determination made in good faith by the Board or the Committee with respect to the Plan.

(e) Within 30 days after the occurrence of a Change in Control, the Committee shall appoint an independent organization which shall thereafter administer the Plan and have all of the powers and duties formerly held and exercised by the Committee pursuant to Section 3(c) with respect to the Plan. Upon such appointment, the Committee shall cease to have any responsibility with respect to the administration of the Plan.

4. PARTICIPATION.

Each Eligible Employee may elect to become a Participant in the Plan by electing to defer base salary under the Plan in accordance with Section 5.

5. DEFERRAL ELECTION.

Each Eligible Employee shall be entitled to elect to defer either a percentage of his or her base salary for each Plan Year or all of his or her base salary attributable to the amount of his or her base salary rate in excess of \$1 million annually. This election shall be made by filing a form prescribed by the Committee before the first day of the Plan Year. Each Participant must indicate on such form whether he or she is electing to defer all of his or her compensation in excess of a base salary rate in excess of \$1 million annually or to defer a percentage of his or her base salary for each Plan Year. The following rules shall apply in the case of elections to defer a percentage of compensation for a Plan Year:

(i) Each Participant must indicate on such form the percentage of base salary he or she elects to defer for that Plan Year, expressed in increments of five percent (5%).

(ii) The minimum amount that a Participant may defer in any Plan Year is five percent (5%) of base salary.

(iii) The maximum amount that a Participant may defer in any Plan Year is the lesser of (A) fifty percent (50%) of base salary or (B) the amount of the Participant's base salary in excess of the limitation on earnings imposed under section 401(a)(17) of the Code for the applicable Plan Year.

A deferral election shall be null, void and without effect if at the time of making the deferral election the Participant fails to also submit to the Committee an investment election form indicating the Participant's election to have the value of the Participant's Account determined by crediting it with such earnings, gains and losses as would have accrued had the Account actually been invested and reinvested in one or more of the following funds maintained

in the Savings component of the Chevron Corporation Profit Sharing/Savings Plan. This investment election shall be made in whole percentages totaling 100% of the deferred amount. These funds are as follows:

- Chevron Stock Fund
- Short-Term Income Fund
- Long-Term Income Fund
- Balanced Fund
- Diversified Equity Fund
- Value Stock Fund
- Growth Stock Fund
- Small Cap Stock Fund
- International Stock Fund

If an investment fund is eliminated from the Savings component of the Profit Sharing/Savings Plan, the value of the portion of the Participant's Account that the Participant previously had elected be determined with reference to such investment fund shall thereafter be determined by the Committee in its sole discretion.

Once each calendar year a Participant may elect to transfer amounts credited to his or her Account among any of the available investment funds by following the procedures prescribed by the Committee for this purpose. Transfers between funds shall be effective on the last business day of the calendar quarter in which the election is received, provided that the election is received on or before the business day immediately preceding the last business day of that quarter. Any election received after the business day immediately preceding the last business day of a calendar quarter shall be effective on the last business day of the following calendar quarter.

If no form is filed, the Eligible Employee will be deemed to have made no deferral election for that Plan Year and shall not be a Participant in the Plan for the Plan Year. Each deferral election filed with the Committee shall become irrevocable on the date it is filed; provided, however that an Eligible Employee may suspend his or her deferral election at any time during a Plan Year by giving notice of suspension to the Committee. Such suspension shall be effective with respect to base salary earned in the first payroll period commencing after the date the suspension notice is received by the Committee.

Any other provision of this Plan to the contrary notwithstanding, a Participant's deferral election shall be null, void and without effect if the Committee determines that under the laws of the country or countries in which the Participant is currently subject to income taxation the deferral election would not be recognized for purposes of determining the Participant's income tax liability. The foregoing sentence shall not apply if the Participant is on an "expatriate assignment" (as determined by the Committee) and the Committee determines that under the laws of the Participant's home country the deferral election would be recognized for purposes of determining the Participant's tax liability.

The foregoing notwithstanding, in the event of a Change in Control in which the

Corporation and any successor corporation ceases to be a publicly held corporation, the Chevron Stock Fund shall be converted to a dollar value determined with reference to the consideration received by holders of a share of common stock of the Corporation in the transaction constituting the Change in Control and thereafter such amounts shall be credited to the Balanced Fund.

6. TIME OF DISTRIBUTION.

(a) Distribution of a Participant's Account shall be made at such time or times as the Committee shall determine in its sole discretion. In order to assist the Committee in making such determinations, the following procedures are established:

(i) Unless the Committee approves a Participant's distribution request pursuant to Section 6(b), distribution shall commence in the first January, April, July or October that is at least 12 months after the date of the Participant's termination of employment and shall be made in ten approximately equal annual installments.

