

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 SEPTEMBER 30, 1995

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 September 30, 1995
Common stock, \$1.50 par value	652,234,000

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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 SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	1995	1994	1995	1994
REVENUES				
Sales and other operating revenues*	\$ 9,171	\$ 9,396	\$27,388	\$26,203
Equity in net income of affiliated companies	70	102	415	286
Other income	73	11	122	108
TOTAL REVENUES	9,314	9,509	27,925	26,597
COSTS AND OTHER DEDUCTIONS				
Purchased crude oil and products	4,436	4,676	13,570	12,560
Operating expenses	1,655	1,937	4,366	5,037
Exploration expenses	92	91	234	269
Selling, general and administrative expenses	344	(9)	987	624
Depreciation, depletion and amortization	560	626	1,702	1,833
Taxes other than on income*	1,475	1,405	4,265	4,153
Interest and debt expense	93	93	307	249
TOTAL COSTS AND OTHER DEDUCTIONS	8,655	8,819	25,431	24,725
INCOME BEFORE INCOME TAX EXPENSE	659	690	2,494	1,872
INCOME TAX EXPENSE	377	265	1,146	802
NET INCOME	\$ 282	\$ 425	\$ 1,348	\$ 1,070
PER SHARE OF COMMON STOCK:				
NET INCOME	\$.44	\$.65	\$ 2.07	\$ 1.64
DIVIDENDS	\$.50	\$.4625	\$ 1.425	\$ 1.3875
Weighted Average Number of Shares Outstanding (000s)	652,156	651,667	652,023	651,656
* Includes consumer excise taxes.	\$ 1,290	\$ 1,220	\$3,702	\$ 3,578

See accompanying notes to consolidated financial statements.

CHEVRON CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

Millions of Dollars	SEPTEMBER 30, 1995	DECEMBER 31, 1994
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ASSETS		
Cash and cash equivalents	\$ 783	\$ 413
Marketable securities	534	893
Accounts and notes receivable	3,790	3,923
Inventories:		
Crude oil and petroleum products	797	1,036
Chemicals	482	391
Materials and supplies	254	263
Other merchandise	18	20
	<hr/>	<hr/>
	1,551	1,710
Prepaid expenses and other current assets	929	652
	<hr/>	<hr/>
TOTAL CURRENT ASSETS	7,587	7,591
Long-term receivables	145	138
Investments and advances	4,138	3,991
Properties, plant and equipment, at cost	48,088	46,810
Less: accumulated depreciation, depletion and amortization	25,629	24,637
	<hr/>	<hr/>
	22,459	22,173
Deferred charges and other assets	519	514
	<hr/>	<hr/>
TOTAL ASSETS	\$34,848	\$34,407
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LIABILITIES AND STOCKHOLDERS' EQUITY		
Short-term debt	\$ 3,758	\$ 4,014
Accounts payable	2,695	2,990
Accrued liabilities	1,133	1,274
Federal and other taxes on income	634	624
Other taxes payable	578	490
	<hr/>	<hr/>
TOTAL CURRENT LIABILITIES	8,798	9,392
Long-term debt and capital lease obligations	4,472	4,128
Deferred credits and other non-current obligations	1,993	2,043
Non-current deferred income taxes	2,878	2,674
Reserves for employee benefit plans	1,576	1,574
	<hr/>	<hr/>
TOTAL LIABILITIES	19,717	19,811
<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	1,862	1,858
Deferred compensation - Employee Stock Ownership Plan (ESOP)	(850)	(900)
Currency translation adjustment and other	209	175
Retained earnings	14,891	14,457
Treasury stock, at cost (shares 60,253,068 and 60,736,435 at September 30, 1995 and December 31, 1994, respectively)	(2,050)	(2,063)
	<hr/>	<hr/>
TOTAL STOCKHOLDERS' EQUITY	15,131	14,596
	<hr/>	<hr/>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$34,848	\$34,407
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See accompanying notes to consolidated financial statements.

