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

Form 8-K/A

AMENDMENT NO. 1 TO CURRENT REPORT ON FORM 8-K DATED MARCH 6, 2000

Current Report

Pursuant to Section 13 of 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 7, 2000

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

Delaware	1-368-2	94-0890210
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer No.)

575 Market Street, San Francisco, CA	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)

Item 5. Other Events.

Chevron Corporation's Audited 1999 Financial Statements are attached as Item 7, Exhibit 99.1.

The Registrant is filing this Amendment No. 1 to its Current Report on Form 8-K dated March 6, 2000 to correct an error in Note 9 to the Audited Financial Statements on page 10. The corrected Note appears on page 10 of this filing. This Form 8-K/A includes a complete refiling of the Audited Financial Statements and Notes.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits

(c) Exhibits.

99.1 Chevron Corporation's Audited 1999 Financial Statements.

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 hereunto duly authorized.

Dated: March 7, 2000

CHEVRON CORPORATION

By /s/ S.J. CROWE

S. J. Crowe, Comptroller
(Principal accounting Officer
and Duly Authorized Officer)

Exhibit 99.1

REPORT OF MANAGEMENT

TO THE STOCKHOLDERS OF CHEVRON CORPORATION

Management of Chevron is responsible for preparing the accompanying financial statements and for ensuring their integrity and objectivity. The statements were prepared in accordance with accounting principles generally accepted in the United States and fairly represent the transactions and financial position of the company. The financial statements include amounts that are based on management's best estimates and judgments.

The company's statements have been audited by PricewaterhouseCoopers LLP, independent accountants, selected by the Audit Committee and approved by the stockholders. Management has made available to PricewaterhouseCoopers LLP all the company's financial records and related data, as well as the minutes of stockholders' and directors' meetings.

Management of the company has established and maintains a system of internal accounting controls that is designed to provide reasonable assurance that assets are safeguarded, transactions are properly recorded and executed in accordance with management's authorization, and the books and records accurately reflect the disposition of assets. The system of internal controls includes appropriate division of responsibility. The company maintains an internal audit department that conducts an extensive program of internal audits and independently assesses the effectiveness of the internal controls.

The Audit Committee is composed of directors who are not officers or employees of the company. It meets regularly with members of management, the internal auditors and the independent accountants to discuss the adequacy of the company's internal controls, its financial statements, and the nature, extent and results of the audit effort. Both the internal auditors and the independent accountants have free and direct access to the Audit Committee without the presence of management.

/s/ David J. O'Reilly	/s/ Martin R. Klitten	/s/ Stephen J. Crowe
David J. O'Reilly Chairman of the Board and Chief Executive Officer	Martin R. Klitten Vice President and Chief Financial Officer	Stephen J. Crowe Comptroller

February 23, 2000

REPORT OF INDEPENDENT ACCOUNTANTS

TO THE STOCKHOLDERS
AND THE BOARD OF DIRECTORS OF CHEVRON CORPORATION

In our opinion, the accompanying consolidated balance sheet and the related consolidated statements of income, comprehensive income, stockholders' equity and cash flows present fairly, in all material respects, the financial position of Chevron Corporation and its subsidiaries at December 31, 1999 and 1998, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1999, in conformity with accounting principles generally accepted in the United States. These financial statements are the responsibility of the company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

/s/ PricewaterhouseCoopers LLP

San Francisco, California
February 23, 2000

CONSOLIDATED STATEMENT OF INCOME

	Year ended December 31		
Millions of dollars, except per-share amounts	1999	1998	1997
REVENUES			
Sales and other operating revenues*	$35,448	$29,943	$40,596
Income from equity affiliates	526	228	688
Other income	612	386	679
TOTAL REVENUES	36,586	30,557	41,963
COSTS AND OTHER DEDUCTIONS			
Purchased crude oil and products	17,982	14,036	20,223

Operating expenses	5,090	4,834	5,280
Selling, general and administrative expenses	1,404	2,239	1,533
Exploration expenses	538	478	493
Depreciation, depletion and amortization	2,866	2,320	2,300
Taxes other than on income*	4,586	4,411	6,320
Interest and debt expense	472	405	312
TOTAL COSTS AND OTHER DEDUCTIONS	32,938	28,723	36,461
INCOME BEFORE INCOME TAX EXPENSE	3,648	1,834	5,502
INCOME TAX EXPENSE	1,578	495	2,246
NET INCOME	$ 2,070	$ 1,339	$ 3,256
NET INCOME PER SHARE OF COMMON STOCK - BASIC	$ 3.16	$ 2.05	$ 4.97
- DILUTED	$ 3.14	$ 2.04	$ 4.95

*Includes consumer excise taxes: .... $ 3,910 $ 3,756 $ 5,587

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended December 31		
Millions of dollars	1999	1998	1997
NET INCOME	$ 2,070	$ 1,339	$ 3,256
Currency translation adjustment	(43)	(1)	(173)
Unrealized holding gain (loss) on securities	29	3	(4)
Minimum pension liability adjustment	(11)	(15)	4
OTHER COMPREHENSIVE INCOME, NET OF TAX	(25)	(13)	(173)
COMPREHENSIVE INCOME	$ 2,045	$ 1,326	$ 3,083

See accompanying notes to consolidated financial statements.

CONSOLIDATED BALANCE SHEET

Millions of dollars	At December 31 1999	1998
ASSETS		
Cash and cash equivalents	$ 1,345	$ 569
Marketable securities	687	844
Accounts and notes receivable (less allowance: 1999 - $36; 1998 - $27)	3,688	2,813
Inventories:		
Crude oil and petroleum products	585	600
Chemicals	526	559
Materials, supplies and other	291	296
	1,402	1,455
Prepaid expenses and other current assets	1,175	616
TOTAL CURRENT ASSETS	8,297	6,297
Long-term receivables	815	872
Investments and advances	5,231	4,604
Properties, plant and equipment, at cost	54,212	51,337
Less: accumulated depreciation, depletion and amortization	28,895	27,608
	25,317	23,729
Deferred charges and other assets	1,008	1,038
TOTAL ASSETS	$ 40,668	$ 36,540
LIABILITIES AND STOCKHOLDERS' EQUITY		
Short-term debt	$ 3,434	$ 3,165
Accounts payable	3,103	2,170
Accrued liabilities	1,210	1,202
Federal and other taxes on income	718	226
Other taxes payable	424	403
TOTAL CURRENT LIABILITIES	8,889	7,166
Long-term debt	5,174	4,128
Capital lease obligations	311	265
Deferred credits and other noncurrent obligations	1,739	2,560
Noncurrent deferred income taxes	5,010	3,645
Reserves for employee benefit plans	1,796	1,742
TOTAL LIABILITIES	22,919	19,506
Preferred stock (authorized 100,000,000 shares, $1.00 par value, none issued)	-	-
Common stock (authorized 1,000,000,000 shares, $1.50 par value, 712,487,068 shares issued)	1,069	1,069
Capital in excess of par value	2,215	2,097
Deferred compensation	(646)	(691)
Accumulated other comprehensive income	(115)	(90)
Retained earnings	17,400	16,942
Treasury stock, at cost (1999 - 56,140,994 shares; 1998 - 59,460,666 shares)	(2,174)	(2,293)
TOTAL STOCKHOLDERS' EQUITY	17,749	17,034
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 40,668	$ 36,540

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Millions of dollars	Year ended December 31 1999	1998	1997
OPERATING ACTIVITIES			
Net income	$ 2,070	$ 1,339	$ 3,256
Adjustments			
Depreciation, depletion and amortization	2,866	2,320	2,300
Dry hole expense related to prior years' expenditures	126	40	31
Distributions (less than) greater than income from equity affiliates	(258)	25	(353)
Net before-tax gains on asset retirements and sales	(471)	(45)	(344)
Net foreign currency losses (gains)	23	(20)	(69)
Deferred income tax provision	226	266	622
Net decrease (increase) in operating working capital(1)	636	(809)	(253)
(Decrease) increase in Cities Service provision	(149)	924	-
Cash settlement of Cities Service litigation	(775)	-	-
Other, net	187	(309)	(310)
NET CASH PROVIDED BY OPERATING ACTIVITIES(2)	4,481	3,731	4,880
INVESTING ACTIVITIES			
Capital expenditures	(4,366)	(3,880)	(3,899)
Proceeds from asset sales	992	434	1,235
Net sales (purchases) of marketable securities(3)	262	(183)	101
Other, net	32	(230)	(297)
NET CASH USED FOR INVESTING ACTIVITIES	(3,080)	(3,859)	(2,860)
FINANCING ACTIVITIES			
Net borrowings (repayments) of short-term obligations	219	1,713	(163)
Proceeds from issuances of long-term debt	1,221	224	26
Repayments of long-term debt and other financing obligations	(549)	(388)	(421)
Cash dividends paid	(1,625)	(1,596)	(1,493)
Net sales (purchases) of treasury shares	108	(261)	173
NET CASH USED FOR FINANCING ACTIVITIES	(626)	(308)	(1,878)
EFFECT OF FOREIGN CURRENCY EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	1	(10)	(19)
NET CHANGE IN CASH AND CASH EQUIVALENTS	776	(446)	123
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	569	1,015	892
CASH AND CASH EQUIVALENTS AT YEAR-END	$ 1,345	$ 569	$ 1,015

See accompanying notes to consolidated financial statements.

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

	1999	1998	1997
(Increase) decrease in accounts and notes receivable	$ (810)	$ 552	$ 474
Decrease (increase) in inventories	72	(116)	(11)
(Increase) decrease in prepaid expenses and other current assets	(43)	(23)	59
Increase (decrease) in accounts payable and accrued liabilities	915	(807)	(685)
Increase (decrease) in income and other taxes payable	502	(415)	(90)
Net decrease (increase) in operating working capital	$ 636	$ (809)	$ (253)

(2) "Net cash provided by operating activities" includes the following cash payments for interest and income taxes:

	1999	1998	1997
Interest paid on debt (net of capitalized interest)	$ 438	$ 407	$ 318
Income taxes paid	$ 864	$ 654	$ 1,706

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

	1999	1998	1997
Marketable securities purchased	$(2,812)	$(2,679)	$(2,724)
Marketable securities sold	3,074	2,496	2,825
Net sales (purchases) of marketable securities	$ 262	$ (183)	$ 101

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

	1999		1998		1997	
Amounts in millions of dollars	Shares	Amount	Shares	Amount	Shares	Amount
COMMON STOCK						
Balance at January 1	712,487,068	$ 1,069	712,487,068	$ 1,069	712,487,068	$ 1,069
Change during year	-	-	-	-	-	-
Balance at December 31	712,487,068	$ 1,069	712,487,068	$ 1,069	712,487,068	$ 1,069
TREASURY STOCK AT COST						
Balance at January 1	59,460,666	$(2,293)	56,555,871	$(1,977)	59,401,015	$(2,024)
Purchases	56,052	(5)	5,246,100	(398)	1,255,022	(95)
Reissuances	(3,375,724)	124	(2,341,305)	82	(4,100,166)	142
Balance at December 31	56,140,994	$(2,174)	59,460,666	$(2,293)	56,555,871	$(1,977)
CAPITAL IN EXCESS OF PAR						
Balance at January 1		$ 2,097		$ 2,022		$ 1,874
Treasury stock transactions		118		75		148
Balance at December 31		$ 2,215		$ 2,097		$ 2,022
DEFERRED COMPENSATION						
Balance at January 1		$ (691)		$ (750)		$ (800)
Net Reduction of ESOP debt and other		45		59		50
Balance at December 31		$ (646)		$ (691)		$ (750)
ACCUMULATED OTHER COMPREHENSIVE INCOME(1)						
Balance at January 1		$ (90)		$ (77)		$ 96
Change during year		(25)		(13)		(173)
Balance at December 31		$ (115)		$ (90)		$ (77)
RETAINED EARNINGS						
Balance at January 1		$16,942		$17,185		$15,408
Net Income		2,070		1,339		3,256
Cash dividends (per-share amounts 1999: $2.48; 1998: $2.44; 1997: $2.28)		(1,625)		(1,596)		(1,493)
Tax benefit from dividends paid on unallocated ESOP shares		13		14		14
Balance at December 31		$17,400		$16,942		$17,185
TOTAL STOCKHOLDERS' EQUITY AT DECEMBER 31		$17,749		$17,034		$17,472

See accompanying notes to consolidated financial statements.

(1) ACCUMULATED OTHER COMPREHENSIVE INCOME:

	Currency Translation Adjustment	Unrealized Holding Gain on Securities	Minimum Pension Liability Adjustment	Total
Balance at January 1, 1997	$ 118	$ 14	$ (36)	$ 96
Change during year	(173)	(4)	4	(173)
Balance at December 31, 1997	$ (55)	$ 10	$ (32)	$ (77)
Change during year	(1)	3	(15)	(13)
Balance at December 31, 1998	$ (56)	$ 13	$ (47)	$ (90)
Change during year	(43)	29	(11)	(25)
Balance at December 31, 1999	$ (99)	$ 42	$ (58)	$ (115)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Millions of dollars, except per-share amounts

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Chevron Corporation is an international company that, through its subsidiaries and affiliates, engages in fully integrated petroleum operations, chemicals operations and coal mining in the United States and more than 100 countries. Petroleum operations consist of exploring for, developing and producing crude oil and natural gas; transporting crude oil, natural gas and products by pipelines, marine vessels and motor equipment; refining crude oil into finished petroleum products; and marketing crude oil, natural gas and refined petroleum products. Chemicals operations include the manufacture and marketing of a wide range of chemicals for industrial uses.

