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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, 1994

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)

225 Bush Street, San Francisco, California

94104

(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, 1994
-----	-----
Common stock, \$1.50 par value	651,664,236

NOTE: Par value per share and shares outstanding have been adjusted to
reflect a two-for-one stock split effective May 11, 1994.

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PART I. FINANCIAL INFORMATION

CHEVRON CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME

Millions of Dollars, Except Per Share Amounts	THREE MONTHS ENDED MARCH 31,	
	1994	1993

REVENUES		
Sales and other operating revenues(1)	\$ 8,105	\$ 8,903
Equity in net income of affiliated companies	107	117
Other income	52	62
	-----	-----
TOTAL REVENUES	8,264	9,082
	-----	-----
COSTS AND OTHER DEDUCTIONS		
Purchased crude oil and products	3,684	4,605
Operating expenses	1,497	1,340
Exploration expenses	105	74
Selling, general and administrative expenses	308	366
Depreciation, depletion and amortization	592	589
Taxes other than on income(1)	1,345	1,137
Interest and debt expense	73	87
	-----	-----
TOTAL COSTS AND OTHER DEDUCTIONS	7,604	8,198
	-----	-----
INCOME BEFORE INCOME TAX EXPENSE	660	884
INCOME TAX EXPENSE	272	383
	-----	-----
NET INCOME	\$ 388	\$ 501
	-----	-----
PER SHARE OF COMMON STOCK:(2)		
NET INCOME	\$.60	\$.77
DIVIDENDS	\$.4625	\$.4375
	-----	-----
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING (000s)(2)	651,625	650,469
	-----	-----
(1) Includes consumer excise taxes	\$ 1,152	\$ 927
	-----	-----

(2) On May 11, 1994, the company effected a two-for-one stock split. All share and per share amounts have been restated to reflect the stock split for all periods presented.

See accompanying notes to consolidated financial statements.

CHEVRON CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

Millions of Dollars	MARCH 31, 1994	DECEMBER 31, 1993

ASSETS		
Cash and cash equivalents	\$ 1,201	\$ 1,644
Marketable securities	371	372
Accounts and notes receivable	3,828	3,808
Inventories:		
Crude oil and petroleum products	1,111	1,108
Chemicals	413	423
Materials and supplies	255	252
Other merchandise	15	18
	-----	-----
	1,794	1,801
Prepaid expenses and other current assets	1,083	1,057
	-----	-----
TOTAL CURRENT ASSETS	8,277	8,682
Long-term receivables	101	94
Investments and advances	3,846	3,623
Properties, plant and equipment, at cost	45,233	44,807
Less: accumulated depreciation, depletion and amortization	23,403	22,942
	-----	-----
	21,830	21,865
Deferred charges and other assets	464	472
	-----	-----
TOTAL ASSETS	\$34,518	\$34,736

LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable	\$ 3,049	\$ 3,325
Accrued liabilities	2,357	2,538
Short-term debt	3,744	3,456
Federal and other taxes on income	767	782
Other taxes payable	520	505
	-----	-----
TOTAL CURRENT LIABILITIES	10,437	10,606
Long-term debt and capital lease obligations	3,882	4,082
Non-current deferred income taxes	2,968	2,916
Reserves for employee benefit plans	1,501	1,458
Deferred credits and other non-current obligations	1,550	1,677
	-----	-----
TOTAL LIABILITIES	20,338	20,739

Preferred stock (authorized 100,000,000 shares, \$1.00 par value, none issued)	-	-
Common stock (authorized 1,000,000,000 shares, \$1.50 par value, 712,487,068 shares issued)*	1,069	1,069
Capital in excess of par value	1,856	1,855
Deferred compensation - Employee Stock Ownership Plan (ESOP)	(878)	(920)
Currency translation adjustment and other	149	108
Retained earnings	14,049	13,955
Treasury stock, at cost (shares 60,822,832 and 61,008,858 at March 31, 1994 and December 31, 1993, respectively)*	(2,065)	(2,070)
	-----	-----
TOTAL STOCKHOLDERS' EQUITY	14,180	13,997
	-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$34,518	\$34,736

* On May 11, 1994, the company effected a two-for-one stock split. All share and per share amounts have been restated to reflect the stock split for all periods presented.

