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

Form 10-Q

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

For the quarterly period ended March 31, 1996

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 X No

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

Class	Outstanding as of March 31, 1996
Common stock, $1.50 par value	652,647,311

INDEX

PART II. OTHER INFORMATION

PART I. FINANCIAL INFORMATION

CHEVRON CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF INCOME

Millions of Dollars, Except Per Share Amounts	Three Months Ended March 31, 1996	1995
Revenues		
Sales and other operating revenues*	$10,157	$ 8,820
Equity in net income of affiliated companies	136	231
Other income	43	(7)
Total Revenues	10,336	9,044
Costs and Other Deductions		
Purchased crude oil and products	5,448	4,518
Operating expenses	1,313	1,365
Exploration expenses	92	71
Selling, general and administrative expenses	354	301
Depreciation, depletion and amortization	531	576
Taxes other than on income*	1,413	1,373
Interest and debt expense	96	110
Total Costs and Other Deductions	9,247	8,314
Income Before Income Tax Expense	1,089	730
Income Tax Expense	473	271
Net Income	$ 616	$ 459
Per Share of Common Stock:		
Net Income	$ .94	$ .70
Dividends	$ .50	$ .4625
Weighted Average Number of Shares Outstanding (000s)	652,563	651,895
* Includes consumer excise taxes.	$1,244	$1,185

See accompanying notes to consolidated financial statements.

CHEVRON CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

Millions of Dollars	March 31, 1996	December 31, 1995
ASSETS		
Cash and cash equivalents	$ 980	$ 621
Marketable securities	449	773
Accounts and notes receivable	4,244	4,014
Inventories:		
Crude oil and petroleum products	629	822
Chemicals	467	487
Materials, supplies and other	287	289
	1,383	1,598
Prepaid expenses and other current assets	864	861
Total Current Assets	7,920	7,867
Long-term receivables	137	149
Investments and advances	4,111	4,087
Properties, plant and equipment, at cost	48,390	48,031
Less: accumulated depreciation, depletion and amortization	26,728	26,335
	21,662	21,696
Deferred charges and other assets	539	531
Total Assets	$34,369	$34,330
LIABILITIES AND STOCKHOLDERS' EQUITY		
Short-term debt	$ 3,724	$ 3,806
Accounts payable	3,212	3,294
Accrued liabilities	1,176	1,257
Federal and other taxes on income	700	558
Other taxes payable	517	530
Total Current Liabilities	9,329	9,445
Long-term debt	3,891	4,133
Capital lease obligations	383	388
Deferred credits and other non-current obligations	1,964	1,992
Non-current deferred income taxes	2,531	2,433
Reserves for employee benefit plans	1,595	1,584
Total Liabilities	19,693	19,975
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	1,867	1,863
Deferred compensation - Employee Stock Ownership Plan (ESOP)	(800)	(850)
Currency translation adjustment and other	138	174
Retained earnings	14,440	14,146
Treasury stock, at cost (shares 59,839,757 and 60,160,057 at March 31, 1996 and December 31, 1995, respectively)	(2,038)	(2,047)
Total Stockholders' Equity	14,676	14,355
Total Liabilities and Stockholders' Equity	$34,369	$34,330

See accompanying notes to consolidated financial statements.

CHEVRON CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

Millions of Dollars	Three Months Ended March 31, 1996	Three Months Ended March 31, 1995
Operating Activities		
Net income	$ 616	$ 459
Adjustments		
Depreciation, depletion and amortization	531	576
Dry hole expense related to prior years' expenditures	7	5
Distributions less than equity in affiliates' income	(69)	(145)
Net before-tax losses on asset retirements and sales	7	15
Net currency translation losses	6	31
Deferred income tax provision	86	82
Net increase in operating working capital	(44)	(436)
Other	(37)	(23)
Net Cash Provided by Operating Activities	1,103	564
Investing Activities		
Capital expenditures	(656)	(732)
Proceeds from asset sales	190	243
Net sales of marketable securities	326	257
Net Cash Used for Investing Activities	(140)	(232)
Financing Activities		
Net (payments) borrowings of short-term obligations	(205)	191
Proceeds from issuance of long-term debt	5	17
Repayments of long-term debt and other financing obligations	(72)	(44)
Cash dividends paid	(326)	(301)
Purchases of treasury shares	(2)	(2)
Net Cash Used for Financing Activities	(600)	(139)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(4)	2
Net Change in Cash and Cash Equivalents	359	195
Cash and Cash Equivalents at January 1	621	413
Cash and Cash Equivalents at March 31	$ 980	$ 608