In preparing its consolidated financial statements, the company follows accounting policies that are in accordance with accounting principles generally accepted in the United States. This requires the use of estimates and assumptions that affect the assets, liabilities, revenues and expenses reported in the financial statements, as well as amounts included in the notes thereto, including discussion and disclosure of contingent liabilities. While the company uses its best estimates and judgments, actual results could differ from these estimates as future confirming events occur.

The nature of the company's operations and the many countries in which it operates subject it to changing economic, regulatory and political conditions. Also, the company imports crude oil for its U.S. refining operations. The company does not believe it is vulnerable to the risk of a near-term severe impact as a result of any concentration of its activities.

Subsidiary and Affiliated Companies

The consolidated financial statements include the accounts of subsidiary companies more than 50 percent owned. Investments in and advances to affiliates in which the company has a substantial ownership interest of approximately 20 percent to 50 percent, or for which the company exercises significant influence but not control over policy decisions, are accounted for by the equity method. Under this accounting, remaining unamortized cost is increased or decreased by the company's share of earnings or losses after dividends.

Oil and Gas Accounting

The successful efforts method is used for oil and gas exploration and production activities.

Derivatives

Gains and losses on hedges of existing assets or liabilities are included in the carrying amounts of those assets or liabilities and are ultimately recognized in income as part of those carrying amounts. Gains and losses related to qualifying hedges of firm commitments or anticipated transactions also are deferred and are recognized in income or as adjustments of carrying amounts when the underlying hedged transaction occurs. Cash flows associated with these derivatives are reported with the underlying hedged transaction's cash flows. If, subsequent to being hedged, underlying transactions are no longer likely to occur, the related derivatives gains and losses are recognized currently in income. Gains and losses on derivatives contracts that do not qualify as hedges are recognized currently in "Other income."

Short-Term Investments

All short-term investments are classified as available for sale and are in highly liquid debt or equity securities. Those investments that are part of the company's cash management portfolio with original maturities of three months or less are reported as cash equivalents. The balance of the short-term investments is reported as "Marketable securities." Short-term investments are marked-to-market with any unrealized gains or losses included in other comprehensive income.

Inventories

Crude oil, petroleum products and chemicals are stated at cost, using a Last-In, First-Out (LIFO) method. In the aggregate, these costs are below market. Materials, supplies and other inventories generally are stated at average cost.

Properties, Plant and Equipment

All costs for development wells, related plant and equipment, and proved mineral interests in oil and gas properties are capitalized. Costs of exploratory wells are capitalized pending determination of whether the wells found proved reserves. Costs of wells that are assigned proved reserves remain capitalized. All other exploratory wells and costs are expensed.

Long-lived assets, including proved oil and gas properties, are assessed for possible impairment by comparing their carrying values to the undiscounted future net before-tax cash flows. Impaired assets are written down to their estimated fair values, generally their discounted cash flows. For proved oil and gas properties in the United States, the company generally performs the impairment review on an individual field basis. Outside the United States, reviews are performed on a country or concession basis. Impairment amounts are recorded as incremental depreciation expense in the period in which the event occurs.

Depreciation and depletion (including provisions for future abandonment and restoration costs) of all capitalized costs of proved oil and gas producing properties, except mineral interests, are expensed using the unit-of-production method by individual fields as the proved developed reserves are produced. Depletion expenses for capitalized costs of proved mineral interests are recognized using the unit-of-production method by individual fields as the related proved reserves are produced. Periodic valuation provisions for impairment of capitalized costs of unproved mineral interests are expensed.

Depreciation and depletion expenses for coal are determined using the unit-of-production method as the proved reserves are produced. The capitalized costs of all other plant and equipment are depreciated or amortized over estimated useful lives. In general, the declining-balance method is used to depreciate plant and equipment in the United States; the straight-line method generally is used to depreciate international plant and equipment and to amortize all capitalized leased assets. Gains or losses are not recognized for normal retirements of properties, plant and equipment subject to composite group amortization or depreciation.

Gains or losses from abnormal retirements or sales are included in income.

Expenditures for maintenance, repairs and minor renewals to maintain facilities in operating condition are expensed. Major replacements and renewals are capitalized.

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Environmental Expenditures
Environmental expenditures that relate to current ongoing operations or to conditions caused by past operations are expensed. Expenditures that create future benefits or contribute to future revenue generation are capitalized.

Liabilities related to future remediation costs are recorded when environmental assessments and/or cleanups are probable and the costs can be reasonably estimated. Other than for assessments, the timing and magnitude of these accruals are generally based on the company's commitment to a formal plan of action, such as an approved remediation plan or the sale or disposal of an asset. For the company's U.S. and Canadian marketing facilities, the accrual is based on the probability that a future remediation commitment will be required. For oil and gas and coal producing properties, a provision is made through depreciation expense for anticipated abandonment and restoration costs at the end of the property's useful life.

For Superfund sites, the company records a liability for its share of costs when it has been named as a Potentially Responsible Party (PRP) and when an assessment or cleanup plan has been developed. This liability includes the company's own portion of the costs and also the company's portion of amounts for other PRPs when it is probable that they will not be able to pay their share of the cleanup obligation.

The company records the gross amount of its liability based on its best estimate of future costs using currently available technology and applying current regulations as well as the company's own internal environmental policies. Future amounts are not discounted. Recoveries or reimbursements are recorded as an asset when receipt is reasonably ensured.

Currency Translation
The U.S. dollar is the functional currency for the company's consolidated operations as well as for substantially all operations of its equity method companies. For those operations, all gains or losses from currency transactions are currently included in income. The cumulative translation effects for the few equity affiliates using functional currencies other than the U.S. dollar are included in the currency translation adjustment in stockholders' equity.

Taxes
Income taxes are accrued for retained earnings of international subsidiaries and corporate joint ventures intended to be remitted. Income taxes are not accrued for unremitted earnings of international operations that have been, or are intended to be, reinvested indefinitely.

Revenue Recognition
Revenues associated with sales of crude oil, natural gas, coal, petroleum and chemicals products, and all other sources are recorded when title passes to the customer, net of royalties, discounts and allowances, as applicable. Revenues from natural gas production from properties in which Chevron has an interest with other producers are recognized on the basis of the company's net working interest (entitlement method).

Stock Compensation
The company applies Accounting Principles Board (APB) Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations in accounting for stock options and presents in Note 19 pro forma net income and earnings per share data as if the accounting prescribed by SFAS No. 123, "Accounting for Stock-Based Compensation," had been applied.

Note 2.SPECIAL ITEMS AND OTHER FINANCIAL INFORMATION
Net income is affected by transactions that are unrelated to or are not necessarily representative of the company's ongoing operations for the periods presented. These transactions, defined by management and designated "special items," can obscure the underlying results of operations for a year as well as affect comparability of results between years.

Listed below are categories of special items and their net increase (decrease) to net income, after related tax effects.

	Year ended December 31		
	1999	1998	1997
Asset write-offs and revaluations			
Asset impairments			
- Oil and gas properties	$(204)	$ (50)	$ (68)
- Coal assets	(34)	-	-
U.S. refining, marketing and transportation assets	-	(22)	-
Chemicals assets	(43)	(19)	(10)
Real estate assets	-	(9)	-
Other	(65)	(59)	(8)
	(346)	(159)	(86)
Asset dispositions, net			
Pipeline interests	75	-	-
Real estate	60	-	-
Coal assets	60	-	-
Marketable securities	30	-	-
Oil and gas assets	17	(9)	240

Caltex interest in equity affiliate	(31)	-	-
Chemicals affiliate	-	-	33
U.K. refining and marketing exit	-	-	(72)
Domestic shipping assets	-	-	(18)
	211	(9)	183
Prior-year tax adjustments	109	271	152
Environmental remediation provisions, net	(123)	(39)	(35)
Restructurings and reorganizations			
Corporate	(158)	-	-
Caltex affiliate	(25)	(43)	(6)
Dynegy affiliate	-	-	(54)
	(183)	(43)	(60)
LIFO inventory gains (losses)	38	(25)	5
Other, net			
Litigation and regulatory issues*	78	(682)	(24)
Settlement of insurance claims	-	105	7
Caltex write-off of start-up costs (SOP 98-5)	-	(25)	-
Performance stock options	-	-	(66)
	78	(602)	(83)
Total special items, after tax	$(216)	$(606)	$ 76

* 1999 and 1998 include effects related to Cities Service litigation.

Note 2. SPECIAL ITEMS AND OTHER FINANCIAL INFORMATION - Continued

Other financial information is as follows.

	Year ended December 31		
	1999	1998	1997
Total financing interest and debt costs	$ 481	$ 444	$ 411
Less: capitalized interest	9	39	99
Interest and debt expense	472	405	312
Research and development expenses	182	187	179
Foreign currency (losses) gains*	$ (38)	$ (47)	$ 246

*Includes $(15), $(68) and $177 in 1999, 1998 and 1997, respectively, for the company's share of affiliates' foreign currency (losses) gains.

The excess of current cost (based on average acquisition costs for the year) over the carrying value of inventories for which the LIFO method is used was $871, $584 and $1,089 at December 31, 1999, 1998 and 1997, respectively.

Note 3. CUMULATIVE EFFECT ON NET INCOME FROM ACCOUNTING CHANGES
In April 1998, the AICPA released Statement of Position 98-5, "Reporting on the Costs of Start-up Activities" (SOP 98-5), which introduced a broad definition of items to expense as incurred for start-up activities, including new products/services, entering new territories, initiating new processes or commencing new operations. Chevron was substantially in compliance with the pronouncement. However, Caltex capitalized these types of costs for certain projects. Chevron recorded its $25 share of the charge associated with Caltex's 1998 implementation of SOP 98-5, effective January 1, 1998.

In 1998, Chevron changed its method of calculating certain Canadian deferred income taxes, effective January 1, 1998. The benefit from this change was $32.

The net benefit to Chevron's 1998 net income from the cumulative effect of adopting SOP 98-5 by Caltex and the change in Chevron's method of calculating Canadian deferred taxes was immaterial.

Note 4. INFORMATION RELATING TO THE CONSOLIDATED STATEMENT OF CASH FLOWS
The Consolidated Statement of Cash Flows excludes the following significant noncash transactions.

During 1999, the company acquired the Rutherford-Moran Oil Corporation and Petrolera Argentina San Jorge S.A. Only the net cash component of these transactions is included as "Capital expenditures." Consideration for the Rutherford-Moran transaction included 1.1 million shares of the company's treasury stock valued at $91.

During 1997, the company's Venice, Louisiana, natural gas facility was contributed to a partnership with Dynegy Inc. (Dynegy). An increase in "Investments and advances" resulted primarily from the contribution of properties, plant and equipment.

The major components of "Capital expenditures" in the Consolidated Statement of Cash Flows and the reconciliation of this amount to total capital and exploratory expenditures, are presented in the following table.

	Year ended December 31		
	1999	1998	1997
Additions to properties, plant and equipment	$ 5,018	$ 3,678	$ 3,840
Additions to investments	449	306	153
Payments for other liabilities and assets, net(1)..........................	(1,101)	(104)	(94)
Capital expenditures	4,366	3,880	3,899
Expensed exploration expenditures	413	438	462
Payments of long-term debt and other financing obligations(2)...........	572	2	6
Capital and exploratory expenditures, excluding equity affiliates	$ 5,351	$ 4,320	$ 4,367

(1) 1999 includes liabilities assumed in acquisitions of Rutherford-Moran Oil Corporation and Petrolera Argentina San Jorge S.A
(2) 1999 includes obligations assumed in acquisition of Rutherford-Moran Oil Corporation and other capital lease additions.

Note 5. STOCKHOLDERS' EQUITY

Retained earnings at December 31, 1999 and 1998, include $2,048 and $2,121, respectively, for the company's share of undistributed earnings of equity affiliates.

In 1998, the company declared a dividend distribution of one Right to purchase Chevron Participating Preferred Stock. The Rights will be exercisable, unless redeemed earlier by the company, if a person or group acquires, or obtains the right to acquire, 10 percent or more of the outstanding shares of common stock or commences a tender or exchange offer that would result in acquiring 10 percent or more of the outstanding shares of common stock, either event occurring without the prior consent of the company. The amount of Chevron Series A Participating Preferred Stock that the holder of a Right is entitled to receive and the purchase price payable upon exercise of the Chevron Right are both subject to adjustment. The person or group who had acquired 10 percent or more of the outstanding shares of common stock without the prior consent of the company would not be entitled to this purchase.

The Rights will expire in November 2008, or they may be redeemed by the company at 1 cent per Right prior to that date. The Rights do not have voting or dividend rights and, until they become exercisable, have no dilutive effect on the earnings per share of the company. Five million shares of the company's preferred stock have been designated Series A Participating Preferred Stock and reserved for issuance upon exercise of the Rights. No event during 1999 made the Rights exercisable. Rights associated with a 1988 dividend distribution expired in 1998.

Note 6. FINANCIAL AND DERIVATIVE INSTRUMENTS

Off-Balance-Sheet Risk

The company utilizes a variety of derivative instruments, both financial and commodity-based, as hedges to manage a small portion of its exposure to price volatility stemming from its integrated petroleum activities. Relatively straightforward and involving little complexity, the derivative instruments consist mainly of futures contracts traded on the New York Mercantile Exchange and the International Petroleum Exchange and of both crude and natural gas swap contracts entered into principally with major financial institutions. The futures contracts hedge anticipated

Note 6. FINANCIAL AND DERIVATIVE INSTRUMENTS - Continued

crude oil purchases and sales and product sales, generally forecast to occur within a 60- to 90-day period. Crude oil swaps are used to hedge sales forecasted to occur within the next four years. The terms of the swap contracts have maturities of the same period. Natural gas swaps are used primarily to hedge firmly committed sales, and the terms of the swap contracts held at year-end 1999 had an average remaining maturity of 58 months. Gains and losses on these derivative instruments offset and are recognized in income concurrently with the recognition of the underlying physical transactions.

