UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

☑ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2017

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ___________ to ___________

Commission file number 1-9210

OCCIDENTAL PETROLEUM CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**95-4035997**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
5 Greenway Plaza, Suite 110 **Houston, Texas**	**77046**
(Address of principal executive offices)	(Zip Code)

(713) 215-7000

(Registrant’s telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
☑ Yes o No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
☑ Yes o No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer a smaller reporting company, or an emerging growth company. (See definition of "accelerated filer", "large accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act):

Large Accelerated Filer ☑ Accelerated Filer o Non-Accelerated Filer o
Smaller Reporting Company o Emerging Growth Company o

If an Emerging Growth Company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act)
o Yes ☑ No

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date.

Class	Outstanding at June 30, 2017
Common stock $.20 par value	764,573,083

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES

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PART I FINANCIAL INFORMATION

Item 1. Financial Statements (unaudited)

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS
JUNE 30, 2017, AND DECEMBER 31, 2016
(Amounts in millions)

	2017	2016
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 2,218	$ 2,233
Trade receivables, net	3,913	3,989
Inventories	920	866
Assets held for sale	558	—
Other current assets	466	1,340
Total current assets	8,075	8,428
INVESTMENTS IN UNCONSOLIDATED ENTITIES	1,572	1,401
PROPERTY, PLANT AND EQUIPMENT, net of accumulated depreciation, depletion and amortization of $37,330 at June 30, 2017, and $38,956 at December 31, 2016	31,466	32,337
LONG-TERM RECEIVABLES AND OTHER ASSETS, NET	869	943
TOTAL ASSETS	$ 41,982	$ 43,109

The accompanying notes are an integral part of these consolidated condensed financial statements.

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS
JUNE 30, 2017, AND DECEMBER 31, 2016
(Amounts in millions except share amounts)

	2017	2016
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Current maturities of long-term debt	$ 500	$ —
Accounts payable	3,825	3,926
Accrued liabilities	2,050	2,436
Liabilities of assets held for sale	16	—
Total current liabilities	6,391	6,362
LONG-TERM DEBT, NET	9,324	9,819
DEFERRED CREDITS AND OTHER LIABILITIES		
Deferred domestic and foreign income taxes	1,059	1,132
Other	4,171	4,299
Total deferred credits and other liabilities	5,230	5,431
STOCKHOLDERS' EQUITY		
Common stock, at par value (892,647,217 shares at June 30, 2017, and 892,214,604 shares at December 31, 2016)	179	178
Treasury stock (128,074,134 shares at June 30, 2017, and 127,977,306 shares at December 31, 2016)	(9,149)	(9,143)
Additional paid-in capital	7,824	7,747
Retained earnings	22,435	22,981
Accumulated other comprehensive loss	(252)	(266)
Total stockholders' equity	21,037	21,497
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 41,982	$ 43,109

The accompanying notes are an integral part of these consolidated condensed financial statements.

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2017, AND 2016
(Amounts in millions, except per-share amounts)

	Three months ended June 30		Six months ended June 30	
	2017	2016	2017	2016
REVENUES AND OTHER INCOME				
Net sales	$ 3,060	$ 2,531	$ 6,017	$ 4,654
Interest, dividends and other income	31	27	52	47
Gain on sale of assets, net	512	—	512	138
	3,603	2,558	6,581	4,839
COSTS AND OTHER DEDUCTIONS				
Cost of sales	1,486	1,244	2,912	2,525
Selling, general and administrative and other operating expenses	352	338	624	610
Taxes other than on income	77	74	145	149
Depreciation, depletion and amortization	989	1,070	1,931	2,172
Asset impairments and related items	—	—	13	78
Exploration expense	8	27	19	36
Interest and debt expense, net	86	88	167	148
	2,998	2,841	5,811	5,718
Income (loss) before income taxes and other items	605	(283)	770	(879)
Benefit (provision) for domestic and foreign income taxes	(285)	96	(363)	299
Income from equity investments	187	51	217	84
Income (loss) from continuing operations	507	(136)	624	(496)
Discontinued operations, net	—	(3)	—	435
NET INCOME (LOSS)	$ 507	$ (139)	$ 624	$ (61)
BASIC EARNINGS PER COMMON SHARE				
Income (loss) from continuing operations	$ 0.66	$ (0.18)	$ 0.81	$ (0.65)
Discontinued operations, net	—	—	—	0.57
BASIC EARNINGS PER COMMON SHARE	$ 0.66	$ (0.18)	$ 0.81	$ (0.08)
DILUTED EARNINGS PER COMMON SHARE				
Income (loss) from continuing operations	$ 0.66	$ (0.18)	$ 0.81	$ (0.65)
Discontinued operations, net	—	—	—	0.57
DILUTED EARNINGS PER COMMON SHARE	$ 0.66	$ (0.18)	$ 0.81	$ (0.08)
DIVIDENDS PER COMMON SHARE	$ 0.76	$ 0.75	$ 1.52	$ 1.50

The accompanying notes are an integral part of these consolidated condensed financial statements.

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2017, AND 2016
(Amounts in millions)

	Three months ended June 30		Six months ended June 30	
	2017	2016	2017	2016
Net income (loss)	$ 507	$ (139)	$ 624	$ (61)
Other comprehensive income (loss) items:				
Foreign currency translation gains	—	—	1	1
Unrealized gains (losses) on derivatives [(a)]	1	(3)	6	(13)
Pension and postretirement gains (losses) [(b)]	(1)	7	8	12
Reclassification to income of realized (gains) losses on derivatives[(c)]	1	1	(1)	8
Other comprehensive income, net of tax	1	5	14	8
Comprehensive income (loss)	$ 508	$ (134)	$ 638	$ (53)

(a) Net of tax of zero and $1 for the three months ended June 30, 2017 and 2016, respectively, and $(3) and $7 for the six months ended June 30, 2017, and 2016, respectively.
(b) Net of tax of $1 and $(4) for the three months ended June 30, 2017 and 2016, respectively, and $(4) and $(7) for the six months ended June 30, 2017, and 2016, respectively.
(c) Net of tax of zero for the three months ended June 30, 2017 and 2016, respectively, and $1 and $(4) for the six months ended June 30, 2017, and 2016, respectively.

The accompanying notes are an integral part of these consolidated condensed financial statements.

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2017 AND 2016
(Amounts in millions)

	2017	2016
CASH FLOW FROM OPERATING ACTIVITIES		
Net income (loss)	$ 624	$ (61)
Adjustments to reconcile income (loss) to net cash provided by operating activities:		
Discontinued operations, net	—	(435)
Depreciation, depletion and amortization of assets	1,931	2,172
Deferred income tax provision (benefit)	(24)	76
Other noncash charges to income	43	37
Gain on sale of assets, net	(512)	(138)
Asset impairments and related items	13	78
Dry hole expenses	7	28
Changes in operating assets and liabilities, net	(306)	(511)
Other operating, net	729	(304)
Operating cash flow from continuing operations	2,505	942
Operating cash flow from discontinued operations	—	876
Net cash provided by operating activities	2,505	1,818
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditures	(1,492)	(1,247)
Change in capital accrual	(35)	(209)
Payments for purchases of assets and businesses	(377)	(34)
Proceeds from sale of assets	609	260
Equity investments and other, net	(67)	(104)
Net cash used by investing activities	(1,362)	(1,334)
CASH FLOW FROM FINANCING ACTIVITIES		
Change in restricted cash	—	1,193
Proceeds from long-term debt, net	—	2,718
Payment of long-term debt, net	—	(2,710)
Proceeds from issuance of common stock	16	29
Purchases of treasury stock	(6)	(15)
Cash dividends paid	(1,168)	(1,149)
Net cash provided (used) by financing activities	(1,158)	66
Increase (decrease) in cash and cash equivalents	(15)	550
Cash and cash equivalents — beginning of period	2,233	3,201
Cash and cash equivalents — end of period	$ 2,218	$ 3,751

The accompanying notes are an integral part of these consolidated condensed financial statements.

1. General

In these unaudited consolidated condensed financial statements, "Occidental" means Occidental Petroleum Corporation, a Delaware corporation (OPC), or OPC and one or more entities in which it owns a controlling interest (subsidiaries). Occidental has made its disclosures in accordance with United States generally accepted accounting principles (GAAP) as they apply to interim reporting, and condensed or omitted, as permitted by the Securities and Exchange Commission's rules and regulations, certain information and disclosures normally included in consolidated financial statements and the notes. These unaudited consolidated condensed financial statements should be read in conjunction with the audited consolidated financial statements and the notes thereto in Occidental's Annual Report on Form 10-K for the year ended December 31, 2016.

In the opinion of Occidental's management, the accompanying unaudited consolidated condensed financial statements contain all adjustments (consisting of normal recurring adjustments) necessary to fairly present Occidental's consolidated financial position as of June 30, 2017, the consolidated statements of operations and comprehensive income for the three and six months ended June 30, 2017, and 2016, and cash flows for the six months ended June 30, 2017 and 2016, as applicable. The income and cash flows for the periods ended June 30, 2017 and 2016 are not necessarily indicative of the income or cash flows to be expected for the full year.

2. Asset Acquisitions, Dispositions and Other

In June 2017, Occidental entered into a sales agreement to sell non-strategic acreage in Andrews and Martin Counties, Texas, for approximately $0.6 billion. The assets and liabilities related to these operations were presented as held for sale at June 30, 2017, and primarily included property, plant and equipment and asset retirement obligations. Concurrently, Occidental entered into a purchase agreement to increase its ownership interests and assume operatorship in CO_2 enhanced oil recovery (EOR) properties located in its Permian EOR business unit for $0.6 billion. These transactions closed in the third quarter of 2017, and are subject to customary price adjustments.

In April 2017, Occidental completed the sale of its South Texas operations for net proceeds of $0.5 billion resulting in pre-tax gain of $0.5 billion. The assets and liabilities related to these operations were presented as held for sale at March 31, 2017, and primarily included property, plant and equipment and asset retirement obligations.

3. Accounting and Disclosure Changes

In March 2017, the Financial Accounting Standards Board (FASB) issued guidance related to presentation of net periodic pension cost and net periodic postretirement benefit cost. The rules become effective for annual periods beginning after December 15, 2017. These rules are not expected to have a material impact to Occidental's financial statements upon adoption.

In 2016, the FASB issued rules clarifying several aspects of the new revenue recognition standard, Topic 606, Revenue from Contracts with Customers, previously issued in May 2014. The guidance is effective for interim and annual reporting periods starting January 1, 2018. Under the new standard, an entity will recognize revenue when it transfers promised goods or services to customers in an amount that reflects what it expects to receive in exchange for the goods and services. The new standard also requires more detailed disclosures related to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. Occidental plans to adopt the standard using the modified retrospective approach and recognize a cumulative effect adjustment to Retained Earnings as of January 1, 2018, the date of adoption, subject to certain additional disclosures. Occidental continues to make progress on evaluating the accounting implications of the standard and has stratified all revenue streams within each operating segment and has compiled an inventory of all contracts. A representative sample of contracts has been pulled from these significant revenue streams and reviewed in detail against the requirements of the new standard to identify whether such contracts are in scope of the new standard; whether there will be material changes in the timing or amount of revenue recognized; whether processes and controls are in place to evaluate new contracts for revenue recognition and to assemble any additional required disclosures. Occidental has finalized the scoping strategy for review of existing and newly executed contracts and assessed disclosure requirements. Additionally, Occidental has developed training materials to instruct accounting staff on the new standard and should finalize estimates of potential financial impacts by the end of the third quarter. Based upon work performed through June 30, 2017, Occidental does not currently anticipate a material impact to earnings as a result of adopting the new standard and is continuing to evaluate the impact of this and other provisions of the standard on its accounting policies, internal controls and consolidated financial statements and related disclosures.

In February 2016, the FASB issued rules which require Occidental to recognize most leases, including operating leases, on the balance sheet. The new rules require lessees to recognize a right-of-use asset and lease liability for all leases with lease terms of more than 12 months. The lease liability represents the discounted obligation to make future minimum lease payments and the corresponding right-of-use asset on the balance sheet for most leases. The guidance retains the current accounting for lessors and does not make significant changes to the recognition, measurement and presentation of expenses and cash flows by a lessee. Recognition, measurement and presentation of expenses and cash flows arising from a lease will depend on classification as a finance or operating lease. Occidental is the lessee under various agreements for real estate, equipment, plants and facilities, aircraft, IT hardware and vehicles that are currently accounted for as operating leases, refer to Note 6, *Lease Commitments* in Occidental's Annual Report on Form 10-K for the year ended December 31, 2016. As a result, these new rules will increase reported assets and liabilities. Occidental will not early-adopt this standard. Occidental will apply the revised lease rules for our interim and annual reporting periods starting January 1, 2019, using a modified retrospective approach, including several optional practical expedients related to leases commenced before the effective date. Occidental is currently evaluating the effect of these rules on its financial statements, developing training materials for accounting staff and reviewing external software solutions for the identification, documentation and tracking of leases in order to create an adoption plan based on Occidental's population of leases under the revised definition of leases. The quantitative impacts of the new standard are dependent on the leases in force at the time of adoption. As a result, the evaluation of the effect of the new standard will extend over future periods.

