
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **November 25, 2014**

OCCIDENTAL PETROLEUM CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1-9210
(Commission
File Number)

95-4035997
(I.R.S. Employer
Identification No.)

5 Greenway Plaza, Suite 110
Houston, Texas
(Address of principal executive offices)

77046
(ZIP code)

Registrant's telephone number, including area code: **(713) 215-7000**

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the Registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

Spin-Off Agreements

In connection with the previously announced spin-off (the Spin-Off) of Occidental Petroleum Corporation's (Occidental) California oil and gas operations and related assets through the distribution of approximately 80.5% of all outstanding shares of common stock of California Resources Corporation (California Resources) to the holders of Occidental common stock (the Distribution), Occidental entered into several agreements with California Resources on November 25, 2014 that govern the Spin-Off and the relationship of the parties following the Spin-Off, including the following:

- Separation and Distribution Agreement;
- Stockholder's and Registration Rights Agreement;
- Tax Sharing Agreement;
- Employee Matters Agreement;
- Transition Services Agreement;
- Area of Mutual Interest Agreement;
- Confidentiality and Trade Secret Protection Agreement; and
- Intellectual Property License Agreement.

We refer to these agreements collectively as the "Operative Agreements."

Each of the Operative Agreements, other than the Separation and Distribution Agreement, was effective as of 11:59 PM ET on November 30, 2014, the effective time of the Spin-Off. A summary of certain material features of the Operative Agreements can be found in the section entitled "Arrangements Between Occidental and Our Company" in the Information Statement (the Information Statement) attached as Exhibit 99.1 to California Resources' Registration Statement on Form 10, initially filed with the Securities and Exchange Commission on June 5, 2014, as amended, and declared effective on October 16, 2014 (the Registration Statement), and is incorporated herein by reference. The summary is qualified in its entirety by reference to the Separation and Distribution Agreement, Stockholder's and Registration Rights Agreement, Tax Sharing Agreement, Employee Matters Agreement, Transition Services Agreement, Area of Mutual Interest Agreement, Confidentiality and Trade Secret Protection Agreement and Intellectual Property License Agreement, attached hereto as Exhibits 2.1, 10.1, 10.2, 10.3, 10.4, 10.5, 10.6 and 10.7, respectively, each of which is incorporated herein by reference.

Relationships

As more fully described in the section entitled "Arrangements Between Occidental and Our Company" in the Information Statement, we entered into the Operative Agreements with California Resources in the context of our relationship as California Resources' sole stockholder. As a result of the Spin-Off, Occidental now owns 71.5 million shares of California Resources' common stock. Pursuant to the Stockholder's and Registration Rights Agreement, Occidental granted California Resources a proxy to vote the shares of California Resources' common stock that Occidental retained after the Distribution in proportion to the votes cast by California Resources' other stockholders. This proxy, however, will be automatically revoked as to a particular share upon any transfer of such share from Occidental to a person other than Occidental, and neither the voting agreement nor the proxy will limit or prohibit any transfer.

Item 2.01 Completion of Acquisition or Disposition of Assets.

The information included in Item 1.01 of this Current Report on Form 8-K is incorporated herein by reference. In connection with certain internal restructuring steps implemented in contemplation of the Distribution, Occidental contributed to California Resources the assets of the California oil and gas business of Occidental. In exchange, California Resources has issued shares of its common stock to Occidental, assumed certain liabilities from Occidental and made special cash distributions of \$6.1 billion to Occidental.

On November 30, 2014, Occidental effected the Distribution and California Resources is now an independent public company and began trading “regular way” under the symbol “CRC” on the New York Stock Exchange on December 1, 2014. On November 30, 2014, the shareholders of record of Occidental common stock on November 17, 2014 (the “Record Date”) received 0.4 shares of California Resources common stock for each share of Occidental common stock held as of the Record Date.

Item 7.01 Regulation FD.

On December 1, 2014, Occidental issued a press release announcing the completion of the Spin-Off. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(b) Pro Forma Financial Information. The unaudited pro forma condensed consolidated balance sheet of Occidental Petroleum Corporation dated as of September 30, 2014 and unaudited pro forma condensed consolidated statements of income of Occidental Petroleum Corporation for the nine months ended September 30, 2014 and 2013 and for each of the three years ended December 31, 2013 and the related notes there to are filed as Exhibit 99.2 to this Current Report on Form 8-K.

(d) Exhibits. See “Exhibit Index” attached to this Current Report on Form 8-K, which is incorporated by reference herein.

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 hereunto duly authorized.

OCCIDENTAL PETROLEUM CORPORATION

DATE: December 1, 2014

/s/ Jennifer Kirk

Jennifer Kirk

Vice President and Controller

EXHIBIT INDEX

Exhibit No.	Description
2.1	Separation and Distribution Agreement by and between Occidental Petroleum Corporation and California Resources Corporation, dated November 25, 2014.
10.1	Stockholder's and Registration Rights Agreement by and between Occidental Petroleum Corporation and California Resources Corporation, dated November 25, 2014.
10.2	Tax Sharing Agreement by and between Occidental Petroleum Corporation and California Resources Corporation, dated November 25, 2014.
10.3	Employee Matters Agreement by and between Occidental Petroleum Corporation and California Resources Corporation, dated November 25, 2014.
10.4	Transition Services Agreement by and between Occidental Petroleum Corporation and California Resources Corporation, dated November 25, 2014.
10.5	Area of Mutual Interest Agreement by and between Occidental Petroleum Corporation and California Resources Corporation, dated November 25, 2014.
10.6	Confidentiality and Trade Secret Protection Agreement by and between Occidental Petroleum Corporation and California Resources Corporation, dated November 25, 2014.
10.7	Intellectual Property License Agreement by and between Occidental Petroleum Corporation and California Resources Corporation, dated November 25, 2014.
99.1	Press Release, dated December 1, 2014.
99.2	Unaudited pro forma condensed consolidated balance sheet of Occidental Petroleum Corporation dated as of September 30, 2014 and unaudited pro forma condensed consolidated statements of income of Occidental Petroleum Corporation for the nine months ended September 30, 2014 and 2013 and for each of the three years ended December 31, 2013.