In addition, the company in 1998 entered into managed programs using swaps and options to take advantage of perceived opportunities for favorable price movements in natural gas. The results of these programs were reflected in income and were not material in 1998. The company enters into forward exchange contracts, generally with terms of 90 days or less, as a hedge against some of its foreign currency exposures, primarily anticipated purchase transactions forecast to occur within 90 days.

The company enters into interest rate swaps as part of its overall strategy to manage the interest rate risk on its debt. Under the terms of the swaps, net cash settlements, based on the difference between fixed-rate and floating-rate interest amounts calculated by reference to agreed notional principal amounts, are made semiannually and are recorded monthly as "Interest and debt expense." At December 31, 1999, there was one outstanding contract, with a remaining term of five years and six months.

Concentrations of Credit Risk

The company's financial instruments that are exposed to concentrations of credit risk consist primarily of its cash equivalents, marketable securities, derivative financial instruments and trade receivables.

The company's short-term investments are placed with a wide array of financial institutions with high credit ratings. This diversified investment policy limits the company's exposure both to credit risk and to concentrations of credit risk. Similar standards of diversity and creditworthiness are applied to the company's counterparties in derivative instruments.

The trade receivable balances, reflecting the company's diversified sources of revenue, are dispersed among the company's broad customer base worldwide. As a consequence, concentrations of credit risk are limited. The company routinely assesses the financial strength of its customers. Letters of credit, or negotiated contracts when the financial strength of a customer is not considered sufficient, are the principal securities obtained to support lines of credit.

Fair Value

Fair values are derived either from quoted market prices where available or, in their absence, the present value of the expected cash flows. The fair values reflect the cash that would have been received or paid if the instruments were settled at year-end. At December 31, 1999 and 1998, the fair values of the financial and derivative instruments were:

Long-term debt of $2,449 and $1,403 had estimated fair values of $2,430 and $1,485.

The notional principal amounts of the interest rate swaps totaled $350 and $700, with approximate fair values totaling $11 and $(21). The notional amounts of these and other derivative instruments do not represent assets or liabilities of the company but, rather, are the basis for the settlements under the contract terms.

The company holds cash equivalents and U.S. dollar marketable securities in domestic and offshore portfolios. Eurodollar bonds, floating-rate notes, time deposits and commercial paper are the primary instruments held. Cash equivalents and marketable securities had fair values of $1,762 and $1,206. Of these balances, $1,075 and $362 classified as cash equivalents had average maturities under 90 days, while the remainder, classified as marketable securities, had average maturities of approximately three years and two years.

For other derivatives the contract or notional values were as follows: Crude oil and products futures had net contract values of $143 and $33. Forward exchange contracts had contract values of $123 and $180. Gas swap contracts are based on notional gas volumes of approximately 44 and 67 billion cubic feet. Crude oil swap contracts are based on notional crude volumes of approximately 9 million barrels. Fair values for all of these derivatives were not material in 1999 and 1998. Deferred gains and losses that were accrued on the Consolidated Balance Sheet were not material.

Note 7. SUMMARIZED FINANCIAL DATA - CHEVRON U.S.A. INC.

At December 31, 1999, Chevron U.S.A. Inc. was Chevron's principal operating company, consisting primarily of its U.S. integrated petroleum operations (excluding most of the domestic pipeline operations) and, effective February 1, 1998, the majority of its worldwide petrochemicals operations. In 1999, these operations were conducted primarily by three divisions: Chevron U.S.A. Production Company, Chevron Products Company and Chevron Chemical Company LLC. Summarized financial information for Chevron U.S.A. Inc. and its consolidated subsidiaries is presented below.

	Year ended December 31		
	1999	1998	1997
Sales and other operating revenues	$28,957	$24,440	$28,130

Total costs and other deductions ...	28,329	24,338	26,354
Net income	885	346	1,484

	At December 31	
	1999	1998*
Current assets	$ 3,889	$ 3,227
Other assets	19,403	18,330
Current liabilities	4,676	3,809
Other liabilities .	8,455	6,541
Net equity	10,161	11,207
Memo: Total Debt	$ 7,462	$ 3,546

* Certain amounts have been reclassified to conform to current presentation.

The primary cause of the reduction in net equity from 1998 to 1999 was a return of $2,000 of capital to Chevron Corporation in exchange for a loan.

Note 8. SUMMARIZED FINANCIAL DATA - CHEVRON TRANSPORT CORPORATION LIMITED
Effective July 1999, Chevron Transport Corporation, a Liberian corporation, was merged into Chevron Transport Corporation Limited (CTC), a Bermuda corporation, which assumed all of the assets and liabilities of

Note 8. SUMMARIZED FINANCIAL DATA - CHEVRON TRANSPORT CORPORATION LIMITED - Continued

Chevron Transport Corporation. CTC 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 information was derived from the financial statements prepared on a stand-alone basis in conformity with generally accepted accounting principles.

During 1999, CTC's parent contributed an additional $62 of paid-in capital. Separate CTC financial statements and other disclosures are omitted, as such information is 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 December 31, 1999.

	Year ended December 31		
	1999	1998	1997
Sales and other operating revenues..	$ 504	$ 573	$ 544
Total costs and other deductions ...	572	580	557
Net (loss) income	(50)	17	28

	At December 31	
	1999	1998
Current assets	$184	$270
Other assets	742	982
Current liabilities.....	580	898
Other liabilities	264	284
Net equity	82	70

Note 9. OPERATING SEGMENTS AND GEOGRAPHIC DATA

Chevron manages its exploration and production; refining, marketing and transportation; and chemicals businesses separately. The company's primary country of operation is the United States, its country of domicile. The remainder of the company's operations is reported as International (outside the United States), since its activities in no other country meet the requirements for separate disclosure.

In February 2000, Chevron and Phillips Petroleum Company signed a letter of intent and exclusivity agreement to combine most of their chemicals businesses in a joint venture. Each company will own 50 percent of the joint venture, which would have had 1999 sales of $6,000 and is expected to have total assets of about $6,000. The combination is subject to final approval of the companies' boards of directors, signing of definitive agreements and regulatory review, all of which are expected to be completed by mid-2000.

Segment Earnings

The company evaluates the performance of its operating segments on an after-tax basis, without considering the effects of debt financing interest expense or investment interest income, both of which are managed by the corporation on a worldwide basis. Corporate administrative costs and assets are not allocated to the operating segments; instead, operating segments are billed only for direct corporate services. Nonbillable costs remain as corporate center expenses. After-tax segment operating earnings for the years 1999, 1998 and 1997 are presented in the following table.

	Year ended December 31		
	1999	1998	1997
EXPLORATION AND PRODUCTION			
United States	$ 526	$ 365	$ 1,001
International	1,093	707	1,252
TOTAL EXPLORATION AND PRODUCTION	1,619	1,072	2,253
REFINING, MARKETING AND TRANSPORTATION			
United States	357	572	601
International	74	28	298

TOTAL REFINING, MARKETING AND TRANSPORTATION	431	600	899
CHEMICALS			
United States	44	79	138
International	65	43	90
TOTAL CHEMICALS	109	122	228
TOTAL SEGMENT INCOME	2,159	1,794	3,380
Interest Expense	(333)	(270)	(189)
Interest Income	21	63	75
Other	223	(248)	(10)
NET INCOME	$ 2,070	$ 1,339	$ 3,256
NET INCOME - UNITED STATES	$ 976	$ 642	$ 1,622
NET INCOME - INTERNATIONAL	$ 1,094	$ 697	$ 1,634
TOTAL NET INCOME	$ 2,070	$ 1,339	$ 3,256

Segment Assets

Segment assets do not include intercompany investments or intercompany receivables. "All Other" assets consist primarily of worldwide cash and marketable securities, company real estate, information systems, and coal mining assets. Segment assets at year-end 1999 and 1998 are as follows.

	At December 31	
	1999	1998
EXPLORATION AND PRODUCTION		
United States	$ 5,566	$ 6,026
International	13,748	10,794
TOTAL EXPLORATION AND PRODUCTION	19,314	16,820
REFINING, MARKETING AND TRANSPORTATION		
United States	8,178	8,084
International	3,609	3,559
TOTAL REFINING, MARKETING AND TRANSPORTATION	11,787	11,643
CHEMICALS		
United States	3,303	3,045
International	923	828
TOTAL CHEMICALS	4,226	3,873
TOTAL SEGMENT ASSETS	35,327	32,336
ALL OTHER		
United States	3,474	2,467
International	1,867	1,737
TOTAL All OTHER	5,341	4,204
TOTAL ASSETS - UNITED STATES	20,521	19,622
TOTAL ASSETS - INTERNATIONAL	20,147	16,918
TOTAL ASSETS	$40,668	$36,540

Note 9. OPERATING SEGMENTS AND GEOGRAPHIC DATA
- - Continued

Segment Income Taxes
Segment income tax expenses for the years 1999, 1998 and 1997 are as follows.

	Year ended December 31		
	1999	1998	1997
EXPLORATION AND PRODUCTION			
United States	$ 266	$ 164	$ 559
International	1,341	595	1,488
TOTAL EXPLORATION AND PRODUCTION	1,607	759	2,047
REFINING, MARKETING AND TRANSPORTATION			
United States	135	309	346
International	41	54	6
TOTAL REFINING, MARKETING AND TRANSPORTATION	176	363	352
CHEMICALS			
United States	(13)	25	77
International	45	14	57
TOTAL CHEMICALS	32	39	134
All Other	(237)	(666)	(287)
TOTAL INCOME TAX EXPENSE	$ 1,578	$ 495	$ 2,246

Segment Sales and Other Operating Revenues
Revenues for the exploration and production segments are derived primarily from the production of crude oil and natural gas. Revenues for the refining, marketing and transportation segments are derived from the refining and marketing of petroleum products such as gasoline, jet fuel, gas oils, kerosene, residual fuel oils and other products derived from crude oil. This segment also generates revenues from the transportation and trading of crude oil and refined products. Chemicals segment revenues are derived from the manufacture and sale of petrochemicals, plastic resins, and lube oil and fuel additives.

"All Other" activities include corporate administrative costs, worldwide cash management and debt financing activities, coal mining operations, insurance operations, and real estate activities.

Reportable operating segment sales and other operating revenues, including internal transfers, for the years 1999, 1998 and 1997 are presented in the table that follows. Sales from the transfer of products between segments are at estimated market prices.

	Year ended December 31		
	1999	1998(1)	1997(1)
EXPLORATION AND PRODUCTION			
United States			
Crude oil	$ -	$ -	$ (3)
Natural gas	1,578	1,599	1,978
Natural gas liquids	159	128	185
Other	8	12	20
Intersegment	1,985	1,453	4,362
Total United States	3,730	3,192	6,542
International			
Refined products	2	1	2
Crude oil	2,586	1,761	2,790
Natural gas	678	505	590
Natural gas liquids	116	89	170
Other	205	130	116
Intersegment	2,876	1,984	2,810
Total International	6,463	4,470	6,478
TOTAL EXPLORATION AND PRODUCTION	10,193	7,662	13,020
REFINING, MARKETING AND TRANSPORTATION			
United States			
Refined products	12,765	10,148	12,586

Crude oil	3,618	2,971	4,531
Natural gas liquids	133	100	158
Other	654	622	592
Excise taxes	3,702	3,503	3,386
Intersegment	366	216	313
Total United States	21,238	17,560	21,566
International			
Refined products	975	1,312	2,998
Crude oil	3,874	3,049	3,978
Natural gas liquids	24	5	40
Other	248	299	390
Excise taxes	178	213	2,188
Intersegment	16	20	15
Total International	5,315	4,898	9,609
TOTAL REFINING, MARKETING AND TRANSPORTATION	26,553	22,458	31,175
CHEMICALS			
United States			
Products	2,794	2,468	2,933
Excise taxes	2	2	-
Intersegment	162	121	112
Total United States	2,958	2,591	3,045
International			
Products	715	568	559
Other	35	18	28
Excise taxes	28	38	13
Intersegment	1	1	2
Total International	779	625	602
TOTAL CHEMICALS	3,737	3,216	3,647
ALL OTHER			
United States - Coal	360	399	359
United States - Other	8	(1)	8
International	3	4	1
Intersegment - United States	55	52	47
Intersegment - International	4	2	-
TOTAL ALL OTHER	430	456	415
Sales and Other Operating Revenues			
- United States	28,349	23,793	31,567
- International	12,564	9,999	16,690
Total Segment Sales and Other Operating Revenues	40,913	33,792	48,257
Elimination of Intersegment Sales	(5,465)	(3,849)	(7,661)
Total Sales and Other Operating Revenues	$35,448	$29,943	$40,596

(1) Certain amounts have been restated to conform to the 1999 presentation

Other Segment Information

Investments in and earnings from affiliated companies are included in the segments in which the affiliates operate. Dynegy Inc. is included in U.S. exploration and production; P.T. Caltex Pacific Indonesia (CPI) and Tengizchevroil (TCO) are included in International exploration and production; and Caltex Corporation is included in International refining, marketing and transportation. The company's other affiliates are not material to any segment's assets or results of operations. Information on equity affiliates, including carrying value and equity earnings, is included in Note 12.

Additions to long-lived assets and depreciation expense, by operating segment, are included in Note 13.

Note 10. LITIGATION
The company is a party, along with other oil companies, to numerous lawsuits and claims, including actions challenging oil and gas royalty and severance tax payments based on posted prices, and actions related to the use of the chemical MTBE in certain oxygenated gasolines. In some of these actions, plaintiffs may seek to recover large and sometimes unspecified amounts. In others, the plaintiffs may seek to have the company perform specific actions, including remediation of alleged damages. These matters may remain unresolved for several years, and it is not practical to estimate a range of possible loss. Although losses could be material with respect to earnings in any given period, management believes that resolution of these matters will not result in any significant liability to the company in relation to its consolidated financial position or have a significant effect on its liquidity.