4. Supplemental Cash Flow Information

Occidental paid foreign and state income taxes of $375 million and $288 million during the six months ended June 30, 2017, and 2016, respectively. Occidental received federal income tax refunds of $749 million and $302 million in the six months ended June 30, 2017 and 2016, respectively. Interest paid totaled $155 million and $154 million in each of the six months ended June 30, 2017, and 2016, respectively.

5. Inventories

Inventories as of June 30, 2017, and December 31, 2016, consisted of the following (in millions):

	2017	2016
Raw materials	$ 79	$ 65
Materials and supplies	453	446
Finished goods	429	395
	961	906
Revaluation to LIFO	(41)	(40)
Total	$ 920	$ 866

6. Environmental Liabilities and Expenditures

Occidental's operations are subject to stringent federal, state, local and foreign laws, and regulations related to improving or maintaining environmental quality. The laws that require or address environmental remediation, including the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) and similar federal, state, local and foreign laws, may apply retroactively and regardless of fault, the legality of the original activities or the current ownership or control of sites. OPC or certain of its subsidiaries participate in or actively monitor a range of remedial activities and government or private proceedings under these laws with respect to alleged past practices at operating, closed and third-party sites. Remedial activities may include one or more of the following: investigation involving sampling, modeling, risk assessment or monitoring; cleanup measures including removal, treatment or disposal of hazardous substances; or operation and maintenance of remedial systems. These environmental proceedings seek funding or performance of remediation and, in some cases, compensation for alleged property damage, punitive damages, civil penalties, injunctive relief and government oversight costs.

As of June 30, 2017, Occidental participated in or monitored remedial activities or proceedings at 147 sites. The following table presents Occidental's environmental remediation reserves as of June 30, 2017. The current portion of $131 million is included in accrued liabilities and the noncurrent portion of $742 million is included in deferred credits and other liabilities — other. The reserves are grouped as environmental remediation sites listed or proposed for listing by the United States Environmental Protection Agency on the CERCLA National Priorities List (NPL sites) and three categories of non-NPL sites — third-party sites, Occidental-operated sites and closed or non-operated Occidental sites.

	Number of Sites	Reserve Balance (in millions)
NPL sites	34	$ 460
Third-party sites	67	172
Occidental-operated sites	17	107
Closed or non-operated Occidental sites	29	134
Total	147	$ 873

As of June 30, 2017, Occidental's environmental reserves exceeded $10 million each at 16 of the 147 sites described above, and 86 of the sites each had reserves of $1 million or less. Based on current estimates, Occidental expects to expend funds corresponding to approximately half of the current environmental reserves at the sites described above over the next three to four years and the balance at these sites over the subsequent 10 or more years. Occidental believes its estimable amount of reasonably possible additional losses beyond those liabilities recorded for environmental remediation at these sites could range up to $1.1 billion. The status of Occidental's involvement with the sites and related significant assumptions, including those sites indemnified by Maxus Energy Corporation (see further discussion below), has not changed materially since December 31, 2016.

When Occidental acquired Diamond Shamrock Chemicals Company (DSCC) in 1986, Maxus Energy Corporation (Maxus), currently a subsidiary of YPF S.A. (YPF), agreed to indemnify Occidental for a number of environmental sites, including the Diamond Alkali Superfund Site (Site) along a portion of the Passaic River. On June 17, 2016, Maxus and several affiliated companies filed for Chapter 11 bankruptcy in Federal District Court in the State of Delaware. Prior to filing for bankruptcy, Maxus defended and indemnified Occidental in connection with cleanup and other costs associated with the sites subject to the indemnity, including the Site. Occidental is pursuing Maxus' current and former parent companies, YPF and Repsol, as the alter egos of Maxus, to recover all indemnified costs, which will include costs to be incurred at the Site.

In March 2016, the EPA issued a Record of Decision (ROD) specifying remedial actions required for the lower 8.3 miles of the Lower Passaic River. The ROD does not address any potential remedial action for the upper nine miles of the Lower Passaic River or Newark Bay. During the third quarter of 2016, and following Maxus's bankruptcy filing, Occidental and the EPA entered into an Administrative Order on Consent (AOC) to complete the design of the proposed cleanup plan outlined in the ROD at an estimated cost of $165 million. The EPA announced that it will pursue similar agreements with other potentially responsible parties.

Occidental has accrued a reserve relating to its estimated allocable share of the costs to perform the design and the remediation called for in the AOC and the ROD, as well as for certain other Maxus-indemnified sites. Occidental's accrued estimated environmental reserve does not consider any recoveries for indemnified costs. Occidental's ultimate share of this liability may be higher or lower than the reserved amount, and is subject to final design plans and the resolution of Occidental's allocable share with other potentially responsible parties. Occidental continues to evaluate the costs to be incurred to comply with the AOC, the ROD and to perform remediation at other Maxus-indemnified sites in light of the Maxus bankruptcy and the share of ultimate liability of other potentially responsible parties. In June 2017, the court overseeing the Maxus bankruptcy approved a plan to liquidate Maxus and create a trust to pursue claims against YPF, Repsol and others to satisfy claims by Occidental and other creditors for past and future cleanup and other costs. The trust will pursue claims against YPF, Repsol and others and will distribute assets to Maxus' creditors in accordance with the trust agreement and reorganization plan.

7. Lawsuits, Claims, Commitments and Contingencies

Occidental or certain of its subsidiaries are involved, in the normal course of business, in lawsuits, claims and other legal proceedings that seek, among other things, compensation for alleged personal injury, breach of contract, property damage or other losses, punitive damages, civil penalties, or injunctive or declaratory relief. Occidental or certain of its subsidiaries also are involved in proceedings under CERCLA and similar federal, state, local and foreign environmental laws. These environmental proceedings seek funding or performance of remediation and, in some cases, compensation for alleged property damage, punitive damages, civil penalties and injunctive relief. Usually Occidental or such subsidiaries are among many companies in these environmental proceedings and have to date been successful in sharing response costs with other financially sound companies. Further, some lawsuits, claims and legal proceedings involve acquired or disposed assets with respect to which a third party or Occidental retains liability or indemnifies the other party for conditions that existed prior to the transaction.

In accordance with applicable accounting guidance, Occidental accrues reserves for outstanding lawsuits, claims and proceedings when it is probable that a liability has been incurred and the liability can be reasonably estimated. In Note 6, *Environmental Liabilities and Expenditures,* Occidental has disclosed its reserve balances for environmental remediation matters that satisfy this criteria. Reserve balances for matters, other than environmental remediation, that satisfy this criteria as of June 30, 2017, and December 31, 2016, were not material to Occidental's consolidated condensed balance sheets.

Occidental also evaluates the amount of reasonably possible losses that it could incur as a result of outstanding lawsuits, claims and proceedings and discloses its estimable range of reasonably possible additional losses for sites where it is a participant in environmental remediation. Occidental believes that other reasonably possible losses for non-environmental matters that it could incur in excess of reserves accrued on the balance sheet would not be material to its consolidated financial position or results of operations. Occidental reassesses the probability and estimability of contingent losses as new information becomes available.

Tax Matters

During the course of its operations, Occidental is subject to audit by tax authorities for varying periods in various federal, state, local and foreign tax jurisdictions. Although taxable years through 2009 for United States federal income tax purposes have been audited by the United States Internal Revenue Service (IRS) pursuant to its Compliance Assurance Program, subsequent taxable years are currently under review. Taxable years from 2002 through the current year remain subject to examination by foreign and state government tax authorities in certain jurisdictions. In certain of these jurisdictions, tax authorities are in various stages of auditing Occidental's income taxes. During the course of tax audits, disputes have arisen and other disputes may arise as to facts and matters of law. Occidental believes that the resolution of outstanding tax matters would not have a material adverse effect on its consolidated financial position or results of operations.

Indemnities to Third Parties

Occidental, its subsidiaries, or both, have indemnified various parties against specified liabilities those parties might incur in the future in connection with purchases and other transactions that they have entered into with Occidental. These indemnities usually are contingent upon the other party incurring liabilities that reach specified thresholds. As of June 30, 2017, Occidental is not aware of circumstances that it believes would reasonably be expected to lead to indemnity claims that would result in payments materially in excess of reserves.

8. Retirement and Post-retirement Benefit Plans

The following tables set forth the components of the net periodic benefit costs for Occidental's defined benefit pension and post-retirement benefit plans for the three and six months ended June 30, 2017 and 2016 (in millions):

Three months ended June 30	2017		2016	
Net Periodic Benefit Costs	Pension Benefit	Post-retirement Benefit	Pension Benefit	Post-retirement Benefit
Service cost	$ 2	$ 5	$ 2	$ 5
Interest cost	4	10	4	10
Expected return on plan assets	(6)	—	(6)	—
Recognized actuarial loss	2	4	3	6
Settlement loss	—	—	2	—
Total	$ 2	$ 19	$ 5	$ 21

Six months ended June 30	2017		2016	
Net Periodic Benefit Costs	Pension Benefit	Post-retirement Benefit	Pension Benefit	Post-retirement Benefit
Service cost	$ 4	$ 10	$ 4	$ 10
Interest cost	8	20	8	20
Expected return on plan assets	(12)	—	(12)	—
Recognized actuarial loss	4	8	6	11
Settlement loss	—	—	2	—
Total	$ 4	$ 38	$ 8	$ 41

Occidental contributed approximately $1 million in each of the three months ended June 30, 2017, and 2016, respectively, and approximately $2 million in each of the six months ended June 30, 2017, and 2016, respectively, to its defined benefit plans.

9. Fair Value Measurements

Occidental has categorized its assets and liabilities that are measured at fair value in a three-level fair value hierarchy, based on the inputs to the valuation techniques: Level 1 — using quoted prices in active markets for the assets or liabilities; Level 2 — using observable inputs other than quoted prices for the assets or liabilities; and Level 3 — using unobservable inputs. Transfers between levels, if any, are recognized at the end of each reporting period.

The following tables provide fair value measurement information for such assets and liabilities that are measured on a recurring basis as of June 30, 2017, and December 31, 2016 (in millions):

Embedded Derivatives	Level 1	Level 2	Level 3	Netting and Collateral	Total Fair Value
Fair Value Measurements at June 30, 2017:					
Liabilities:					
Accrued Liabilities	$ —	$ 64	$ —	$ —	$ 64
Deferred credits and other liabilities - other	$ —	$ 201	$ —	$ —	$ 201
Fair Value Measurements at December 31, 2016:					
Liabilities:					
Accrued Liabilities	$ —	$ 43	$ —	$ —	$ 43
Deferred credits and other liabilities - other	$ —	$ 178	$ —	$ —	$ 178

Fair Values — Nonrecurring

During the six months ended June 30, 2017, Occidental did not have any assets or liabilities measured at fair value on a nonrecurring basis. During the year ended December 31, 2016, Occidental recognized pre-tax impairment charges of $15 million related to proved oil and gas properties.

Other Financial Instruments

The carrying amounts of cash and cash equivalents and other on-balance-sheet financial instruments, other than long-term, fixed-rate debt, approximate fair value. The cost, if any, to terminate Occidental's off-balance-sheet financial instruments is not significant. Occidental estimates the fair value of fixed-rate debt based on the quoted market prices for those instruments or on quoted market yields for similarly rated debt instruments, taking into account such instruments' maturities. The estimated fair value of Occidental's debt as of June 30, 2017, and December 31, 2016, was $10.2 billion and its carrying value net of unamortized discount and debt issuance costs as of June 30, 2017, and December 31, 2016, was $9.8 billion. The majority of Occidental's debt is classified as Level 1, with $227 million classified as Level 2.

10. Derivatives

Occidental uses a variety of derivative financial instruments and physical contracts, including those designated as cash-flow hedges, to manage its exposure to commodity price fluctuations, transportation commitments and to fix margins on the future sale of stored volumes of oil and natural gas. Where Occidental buys product for its own consumption or sells its production to a defined customer, Occidental elects normal purchases and normal sales exclusions. Occidental usually applies cash-flow hedge accounting treatment to derivative financial instruments to lock in margins on the forecasted sales of its natural gas storage volumes, and at times for other strategies to lock in margins. Occidental also enters into derivative financial instruments for speculative or trading purposes; however, the results of any transactions are immaterial to the marketing portfolio.

