

Chevron

Scot Wilcox
Human Resources Manager

San Joaquin Valley Business
Unit
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Exploration and Production
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September 20th, 2012

USW Chairmen Jim Boss and Ed Crane
United Steel, Paper and Forestry, Rubber, Manufacturing, Energy,
Allied Industrial and Service Workers International Union, AFL-CIO, CLC
Local 12-6 & 12-219
607 19th Street & P.O. Box 597
Bakersfield, CA 93301 Taft, CA 93268

Dear Mr. Jim Boss and Ed Crane,

This will confirm our discussions regarding the adoption of the USW's union dues formula. The Company will implement the United Steelworkers Union dues formula as soon as administratively practical, but no later than nine (9) months after meeting with the Union to obtain the USW formula specifications, as described in Attachment A, under the following conditions:

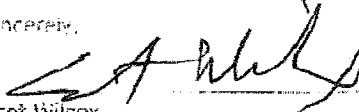
- The Union's dues formula will be applied by performing the calculation based on the previously generated scheduled payroll. Dues will be withheld from each regularly scheduled pay period even though the current existing USW Dues Authorization form and CBA says monthly. This will not include paychecks that have been generated in-between pay periods for missed coding that was unable to be paid in the regularly scheduled pay check.
- The Company will continue to deduct Union dues from those employees who have properly authorized such deductions and remit them to the proper officers of the Union on the basis currently in place at the Chevron USA Inc., San Joaquin Valley Business Unit until the USW Union dues formula is implemented.
- The Union agrees to withdraw all charges and grievances or arbitrations presently filed at the Chevron USA Inc., San Joaquin Valley Business Unit alleging that the Company has violated the Articles of Agreement by not implementing the United Steelworkers Union dues formula. The relevant charges and grievances or arbitrations are: MWSS 02-2011.
- The Union agrees that no complaint by the Union or any of its members regarding the calculation of Union dues according to the United Steelworkers Union dues formula shall be subject to the grievance and arbitration procedures outlined in Article XVI of the Articles of Agreement. Under no circumstances shall the Company be liable to the Union or any of its members in any amount for any miscalculation of Union dues.
- The Union shall accept full liability for and indemnify and hold the Company harmless from any and all claims of any employee, of local, state or federal government, or of any other person, corporation or association, including all grievances, arbitrations, awards, actions, suits, judgments, attachments or forms of liability that arise out of or by reason of any action taken or not taken by the Company for the purpose of complying with any of the provisions of this Letter.

September 19, 2012

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The Union assumes full responsibility for the disposition of the funds as soon as they are
remitted by the Company to the Financial Secretary of the Union.

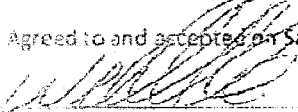
Sincerely,




Scot Wilcox
HR Manager San Joaquin Valley Business Unit

Attachment A – The United Steelworkers Union dues formula

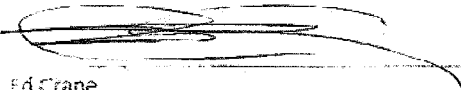
Agreed to and accepted on September 20th, 2012:



Bill Locke
USW Staff Representative



Jim Boss
Chairman USW, Local 12-219



Ed Crane
Chairman USW, Local 12-6