In a lawsuit in Los Angeles, Calif., brought in 1995, the company and five other oil companies are contesting the validity of a patent granted to Unocal Corporation (Unocal) for certain types of reformulated gasoline, which the company sells in California during certain months of the year. The first two phases of the trial were concluded in 1997, with the jury upholding the validity of the patent and assessing damages at the rate of 5.75 cents per gallon of gasoline produced in infringement of the patent between March 1 and July 1, 1996. In the third phase of the trial, the judge heard evidence to determine if the patent was enforceable. In 1998, the judge ruled the patent was enforceable. The defendants filed an appeal in January 1999 and oral arguments were made before the court in July 1999. While the ultimate outcome of this matter cannot be determined with certainty, the company believes Unocal's patent is invalid and any unfavorable rulings should be reversed upon appeal. Unocal also has filed for additional patents for alternate formulations. Should the jury's finding and Unocal's patent ultimately be upheld, the company's financial exposure includes royalties, plus interest, for past production of gasoline that is ruled to have infringed the applicable patent and royalty payments for any future production of gasoline that infringes this patent. The effect of unfavorable rulings with respect to future reformulated gasoline production would depend on the availability of alternate formulations and the industry's ability to recover additional costs of production through prices charged to its customers. The company believes that its ultimate exposure in this matter will not materially affect its financial position or liquidity, although the costs of resolution of any unfavorable ruling could be material with respect to earnings in any given period.

Note 11. LEASE COMMITMENTS
Certain noncancelable leases are classified as capital leases, and the leased assets are included as part of "Properties, plant and equipment." Other leases are classified as operating leases and are not capitalized. Details of the capitalized leased assets are as follows.

	At December 31	
	1999	1998
Exploration and Production	$ 86	$ 5
Refining, Marketing and Transportation	779	757
Total	865	762
Less: accumulated amortization	425	398
Net capitalized leased assets	$ 440	$ 364

Rental expenses incurred for operating leases during 1999, 1998 and 1997 were as follows.

	Year ended December 31		
	1999	1998	1997
Minimum rentals	$465	$503	$443
Contingent rentals	3	5	5
Total	468	508	448
Less: sublease rental income	3	3	5
Net rental expense	$465	$505	$443

At December 31, 1999, the future minimum lease payments under operating and capital leases are as follows.

	At December 31	
	Operating Leases	Capital Leases
Year		
2000	$ 157	$ 81

2001	180	77
2002	180	72
2003	178	103
2004	177	46
Thereafter	312	889
Total	$1,184	1,268
Less: amounts representing interest and executory costs		625
Net present values		643
Less: capital lease obligations included in short-term debt		332
Long-term capital lease obligations		$ 311
Future sublease rental income	$ 1	$ -

Contingent rentals are based on factors other than the passage of time, principally sales volumes at leased service stations. Certain leases include escalation clauses for adjusting rentals to reflect changes in price indices, renewal options ranging from one to 25 years, and/or options to purchase the leased property during or at the end of the initial lease period for the fair market value at that time.

Note 12. INVESTMENTS AND ADVANCES

Chevron owns 50 percent each of P.T. Caltex Pacific Indonesia, an exploration and production company operating in Indonesia; Caltex Corporation, which, through its subsidiaries and affiliates, conducts refining and marketing activities in Asia, Africa, the Middle East, Australia and New Zealand; and American Overseas Petroleum Limited, which, through its subsidiary, manages certain of the company's operations in Indonesia. These companies and their subsidiaries and affiliates are collectively called the Caltex Group.

Tengizchevroil (TCO) is a joint venture formed in 1993 to develop the Tengiz and Korolev oil fields in Kazakhstan over a 40-year period. Chevron's ownership was reduced from 50 percent to 45 percent in April 1997 through a sale of a portion of its interest. The company has an obligation of $420, payable to the Republic of Kazakhstan upon the attainment of a dedicated export system with the capability of the greater of 260,000 barrels of oil per day or TCO's production capacity. This amount was included in the value of the investment, as the company believed at the time, and continues to believe, that its payment is beyond a reasonable doubt given the original intent and continuing commitment

Note 12. INVESTMENTS AND ADVANCES - Continued
of both parties to realizing the full potential of the venture over its 40-year life.

Chevron owns 28 percent of Dynegy Inc., a gatherer, processor, transporter and marketer of energy products in North America and the United Kingdom. These products include natural gas, natural gas liquids, crude oil and electricity. The market value of Chevron's shares of Dynegy common stock at December 31, 1999, was $1,133 based on quoted closing market prices. In February 2000, Dynegy completed a merger with Illinova Corporation, an energy services holding company in Illinois. Chevron increased its investment by $200 to maintain a 28 percent ownership in the merged company.

The company received dividends and distributions of $268, $254 and $335 in 1999, 1998 and 1997, respectively, including $212, $167 and $207 from the Caltex Group. During 1998, Dynegy repaid a $155 loan from Chevron, which is reflected as a decrease in the company's investment in the affiliate.

The company's transactions with affiliated companies are summarized in the table that follows. These are primarily for the purchase of Indonesian crude oil from CPI, the sale of crude oil and products to Caltex Corporation's refining and marketing companies, the sale of natural gas to Dynegy, and the purchase of natural gas and natural gas liquids from Dynegy.

"Accounts and notes receivable" in the Consolidated Balance Sheet include $277 and $156 at December 31, 1999 and 1998, respectively, of amounts due from affiliated companies. "Accounts payable" include $53 and $41 at December 31, 1999 and 1998, respectively, of amounts due to affiliated companies.

	Year ended December 31		
	1999	1998	1997
Sales to Caltex Group	$ 687	$ 772	$1,335
Sales to Dynegy Inc.	1,407	1,307	1,822
Sales to Fuel & Marine Marketing LLC* ..	234	22	-
Sales to other affiliates	12	4	8
Total sales to affiliates	$2,340	$2,105	$3,165
Purchases from Caltex Group	$ 867	$ 681	$ 932
Purchases from Dynegy Inc.	785	642	854
Purchases from other affiliates	6	2	16
Total purchases from affiliates	$1,658	$1,325	$1,802

* Affiliate formed in November 1998 owned 31 percent by Chevron.

Equity in earnings, together with investments in and advances to companies accounted for using the equity method, and other investments accounted for at or below cost, are as follows.

	Investments and Advances		Equity in Earnings		
	At December 31		Year ended December 31		
	1999	1998	1999	1998	1997*
Exploration and Production					
Tengizchevroil	$1,722	$1,455	$ 177	$ 60	$ 169
Caltex Group	455	452	139	107	171
Dynegy Inc.	351	265	51	49	(17)
Other	198	134	32	4	13
Total Exploration and Production	2,726	2,306	399	220	336
Refining, Marketing and Transportation					
Caltex Group	1,683	1,751	56	(36)	252
Other	379	124	70	24	57
Total Refining, Marketing and Transportation	2,062	1,875	126	(12)	309
Chemicals	145	135	1	-	25
All Other	31	74	-	20	18
Total Equity Method ...	$4,964	$4,390	$ 526	$ 228	$ 688
Other at or Below Cost ..	267	214			
Total Investments and Advances	$5,231	$4,604			

* Reclassified to conform to the 1998 presentation.

The following tables summarize the combined financial information for the Caltex Group and all of the other equity-method companies, together with Chevron's share. Amounts shown for the affiliates are 100 percent.

	Caltex Group			Other Affiliates			Chevron's Share		
Year ended December 31	1999	1998*	1997*	1999	1998	1997	1999	1998*	1997*
Total revenues	$14,915	$11,506	$15,699	$20,645	$16,842	$16,574	$13,660	$11,194	$12,717
Total costs and other deductions	14,134	10,986	14,489	19,805	16,430	15,770	12,863	10,672	11,789
Net income	390	143	846	610	295	556	526	228	688

	Caltex Group			Other Affiliates			Chevron's Share		
At December 31	1999	1998	1997	1999	1998	1997	1999	1998	1997
Current assets	$ 4,928	$ 1,974	$ 2,521	$ 4,640	$ 3,326	$ 3,232	$ 3,962	$ 2,015	$ 2,289
Other assets	5,381	7,683	7,193	10,255	8,868	6,713	6,009	6,663	5,971
Current liabilities	3,395	2,840	2,991	3,709	2,723	2,565	2,665	2,162	2,232
Other liabilities	2,638	2,420	2,131	8,362	7,147	5,448	2,342	2,126	1,740
Net equity	4,276	4,397	4,592	2,824	2,324	1,932	4,964	4,390	4,288

*Caltex "Total revenues" and "Total costs and other deductions" have been reclassified to net certain offsetting trading sale and purchase contracts. The reclassifications conform to the 1999 presentation and have no impact on net income.

Note 13. PROPERTIES, PLANT AND EQUIPMENT

	At December 31						Year ended December 31					
	Gross Investment at Cost			Net Investment			Additions at Cost(1)			Depreciation Expense		
	1999	1998	1997	1999	1998	1997	1999	1998	1997	1999	1998	1997
Exploration and Production												
United States	$17,947	$18,372	$18,104	$4,709	$5,237	$5,052	$ 710	$1,000	$1,166	$1,130	$ 818	$ 887
International	15,876	12,755	11,752	9,465	7,148	6,691	3,251	1,221	1,310	851	730	634
Total Exploration and Production	33,823	31,127	29,856	14,174	12,385	11,743	3,961	2,221	2,476	1,981	1,548	1,521
Refining, Marketing and Transportation												
United States	12,025	11,793	11,378	6,196	6,268	6,186	515	665	538	478	483	464
International	1,838	2,005	2,063	1,030	1,139	1,210	30	50	57	79	81	111
Total Refining, Marketing and Transportation	13,863	13,798	13,441	7,226	7,407	7,396	545	715	595	557	564	575
Chemicals												
United States	3,689	3,436	3,039	2,354	2,211	1,931	326	385	470	174	109	92
International	714	662	549	453	414	309	59	116	157	19	10	12
Total Chemicals	4,403	4,098	3,588	2,807	2,625	2,240	385	501	627	193	119	104
All Other(2)	2,123	2,314	2,348	1,110	1,312	1,292	103	202	110	135	89	100
Total United States	35,783	35,915	34,867	14,369	15,028	14,461	1,654	2,252	2,284	1,917	1,499	1,543
Total International	18,429	15,422	14,366	10,948	8,701	8,210	3,340	1,387	1,524	949	821	757
Total	$54,212	$51,337	$49,233	$25,317	$23,729	$22,671	$4,994	$3,639	$3,808	$2,866	$2,320	$2,300

(1) Net of dry hole expense related to prior years' expenditures of $126, $40 and $31 in 1999, 1998 and 1997, respectively.
(2) Primarily coal and real estate assets and management information systems.

Note 14. TAXES

	Year ended December 31		
	1999	1998	1997
Taxes other than on income			
United States			

	1999	1998	1997
Excise taxes on products and merchandise	$3,704	$3,505	$3,386
Property and other miscellaneous taxes	272	262	274
Payroll taxes	119	129	123
Taxes on production	94	92	118
Total United States	4,189	3,988	3,901
International			
Excise taxes on products and merchandise ...	206	251	2,201
Property and other miscellaneous taxes	145	137	185
Payroll taxes	32	26	23
Taxes on production	14	9	10
Total International	397	423	2,419
Total taxes other than on income	$4,586	$4,411	$6,320

U.S. federal income tax expense was reduced by $89, $84 and $93 in 1999, 1998 and 1997, respectively, for low-income housing and other business tax credits.

In 1999, before-tax income, including related corporate and other charges, for U.S. operations was $1,254, compared with $728 in 1998 and $2,054 in 1997. For international operations, before-tax income was $2,394, $1,106 and $3,448 in 1999, 1998 and 1997, respectively.

The deferred income tax provisions included costs of $788, $470 and $304 related to properties, plant and equipment in 1999, 1998 and 1997, respectively.

	Year ended December 31		
	1999	1998	1997
Taxes on income			
U.S. federal			
Current	$ 135	$ (176)	$ 369
Deferred	145	71	357
State and local	(14)	20	81
Total United States .	266	(85)	807
International			
Current	1,231	385	1,174
Deferred	81	195	265
Total International .	1,312	580	1,439
Total taxes on income	$ 1,578	$ 495	$ 2,246

The company's effective income tax rate varied from the U.S. statutory federal income tax rate because of the following.

	Year ended December 31		
	1999	1998	1997
Statutory U.S. federal income tax rate	35.0%	35.0%	35.0%
Effect of income taxes from international operations in excess of taxes at the U.S. statutory rate	15.6	7.6	9.6
State and local taxes on income, net of U.S. federal income tax benefit	(0.2)	0.2	1.3
Prior-year tax adjustments	-	(4.5)	(0.3)
Tax credits	(2.4)	(4.6)	(1.7)
Other	(2.2)	(6.4)	(1.7)
Consolidated companies	45.8	27.3	42.2
Effect of recording equity in income of certain affiliated companies on an after-tax basis	(2.5)	(0.3)	(1.4)
Effective tax rate	43.3%	27.0%	40.8%

Note 14. TAXES - Continued

The increase in the 1999 effective tax rate from the prior year is primarily due to increased foreign taxes on higher foreign earnings in 1999 compared with 1998. Additional increases in the effective tax rate in 1999 were from tax credits as a smaller proportion of before-tax income in 1999 than 1998 and from less beneficial prior-period tax adjustments on the 1998 tax return compared with the 1997 tax return. The other effects on the 1999 effective tax rate include settlement of outstanding issues, utilization of additional capital loss benefits and permanent differences. These factors were slightly offset by the effect of lower taxable income received from equity affiliates in 1999.

