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WRAPUP 1-Fracking at Top of Chevron, Exxon Meetings

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May 30 (Reuters) - Concerns about hydraulic fracturing among investors have eased at Chevron, even as they have increased at Exxon, and pressure to name independent chairmen at the two largest U.S. oil companies has also grown.

Familiar groups of protesters descended on the respective annual meetings in California and Texas, and each had the added flavor of the Occupy movement that spread across the country last year.

One of about 80 protesters outside Chevron Corp headquarters in San Ramon waved a sign that said "Fracking is environmental rape," while others called on the company to better address its protracted legal battle in South America over oil pollution.

Energy companies use hydraulic fracturing, or fracking, to create fissures in rock like shale that allow oil and gas to escape. In the process water, sand and chemicals are pumped at very high pressures into wells drilled deep into the ground.

"If you think the reputational risks are bad with people coming from Ecuador, wait until they come from Pennsylvania and Colorado," said Larry Fahn, president of investor pressure group As You Sow, while arguing for a Chevron shareholder proposal on the risks of hydraulic fracturing.

Yet concerns about the oil and gas production practice among shareholders were notably more subdued. After a similar fracking resolution at the 2011 meeting had support from a surprisingly high 41 percent of Chevron shareholders, a similar proposal got 27 percent backing this year.

Support among Exxon Mobil Corp. shareholders for such a resolution rose to just under 30 percent from 28 percent last year.

There was also a Chevron resolution on appointing a board director with environmental expertise, but an early vote count showed 23 percent supported it, down from 25 percent last year.

Activists had seized on the resolution as a sign of investor discontent with Chevron's handling of a hotly contested $18 billion verdict against it in Ecuador. The proposal was even backed by the advisory firm Institutional Shareholder Services.

Chevron Chief Executive John Watson, speaking to reporters after the meeting, said the amount of evidence assembled by his company's lawyers casting doubt on the Ecuador case meant it was no longer a "he said, she said" story.

Watson acknowledged concerns about fracking being safely done were "fair game" and Chevron wanted to address the issue in conversations with local communities and their advocates.

"It's not clear to me what additional information to be disclosed," he added.

Watson also serves as chairman of the Chevron's board, and a proposal on giving that job to someone independent received support from 38 percent of shareholders. Support for an independent chairman of Exxon rose to 35 percent from 31 percent a year ago.

Exxon shareholders, who gathered in Dallas, threw more support behind the executive compensation package after the world's largest publicly traded oil company made an effort to seek more input on the matter.

That effort appeared to pay off: 78 percent of shareholders cast a non-binding vote in favor of compensation for the executives, up from 67 percent last year.

Exxon CEO Rex Tillerson's total compensation rose 20 percent in 2011 to $34.9 million, a year when the company's stock price was up 16 percent and profit grew 35 percent.

About 25 protesters gathered outside the meeting, holding signs that included: "Exxon Loves Millionaires."

Tillerson said the company, the largest U.S. producer of natural gas, was contemplating gas exports from Canada and the U.S. Gulf Coast because supplies were more than enough to meet demand. Natural gas prices have hit their lowest in a decade.

Asked about the potential for Chevron exporting natural gas from the United States, Watson said the company had taken a look at it, but was not interested at this time.