CHEVRON CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

Millions of Dollars	Nine Months Ended September 30,	
	1995	1994

Operating Activities		
Net income	\$1,348	\$1,070
Adjustments		
Depreciation, depletion and amortization	1,702	1,833
Dry hole expense related to prior years' expenditures	10	43
Distributions less than equity in affiliates' income	(121)	(26)
Net before-tax losses (gains) on asset retirements and sales	146	(3)
Net currency translation losses	53	38
Deferred income tax provision	197	148
Net increase in operating working capital	(404)	(1,820)
Other	(200)	317
	-----	-----
Net Cash Provided by Operating Activities	2,731	1,600

Investing Activities		
Capital expenditures	(2,428)	(2,109)
Proceeds from asset sales	515	324
Net sales (purchases) of marketable securities	388	(13)
	-----	-----
Net Cash Used for Investing Activities	(1,525)	(1,798)

Financing Activities		
Net (payments) borrowings of short-term obligations	(277)	932
Proceeds from issuance of long-term debt	470	352
Repayments of long-term debt and other financing obligations	(88)	(542)
Cash dividends paid	(929)	(904)
Purchases of treasury shares	(4)	(5)
	-----	-----
Net Cash Used for Financing Activities	(828)	(167)

Effect of Exchange Rate Changes on Cash and Cash Equivalents	(8)	(4)
	-----	-----
Net Change in Cash and Cash Equivalents	370	(369)
Cash and Cash Equivalents at January 1	413	1,644
	-----	-----
Cash and Cash Equivalents at September 30	\$ 783	\$1,275
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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, 1994. 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 1994 Annual Report on Form 10-K.

The results for the three-month and nine-month periods ended September 30, 1995 are not necessarily indicative of future financial results.

NOTE 2. NET INCOME

Third quarter 1995 net income included \$222 million in net special charges, largely comprised of a \$168 million provision for the write-down of the company's real estate development properties, which the company is exiting. Other charges included \$39 million for environmental remediation provisions for certain U.S. facilities, \$22 million for prior year tax adjustments resulting primarily from a statutory tax rate increase in Australia, and \$20 million for restructuring provisions for various operations, including those of the company's Caltex affiliate. Partially offsetting these charges was a \$27 million benefit from a refund of federal offshore lease costs.

Special items decreased net income by \$163 million for the nine-month period ended September 30, 1995. In addition to the \$222 million recorded in the 1995 third quarter, the company recorded charges of \$10 million for environmental remediation provisions associated with U.S. marketing properties formerly held by the company, \$11 million for restructuring provisions and a net gain of \$80 million, primarily related to the sale of land by a Caltex affiliate.

Net income in third quarter 1994 benefited from \$18 million in special items. Included in these special items was a benefit of \$301 million from the reversal of tax and related interest reserves resulting from the company's global settlement with the Internal Revenue Service (IRS) for various issues relating to the years 1979 through 1987. Partially offsetting this benefit was a special charge of \$267 million for environmental remediation provisions and expenses, primarily related to the estimated future clean-up requirements at the company's service stations and product terminals, and a \$16 million litigation provision.

Special items reduced net income by \$23 million for the nine-month period ended September 30, 1994. Offsetting the aforementioned \$18 million benefit recorded in third quarter 1994 were additional charges of \$26 million for environmental assessment and cleanup liabilities and a \$15 million charge for a reserve adjustment related to the resolution of certain regulatory issues with the Minerals Management Service.

Foreign exchange losses included in third quarter 1995 net income were \$26 million, compared with losses of \$30 million in third quarter 1994. For the first nine months of 1995, net income included foreign exchange losses of \$20 million, compared with losses of \$51 million in the same period of 1994.

NOTE 3. INFORMATION RELATING TO THE STATEMENT OF CASH FLOWS

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

Millions of Dollars	NINE MONTHS ENDED SEPTEMBER 30,	
	1995	1994
Decrease (increase) in accounts and notes receivable	\$ 137	\$ (245)
(Increase) decrease in inventories	(115)	54
Increase in prepaid expenses and other current assets	(242)	(221)
Decrease in accounts payable and accrued liabilities	(302)	(1,187)
Increase (decrease) in income and other taxes payable	118	(221)
Net increase in operating working capital	\$ (404)	\$ (1,820)

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

Millions of Dollars	NINE MONTHS ENDED SEPTEMBER 30,	
	1995	1994
Interest paid on debt (net of capitalized interest)	\$ 273	\$ 242
Income taxes paid	\$ 918	\$ 926

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

Millions of Dollars	NINE MONTHS ENDED SEPTEMBER 30,	
	1995	1994
Marketable securities purchased	\$(1,680)	\$(1,021)
Marketable securities sold	2,068	1,008
Net sales (purchases) of marketable securities	\$ 388	\$ (13)

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

The company's Employee Stock Ownership Plan (ESOP) repaid \$50 million and \$40 million of matured debt guaranteed by Chevron Corporation in January of 1995 and 1994, respectively. These payments were recorded by the company as a reduction in its debt outstanding and in Deferred Compensation - ESOP.