The financial instruments not designated as hedges will impact Occidental's earnings through mark-to-market until the offsetting future physical commodity is delivered. For GAAP purposes, any physical inventory is carried at the lower of cost or market on the balance sheet. A substantial majority of Occidental's physical derivative contracts are index-based and carry no mark-to-market value in earnings. Net gains and losses associated with derivative instruments not designated as hedging instruments are recognized currently in net sales. Net gains and losses attributable to derivative instruments subject to hedge accounting reside in accumulated other comprehensive income (loss) and are reclassified to earnings as the transactions to which the derivatives relate are recognized in earnings.

Credit Risk

The majority of Occidental's counterparty credit risk is related to the physical delivery of energy commodities to its customers and their inability to meet their settlement commitments. Occidental manages this credit risk by selecting counterparties that it believes to be financially strong, by entering into netting arrangements with counterparties and by requiring collateral, as appropriate. Occidental actively reviews the creditworthiness of its counterparties and monitors credit exposures against assigned credit limits by adjusting credit limits to reflect counterparty risk, if necessary. Occidental also enters into future contracts through regulated exchanges with select clearinghouses and brokers, which are subject to minimal credit risk as a significant portion of these transactions settle on a daily margin basis.

Certain of Occidental's over-the-counter derivative instruments contain credit-risk-contingent features, primarily tied to credit ratings for Occidental or its counterparties, which may affect the amount of collateral that each would need to post. Occidental believes that if it had received a one-notch reduction in its credit ratings, it would not have resulted in a material change in its collateral-posting requirements as of June 30, 2017, and December 31, 2016.

Cash-Flow Hedges

Occidental's marketing operations store natural gas purchased from third parties at Occidental's leased storage facilities. Derivative instruments are used to fix margins on the future sales of the stored volumes. These agreements continue through 2018. As of June 30, 2017, Occidental had approximately 7 billion cubic feet (Bcf) of natural gas held in storage, and had cash-flow hedges for the forecasted sales to be settled by physical delivery of approximately 6 Bcf of stored natural gas. As of December 31, 2016, Occidental had approximately 7 Bcf of natural gas held in storage, and had cash-flow hedges for the forecasted sales, to be settled by physical delivery, of approximately 7 Bcf of stored natural gas. The amount of cash-flow hedges, including the ineffective portion, was immaterial for the six months ended June 30, 2017, and the year ended December 31, 2016.

Derivatives Not Designated as Hedging Instruments

The following table summarizes the amounts reported in net sales related to the outstanding commodity derivative instruments not designated as hedging instruments as of June 30, 2017, and December 31, 2016:

(in millions, except Long/(Short) volumes)	2017	2016
Gain (loss) on derivatives not designated as hedges		
Oil commodity contracts	$ 18	$ (5)
Natural gas commodity contracts	$ 1	$ 1
Outstanding net volumes on derivatives not designated as hedges		
Oil Commodity Contracts		
Volume (MMBL)	106	67
Price Per Bbl	$ 48.71	$ 53.86
Natural gas commodity contracts		
Volume (Bcf)	(35)	(12)
Price Per MMBTU	$ 2.82	$ 3.19

Fair Value of Derivatives

The following table presents the gross and net fair values of Occidental's outstanding derivatives as of June 30, 2017, and December 31, 2016 (in millions):

As of June 30, 2017 (in millions) (Commodity Contracts)	Fair Value Measurements Using Level 1	Level 2	Level 3	Netting [b]	Total Fair Value
Assets:					
Cash-flow hedges: [a]					
Other current assets	$ —	$ 1	$ —	$ —	$ 1
Long-term receivables and other assets, net	$ —	$ —	$ —	$ —	$ —
Derivatives not designated as hedging instruments: [a]					
Other current assets	$ 395	$ 37	$ —	$ (398)	$ 34
Long-term receivables and other assets, net	$ 16	$ 1	$ —	$ (15)	$ 2
Liabilities:					
Cash-flow hedges: [a]					
Accrued liabilities	$ —	$ —	$ —	$ —	$ —
Deferred credits and liabilities	$ —	$ —	$ —	$ —	$ —
Derivatives not designated as hedging instruments: [a]					
Accrued liabilities	$ 375	$ 36	$ —	$ (398)	$ 13
Deferred credits and liabilities	$ 15	$ 4	$ —	$ (15)	$ 4

As of December 31, 2016 (in millions) (Commodity Contracts)	Fair Value Measurements Using Level 1	Level 2	Level 3	Netting [b]	Total Fair Value
Assets:					
Cash-flow hedges: [a]					
Other current assets	$ —	$ 1	$ —	$ —	$ 1
Long-term receivables and other assets, net	$ —	$ —	$ —	$ —	$ —
Derivatives not designated as hedging instruments: [a]					
Other current assets	$ 166	$ 57	$ —	$ (196)	$ 27
Long-term receivables and other assets, net	$ 2	$ 3	$ —	$ (2)	$ 3
Liabilities:					
Cash-flow hedges [a]					
Accrued liabilities	$ —	$ 6	$ —	$ —	$ 6
Deferred credits and liabilities	$ —	$ —	$ —	$ —	$ —
Derivatives not designated as hedging instruments: [a]					
Accrued liabilities	$ 172	$ 51	$ —	$ (196)	$ 27
Deferred credits and liabilities	$ 1	$ 6	$ —	$ (2)	$ 5

(a) Fair values are presented at gross amounts, including when the derivatives are subject to netting arrangements and presented on a net basis in the consolidated condensed balance sheets.
(b) These amounts do not include collateral. As of June 30, 2017, collateral received of $23 million has been netted against derivative assets and collateral paid of $2 million has been netted against derivative liabilities. As of December 31, 2016, collateral received of $4 million has been netted against derivative assets and collateral paid of $13 million has been netted against derivative liabilities. Collateral deposited by Occidental, mainly for initial margin, of $21 million and $25 million as of June 30, 2017, and December 31, 2016, respectively, has not been reflected in these derivative fair value tables. This collateral is included in other current assets in the consolidated condensed balance sheets.

11. Industry Segments

Occidental conducts its operations through three segments: (1) oil and gas; (2) chemical; and (3) midstream and marketing. The oil and gas segment explores for, develops and produces oil and condensate, natural gas liquids (NGLs) and natural gas. The chemical segment mainly manufactures and markets basic chemicals and vinyls. The midstream and marketing segment gathers, processes, transports, stores, purchases and markets oil, condensate, NGLs, natural gas, CO_2 and power. It also trades around its assets, including transportation and storage capacity. Additionally, the midstream and marketing segment invests in entities that conduct similar activities.

Results of industry segments generally exclude income taxes, interest income, interest expense, environmental remediation expenses, unallocated corporate expenses and discontinued operations, but include gains and losses from dispositions of segment and geographic area assets and income from the segments' equity investments. Intersegment sales eliminate upon consolidation and are generally made at prices approximating those that the selling entity would be able to obtain in third-party transactions.

The following tables present Occidental’s industry segments (in millions):

	Oil and Gas	Chemical	Midstream and Marketing	Corporate and Eliminations	Total
Three months ended June 30, 2017					
Net sales	$ 1,848	$ 1,156	$ 270	$ (214)	$ 3,060
Pre-tax operating profit (loss)	$ 627 (a)	$ 230	$ 119 (b)	$ (184) (c)	$ 792
Income taxes	—	—	—	(285) (d)	(285)
Net income (loss)	$ 627	$ 230	$ 119	$ (469)	$ 507
Three months ended June 30, 2016					
Net sales	$ 1,625	$ 908	$ 141	$ (143)	$ 2,531
Pre-tax operating profit (loss)	$ (117)	$ 88	$ (58)	$ (145) (c)	$ (232)
Income taxes	—	—	—	96 (d)	96
Discontinued operations, net	—	—	—	(3)	(3)
Net income (loss)	$ (117)	$ 88	$ (58)	$ (52)	$ (139)

	Oil and Gas	Chemical	Midstream and Marketing	Corporate and Eliminations	Total
Six months ended June 30, 2017					
Net sales	$ 3,742	$ 2,224	$ 481	$ (430)	$ 6,017
Pre-tax operating profit (loss)	$ 847 (a)	$ 400	$ 72 (b)	$ (332) (c)	$ 987
Income taxes	—	—	—	(363) (d)	(363)
Net income (loss)	$ 847	$ 400	$ 72	$ (695)	$ 624
Six months ended June 30, 2016					
Net sales	$ 2,900	$ 1,798	$ 274	$ (318)	$ 4,654
Pre-tax operating profit (loss)	$ (602)	$ 302 (e)	$ (153)	$ (342) (c)	$ (795)
Income taxes	—	—	—	299 (d)	299
Discontinued operations, net	—	—	—	435	435
Net income (loss)	$ (602)	$ 302	$ (153)	$ 392	$ (61)

(a) Includes gain on sale of domestic oil and gas assets, including South Texas, of $510 million.
(b) Includes a non-cash fair value gain of $88 million on the Plains equity investment.
(c) Includes unallocated net interest expense, administration expense, environmental remediation and other pre-tax items.
(d) Includes all foreign and domestic income taxes from continuing operations.
(e) Includes gain on sale of $57 million and $31 million related to the Occidental Tower in Dallas, Texas and a non-core specialty chemicals business, respectively.

12. Earnings Per Share

Occidental's instruments containing rights to nonforfeitable dividends granted in stock-based awards are considered participating securities prior to vesting and, therefore, net income allocated to these participating securities has been deducted from earnings in computing basic and diluted EPS under the two-class method.

Basic EPS was computed by dividing net income attributable to common stock, net of income allocated to participating securities, by the weighted-average number of common shares outstanding during each period, net of treasury shares and including vested but unissued shares and share units. The computation of diluted EPS reflects the additional dilutive effect of stock options and unvested stock awards.

The following table presents the calculation of basic and diluted EPS for the three and six months ended June 30, 2017 and 2016 (in millions, except per-share amounts):

	Three months ended June 30		Six months ended June 30	
	2017	2016	2017	2016
Basic EPS				
Income (loss) from continuing operations	$ 507	$ (136)	$ 624	$ (496)
Discontinued operations, net	—	(3)	—	435
Net income (loss)	507	(139)	624	(61)
Less: Net income allocated to participating securities	(2)	—	(2)	—
Net income (loss), net of participating securities	505	(139)	622	(61)
Weighted average number of basic shares	764.9	763.6	764.7	763.5
Basic EPS	$ 0.66	$ (0.18)	$ 0.81	$ (0.08)
Diluted EPS				
Net income (loss), net of participating securities	$ 505	$ (139)	$ 622	$ (61)
Weighted average number of basic shares	764.9	763.6	764.7	763.5
Dilutive effect of potentially dilutive securities	1.0	—	0.8	—
Total diluted weighted average common shares	765.9	763.6	765.5	763.5
Diluted EPS	$ 0.66	$ (0.18)	$ 0.81	$ (0.08)

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

In this report, "Occidental" means Occidental Petroleum Corporation (OPC), or OPC and one or more entities in which it owns a controlling interest (subsidiaries). Portions of this report contain forward-looking statements and involve risks and uncertainties that could materially affect expected results of operations, liquidity, cash flows and business prospects. Actual results may differ from anticipated results, sometimes materially, and reported results should not be considered an indication of future performance. Factors that could cause results to differ include, but are not limited to: global commodity pricing fluctuations; supply and demand considerations for Occidental's products; higher-than-expected costs; the regulatory approval environment; not successfully completing, or any material delay of, field developments, expansion projects, capital expenditures, efficiency projects, acquisitions or dispositions; uncertainties about the estimated quantities of oil and natural gas reserves; lower-than-expected production from development projects or acquisitions; exploration risks; general economic slowdowns domestically or internationally; political conditions and events; liability under environmental regulations including remedial actions; litigation; disruption or interruption of production or manufacturing or facility damage due to accidents, chemical releases, labor unrest, weather, natural disasters, cyber attacks or insurgent activity; failure of risk management; changes in law or regulations; reorganization or restructuring of Occidental's operations; or changes in tax rates. Words such as "estimate," "project," "predict," "will," "would," "should," "could," "may," "might," "anticipate," "plan," "intend," "believe," "expect," "aim," "goal," "target," "objective," "likely" or similar expressions that convey the prospective nature of events or outcomes generally indicate forward-looking statements. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this report. Unless legally required, Occidental does not undertake any obligation to update any forward-looking statements, as a result of new information, future events or otherwise. Material risks that may affect Occidental's results of operations and financial position appear in Part I, Item 1A "Risk Factors" of Occidental's Annual Report on Form 10-K for the year ended December 31, 2016 (the 2016 Form 10-K).