See accompanying notes to consolidated financial statements.

CHEVRON CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

Millions of Dollars	THREE MONTHS ENDED MARCH 31,	
	1994	1993

OPERATING ACTIVITIES		
Net income	\$ 388	\$ 501
Adjustments		
Depreciation, depletion and amortization	592	589
Dry hole expense related to prior years' expenditures	24	9
Distributions less than equity in affiliates' income	(59)	(82)
Net before-tax gains on asset retirements and sales	(12)	(21)
Net currency translation (gains) losses	(2)	4
Deferred income tax provision	65	23
Net increase in operating working capital	(514)	(465)
Other	18	(33)
	-----	-----
NET CASH PROVIDED BY OPERATING ACTIVITIES	500	525
	-----	-----
INVESTING ACTIVITIES		
Capital expenditures	(669)	(617)
Proceeds from asset sales	71	84
Net sales of marketable securities	1	-
	-----	-----
NET CASH USED FOR INVESTING ACTIVITIES	(597)	(533)
	-----	-----
FINANCING ACTIVITIES		
Net borrowings of short-term obligations	319	267
Proceeds from issuance of long-term debt	2	196
Repayments of long-term debt and other financing obligations	(367)	(324)
Cash dividends paid	(301)	(284)
Purchases of treasury shares	(2)	(2)
	-----	-----
NET CASH USED FOR FINANCING ACTIVITIES	(349)	(147)
	-----	-----
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	3	5
	-----	-----
NET CHANGE IN CASH AND CASH EQUIVALENTS	(443)	(150)
CASH AND CASH EQUIVALENTS AT JANUARY 1	1,644	1,292
	-----	-----
CASH AND CASH EQUIVALENTS AT MARCH 31	\$1,201	\$1,142
	-----	-----

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, 1993. 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.

The consolidated financial statements for the first quarter of 1994 include the effects of the company's adoption of Statements of Financial Accounting Standards No. 112, "Employers' Accounting for Postemployment Benefits," and No. 115, "Accounting for Certain Investments in Debt and Equity Securities." The company's prior accounting practices were substantially in compliance with the new standards and adoption of the new standards did not have a material effect on the company's consolidated financial statements or its liquidity.

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 1993 Annual Report on Form 10-K.

The results for the first quarter of 1994 are not necessarily indicative of future financial results.

NOTE 2. STOCK SPLIT

At the company's annual meeting on May 3, 1994, stockholders approved an increase in the authorized shares of common stock from 500 million to 1 billion and approved a two-for-one split of the company's issued common stock. The split was effective on May 11, 1994 for stockholders of record on that date. All share and per share value amounts have been restated to reflect the stock split for all periods presented.

NOTE 3. RECLASSIFICATION OF CERTAIN REVENUES AND PURCHASES

To conform to the presentation adopted in the second quarter of 1993, amounts presented in the consolidated income statement for the first quarter of 1993 were reclassified to net certain offsetting forward crude oil purchase and sales contracts. This reclassification had no effect on net income. Sales and other operating revenues, and purchased crude oil and products, each decreased \$760 million for the first quarter of 1993 from the amounts previously reported.

NOTE 4. NET INCOME

Net income for the first quarter of 1994 included special charges of \$36 million. These charges included provisions of \$21 million for estimated environmental assessment and cleanup liabilities at certain U.S. refining and marketing facilities and \$15 million for a reserve adjustment related to the resolution of certain regulatory issues with the Minerals Management Service.

In the first quarter of 1993, net income was reduced by \$2 million for special items. Provisions of \$14 million for estimated environmental assessment and cleanup liabilities at certain U.S. refining and marketing facilities and a write-off of \$12 million for a U.S. exploration and production asset were partially offset by a favorable prior year tax adjustment of \$19 million in Canada and a gain of \$5 million from the sale of certain undeveloped coal properties.

Foreign exchange gains and losses netted to zero in the first quarter of 1994. Net income for the first quarter of 1993 included net foreign exchange losses of \$4 million.