SEPARATION AND DISTRIBUTION AGREEMENT

BY AND BETWEEN

OCCIDENTAL PETROLEUM CORPORATION

AND

CALIFORNIA RESOURCES CORPORATION

DATED AS OF NOVEMBER 25, 2014

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SEPARATION AND DISTRIBUTION AGREEMENT

This SEPARATION AND DISTRIBUTION AGREEMENT, made and entered into effective as of November 25, 2014 (this "Agreement"), is by and between Occidental Petroleum Corporation, a Delaware corporation ("OPC"), and California Resources Corporation, a Delaware corporation and wholly owned subsidiary of OPC ("CRC"). Capitalized terms used herein and not otherwise defined shall have the respective meanings assigned to them in Article I.

R E C I T A L S

On February 14, 2014, the board of directors of OPC (the "OPC Board") approved the spin-off of the CRC Business as a separate publicly traded company.

The OPC Board has determined that the spin-off of the CRC Business is in the best interests of OPC, CRC and the OPC shareholders.

In furtherance of the foregoing, the OPC Board determined that it is appropriate and desirable for OPC and its applicable Subsidiaries to transfer the CRC Assets to CRC and certain entities that would become Subsidiaries of CRC (any such Subsidiaries, the "CRC Designees"), and for CRC and the CRC Designees to assume or retain, as applicable, the CRC Liabilities in each case as more fully described in this Agreement and the Ancillary Agreements (the "Separation").

CRC was formed by Occidental Petroleum Investment Co., the predecessor entity of OXY USA, on April 23, 2014, for purposes of effecting the Separation, and Occidental Petroleum Investment Co. received all 1,000 (authorized) shares of CRC common stock.

On September 11, 2014, pursuant to the Contribution, Conveyance and Assumption Agreement between OXY USA and CRC (the "First Contribution Agreement"), OXY USA transferred all of the material CRC Assets, including the Transferred Entities, to CRC, and CRC assumed all of the material CRC Liabilities (the "First Contribution").

On October 1, 2014, CRC completed a bond offering pursuant to which it issued notes with an aggregate principal amount of \$5 billion.

On October 9, 2014, CRC distributed \$4.95 billion to OXY USA in payment of a dividend declared by CRC to OXY USA on October 2, 2014 (the "Loan 1 Proceeds Dividend").

On October 9, 2014, OXY USA distributed the proceeds of the Loan 1 Proceeds Dividend to OPC and on October 10, 2014, OXY USA distributed all 1,000 outstanding shares of CRC common stock to OPC (collectively, the "First Distribution"), both distributions in payment of a dividend declared by OXY USA to OPC on October 6, 2014 (the First Contribution, the Loan 1 Proceeds Dividend and the First Distribution, collectively, the "Internal Spin-Off").

On November 24, 2014, pursuant to the Contribution, Conveyance and Assumption Agreement between OPC and CRC (the "Second Contribution Agreement"), OPC transferred, or caused to be transferred, to CRC all remaining CRC Assets, and CRC assumed all remaining CRC Liabilities (the "Second Contribution").

On November 25, 2014, CRC borrowed \$1.05 billion pursuant to a five-year senior loan facility and a five-year senior revolving credit facility.

CRC currently expects to distribute a dividend to OPC in the amount of \$1.05 billion on November 26, 2014 (the "Loan 2 Proceeds Dividend").

OPC currently expects that it will cause CRC to declare a dividend of CRC Common Stock on November 28, 2014.

OPC currently expects that, on the Distribution Date, it will distribute to holders of shares of OPC Common Stock, through a Spin-Off, at least 80.1% of the outstanding shares of CRC Common Stock, as more fully described in this Agreement and the Ancillary Agreements (the "Initial Distribution"), and OPC expects to distribute the remaining outstanding shares of CRC Common Stock owned by OPC to some or all of its shareholders in one or more subsequent distributions or exchanges within 18 months following the Initial Distribution as more fully described in this Agreement and the Ancillary Agreements, and consistent with the Private Letter Ruling (together with the Initial Distribution, the "Distribution," and the Distribution, together with the Second Contribution, the "External Spin-Off").

In connection with the Separation, OPC intends to cause, to the extent not previously caused (prior to the date hereof), CRC to declare and distribute the Cash Dividends at such times and in the manner set forth in the Restructuring Steps Memorandum.

For U.S. federal income tax purposes, the Internal Spin-Off and the External Spin-Off are each intended to qualify as tax-free transactions under Sections 355, 361(a) and/or 368(a)(1)(D) of the Code.

This Agreement and the Ancillary Agreements, are intended to be, and are hereby adopted as a "plan of reorganization" within the meaning of Treas. Reg. § 1.368-2(g).

It is appropriate and desirable to set forth the principal corporate transactions required to effect the Separation (to the extent not previously completed prior to the date hereof, subject to the conflict principles set forth in Section 8.6 of this Agreement) and the Distribution and certain other agreements that will govern certain matters relating to the Separation and the Distribution and the relationship of OPC, CRC and their respective Subsidiaries, following the Distribution.