Consolidated Results of Operations

Occidental reported net income from continuing operations of $507 million for the second quarter of 2017 on net sales of $3.1 billion, compared to a net loss from continuing operations of $136 million on net sales of $2.5 billion for the second quarter of 2016. Diluted earnings per share from continuing operations was $0.66 for the second quarter of 2017, compared to a diluted loss of $0.18 per share for the second quarter of 2016.

Occidental reported net income from continuing operations of $624 million for the first six months of 2017 on net sales of $6.0 billion, compared to a net loss of $496 million on net sales of $4.7 billion for the same period in 2016. Diluted earnings per share from continuing operations was $0.81 per share for the first six months of 2017, compared to a diluted loss per share of $0.65 for the same period of 2016. There was no income from discontinued operations for the first six months of 2017, compared with income of $435 million or $0.57 per share for the same period of 2016.

Net income from continuing operations for the three and six months ended June 30, 2017, reflected: from the oil and gas segment, higher commodity prices across all products, lower depreciation, depletion and amortization (DD&A) rates and asset sale gains; from the chemicals segment, higher realized caustic soda prices, improved sales volumes on most product lines and additional equity income from the Ingleside ethylene cracker; and from the midstream and marketing segment, higher marketing margins due to improved Midland to Gulf Coast spreads and increased sales volumes at the Ingleside Crude Terminal.

Selected Statements of Operations Items

Net sales increased for the three and six months ended June 30, 2017, compared to the same periods in 2016, due to higher realized commodity prices for both oil and gas and chemical segments. Gain on sale of assets, net, totaling $512 million for the three and six months ended June 30, 2017, primarily reflected gains on the sale of the South Texas operations. Gain on sale of assets, net, for the six months ended June 30, 2016, primarily reflected the sale of the Piceance Basin operations in Colorado for a gain of $121 million and the Occidental Tower building in Dallas for a gain of $57 million.

Compared to the same periods of 2016, cost of sales for the three and six months ended June 30, 2017, reflected higher raw materials and energy costs in the chemical segment and higher purchase injectant costs in the oil and gas segment. Compared to the same periods of 2016, DD&A expense for the three and six months ended June 30, 2017, reflected improved DD&A rates and the sale of oil and gas assets.

The increases in domestic and foreign income tax provisions for the three and six months ended June 30, 2017, compared to the income tax benefits for same periods of 2016, are due to higher pre-tax operating income in 2017 compared to a pre-tax operating loss in 2016.

Higher income from equity investments for the three and six months ended June 30, 2017, reflected a non-cash fair value gain on the Plains equity investment and equity income from the Ingleside ethylene cracker, which commenced operations in February 2017.

Selected Analysis of Financial Position

See “Liquidity and Capital Resources” for a discussion about the changes in cash and cash equivalents and restricted cash.

The increase in inventories at June 30, 2017, compared to December 31, 2016, reflected higher crude oil storage. The increase in assets held for sale relates to a sales agreement to sell non-strategic acreage in Andrews and Martin Counties, Texas. The decrease in other current assets is primarily related to receipt of a federal tax refund relating to the 2016 net operating loss carryback. The decrease in property, plant and equipment, net, is primarily the result of the reclassification of non-strategic acreage in Andrews and Martin Counties, Texas, to assets held for sale, and DD&A, partially offset by Occidental's capital spending of $1.5 billion in the first half of 2017.

Current maturities of long-term debt at June 30, 2017 reflected the reclassification of 1.5-percent senior notes due February 2018 out of long-term debt. The decrease in accrued liabilities at June 30, 2017, is mainly due to bonus payments for the extension of Oman Block 9 and first quarter payments of ad valorem taxes.

The decrease in deferred credits and other liabilities - other at June 30, 2017, is mainly due to the decrease in asset retirement obligations for the South Texas assets that were sold in April.

Segment Operations

Occidental conducts its operations through three segments: (1) oil and gas; (2) chemical; and (3) midstream and marketing. The oil and gas segment explores for, develops and produces oil and condensate, NGLs and natural gas. The chemical segment mainly manufactures and markets basic chemicals and vinyls. The midstream and marketing segment gathers, processes, transports, stores, purchases and markets oil, condensate, NGLs, natural gas, CO_2 and power. It also trades around its assets, including transportation and storage capacity. Additionally, the midstream and marketing segment invests in entities that conduct similar activities.

The following table sets forth the sales and earnings of each operating segment and corporate items for the three and six months ended June 30, 2017, and 2016 (in millions):

	Three months ended June 30		Six months ended June 30	
	2017	2016	2017	2016
Net Sales [a]				
Oil and Gas	$ 1,848	$ 1,625	$ 3,742	$ 2,900
Chemical	1,156	908	2,224	1,798
Midstream and Marketing	270	141	481	274
Eliminations	(214)	(143)	(430)	(318)
	$ 3,060	$ 2,531	$ 6,017	$ 4,654
Segment Results [b]				
Oil and Gas	$ 627	$ (117)	$ 847	$ (602)
Chemical	230	88	400	302
Midstream and Marketing	119	(58)	72	(153)
	976	(87)	1,319	(453)
Unallocated Corporate Items [b]				
Interest expense, net	(81)	(84)	(159)	(141)
Income tax benefit (provision)	(285)	96	(363)	299
Other expense, net	(103)	(61)	(173)	(201)
Income (loss) from continuing operations	507	(136)	624	(496)
Discontinued operations, net	—	(3)	—	435
Net Income (loss)	$ 507	$ (139)	$ 624	$ (61)

(a) Intersegment sales eliminate upon consolidation and are generally made at prices approximating those that the selling entity would be able to obtain in third-party transactions.
(b) Refer to "Significant Transactions and Events Affecting Earnings," "Oil and Gas Segment," "Chemical Segment," "Midstream and Marketing Segment" and "Corporate" discussions that follow.

Significant Transactions and Events Affecting Earnings

The following table sets forth significant transactions and events affecting Occidental's earnings that vary widely and unpredictably in nature, timing and amount for the three and six months ended June 30, 2017, and 2016 (in millions):

	Three months ended June 30		Six months ended June 30	
	2017	2016	2017	2016
Oil and Gas				
Asset sales gains and other	$ 510	$ —	$ 510	$ 23
Chemical				
Asset sales gains	$ —	$ —	$ —	$ 88
Midstream and Marketing				
Non-cash fair value gain on Plains equity investment	$ 94	$ —	$ 94	$ —
Corporate				
Asset impairments and related items	$ —	$ —	$ —	$ (78)
Tax effect of pre-tax adjustments [a]	(216)	—	(216)	33
Discontinued operations, net [b]	—	(3)	—	435
Total Corporate	$ (216)	$ (3)	$ (216)	$ 390
Total	$ 388	$ (3)	$ 388	$ 501

(a) The 2016 amount included benefits for the relinquishment of foreign exploration blocks.
(b) Amounts shown after tax.

Worldwide Effective Tax Rate

The following table sets forth the calculation of the worldwide effective tax rate for income from continuing operations for the three and six months ended June 30, 2017, and 2016 (in millions):

	Three months ended June 30		Six months ended June 30	
	2017	2016	2017	2016
Oil and Gas results	$ 627	$ (117)	$ 847	$ (602)
Chemical results	230	88	400	302
Midstream and Marketing results	119	(58)	72	(153)
Unallocated corporate items	(184)	(145)	(332)	(342)
Pre-tax income (loss)	792	(232)	987	(795)
Income tax benefit (provision)				
Federal and state	(79)	234	34	525
Foreign	(206)	(138)	(397)	(226)
Total	(285)	96	(363)	299
Income (loss) from continuing operations	$ 507	$ (136)	$ 624	$ (496)
Worldwide effective tax rate	36%	41%	37%	38%

Occidental's worldwide effective tax rate of 36 percent for the three months ended June 30, 2017, is lower than the comparative period of 2016 primarily due to a decrease in the effective foreign income tax rate due to the commodity price impact on production sharing agreements.

Oil and Gas Segment

The following table summarizes the key factors impacting segment earnings for the three and six months ended June 30, 2017:

Oil and Gas segment results roll-forward	Three months ended June 30	Six months ended June 30
	2017	2017
Oil and Gas prior year results[(a)]	$ (117)	$ (625)
Sales price	281	998
Sales volume / mix	(56)	(71)
Operating expenses	(57)	(109)
DD&A rate	88	174
Exploration expense	18	16
All others	(40)	(46)
Oil and Gas current year results	$ 117	$ 337
Significant transactions and events		
Asset sales gains	$ 510	$ 510
Oil and Gas current year segment earnings	$ 627	$ 847

(a) Excludes Asset sales gains of $23 million for the six months ended June 30, 2016.

The three and six months ended June 30, 2017, included pre-tax gains of $510 million, primarily related to the sale of South Texas operations. Excluding the gains on sale, the increase in earnings for the three and six months ended June 30, 2017, compared to the same periods of 2016, was mainly due to higher commodity prices for all products and lower DD&A rates.

The following tables set forth the production and sales volumes of oil, NGLs and natural gas per day for the three and six months ended June 30, 2017, and 2016. The differences between the production and sales volumes per day are generally due to the timing of shipments at Occidental's international locations where the product is loaded onto tankers.

	Three months ended June 30		Six months ended June 30	
Production Volumes per Day	2017	2016	2017	2016
Oil (MBBL)				
United States	195	190	194	193
Middle East	151	168	151	175
Latin America	32	34	30	36
NGLs (MBBL)				
United States	53	52	52	54
Middle East	32	30	30	26
Natural Gas (MMCF)				
United States	286	357	321	372
Middle East	532	708	487	648
Latin America	7	8	7	8
Total Production Volumes (MBOE) [(a)]	601	653	593	655

	Three months ended June 30		Six months ended June 30	
Sales Volumes per Day	2017	2016	2017	2016
Oil (MBBL)				
United States	195	190	194	193
Middle East	151	172	151	177
Latin America	34	38	30	36
NGLs (MBBL)				
United States	53	52	52	54
Middle East	32	29	30	25
Natural Gas (MMCF)				
United States	286	357	321	372
Middle East	532	708	487	648
Latin America	7	8	7	8
Total Sales Volumes (MBOE) [(a)]	603	660	593	656

(See footnote following the table below)

The following tables set forth the production and sales volumes of ongoing operations for oil, NGLs and natural gas per day for the three and six months ended June 30, 2017 and 2016, excluding operations sold, exited or exiting.

	Three months ended June 30		Six months ended June 30	
Production Volumes per Day from Ongoing Operations	2017	2016	2017	2016
Oil (MBBL)				
United States [(b)]	195	187	193	190
Middle East [(c)]	151	162	151	162
Latin America	32	34	30	36
NGLs (MBBL)				
United States [(b)]	51	47	49	48
Middle East	32	30	30	26
Natural Gas (MMCF)				
United States [(b)]	254	239	251	230
Middle East [(c)]	532	481	487	420
Latin America	7	8	7	8
Total Production Ongoing Operations (MBOE)	594	581	577	571
Operations Sold, Exited and Exiting	7	72	16	84
Total Production Volumes (MBOE) [(a)]	601	653	593	655

	Three months ended June 30		Six months ended June 30	
Sales Volumes per Day from Ongoing Operations	2017	2016	2017	2016
Oil (MBBL)				
United States [(b)]	195	187	193	190
Middle East [(c)]	151	166	151	164
Latin America	34	38	30	36
NGLs (MBBL)				
United States [(b)]	51	47	49	48
Middle East	32	29	30	25
Natural Gas (MMCF)				
United States [(b)]	254	239	251	230
Middle East [(c)]	532	481	487	420
Latin America	7	8	7	8
Total Sales Ongoing Operations (MBOE)	596	588	577	572
Operations Sold, Exited and Exiting	7	72	16	84
Total Sales Volumes (MBOE) [(a)]	603	660	593	656

Note: MBBL represents thousand barrels. MMCF represents million cubic feet.

(a) Natural gas volumes have been converted to thousands of barrels of oil equivalent (MBOE) based on energy content of six million cubic feet (MMCF) of gas to one thousand barrels of oil (MBOE). Barrels of oil equivalence does not necessarily result in price equivalence.

(b) Excludes 2 MBBL and 32 MMCF of NGLs and gas for the three months ended June 30, 2017 related to South Texas and 3 MMBL, 5 MBBL, and 118 MMCF of oil, NGLs, and gas for the three months ended June 30, 2016, related to South Texas. Excludes 1 MBBL, 3 MMBL and 70 MMCF of oil, NGLs and gas for the six months ended June 30, 2017 related to South Texas and 3 MBBL, 6 MMBL, and 142 MMCF of oil, NGLs, and gas for the six months ended June 30, 2016, related to South Texas and Piceance.