The company records its deferred taxes on a tax-jurisdiction basis and classifies those net amounts as current or noncurrent based on the balance sheet classification of the related assets or liabilities.

At December 31, 1999 and 1998, deferred taxes were classified in the Consolidated Balance Sheet as follows.

	At December 31	
	1999	1998
Prepaid expenses and other current assets	$ (546)	$ (30)
Deferred charges and other assets	(195)	(264)
Federal and other taxes on income	1	-
Noncurrent deferred income taxes	5,010	3,645
Total deferred income taxes, net	$ 4,270	$ 3,351

The reported deferred tax balances are composed of the following deferred tax liabilities (assets).

	At December 31	
	1999	1998
Properties, plant and equipment	$ 5,800	$ 5,150
Inventory	149	144
Miscellaneous	190	184
Total deferred tax liabilities	6,139	5,478
Abandonment/environmental reserves	(611)	(774)
Employee benefits	(611)	(592)
AMT/other tax credits	(588)	(354)
Other accrued liabilities	(195)	(408)
Miscellaneous	(316)	(294)
Total deferred tax assets	(2,321)	(2,422)
Deferred tax assets valuation allowance	452	295
Total deferred taxes, net	$ 4,270	$ 3,351

It is the company's policy for subsidiaries included in the U.S. consolidated tax return to record income tax expense as though they filed separately, with the parent recording the adjustment to income tax expense for the effects of consolidation.

Undistributed earnings of international consolidated subsidiaries and affiliates for which no deferred income tax provision has been made for possible future remittances totaled approximately $4,602 at December 31, 1999. Substantially all of this amount represents earnings reinvested as part of the company's ongoing business. It is not practical to estimate the amount of taxes that might be payable on the eventual remittance of such earnings. On remittance, certain countries impose withholding taxes that, subject to certain limitations, are then available for use as tax credits against a U.S. tax liability, if any. The company estimates withholding taxes of approximately $187 would be payable upon remittance of these earnings.

Note 15. SHORT-TERM DEBT

Redeemable long-term obligations consist primarily of tax-exempt variable-rate put bonds that are included as current liabilities because they become redeemable at the option of the bondholders during the year following the balance sheet date.

The company has entered into interest rate swaps on a portion of its short-term debt. At December 31, 1999 and 1998, the company had swapped notional amounts of $350 and $700 of floating rate debt to fixed rates. The effect of these swaps on the company's interest expense was not material.

	At December 31	
	1999	1998
Commercial paper(1)	$ 5,265	$ 4,875
Current maturities of long-term debt	127	123
Current maturities of long-term capital leases	35	33
Redeemable long-term obligations		
Long-term debt	301	301
Capital leases	297	273
Notes payable(2)..............................	134	285
Subtotal(3)..........................	6,159	5,890
Reclassified to long-term debt	(2,725)	(2,725)
Total short-term debt	$ 3,434	$ 3,165

(1) Weighted-average interest rates at December 31, 1999 and 1998, were 6.0 percent and 5.6 percent, respectively, including the effect of interest rate swaps.
(2) Includes $10 guarantee of ESOP debt.
(3) Weighted-average interest rates at December 31, 1999 and 1998, were 5.8 percent for both years, including the effect of interest rate swaps.

Note 16. LONG-TERM DEBT
Chevron has three "shelf" registrations on file with the Securities and Exchange Commission that together would permit the issuance of $2,800 of debt securities pursuant to Rule 415 of the Securities Act of 1933.

At year-end 1999, the company had $4,750 of committed credit facilities with banks worldwide, $2,725 of which had termination dates beyond one year. The facilities support the company's commercial paper borrowings. Interest on borrowings under the terms of specific agreements may be based on the London Interbank Offered Rate, the Reserve Adjusted Domestic Certificate of Deposit Rate, or bank prime rate. No amounts were outstanding under these credit agreements during the year or at year-end.

At December 31, 1999 and 1998, the company classified $2,725 of short-term debt as long-term. Settlement of these obligations is not expected to require the use of working capital in 2000 as the company has both the intent and ability to refinance this debt on a long-term basis.

Consolidated long-term debt maturing in each of the five years after December 31, 1999, is as follows: 2000-$127, 2001-$285, 2002-$172, 2003-$184 and 2004-$1,134.

Note 16.LONG-TERM DEBT - Continued

	At December 31 1999	1998
8.11% amortizing notes due 2004(1)	$ 620	$ 690
6.625% notes due 2004	495	-
7.327% amortizing notes due 2014(2)................	430	-
7.45% notes due 2004	349	349
7.61% amortizing bank loans due 2003	143	172
LIBOR-based bank loan due 2001	134	100
7.677% notes due 2016(2)...........................	90	-
7.627% notes due 2015(2)...........................	80	-
6.92% bank loans due 2005	51	51
6.98% bank loans due 2004(2).......................	25	-
6.22% notes due 2001(2)............................	10	-
Other foreign currency obligations (6.0%)(3).......	75	94
Other long-term debt (6.6%)(3).....................	74	70
Total including debt due within one year .	2,576	1,526
Debt due within one year	(127)	(123)
Reclassified from short-term debt	2,725	2,725
Total long-term debt	$ 5,174	$ 4,128

(1) Debt assumed from ESOP in 1999.
(2) Guarantee of ESOP debt.
(3) Less than $50 individually; weighted-average interest rates at December 31, 1999.

Note 17. OTHER COMPREHENSIVE INCOME
The components of changes in other comprehensive income and the related tax effects are shown below.

	Year ended December 31 1999	1998	1997
Currency translation adjustment			
Before-tax change	$ (43)	$ (1)	$(173)
Tax benefit (expense)	-	-	-
Change, net of tax	(43)	(1)	(173)
Unrealized holding gain (loss) on securities			
Before-tax change	60	3	(4)
Tax benefit (expense)	(31)	-	-
Change, net of tax	29	3	(4)
Minimum pension liability adjustment			
Before-tax change	(16)	(24)	6
Tax benefit (expense)	5	9	(2)
Change, net of tax	(11)	(15)	4
TOTAL OTHER COMPREHENSIVE INCOME			
Before-tax change	$ 1	$ (22)	$(171)
Tax benefit (expense)	(26)	9	(2)
Change, net of tax	$ (25)	$ (13)	$(173)

Note 18. EMPLOYEE BENEFIT PLANS

Pension Plans
The company has defined benefit pension plans for most employees and provides for certain health care and life insurance plans for active and qualifying retired employees. The company's policy is to fund the minimum necessary to satisfy requirements of the Employee Retirement Income Security Act for the company's pension plans. The company's annual contributions for medical and dental benefits are limited to the lesser of actual medical claims or a defined fixed per-capita amount. Life insurance benefits are paid by the company, and annual contributions are based on actual plan experience. Nonfunded pension and postretirement benefits are paid directly when incurred; accordingly, these payments are not reflected as changes in Plan assets in the table below.

The status of the company's pension plans and other postretirement benefit plans for 1999 and 1998 is as follows.

Pension Benefits Other Benefits

	1999	1998	1999	1998
Change in benefit obligation				
Benefit obligation at January 1	$ 4,278	$ 4,069	$ 1,468	$ 1,362
Service cost	99	113	21	19
Interest cost	274	275	96	93
Plan participants' contributions	1	1	-	-
Plan amendments	60	-	-	-
Actuarial (gain) loss	(106)	248	(112)	72
Foreign currency exchange rate changes	(33)	(10)	-	-
Benefits paid	(801)	(418)	(81)	(78)
Special termination benefits	205	-	-	-
Benefit obligation at December 31	3,977	4,278	1,392	1,468
Change in plan assets				
Fair value of plan assets at January 1	4,741	4,454	-	-
Actual return on plan assets	720	675	-	-
Foreign currency exchange rate changes	(25)	(6)	-	-
Employer contribution	10	11	-	-
Plan participants' contribution	1	1	-	-
Benefits paid	(774)	(394)	-	-
Fair value of plan assets at December 31	4,673	4,741	-	-
Funded status	696	463	(1,392)	(1,468)
Unrecognized net actuarial gain	(480)	(155)	(160)	(46)
Unrecognized prior-service cost	124	88	-	-
Unrecognized net transitional assets	(44)	(85)	-	-
Total recognized at December 31	$ 296	$ 311	$(1,552)	$(1,514)
Amounts recognized in the Consolidated Balance Sheet at December 31				
Prepaid benefit cost	$ 495	$ 524	$ -	$ -
Accrued benefit liability	(298)	(298)	(1,552)	(1,514)
Intangible asset	10	12	-	-
Accumulated other comprehensive income(1)	89	73	-	-
Net amount recognized	$ 296	$ 311	$(1,552)	$(1,514)
Weighted-average assumptions as of December 31				
Discount rate	7.6%	6.7%	7.8%	6.8%
Expected return on plan assets	9.7%	9.1%	-	-
Rate of compensation increase	4.5%	4.6%	4.5%	4.5%

(1) Accumulated other comprehensive income includes deferred income tax of $31 and $26 in 1999 and 1998, respectively.

Note 18. EMPLOYEE BENEFIT PLANS - Continued

For measurement purposes, separate health care cost-trend rates were used for pre-age 65 and post-age 65 retirees. The 2000 annual rates of change were assumed to be 5.2 percent and 9.7 percent, respectively, before gradually converging to the average ultimate rate of 5.0 percent in 2021 for both pre-age 65 and post-age 65. A one-percentage-point change in the assumed health care rates would have had the following effects.

	One-Percentage-Point Increase	One-Percentage-Point Decrease
Effect on total service and interest cost components	$ 17	$ (19)
Effect on postretirement benefit obligation	$ 129	$(107)

The components of net periodic benefit cost for 1999, 1998 and 1997 were:

	Pension Benefits			Other Benefits		
	1999	1998	1997	1999	1998	1997
Service cost	$ 99	$ 113	$ 106	$ 21	$ 19	$ 17
Interest cost	274	275	274	96	93	90
Expected return on plan assets	(394)	(397)	(371)	-	-	-
Amortization of transitional assets	(35)	(38)	(40)	-	-	-
Amortization of prior-service costs	16	14	14	-	-	-
Recognized actuarial losses (gains)	1	4	4	2	(5)	(11)
Settlement gains	(104)	(11)	(29)	-	-	-
Curtailment losses	7	-	-	-	-	-
Special termination benefit recognition	205	-	13	-	-	-
Net periodic benefit cost	$ 69	$ (40)	$ (29)	$ 119	$ 107	$ 96

The projected benefit obligation, accumulated benefit obligation, and fair value of plan assets for pension plans with accumulated benefit obligations in excess of plan assets were $428, $368 and $80, respectively, at December 31, 1999, and $408, $364 and $87, respectively at December 31, 1998.

Profit Sharing/Savings Plan

Eligible employees of the company and certain of its subsidiaries who have completed one year of service may participate in the Profit Sharing/Savings Plan. Charges to expense for the profit sharing part of the Profit Sharing/Savings Plan were $86, $60 and $79 in 1999, 1998 and 1997, respectively. Commencing in October 1997, the company's Savings Plus Plan contributions are being funded with leveraged ESOP shares.

Employee Stock Ownership Plan (ESOP)

In December 1989, the company established a leveraged ESOP as part of the Profit Sharing/Savings Plan. The ESOP Trust Fund borrowed $1,000 and purchased 28.2 million previously unissued shares of the company's common stock. In June 1999, the ESOP borrowed $25 at 6.98 percent interest, using the proceeds to pay interest due on the existing ESOP debt. In July 1999, the company's leveraged ESOP issued notes of $620 at an average interest rate of 7.42 percent, guaranteed by Chevron Corporation. The debt proceeds were paid to Chevron Corporation in exchange for Chevron's assumption of the existing 8.11 percent ESOP long-term debt of $620 million. The ESOP provides a partial prefunding of the company's future commitments to the Profit Sharing/Savings Plan, which will result in annual income tax savings for the company.

As permitted by AICPA Statement of Position 93-6, "Employers' Accounting for Employee Stock Ownership Plans," the company has elected to continue its practices, which are based on Statement of Position 76-3, "Accounting Practices for Certain Employee Stock Ownership Plans" and subsequent consensus of the Emerging Issues Task Force of the Financial Accounting Standards Board. Accordingly, the debt of the ESOP is recorded as debt, and shares pledged as collateral are reported as deferred compensation in the Consolidated Balance Sheet and Statement of Stockholders' Equity. The company reports compensation expense equal to the ESOP debt principal repayments less dividends received by the ESOP. Interest incurred on the ESOP debt is recorded as interest expense. Dividends paid on ESOP shares are reflected as a reduction of retained earnings. All ESOP shares are considered outstanding for earnings-per-share computations.

The company recorded expense for the ESOP of $84, $58 and $53 in 1999, 1998 and 1997, respectively, including $49, $56 and $61 of interest expense related to the ESOP debt. All dividends paid on the shares held by the ESOP are used to service the ESOP debt. The dividends used were $33, $57 and $57 in 1999, 1998 and 1997, respectively.

The company made contributions to the ESOP of $64, $60 and $55 in 1999, 1998 and 1997, respectively, to satisfy ESOP debt service in excess of dividends received by the ESOP. The ESOP shares were pledged as collateral for its debt. Shares are released from a suspense account and allocated to the accounts of Plan participants, based on the debt service deemed to be paid in the year in proportion to the total of current year and remaining debt service. The charge (credit) to compensation expense was $36, $2 and $(8) in 1999, 1998 and 1997, respectively. The ESOP shares as of December 31, 1999 and 1998, were as follows.