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

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 U.S.A. Products Company and Warren Petroleum 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 SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	1995	1994	1995	1994
Sales and other operating revenues	\$6,141	\$6,908	\$18,384	\$19,366
Costs and other deductions	5,994	6,866	18,099	19,069
Net income	134	123	292	359

Millions of Dollars	SEPTEMBER 30,	December 31,
	1995	1994
Current assets	\$ 3,256	\$ 3,341
Other assets	14,313	14,136
Current liabilities	5,585	6,347
Other liabilities	5,519	5,599
Net worth	6,465	5,531

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 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 SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	1995	1994	1995	1994
Sales and other operating revenues	\$121	\$116	\$344	\$340
Costs and other deductions	120	136	361	394
Net income (loss)	-	(19)	(25)	(41)

Millions of Dollars	September 30,	December 31,
	1995	1994
Current assets	\$ 93	\$ 75
Other assets	1,091	851
Current liabilities	458	404
Other liabilities	436	208
Net worth	290	314

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 September 30, 1995.

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 SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	1995	1994	1995	1994
Sales and other operating revenues	\$3,280	\$3,822	\$11,153	\$10,638
Operating income	212	215	707	642
Net income	87	151	667	448

In the first quarter of 1995, Caltex recorded a net 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.

NOTE 7. INCOME TAXES

The effective income tax rate for third quarter 1995 increased to 57.2% from 38.4% for the comparable period in 1994. The low effective tax rate for third quarter 1994 was caused by a favorable prior year tax adjustment that resulted from a settlement of certain open tax years with the IRS. Absent the effect of this prior year tax adjustment, earnings in both quarters were generated primarily from the company's higher taxed foreign operations. This was largely the result of special items that reduced earnings from U.S. operations in both periods. These special items reduced before-tax earnings in the U.S. by \$285 million and \$435 million in the third quarter of 1995 and 1994, respectively. The effective income tax rate for the first nine months of 1995 increased to 46.0% from 42.8% for the comparable 1994 period for these same reasons

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). OXY also asserts that the company improperly interfered with a proposed settlement of claims brought against OXY by the Department of Energy. A trial with respect to the first set of claims is expected to occur next year.

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 earlier this year 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. 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 purports 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 is currently requesting that the DOE's Office of Hearings and Appeals (OHA) amend the amount to \$167 million. If the amendment is granted, the total claim, including interest through September 1995, amounts to \$432 million. The company asserts that in fact it incurred a loss through participation in the DOE program. Evidentiary hearings on the no benefit argument began in mid-December 1994 and were concluded in March 1995. Oral arguments were held in August 1995 and the company is awaiting a decision by the OHA.

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, Australia, United Kingdom, Canada, Nigeria, Angola, Congo, 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 Kazakstan.

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

THIRD QUARTER 1995 COMPARED WITH THIRD QUARTER 1994
AND FIRST NINE MONTHS 1995 COMPARED WITH FIRST NINE MONTHS 1994

OVERVIEW AND OUTLOOK

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Net income for the third quarter of 1995 was \$282 million (\$.44 per share), down 34 percent from the \$425 million (\$.65 per share) reported for the third quarter of 1994. Excluding special items in both periods, 1995 third quarter results were \$504 million, a 24 percent increase from adjusted earnings of \$407 million in the prior year quarter.

Special charges in the 1995 third quarter totaled \$222 million and included a \$168 million provision related to the company's decision to dispose of its real estate development properties, environmental remediation provisions of \$39 million, prior year tax adjustments of \$22 million and restructuring provisions totaling \$20 million. These charges were partially offset by a gain of \$27 million resulting from a refund of federal offshore lease costs. Third quarter 1994 earnings included a \$301 million benefit from a settlement with the Internal Revenue Service for open tax years 1979 through 1987; however, substantially offsetting this favorable adjustment were environmental remediation provisions, principally in U.S. downstream operations, and other charges totaling \$283 million.

Net income for the 1995 first nine months was \$1.348 billion, or \$2.07 per share, including special charges totaling \$163 million; net income for the comparable prior year period was \$1.070 billion, or \$1.64 per share, and included \$23 million of special charges. Adjusted for special items, earnings for the first nine months of 1995 were \$1.511 billion, up 38 percent from \$1.093 billion for the 1994 nine months.

The company's operating earnings increased nearly \$100 million in the 1995 third quarter, despite flat crude oil and lower natural gas prices, compared with the third quarter of last year. The increase reflected ongoing strength in the chemicals and international upstream businesses and the company's continued emphasis on reducing costs.