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained in this Agreement, the Parties, intending to be legally bound, agree as follows:

Article I
DEFINITIONS

For the purpose of this Agreement, the following terms shall have the following meanings:

“AAA” shall have the meaning set forth in Section 4.3.

“AAA Commercial Arbitration Rules” shall have the meaning set forth in Section 4.4(a).

“Action” means any demand, action, claim, dispute, suit, countersuit, arbitration, inquiry, subpoena, proceeding or investigation of any nature (whether criminal, civil, legislative, administrative, regulatory, prosecutorial or otherwise) by or before any federal, state, local, foreign or international Governmental Authority or any arbitration or mediation tribunal.

“Affiliate” means, when used with respect to a specified Person, a Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified Person. For the purpose of this definition, “control” (including with correlative meanings, “controlled by” and “under common control with”), when used with respect to any specified Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or other interests, by contract, agreement, obligation, indenture, instrument, lease, promise, arrangement, release, warranty, commitment, undertaking or otherwise. From and after the Distribution Date, (a) no member of the CRC Group shall be deemed to be an Affiliate of any member of the OPC Group and (b) no member of the OPC Group shall be deemed to be an Affiliate of any member of the CRC Group.

“Agent” means the distribution agent to be appointed by OPC to distribute to the stockholders of OPC at least 80.1% of the outstanding shares of CRC Common Stock pursuant to the Initial Distribution.

“Agreement” shall have the meaning set forth in the Preamble.

“Ancillary Agreements” means the Area of Mutual Interest Agreement, the Confidentiality and Trade Secret Protection Agreement, the Employee Matters Agreement, the Intellectual Property License Agreement, the Stockholder’s Agreement, the Transition Services Agreement, the Tax Sharing Agreement and the Transfer Documents.

“Approvals or Notifications” means any consents, waivers, approvals, permits or authorizations to be obtained from, notices, registrations or reports to be submitted to, or other filings to be made with, any Third Party, including any Governmental Authority.

“Area of Mutual Interest Agreement” means the Area of Mutual Interest Agreement, dated as of the date hereof, between OPC and CRC.

“Assets” means, with respect to any Person, the assets, properties, claims and rights (including goodwill) of such Person, wherever located (including in the possession of vendors or other Third Parties or elsewhere), of every kind, character and description, whether real, personal or mixed, tangible, intangible or contingent, in each case, whether or not recorded or reflected or required to be recorded or reflected on the books and records or financial statements of such Person, including the following:

(a) All Hydrocarbons (whether in place, in storage, in pipelines or elsewhere) and all interests in and rights with respect to Hydrocarbons and Hydrocarbon leases, subleases, fee interests, fee mineral interests, wells, mineral servitudes, royalties, overriding royalties, production payments, net profits interests, carried interests, reversionary interests and all other interests of any kind or character in Hydrocarbons in place or produced (collectively, “oil and gas interests”), together with any and all other rights, titles and interests in and to any pooled acreage, communitized acreage or units arising on account of oil and gas interests having been pooled, communitized or unitized into such units;

(b) all Records;

(c) all apparatus, IT Equipment, fixtures, machinery, equipment, furniture, office equipment, automobiles, trucks, vessels, motor vehicles and other transportation equipment, well equipment, casing, tubing, pumps, motors, machinery, platforms, rods, tanks, boilers, fixtures, compression equipment, flowlines, pipelines, gathering systems associated with wells, manifolds, processing and separation facilities, pads, structures, materials and other tangible personal property;

(d) all inventories of materials, parts, raw materials, components, supplies, works-in-process and finished goods and products;

(e) all interests in real property of whatever nature, including buildings, fixtures and easements, whether as owner, mortgagee or holder of a Security Interest in real property, lessor, sublessor, lessee, sublessee or otherwise, including interests in and rights with respect to all leases, subleases, licenses, easements, rights-of-way or other similar surface interests, or other occupancy or similar agreements granting surface use or surface occupancy rights and all pipelines, gathering systems, salt water disposal wells and evaporation pits;

(f) (i) all interests in any capital stock or other equity interests of any Subsidiary, Affiliate or any other Person, (ii) all bonds, notes, debentures or other securities issued by any Subsidiary, Affiliate or any other Person, (iii) all loans, advances or other extensions of credit or capital contributions to any Subsidiary, Affiliate or any other Person, and (iv) all other investments in securities of any Person;

(g) all license agreements, leases of personal property, open purchase orders for raw materials, supplies, parts or services and other contracts, agreements or commitments;

(h) all letters of credit;

(i) all written (including in electronic form) or oral technical information, data, specifications, research and development information, engineering drawings and specifications, operating and maintenance manuals, and materials and analyses prepared by consultants and other Third Parties;

(j) all Intellectual Property;

(k) all Software;

(l) all cost information, sales and pricing data, customer prospect lists, supplier records, customer and supplier lists, customer and vendor data, correspondence and lists, product data and literature, artwork, design, formulations and specifications, quality records and reports and other books, records, studies, surveys, reports, plans and documents;

(m) all prepaid expenses, trade accounts and other accounts and notes receivable;

(n) all rights under contracts or agreements, all claims or rights against any Person arising from the ownership of any Asset described in (a) through (m) and (o) through (q) hereof, including, to the extent transferrable, all rights against Third Parties with respect to indemnification, and all rights in connection with any bids or offers and all claims, choses in action or similar rights, whether accrued or contingent;

(o) all licenses, permits, approvals and authorizations which have been issued by any Governmental Authority;

(p) all cash or cash equivalents, bank accounts, lock boxes and other deposit arrangements; and

(q) all interest rate, currency, commodity or other swap, collar, cap or other hedging or similar agreements or arrangements.