NOTE 5. INFORMATION RELATING TO THE STATEMENT OF CASH FLOWS

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

Millions of Dollars	THREE MONTHS ENDED MARCH 31,	
	1994	1993
(Increase) decrease in accounts and notes receivable	\$ (22)	\$ 238
Decrease in inventories	7	64
Increase in prepaid expenses and other current assets	(24)	(111)
Decrease in accounts payable and accrued liabilities	(475)	(599)
Decrease in income and other taxes payable	-	(57)
Net increase in operating working capital	\$ (514)	\$ (465)

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

Millions of Dollars	THREE MONTHS ENDED MARCH 31,	
	1994	1993
Interest paid on debt (net of capitalized interest)	\$ 70	\$ 110
Income taxes paid	\$ 192	\$ 387

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

Millions of Dollars	THREE MONTHS ENDED MARCH 31,	
	1994	1993
Marketable securities purchased	\$ (339)	\$ (648)
Marketable securities sold	340	648
Net sales of marketable securities	\$ 1	\$ -

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

In February 1994, the company took delivery of a new tanker, the Chevron Employee Pride, under a capital lease arrangement. This asset was recorded as a \$65 million addition to properties, plant and equipment and to capital lease obligations.

The company's Employee Stock Ownership Plan (ESOP) repaid \$40 million and \$30 million of matured debt guaranteed by Chevron Corporation in January of 1994 and 1993, respectively. These payments were recorded by the company as a reduction in its debt outstanding and in Deferred Compensation - ESOP.

NOTE 6. SUMMARIZED FINANCIAL DATA - CHEVRON U.S.A. INC.

Chevron U.S.A. Inc. is Chevron Corporation's principal operating company, consisting primarily of the company's United States integrated petroleum operations (excluding most of the domestic pipeline operations). These operations are conducted by three divisions: Chevron U.S.A. Production Company, Chevron U.S.A. Products Company and Warren Petroleum Company. Summarized financial information for Chevron U.S.A. Inc. and its consolidated subsidiaries is presented below:

Millions of Dollars	THREE MONTHS ENDED MARCH 31,	
	1994	1993
Sales and other operating revenues	\$6,082	\$7,763
Costs and other deductions	5,861	7,418
Net income	173	257

Millions of Dollars	MARCH 31, 1994	December 31, 1993
Current assets	\$ 3,552	\$ 3,661
Other assets	13,865	14,099
Current liabilities	6,130	5,936
Other liabilities	5,028	5,738
Net worth	6,259	6,086

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,	
	1994	1993
Sales and other operating revenues	\$3,298	\$3,901
Operating income	245	279
Net income	178	185

NOTE 8. INCOME TAXES

The effective income tax rate was 41.2 percent for this year's first quarter, compared with 43.3 percent for the 1993 first quarter. The rate decrease reflects proportionately greater earnings from equity affiliates recorded on an after-tax basis and proportionately higher tax credits.

NOTE 9. CONTINGENT LIABILITIES

LITIGATION -

The company is a defendant in numerous lawsuits, in addition to those mentioned in this note. Plaintiffs may seek to recover large and sometimes unspecified amounts, and some matters may remain unresolved for several years.

In April 1991, a United States District Court in Texas ruled favorably on claims brought by former employees of Gulf and participants in the Gulf Pension Plan that a partial termination of the plan had occurred. However, the court denied plaintiffs' claims to a share of any surplus plan assets. In October 1991, the district court approved a partial settlement in which the parties agreed not to appeal the partial termination claims except as relevant to plaintiffs' claims for a share of surplus plan assets. These claims are now before the Fifth Circuit Court of Appeals.

A lawsuit brought against the company by OXY USA Inc., the successor in interest to Cities Service Company, remains pending in an Oklahoma state court. The suit involves claims for breach of contract and misrepresentation related to the termination of Gulf Oil Corporation's offer to purchase Cities' stock in 1982. (Gulf was acquired by Chevron in 1984.)

Management is of the opinion that resolution of the lawsuits will not result in any significant liability to the company in relation to its consolidated financial position or liquidity.

