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September 2, 2008

Ms. Florence Harmon
Acting Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-1090

Re: Modernization of the Oil and Gas Reporting Requirements (Rel. Nos. 33-8935 and 34-58030)
Chevron Corporation (File No. 001-00368)

Dear Ms. Harmon:

Chevron is pleased to provide comments to the Securities and Exchange Commission (the "Commission") on its rule proposal *Modernization of the Oil and Gas Reporting Requirements.* Our company also participated in the preparation of the comment letter on this rule proposal submitted August 20, 2008, by the American Petroleum Institute (API). We fully support the content of the API letter and deem certain of the comments and issues in that letter to be so important that we reinforce them herewith. Other matters important to Chevron are also discussed below.

We applaud the efforts of the Commission to modernize the reporting of oil and gas reserves and appreciate the staff's attention to the matters identified in the API's comment letter dated February 19, 2008, on the reserves-related Concept Release. We note, however, that many reserves-related disclosures in the rule proposal were not included in the Concept Release. These and other disclosure matters are the focus of many of our comments below (page references are to the rule proposal):

Pages 14-17 – Year-End Pricing
We do not believe reserve quantities should be calculated two ways -- using 12-month average prices for certain FAS 69 disclosures (reserve quantities and standardized measure) and using single-day, year-end prices for other FAS 69 disclosures (depletion and depreciation expense included in results of operations). This would be administratively burdensome and provide no benefit to the investor.

We agree with the statement in paragraph 7 of FAS 25, "Suspension of Certain Accounting Requirements for Oil and Gas Producing Companies": "For the purpose of applying this Statement and Statement No. 19, the definitions of proved reserves, proved developed reserves and proved undeveloped reserves shall be the definitions adopted by the SEC for its reporting purposes…"

We support using a 12-month average price for both purposes and are hopeful the staff will agree with the API's proposal to use beginning-of-the-month prices (i.e., ending December 1 for a calendar-year company) for the reasons stated therein. We believe the SEC should coordinate with the Financial Accounting Standards Board to make the necessary changes to FAS 19 and FAS 69.

Pages 28-30 – New technology
We do not agree with the proposal to require a discussion of "…the technology used to establish the appropriate level of certainty for material properties in a company's first filing with the Commission and for material additions to reserve estimates in future filings."

We believe such disclosure is impractical because reserve recognition, especially for development of a major field in the modern era, is normally associated with a number of technologies, data sources and interpretation methods, with varying degrees of interdependence. Having such a rule may also result in gratuitous disclosures not relevant to an investment decision. We believe a discussion of technology should be left to management's judgment as to what information may be material to the investor.

Pages 51-56 – Oil and gas reserves tables
We do not believe the reserves distinction between "conventional accumulations" and "continuous accumulations" – as well as by product within the continuous accumulations category – is material information to the investor. We do not use this type of information to manage our business, have no system to capture such information and believe the segregation of reserve quantities between liquids and natural gas is sufficient.

Pages 60-61 – Geographic specificity with respect to reserves disclosures
Separate line-item disclosures are proposed for (1) any country with proved reserves that are 15% or more of the company's total oil or gas reserves and (2) any sedimentary basin or field containing 10% or more of the company's total oil or gas proved reserves. This geographic segmentation would also apply to many other disclosures, including production volumes, prices, lifting costs, drilling activity, description of present activities, producing wells and acreage. Most of this information is not currently maintained by our company at the sedimentary basin or field level to manage the business, and we do not believe it represents material information to the investor.

Rather than the bright-line tests indicated in the rule proposal, we believe management should abide by a principles-based rule to disclose geographic information it believes to be material. We recommend continuing to require proved reserves disclosures by the country or regional aggregations currently specified in FAS 69.