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, 1995. 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 1995 Annual Report on Form 10-K.

The results for the three-month period ended March 31, 1996 are not necessarily indicative of future financial results.

Note 2. Net Income

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

Net income for the first quarter of 1995 benefited from $63 million in special items, including a net $80 million earnings benefit from the company's Caltex affiliate, primarily from a gain related to the sale of land. This gain was offset by a $10 million environmental remediation provision related to marketing properties formerly held by the company and a $7 million charge for employee severance in connection with a workforce reduction program at the company's Canadian operations.

Foreign exchange losses of $14 million were included in first quarter 1996 net income. There were no net foreign exchange gains or losses in the 1995 quarter.

Note 3. Information Relating to the Statement of Cash Flows

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

	Three Months Ended March 31,	
Millions of Dollars	1996	1995
Increase in accounts and notes receivable	$ (255)	$ (36)
Decrease in inventories	215	162
Increase in prepaid expenses and other current assets	(6)	(88)
Decrease in accounts payable and accrued liabilities	(137)	(351)
Increase (decrease) in income and other taxes payable	139	(123)
Net increase in operating working capital	$ (44)	$ (436)

"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, 1996	1995
Interest paid on debt (net of capitalized interest)	$ 115	$ 120
Income taxes paid	$ 237	$ 336

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

Millions of Dollars	Three Months Ended March 31, 1996	1995
Marketable securities purchased	$ (871)	$ (567)
Marketable securities sold	1,197	824
Net sales of marketable securities	$ 326	$ 257

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

The company's Employee Stock Ownership Plan (ESOP) repaid $50 million of matured debt guaranteed by Chevron Corporation in January of 1996 and 1995. These payments were recorded by the company as a reduction in its debt outstanding and in Deferred Compensation - ESOP.

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

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 Products Company and Warren Petroleum Company.

The company announced in January 1996 that it had entered into exclusive negotiations with NGC Corporation to merge certain gas gathering, processing and marketing operations of Chevron U.S.A. Production Company's Natural Gas Business Unit and Warren Petroleum Company with those of NGC Corporation, which would give Chevron an approximate 28 percent ownership interest in the resulting company.

Summarized financial information for Chevron U.S.A. Inc. and its consolidated subsidiaries is presented on the next page.

Millions of Dollars	Three Months Ended March 31, 1996	1995
Sales and other operating revenues	$6,999	$5,933
Costs and other deductions	6,735	6,043
Net income (loss)	233	(33)

Millions of Dollars	March 31, 1996	December 31, 1995
Current assets	$ 3,476	$ 3,426
Other assets	13,136	13,666
Current liabilities	5,132	5,800
Other liabilities	5,294	5,357
Net worth	6,186	5,935

Note 5. Summarized Financial Data - Chevron Transport Corporation

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

Millions of Dollars	Three Months Ended March 31, 1996	1995
Sales and other operating revenues	$123	$105
Costs and other deductions	142	117
Net loss	(3)	(20)

Millions of Dollars	March 31, 1996	December 31, 1995
Current assets	$ 44	$ 37
Other assets	1,627	1,561
Current liabilities	548	459
Other liabilities	418	431
Net worth	705	708

Separate financial statements and other disclosures with respect to CTC are omitted as such separate financial statements and other disclosures are not material to investors in the debt securities deemed issued by CTC. There were no restrictions on CTC's ability to pay dividends or make loans or advances at March 31, 1996.