Chevron's average crude oil realizations were about \$1.50 per barrel lower in the 1995 third quarter than in the preceding second quarter, and prices have drifted further downward into the fourth quarter. The company's average price for West Texas Intermediate, a benchmark crude, was \$17.19 per barrel in September and \$16.37 in October. Natural gas prices have been increasing since their low in July, albeit slowly, and still are well below year ago levels. U.S. natural gas inventory levels are lower than normal, and with winter approaching, natural gas prices may continue to strengthen.

Chemicals product prices peaked in the second quarter. Average prices for the company's major petrochemical products were somewhat lower in the third quarter than in the second quarter, but continue to be strong.

The company's Richmond, California, refinery will be shut down for about six weeks during the fourth quarter for modifications necessary to produce California-mandated reformulated gasolines required by early next year as well as for major maintenance. The shutdown will entail significant direct costs as well as require the purchase of refined products from third-party sources to supply the company's marketing system. As a result, fourth quarter operating results for U.S. downstream are expected to be significantly lower than what otherwise may have been expected.

Total revenues in the third quarter were \$9.3 billion, down 2 percent from \$9.5 billion in the year earlier quarter, due to lower refined product sales volumes and lower natural gas prices. Total revenues for the first nine months of 1995 were \$27.9 billion, a 5 percent increase from \$26.6 billion reported for the 1994 nine month period. The year to date increase was due to higher average prices for refined products and crude oil and higher chemical prices and volumes, partially offset by lower refined product sales volumes and lower natural gas prices.

The company continued to benefit from cost reduction programs as total ongoing operating and administrative expenses were down nearly \$500 million for the first nine months. About half of the decrease was due to the absence of expenses associated with two refineries sold by the company. The Philadelphia refinery was sold in August 1994 and the Port Arthur, Texas, refinery was sold in February 1995. The refinery sales also account for the lower refined products sales volumes.

Taxes on income for the third quarter and first nine months of 1995 were \$377 million and \$1.146 billion, respectively, compared with \$265 million and \$802 million for the comparable 1994 periods. The effective income tax rate for the third quarter of 1995 increased to 57.2 percent from 38.4 percent in the 1994 third quarter, and was 46.0 percent for the 1995 year to date period compared with 42.8 in the first nine months of 1994. In both quarters, most of the company's earnings were generated in higher taxed jurisdictions, but in the 1994 quarter, this was more than offset by the effect of a favorable IRS settlement. The third quarter settlement also accounts for the lower 1994 nine month effective rate.

Included in third quarter net income were foreign exchange losses of \$26 million in 1995 and \$30 million in 1994. For the first nine months, foreign exchange losses were \$20 million in 1995 and \$51 million in 1994.

CURRENT DEVELOPMENTS

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In March 1995 the Financial Accounting Standards Board issued a new accounting standard, FAS 121 - "Accounting For Impairment Of Long-Lived Assets And For Long-Lived Assets To Be Disposed Of." The standard must be adopted by the first quarter of 1996. Chevron is currently gathering and evaluating data in preparation for implementing the new standard, but has made no decision whether the standard will be adopted in the fourth quarter of 1995 or the first quarter of 1996. The adoption of the standard is expected to result in a significant charge to income.

In March Chevron announced the possible sale of its real estate development properties, located in California, assuming satisfactory prices and terms could be obtained. Bids for a significant portion of the real estate properties were received and evaluated in the third quarter and, as a result, Chevron entered into exclusive negotiations with one of the bidding groups for the sale of these real estate properties. As a result of the company's decision to exit this business, a provision for estimated losses of \$168 million was recorded in the third quarter. The withdrawal is consistent with Chevron's strategy to focus more on its core oil, gas and chemicals businesses.

The lack of adequate export capabilities continues to constrain production levels at Tengizchevroil (TCO), the company's joint venture with Kazakstan to develop the Tengiz oil field. Third quarter 1995 joint venture production averaged 50,000 barrels per day, significantly below its production capacity. For the fourth quarter, the company expects TCO will continue to produce and sell into world markets at this level or higher. Chevron's cash investment in the Tengiz project at September 30, 1995 was \$715 million. Chevron remains committed to realizing the full potential of the project and the partners continue to explore political and commercial solutions to the export situation.

Chevron owns approximately 25 percent of the Point Arguello project, offshore California, and operates two offshore platforms (Hermosa and Hidalgo), the onshore Gaviota oil and gas plant and the interconnecting pipelines. Chevron's net working interest production of crude oil and natural gas liquids from the project averaged about 11,000 barrels per day for the first nine months of 1995, down from 15,000 barrels per day for the same period in 1994. Additionally, the percentage of water produced approximately doubled between periods. Chevron and its partners are reviewing options to address these issues.