“Assumed Actions” means (a) those Actions which are listed in Schedule 1.1; and (b) those Actions that are exclusively related to the CRC Business, regardless whether listed on Schedule 1.1.

“California Resources Long Beach” means California Resources Long Beach, Inc., a Delaware corporation (formerly OXY Long Beach, Inc.).

“Cash Dividends” means (i) a dividend paid on October 9, 2014 by CRC to OXY USA Inc., a Delaware corporation and sole stockholder of record of CRC on such date in the aggregate amount of \$4.95 billion and (ii) a dividend payable on November 26, 2014 to OPC, the stockholder of record at the close of business on November 28, 2014, in the aggregate sum of \$1.05 billion and (iii) a dividend payable on November 28, 2014 to OPC including the cash and cash equivalents held by all the members of the CRC Group as of the close of business on November 28, 2014 as determined by the Cash Dividend Committee of CRC pursuant to instructions from OPC.

“Code” means the Internal Revenue Code of 1986, as amended.

“Confidentiality and Trade Secret Protection Agreement” means the Confidentiality and Trade Secret Protection Agreement, dated as of the date hereof, between OPC and CRC.

“Corporate Action” means any Action, whether filed before, on or after the Distribution Date, to the extent it asserts violations of any federal, state, local, foreign or international securities Law, securities class action or shareholder derivative claim.

“CRC” shall have the meaning set forth in the Preamble.

“CRC Accounts” shall have the meaning set forth in Section 2.9(a).

“CRC Assets” shall have the meaning set forth in Section 2.2(a).

“CRC Balance Sheet” means the unaudited combined balance sheet of the CRC Group, including the notes thereto, as of September 30, 2014.

“CRC Business” means (a) the exploration for and development and production of crude oil and condensate, NGL and natural gas in the State of California and in state and federal waters offshore California, including all California operations of OPC’s Oil and Gas Segment including those operated through California Resources Long Beach and CREH, CRPC, and the California operations of OXY USA, and the gathering and processing of such crude oil, condensate, NGL and natural gas, (b) the ownership interest in and/or operation of three natural gas-fired cogeneration power plants at Elk Hills Field in California and THUMS in California, (c) the marketing and trading of crude oil and condensate, NGL, natural gas, water, steam and electricity produced in the operations set forth in clause (a) and (b) of this definition, and (d) the abandonment, monitoring and remediation of oil and gas properties and operations utilized therein. For the avoidance of doubt, the “CRC Business” shall not include (i) the existing Third-Party natural gas marketing business of OPC and its Subsidiaries’ non-California midstream and marketing segment, which participates in various U.S. markets, including California, and (ii) the office building located at 10889 Wilshire Boulevard, Los Angeles, CA 90024, which is owned by Oxy Westwood Corporation, a California corporation that is a subsidiary of OXY USA.

“CRC Certificate of Incorporation” shall have the meaning set forth in Section 3.2(d).

“CRC Common Stock” means the common stock, par value \$0.01 per share, of CRC.

“CRC Contracts” means the following contracts, agreements and instruments to which OPC or any of its Affiliates is a party or by which it or any of its Affiliates or any of their respective Assets is bound, whether or not in writing, in each case immediately prior to the Distribution Date (except for any such contract or agreement that is contemplated to be retained by OPC or any member of the OPC Group pursuant to any provision of this Agreement or any Ancillary Agreement, including those listed on Schedule 1.2 (each, an “OPC Contract”)):

(a) The contracts, agreements and instruments evidencing or creating the oil and gas interests in each case that relates exclusively to the CRC Business;

(b) Without duplication of the preceding clause (a), any farm-in or farm-out agreement, confidentiality agreement, area of mutual interest agreement, joint venture agreement, development agreement, production sharing agreement, operating agreement, unitization, pooling or communitization agreement, declaration and order, division order, transfer order, oil and gas sales agreement, exchange agreement, gathering and processing contract or agreement, drilling, service or supply contract, geophysical or geological contract, land broker, title attorney or abstractor contract or any other contract relating to Hydrocarbons or revenues therefrom and claims and rights thereto, in each case that relates exclusively to the CRC Business;

(c) Any lease, sublease, license, easement or other occupancy or similar agreement granting surface use or surface occupancy rights, in each case that relates exclusively to the CRC Business;

(d) Any contract that relates to futures, swaps, collars, puts, calls, floors, caps, options or otherwise is intended to reduce or eliminate the fluctuations in the prices of commodities, including natural gas, natural gas liquids, crude oil and condensate, in each case that relates exclusively to the CRC Business;

(e) Any customer, distribution, supply or vendor contract, or any joint venture or license agreement, in each case, that relates exclusively to the CRC Business, including those contracts listed on Schedule 1.2(e);

(f) Any employment, change of control, retention, consulting, indemnification, termination, severance or other similar agreement with any CRC Group Employees;

(g) Any other contract that relates exclusively to the CRC Business.

“CRC Covered Group” means those individuals of CRC who were serving as directors or officers of OPC or any of its Subsidiaries at or prior to the Distribution Date.

“CRC Designees” shall have the meaning set forth in the Recitals.

“CREH” means California Resources Elk Hills, LLC, the Delaware limited liability company into which Occidental of Elk Hills Inc. was converted.