(c) Excludes 6 MBBL and 227 MMCF of oil and gas for the three months ended June 30, 2016, related to Bahrain. Excludes 13 MBBL and 228 MMCF of oil and gas for the six months ended June 30, 2016, related to Bahrain and Iraq.

Total average daily production volumes were 601,000 barrels of oil equivalent (BOE) for the second quarter of 2017 compared to 653,000 BOE for the second quarter of 2016. In April 2017, Occidental completed the sale of its non-core South Texas operations. In 2016, Occidental completed the sale of the Piceance Basin operations and exited Bahrain, Iraq, Libya and Yemen. These domestic and international operations produced average daily volumes of 7,000 BOE and 72,000 BOE in the second quarters of 2017 and 2016, respectively. For the second quarter of 2017, total company average daily oil and gas production volumes for ongoing operations increased by 13,000 BOE to 594,000 BOE from 581,000 BOE in the second quarter of 2016. Compared to the second quarter of 2016, domestic average daily production for ongoing operations increased by 15,000 BOE to 289,000 BOE in the second quarter of 2017 with Permian Resources increasing by 12,000 BOE. International average daily production for ongoing operations decreased to 305,000 BOE in the second quarter of 2017 from 307,000 BOE in the second quarter of 2016. The decrease in international production is primarily attributable to lower oil production in Qatar due to national oil company production quotas, partially offset by higher production at Al Hosn Gas.

Total average daily production volumes for the first six months of 2017 and 2016 were 593,000 BOE and 655,000 BOE, respectively. For the first six months of 2017 and 2016, non-core operations produced average daily volumes of 16,000 BOE and 84,000 BOE, respectively. For the first six months of 2017, total company average daily oil and gas production volumes for ongoing operations increased by 6,000 BOE to 577,000 BOE from 571,000 BOE for the first six months of 2016. Domestic average daily production for ongoing operations increased by 8,000 BOE for the first six months of 2017, as compared to the first six months of 2016, with Permian Resources increasing by 6,000 BOE. International average daily production decreased to 293,000 BOE for the first six months of 2017 from 295,000 BOE for the first six months 2016. The decrease in international production reflected lower production in Qatar due to national oil company production quotas and lower production in Colombia, partially offset by higher production at Al Hosn Gas.

The following tables present information about Occidental's average realized prices and index prices for the three and six months ended June 30, 2017 and 2016:

	Three months ended June 30		Six months ended June 30	
Average Realized Prices	2017	2016	2017	2016
Oil ($/BBL)				
United States	$ 44.94	$ 41.43	$ 46.78	$ 35.33
Middle East	$ 49.51	$ 37.80	$ 49.57	$ 33.66
Latin America	$ 42.60	$ 39.26	$ 45.12	$ 33.72
Total Worldwide	$ 46.55	$ 39.66	$ 47.77	$ 34.46
NGLs ($/BBL)				
United States	$ 20.47	$ 14.25	$ 21.75	$ 12.04
Middle East	$ 16.31	$ 15.21	$ 17.35	$ 14.38
Total Worldwide	$ 18.90	$ 14.59	$ 20.18	$ 12.80
Natural Gas ($/MCF)				
United States	$ 2.23	$ 1.46	$ 2.48	$ 1.48
Latin America	$ 5.18	$ 3.36	$ 4.96	$ 3.76
Total Worldwide	$ 1.81	$ 1.26	$ 1.93	$ 1.26

	Three months ended June 30		Six months ended June 30	
Average Index Prices	2017	2016	2017	2016
WTI oil ($/BBL)	$ 48.29	$ 45.59	$ 50.10	$ 39.52
Brent oil ($/BBL)	$ 50.92	$ 46.97	$ 52.79	$ 41.03
NYMEX gas ($/MCF)	$ 3.14	$ 1.97	$ 3.20	$ 2.02

	Three months ended June 30		Six months ended June 30	
Average Realized Prices as Percentage of Average Index Prices	2017	2016	2017	2016
Worldwide oil as a percentage of average WTI	96%	87%	95%	87%
Worldwide oil as a percentage of average Brent	91%	84%	90%	84%
Worldwide NGLs as a percentage of average WTI	39%	32%	40%	32%
Domestic natural gas as a percentage of average NYMEX	71%	74%	78%	73%

Worldwide commodity prices for the second quarter of 2017 were higher than the second quarter of 2016. The average quarterly WTI and Brent prices increased to $48.29 per barrel and $50.92 per barrel, respectively, for the second quarter of 2017, compared to $45.59 per barrel and $46.97 per barrel, respectively, for the second quarter of 2016. Worldwide realized crude oil prices increased by 17 percent to $46.55 per barrel for the second quarter of 2017, compared to $39.66 per barrel in the second quarter of 2016. Worldwide realized NGL prices increased by 30 percent to $18.90 per barrel in the second quarter of 2017, compared to $14.59 per barrel in the second quarter of

2016. Domestic realized natural gas prices increased by 53 percent in the second quarter of 2017 to $2.23 per MCF, compared to $1.46 per MCF in the second quarter of 2016.

Worldwide commodity prices for the first six months of 2017 were higher than the same period of 2016. Worldwide realized crude oil prices increased by 39 percent to $47.77 per barrel for the first six months of 2017, compared to $34.46 per barrel for the same period of 2016. Worldwide realized NGL prices increased by 58 percent to $20.18 per barrel for the first six months of 2017, compared to $12.80 per barrel for the same period of 2016. Domestic realized natural gas prices increased by 68 percent for the first six months of 2017 to $2.48 per MCF, compared to $1.48 per MCF for the same period of 2016.

Occidental's financial results correlate closely to the prices it obtains for its products. Significant declines in commodity prices may result in impairments to reduce the carrying value of Occidental's oil and gas properties, while also reducing the amount of volumes that can be produced economically and the quantity and present value of proved reserves.

Chemical Segment

The following table summarizes the key factors impacting segment earnings for the three and six months ended June 30, 2017:

Chemical segment results roll-forward	Three months ended June 30	Six months ended June 30
	2017	2017
Chemical prior year results[(a)]	$ 88	$ 214
Sales price	137	263
Sales volume / mix	54	80
Operations / manufacturing	(90)	(191)
All others[(b)]	41	34
Chemical current year segment earnings	$ 230	$ 400

(a) Excludes gain on sale of the Occidental Tower in Dallas and a non-core specialty chemicals business of $88 million for the six months ended June 30, 2016.
(b) Includes equity income from the Ingleside joint venture ethylene cracker.

The higher earnings for the three and six months ended June 30, 2017, compared to the same periods in 2016, reflected higher realized pricing for caustic soda, improved vinyls margins, and higher sales volumes across most product lines and equity income from the joint venture ethylene cracker in Ingleside, Texas, partially offset by higher natural gas costs.

Midstream and Marketing Segment

The following table summarizes the key factors impacting segment earnings for the three and six months ended June 30, 2017:

Midstream and Marketing segment results roll-forward	Three months ended June 30	Six months ended June 30
	2017	2017
Midstream and Marketing prior year results	$ (58)	$ (153)
Marketing	62	86
Gas plants	(5)	8
Pipelines	22	35
Power generation	(1)	(1)
All others	5	3
Midstream and Marketing current year results	$ 25	$ (22)
Significant transactions and events		
Non-cash fair value gain on Plains equity investment	$ 94	$ 94
Midstream and Marketing current year segment earnings	$ 119	$ 72

The higher results reflected higher crude oil marketing margins due to improved Midland to Gulf Coast spreads and income from the Ingleside Crude Terminal.

Liquidity and Capital Resources

At June 30, 2017, Occidental had $2.2 billion in cash. Income and cash flows are largely dependent on the oil and gas segment's realized prices, sales volumes and operating costs. Occidental expects to fund its liquidity needs, including future dividend payments, through cash on hand, cash generated from operations, monetization of non-core assets or investments and, if necessary, through future borrowings or proceeds from other forms of capital issuance.

Net cash provided by operating activities was $2.5 billion and $1.8 billion for the six months ended June 30, 2017, and 2016, respectively. Cash flows in the first six months of 2017 were positively impacted by improved commodity prices in both the oil and gas and chemicals segments, and federal income tax refunds of $749 million. Operating cash flows in 2016 benefited from $882 million for the Ecuador settlement and $302 million of federal income tax refunds. The impact of the chemical and the midstream and marketing segments on overall cash flows is typically less significant than the impact of the oil and gas segment because the chemical and midstream and marketing segments are significantly smaller.

Occidental's net cash used by investing activities was $1.4 billion for the first six months of 2017, compared to $1.3 billion for the same period of 2016. Capital expenditures for the first six months of 2017 were $1.5 billion of which $1.2 billion was for the oil and gas segment. Capital expenditures were $1.2 billion for the first six months of 2016, of which $0.9 billion was for the oil and gas segment. In the first six months of 2017, Occidental increased its capital expenditures compared to the prior year period primarily as a result of increased Permian Basin drilling activity. The change in capital accrual for both periods reflected amounts paid in the first half of the current year related to capital expenditures incurred and accrued in the fourth quarter of the preceding year. Proceeds from the sale of assets of $609 million primarily reflected the sale of Occidental's South Texas operations. Asset acquisitions of $377 million mainly reflected domestic acquisitions and the Oman Block 9 bonus payment.

Occidental's net cash used by financing activities was $1.2 billion for the first six months of 2017, compared to cash provided by financing activities of $66 million for the same period of 2016. Cash used by financing activities in the first six months of 2017 primarily reflected the payment of dividends. In the first six months of 2016, restricted cash of $1.2 billion was used to pay dividends and repay debt. In the first six months 2016, Occidental issued $2.75 billion of senior notes, repaid $700 million of 2.5-percent senior notes due February 2016 and $750 million of 4.125-percent senior notes due June 2016, and completed the early redemption of $1.25 billion of 1.75-percent senior notes due February 2017.

As of June 30, 2017, Occidental was in compliance with all covenants of its financing agreements and had substantial capacity for additional unsecured borrowings, the payment of cash dividends and other distributions on, or acquisitions of, Occidental stock.

Environmental Liabilities and Expenditures

Occidental's operations are subject to stringent federal, state, local and foreign laws and regulations related to improving or maintaining environmental quality. Occidental's environmental compliance costs have generally increased over time and are expected to rise in the future. Occidental factors environmental expenditures for its operations into its business planning process as an integral part of producing quality products responsive to market demand.

The laws that require or address environmental remediation, including CERCLA and similar federal, state, local and foreign laws, may apply retroactively and regardless of fault, the legality of the original activities or the current ownership or control of sites. OPC or certain of its subsidiaries participate in or actively monitor a range of remedial activities and government or private proceedings under these laws with respect to alleged past practices at operating, closed and third-party sites. Remedial activities may include one or more of the following: investigation involving sampling, modeling, risk assessment or monitoring; cleanup measures including removal, treatment or disposal of hazardous substances; or operation and maintenance of remedial systems. These environmental proceedings seek funding or performance of remediation and, in some cases, compensation for alleged property damage, punitive damages, civil penalties, injunctive relief and government oversight costs.

Refer to Note 6, *Environmental Liabilities and Expenditures,* in the *Notes to the Consolidated Condensed Financial Statements* in Part I Item 1 of this Form 10-Q and to the *Environmental Liabilities and Expenditures* section of *Management's Discussion and Analysis of Financial Condition and Results of Operation*s in the 2016 Form 10-K for additional information regarding Occidental's environmental expenditures.

Lawsuits, Claims, Commitments and Contingencies

Occidental accrues reserves for outstanding lawsuits, claims and proceedings when it is probable that a liability has been incurred and the liability can be reasonably estimated. Occidental has disclosed its reserve balances for environmental matters. Reserve balances for other matters as of June 30, 2017, and December 31, 2016, were not material to Occidental's consolidated condensed balance sheets. Occidental also evaluates the amount of reasonably possible losses that it could incur as a result of the matters mentioned above. Occidental has disclosed its range of reasonably possible additional losses for sites where it is a participant in environmental remediation. Occidental believes that other reasonably possible losses which it could incur in excess of reserves accrued on the balance sheet would not be material to its consolidated financial position or results of operations. For further information, see Note 7, *Lawsuits, Claims, Commitments and Contingencies,* in the *Notes to Consolidated Condensed Financial Statements* in Part I Item 1 of this Form 10-Q.

Recently Adopted Accounting and Disclosure Changes

See Note 3, *Accounting and Disclosure Changes,* in the *Notes to Consolidated Condensed Financial Statements* in Part I Item 1 of this Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

For the three and six months ended June 30, 2017, there were no material changes in the information required to be provided under Item 305 of Regulation S-K included under Item 7A, "Quantitative and Qualitative Disclosures About Market Risk", in the 2016 Form 10-K.