OTHER CONTINGENCIES -

The U.S. federal income tax and California franchise tax liabilities of the company have been settled through 1976 and 1987, respectively. Settlement of open tax matters is not expected to have a material effect on consolidated net assets or liquidity of the company and, in the opinion of management, adequate provision has been made for income and franchise taxes for all years either under examination or subject to future examination. The Internal Revenue Service (IRS) has asserted tax deficiencies against the other three former stockholders of Arabian American Oil Co. (Aramco) regarding the pricing of crude oil purchased from Saudi Arabia during the period 1979 through 1981. In December 1993, the U.S. Tax Court ruled in favor of Exxon and Texaco on this issue. It is not known if the IRS will appeal this decision. Chevron has not received any proposed tax deficiency concerning this issue. In July 1991, the IRS issued a "Designated Summons" that requires Chevron to produce additional documents in connection with the Saudi pricing issue. The Designated Summons extends the statutory period for assessing additional tax. As directed by the District Court, Chevron completed production of documents before year-end 1993. Further motions regarding compliance with the summons are expected in 1994. After Chevron complies with the Summons, the IRS may propose tax deficiencies similar to those asserted against other former Aramco stockholders. The company believes that it properly accounted for Saudi crude in its tax return and that it owes no additional U.S. taxes.

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 guarantees, claims and long-term commitments under various agreements, the payments and future commitments for which are not material in the aggregate.

In September 1990, the Minerals Management Service of the U.S. Department of the Interior (the Service) issued a preliminary determination letter to the effect that the company owed additional royalty payments on natural gas the company produced from federal leasehold interests and sold under a long-term supply contract. The company made royalty payments based on the contract price received, rather than on the basis of published weighted average gas prices, which were higher. In March 1994, the company reached agreement on a global settlement regarding this and certain other outstanding issues with the Service, resulting in an after-tax charge to first quarter earnings of \$15 million to adjust the previously established reserve for these issues.

In March 1992, an agency within the Department of Energy (DOE) issued a Proposed Remedial Order (PRO) claiming Chevron failed to comply with DOE regulations in the course of its participation in the Tertiary Incentive Program. Although the DOE regulations involved were rescinded in March 1981, following decontrol of crude oil prices in January 1981, and the statute authorizing the regulations expired in September 1981, the PRO purports to be for the period April 1980 through April 1990. The DOE claims the company overrecouped under the regulations by \$125 million during the period in question. Including interest through March 1994, the total claim amounts to \$281 million. The company asserts that in fact it incurred a loss through participation in the DOE program. The Office of Hearings and Appeals of the DOE has granted Chevron's motion for evidentiary hearing and discovery. No date has yet been set for the evidentiary hearing.

The company is subject to loss contingencies pursuant to environmental laws and regulations that in the future may require the company to take action to correct or ameliorate the effects on the environment of prior disposal or release of chemical or petroleum substances by the company or other parties. Such contingencies may exist for various sites including, but not limited to: Superfund sites, operating refineries, oil fields, service stations, terminals and land development areas. In addition, the company may have obligations relating to prior asset sales or closed facilities, or for future costs to be incurred upon the sale or disposition of existing operating facilities. 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 insurance. While the amounts of future costs may be material to the company's results of operations in the period in which they are recognized, the company does not expect these costs to have a material effect on Chevron's consolidated financial position or liquidity.

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, Australia, United Kingdom, Canada, Nigeria, Angola, Papua New Guinea, China, Indonesia and Zaire. The company's Caltex affiliates have significant operations in Indonesia, Japan, Korea, Australia, the Philippines, Thailand and South Africa. The company's Tengizchevroil affiliate operates in the Republic of Kazakhstan.

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

FIRST QUARTER 1994 COMPARED WITH FIRST QUARTER 1993

OVERVIEW AND OUTLOOK

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Net income for the 1994 first quarter was \$388 million, down 23 percent from \$501 million earned in the first quarter of 1993. Earnings per share declined to \$.60 from \$.77*. Special charges reduced 1994's reported earnings by \$36 million, versus a net reduction of \$2 million from special items in the prior-year first quarter. Excluding the special charges, earnings of \$424 million were 16 percent lower than in the 1993 first quarter.