“CRC Financing Arrangements” means the Rule 144A / Capital Markets Securities, the Term Loan Facility, and the Revolving Credit Facility.

“CRC Group” means CRC, (i) each Subsidiary of CRC immediately after the Distribution Date, (ii) each Affiliate of CRC controlled by CRC immediately after the Distribution Date and (iii) each other entity that becomes a Subsidiary of CRC at any time following the Distribution Date for so long as such entity is a Subsidiary of CRC.

“CRC Group Employee” shall have the meaning set forth in the Employee Matters Agreement.

“CRC Indemnitees” shall have the meaning set forth in Section 5.5.

“CRC Intellectual Property” means (a) the patents, registered trademarks, registered service marks, registered Internet domain names, copyright registrations, and applications for the foregoing (collectively, “Registered IP”) set forth on Schedule 1.3(a), (b) all Registered IP that is owned exclusively by or licensed exclusively to any member of the CRC Group at or prior to the Distribution Date, excluding any such Registered IP that has been assigned by any member of the CRC Group to any member of the OPC Group prior to the Distribution Date, and (c) all Intellectual Property set forth on Schedule 1.3(c).

“CRC Liabilities” shall have the meaning set forth in Section 2.3(a).

“CRC Stock Plan” means the California Resources Corporation Long-Term Incentive Plan.

“CRC Third Party Claim” shall mean any claim or commencement of any Action by any Person (including any Governmental Authority) other than (i) CRC, (ii) each Subsidiary of CRC immediately after the Distribution Date, (iii) each Affiliate of CRC controlled by CRC immediately after the Distribution Date and (iv) any successor to any such Person referenced to in clauses (i), (ii), or (iii).

“CRC Transfer Documents” shall have the meaning set forth in Section 2.1(c).

“Credit Agreement” means the Credit Agreement, dated as of September 24, 2014, among CRC, as the borrower, the several lenders from time to time parties thereto, JPMorgan Chase Bank, N.A., as administrative agent, swingline lender and a letter of credit issuer, Bank of America, N.A., as syndication agent, swingline lender and a letter of credit issuer, and Citibank N.A. and Wells Fargo Bank, National Association, as documentation agents.

“Credit Rating” means on any date, the rating that has been most recently announced by any Rating Agency for any class of senior, unsecured, non-convertible long-term debt of a Person.

“CRPC” means California Resources Production Corporation, the Delaware corporation into which Vintage Production California LLC was converted.

“Dispute” shall have the meaning set forth in Section 4.1(a).

“Distribution” shall have the meaning set forth in the Recitals.

“Distribution Date” means the date and time determined in accordance with Section 3.1(a) at which the Initial Distribution occurs.

“Distribution Ratio” means 0.40 shares of CRC Common Stock distributed in the Initial Distribution in respect of one share of OPC Common Stock.

“Employee Matters Agreement” means the Employee Matters Agreement, dated as of the date hereof, between OPC and CRC.

“Environmental Law” means any Law pertaining to (a) the protection of, or prevention of harm to, the environment or natural resources, (b) the generation, use, handling, transportation, treatment, storage, management, presence, disposal of or arrangement for disposal of, Release, threatened Release of, or exposure to Hazardous Materials, (c) the prevention of pollution, remediation of contamination, or restoration of environmental quality, or (d) occupational health or workplace safety.

“Environmental Liabilities” means all Liabilities, environmental response costs (including all removal, remediation or cleanup costs, investigatory costs, monitoring costs, and response costs with respect to Hazardous Materials), damages (including natural resources damages, property damages, personal injury damages), costs of compliance (including with any product take back requirements, or with any settlement, judgment or other determination of Liability and indemnity, contribution or similar obligations), court costs, attorneys’ fees, and all other Liabilities, costs, expenses, interest, fines, penalties or monetary sanctions relating to, arising out of or resulting from any order, notice of responsibility, directive, injunction, judgment or similar act (including settlements) by any Governmental Authority to the extent arising out of non-compliance with or any violation of, or obligation under, any Environmental Laws, or pursuant to any demand, action, claim, dispute, suit, countersuit, settlement, arbitration, formal inquiry, subpoena, investigation, proceeding or other legal determination of liability by a Governmental Authority or any other Person with respect to Hazardous Materials (including any exposure to Hazardous Materials), Environmental Law or contract or agreement relating to environmental, health or safety matters.

“Exchange Act” means the U.S. Securities Exchange Act of 1934, as amended, together with the rules and regulations promulgated thereunder.

“External Spin-Off” shall have the meaning set forth in the Recitals.

“First Contribution” shall have the meaning set forth in the Recitals.

“First Contribution Agreement” shall have the meaning set forth in the Recitals.

“First Distribution” shall have the meaning set forth in the Recitals.

“Form 10” shall have the meaning set forth in Section 3.3(a)(vii).

“Governmental Approvals” means any notices, reports or other filings to be made, or any consents, registrations, approvals, permits or authorizations to be obtained from, any Governmental Authority.

“**Governmental Authority**” means any nation or government, any state, municipality or other political subdivision thereof, and any entity, body, agency, commission, department, board, bureau, court, tribunal or other instrumentality, whether federal, state, local, domestic, foreign or multinational, exercising executive, legislative, judicial, regulatory, administrative or other similar functions of, or pertaining to, government and any executive official thereof.

“**Group**” means either the CRC Group or the OPC Group, as the context requires.