Note 6. Summarized Financial Data - Caltex Group of Companies

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

Millions of Dollars	Three Months Ended March 31, 1996	1995
Sales and other operating revenues	$4,085	$4,042
Operating income	279	257
Net income	194	416

In the first quarter of 1995, Caltex recorded a gain for U.S. financial reporting of $171 million relating to the sale of a portion of land and air utility rights by a Caltex affiliate in Japan required for a public project. The proceeds included compensation that will be used to remove and relocate or replace existing assets affected by the sale.

In April 1996, Caltex sold its 50 percent interest in a refining company in Japan for approximately $2 billion, and expects to recognize a gain of about $650 million from the sale in the second quarter of 1996.

Note 7. Income Taxes

Taxes on income for the first quarter of 1996 were $473 million compared with $271 million for the comparable 1995 period. The effective income tax rate for the first quarter 1996 increased to 43.4 percent from 37.1 percent for the first quarter 1995. The increase in the 1996 effective tax rate was caused by the decrease in the company's equity in net income of certain affiliated companies that are recorded on an after-tax basis. This effect was offset partially by a shift in the international earnings composition from higher effective tax rate countries to lower effective tax rate countries.

Note 8. Contingent Liabilities

Litigation -

The company is a defendant in numerous lawsuits, including an action brought against the company by OXY U.S.A. in an Oklahoma state court. Plaintiffs may seek to recover large and sometimes unspecified amounts, and some matters may remain unresolved for several years. It is not practical to estimate a range of possible loss for the company's litigation matters, and losses could be material with respect to earnings in any given period. However, management is of the opinion that resolution of the lawsuits will not result in any significant liability to the company in relation to its consolidated financial position or liquidity.

OXY U.S.A. has brought a lawsuit in its capacity as successor in interest to Cities Services Company, which involves claims for damages resulting from the allegedly improper termination of a tender offer to purchase Cities' stock in 1982 made by Gulf Oil Corporation (which was acquired by Chevron in 1984). A trial with respect to the claims commenced on April 15, 1996.

Other Contingencies -

The U.S. federal income tax and California franchise tax liabilities of the company have been settled through 1976 and 1987, respectively. For federal income tax purposes, all issues other than the allocation of state income taxes and the creditability of taxes paid to the Government of Indonesia have been resolved through 1987. A Tax Court decision in 1995 confirmed the validity of tax regulations for allocating state income taxes. The company is currently working with the Internal Revenue Service to agree on a methodology that could apply to all years. The Indonesia issue applies only to years after 1982. While the amounts under dispute with the IRS are significant, settlement of open tax matters is not expected to have a material effect on the consolidated net assets or liquidity of the company and, in the opinion of management, adequate provision has been made for income and franchise taxes for all years either under examination or subject to future examination.

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.

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 purported to be for the period April 1980 through April 1990. The DOE claimed the company overrecouped under the regulations by $125 million during the period in question but subsequently requested that the DOE's Office of Hearings and Appeals (OHA) amend the amount to $167 million. Assuming the amendment had been granted, the total claim, including interest through December 1995, amounted to $442 million. Following evidentiary hearings and oral arguments, on March 25, 1996, OHA dismissed the PRO with prejudice. Intervenors issued no challenges within the 30 day period following the OHA decision. The company considers this issue successfully resolved.

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

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

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

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

First Quarter 1996 Compared With First Quarter 1995

Overview and Outlook

Net income for the 1996 first quarter was $616 million ($.94 per share), a 34 percent increase from $459 million ($.70 per share) earned in the first quarter of 1995. There were no special items in this year's first quarter; in 1995, special items benefited first quarter's earnings $63 million. Excluding special items, earnings were up 56 percent from last year's first quarter.