Item 4. Controls and Procedures

Occidental's President and Chief Executive Officer and its Senior Vice President and Chief Financial Officer supervised and participated in Occidental's evaluation of its disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) as of the end of the period covered by this report. Based upon that evaluation, Occidental's President and Chief Executive Officer and Senior Vice President and Chief Financial Officer concluded that Occidental's disclosure controls and procedures were effective as of June 30, 2017.

There has been no change in Occidental's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934) during the first six months of 2017 that has materially affected, or is reasonably likely to materially affect, Occidental's internal control over financial reporting.

PART II OTHER INFORMATION

Item 1. Legal Proceedings

For information regarding other legal proceedings, see Note 7, Lawsuits, Claims, Commitments and Contingencies in the Notes to Consolidated Condensed Financial Statements, in Part I Item 1 of this Form 10-Q, and Part I Item 3, "Legal Proceedings" in the 2016 Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Share Repurchase Activities

Occidental's share repurchase activities for the six months ended June 30, 2017, were as follows:

Period	Total Number of Shares Purchased		Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet be Purchased Under the Plans or Programs (a)
First Quarter 2017	—		$ —	—	
April 1 - 30, 2017	—		$ —	—	
May 1 - 31, 2017	—		$ —	—	
June 1 - 30, 2017	96,828	(b)	$ 60.77	—	
Second Quarter 2017	96,828		60.77	—	
Total	96,828		$ 60.77	—	63,756,544

(a) Represents the total number of shares remaining at June 30, 2017, under Occidental's share repurchase program of 185 million shares. The program was initially announced in 2005. The program does not obligate Occidental to acquire any specific number of shares and may be discontinued at any time.
(b) Includes purchases from the trustee of Occidental's defined contribution savings plan that are not part of publicly announced plans or programs.

Item 6. Exhibits

10.1*	Form of 2016 Occidental Petroleum Corporation 2015 Long-Term Incentive Plan Common Stock Unit Award for Non-Employee Directors (filed as Exhibit 10.1 to the Quarterly Report on Form 10-Q of Occidental for the quarterly period ended June 30, 2016, File No. 1-9210).
10.2*	Form of 2016 Occidental Petroleum Corporation 2015 Long-Term Incentive Plan Common Stock Award for Non-Employee Directors (filed as Exhibit 10.2 to the Quarterly Report on Form 10-Q of Occidental for the quarterly period ended June 30, 2016, File No. 1-9210).
10.3	Separation Agreement, effective June 27, 2017.
10.4	Sign-on agreement with Chief Financial Officer.
12	Statement regarding the computation of total enterprise ratios of earnings to fixed charges for the three months ended June 30, 2017, and 2016, and for each of the five years in the period ended December 31, 2016.
31.1	Certification of CEO Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of CFO Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certifications of CEO and CFO Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document.
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.

* Incorporated herein by reference

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

OCCIDENTAL PETROLEUM CORPORATION

DATE: August 2, 2017	/s/ Jennifer M. Kirk
	Jennifer M. Kirk Vice President, Controller and Principal Accounting Officer

EXHIBIT INDEX

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* Incorporated herein by reference

THIS AGREEMENT ("**Agreement**") is entered into as of the Effective Date (as defined in Paragraph 1), by and between Occidental Petroleum Corporation, a Delaware corporation ("**Employer**"), and Christopher G. Stavros ("**you**"), based upon the following:

A. You have been employed as a full-time employee of Employer or its subsidiaries or affiliates (collectively, "**OPC**") since February 23, 2005;

B. The parties desire to provide for your amicable separation from employment.

In consideration of the mutual promises contained in this Agreement, the parties agree as follows:

1. **Effective Date of Agreement**: This Agreement will take effect at 12:00 a.m. on the eighth day after you sign this Agreement (the "**Effective Date**"), unless you revoke it as provided in Paragraph 14.
2. **Separation and Separation Date**: Your employment by Employer will end at 11:59 p.m. on June 30, 2017 (your "**Separation Date**"). You will be deemed to have retired with the consent of Employer and your rights under award agreements or other benefit plans and programs will be determined accordingly, except as expressly provided in Paragraphs 3, 4 or 5. You acknowledge and agree that as of May 30, 2017, you ceased to hold the position of Senior Vice President and Chief Financial Officer of Employer, to sit as a member of any board or committee of Employer or its subsidiaries or affiliates, or to hold any officer position at any subsidiary or affiliate of Employer. You agree to execute any documentation requested by OPC in order to give effect to the prior sentence.
3. **Separation Payments**: If this Agreement becomes effective as provided in Paragraphs 1 and 14, Employer shall provide you with separation payments (your "**Separation Pay**") as follows:
   (a) You will receive Separation Pay comprised of twenty six biweekly payments each equal to twenty six thousand nine hundred and twenty three dollars and seven cents ($26,923.07), reduced by appropriate deductions for applicable taxes, plus a lump sum payment of seven hundred thousand dollars ($700,000), reduced by appropriate deductions for applicable taxes, paid on the one year anniversary of the Separation Date. The portion of your Separation Pay paid in biweekly payments will be paid to you on your regular payday, commencing on your first regular payday occurring on or after the Effective Date by direct deposit.
   (b) You will receive $8,000 in lieu of any tax planning assistance for the 2017 tax year, which will be paid to you within 30 days after the Separation Date.

   Should you die before you receive the payments contemplated by this Paragraph 3, such payments will be made to your heirs and will be made at the time specified in this Paragraph.

   Employer's provision of payments to you under this Paragraph 3 are fully contingent on your execution and non-revocation of this Agreement and satisfaction of the terms of this Agreement, including, without limitation, the terms of Paragraphs 6 through 10. Notwithstanding anything to the contrary in this Agreement, you acknowledge and agree that if you breach this Agreement, Employer shall cease to pay any amounts otherwise payable under this Paragraph 3 and shall be entitled to the return of all amounts already paid to you under this Paragraph 3.

4. **Medical and Dental Benefits**: Any benefits provided pursuant to this Paragraph 4 will be subject to the terms and conditions governing the applicable medical or dental plan, including, without limitation, the right of OPC to modify, amend, change or terminate such plan at any time.
   (a) **Medical Coverage**: . Provided you are a participant in the medical plan on your Separation Date, you and any enrolled dependents may continue to participate during the period beginning July 1, 2017 and ending June 30, 2018 (the "**Medical Coverage Period**"). During the Medical Coverage Period, you and any enrolled dependents may continue to participate in the medical plan at the active participant rate, but an on after-tax basis, for the same coverage then in effect or as changed in the future for active participants. At the end of the Medical Coverage Period, if you are then enrolled in the plan, you will be eligible for COBRA coverage, at your sole expense, for the period established by COBRA.
   (b) **Dental Coverage**: Provided you are a participant in the dental plan on your Separation Date, you and any enrolled dependents may continue to participate during the Medical Coverage Period in the dental plan at the active participant rate, but an on after-tax basis, for the same coverage then in effect or as changed in the future for active participants. At the end of the Medical Coverage Period, if you are then enrolled in the dental plan, you will be eligible for COBRA coverage, at your sole expense, for the period established by COBRA.

(c) **Retiree Medical Coverage**: Your eligibility for retiree medical coverage and the monthly amount payable for such coverage will be determined based on your age and years of service as of your Separation Date. If on your Separation Date, you (1) have at least 30 years of eligible service, (2) are at least age 50, have at least 5 years of eligible service with combined age and service of 65 years or more, or (3) otherwise satisfy the eligibility requirements under the OPC medical plan, you will be eligible to receive retiree medical coverage beginning on the first day of the month following your Separation Date if you are then age 55 or older (if you are not then age 55, you will be eligible on the first day of the month on or after your 55th birthday) under the terms of the OPC medical plan in effect at that time, subject to any future changes. Immediately prior to commencing retiree medical coverage under the OPC medical plan, you must be enrolled in an OPC-sponsored medical plan or covered under another group medical plan.

5. **<u>Other Benefit Plans and Programs</u>**: Except as expressly provided in Paragraphs 3 or 4 or this Paragraph 5, commencing the first day after your Separation Date, you will not be eligible to participate in any employee benefit or compensation plans or programs offered by OPC. Any benefits or compensation will be subject to the terms and conditions governing the applicable benefit or compensation plan, including, without limitation, the right of OPC to modify, amend, change or terminate such plan at any time.

(a) **Executive Incentive Compensation Plan (the "EICP")**: With respect to the 2017 plan year, you will be eligible to receive a prorated lump sum payment, subject to the terms of the EICP, prorated based on (i) your months of service during the plan year to and including your Separation Date, and (ii) your 2017 target bonus of $900,000. The amount of any prorated EICP bonus, reduced by appropriate deductions for applicable taxes, will be paid in accordance with the terms of the EICP, with payment made no later than March 14, 2018, and the amount based on the Compensation Committee's determination of the payout percentage for your award**.**

(b) **Incentive Awards:** The vesting, forfeiture, right to exercise and the settlement of any outstanding awards issued under the 2005 Long-Term Incentive Plan or the 2015 Long-Term Incentive Plan will be solely governed by the terms and conditions of the applicable plan and your outstanding award agreements (including any terms and conditions required to be accepted on-line for the award to become effective) (the "**Outstanding Award Agreements**").

(c) **Occidental Petroleum Corporation Savings Plan (the "PSA") and Occidental Petroleum Corporation Savings Retirement Plan (the "PRA")**: After your Separation Date: (i) you will be eligible to receive distributions or make withdrawals from the PSA and PRA in accordance with the terms of such plan, and; (ii) you will not be eligible to make or receive contributions to either the PSA or the PRA.

(d) **Deferred Compensation Plans, Deferred Stock Programs and Supplemental Retirement Plans ("Deferral Arrangements")**: If you are a participant in any of the Deferral Arrangements, you will receive distributions according to the provisions of the applicable Deferral Arrangement. You will not be eligible to make or receive further contributions to such Deferral Arrangements.

(e) **Health Savings Account ("HSA")**: If you participate in a high deductible health plan and you also elect to contribute to an HSA, Employer contributions and automatic payroll deductions for your HSA will cease as of your Separation Date. After your Separation Date, you may contribute directly to your HSA provider.

(f) **Flexible Spending Account ("FSA")**: If you contribute to a Health Care Spending Account or a Dependent Care Spending Account, or both, your automatic pre-tax payroll contributions will cease as of your Separation Date. Eligible expenses incurred through your Separation Date up to the balance in your account with respect to dependent care expenses and up to the amount you elected for the year for eligible health care expenses may be submitted for reimbursement by the deadline stated in the FSA plan documents. After your Separation Date, you will be eligible to continue participation in the Health Care FSA through COBRA coverage, on an after-tax basis, for the period established by COBRA.

(g) **Vacation**: Any vacation time you have accrued but not used prior to your Separation Date will be paid to you as soon as is practicable follow your Separation Date in accordance to the Employer's normal payroll practices.

(h) **No Other Separation Benefits**: Notwithstanding anything in this Agreement to the contrary, you hereby acknowledge and agree that this Agreement is in lieu of and automatically disqualifies you from participating in all plans, programs or arrangements of separation, severance, termination or pay continuation announced or maintained heretofore or hereafter by OPC.

6. **<u>Restrictive Covenants</u>**:

(a) **Acknowledgement of Reasonableness**. You agree and acknowledge that Employer has provided you access to confidential information for use only during your employment with OPC and you have during your employment been entrusted, in a unique and special capacity, with developing the goodwill of OPC, and in consideration thereof and in consideration of Employer providing you with access to confidential information, you have voluntarily agreed to the covenants set forth in this Paragraph. You further agree and acknowledge that the limitations and restrictions set forth herein are reasonable in all respects and not oppressive, will not cause you undue hardship, and are material and substantial parts of this Agreement intended and necessary to prevent unfair competition and to protect OPC's confidential information, goodwill and substantial and legitimate business interests.

(b) **Non-Solicitation**. You agree that for two years following your Separation Date you will not hire, solicit or encourage any employee, consultant or contractor of OPC to terminate his or her relationship with OPC, or to enter into any employment or other similar business relationship with any other person or entity (including but not limited to you or any competitor of OPC).