Thousands	1999	1998
Allocated shares	10,785	10,819
Unallocated shares	12,963	14,087
Total ESOP shares	23,748	24,906

Management Incentive Plans

The company has two incentive plans, the Management Incentive Plan (MIP) and the Long-Term Incentive Plan (LTIP) for officers and other regular salaried employees of the company and its subsidiaries who hold positions of significant responsibility. The MIP is an annual cash incentive plan that links awards to performance results of the prior year. The cash awards may be deferred by conversion to stock units or, beginning with awards deferred in 1996, stock units or other investment fund alternatives. Awards under the LTIP may take the form of, but are not limited to, stock options, restricted stock, stock units and nonstock grants. Charges to expense for the combined man-

Note 18. EMPLOYEE BENEFIT PLANS - Continued

agement incentive plans, excluding expense related to LTIP stock options, which is discussed in Note 19, "Stock Options," were $41, $28 and $55 in 1999, 1998 and 1997, respectively.

Chevron Success Sharing
The company has a program that provides eligible employees with an annual cash bonus if the company achieves certain financial and safety goals. Until 2000, the total maximum payout under the program was 8 percent of the employee's annual salary. Charges for the program were $47, $51 and $116 in 1999, 1998 and 1997, respectively. In 2000, the maximum payout under the program increases to 10 percent.

Note 19. STOCK OPTIONS
The company applies APB Opinion No. 25 and related interpretations in accounting for stock options awarded under its Broad-Based Employee Stock Option Programs and its Long-Term Incentive Plan, which are described below.

Had compensation cost for the company's stock options been determined based on the fair market value at the grant dates of the awards consistent with the methodology prescribed by SFAS No. 123, the company's net income and earnings per share for 1999, 1998 and 1997 would have been the pro forma amounts shown below.

			1999	1998	1997
Net Income	As reported		$2,070	$1,339	$3,256
	Pro forma		$2,027	$1,294	$3,302
Earnings per share	As reported	- basic	$3.16	$2.05	$4.97
		- diluted	$3.14	$2.04	$4.95
	Pro forma	- basic	$3.09	$1.98	$5.04
		- diluted	$3.08	$1.97	$5.02

The effects of applying SFAS No. 123 in this pro forma disclosure are not indicative of future amounts. SFAS No. 123 does not apply to awards granted prior to 1995. In addition, certain options vest over several years, and awards in future years, whose terms and conditions may vary, are anticipated.

Long-Term Incentive Plan
Stock options granted under the LTIP are generally awarded at market price on the date of grant and are exercisable not earlier than one year and not later than 10 years from the date of grant. However, a portion of the LTIP options granted in 1996 had terms similar to the broad-based employee stock options, which are described in the following table. The maximum number of shares of common stock that may be granted each year is 1 percent of the total outstanding shares of common stock as of January 1 of such year.

A summary of the status of stock options awarded under the company's LTIP, excluding awards granted with terms similar to the broad-based employee stock options, for 1999, 1998 and 1997 follows.

	Options (000s)	Weighted-Average Exercise Price
Outstanding at December 31, 1996	7,277	$44.84
Granted	1,801	80.78
Exercised	(710)	38.65
Forfeited	(115)	72.18
Outstanding at December 31, 1997	8,253	$52.83
Granted	1,872	79.13
Exercised	(796)	40.47
Forfeited	(106)	80.70
Outstanding at December 31, 1998	9,223	$58.91
Granted	1,830	89.88
Exercised	(1,298)	44.29
Forfeited	(152)	83.12
Outstanding at December 31, 1999	9,603	$66.41
Exercisable at December 31		
1997	6,502	$45.31
1998	7,367	$53.82
1999	7,839	$61.13

The weighted-average fair market value of options granted in 1999, 1998 and 1997 was $20.40, $21.10 and $17.64 per share, respectively. The fair market value of each option on the date of grant was estimated using the Black-Scholes option-pricing model with the following assumptions for 1999, 1998 and 1997, respectively: risk-free interest rate of 5.5, 4.5 and 6.1 percent; dividend yield of 3.0, 3.1 and 2.8 percent; volatility of 20.1, 28.6 and 15.2 percent and expected life of seven years in all years.

As of December 31, 1999, 9,602,900 shares were under option at exercise prices ranging from $31.9375 to $99.75 per share. The following table summarizes information about stock options outstanding under the LTIP, excluding awards granted with terms similar to the broad-based employee stock options, at December 31, 1999.

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number Outstanding (000s)	Weighted-Average Remaining Contractual Life (Years)	Weighted-Average Exercise Price	Number Exercisable (000s)	Weighted-Average Exercise Price
$31 to $ 41	614	2.12	$34.55	614	$34.55
41 to 51	3,128	4.72	45.18	3,128	45.18
51 to 61	15	6.31	56.49	15	56.49
61 to 71	766	6.83	66.25	766	66.25
71 to 81	3,299	8.34	79.91	3,297	79.91
81 to 91	1,758	9.80	89.80	19	82.80
91 to 101	23	9.55	92.14	-	-
$31 to $101	9,603	6.91	$66.41	7,839	$61.13

Broad-Based Employee Stock Options

In 1996, the company granted to all eligible employees an option for 150 shares of stock or equivalents at an exercise price of $51.875 per share. In addition, a portion of the awards granted under the LTIP had terms similar to the broad-based employee stock options. When the options were issued in February 1996, vesting was contingent upon one of two conditions being met: By Decem-

Note 19. STOCK OPTIONS - Continued
ber 31, 1998, the price of Chevron stock closed at or above $75.00 per share for three consecutive business days or, alternatively, the company had the highest annual total stockholder return of its competitor group for the years 1994 through 1998. The options vested in June 1997 when the share price performance condition was met.

Options for 7,204,800 shares, including similar-termed LTIP awards, were granted in 1996. Forfeitures of options for 820,050 shares and exercises of 4,171,300 reduced the outstanding option shares to 2,213,450 at December 31, 1997. In 1998, exercises of 1,361,000 and forfeitures of 10,800 had reduced the outstanding option shares to 841,650 at year-end 1998. In 1999, exercises of 740,725, forfeitures of 61,850 and expirations of 39,075 had reduced the outstanding option shares to zero at March 31, 1999, the date of expiration. Under APB Opinion No. 25, the company recorded expenses of $(2), $0 and $125 for these options in 1999, 1998 and 1997, respectively.

The fair market value of each option share on the date of grant under SFAS No. 123 was estimated at $5.66 using a binomial option-pricing model with the following assumptions: risk-free interest rate of 5.1 percent, dividend yield of 4.2 percent, expected life of three years and a volatility of 20.9 percent.

In 1998, the company announced a new broad-based Employee Stock Option Program that granted to all eligible employees an option that varied from 100 to 300 shares of stock or equivalents, dependent on the employee's salary or job grade. These options were to vest in two years or, if the company had the highest total stockholder return among its competitor group for the years 1994 through 1998, in one year. Since the stockholders' return performance condition was not met, the options vested in February 2000. Options for 4,820,800 shares were awarded at an exercise price of $76.3125 per share. Forfeitures of options for 854,550 shares reduced the outstanding option shares to 3,966,250 at December 31, 1999, at which date none was exercisable. The options expire on February 11, 2008. Under APB Opinion No. 25, the company recorded expenses of $4 and $2 for these options in 1999 and 1998, respectively.

The fair value of each option share on the date of grant under SFAS No. 123 was estimated at $19.08 using the average results of Black-Scholes models for the preceding 10 years. The 10-year averages of each assumption used by the Black-Sholes models were: risk-free interest rate of 7.0 percent, dividend yield of 4.2 percent, expected life of seven years and a volatility of 24.7 percent.

Note 20. EARNINGS PER SHARE (EPS)
Basic EPS includes the effects of deferrals of salary and other compensation awards that are invested in Chevron stock units by certain officers and employees of the company. Diluted EPS includes the effects of these deferrals as well as the dilutive effects of outstanding stock options awarded under the LTIP and Broad-Based Employee Stock Option Program (see Note 19, "Stock Options"). The following table sets forth the computation of basic and diluted EPS.

			1999			1998			1997
	Net Income	Shares (millions)	Per-Share Amount	Net Income	Shares (millions)	Per-Share Amount	Net Income	Shares (millions)	Per-Share Amount
Net income	$ 2,070			$ 1,339			$ 3,256		
Weighted-average common shares outstanding		655.5			653.7			655.0	
Dividend equivalents paid on Chevron stock units	3			3			2		
Deferred awards held as Chevron stock units		1.0			1.2			1.3	
BASIC EPS COMPUTATION	$ 2,073	656.5	$3.16	$ 1,342	654.9	$2.05	$ 3,258	656.3	$4.97
Dilutive effects of stock options		3.0			2.2			2.1	
DILUTED EPS COMPUTATION	$ 2,073	659.5	$3.14	$ 1,342	657.1	$2.04	$ 3,258	658.4	$4.95

Note 21.OTHER CONTINGENCIES AND COMMITMENTS

The U.S. federal income tax and California franchise tax liabilities of the company have been settled through 1990 and 1991, respectively.

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

At December 31, 1999, the company and its subsidiaries, as direct or indirect guarantors, had contingent liabilities of $25 for notes of affiliated companies and $362 for notes of others.

The company and its subsidiaries have certain contingent liabilities relating to long-term unconditional purchase obligations and commitments, throughput agreements and take-or-pay agreements, some of which relate to suppliers' financing arrangements. The aggregate amounts of required payments under these various commitments are: 2000-$228; 2001-$297; 2002-$270; 2003-$253; 2004-$225; 2005 and after-$1,029. Total payments under the agreements were $258 in 1999, $201 in 1998 and $243 in 1997.

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

The company believes it has no material market or credit risks to its operations, financial position or liquidity as a result of its commodities and other derivatives activities. However, the results of operations and financial position of certain equity affiliates may be affected by their business activities involving the use of derivative instruments.

The company's operations, particularly oil and gas exploration and production, can be affected by changing economic, regulatory and political environments in the various countries, including the United States, in which it operates. In certain locations, host governments have imposed restrictions, controls and taxes, and in others, political conditions have existed that may threaten the safety of employees and the company's continued presence in those countries. Internal unrest or strained relations between a host government and the company or other governments may affect the company's operations. Those developments have, at times, significantly affected the company's operations and related 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, Norway, Congo, Angola, Nigeria, Democratic Republic of Congo, Papua New Guinea, China, Indonesia, Venezuela, Thailand and Argentina. The company's Caltex affiliates have significant operations in Indonesia, Korea, Australia, Thailand, the Philippines, Singapore and South Africa. The company's Tengizchevroil affiliate operates in Kazakhstan.

Note 22.EMPLOYEE TERMINATION BENEFITS AND OTHER RESTRUCTURING COSTS

The company recorded before-tax charges to income of $235 in 1999 for employee termination benefits and other restructuring costs as part of a companywide staff reduction program. The charge includes severance and other termination benefits of $220 for 3,472 employees and $82 for employee and office relocation, lease termination penalties, and other items. These charges were offset partly by $67 of restructuring-related net pension settlement/curtailment gains for payments made to terminated employees.

The staff reduction program affects primarily U.S.-based employees and is being implemented in all of the company's operating segments across several business functions. All identified employees will be separated by June 30, 2000. Termination benefits for 3,070 of the 3,472 employees - accrued in accordance with SFAS No. 88, "Employers' Accounting for Settlements and Curtailments of Defined Benefit Plans and for Termination Benefits" - are payable from the assets of the company's U.S. and Canadian pension plans. Payments to other employees are from company funds. Accrual and payment activity for the employee termination benefits is presented in the following table.

	Restructuring Liability	Number of Employees
Balance at December 31, 1998	$ -	-

Accruals	220	3,472
Cash Payments	(135)	2,157
Balance at December 31, 1999	$ 85	1,315

Of the $82 for relocations, lease termination penalties and other costs, approximately 13 percent remained unpaid at the end of 1999. These charges and the restructuring-related pension gains were classified mainly as either "operating expense" or "selling, general and administrative expense." Items are either accrued or recognized as incurred under the guidelines of EITF Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)" or SFAS No. 88, as applicable.

The company's net income for 1999 also included its $25 share of a restructuring charge recorded by Caltex.

SUPPLEMENTAL INFORMATION ON OIL AND GAS PRODUCING ACTIVITIES
Unaudited

In accordance with Statement of Financial Accounting Standards No. 69, "Disclosures About Oil and Gas Producing Activities" (SFAS No. 69), this section provides supplemental information on oil and gas exploration and producing activities of the company in six separate tables. Tables I through III provide historical cost information pertaining to costs incurred in exploration, property acquisitions and development; capitalized costs; and results of operations. Tables IV through VI present information on the company's estimated net proved reserve quantities, standardized measure of estimated discounted future net cash flows related to proved reserves, and changes in estimated discounted future net cash flows. The Africa geographic area includes activities principally in Nigeria, Angola, Congo and Democratic Republic of Congo. The "Other" geographic category includes activities in Australia, Argentina, the United Kingdom North Sea, Canada, Papua New Guinea, Venezuela, China, Thailand and other countries. Amounts shown for affiliated companies are Chevron's 50 percent equity share in P.T. Caltex Pacific Indonesia (CPI), an exploration and production company operating in Indonesia, and its 45 percent (50 percent prior to April 1997) equity share of Tengizchevroil (TCO), an exploration and production partnership operating in the Republic of Kazakhstan.