Worldwide upstream operations reported strong results, benefiting from higher crude oil and U.S. natural gas prices. U.S. refining and marketing earnings of $18 million were significantly improved from last year's loss of $102 million. From an operational perspective, the company's refineries ran well in the first quarter, compared with the significant refinery downtime incurred in last year's first quarter. However, despite higher product prices, margins in absolute terms remained low as a very competitive U.S. marketplace did not allow the company to fully recoup higher crude oil costs and the additional costs of manufacturing cleaner burning fuels in California. Margins were squeezed as crude oil prices rose nearly $4 per barrel during the last two months of the quarter. Chemical earnings declined from the prior year quarter, reflecting softer industry conditions and higher feedstock costs.

Beginning in late 1995, extremely cold weather in much of the United States caused demand for natural gas to increase quickly and significantly. The increased demand, coupled with low customer inventory levels, resulted in higher prices. For example, the Henry Hub, Louisiana spot price for natural gas, a common benchmark for natural gas prices, averaged $2.92 per thousand cubic feet in January, $4.41 in February, fell to $3.00 in March and, with the advent of warmer weather, further declined to $ 2.34 in April. All these prices are significantly higher than those experienced in the past several years.

A confluence of events caused crude oil prices to also increase over this period. Gasoline demand has been strong and cold weather in the United States and Europe increased demand for heating oils. Overhanging this tight supply market was an expectation that the United Nations sanctions against Iraq would be lifted, allowing that country to resume at least limited production of crude oil for sale into world markets, thereby increasing supplies and presumably decreasing prices. Consequently, companies delayed replenishing inventories, expecting to replace them with cheaper oil, and industry inventory levels fell to their lowest level in almost 20 years. The Iraq situation has not been resolved; companies were forced to rebuild inventories and demand for refined products continued strong, accelerating the rise in crude oil prices .

Chevron's average posted price for West Texas Intermediate crude oil (WTI), a benchmark crude, was $17.81 per barrel in January, relatively unchanged at $17.65 in February, increased to $20.10 in March and averaged $22.29 in April.

The company began manufacturing the state-mandated cleaner-burning gasolines at its California refineries in the first quarter. The reformulated fuels were required to be delivered to terminals by April 15. On April 17, the company announced price increases in California of between 8 and 9 cents per gallon to recover the increased costs of manufacturing the new gasolines. Chevron has invested over $1 billion in recent years to upgrade and modify its two California refineries to produce the cleaner-burning fuels, as well as to increase their reliability and efficiency.

In addition, the market forces described above that resulted in escalating crude oil prices began to be reflected in refined product prices in April. These factors, coupled with continued strong demand and industry refinery downtime that tightened supplies, caused product prices to rise rapidly to their highest levels in several years by the second half of April.

SFAS No. 123, "Accounting for Stock-Based Compensation," establishes financial and reporting standards for stock-based employee compensation plans and is effective for Chevron 1996 financial statements. The statement encourages, but does not require, companies to adopt a fair-value-based method of accounting for such plans, in place of current accounting standards. Companies electing to continue their existing accounting must make pro forma disclosures of net income as if the fair-value-based method of accounting had been applied. The company is evaluating the statement and has made no decision whether to adopt the new accounting or continue its present accounting with pro forma disclosures.

Current Developments

Chevron's 50 percent-owned Tengiz joint venture in Kazakstan has been very successful in recent months in working with the partners to increase crude oil sales. Tengiz production averaged 83,000 barrels per day in the first quarter of 1996, compared with 57,000 in last year's first quarter, and was 100,000 barrels per day in March 1996, making a positive contribution to the company's first quarter earnings. On April 17, 1996, Mobil Corporation and the Republic of Kazakstan jointly announced an agreement for Mobil to purchase a 25 percent share of the joint venture from Kazakstan.

On April 27, 1996, Chevron signed a joint protocol to obtain the right to acquire a 15 percent equity interest in the Caspian Pipeline Consortium, which plans to construct a pipeline connecting the Tengiz oil field to the Russian Black Sea port of Novorossiysk. The signatories of the protocol are the governments of Russia, Kazakstan and Oman; the Russian state pipeline company Transneft; and eight oil and gas concerns, including Chevron.