The 1994 first quarter results were hurt by low crude oil prices; crude oil realizations averaged about \$4.00 per barrel less than in last year's first quarter. Also, earnings in the first quarter were penalized by the effect of scheduled and unscheduled downtime at most of the company's major U.S. refineries, particularly in March. Additionally, exploration expenses increased \$31 million to \$105 million because of higher well write-offs, mostly in the United States.

However, on the plus side, international production volumes continued to increase, U.S. natural gas prices were higher, international downstream earnings improved on higher product sales margins, chemical operations improved on increased sales volumes and higher margins and operating and administrative costs remained under control.

Crude oil prices strengthened somewhat in April 1994 and natural gas prices began a seasonal decline. In March, the company's average posted price for West Texas Intermediate crude oil (WTI), a benchmark crude, was \$13.68 per barrel; in April its WTI average price was \$15.18. The Henry Hub, Louisiana spot price for natural gas, a common benchmark for natural gas prices, averaged \$2.21 per thousand cubic feet in March; in April the average fell to \$2.04. Refined product prices have held relatively constant. The company continued to incur refinery downtime in April although not to the extent experienced in March. It is uncertain whether the first quarter improvement in chemicals operations will be maintained in the second quarter.

Total revenues for the quarter were \$8.3 billion, down from \$9.1 billion in last year's first quarter, reflecting lower prices for refined products and crude oil.

Ongoing operating and administrative costs (excluding special items) increased 4 percent to \$1.748 billion. The increase was primarily due to refinery maintenance. The company measures its cost performance on a per-barrel basis and includes the "cost" of consumption of company-produced fuel (which is eliminated in the consolidated financial statements). On this basis, costs declined 5 cents per barrel to \$6.47 from the first quarter of 1993. The company has lowered its cost structure about \$1.00 per barrel since 1991, and the current goal in 1994 is to achieve a 25 cents per barrel reduction from average 1993 costs.

Income tax expense totaled \$272 million for this year's first quarter, down from \$383 million in the first quarter of 1993. The decrease primarily reflected the decline in before-tax income from \$884 million in the first quarter of 1993 to \$660 million in 1994. The effective tax rate was 41.2 percent for this year's quarter, compared with 43.3 percent for the 1993 first quarter. The rate decrease reflects proportionately greater earnings from equity affiliates recorded on an after-tax basis and proportionately higher tax credits.

Foreign exchange effects netted to zero in the 1994 first quarter, compared with net foreign exchange losses of \$4 million in the prior-year first quarter.

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* Per share amounts reflect a two-for-one split of the company's common stock, effective May 11, 1994.

CURRENT DEVELOPMENTS

The Hibernia project partners received a preliminary report in April 1994 indicating the pre-production costs for the project could be 15 to 20 percent more than the previous \$5.2 billion (Canadian) forecast. The study was precipitated by concerns about engineering costs and construction delays caused by the complexity of the gravity base structure. The partners are reviewing the report in detail to arrive at a revised cost forecast. Chevron, with an approximate 27 percent interest, remains committed to the project. The company's capitalized investment in the project, including capitalized interest, was \$464 million at March 31, 1994.

Transportation constraints continue to limit production from the Tengiz oil field to about 30,000 barrels per day, substantially below its current production capacity of 65,000 barrels per day. The field is owned and operated by Tengizchevroil (TCO), a company owned jointly by Chevron and the Republic of Kazakhstan. In response to the lower than expected oil exports and the protracted slump in oil prices, TCO announced in late April that it was deferring some of its capital spending, primarily in infrastructure development. Chevron's cash investment in TCO at March 31, 1994 was \$417 million.

Increased export capability remains critical to realizing the joint venture's full potential, and negotiations continue for terms of an export pipeline to enable the project to market its output directly to world markets. Participants in current pipeline negotiations include the company and the Caspian Pipeline Consortium, composed of the Republics of Kazakhstan and Russia and the Sultanate of Oman. The pipeline negotiations are continuing to be very difficult, and it is currently impossible to predict the eventual outcome or its impact on the joint venture.

In May 1993, Chevron announced a major restructuring of its U.S. downstream business. In May 1994, an agreement was reached to sell the company's Philadelphia, Pennsylvania, refinery to Sun Company, Inc. and exclusive negotiations are continuing with Clark Refining and Marketing, Inc. for the sale of the Port Arthur, Texas, refinery. The company hopes to have both sales completed this year. At this time, the reserve established in the second quarter of 1993 is believed to be sufficient to complete the restructuring.