(ii) At any time prior to the termination of a Participant's employment with the Corporation and its Subsidiaries Participant may make a request for distribution at the time described in (A) or (B) below by filing the prescribed form with the Committee. A Participant may make only one such request at any time and may not make such a request after termination of employment with the Corporation and its Subsidiaries. Distribution shall be made in accordance with such request, 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 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 any distribution scheduled to be made pursuant to Section 6(a)(i) within the 12-month period commencing on the date the request is filed with the Committee shall be made in accordance with the schedule determined pursuant to Section 6(a)(i) and without regard to the request made pursuant to this Section 6(a)(ii):

(A) In a lump sum in any January, April, July or October after the Participant's termination of employment with the Corporation and its Subsidiaries, 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's employment with the Corporation and its Subsidiaries terminates; or

(B) In fifteen or fewer annual installments, commencing in any January, April, July or October after the Participant's termination of employment with the Corporation and its Subsidiaries, but not later than the later of the first January after the date the Participant attains age 70 1/2 or the date the participant's employment with the Corporation and its Subsidiaries terminates.

(b) The time of distribution pursuant to the request made by a Participant under Section 6(a)(ii) or pursuant to a distribution scheduled to be made pursuant to Section 6(a)(i) 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. Any distribution so requested must be consistent with Section 6(a)(ii)(A) or (B) above.

(c) Distributions Prior to Termination of Employment. A Participant may request distribution of all or a portion of the amounts credited to the Participant's Deferred Account prior to the date of termination of the Participant's employment with the Corporation. Such request shall be made in writing to the Committee and shall set forth the reason for such request. The Committee shall approve such distribution only upon a showing of hardship or significantly changed circumstances, based on substantial evidence.

(d) Committee Guidelines. From time to time the Committee may establish guidelines for its own use in determining what requests made pursuant to Section 6(a) shall be disapproved, and what requests pursuant to Section 6(b) above shall be approved, but such guidelines shall not in any way limit the Committee's sole discretion to determine the time of distribution of a Participant's Account.

(e) Employment with Affiliates. For purposes of this Section 6, employment with Aramco, Caltex, Amoseas, CPI or any other affiliate of the Corporation which is designated for this purpose by the Committee shall constitute employment with the Corporation or a Subsidiary for the purpose of determining whether a Participant has terminated employment.

(f) Any other provision of this Section 6 to the contrary notwithstanding, in the event of a Change in Control, to the extent such elections may be made without causing constructive receipt of income for tax purposes, Participants who previously had made deferral elections shall be given an opportunity to receive a current distribution of their deferred amounts.

7. DEATH OF PARTICIPANT.

In the event of the death of the Participant, the Participant's Account shall be paid to the Participant's Beneficiary at such time as the Committee shall determine in its sole discretion.

8. FORM AND VALUE OF DISTRIBUTION.

(a) Establishment of Account.

An amount deferred pursuant to a deferral election shall be credited to a separate bookkeeping Account for the Participant. The value of a Participant's Account shall be determined with reference to the Participant's investment and investment transfer elections made pursuant to Section 5.

(b) Distribution of Account.

The Participant's Account shall be distributed in cash at the time determined in Section 6; provided, however, that amounts attributable to the portion of the Participant's Account which the Participant had elected to have valued with reference to the Chevron Stock Fund shall be distributed in shares of Common Stock. If a distribution is to be made in a lump sum, the Account shall be paid in its entirety. If a distribution is to be made in installments, the amount of each annual installment shall be determined by dividing the balance of the Account by the number of annual payments remaining to be made. The value of the Account shall continue to be determined with reference to the investment funds elected by the Participant until the entire Account is distributed.

9. AMENDMENT OR TERMINATION OF THE PLAN.

Except as otherwise provided in this Section 9, the Board may amend, suspend or terminate the Plan at any time. In the event of such termination, the Accounts of Participants shall be paid at such times and in such forms as shall be determined pursuant to Section 6, unless the Board prescribes a different time or times for payment of such Accounts. No amendment, suspension or termination (other than an amendment to discontinue future salary deferrals) approved by the Board after six months prior to the public announcement of a proposed transaction which, when effected, is a Change in Control or before the date which is two years after the date of a Change in Control (the 'Benefit Protection Period') shall be valid or effective if such amendment, suspension or termination would alter the terms of these resolutions or adversely affect the amount of a Participant's Account under the Plan, whether or not the Participant's employment had terminated at the time the amendment, suspension or termination was approved; provided, however, any amendment, suspension or termination may be effected, even if so approved after such a public announcement, if (a) the amendment, suspension or termination is approved after any plans have been abandoned to effect the transaction which, if effected, would have constituted a Change in Control and the event which would have constituted the Change in Control has not occurred, and (b) within a period of six months after such approval, no other event constituting a Change in Control shall have occurred, and no public announcement of a proposed event which would constitute a Change in Control shall have been made, unless thereafter any plans to effect the Change in Control have been abandoned and the event which would have constituted the Change in Control has not occurred. Any amendment, suspension or termination of the Plan which is so approved prior to a Change in Control at the request of a third party who effectuates a Change in Control shall be deemed to be an amendment, suspension or termination approved during the Benefit Protection Period.