Fifty percent of the equity in the Caspian Pipeline Consortium will be held by the governments of Russia (24 percent), Kazakstan (19 percent) and Oman (7 percent), with exclusive rights to the remaining 50 percent allocated as follows: Chevron 15 percent, Lukoil at 12.5 percent, Mobil and Rosneft at 7.5 percent each, Agip and British Gas at 2 percent each, and Oryx and Kazakstan state holding company Munaigaz at 1.75 percent each.

The protocol provides for a transition period over the next several months in which the parties will perform due diligence and finalize definitive agreements on the restructuring of the Caspian Pipeline Consortium. As a result of these recent events, the company is optimistic that a solution to the export issue will be reached, allowing the full development of the Tengiz reserves.

The company's 50 percent owned Caltex affiliate completed the $2 billion sale of a refining affiliate in Japan in April. Chevron received a cash dividend of $550 million and will recognize a second quarter gain of about $325 million for its share of the transaction.

Caltex's new 130,000 barrels per day grass-roots refinery in Thailand is scheduled for start-up in the second quarter of 1996.

Negotiations continue for the merger of the company's natural gas liquids and natural gas marketing businesses with NGC Corporation, which would give Chevron an approximate 28 percent ownership interest in the resulting company.

Progress continues on the company's exit from the real estate development business. The sale of the last major portfolio of properties was completed in mid-May. At that time Chevron will have generated about $300 million of after-tax cash proceeds for reinvestment in core operations.

The company's agreement with Maraven to operate the 80,000 barrels per day Boscan heavy oil field in Venezuela is expected to be operational July 1. Chevron will be responsible for the operation and development of this field under a fee arrangement based on barrels produced. In addition, the alliance calls for the supply of Venezuelan crude oil to Chevron refineries in the U.S. and the creation of a partnership that will market asphalt in the western U.S.

The N'Kossa oil field in Congo is scheduled to come on stream around June 9, initially producing at about 50,000 barrels per day, with estimated peak production of 120,000 per day. Chevron has a 30 percent interest in this project.

In March 1996, the company and its partners in the North West Shelf Consortium announced the discovery of a crude oil and natural gas field off the coast of Australia. The new discovery, designated Hermes, lies between two of the consortium's producing oil fields and is expected to be produced through existing facilities.

In April, Chevron announced test results from its Destin Dome Block 57 natural gas well in the Norphlet Trend offshore Florida, a major natural gas trend in the Gulf of Mexico. While preliminary, the test indicates the presence of significant quantities of natural gas. The company has a one-third interest in the well.

Also in April, the company signed an agreement to explore a 3,000 square-mile tract offshore Qatar, adjacent to prolific oil and natural gas producing fields. Chevron is operator and holds a 60 percent interest in the exploration concession.

The company is evaluating an offer for the sale of its interests in four northern North Sea producing fields and several exploration blocks. Chevron's net share of crude oil production from the fields is about 20,000 barrels per day.

Review of Operations

Total revenues for the quarter were $10.3 billion, up 14 percent from $9.0 billion in last year's first quarter. Revenues increased on higher prices and sales volumes of crude oil, natural gas and refined products; chemicals revenues declined on lower prices.

The company continues to operate with a significantly lower cost structure, achieved through successful cost reduction initiatives implemented since 1991, coupled with various divestments of non-core assets and businesses. Ongoing operating, selling, general and administrative expenses in the 1996 first quarter totaled $1.667 billion, up slightly compared with $1.639 billion incurred in the first quarter of 1995.

Taxes on income for the first quarter of 1996 were $473 million compared with $271 million in last year's first quarter and the effective tax rate increased to 43.4 percent from 37.1 percent for the 1995 first quarter. The increase in 1996's effective tax rate was caused by the decrease in certain equity affiliates' after-tax earnings included in the company's before-tax income, partially offset by a shift in the international earnings mix from higher effective tax rate countries to lower tax rate countries.

Foreign currency exchange losses amounted to $14 million in 1996, whereas such gains and losses netted to zero in the 1995 first quarter.

