

MEMORANDUM OF AGREEMENT

It is hereby agreed by and between Texaco Exploration and Production Inc., a Subsidiary of ChevronTexaco (the Company), and the Paper, Allied-Industrial, Chemical and Energy Workers International Union, AFL-CIO, CLC (the Union), that the following understandings have been reached in contract negotiation meetings.

9-80 Work Schedule

The Company and the Union agree to implement a "9/80" work schedule effective the first pay cycle following ratification of this Memorandum of Agreement as follows:

Eligible Employees

- All Head Operators Field Service in Kern River and Midway Sunset
- All Head Operators Cogen
- Craftsmen in Kern River and Midway Sunset
 - Machinery Repair
 - Electrical

Participation in the 9/80 work schedule is optional for all eligible employees (as defined above), and as such they may elect to participate or not to participate.

Work Week

- To accommodate the "9/80" work schedule, the work week will be redefined with every other Friday as a non-work day. The work week will begin after 4 hours (half way through the work day) on the Friday worked.
- Work days will be 9 hours Monday through Thursday and 8 hours every other Friday – 2 separate groups (A & B) with alternating Fridays off.

	M	T	W	Th	F
Group A	9	9	9	9	Off
	9	9	9	9	8
Group B	9	9	9	9	8
	9	9	9	9	Off

- Employees are expected to follow their A or B schedule from date of implementation through December 31, 2002, then they may elect to withdraw their participation. After December 31, 2002, withdrawal or participation may be requested at 12-month intervals. If an employee has a personal reason acceptable to the company, the change may be made at any time. A change from the A to B or B to A schedule requires management approval.

- Employees cannot “save up” or use the off Friday on any day other than the scheduled Friday off. If an employee works their off Friday, they will be compensated accordingly.
- There will be no change in the rate of pay on the “9/80” work schedule. Employees will be paid overtime premium for all hours worked on a regularly scheduled workday that exceeds the nine (9) hours or eight (8) hours as scheduled that day.

Holidays

- There will be 9 holidays per year (includes 1 optional holiday) for employees on a 9/80 schedule – this will provide approximately the same number of holiday hours as with a 5/40 schedule.
- If a holiday falls on your scheduled day off, you may take the holiday the preceding workday (provided the holiday falls within the same calendar year). Timesheets should show Friday as your scheduled day off, and the day you choose to take as the holiday should show as a holiday.

Vacation

- The vacation schedule has slightly less vacation days, but approximately the same number of vacation hours as a 5/40 schedule.

Years of Completed Service	Number of Vacation Days
6 mo.	4.5
1	9
5	14
10	18
20	23
30	27

Upon request by either the Company or the Union the feasibility of the 9/80 work schedule will be reviewed one year from the date of ratification of this Agreement.

Upon thirty (30) days written notice, either the Company or the Union may terminate this Memorandum of Agreement. The Union agrees that cancellation for any reason by either party, will not be subject to the grievance and arbitration article (Article XVI) of the Articles of Agreement and will not be cause for any other legal proceeding by either party.

Any dispute as to the interpretation or application of this Memorandum of Agreement shall be subject to the grievance and arbitration provisions of the Articles of Agreement in effect between the parties provided, however, that the arbitrator shall have no jurisdiction to hear or determine any claim which seeks a change in vacation or holiday benefits.

If the foregoing correctly reflects your understanding, please sign in the space below, returning three (3) copies to the undersigned.

Understood and Agreed this _____ day of _____, 2002.

PAPER, ALLIED-INDUSTRIAL,
CHEMICAL AND ENERGY
WORKERS INTERNATIONAL
UNION, AFL-CIO, CLC

TEXACO EXPLORATION &
PRODUCTION, INC.
a subsidiary of ChevronTexaco
San Joaquin Valley Business Unit

For the Union

For the Company