In early October, Hurricane Opal forced the precautionary shut-in of a significant amount of the company's oil and gas production in the Gulf of Mexico as well as the temporary shutdown of the company's Pascagoula, Mississippi refinery. None of the company's facilities suffered serious damage and most were brought back on line within a few days. However, flooding and minor repairs delayed the resumption of production from some wells for two to three weeks. Also, the company performed routine maintenance at the refinery while it was down.

The company continues significant exploration and development activities in the Gulf of Mexico. These include development of the Green Canyon 205 deep water project where preliminary engineering has begun, and continued drilling of prospects in the company's leaseholdings in the Norphlet gas trend.

The company announced plans for engineering and other preliminary work that could lead to an expansion and modernization of its ethylene production facilities at Port Arthur, Texas. The \$300 million project would increase annual ethylene production capacity at the plant from 1.0 billion pounds to 1.7 billion pounds by 1998. The company has also begun engineering work for a lubricating oil and fuel additives plant in Singapore. If the company decides to proceed with the \$100 million project, start-up of the new facility would be targeted for 1998 and would improve the company's competitive position in the fast growing Asia-Pacific region.

The company also announced it will curtail production at its Richmond, California agricultural chemicals plant at the end of 1996. Also, the company is negotiating the sale of its fertilizer production facilities in St. Helens, Oregon. The curtailment and sale are part of the company's withdrawal from the agricultural chemicals and fertilizer operations begun several years ago. Neither of the events will have a material financial effect.

REVIEW 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	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	1995	1994	1995	1994
Exploration and Production				
United States	\$ 131	\$ 63	\$ 431	\$ 339
International	140	131	506	376
Total Exploration and Production	271	194	937	715
Refining, Marketing and Transportation				
United States	98	(110)	104	(54)
International	53	55	245	145
Total Refining, Marketing and Transportation	151	(55)	349	91
Total Petroleum Operations	422	139	1,286	806
Chemicals	127	68	465	143
Coal and Other Minerals	10	6	24	33
Corporate and Other*	(277)	212	(427)	88
NET INCOME	\$ 282	\$ 425	\$1,348	\$1,070

*"Corporate and Other" includes interest expense, interest income on cash and marketable securities, corporate center costs, and real estate and insurance activities.

SELECTED OPERATING DATA

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	1995	1994	1995	1994
U.S. EXPLORATION AND PRODUCTION				
Net Crude Oil and Natural				
Gas Liquids Production (MBPD)	346	371	351	372
Net Natural Gas Production (MMCFPD)	1,816	2,038	1,893	2,124
Sales of Natural Gas Liquids (MBPD)	202	217	214	204
Revenue from Net Production				
Crude Oil (\$/Bbl.)	\$14.91	\$15.03	\$15.48	\$13.64
Natural Gas (\$/MCF)	\$ 1.40	\$ 1.62	\$ 1.46	\$ 1.85
INTERNATIONAL EXPLORATION AND PRODUCTION(1)				
Net Crude Oil and Natural				
Gas Liquids Production (MBPD)	644	640	646	619
Net Natural Gas Production (MMCFPD)	539	573	562	541
Revenue from Liftings				
Liquids (\$/Bbl.)	\$15.37	\$15.89	\$16.16	\$14.66
Natural Gas (\$/MCF)	\$ 1.73	\$ 1.78	\$ 1.73	\$ 1.89
U.S. REFINING AND MARKETING				
Sales of Gasoline (MBPD)	576	611	560	627
Sales of Other				
Refined Products (MBPD)	599	738	567	707
Refinery Input (MBPD)	968	1,265	958	1,219
Average Refined Product				
Sales Price (\$/Bbl.)	\$26.09	\$25.44	\$26.21	\$24.05
INTERNATIONAL REFINING AND MARKETING(1)				
Sales of Refined Products (MBPD)	894	930	940	922
Refinery Input (MBPD)	595	603	587	622
CHEMICAL SALES AND OTHER OPERATING REVENUES(2)				
United States	\$ 821	\$ 763	\$2,633	\$2,026
International	155	150	473	413
WORLDWIDE	\$ 976	\$ 913	\$3,106	\$2,439

(1) Includes equity in affiliates.

(2) Millions of dollars. Includes Sales to Other Chevron Companies. 1994 amounts restated to conform with 1995 presentation.