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

EARNINGS BY MAJOR OPERATING AREA

Millions of Dollars	Three Months Ended March 31, 1996	1995
Exploration and Production		
United States	$268	$150
International	251	172
Total Exploration and Production	519	322
Refining, Marketing and Transportation		
United States	18	(102)
International	75	156
Total Refining, Marketing and Transportation	93	54
Total Petroleum Operations	612	376
Chemicals	64	163
Coal and Other Minerals	12	12
Corporate and Other	(72)	(92)
Net Income	$616	$459

SELECTED OPERATING DATA (1)

Millions of Dollars	Three Months Ended March 31, 1996	1995
U.S. Exploration and Production		
Net Crude Oil and Natural Gas Liquids Production (MBPD)	339	356
Net Natural Gas Production (MMCFPD)	1,876	1,935
Sales of Natural Gas Liquids (MBPD)	240	248
Revenue from Net Production		
Crude Oil ($/Bbl.)	$16.67	$15.11
Natural Gas ($/MCF)	$ 2.28	$ 1.45
International Exploration and Production		
Net Crude Oil and Natural Gas Liquids Production (MBPD)	674	648
Net Natural Gas Production (MMCFPD)	547	592
Revenue from Liftings		
Liquids ($/Bbl.)	$17.93	$16.03
Natural Gas ($/MCF)	$ 1.84	$ 1.81
U.S. Refining, Marketing and Transportation		
Sales of Gasoline (MBPD)	541	547
Sales of Other Refined Products (MBPD)	537	551
Refinery Input (MBPD)	927	909
Average Refined Product Sales Price ($/Bbl.)	$27.15	$25.22
International Refining, Marketing and Transportation		
Sales of Refined Products (MBPD)	1,073	984
Refinery Input (MBPD)	670	616
Chemical Sales and Other Operating Revenues (2)		
United States	$716	$873
International	151	152
Worldwide	$867	$1,025

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

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

Worldwide exploration and production operations earned $519 million in the first quarter of 1996, up 61 percent from $322 million in the 1995 first quarter. U.S. exploration and production net earnings were $268 million, up significantly from $150 million in the 1995 first quarter. Higher crude oil and natural gas prices more than offset lower crude oil production volumes. Additionally, depreciation expense declined $28 million, reflecting the lower production volumes and the effects of the fourth quarter 1995 adoption of a new accounting standard for impairment of long-lived assets. Higher well write-offs increased exploration expense $15 million.

Operationally, average 1996 crude oil realizations were $16.67 per barrel, up $1.56 from the 1995 first quarter. Average natural gas prices of $2.28 per thousand cubic feet were 83 cents higher than in the comparable prior year quarter. Net liquids production in the 1996 first quarter was 339,000 barrels per day compared with 356,000 barrels per day in last year's first quarter, reflecting normal field declines. Net natural gas production was about flat, quarter to quarter, at 1.9 billion cubic feet per day.

International exploration and production earnings for the first quarter were $251 million, up 46 percent from $172 million in last year's first quarter, which included a special charge of $7 million related to an employee severance program.

The strong earnings reflected increased crude oil liftings and higher crude oil prices. Net liquids production increased 26,000 barrels per day to 674,000, mostly due to higher volumes in Angola and Kazakstan. Natural gas production declined 8 percent to 547 million cubic feet per day, due primarily to a decrease in Canadian production. Crude oil prices were up $1.90 per barrel to $17.93 in 1996 and natural gas prices, at $1.84 per thousand cubic feet, were about flat quarter to quarter.

Foreign exchange losses were $10 million in 1996, compared with losses of $3 million in last year's first quarter.

Worldwide refining and marketing had net earnings of $93 million in the first quarter of 1996, up 72 percent from $54 million in last year's first quarter. U.S. refining and marketing net earnings were $18 million for the quarter, a sharp improvement from the $102 million loss reported in the first quarter of 1995 when very poor industry sales margins, two major refinery turnarounds and unscheduled refinery maintenance all severely impacted results. Additionally, the 1995 quarter included a $10 million special charge for environmental remediation.

