

MEMORANDUM OF AGREEMENT

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BETWEEN

CHEVRON
AND

UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING, ENERGY,
ALLIED-INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL UNION

It is hereby agreed by and between Chevron ("the Company") and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied-Industrial and Service Workers International Union (United Steel Workers) (to be known in short as United Steel Workers and with the acronym USW), and its Locals 219 and 12-6 (hereafter referred to as "the Union") that the following understandings have been reached in these negotiations as referenced below.

In connection with implementing a Craft Helper classification, it is agreed that the following terms and conditions will be in effect upon ratification of this Memorandum of Agreement.

Craft Helper Classification

Craft Helper vacancies and new opportunities for employment will be filled in accordance with the Job Posting/Bidding Process. When filling vacancies the Company will recognize qualifications, demonstrated ability and seniority. Qualifications and demonstrated ability will be determined as described below. Once fully qualified, Craft Helpers names will automatically be placed on Craftsman job bids in the associated Area and craft. When posting Craft Helper vacancies, the vacancy is identified by Area and the craft in which the employee will work. Craft Helpers will have the option to participate on a 9/80 work schedule as outlined in Memorandum of Agreement dated April 11, 2002. Craft Helpers will perform duties peculiar to their designated craft and will not be awarded temporary or vacation relief jobs except as Craftsmen in their designated craft. Where the Company chooses to fill temporary and sick relief Craft Helper vacancies of from 6 to 180 working days, the vacancies will be filled from the Master Bid List. Candidates for Craftsman jobs must have worked as the associated Craft Helper and/or temporary Craftsman, to include Master Bid Jobs, for at least 12 months within the last 24 months in order to be considered qualified to receive a Craftsman job, except for Craftsman candidates who have held the permanent classification.

Craft Helper Wages

Effective February 1, 2007 the hourly wage rate for Craft Helper – I&E will be \$29.07
Effective February 1, 2008 the hourly wage rate for Craft Helper – I&E will be \$30.15

Craft Helper – I&E

Formal Training

Formal Training for the Craft Helper - I&E will be identical to the formal training for Craftsmen – I&E as outlined in Memorandum of Agreement dated March 30, 2006 between the Company and the Union.

Qualifications and Demonstrated Ability

Successful candidates for Craft Helper – I&E classification must demonstrate their qualifications and demonstrated abilities as indicated on the attached checklist. The attached checklist may be subject to change. In the event of such change, the Union shall be notified.

Electrical qualifications - 25% of Electrical qualifications and demonstrated ability to be signed off as qualified each year. Qualifications and Demonstrated Ability will be 100% completed by the end of the 4th year of training.

Instrumentation qualifications – 20% of Instrumentation qualifications and demonstrated ability to be signed off by the appropriate craft Supervisor as qualified each year. Qualifications and Demonstrated Ability will be 100% completed by the end of the 5th year of training.

Additional Instrumentation Training:

- Micro Motion
- PLC Hardware
- Pneumatic Control Valve Principles
- VFD Principles and Operation
- ISA or Equivalent – PID Loops
- ISA or Equivalent – Measurement, such as Transmitters
- ISA or Equivalent – Process Control
- ISA – Level 1 CCST Test Preparation and Test

Helper Level	Electrical Skills	Instrumentation Skills
1st Year	None or limited experience	No or limited experience
2nd Year	1-2 yrs industry experience; in an Electrical Apprentice program	No or limited experience
3rd Year	2-3 yrs industry experience; in Electrical Apprentice program	Some Instrumentation experience
4th Year	3-4 yrs industry experience	Experienced in oilfield instrumentation; 1 yr to test

Progress will be measured in 6 month increments. Inexperienced Craft Helper –I&E candidates are required to train for 4 – 5 years. Craftsman Electrical status will require 8,000 hours. ISA requires 5 years of instrumentation experience before certification for Instrumentation is allowed. Once the appropriate craft Supervisor signs off on the qualifications and demonstrated ability, the Employee and the Workmen’s Committee will be notified. If the employee does not complete the qualifications and demonstrated ability as described above, they will be demoted to Operator or previously held classification and restricted from bidding on a Craft Helper position for a period of 12 months.

Craft Helper – Machinery Repair

Formal Training

Formal Training for the Craft Helper – Machinery Repair will be identical to the formal training for Craftsmen – Machinery Repair as outlined in Memorandum of Agreement dated March 30, 2006 between the Company and the Union in addition to Understanding the Operation of Pumps and Understanding Basic Pneumatics.

Qualifications and Demonstrated Ability

Successful candidates for Craft Helper – Machinery Repair classification must demonstrate their qualifications and demonstrated abilities as indicated on the attached checklist. The attached checklist may be subject to change. In the event of such change, the Union shall be notified.

Machinery Repair qualifications - 25% of Machinery Repair qualifications and demonstrated ability to be signed off as qualified every 6 months. Qualifications and Demonstrated Ability will be 100% completed by the end of the 2nd year of training.

Additional Machinery Repair Training:

Laser Alignment Training

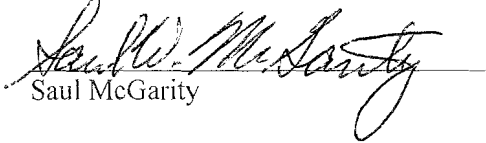
Air and Gas Compression Systems

Rotating Equipment

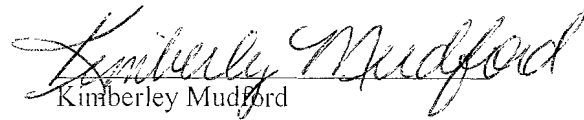
Progress will be measured in 6 month increments. Inexperienced Craft Helper – Machinery Repair candidates are required to train for 6 –24 months. Once the appropriate craft Supervisor signs off on the qualifications and demonstrated ability, the Employee and the Workmen’s Committee will be notified. If the employee does not complete the qualifications and demonstrated ability as described above, they will be demoted to Operator or previously held classification and restricted from bidding on a Craft Helper position for a period of 12 months.

This Memorandum of Agreement is subject to ratification within fifteen (15) days from the date of this offer. Agreed to and accepted this 16th day of July, 2007.

For the United Steel, Paper and
Forestry, Rubber, Manufacturing,
Energy, Allied-Industrial and Service
Workers International Union


Saul McGarity

For Chevron
San Joaquin Valley Business Unit


Kimberley Mudford

The attached checklist(s) “Qualifications and Demonstrated Ability” for Craft Machinery Repair, Electrical and Instrumentation have not been included on this posting due to size. Copy(s) are at the local if you would like to review them and will be available at ratification.