Pages 63-67 – Preparation of reserves estimates or reserves audits
Much information is proposed to be disclosed "…about the technical person primarily responsible for preparing the reserves estimate or, if the company represents that such a reserves audit was conducted, or conducting the reserves audit…"

We find no usefulness in such a disclosure, especially for a multinational company like Chevron. We have no one person primarily responsible for preparing reserves estimates. Such responsibility is throughout our company. Our corporate-level reserves manager serves in a governance role as chairman of our internal reserves advisory committee. The committee provides oversight to the various business units responsible for reserves estimation. We do believe a discussion of the company's governance process for reserves estimation is a worthwhile disclosure and helpful to investors. (We note for your information that the Society of Petroleum Engineers (SPE) has a publication "Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information." The SPE standard does not include a mandatory requirement for being licensed.)

Pages 75-77 – Proposed Item 1203 (Proved undeveloped reserves)
This item would require "…a table showing, for each of the last five fiscal years and by product type, proved reserves estimated using current prices and costs in the following categories:

- Proved undeveloped reserves converted to proved developed reserves during the year; and
- Net investment required to convert proved undeveloped reserves to proved developed reserves during the year."

This item would also require "…disclosure, by product type, of any PUDs which have remained undeveloped for five years or more and the reasons for the lack of development…(and) plans to develop PUDs and to further develop proved oil and gas reserves…(and) discuss any material changes to PUDs." We believe the disclosures in the proposed rule would be unnecessarily voluminous and of limited usefulness and would require a major redesign of our company systems. We believe a useful disclosure to the investor would be a general explanation as to why some projects have long development periods and why this is a normal part of conducting oil and gas operations in many areas of the world. We also suggest a disclosure of the quantity of PUDs at the end of the year and the quantity from the prior year-end that was transferred during the year to the proved-developed category.

Pages 80-82 – Proposed Item 1205 (Drilling and other exploratory and development activities)
This proposal would add two new categories of wells – extension wells and suspended wells – to the current categories of exploratory and development wells. These would be segregated further by oil wells and gas wells, with a separate table required for each geographic area.

Instead of expanding wells-related disclosures, we suggest completely eliminating them. We believe that industry technology changes have reduced the significance and relevance of well-count data. The existing or expanded well data provide no substantial insight to financial-statement users in assessing the economic value or trend information of a company. Alternatively, we suggest that the current well-disclosure requirements be left unchanged.

Page 87 – New proposed disclosures regarding extraction techniques and acreage
Proposed Item 1208 would "…require a company to disclose, for unproved properties:

- The existence, nature (including any bonding requirements), timing, and cost (specified or estimated) of any work commitments; and
- By geographic area, the net area of unproved property for which the registrant expects its rights to explore, develop, and exploit to expire within one year."

"Finally, the proposed item would continue to require disclosure of areas of acreage concentration, and, if material, the minimum terms of leases and concessions."

We agree with the recommendation to disclose material information related to lease terms and concessions. We believe the other proposed disclosure should be left to management's judgment as to what is material information. Without this materiality consideration, the disclosures could be unnecessarily voluminous and of limited or no usefulness.

Pages 88-90 – Proposed Item 1209 (Discussion and analysis for registrants engaged in oil and gas activities)
This item provides topics to address as part of Management's Discussion and Analysis (MD&A) or in a separate section. The topics are very prescriptive – e.g., performance of currently producing wells, including water production from such wells; anticipated capital expenditures directed toward conversion of proved undeveloped reserves to proved developed reserves; and anticipated exploratory activities, well drilling, and production. We do not believe a separate section in MD&A or a new section in the Form 10-K is warranted. Discussion of material information related to oil and gas activities – e.g., known trends, uncertainties and events – should already be included with the FAS 69 disclosures and/or in Form 10-K Part I – Description of Business and Properties.

Pages 95-96 – Consistency with IASB and FASB Rules
Page 124 – Consistency with IASB
On the pages referenced, the staff acknowledges comments received on the Concept Release suggesting that "…the Commission coordinate corresponding rule changes with the FASB and IASB to ensure consistency of the rules" and stating that "…the IASB is currently considering establishing a set of

guidelines for oil and gas extractive activities, including a definition of oil and gas reserves, and recommended that the Commission align its regulations with those guidelines."