“**Hazardous Materials**” means any chemical, material, substance, waste, pollutant, emission, discharge, release, contaminant or words of similar meaning or import that could result in liability under, or that is prohibited, limited or regulated by or pursuant to, any Environmental Law, and any natural or artificial substance (whether solid, liquid or gas, noise, ion, vapor or electromagnetic) that could cause harm to human health or the environment, including petroleum, petroleum products and byproducts, oil and gas exploration and production wastes, natural gas, condensate or any components, fractions or derivatives thereof, asbestos and asbestos-containing materials, urea formaldehyde foam insulation, electronic, medical or infectious wastes, polychlorinated biphenyls, naturally occurring radioactive materials, radon gas, radioactive substances, chlorofluorocarbons and all other ozone-depleting substances.

“**Hydrocarbons**” means oil and gas and other hydrocarbons produced or processed in association therewith (whether in liquid or gaseous form), or any combination thereof, and any minerals produced in association therewith.

“**Income Taxes**” shall have the meaning set forth in the Tax Sharing Agreement.

“**Indemnifying Party**” shall have the meaning set forth in Section 5.6(a).

“**Indemnitee**” shall have the meaning set forth in Section 5.6(a).

“**Indemnity Payment**” shall have the meaning set forth in Section 5.6(a).

“**Information**” means information, whether or not patentable or copyrightable, in written, oral, electronic or other tangible or intangible forms, stored in any medium, including studies, reports, records, books, contracts, instruments, surveys, discoveries, ideas, concepts, know-how, techniques, designs, specifications, drawings, blueprints, diagrams, models, prototypes, samples, flow charts, data, computer data, disks, diskettes, tapes, computer programs or other software, marketing plans, customer names, memos, and other technical, financial, employee or business information or data.

“**Information Statement**” shall have the meaning set forth in Section 3.3(a)(vii).

“**Initial Distribution**” shall have the meaning set forth in the Recitals.

“**Initial Notice**” shall have the meaning set forth in Section 4.2.

“**Insurance Proceeds**” means those monies:

- (a) received by an insured from an insurance carrier; or
- (b) paid by an insurance carrier on behalf of the insured;

in any such case net of any applicable premium adjustments (including reserves and retrospectively rated premium adjustments) and net of any costs or expenses incurred in the collection thereof and excluding fronted insurance policies, deductibles, self-insured retentions and any similar concept that does not accomplish a real risk transfer to a third-party insurer; provided, however, with respect to a captive insurance arrangement, Insurance Proceeds shall only include net amounts received by the captive insurer in respect of any reinsurance arrangement with respect to the insurance issued by such captive insurer.

“**Intellectual Property**” means any and all proprietary and intellectual property rights whether arising under the Laws of the United States or of any other foreign or multinational jurisdiction or provided by international treaties or convention, including: (a) patents, patent applications and statutory invention registrations, including reissues, divisions, continuations, continuations in part, substitutions, renewals, extensions and reexaminations of any of the foregoing, (b) trademarks, service marks, trade names, service names, trade dress, logos, Internet domain names, uniform resource locaters, and other source or business identifiers, including all goodwill associated with any of the foregoing and any and all common law rights in and to any of the foregoing, registrations and applications for registration of any of the foregoing, and all reissues, extensions and renewals of any of the foregoing (collectively, “**Trademarks**”), (c) copyrights, moral rights, mask work rights, database rights, other rights in works of authorship, and all registrations and applications for registration of any of the foregoing, and (d) trade secrets, know how, and rights in confidential and proprietary information, including invention disclosures, formulations, concepts, compilations of information, methods, techniques, procedures, and processes, whether or not patentable.

“**Intellectual Property License Agreement**” means the Intellectual Property License Agreement, dated as of the date hereof, between OPC and CRC.

“**Internal Spin-Off**” shall have the meaning set forth in the Recitals.

“**IT Equipment**” means all computers, servers, printers, computer hardware, wired or mobile telephones, on-site process control and automation systems, telecommunication assets, and other information technology-related equipment.

“**Law**” means any national, supranational, federal, state, provincial, local or similar law (including common law), statute, code, order, ordinance, rule, regulation, treaty (including any income tax treaty), license, permit, authorization, approval, consent, decree, injunction, binding judicial or administrative interpretation or other requirement, in each case, enacted, promulgated, issued or entered by a Governmental Authority.

“**LHO**” shall have the meaning set forth in Section 5.7(i).

“**Liabilities**” means any and all debts, guarantees, assurances, commitments, liabilities (including Environmental Liabilities), responsibilities, Losses, remediation, deficiencies, reimbursement obligations in respect of letters of credit, damages, fines, penalties, settlements, sanctions, costs, expenses, interest and obligations, whether accrued or fixed, absolute or contingent, matured or unmatured, accrued or not accrued, asserted or unasserted, liquidated or unliquidated, foreseen or unforeseen, known or unknown, reserved or unreserved, or determined or determinable, including those arising under any Law, claim (including any Third-Party Claim), demand, Action, or order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority or arbitration tribunal, and those arising under any contract, agreement, obligation, indenture, instrument, lease, promise, arrangement, release, warranty, commitment or undertaking, or any fines, damages or equitable relief that is imposed, in each case, including all costs and expenses relating thereto.

“**Loan 1 Proceeds Dividend**” shall have the meaning set forth in the Recitals.

“**Loan 2 Proceeds Dividend**” shall have the meaning set forth in the Recitals.

“**Losses**” means actual losses (including any diminution in value), costs, damages, penalties and expenses (including legal and accounting fees and expenses and costs of investigation and litigation), whether or not involving a Third-Party Claim.

“**Mediation Procedures**” shall have the meaning set forth in Section 4.3.