TABLE I - COSTS INCURRED IN EXPLORATION, PROPERTY ACQUISITIONS AND DEVELOPMENT(1)

	Consolidated Companies				Affiliated Companies		
Millions of dollars	U.S.	Africa	Other	Total	CPI	TCO	Worldwide
YEAR ENDED DECEMBER 31, 1999							
Exploration							
Wells	$ 258	$ 40	$ 120	$ 418	$ 3	$ -	$ 421
Geological and geophysical	37	25	85	147	17	-	164
Rentals and other	30	7	60	97	-	-	97
Total exploration	325	72	265	662	20	-	682
Property acquisitions(2),(3)							
Proved(4)	9	-	1,070	1,079	-	-	1,079
Unproved	27	11	1,202	1,240	-	-	1,240
Total property acquisitions	36	11	2,272	2,319	-	-	2,319
Development	532	518	375	1,425	182	148	1,755
TOTAL COSTS INCURRED	$ 893	$ 601	$2,912	$4,406	$202	$148	$4,756
YEAR ENDED DECEMBER 31, 1998							
Exploration							
Wells	$ 350	$ 108	$ 101	$ 559	$ 3	$ -	$ 562
Geological and geophysical	49	31	112	192	16	-	208
Rentals and other	44	23	53	120	-	-	120
Total exploration	443	162	266	871	19	-	890
Property acquisitions(2)							
Proved(4)	12	-	-	12	-	-	12
Unproved	58	-	14	72	-	-	72
Total property acquisitions	70	-	14	84	-	-	84
Development	680	561	411	1,652	156	120	1,928
TOTAL COSTS INCURRED	$1,193	$ 723	$ 691	$2,607	$175	$120	$2,902
YEAR ENDED DECEMBER 31, 1997							
Exploration							
Wells	$ 278	$ 99	$ 149	$ 526	$ 2	$ -	$ 528
Geological and geophysical	39	31	59	129	16	-	145
Rentals and other	43	17	65	125	-	-	125
Total exploration	360	147	273	780	18	-	798
Property acquisitions(2)							
Proved(4)	3	6	75	84	-	-	84
Unproved	101	-	23	124	-	-	124
Total property acquisitions	104	6	98	208	-	-	208
Development	918	461	529	1,908	159	152	2,219
TOTAL COSTS INCURRED	$1,382	$ 614	$ 900	$2,896	$177	$152	$3,225

(1) Includes costs incurred whether capitalized or charged to earnings. Excludes support equipment expenditures.
(2) Proved amounts include wells, equipment and facilities associated with proved reserves.
(3) Includes acquisition costs and related deferred income taxes for purchases of Rutherford-Moran Oil Corporation and Petrolera Argentina San Jorge S.A.
(4) Does not include properties acquired through property exchanges.

TABLE II - CAPITALIZED COSTS RELATED TO OIL AND GAS PRODUCING ACTIVITIES

Millions of dollars	Consolidated Companies U.S.	Africa	Other	Total	Affiliated Companies CPI	TCO	Worldwide
AT DECEMBER 31, 1999							
Unproved properties	$ 317	$ 69	$ 1,441	$ 1,827	$ -	$ 378	$ 2,205
Proved properties and related producing assets	16,662	4,034	7,318	28,014	1,158	689	29,861
Support equipment	478	268	321	1,067	902	243	2,212
Deferred exploratory wells	136	172	66	374	-	-	374
Other uncompleted projects	354	758	664	1,776	335	405	2,516
GROSS CAPITALIZED COSTS	17,947	5,301	9,810	33,058	2,395	1,715	37,168
Unproved properties valuation	133	53	157	343	-	-	343
Proved producing properties -							
Depreciation and depletion	11,953	1,993	3,071	17,017	681	99	17,797
Future abandonment and restoration	835	371	208	1,414	60	10	1,484
Support equipment depreciation	317	104	142	563	476	80	1,119
Accumulated provisions	13,238	2,521	3,578	19,337	1,217	189	20,743
NET CAPITALIZED COSTS	$ 4,709	$ 2,780	$ 6,232	$13,721	$ 1,178	$ 1,526	$16,425
AT DECEMBER 31, 1998							
Unproved properties	$ 390	$ 58	$ 235	$ 683	$ -	$ 378	$ 1,061
Proved properties and related producing assets	16,759	3,672	6,253	26,684	1,015	629	28,328
Support equipment	472	182	307	961	768	232	1,961
Deferred exploratory wells	51	51	91	193	-	-	193
Other uncompleted projects	700	893	383	1,976	408	245	2,629
GROSS CAPITALIZED COSTS	18,372	4,856	7,269	30,497	2,191	1,484	34,172
Unproved properties valuation	151	49	110	310	-	-	310
Proved producing properties -							
Depreciation and depletion	11,808	1,719	2,705	16,232	689	72	16,993
Future abandonment and restoration	861	337	187	1,385	57	8	1,450
Support equipment depreciation	315	90	127	532	373	67	972
Accumulated provisions	13,135	2,195	3,129	18,459	1,119	147	19,725
NET CAPITALIZED COSTS	$ 5,237	$ 2,661	$ 4,140	$12,038	$ 1,072	$ 1,337	$14,447
AT DECEMBER 31, 1997							
Unproved properties	$ 370	$ 58	$ 236	$ 664	$ -	$ 378	$ 1,042
Proved properties and related producing assets	16,284	3,303	5,644	25,231	1,112	491	26,834
Support equipment	503	209	310	1,022	578	209	1,809
Deferred exploratory wells	120	46	58	224	-	-	224
Other uncompleted projects	826	549	821	2,196	338	153	2,687
GROSS CAPITALIZED COSTS	18,103	4,165	7,069	29,337	2,028	1,231	32,596
Unproved properties valuation	153	42	98	293	-	-	293
Proved producing properties -							
Depreciation and depletion	11,657	1,459	2,521	15,637	626	51	16,314
Future abandonment and restoration	926	304	177	1,407	44	6	1,457
Support equipment depreciation	315	79	130	524	343	53	920
Accumulated provisions	13,051	1,884	2,926	17,861	1,013	110	18,984
NET CAPITALIZED COSTS	$ 5,052	$ 2,281	$ 4,143	$11,476	$ 1,015	$ 1,121	$13,612

TABLE III - RESULTS OF OPERATIONS FOR OIL AND GAS PRODUCING ACTIVITIES (1)

The company's results of operations from oil and gas producing activities for the years 1999, 1998 and 1997 are shown in the following table.

Net income from exploration and production activities as reported on page 10 reflects income taxes computed on an effective rate basis. In accordance with SFAS No. 69, income taxes in Table III are based on statutory tax rates, reflecting allowable deductions and tax credits. Interest income and expense is excluded from the results reported in Table III and from the net income amounts on page 10.

TABLE III - RESULTS OF OPERATIONS FOR OIL AND GAS PRODUCING ACTIVITIES (1) - Continued

Millions of dollars	Consolidated Companies U.S.	Africa	Other	Iotal	Affiliated Companies CPI	TCO	Worldwide
YEAR ENDED DECEMBER 31, 1999							
Revenues from net production							
Sales	$ 1,449	$ 1,756	$ 1,415	$ 4,620	$ 24	$ 356	$ 5,000
Transfers	1,626	299	597	2,522	592	-	3,114
Total	3,075	2,055	2,012	7,142	616	356	8,114
Production expenses	(1,005)	(340)	(411)	(1,756)	(206)	(88)	(2,050)
Proved producing properties: depreciation, depletion and abandonment provision	(764)	(311)	(433)	(1,508)	(109)	(47)	(1,664)
Exploration expenses	(167)	(97)	(274)	(538)	(17)	-	(555)
Unproved properties valuation	(22)	(5)	(36)	(63)	-	-	(63)
Other income (expense)(2)	(307)	(53)	5	(355)	(2)	(9)	(366)
Results before income taxes	810	1,249	863	2,922	282	212	3,416
Income tax expense	(275)	(848)	(416)	(1,539)	(143)	(63)	(1,745)
RESULTS OF PRODUCING OPERATIONS	$ 535	$ 401	$ 447	$ 1,383	$ 139	$ 149	$ 1,671
YEAR ENDED DECEMBER 31, 1998							
Revenues from net production							
Sales	$ 1,386	$ 1,118	$ 757	$ 3,261	$ 28	$ 176	$ 3,465
Transfers	1,185	212	458	1,855	454	-	2,309
Total	2,571	1,330	1,215	5,116	482	176	5,774
Production expenses	(1,172)	(346)	(304)	(1,822)	(153)	(76)	(2,051)
Proved producing properties: depreciation, depletion and abandonment provision	(714)	(301)	(316)	(1,331)	(106)	(40)	(1,477)
Exploration expenses	(213)	(53)	(212)	(478)	(16)	-	(494)
Unproved properties valuation	(20)	(8)	(16)	(44)	-	-	(44)
Other income (expense)(2)	96	48	85	229	2	(7)	224
Results before income taxes	548	670	452	1,670	209	53	1,932
Income tax expense	(178)	(328)	(323)	(829)	(102)	(16)	(947)
RESULTS OF PRODUCING OPERATIONS	$ 370	$ 342	$ 129	$ 841	$ 107	$ 37	$ 985
YEAR ENDED DECEMBER 31, 1997							
Revenues from net production							
Sales	$ 1,931	$ 1,782	$ 899	$ 4,612	$ 43	$ 283	$ 4,938
Transfers	1,799	273	656	2,728	634	-	3,362
Total	3,730	2,055	1,555	7,340	677	283	8,300
Production expenses	(1,272)	(297)	(278)	(1,847)	(197)	(79)	(2,123)
Proved producing properties: depreciation, depletion and abandonment provision	(737)	(256)	(311)	(1,304)	(130)	(37)	(1,471)
Exploration expenses	(227)	(66)	(200)	(493)	(16)	-	(509)
Unproved properties valuation	(16)	(7)	(10)	(33)	-	-	(33)
Other income (expense)(2)	87	(46)	196	237	10	(13)	234
Results before income taxes	1,565	1,383	952	3,900	344	154	4,398
Income tax expense	(555)	(939)	(365)	(1,859)	(173)	(46)	(2,078)
RESULTS OF PRODUCING OPERATIONS	$ 1,010	$ 444	$ 587	$ 2,041	$ 171	$ 108	$ 2,320

(1) The value of owned production consumed as fuel has been eliminated from revenues and production expenses, and the related volumes have been deducted from net production in calculating the unit average sales price and production cost; this has no effect on the results of producing operations.
(2) Includes gas processing fees, net sulfur income, natural gas contract settlements, currency transaction gains and losses, certain significant impairment write-downs, miscellaneous expenses, etc. Also includes net income from related oil and gas activities that do not have oil and gas reserves attributed to them (e.g., equity earnings of Dynegy Inc., net income from technical and operating service agreements).

TABLE III - RESULTS OF OPERATIONS FOR OIL AND GAS PRODUCING ACTIVITIES (1),(2) - Continued

Per-unit average sales price and production cost (1),(2)	Consolidated Companies U.S.	Africa	Other	Total	Affiliated Companies CPI	TCO	Worldwide
YEAR ENDED DECEMBER 31, 1999							
Average sales prices							
Liquids, per barrel	$15.73	$17.27	$17.69	$16.82	$13.40	$10.53	$15.90
Natural gas, per thousand cubic feet	2.17	0.05	2.21	2.14	-	0.38	2.10
Average production costs, per barrel	4.73	2.81	3.32	3.84	4.47	2.39	3.79
YEAR ENDED DECEMBER 31, 1998							
Average sales prices							
Liquids, per barrel	$11.27	$11.49	$11.21	$11.34	$ 9.73	$ 5.53	$10.68
Natural gas, per thousand cubic feet	2.02	.07	2.26	2.04	-	.57	2.01
Average production costs, per barrel	5.30	2.94	2.93	4.12	3.10	2.32	3.91
YEAR ENDED DECEMBER 31, 1997							
Average sales prices							
Liquids, per barrel	$17.33	$18.15	$16.88	$17.53	$15.35	$10.69	$16.82
Natural gas, per thousand cubic feet	2.42	-	2.35	2.40	-	.51	2.35
Average production costs, per barrel	5.47	2.61	2.89	4.17	4.48	2.78	4.22
Average sales price for liquids ($/Bbl)							
December 1999	$22.25	$24.88	$24.06	$23.68	$23.68	$11.55	$22.65
December 1998	8.86	9.55	9.04	9.17	8.33	3.69	8.58
December 1997	15.63	15.60	15.09	15.48	14.16	9.40	14.91
Average sales price for natural gas ($/MCF)							
December 1999	$ 2.20	$ 0.04	$ 2.41	$ 2.23	$ -	$ 0.38	$ 2.18
December 1998	2.23	-	2.47	2.29	-	.57	2.26
December 1997	2.25	-	2.76	2.31	-	.63	2.26

(1) The value of owned production consumed as fuel has been eliminated from revenues and production expenses, and the related volumes have been deducted from net production in calculating the unit average sales price and production cost; this has no effect on the results of producing operations.
(2) Natural gas converted to crude oil equivalent gas (OEG) barrels at a rate of 6 MCF=1 OEG barrel.

TABLE IV - RESERVE QUANTITY INFORMATION

The company's estimated net proved underground oil and gas reserves and changes thereto for the years 1999, 1998 and 1997 are shown in the following table. Proved reserves are estimated by company asset teams composed of earth scientists and reservoir engineers. These proved reserve estimates are reviewed annually by the corporation's Reserves Advisory Committee to ensure that rigorous professional standards and the reserves definitions prescribed by the U.S. Securities and Exchange Commission are consistently applied throughout the company.

Proved reserves are the estimated quantities that geologic and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions. Due to the inherent uncertainties and the limited nature of reservoir data, estimates of underground reserves are subject to change as additional information becomes available.

Proved reserves do not include additional quantities recoverable beyond the term of the lease or concession agreement that may result from extensions of currently proved areas or from applying secondary or tertiary recovery processes not yet tested and determined to be economic.

Proved developed reserves are the quantities expected to be recovered through existing wells with existing equipment and operating methods.

"Net" reserves exclude royalties and interests owned by others and reflect contractual arrangements and royalty obligations in effect at the time of the estimate.