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

WORLDWIDE EXPLORATION AND PRODUCTION earned \$271 million in the third quarter of 1995 compared with \$194 million in the corresponding 1994 period. Earnings of \$937 million in the first nine months of 1995 were 31 percent higher than the \$715 million earned in the 1994 nine months.

U.S. EXPLORATION AND PRODUCTION third quarter earnings were \$131 million compared with \$63 million in the 1994 third quarter. However, current quarter earnings included a net benefit of \$19 million from special items, whereas 1994 earnings were reduced \$61 million for environmental remediation and litigation provisions. In the 1995 quarter, a \$27 million gain resulting from a refund of federal offshore lease costs was partially offset by environmental remediation provisions. Excluding special items in both quarters, 1995 third quarter earnings of \$112 million declined from year-ago earnings of \$124 million, primarily because of lower production volumes and lower natural gas prices.

The company's average U.S. liquids realization of \$14.91 per barrel was little changed from the \$15.03 realized in last year's third quarter; however, average natural gas prices of \$1.40 per thousand cubic feet in the 1995 third quarter were down 14 percent from \$1.62 last year. Net liquids production declined to 346,000 barrels per day from 371,000 and net natural gas production volumes of 1.8 billion cubic feet per day were down 10 percent from 2.0 billion in last year's third quarter. The lower production levels were due to normal field declines and a natural gas field unitization adjustment. Depreciation expense declined in line with lower production; exploration expense also declined due to lower well write-offs.

Earnings for the first nine months of 1995 were \$431 million compared with \$339 million last year. Special items benefited 1995 earnings \$19 million whereas special charges reduced 1994 earnings \$76 million. Excluding special items in both periods, 1995 year to date earnings of \$412 million were about flat with year-ago adjusted earnings of \$415 million. Higher average crude oil prices offset lower natural gas prices and lower production volumes. Crude oil prices improved 14 percent to \$15.48 per barrel, but natural gas prices fell 21 percent to \$1.46 per thousand cubic feet. Also, depreciation, operating and exploration expenses were all lower in 1995.

INTERNATIONAL EXPLORATION AND PRODUCTION earnings for the third quarter were \$140 million, compared with \$131 million earned in last year's third quarter. Reported earnings for the first nine months of 1995 and 1994 were \$506 million and \$376 million, respectively. The 1995 third quarter included special charges of \$22 million for prior year tax adjustments, mostly due to a statutory tax rate increase in Australia. The 1995 nine months included \$10 million in restructuring charges in addition to the third quarter tax adjustments. There were no special items in the 1994 periods.

Third quarter 1995 earnings benefited from higher crude oil sales volumes, due to the timing of vessel loadings, and a lower effective income tax rate due to the earnings mix among countries. Crude oil and natural gas realizations were down slightly from the prior year quarter. Exploration expenses increased due to higher well write-offs. International net liquids production volumes increased slightly to 644,000 barrels per day from 640,000 in the 1994 third quarter. Net natural gas production volumes declined about 6 percent in the quarter, primarily in Canada, to 539 million cubic feet per day.

Nine months earnings benefited from a 4 percent increase in crude oil and natural gas production and a 10 percent increase in crude oil prices to \$16.16 per barrel. Offsetting a portion of these gains was an 8 percent drop in natural gas prices to \$1.73 per thousand cubic feet from \$1.89. The increase in production was primarily due to new fields coming on stream in Angola.

The 1995 quarter and nine months included foreign exchange losses of \$19 million, compared with losses of \$14 million and \$15 million in last year's third quarter and nine months, respectively.

WORLDWIDE REFINING AND MARKETING operations reported earnings of \$151 million in the 1995 third quarter compared with a loss of \$55 million for the 1994 third quarter. The 1995 nine months earnings were \$349 million, nearly four times the \$91 million earned in the corresponding 1994 period.

U.S. REFINING AND MARKETING net earnings were \$98 million compared with a loss of \$110 million in the year-ago quarter. Earnings for the first nine months of 1995 were \$104 million compared with a loss of \$54 million in the 1994 nine months. However, when special charges for environmental remediation in all periods are excluded, 1995 and 1994 third quarter adjusted earnings were basically flat at \$109 million and \$108 million, respectively, and for the first nine months of 1995 were down 34 percent to \$125 million from \$190 million in 1994.