At March 31, 1994, the company had \$231 million of suspended exploratory wells included in properties, plant and equipment. The wells are suspended pending drilling of additional wells to determine if commercially producible quantities of oil or gas reserves are present. The ultimate disposition of these well costs is dependent on the results of this future activity.

RESULTS OF OPERATIONS

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

EARNINGS BY MAJOR OPERATING AREA

Millions of Dollars	FIRST QUARTER	
	1994	1993
Exploration and Production		
United States	\$124	\$195
International	111	165
Total Exploration and Production	235	360
Refining, Marketing and Transportation		
United States	98	100
International	63	22
Total Refining, Marketing and Transportation	161	122
Total Petroleum Operations	396	482
Chemicals	26	18
Coal and Other Minerals	15	20
Corporate and Other*	(49)	(19)
NET INCOME	\$388	\$501

* In 1994, the company changed its method of distributing certain corporate expenses to its business segments. As a result, about \$20 million in the first quarter of 1994 is classified as Corporate and Other that would

previously have been distributed to the various business segments.

SELECTED OPERATING DATA

	FIRST QUARTER	
	1994	1993

U.S. EXPLORATION AND PRODUCTION		
Net Crude Oil and Natural Gas Liquids Production (MBPD)	373	398
Net Natural Gas Production (MMCFPD)	2,189	2,093
Sales of Natural Gas Liquids (MBPD)	210	208
Revenues from Net Production		
Crude Oil (\$/Bbl.)	\$11.56	\$15.63
Natural Gas (\$/MCF)	\$ 2.13	\$ 1.83
INTERNATIONAL EXPLORATION AND PRODUCTION (1)		
Net Crude Oil and Natural Gas Liquids Production (MBPD)	603	533
Net Natural Gas Production (MMCFPD)	531	479
Revenue from Liftings		
Liquids (\$/Bbl.)	\$13.12	\$17.11
Natural Gas (\$/MCF)	\$2.03	\$2.12
U.S. REFINING AND MARKETING		
Sales of Gasoline (MBPD)	644	640
Sales of Other Refined Products (MBPD)	665	772
Refinery Input (MBPD)	1,153	1,254
Average Refined Product Sales Price (\$/Bbl.)	\$22.71	\$25.83
INTERNATIONAL REFINING AND MARKETING (1)		
Sales of Refined Products (MBPD)	945	867
Refinery Input (MBPD)	639	578
CHEMICAL SALES AND OTHER OPERATING REVENUES (2)		
United States	\$654	\$727
International	147	135
	----	----
Worldwide	\$801	\$862

(1) Includes equity in affiliates. Per unit revenue from net liftings for 1993 has been restated to include equity affiliates. Refinery input in 1994 includes South Africa, where local government restrictions prohibited this disclosure prior to the fourth quarter of 1993.

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

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

WORLDWIDE EXPLORATION AND PRODUCTION operations earned \$235 million in the first quarter of 1994, down from \$360 million in the corresponding 1993 period. U.S. EXPLORATION AND PRODUCTION activities earned \$124 million, down from \$195 million earned in the prior-year first quarter. The 1994 first quarter results were reduced by a \$15 million reserve adjustment for the resolution of certain regulatory issues with the Minerals Management Service; the 1993 quarter included an asset write-off of \$12 million. Excluding the effects of special items, earnings were down 33 percent to \$139 million.

Average crude oil realizations of \$11.56 per barrel were \$4.07 lower than in last year's first quarter. Net liquids production declined 6 percent to 373,000 barrels per day due to natural field declines, property sales and maintenance. Also, exploration expense increased because of unsuccessful well write-offs.

Higher natural gas prices and volumes partially mitigated the decline in crude prices. Average natural gas prices increased \$.30 per thousand cubic feet to \$2.13. Net natural gas production volumes were up 5 percent to 2.2 billion cubic feet per day due to new production and strong demand.