(c) **Non-Competition**. You agree that, unless you request and receive an exception from Employer, as set forth in this Paragraph 6(b), you will not for six months following your Separation Date, directly or indirectly, for yourself or on behalf of or in conjunction with any other person or entity of whatever nature, engage or participate within the Market Area in competition with OPC in a financial or investor relations capacity with any entity that competes with OPC in the exploration and production (E&P) sector ("**Business**"). This prohibition shall prevent you, among other things, from directly or indirectly owning, managing, operating, joining, becoming an officer, director, employee or consultant of, or loaning money to or selling or leasing equipment or real estate to or otherwise being affiliated with any person or entity primarily engaged in, or planning to primarily engage in, such Business in competition, or anticipated competition, in the Market Area, with OPC, to the extent your role with such person or entity is in a financial or investor relations capacity. For these purposes, "**Market Area**" means (i) the Permian Basin and (ii) any other location within 75 miles of any location where, as of the Separation Date, OPC conducts business or has material plans to conduct business of which you are aware. Notwithstanding the foregoing provisions, you may, directly or indirectly own, solely as an investment, securities of any person engaged in the Business that are publicly traded on a national or regional stock exchange or quotation system or on the over-the-counter market if you (A) are not a controlling person of, or a member of a group which controls, such person and (B) do not, directly or indirectly, own 2% or more of any class of securities of such person. You understand and acknowledge that during this six month period you may submit to Employer a request for an exception to this restriction on competition and that Employer shall promptly consider in good faith the specific circumstances of any request you submit.

(d) **Remedies**. Because of the difficulty of measuring economic losses to OPC as a result of a breach of the covenants set forth in this Paragraph 6, and because of the immediate and irreparable damage that would be caused to OPC for which they would have no other adequate remedy, you agree that Employer shall be entitled to enforce the foregoing covenants, in the event of a breach, by injunctions and restraining orders and that such enforcement shall not be Employer's exclusive remedy for a breach but instead shall be in addition to all other rights and remedies available to Employer at law and equity. The covenants in this Paragraph are severable and separate, and the unenforceability of any specific covenant (or portion thereof) shall not affect the provisions of any other covenant (or portion thereof). Moreover, in the event any arbitrator or court of competent jurisdiction shall determine that the scope, time or territorial restrictions set forth are unreasonable, then it is the intention of the parties that such restrictions be enforced to the fullest extent which the arbitrator or court deems reasonable, and this Agreement shall thereby be reformed.

7. **<u>Confidential Information</u>**: You agree that you will continue to comply after your Separation Date with any existing agreement with or for the benefit of OPC or between OPC and any third party for the benefit of the third party regarding confidential or proprietary information, including trade secrets and patents. Additionally, you agree that you will not divulge to any person, business, firm, corporation or government entity, nor use to the detriment of OPC, nor use in any business, venture, or any organization of any kind,

or in any process of manufacture, production or mining, at any time during the term of this Agreement or anytime thereafter:

(a) Any trade secrets of OPC, in any form, including, without limitation, all graphic material, forms, documents, data and information; and

(b) Any confidential information of OPC, in any form, including, without limitation, inventions, discoveries, improvements, methods, technology, business plans, environmental plans, procedures and practices, enterprises, manufacturing information, purchasing information, negotiations with any third parties, plant design or operation, financial results, medical records or information, or any other confidential information of OPC affecting or concerning any aspect of the business or operations of OPC or any of its directors, officers or employees, developed, acquired, used by, disclosed to or discovered by you during your employment by OPC.

However, nothing in this Agreement shall prohibit you from engaging in conduct that is protected under Paragraph 22, or from disclosing confidential information when compelled to do so by applicable law (such as by court order or subpoena).

8. **<u>Return of Property</u>**: You agree to return to Employer on or before the Separation Date, all originals, copies, and all electronic or digitally created or stored originals and copies of OPC's directories, policies, procedures, manuals, reports, organization charts, documents, records and files, including without limitation all information of the type described in Paragraphs 7(a) and (b).

9. **<u>Disclosure and Non-Disparagement</u>**: You will not disclose the terms and conditions of this Agreement to anyone other than your immediate family, accountant, or attorney or as directed by lawful court order, subpoena or other judicial or administrative process. You will not make any derogatory, defamatory or negative statement about OPC or any of its officers, directors, or employees to the press, electronic media, to any part of the investment community, to the public, or to any person connected with, employed by or having a relationship to any of them.

10. **<u>Waiver and Release</u>**: You absolutely and forever release and discharge OPC and its past and present parent entities, subsidiaries and affiliated entities and each of their shareholders, officers, directors, employees, insurance carriers, predecessors and successors, assigns, agents, attorneys, representatives, heirs, benefit plans, and administrators (referred to collectively as "**Employer Releasees**") and each of them from all your claims for relief, causes of action, liabilities, debts, liens, expenses, damages, judgments, attorneys' fees and costs of whatever kind or nature whatsoever, whether arising in law or equity, whether currently known or unknown, or later discovered by you, that you have, may have or claim to have against Employer Releasees, individually or collectively, arising out of, relating to, or resulting from any acts or omissions occurring prior to the execution of this Agreement, including without limitation, such acts or omissions arising out of, relating to or resulting from your employment, termination of employment or any compensation, benefits, or any other terms or conditions of that employment with OPC or its past and present parent entities, subsidiaries and affiliated entities (referred to collectively as your "**Released Claims**"). You represent that you are unaware of any workers' compensation claim brought on your behalf or any facts on which such a claim could be brought.

(a) Your Released Claims include but are not limited to all claims arising out of any express or implied agreement, or any California, Texas, New York, or other state, municipal, local, Federal or foreign constitution, statute, regulation or ordinance, order, public policy or common law, examples of which include, without limitation: Title VII of the Civil Rights Act of 1964; Civil Rights Act of 1991; Civil Rights Act of 1866; Equal Pay Act; Age Discrimination in Employment Act of 1967; Employee Retirement Income Security Act of 1974; Americans with Disabilities Act; Family and Medical Leave Act of 1993; United States Executive Orders 11246 and 11375; Regulations of the Office of Federal Contract Compliance Program; Rehabilitation Act of 1973; Worker Adjustment Retraining and Notification Act; New York Human Rights Laws; Texas Commission on Human Rights Act; Texas Labor Code Section 21.001 et seq.; California Government Code Section 12900 et seq.; all provisions of the California Labor Code; Orders of the California Industrial Welfare Commission; and all of the foregoing as they may have been amended.

(b) This Agreement does not waive claims you could make, if available, for unemployment compensation or worker's compensation benefits, and this Agreement does not release any claims the law does not permit you to release. You understand that you do not waive your right to file a charge with the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission or any other federal, state or local governmental agency or commission ("**Government Agencies**"), or engage in other protected conduct as described in Paragraph 22. However, with the exception of the type of awards specifically permitted under Paragraph 22, you agree to waive your right to obtain any monetary relief or other recovery, including without limitation reinstatement, as a result of or with regard to the matters alleged in any charge or complaint or to collect any monies or compensation as a result of filing or participating in such a charge or complaint, except where such a waiver is not permitted by law.

(c) Your Released Claims do not include obligations created by this Agreement or any existing rights to indemnity pursuant to statute, contractual indemnity, or By-law provisions of OPC. Furthermore, your Released Claims do not include any entitlement or right to vested benefits you may have pursuant to the terms of the applicable plans or claims that arise after the Effective Date of this Agreement.

11. **Laws With Respect to Releases**: There are laws that may invalidate releases of claims that are unknown to the releasing party. By signing this Agreement, and subject to the limitations provided in Paragraph 10(b) above, you agree to waive any protection to which you may otherwise be entitled against any Employer Releasees by virtue of any such law. In particular, and not by way of limitation, you represent and acknowledge that you are familiar with Section 1542 of the California Civil Code, which provides as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."

You waive and relinquish any rights and/or benefits that you have or may have against Employer Releasees individually and collectively under Section 1542 of the California Civil Code, or any similar applicable statute to the full extent permitted by law.

12. **Entire Agreement**: This Agreement, the Outstanding Award Agreements, and the agreements referred to in Paragraph 7, contain the entire agreement and understanding between the parties concerning the subject matters of this Agreement. Each party represents to the other that this Agreement is executed without reliance on any inducement or representation by anyone except as stated in this Agreement. Any other existing employment or consulting agreement or any plan, program or arrangement of separation, severance, termination, or pay continuation, oral, written or implied, between you and OPC shall be deemed to be terminated and of no further force or effect as of your Separation Date. This Agreement can only be modified by a writing signed by you and Employer.

13. **Dispute Resolution**: Any claim or controversy that arises between you and OPC shall be decided exclusively by final and binding arbitration, including without limitation, any claims arising out of or relating to the interpretation, enforcement, alleged breach, or the subject matters of this Agreement, claims by you against any Employer Releasees, and to the full extent permitted by law, any claims arising out of local, state, federal and foreign common law, statutes and ordinances. In exchange for the benefits of mutual and binding arbitration, you and Employer are waiving the right to bring a claim against the other in a court that would be tried before a judge or jury. You and Employer retain whatever rights to injunctive relief that may be available under applicable laws. Notwithstanding the foregoing, the following claims shall be excluded from arbitration: (i) complaints by you before an administrative agency to the extent applicable law permits access to such an agency notwithstanding the existence of this agreement to arbitrate, including without limitation claims or charges brought before the Equal Employment Opportunity Commission, the U.S. Department of Labor, the National Labor Relations Board, the Office of Federal Contract Compliance Programs and law enforcement authorities; (ii) Claims you may have for workers' compensation benefits, state disability insurance benefits and unemployment compensation benefits; (iii) actions by either party to pursue temporary and/or preliminary injunctive relief in a court of competent jurisdiction because the award to which the party may be entitled in arbitration may be rendered ineffectual without such relief, such as injunctive relief to prevent misappropriation of private or confidential information (provided, however, that all issues of final relief shall continue to be decided through arbitration, and the pursuit of temporary injunctive relief shall not constitute a waiver of the parties' agreement to arbitrate); and (iv) disputes that may not be subject to pre-dispute arbitration agreement as provided by the Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law 111-203). Nothing herein shall be construed to relieve any party of the duty to exhaust administrative remedies by filing a charge or complaint with an administrative agency and obtaining a right to sue notice, where otherwise required by law. Moreover, any dispute or claim in connection with the receipt of benefits under any OPC-sponsored benefit plans shall be governed exclusively by the claims procedures under the applicable plan.

To the full extent allowed by controlling law, and unless otherwise agreed by the parties, the arbitration will be conducted only in the form of a dual-party, bilateral proceeding between yourself and OPC wherein you represent only your own interests before a single arbitrator, in the state in which you last worked for OPC pursuant to the Federal Arbitration Act. Subject to the foregoing, the following will govern arbitration hereunder:

(a) **Commencing Arbitration**: Subject to the terms and conditions otherwise expressly provided for in this Agreement, the National Rules for the Resolution of Employment Disputes of the American Arbitration Association ("**AAA**") will apply. The party seeking arbitration will provide written notice, respectively, to the General Counsel of Employer or to you stating the issues to be arbitrated and a summary of the facts on which the claims are based. The parties will attempt to select a mutually acceptable arbitrator within 21 days after receipt of the written notice. If they are unable to agree, the arbitrator will be selected from a list of nine potential arbitrators recommended by AAA at the request of either party. The arbitrator will be an attorney with experience in the employment field or a retired judge.

(b) **Power of the Arbitrator**: The arbitrator's authority shall be limited to the award of remedies or relief (including injunctive relief) that would otherwise be available in court. Any award pursuant to said arbitration shall be accompanied by a written opinion of the arbitrator setting forth the reasons for the award. The award rendered by the arbitrator shall be conclusive and binding upon the parties hereto, and judgment upon the award may be entered, and enforcement may be sought in, any court of competent jurisdiction.

(c) **Expense of Arbitration**: To the extent required under applicable law, your responsibility for payment of the neutral arbitrator's fees and expenses shall be limited to an amount equal to the filing fee that would be required for a state trial court action and Employer shall pay all remaining fees and expenses of the arbitrator. Unless otherwise required under applicable law, the expenses of the arbitrator (including compensation) shall be borne equally by the parties and each party shall pay its own expenses of arbitration. Any controversy regarding the payment of fees and expenses under this arbitration provision shall be decided by the arbitrator. Payment of any fees or expenses by Employer that is required under this Paragraph 13(c) and that is not exempt from Section 409A shall comply with Section 409A's requirements for reimbursement or in-kind benefit plans, as set forth in regulation section 1.409A-3(i)(1)(iv) (or any successor provision). For purposes of satisfying such requirements under Section 409A, the following rules shall apply but only to the extent that the payment under this Paragraph 13(c) is subject to Section 409A, (i) any payment by Employer that is otherwise required by Paragraph 13(c) shall be made during the period ending on the second anniversary of the Separation Date, (ii) the amount of payments made during one taxable year for you shall not affect the amount of such payments in any other taxable year; (iii) a payment shall be made by the last day of your taxable year following the taxable year in which the expense was incurred and (iv) your right to payments by Employer under this Paragraph 13(c) shall not be subject to liquidation or exchange for any other benefit.