In June 1997, Chevron assumed operatorship under a risked service agreement for Venezuela's Block LL-652, located in the northeast section of Lake Maracaibo. Chevron is accounting for LL-652 as an oil and gas activity and, at December 31, 1999, had recorded 54 million barrels of proved crude oil reserves.

No reserve quantities have been recorded for the company's other service agreement in Venezuela, which began in 1996, involving the Boscan Field.

TABLE IV - RESERVE QUANTITY INFORMATION - Continued

	NET PROVED RESERVES OF CRUDE OIL, CONDENSATE AND NATURAL GAS LIQUIDS Millions of barrels							NET PROVED RESERVES OF NATURAL GAS Billions of cubic feet						
	Consolidated Companies				Affiliates		World-	Consolidated Companies				Affiliates		World-
	U.S.	Africa	Other	Total	CPI	TCO	wide	U.S.	Africa	Other	Total	CPI	TCO	wide
RESERVES AT JANUARY 1, 1997	1,149	1,032	482	2,663	566	1,135	4,364	5,275	293	3,135	8,703	152	1,462	10,317
Changes attributable to:														
Revisions	8	(16)	38	30	37	92	159	(98)	(67)	211	46	19	120	185
Improved recovery	139	72	7	218	27	-	245	111	-	1	112	5	-	117
Extensions and discoveries	57	156	14	227	4	-	231	470	-	12	482	2	-	484
Purchases(1)	-	-	51	51	-	-	51	3	-	1	4	-	-	4
Sales(2)	(32)	-	(1)	(33)	-	(120)	(153)	(95)	-	(7)	(102)	-	(156)	(258)
Production	(125)	(113)	(72)	(310)	(56)	(25)	(391)	(675)	(3)	(166)	(844)	(17)	(25)	(886)
RESERVES AT DECEMBER 31, 1997	1,196	1,131	519	2,846	578	1,082	4,506	4,991	223	3,187	8,401	161	1,401	9,963
Changes attributable to:														
Revisions	(1)	106	28	133	110(3)	7	250	(151)	77	13	(61)	7	(17)	(71)
Improved recovery	36	88	36	160	25	-	185	7	-	-	7	12	-	19
Extensions and discoveries	43	92	7	142	2	16	160	372	-	3	375	1	21	397
Purchases(1)	5	-	30	35	-	-	35	32	-	5	37	-	-	37
Sales(2)	(12)	-	(22)	(34)	-	-	(34)	(119)	-	(50)	(169)	-	-	(169)
Production	(119)	(117)	(77)	(313)	(62)	(30)	(405)	(635)	(12)	(175)	(822)	(30)	(21)	(873)
RESERVES AT DECEMBER 31, 1998	1,148	1,300	521	2,969	653	1,075	4,697	4,497	288	2,983	7,768	151	1,384	9,303
Changes attributable to:														
Revisions	(23)	3	(24)	(44)	(98)(3)	115	(27)	(426)	49	30	(347)	2	126	(219)
Improved recovery	44	62	20	126	30	-	156	7	-	8	15	1	-	16
Extensions and discoveries	50	45	17	112	2	76	190	347	-	86	433	5	98	536
Purchases(1)	1	-	213	214	-	-	214	35	-	372	407	-	-	407
Sales(2)	(33)	-	(2)	(35)	-	-	(35)	(74)	-	-	(74)	-	-	(74)
Production	(115)	(120)	(84)	(319)	(59)	(33)	(411)	(598)	(15)	(248)	(861)	(25)	(27)	(913)
RESERVES AT DECEMBER 31, 1999	1,072	1,290	661	3,023	528	1,233	4,784	3,788	322	3,231	7,341	134	1,581	9,056
Developed reserves														
At January 1, 1997	1,027	658	281	1,966	448	500	2,914	4,727	293	1,634	6,654	136	643	7,433
At December 31, 1997	1,025	721	293	2,039	435	532	3,006	4,391	223	1,695	6,309	145	688	7,142
At December 31, 1998	982	891	342	2,215	436	646	3,297	3,918	263	2,074	6,255	135	832	7,222
AT DECEMBER 31, 1999	905	940	489	2,334	340	790	3,464	3,345	272	2,243	5,860	131	1,011	7,002

(1) Includes reserves acquired through property exchanges.
(2) Includes reserves disposed of through property exchanges.
(3) Mainly includes crude reserves revisions associated with CPI's cost-recovery formula.

TABLE V - STANDARDIZED MEASURE OF DISCOUNTED FUTURE NET CASH FLOWS RELATED TO PROVED OIL AND GAS RESERVES

The standardized measure of discounted future net cash flows, related to the above proved oil and gas reserves, is calculated in accordance with the requirements of SFAS No. 69. Estimated future cash inflows from production are computed by applying year-end prices for oil and gas to year-end quantities of estimated net proved reserves. Future price changes are limited to those provided by contractual arrangements in existence at the end of each reporting year. Future development and production costs are those estimated future expenditures necessary to develop and produce year-end estimated proved reserves based on year-end cost indices, assuming continuation of year-end economic conditions. Estimated future income taxes are calculated by applying appropriate year-end statutory tax rates. These rates reflect allowable deductions and tax credits and are applied to estimated future pretax net cash flows, less the tax basis of related assets. Discounted future net cash flows are calculated using 10 percent midperiod discount factors. Discounting requires a year-by-year estimate of when future expenditures will be incurred and when reserves will be produced.

The information provided does not represent management's estimate of the company's expected future cash flows or value of proved oil and gas reserves. Estimates of proved reserve quantities are imprecise and change over time as new information becomes available. Moreover, probable and possible reserves, which may become proved in the future, are excluded from the calculations. The arbitrary valuation prescribed under SFAS No. 69 requires assumptions as to the timing and amount of future development and production costs. The calculations are made as of December 31 each year and should not be relied upon as an indication of the company's future cash flows or value of its oil and gas reserves.

TABLE V - STANDARDIZED MEASURE OF DISCOUNTED FUTURE NET CASH FLOWS RELATED TO PROVED OIL AND GAS RESERVES - Continued

	Consolidated Companies				Affiliated Companies		
Millions of dollars	U.S.	Africa	Other	Total	CPI	TCO	Worldwide
AT DECEMBER 31, 1999							
Future cash inflows from production	$ 31,650	$ 31,830	$ 23,690	$ 87,170	$ 11,950	$ 24,380	$ 123,500
Future production and development costs	(11,350)	(6,030)	(5,420)	(22,800)	(7,830)	(4,900)	(35,530)
Future income taxes	(7,050)	(16,490)	(6,200)	(29,740)	(1,820)	(4,980)	(36,540)
Undiscounted future net cash flows	13,250	9,310	12,070	34,630	2,300	14,500	51,430
10 percent midyear annual discount for timing of estimated cash flows	(5,480)	(2,920)	(4,590)	(12,990)	(900)	(10,400)	(24,290)
STANDARDIZED MEASURE OF DISCOUNTED FUTURE NET CASH FLOWS	$ 7,770	$ 6,390	$ 7,480	$ 21,640	$ 1,400	$ 4,100	$ 27,140
AT DECEMBER 31, 1998							
Future cash inflows from production	$ 19,810	$ 12,560	$ 13,010	$ 45,380	$ 6,020	$ 8,360	$ 59,760
Future production and development costs	(12,940)	(6,980)	(4,930)	(24,850)	(4,470)	(5,860)	(35,180)
Future income taxes	(1,970)	(2,110)	(2,850)	(6,930)	(660)	(200)	(7,790)
Undiscounted future net cash flows	4,900	3,470	5,230	13,600	890	2,300	16,790
10 percent midyear annual discount for timing of estimated cash flows	(1,880)	(1,070)	(2,190)	(5,140)	(390)	(1,990)	(7,520)
Standardized Measure of Discounted Future Net Cash Flows	$ 3,020	$ 2,400	$ 3,040	$ 8,460	$ 500	$ 310	$ 9,270
AT DECEMBER 31, 1997							
Future cash inflows from production	$ 28,270	$ 16,560	$ 16,860	$ 61,690	$ 9,240	$ 10,890	$ 81,820
Future production and development costs	(14,030)	(4,810)	(5,090)	(23,930)	(6,340)	(6,550)	(36,820)
Future income taxes	(4,710)	(6,630)	(4,330)	(15,670)	(1,390)	(600)	(17,660)
Undiscounted future net cash flows	9,530	5,120	7,440	22,090	1,510	3,740	27,340
10 percent midyear annual discount for timing of estimated cash flows	(3,910)	(1,780)	(3,290)	(8,980)	(650)	(2,710)	(12,340)
Standardized Measure of Discounted Future Net Cash Flows	$ 5,620	$ 3,340	$ 4,150	$ 13,110	$ 860	$ 1,030	$ 15,000

TABLE VI - CHANGES IN THE STANDARDIZED MEASURE OF DISCOUNTED FUTURE NET CASH FLOWS FROM PROVED RESERVES

	Consolidated Companies			Affiliated Companies			Worldwide		
Millions of dollars	1999	1998	1997	1999	1998	1997	1999	1998	1997
PRESENT VALUE AT JANUARY 1	$ 8,460	$13,110	$22,270	$ 810	$1,890	$2,850	$ 9,270	$15,000	$25,120
Sales and transfers of oil and gas produced, net of production costs	(5,385)	(3,294)	(5,493)	(679)	(429)	(684)	(6,064)	(3,723)	(6,177)
Development costs incurred	1,425	1,652	1,908	330	276	311	1,755	1,928	2,219
Purchases of reserves	2,811	208	173	-	-	-	2,811	208	173
Sales of reserves	(344)	(347)	(238)	-	-	(140)	(344)	(347)	(378)
Extensions, discoveries and improved recovery, less related costs	2,886	813	2,161	385	49	104	3,271	862	2,265
Revisions of previous quantity estimates	(503)	262	535	84	280	980	(419)	542	1,515
Net changes in prices, development and production costs	25,457	(11,321)	(20,440)	6,938	(2,159)	(3,521)	32,395	(13,480)	(23,961)
Accretion of discount	1,165	2,096	3,673	135	289	516	1,300	2,385	4,189
Net change in income tax	(14,332)	5,281	8,561	(2,503)	614	1,474	(16,835)	5,895	10,035
Net change for the year	13,180	(4,650)	(9,160)	4,690	(1,080)	(960)	17,870	(5,730)	(10,120)
PRESENT VALUE AT DECEMBER 31	$21,640	$ 8,460	$13,110	$5,500	$ 810	$1,890	$27,140	$ 9,270	$15,000

The changes in present values between years, which can be significant, reflect changes in estimated proved reserve quantities and prices and assumptions used in forecasting production volumes and costs. Changes in the timing of production are included with "Revisions of previous quantity estimates."

QUARTERLY RESULTS AND STOCK MARKET DATA

Unaudited

Millions of dollars, except per-share amounts	1999 4TH Q	1999 3RD Q	1999 2ND Q	1999 1ST Q	1998 4TH Q	1998 3RD Q	1998 2ND Q	1998 1ST Q
REVENUES								
Sales and other operating revenues (1)	$10,611	$ 9,965	$ 8,473	$ 6,399	$ 7,164	$ 7,561	$ 7,754	$ 7,464
Income (loss) from equity affiliates	122	127	133	144	(66)	13	155	126
Other income	246	85	135	146	184	104	60	38
TOTAL REVENUES	10,979	10,177	8,741	6,689	7,282	7,678	7,969	7,628
COSTS AND OTHER DEDUCTIONS								
Purchased crude oil and products, operating and other expenses	7,307	7,006	6,275	4,426	5,978	5,100	5,314	5,195
Depreciation, depletion and amortization	900	767	633	566	646	563	557	554
Taxes other than on income(1)	1,184	1,181	1,143	1,078	1,115	1,145	1,140	1,011
Interest and debt expense	138	116	113	105	109	103	99	94
TOTAL COSTS AND OTHER DEDUCTIONS	9,529	9,070	8,164	6,175	7,848	6,911	7,110	6,854
INCOME BEFORE INCOME TAX	1,450	1,107	577	514	(566)	767	859	774
INCOME TAX (CREDIT) EXPENSE	641	525	227	185	(360)	306	282	267
NET INCOME (LOSS) (2)	$ 809	$ 582	$ 350	$ 329	$ (206)	$ 461	$ 577	$ 507
NET INCOME (LOSS) PER SHARE - BASIC	$ 1.24	$ 0.88	$ 0.54	$ 0.50	$ (0.31)	$ 0.70	$ 0.88	$ 0.78
- DILUTED	$ 1.23	$ 0.88	$ 0.53	$ 0.50	$ (0.31)	$ 0.70	$ 0.88	$ 0.77
DIVIDENDS PAID PER SHARE	$ 0.65	$ 0.61	$ 0.61	$ 0.61	$ 0.61	$ 0.61	$ 0.61	$ 0.61
COMMON STOCK PRICE RANGE - HIGH	$96 15/16	$100 13/16	$104 15/16	$90 5/16	$89 7/16	$89	$86 13/16	$90 3/16
- LOW	$83 3/8	$85 9/16	$86 3/8	$73 1/8	$78 3/8	$73	$ 77 3/8	$67 3/4

(1) Includes consumer excise taxes:	$ 989	$ 1,023	$ 986	$ 912	$ 943	$ 973	$ 988	$ 852
(2) Special (charges) credits included in Net Income (Loss):	$ (10)	$ (120)	$ (134)	$ 48	$ (709)	$ 75	$ (43)	$ 71

The company's common stock is listed on the New York Stock Exchange (trading symbol: CHV), as well as on the Chicago, Pacific, London and Swiss stock exchanges. It also is traded on the Boston, Cincinnati, Detroit and Philadelphia stock exchanges. As of February 23, 2000, stockholders of record numbered approximately 116,062.

There are no restrictions on the company's ability to pay dividends. Chevron has made dividend payments to stockholders for 88 consecutive years.