10. GENERAL.

(a) No Right of Employment.

Nothing contained in the Plan nor any action of the Committee pursuant to the Plan shall give any employee any right to remain in the employ of the Corporation or to impair the Corporation's right to terminate the employment of any employee at any time, with or without cause, which right is hereby reserved.

(b) Designation of Beneficiaries.

Participants may designate on the prescribed form one or more Beneficiaries to whom distribution shall be made of any outstanding Account balance at the time of 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 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.

(c) Domestic Relations Orders.

The procedures established by the Corporation for the determination of the qualified status of domestic relations orders and for making distributions under qualified domestic relations orders, as provided in Section 206(d) of ERISA, shall apply to the Plan.

(d) Costs of the Plan.

The costs and expenses of administering the Plan shall be borne by the Corporation.

(e) Severability.

The provisions of the Plan shall be deemed severable and the validity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof.

(f) Binding Effect of Plan.

The Plan shall be binding upon and shall inure to the benefit of the Corporation, its successors and assigns, and the Corporation shall require any successor or assign to expressly assume and agree to perform the Plan in the same manner and to the same extent that the Corporation would be required to perform it if no such succession or assignment had taken place. The term "the Corporation" as used herein shall include such successors and assigns. The term "successors and assigns" as used herein shall mean a corporation or other entity acquiring all or substantially all the assets and business of the Corporation (including the Plan) whether by operation of law or otherwise.

(g) No Waiver of Breach.

No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of the Plan to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions of conditions at the same or at any prior or subsequent time.

(h) No Assignment.

The interest and property rights of any Participant under the Plan shall not be subject to option nor be assignable either by voluntary or involuntary assignment or by operation of law, including (without limitation) bankruptcy, garnishment, attachment or other creditor's process, and any act in violation of this Section 10(i) shall be void.

(i) Applicable Law.

The Plan shall be administered, construed and governed in accordance with ERISA and, to the extent not preempted by ERISA, the laws of the State of California.

(j) Participant's Rights Unsecured.

This Plan is not intended and shall not be construed to require the Corporation to fund any of the benefits provided hereunder or to establish a trust for such purpose. The interest under the Plan of any Participant and such Participant's right to receive a distribution of his or her Account shall be an unsecured claim against the general assets of the Corporation. The Account shall be a bookkeeping entry only and no Participant shall have any interest in or claim against any specific asset of the Company pursuant to the Plan.

(k) Authority to Establish a Grantor Trust.

The Committee is authorized in its sole discretion to establish a grantor trust for the purpose of providing security for the payment of benefits under the Plan; provided, however, that no Participant shall be considered to have a beneficial ownership interest (or any other sort of interest) in any specific asset of the Corporation or of its subsidiaries or affiliates as a result of the creation of such trust or the transfer of funds or other property to such trust.

(l) Other Benefit Plans.

To the extent permitted by applicable law, a Participant's deferral elections made pursuant to this Plan shall be disregarded for purposes of determining the Participant's benefits under any other benefit plan or program established or maintained by the Corporation or its Subsidiaries.

11. EXECUTION.

To record the adoption of the Chevron Corporation Salary Deferral Plan for Management Employees to read as set forth herein effective January 1, 1997, Chevron Corporation has caused its authorized officer to affix the corporate name hereto this ____ day of _____, 1996.

CHEVRON CORPORATION

By _____

Attest: _____

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE COMPANY'S BALANCE SHEET AT MARCH 31, 2000 AND INCOME STATEMENT FOR THE THREE MONTHS ENDED MARCH 31, 2000 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS AND THEIR RELATED FOOTNOTES.

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3-MOS		
DEC-31-2000		
MAR-31-2000		
		1,185
	627	
	4,050	
	37	
	1,448	
	8,517	54,293
	29,111	
	41,249	
9,083		5,400
0		0
		1,069
		16,936
41,249		11,356
	11,698	0
	9,849	
	0	
	0	
	129	
	1,849	805
1,044		0
	0	
		0
	1,044	
	1.59	
	1.59	