Refined product sales margins improved in the 1995 third quarter on slightly higher prices. Sales volumes were down 13 percent to 1.2 million barrels per day, as a result of the sales of the company's Philadelphia refinery in August 1994 and Port Arthur, Texas refinery in February 1995, and were down 16 percent for the 1995 nine months. The volume decline occurred in lower margin unbranded bulk sales; branded gasoline sales through the company's marketing system increased 2 percent for the 1995 third quarter and 1 percent year to date. Poor

industry refining conditions coupled with refinery downtime for maintenance at the company's refineries resulted in a first quarter loss in 1995 and was the principal factor in the nine month earnings decline.

INTERNATIONAL REFINING AND MARKETING net earnings declined slightly to \$53 million from \$55 million because of special charges of \$15 million in the 1995 third quarter related to restructurings in certain Caltex areas and in the company's United Kingdom operations. Excluding the special charges, earnings increased \$13 million as improved third quarter operations in Canada and the United Kingdom more than offset a decline in Caltex earnings, where sales margins continue to be depressed in some of that affiliate's operating areas.

Nine month 1995 earnings increased 69 percent from 1994 levels - \$245 million compared with \$145 million. Excluding net special gains related to a Caltex property sale earlier in the year and the third quarter restructuring charges, 1995 operating earnings increased 24 percent to \$180 million from \$145 million in 1994, primarily due to foreign currency fluctuations. A decrease in U.K. earnings, due to an extended refinery turnaround in the second quarter, was offset by improved shipping operations.

Sales volumes decreased about 4 percent to 894,000 barrels per day in the 1995 third quarter but increased 2 percent to 940,000 barrels per day for the first nine months of 1995 compared with 1994 despite the extended refinery maintenance in the U.K. Caltex sales volumes were up 5 percent over the prior year nine months.

Foreign exchange losses were \$6 million and \$1 million in the 1995 and 1994 third quarters, respectively. For the nine months, foreign exchange gains were \$20 million in 1995 compared with a loss of \$9 million last year.

CHEMICALS third quarter net earnings increased to \$127 million in 1995 from \$68 million in the comparable 1994 quarter. Adjusting for special charges in both periods, mostly environmentally related, earnings of \$148 million in the 1995 third quarter were more than double the \$72 million earned in the third quarter of 1994. Nine month earnings were \$465 million compared with \$143 million in the comparable 1994 period. Excluding special items, 1995 earnings of \$486 million were more than triple the \$147 million earned in the 1994 nine months.

The higher 1995 earnings reflect higher product prices and sales volumes compared with the prior year periods, consistent with the improved state of the petrochemicals industry. However, prices for the company's major products began to soften in the third quarter of 1995, and third quarter results declined from the record \$175 million earned in the second quarter. Although still much stronger than a year ago, prices have weakened for major products such as styrene and polyethylene.

Foreign exchange gains were \$3 million in the third quarter of 1995 compared with a loss of \$8 million in the 1994 quarter. For the 1995 and 1994 nine months, foreign exchange losses were \$4 million and \$13 million, respectively.

COAL AND OTHER MINERALS net earnings were \$10 million in the third quarter, up from \$6 million in the 1994 quarter and were \$24 million in the 1995 nine months, down from \$33 million in the prior year period. Year to date earnings declined on lower average sales prices and volumes due to mild weather and increased competition from lower priced natural gas, coupled with higher maintenance costs. Conditions improved somewhat in the 1995 third quarter. Also, the 1994 third quarter included charges related to the company's sale of its interest in the Stillwater platinum and palladium mine. A special charge of \$1 million for employee severance costs was recorded in the 1995 nine months. There were no special charges in the 1995 third quarter or 1994 periods.

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 \$277 million in the 1995 third quarter compared with earnings of \$212 million in the 1994 quarter. Year to date charges were \$427 million in 1995 compared with income of \$88 million in the 1994 nine months. Results for all periods were significantly affected by special items. The 1995 quarter and nine months included special charges totaling \$172 million, almost all related to the write-down of the company's investment in its real estate development properties. Results

in the 1994 periods included the reversal of \$301 million of previously established tax and related interest reserves resulting from a global settlement with the Internal Revenue Service covering several open tax years.

Excluding the special items, corporate and other charges were \$105 million in the 1995 third quarter and \$89 million in the year-ago quarter. Nine months charges were \$255 million and \$213 million, respectively. The 1995 third quarter increase was due to consolidating income tax adjustments and for the 1995 year to date, the increase was due to higher average interest rates and debt levels with consequently higher interest expense.

LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents totaled \$783 million at September 30, 1995, a \$370 million increase from year-end 1994. Cash from operations and proceeds from asset sales were used to fund the company's capital expenditures and dividend payments to stockholders.