“**Minimum Credit Rating**” shall mean a rating of at least (a) BB- by Standard & Poor’s Financial Services LLC, (b) Ba3 by Moody’s Investors Service, Inc., or (c) BB- by Fitch, Inc.

“**NGL**” means natural gas liquids.

“**NYSE**” means the New York Stock Exchange.

“**Oil and Gas Segment**” means the oil and gas segment of OPC described in OPC’s Annual Report on Form 10-K for the period ended December 31, 2013, which business explores for, develops and produces oil and condensate, NGL and natural gas.

“**OPC**” shall have the meaning set forth in the Preamble.

“**OPC Accounts**” shall have the meaning set forth in Section 2.9(a).

“**OPC Assets**” shall have the meaning set forth in Section 2.2(b).

“**OPC Board**” shall have the meaning set forth in the Recitals.

“**OPC Business**” means the business of the OPC and its Subsidiaries as conducted at any point in time prior to the Distribution Date, other than the CRC Business.

“**OPC Common Stock**” means the common stock, par value \$0.20 per share, of OPC.

“**OPC Contracts**” shall have the meaning set forth in the definition of CRC Contracts.

“OPC Group” means OPC, (i) each Subsidiary of OPC immediately after the Distribution Date, (ii) each Affiliate of OPC controlled by OPC immediately after the Distribution Date and (iii) each other entity that becomes a Subsidiary of OPC at any time following the Distribution Date for so long as such entity is a Subsidiary of OPC; provided that, from and after the Distribution Date, each member of the CRC Group will be deemed not to be a member of the OPC Group.

“OPC Guarantees” shall have the meaning set forth in Section 8.3.

“OPC Indemnitees” shall have the meaning set forth in Section 5.4.

“OPC Intellectual Property” means (a) the OPC Names and Marks, and (b) all other Intellectual Property that, as of the Distribution Date, is owned or licensed by any member of either Group, other than the CRC Intellectual Property.

“OPC Liabilities” shall have the meaning set forth in Section 2.3(b).



“OPC Names and Marks” means (a) the Trademarks of OPC or any of its Affiliates using or containing “OPC,” “OXY,” Occidental Chemical Corporation, OxyChem, or “Occidental Petroleum” (in block letters or otherwise), “OPC,” “OXY” or “Occidental Petroleum” either alone or in combination with other words or elements, together with all variations and acronyms thereof, and all trademarks, service marks, Internet domain names, trade names, trade dress, company names and other identifiers of source or goodwill containing or incorporated with any of the foregoing, including the oxy comet logo (b) the “OXY circle or comet logo” (shown immediately below)

(c) all Trademarks registered by a member of the OPC Group prior to the Distribution Date and not used or held for use exclusively in the CRC Business as of the Distribution Date, and (d) all Trademarks registered by a member of the CRC Group prior to the Distribution Date and not used or held for use exclusively in the CRC Business as of the Distribution Date, and (e) Trademarks confusingly similar to or embodying any of the foregoing either alone or in combination with other words or elements, together with the goodwill associated with any of the foregoing.

“OPC Software” means all Software that, as of the Distribution Date, is owned by any member of either Group.

“OPC Third Party Claim” shall mean any claim or commencement of any Action by any Person (including any Governmental Authority) other than (i) OPC, (ii) each Subsidiary of OPC immediately after the Distribution Date, (iii) each Affiliate of OPC controlled by OPC immediately after the Distribution Date; provided, however, that for the avoidance of doubt, CRC and its Subsidiaries immediately after the Distribution Date shall not be considered an Affiliate or Subsidiary of OPC and (iv) any successor to any such Person referenced to in clauses (i), (ii), or (iii).

“OPC Transfer Documents” shall have the meaning set forth in Section 2.1(b).

“OXY USA” means OXY USA Inc., a Delaware corporation.

“Parties” means CRC and OPC.

“Person” means an individual, a general or limited partnership, a corporation, a trust, a joint venture, an unincorporated organization, a limited liability entity, any other entity and any Governmental Authority.

“Prime Rate” means the rate which JPMorgan Chase Bank (or any successor thereto or other major money center commercial bank agreed to by the Parties) announces from time to time as its prime lending rate, as in effect from time to time.

“Private Letter Ruling” means the ruling numbered 111541-14 received by OPC on September 14, 2014, from the Internal Revenue Service.

“Privilege” shall have the meaning set forth in Section 7.1.

“Rating Agency” means Moody’s Investors Service, Inc., Standard & Poor’s, a division of The McGraw-Hill Companies, Inc., Fitch, Inc. or any nationally recognized statistical rating organizations registered with the Securities and Exchange Commission.

“Record Date” means the close of business on the date to be determined by the OPC Board as the record date for determining stockholders of OPC entitled to receive shares of CRC Common Stock in the Initial Distribution.

“Records” means all corporate, operational, accounting and other books and records, files, data, correspondence, studies, surveys, reports, Hydrocarbon sales contract files, gas processing files, geologic, geophysical and seismic data (including raw data and any interpretative data or information relating to such geologic, geophysical and seismic data) and other data (in each case whether in written or electronic format), including all title records, prospect information, title opinions, title insurance reports, abstracts, property ownership reports, customer lists, supplier lists, sales materials, well logs, well tests, maps, engineering data and reports, health, environmental and safety information and records, Third Party licenses, accounting and financial records, promotional materials, operational records, technical records, reserve estimates and economic estimates; production and processing records, division order, lease, land and right-of-way files, accounting files, tax records (other than income tax), and contract files (including copies of all contracts, all files regarding the contracts and related files).

“Registered IP” shall have the meaning set forth in the definition of CRC Intellectual Property.