14. **<u>Acknowledgment With Respect to Releases/Effective Date</u>**: You acknowledge and agree that the releases given above include a waiver and release of any and all claims which you have or may have against Employer and Employer Releasees, individually and collectively, including, without limitation, any and all claims under the Age Discrimination in Employment Act of 1967, as amended, 29 U.S.C. §621 et seq. ("**ADEA**"). The waivers and releases above are given only in exchange for consideration (something of value) in addition to anything of value to which you are otherwise already entitled. The waiver and releases set forth above do not waive rights or claims that may arise after the date on which you sign this Agreement. You acknowledge that:

(a) You have carefully read and fully understand all of the terms and provisions of this Agreement;

(b) This Agreement is written in a manner calculated to be and is understood by you;

(c) You knowingly and voluntarily waive and release your rights and claims and agree to all of the terms and provisions of this Agreement;

(d) You knowingly and voluntarily intend to be legally bound by all of the terms and provisions of this Agreement;

(e) You were previously advised, and are hereby advised in writing to consult with an attorney of your choice before executing this Agreement;

(f) You have a full 21 days from the date you are presented with this Agreement to consider whether or not to sign this Agreement; and

(g) To the extent you execute this Agreement before the expiration of the 21-day period, you do so knowingly and voluntarily.

You have the right to cancel and revoke this Agreement during the seven (7) calendar days following the day on which you execute this Agreement as evidenced by the date beneath your signature. This Agreement shall not become effective, and no money or other consideration shall be paid hereunder, and no other Employer duty hereunder will arise until the expiration of such 7-day period. In order to revoke this Agreement, you must deliver to Darin Moss, Vice President, Human Resources, Occidental Petroleum Corporation, 5 Greenway Plaza, Houston, Texas 77046, prior to the expiration of said 7-day period, a written notice of cancellation. In accordance with Paragraph 1, this Agreement shall take effect at 12:00 a.m. on the eighth day after you sign this Agreement, provided you have not revoked this Agreement.

15. **Severability**: If any part of this Agreement, with the exception of Paragraphs 2, 3, 4, 5, 10, 11 and 14, is held by any tribunal of appropriate jurisdiction to be invalid or unenforceable, that part shall be stricken from this Agreement and all other terms of this Agreement shall remain in full force and effect to the full extent permitted by law. Paragraphs 2, 3, 4, 5, 10, 11 and 14 are the essence of this Agreement and should any part of these paragraphs be deemed invalid or unenforceable, this Agreement shall be null and void and any consideration received under this Agreement shall be returned to Employer.

16. **Successors**: This Agreement shall be binding upon you, your heirs, executors and assigns and upon Employer, and all of its successors and assigns.

17. **Governing Law/Compliance with Law**: This Agreement shall be governed by, and construed in accordance with, the laws of the State of Texas, without giving effect to any choice of law rules or principles thereof, and shall be construed according to its ordinary meaning and not for or against either party. Notwithstanding the foregoing, this Agreement shall be interpreted in accordance with all applicable requirements of Section 409A, and any distribution, acceleration or election feature of this Agreement subject to Section 409A that could result in the early inclusion in gross income shall be deemed restricted or limited to the extent necessary to avoid such result. For the avoidance of doubt, all amounts payable to you under Paragraph 3 between your Separation Date and March 15, 2018 are intended to qualify as “short term deferrals” under Section 409A. Further, your right to receive any portion of the payments provided under this Agreement in the form of installment payments shall be treated as a right to receive a series of separate payments and, accordingly, each payment shall at all times be considered a separate and distinct payment.

18. **Address for Communications**: You shall keep Employer informed of (i) your official residence address for purposes of communications pursuant to this Agreement and under benefit plans and (ii) your designated bank account to receive payments pursuant to this Agreement through direct deposit.

19. **No Admission of Liability**: This Agreement does not constitute an admission by any party hereto of wrongdoing or liability and it shall not be construed as such.

20. **No Attorneys’ Fees or Costs**: Each party to this Agreement shall bear its own attorney fees and costs of any kind incurred in connection with the negotiation, review and finalization of this Agreement.

21. **Return of Incorrect Payments**: If you receive separation payments, benefit award amounts (in cash or equity), distributions of deferred amounts or other property or compensation from OPC to which you are not entitled hereunder or which otherwise should have been withheld for taxes or otherwise, then, and in such event, you shall hold such separation payments, benefit award amounts, distributions or other property or compensation in trust for the benefit of, and shall immediately pay over or deliver such property to, Employer. If Employer has continuing payment obligations under this Agreement at the time such error in payment is discovered, Employer may offset such payment obligations against your obligations under this Paragraph 21.

22. **Protected Conduct**: Nothing contained in this Agreement limits your ability to file a charge or complaint with a Government Agency. This Agreement does not limit your ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted

by any Government Agency, including providing documents or other information to a Government Agency that is confidential information or a trade secret, without advance approval from or notice to Employer. You understand and agree that any such disclosure of confidential or trade secret information by you to a Government Agency intended to be considered a protected disclosure under the 2016 Defend Trade Secrets Act shall comply with the requirements of 18 U.S.C. §1833(b). You acknowledge notice that you may not be held criminally or civilly liable for a disclosure of a trade secret under state or federal laws so long as the disclosure complies with the requirements of the 2016 Defend Trade Secrets Act (which are described more fully in OPC Speak-Up and Non-Retaliation Policy (Policy No. 91:80:00)). In addition, nothing in this Agreement shall be construed to limit or eliminate your right to receive an award from a Government Agency for information provided to a Government Agency.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date set forth above.

EMPLOYER

By: **_/s/Glenn Vangolen___________**
GLENN VANGOLEN
SENIOR VICE PRESIDENT BUSINESS SUPPORT
OCCIDENTAL PETROLEUM CORPORATION

By: **_/s/ Christopher G. Stavros______________________**
CHRISTOPHER G. STAVROS

Date: **_June 19, 2017_______________________________**

Occidental Petroleum Corporation
5 Greenway Plaza, Suite 110
Houston, Texas 77046
Telephone 713-215-7000

Vicki A Hollub
President and Chief Executive Officer

PERSONAL AND CONFIDENTIAL

May 22, 2017,

Dear Cedric:

My colleagues and I are extremely pleased that you will be joining us. The purpose of this correspondence is to confirm our offer, subject to approval of our Board of Directors, and your acceptance of employment. The terms and conditions of our employment offer are as follows:

1. **Title**: Your title will be Senior Vice President and Chief Financial Officer.

2. **Reporting Relationship**: You will report directly to me.

3. **Start Date**: You will commence employment on May 31, 2017, or on another mutually agreeable date (your "**Employment Date**").

4. **Initial Base Salary**: $600,000 per year subject to annual review, paid bi-weekly during your continued employment.

5. **Initial Annual Bonus**: You will be eligible to participate in the Occidental Petroleum Corporation (the "Company") Executive Incentive Compensation Plan during your continued employment, with, subject to Compensation Committee approval, an initial target bonus of $600,000 subject to annual review.

6. **Sign-On Cash Bonus**: You will receive a sign-on cash bonus of $250,000, subject to your continued employment, payable as follows:
    a. $125,000 paid with your first regular paycheck following your Employment Date.
    b. $125,000 paid with your first regular paycheck following the first anniversary of your Employment Date.

7. **Sign-On Long-Term Incentives**: Effective as of your Employment Date, you will be awarded Restricted Stock Units with an initial value (based on the closing price of Company stock on the date of the award), of $2,500,000, subject to the Company's standard employment terms. This award will vest over a three year period on a prorated basis with a vesting start date on your Employment Date.

8. **Ongoing Long-Term Incentives**: You will be eligible to participate in the Company's annual Long-Term Incentive program beginning with the award made in 2018. Subject to market and Company conditions at the time, your performance, and Compensation Committee approval, we anticipate that

you will receive a total target award of at least $2,000,000 per year beginning in 2018. The form of Long-Term Incentives will be decided by the Compensation Committee on an annual basis.

9. **Employee Benefits**: During your continued employment, you will be entitled to the full array of employee benefits available to similarly situated Company executives, including Financial Planning and Personal Excess Liability Insurance, as they may exist from time to time.

10. **Vacation Entitlement**: You will accrue 200 hours of vacation per year (prorated for the first year of employment).

This offer of employment is contingent upon satisfactory results of a drug screen, background investigation and Board approval. This offer is further contingent upon confirmation to our satisfaction that you are not subject to any non-competition or other obligations that would interfere with your employment with us. We understand that you will not announce your resignation from your current position to your current employer until these contingencies have been met and we agree not to announce your employment with the Company until you have announced your resignation from your current position. Your employment with the Company is at-will; this letter in not a guarantee of continuing employment and no part of this letter may be assigned. This letter will be governed by Texas law (without giving effect to its conflicts of laws principles), constitutes the final, complete and exclusive expression of the parties' intent on this subject matter and may only be amended in a writing signed by each party.

Please call me if you have any questions relative to your employment. If everything is stated correctly and to your satisfaction, please sign both copies of this offer letter and return one copy in the enclosed FedEx envelope.

I would like to take this opportunity to welcome you to Occidental Petroleum Corporation. I very much look forward to working with you.

Sincerely,

/s/ Vicki Hollub

Vicki Hollub
Chief Executive Officer

Agreed and Accepted:
/s/ Cedric W. Burgher May 22, 2017
Cedric W. Burgher Date

Copy: Glenn Vangolen
Darin Moss

EXHIBIT 12

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
COMPUTATION OF TOTAL ENTERPRISE RATIOS OF EARNINGS TO FIXED CHARGES
(Amounts in millions, except ratios)

	Six Months Ended June 30		Year Ended December 31				
	2017	2016	2016	2015	2014	2013	2012
Income from continuing operations	$ 624	$ (496) [(a)]	$ (1,002)	$ (8,146)	$ (130)	$ 4,932	$ 3,829
Add/(Subtract):							
Net income attributable to noncontrolling interest	—	—	—	—	(14)	—	—
Adjusted income from equity investments [(b)]	(126)	14	43	21	64	52	163
	498	(482)	(959)	(8,125)	(80)	4,984	3,992
Add:							
Provision for taxes on income (other than foreign oil and gas taxes)	31	(509)	(1,281)	(2,070)	(280)	1,353	249
Interest and debt expense	167	178	292	147	77	132	149
Portion of lease rentals representative of the interest factor	62	31	79	63	52	60	58
	260	(300)	(910)	(1,860)	(151)	1,545	456
Earnings before fixed charges	$ 758	$ (782)	$ (1,869)	$ (9,985)	$ (231)	$ 6,529	$ 4,448
Fixed charges:							
Interest and debt expense including capitalized interest	$ 195	$ 148	$ 356	$ 285	$ 257	$ 269	$ 254
Portion of lease rentals representative of the interest factor	62	31	79	63	52	60	58
Total fixed charges	$ 257	$ 179	$ 435	$ 348	$ 309	$ 329	$ 312
Ratio of earnings to fixed charges	2.95	(4.38)	(4.30)	(28.69)	(0.75)	19.83	14.26
Insufficient coverage		(961) [(c)]	(2,304)	(10,333)	(540)		

Note: Results of California Resources Corporation have been reflected as discontinued operations for all periods presented.

(a) The 2016 amount includes a $78 million dollar after-tax impairment charge related to the special stock dividend of California Resources shares in the first quarter.

(b) Represents adjustments to arrive at distributed income from equity investees.

(c) The 2016 second quarter ratio of earnings to fixed charges excluding certain items (a) was (3.94).

EXHIBIT 31.1

RULE 13a – 14(a) / 15d – 14(a)
CERTIFICATION
PURSUANT TO §302 OF THE SARBANES-OXLEY ACT OF 2002

I, Vicki Hollub, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Occidental Petroleum Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 2, 2017

/s/ Vicki Hollub
Vicki Hollub
President and Chief Executive Officer

EXHIBIT 31.2

RULE 13a – 14(a) / 15d – 14(a)
CERTIFICATION
PURSUANT TO §302 OF THE SARBANES-OXLEY ACT OF 2002

I, Cedric W. Burgher, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Occidental Petroleum Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 2, 2017

/s/ Cedric W. Burgher
Cedric W. Burgher
Senior Vice President and Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION OF CEO AND CFO PURSUANT TO
18 U.S.C. § 1350,
AS ADOPTED PURSUANT TO
§ 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Occidental Petroleum Corporation (the “Company”) for the fiscal period ended June 30, 2017, as filed with the Securities and Exchange Commission on August 2, 2017 (the “Report”), Vicki Hollub, as Chief Executive Officer of the Company, and Cedric W. Burgher, as Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of her or his knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Vicki Hollub

Name:	Vicki Hollub
Title:	President and Chief Executive Officer
Date:	August 2, 2017

/s/

Name:	Cedric W. Burgher
Title:	Senior Vice President and Chief Financial Officer
Date:	August 2, 2017

A signed original of this written statement required by Section 906 has been provided to Occidental Petroleum Corporation and will be retained by Occidental Petroleum Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.