In July, the company increased its quarterly dividend of 46.25 cents a share on its common stock by 3.75 cents a share, or 8 percent, to 50 cents a share. This was the company's seventh dividend increase in the past eight years and brings Chevron's annualized dividend rate to \$2.00 a share.

The company's debt and capital lease obligations totaled \$8.230 billion at September 30, 1995, compared with \$8.142 billion at year-end 1994. Significant debt transactions included the \$282 million sale and capital leaseback of four of the company's ocean-going vessels and new bank loans of \$150 million to fund certain projects in certain West African countries, partially offset by the retirement of \$50 million of 6.51 percent debt related to the Employee Stock Ownership Plan and a \$266 million reduction in commercial paper outstanding.

Although the company benefits from lower interest rates on short-term debt, the large amount of short-term debt has kept Chevron's ratio of current assets to current liabilities at relatively low levels. The current ratio was .86 at September 30, 1995. The company's short-term debt, consisting of commercial paper and current portion of long-term debt, totaled \$5.558 billion at September 30, 1995. This amount includes \$1.8 billion that was reclassified as long-term debt on Chevron's balance sheet 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 35.2 percent at September 30, 1995, down slightly from 35.8 percent at year-end 1994. The company continually monitors its spending levels, market conditions and related interest rates to maintain what it perceives to be a reasonable level and composition of debt.

In order to help manage Chevron's exposure to interest rate fluctuations, the company has entered into various interest rate swaps on both its long- and short-term debt. At September 30, the notional principal amount of these financial instruments totaled approximately \$1.225 billion. Under the terms of the agreements, Chevron has agreed to swap \$1.05 billion of floating rate debt for fixed rates and approximately \$175 million of fixed rate debt for a floating rate.

Worldwide capital and exploratory expenditures for the first nine months of 1995, including the company's share of affiliates' expenditures, totaled \$3.292 billion, up slightly from \$3.174 billion spent in the 1994 nine months. About 60 percent of the company's total expenditures were for exploration and production activities, and about 60 percent of total outlays were spent outside the United States in both 1995 and 1994.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

In September 1995, a consent decree was lodged with the U.S. District Court for the District of New Jersey under which Chevron would pay \$125,000 as its share of a \$155,000 civil penalty assessed for alleged violation of NESHAP asbestos regulations at Chevron's Perth Amboy facility.

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 November 10, 1995

/s/ 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)

	NINE MONTHS ENDED SEPTEMBER 30,		YEAR ENDED DECEMBER 31,			
	1995	1994	1993	1992	1991	1990
Net Income before Cumulative Effect of Changes in Accounting Principles (1)	\$1,348	\$1,693	\$1,265	\$2,210	\$1,293	\$2,157
Income Tax Expense	1,331	1,322	1,389	1,508	1,302	2,387
Distributions (Less Than) Greater Than Equity in Earnings of Less Than 50% Owned Affiliates	(1)	(3)	6	(9)	(20)	(6)
Minority Interest	(3)	3	(2)	2	2	6
Previously Capitalized Interest Charged to Earnings During Period	21	32	20	18	17	15
Interest and Debt Expense	429	453	390	490	585	707
Interest Portion of Rentals (2)	113	156	169	152	153	163
EARNINGS BEFORE PROVISION FOR TAXES AND FIXED CHARGES	\$3,238	\$3,656	\$3,237	\$4,371	\$3,332	\$5,429
Interest and Debt Expense	\$ 429	\$ 453	\$ 390	\$ 490	\$ 585	\$ 707
Interest Portion of Rentals (2)	113	156	169	152	153	163
Capitalized Interest	103	80	60	46	30	24
TOTAL FIXED CHARGES	\$ 645	\$ 689	\$ 619	\$ 688	\$ 768	\$ 894
RATIO OF EARNINGS TO FIXED CHARGES	5.02	5.31	5.23	6.35	4.34	6.07

(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.

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE COMPANY'S BALANCE SHEET AT SEPTEMBER 30, 1995 AND INCOME STATEMENT FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 1995 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS AND THEIR RELATED FOOTNOTES.

1,000,000

9-MOS		
	DEC-31-1995	
	SEP-30-1995	783
		534
		3,852
		62
		1,551
	7,587	48,088
		25,629
		34,848
	8,798	4,472
		1,069
	0	0
		14,062
34,848		27,388
	27,925	0
		25,431
		0
		0
	307	
		2,494
		1,146
1,348		0
		0
		0
		1,348
		2.07
		2.07