In 1996, refinery operations were much improved; however, margins remained weak due to competitive market conditions, increased crude oil costs, and in California, the increased manufacturing cost of state-mandated cleaner burning gasolines. The prior year quarter results included the Port Arthur, Texas, refinery operations until its sale in late February 1995. Excluding Port Arthur, refinery input at existing refineries in 1996 increased over 120,000 barrels per day.

Product sales volumes in 1996 were about 1.1 million barrels per day, down only slightly from the prior year quarter, which included the output from the Port Arthur refinery. Lower unbranded bulk sales volumes in 1996 were nearly offset by a 5 percent increase in light product sales through the company's marketing system. The average refined product sales price in the 1996 quarter increased to $27.15 per barrel from $25.22 in last year's quarter, but the 8 percent increase did not fully reflect the increased feedstock and manufacturing costs.

International refining and marketing net earnings were $75 million, down from $156 million reported for the first quarter of 1995. However, when 1995 special items of $80 million are excluded, principally a gain related to the sale of land by a Caltex affiliate in Japan, 1996 earnings were about flat with the 1995 quarter.

Sales margins continue to be weak in the United Kingdom and the Caltex areas of operation. Improved trading and shipping results were offset by a $31 million unfavorable swing in foreign currency effects, almost all in the Caltex operating areas. The 1996 first quarter included $10 million in foreign currency losses, whereas the 1995 first quarter benefited from $21 million of foreign currency gains.

Sales volumes increased 9 percent to almost 1.1 million barrels per day in 1996, reflecting increases in all the company's refining and marketing operations - the United Kingdom, Canada and Caltex areas - as well as higher sales volumes from international trading activities.

Chemicals net earnings were $64 million in the 1996 quarter compared with a record $163 million in last year's first quarter. The decline reflected the weaker industry conditions that began in the last half of 1995. Also, higher feedstock costs and operating problems at two plants caused manufacturing costs to increase. Prices for the company's major products fell, particularly styrene and polyethylene. Sales volumes increased, but the lower product prices and higher costs squeezed sales margins.

Corporate and other includes interest expense, interest income on cash and marketable securities, corporate cost centers and real estate and insurance operations. These activities incurred net charges of $72 million in the 1996 first quarter, compared with net charges of $92 million in the comparable prior year quarter. About half of the lower charges resulted from decreased interest expense, due to lower interest rates and debt levels, and the other half was due to a favorable swing in foreign currency effects.

Capital and Liquidity

Cash and cash equivalents totaled $980 million at March 31, 1996, up $359 million from year-end 1995. Cash from operations was more than adequate to fund the company's capital expenditures and dividend payments to stockholders.

In April 1996, the company received a cash dividend of $550 million from its Caltex affiliate, part of the $2 billion proceeds Caltex received from the sale of an affiliate in Japan.

Also in April, the company announced it will call $280 million of 9.375 percent Sinking Fund debentures on June 1, 1996. The call price is 104 percent.

Total debt and capital lease obligations were $7.998 billion at March 31, 1996, down $329 million from $8.327 billion at year-end 1995. The decrease was primarily from a net reduction of short-term commercial paper outstanding and the scheduled retirement of $50 million in 6.92 percent ESOP debt.

Although the company benefits from lower interest rates on short-term debt, the relatively large amount of short-term debt has kept Chevron's ratio of current assets to current liabilities at the low level of .85 at March 31, 1996. The company's debt classified as short-term, consisting of commercial paper and current portion of long-term debt, totaled $3.7 billion at March 31, 1996. This amount excludes $1.8 billion that 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'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 35.3 percent at March 31, 1996, down from 36.7 percent at year-end 1995. The company continually monitors its spending levels, market conditions and related interest rates to maintain what it perceives to be reasonable debt levels.