The staff indicates "We intend to discuss our rulemaking project with the FASB and IASB and work with them to harmonize the rules upon effectiveness of the proposed rules, if adopted" and "We intend to monitor this initiative and work with the IASB, but our proposal may differ from the guidelines ultimately established by the International Accounting Standards Board."

In light of the emphasis in recent years on convergence between U.S. GAAP and IFRS and the announcement by the SEC on August 27, 2008, of a "roadmap" for the conversion of U.S. companies to IFRS, we remain disappointed that the SEC did not work directly with the IASB's Extractive Activities research project to do the harmonization in advance of the rule promulgation. Whatever the extent of the SEC's final rule proposal, the impact upon our company will be far beyond the staff's estimate "…that, on average, companies will incur a burden of 35 hours to prepare these disclosures in an annual report or registration statement."

We believe making the system and work process changes for implementation of the SEC's final rule for the Form 10-K filed in 2010 and then making other changes due to differences between the SEC and IASB rules upon implementation of IFRS would result in unnecessary efforts for the company and cause confusion for the investing public. Therefore, we request the staff reconsider the effective date and content of the final rule to allow synchronization with the IASB effort.

Alternatively, we would recommend the final rule address the recommendations in section II of the rule proposal – "Revisions and Additions to the Definition Section of Rule 4-10 of Regulation S-X" – and defer implementation of the additional disclosures in section III – "Proposed Amendments to Codify the Oil and Gas Disclosure Requirements in Regulation S-K" – until such matters could be coordinated with the IASB. As indicated in this letter and in the letter from the API, we believe the cost and effort to implement the extensive disclosures in the proposed rule would be very disproportionate to any possible benefit to the investor.

Other matters not specifically addressed in the proposed rule
1. The proposal is silent on the treatment of equity-company reserves and other related information. We support the reporting of combined totals for consolidated subsidiaries and equity companies and recommend the final rules make this explicit. We note this may require an amendment to the examples in FAS 69. The examples in FAS 69 do not expressly prohibit the addition of reserve quantities for consolidated companies and equity affiliates, but in comment letters the SEC staff has interpreted the examples to prohibit such arithmetic addition.

2. What constitutes oil and gas activities is an important consideration in the proposed rule. We believe the definition of the oil and gas production function should be aligned with Regulation S-X 4-10(a)(1)(C) and FAS 19; viz.: "…it may be appropriate to regard the production functions as terminating at the first point at which oil, gas, or gas liquids are delivered to a main pipeline, a common carrier, a refinery, or a marine terminal." We believe the definition should be further delineated to include delivery to an LNG liquefaction facility. In this regard, we also request that the rules provide guidance for the determination of an appropriate transfer price between the production function and a company-owned LNG plant in the absence of a local spot market for natural gas.

In the same regard, we request clarification of the statement on page 24 of the proposed rule: "Consistent with historical treatment, we continue to believe that, once a resource is extracted from the ground, it should not be considered oil and gas reserves." In certain operations, natural gas is routinely extracted and reinjected, without any transfer of ownership. In some of these situations, natural gas is processed and

reinjected using common facilities, sometimes resulting in commingling of gas between reservoirs, also without change of ownership or payment of royalties. In the SPE's Petroleum Resources Management System (PRMS) and Regulation S-X 4-10, these volumes are not considered produced. Please confirm this interpretation in the proposed rule. If a change is intended, please provide guidance on an appropriate transfer price to use for the volumes that would be considered produced.

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We trust our comments and those of the API are helpful to the staff in developing the final rule in this important area. If you have any questions on the items in this letter, please contact Bill Allman, Assistant Comptroller, at (925) 842-3544 or at bill.allman@chevron.com.

Very truly yours,