INTERNATIONAL EXPLORATION AND PRODUCTION net earnings for the quarter declined to \$111 million from \$165 million earned in last year's first quarter, which included a \$19 million favorable prior-year tax adjustment.

The earnings decline caused by lower crude oil prices in 1994 was partially offset by a 13 percent increase in net liquids production volumes to 603,000 barrels per day. New field production in the North Sea and Nigeria, coupled with the 1993 second quarter start-up of joint venture operations in Kazakhstan, contributed to the increased 1994 volumes. Also, natural gas production increased 11 percent to 531 million cubic feet per day, primarily in Australia, Canada and Kazakhstan.

REFINING AND MARKETING earned \$161 million worldwide in the first quarter of 1994 compared with \$122 million in the corresponding 1993 period. U.S. REFINING AND MARKETING earnings were \$98 million compared with \$100 million in the first quarter of 1993. Both quarters included charges for environmental remediation - \$21 million in 1994 and \$14 million in 1993. Excluding the effects of special items, earnings were up 4 percent to \$119 million.

Average refined product prices did not fall as much as crude oil costs. This benefit to sales margins was mostly offset by the impact of scheduled and unscheduled refinery downtime, which resulted in higher operating costs and required more costly third-party product purchases to supply the company's marketing system. Total sales volumes fell 7 percent, although sales of gasolines rose slightly.

EARNINGS FROM INTERNATIONAL REFINING AND MARKETING, including international marine operations and equity in the earnings of the company's Caltex Petroleum Corporation affiliate, were up significantly at \$63 million, nearly three times the 1993 first quarter results.

Compared to the prior-year first quarter, product sales margins were higher and the company's trading results improved. Sales volumes increased 9 percent, reflecting higher volumes in both marketing and trading operations.

CHEMICALS first quarter 1994 earnings were \$26 million, up from \$18 million in the first quarter of 1993. Although the petrochemicals industry remains depressed, both sales volumes and margins have improved somewhat with the strengthening of the U.S. economy. Last year's first quarter results included earnings from the consumer products business, which was sold in the second quarter of 1993.

COAL AND OTHER MINERALS first quarter earnings were \$15 million, down from \$20 million in the corresponding quarter last year, which included a \$5 million asset sale gain. Operating results were flat year-to-year.

CORPORATE AND OTHER incurred net charges of \$49 million compared with charges of \$19 million in the 1993 first quarter.

In 1994, the company changed its method of distributing certain corporate expenses to its business segments. As a result, corporate and other charges in the 1994 quarter include approximately \$20 million that, under the previous method, would have been allocated to the various segments. This change had no net income effect and no significant effect on any individual segment's results, nor did it affect any segment's operational trends.

In the 1994 first quarter, the company adopted required accounting standards for postemployment benefits and for certain investments in debt and equity securities. The adoption of the new standards had no material effect on the company's net income, financial position or liquidity.

CAPITAL AND LIQUIDITY

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Cash and cash equivalents totaled \$1.201 billion at March 31, 1994, down \$443 million from year-end 1993. This cash drawdown, together with cash from operations of \$500 million and proceeds from asset sales of \$71 million were used to fund the company's capital expenditures and dividend payments to stockholders.

In January, the company increased its 1994 first quarter dividend 5 cents to 92.5 cents per share (pre-split), and in April 1994, declared a 92.5 cents per share dividend (pre-split) for the second quarter. Also in January, the Board of Directors proposed increasing the number of authorized shares of common stock from 500 million to one billion to accommodate a two-for-one stock split, effective May 11, 1994. These actions were approved at the company's Annual Meeting on May 3.

Total debt and capital lease obligations of \$7.626 billion at March 31, 1994, was up \$88 million from the \$7.538 billion at year-end 1993. The increase is primarily from \$319 million of net short-term borrowings, largely the issuance of commercial paper, and \$65 million in capital lease obligations associated with the delivery of a new vessel. This was partially offset by a net repayment of long-term obligations, including an early repayment of \$200 million of 7 7/8 percent U.S. public debt originally due on March 1, 1997. The company also retired \$40 million of debt related to the Employee Stock Ownership plan in January 1994.