Worldwide capital and exploratory expenditures for the first quarter of 1996, including the company's share of affiliates' expenditures, totaled $923 million, 6 percent less than the $987 million spent in the 1995 first quarter. Spending for U.S. refining and marketing projects declined to $80 million from $183 million in last year's first quarter following the late 1995 completion of the refinery upgrades required to produce California reformulated fuels. Expenditures for exploration and production activities represented 69 percent of total spending in the 1996 first quarter, up from 63 percent in the comparable 1995 period. Expenditures outside the United States were 63 percent of the total outlays in 1996 and 62 percent in 1995. Capital and exploratory spending for the year 1996 is forecast at $5.3 billion, a 10 percent increase from 1995.

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, 1995 is hereby amended as follows:

Jury selection began March 31, 1996, and trial commenced on April 15, 1996.

Richmond Refinery Multimedia Inspection-

In 1993, the United States Environmental Protection Agency (the "EPA") conducted a multimedia inspection of the Chevron Products Company Richmond Refinery, which focused on compliance related to various areas, including the Clean Water Act, the Clean Air Act, the Resource Conservation and Recovery Act and the Comprehensive Environmental Response Compensation and Liability Act. While certain aspects of the multimedia investigation have been closed, the EPA has referred potential Clean Water Act violations of the refinery's NPDES permit to the Department of Justice for civil litigation.

The violations alleged involve eleven excursions of the NPDES permit's toxicity limit and numerous alleged violations of the by-pass prohibition contained in the permit. The company has strenuously contested the allegations relating to violations of the by-pass prohibitions, but does not contest the toxicity excursion allegations, which occurred over a five-year period.

No litigation has been instituted thus far, and settlement discussions are taking place.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

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

(12) Computation of Ratio of Earnings to Fixed Charges

(27) Financial Data Schedule

(b) Reports on Form 8-K

None.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CHEVRON CORPORATION
(Registrant)

Date May 10, 1996

/s/ DONALD G. HENDERSON
Donald G. Henderson,
Vice-President & Comptroller
(Principal Accounting Officer and
Duly Authorized Officer)

Exhibit 12

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

(Dollars in Millions)

	Three Months Ended March 31, 1996	Year Ended December 31, 1995(1)	1994	1993	1992(2)	1991
Net Income before Cumulative Effect of Changes in Accounting Principles (1)	$ 616	$ 930	$1,693	$1,265	$2,210	$1,293
Income Tax Expense	533	1,094	1,322	1,389	1,508	1,302
Distributions Greater Than (Less Than) Equity in Earnings of Less Than 50% Owned Affiliates	3	(5)	(3)	6	(9)	(20)
Minority Interest	1	0	3	(2)	2	2
Previously Capitalized Interest Charged to Earnings During Period	5	47	32	20	18	17
Interest and Debt Expense	136	557	453	390	490	585
Interest Portion of Rentals(3)	37	148	156	169	152	153
Earnings before Provisions for Taxes and Fixed Charges	$1,331	$2,771	$3,656	$3,237	$4,371	$3,332
Interest and Debt Expense	$ 136	$ 557	$ 453	$ 390	$ 490	$ 585
Interest Portion of Rentals(3)	37	148	156	169	152	153
Capitalized Interest	33	141	80	60	46	30
Total Fixed Charges	$ 206	$ 846	$ 689	$ 619	$ 688	$ 768
Ratio of Earnings to Fixed Charges	6.46	3.28	5.31	5.23	6.35	4.34

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

(2) 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.

(3) Calculated as one-third of rentals.

5

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE
COMPANY'S BALANCE SHEET AT MARCH 31, 1996 AND INCOME STATEMENT FOR THE
THREE MONTH PERIOD ENDED MARCH 31, 1996 AND IS QUALIFIED IN ITS ENTIRETY
BY REFERENCE TO SUCH FINANCIAL STATEMENTS AND THEIR RELATED FOOTNOTES.

1,000,000

3-MOS
DEC-31-1996
MAR-31-1996
980
449
4,312
68
1,383
7,920
48,390
26,728
34,369
9,329
4,274
1,069
0
0
13,607
34,369
10,157
10,336
0
9,247
0
0
96
1,089
473
616
0
0
0
616
0.94
0.94