Although the company benefits from lower interest rates on short-term debt, the shift to short-term debt has reduced Chevron's ratio of current assets to current liabilities from .82 at year-end 1993 to .79 at March 31, 1994. The company's short-term debt, consisting of commercial paper and current portion of long-term debt, totaled \$5.624 billion at March 31, 1994. This amount includes \$1.880 billion, which was reclassified as long-term since the company has both the intent and ability, as evidenced by revolving credit agreements, to refinance it on a long-term basis. The company also intends to continually refinance its remaining short-term debt.

Worldwide capital and exploratory expenditures for the first quarter of 1994, including the company's share of affiliates' expenditures, totaled \$1.059 billion, a 36 percent increase from the \$778 million spent in the 1993 first quarter. The increase was due to expenditures for the development of the Tengiz oil field in Kazakhstan and for refinery construction and expansion projects. Total expenditures for exploration and production activities represented 61 percent of total outlays in the 1994 period, up from 54 percent in the 1993 first quarter. Total expenditures outside the United States were 62 percent of the total outlays for the 1994 period, compared with 60 percent in 1993.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Cities Service Tender Offer Cases -

The description contained in Part I, item 3, Paragraph A of the company's Annual Report on Form 10-K for the year ended December 31, 1993 is hereby amended as follows:

On April 18, 1994, the Oklahoma state court in Tulsa granted plaintiff Cities Service's motion to amend its petition. On April 25, 1994, Cities Service filed its Second Amended Petition.

ITEM 2. CHANGES IN SECURITIES

The company's Restated Certificate of Incorporation was amended to increase the number of authorized shares of Common Stock and reduce the par value of the Common Stock in order to effect the two-for-one stock split on May 11, 1994.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

- (4) Pursuant to the Instructions to Exhibits, certain instruments defining the rights of holders of long-term debt securities of the corporation 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 corporation and its subsidiaries on a consolidated basis. A copy of any such instrument will be furnished to the Commission upon request.

- (12) Computation of Ratio of Earnings to Fixed Charges

(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 16, 1994

DONALD G. HENDERSON

Donald G. Henderson,
Vice-President & Comptroller
(Principal Accounting Office
and Duly Authorized Officer)

CHEVRON CORPORATION - TOTAL ENTERPRISE BASIS
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
(Dollars in Millions)

	THREE MONTHS ENDED MARCH 31, 1994	1993	1992(1)	1991	1990	1989
	-----	-----	-----	-----	-----	-----
Net Income before Cumulative Effect of Changes in Accounting Principles	\$ 388	\$1,265	\$2,210	\$1,293	\$2,157	\$ 251
Income Tax Expense	329	1,389	1,508	1,302	2,387	1,322
Distributions (Less Than) Greater Than Equity in Earnings of Less Than 50% Owned Affiliates	(4)	6	(9)	(20)	(6)	(9)
Minority Interest	-	(2)	2	2	6	3
Previously Capitalized Interest Charged to Earnings During Period	7	20	18	17	15	15
Interest and Debt Expense	93	390	490	585	707	718
Interest Portion of Rentals(2)	36	169	152	153	163	118
	-----	-----	-----	-----	-----	-----
EARNINGS BEFORE PROVISION FOR TAXES AND FIXED CHARGES	\$ 849	\$3,237	\$4,371	\$3,332	\$5,429	\$2,418
	=====	=====	=====	=====	=====	=====
Interest and Debt Expense	\$ 93	\$ 390	\$ 490	\$ 585	\$ 707	\$ 718
Interest Portion of Rentals(2)	36	169	152	153	163	118
Capitalized Interest	17	60	46	30	24	42
	-----	-----	-----	-----	-----	-----
TOTAL FIXED CHARGES	\$ 146	\$ 619	\$ 688	\$ 768	\$ 894	\$ 878
	=====	=====	=====	=====	=====	=====

RATIO OF EARNINGS TO FIXED CHARGES	5.82	5.23	6.35	4.34	6.07	2.75

(1) The information for 1992 and subsequent periods reflects the company's adoption of the Financial Accounting Standards Board Statements No. 106, "Employers' Accounting for Postretirement Benefits Other than Pensions" and No. 109, "Accounting for Income Taxes," effective January 1, 1992.

(2) Calculated as one-third of rentals.