“Release” means any depositing, spilling, leaking, pumping, pouring, placing, emitting, discarding, abandoning, emptying, discharging, migrating, injecting, escaping, leaching, seeping, dumping, or disposing of Hazardous Materials into the environment (including ambient air, surface water, groundwater and surface or subsurface strata).

“Representatives” means, with respect to any Person, any of such Person’s directors, officers, employees, agents, managers, consultants, advisors, accountants, attorneys or other representatives.

“Response” shall have the meaning set forth in Section 4.2.

“Restructuring Steps Memorandum” means the restructuring steps to be taken prior to the Distribution Date and the sequence thereof set forth on Schedule 1.4.

“Revolving Credit Facility” means a five-year senior revolving loan facility pursuant to the Credit Agreement.

“Rule 144A / Capital Markets Securities” means (i) \$1.0 billion in aggregate principal amount of CRC’s 5% Senior Notes due 2020, (ii) \$1.75 billion in aggregate principal amount of CRC’s 5 ½% Senior Notes due 2021 and (iii) \$2.25 billion in aggregate principal amount of CRC’s 6% Senior Notes due 2024.

“SEC” means the U.S. Securities and Exchange Commission.

“Second Contribution” shall have the meaning set forth in the Recitals.

“Second Contribution Agreement” shall have the meaning set forth in the Recitals.

“Securities Act” means the U.S. Securities Act of 1933, as amended, together with the rules and regulations promulgated thereunder.

“Security Interest” means any mortgage, security interest, pledge, lien, charge, claim, option, right to acquire, voting or other restriction, right-of-way, covenant, condition, easement, encroachment, restriction on transfer, or other encumbrance of any nature whatsoever.

“Separation” shall have the meaning set forth in the Recitals.

“Schedule 2.8 Contract” shall have the meaning set forth in Section 2.8(a).

“Shared Contract” shall mean any Schedule 2.8 Contract and any contract, agreement, arrangement, commitment or understanding that has been assigned in part to any Group pursuant to a Transfer Document.

“Software” means any and all (a) computer programs, including the tangible media on which it is recorded (in any form), and any and all software implementation of algorithms, models and methodologies, whether in source code, object code, human readable form or other form, together with all translations, adaptations, modifications, derivations, combinations or derivative works thereof, (b) databases and compilations, including any and all data and collections of data, whether machine readable or otherwise, (c) descriptions, flow charts and other work products used to design, plan, organize and develop any of the foregoing, screens, user interfaces, report formats, firmware, development tools, templates, menus, buttons and icons, and (d) documentation, including user manuals and other training documentation, relating to any of the foregoing.

“Stockholder’s Agreement” means the Stockholder’s and Registration Rights Agreement, dated as of the date hereof, between OPC and CRC.

“Subsidiary” or “subsidiary” means, with respect to any Person, any corporation, limited liability company, joint venture or partnership of which such Person (a) beneficially owns, either directly or indirectly, more than fifty percent (50%) of (i) the total combined voting power of all classes of voting securities of such Person, (ii) the total combined equity interests or (iii) the capital or profit interests, in the case of a

partnership, or (b) otherwise has the power to vote, either directly or indirectly, sufficient securities to elect a majority of the board of directors or similar governing body.

“Supplies” shall have the meaning set forth in Section 8.5(a).

“Tax Benefit” shall have the meaning set forth in the Tax Sharing Agreement.

“Tax Return” shall have the meaning set forth in the Tax Sharing Agreement.

“Tax Sharing Agreement” means the Tax Sharing Agreement, dated as of the date hereof, between OPC and CRC.

“Taxes” shall have the meaning set forth in the Tax Sharing Agreement.

“Term Loan Facility” means a five-year senior term loan facility pursuant to the Credit Agreement.

“Third-Party” shall mean any Person (including any Governmental Authority) other than (i) CRC, (ii) each Subsidiary of CRC immediately after the Distribution Date, and (iii) each Affiliate of CRC controlled by CRC immediately after the Distribution Date, (iv) OPC, (v) each Subsidiary of OPC immediately after the Distribution Date, (vi) each Affiliate of OPC controlled by OPC immediately after the Distribution Date and (vii) any successor to any such Person referenced to in clauses (i) through (vi).

“Third-Party Claim” shall mean a CRC Third Party Claim or an OPC Third Party Claim.

“Trademarks” shall have the meaning set forth in the definition of Intellectual Property.

“Transfer Documents” shall have the meaning set forth in Section 2.1(c).

“Transferred Entities” shall have the meaning set forth in Section 2.2(a)(ii).

“Transition Services Agreement” means the Transition Services Agreement, dated as of the date hereof, between OPC and CRC.

“Unreleased OPC Liability” shall have the meaning set forth in Section 2.6(b).

“Unreleased CRC Liability” shall have the meaning set forth in Section 2.5(b).

ARTICLE II THE SEPARATION

2.1 Transfer of Assets and Assumption of Liabilities.

(a) Unless otherwise provided in this Agreement or in any Ancillary Agreement, on or prior to the Distribution Date in accordance with the Restructuring Steps Memorandum and to the extent not previously effected prior to the date hereof in accordance with the Restructuring Steps Memorandum and the Ancillary Agreements:

(i) OPC shall, and shall cause its applicable Subsidiaries to, assign, transfer and convey to CRC, or the applicable CRC Designees, and CRC or such CRC Designees shall accept from OPC and its applicable Subsidiaries, all of OPC’s and such Subsidiaries’ respective direct or indirect right, title and interest in and to all of the CRC Assets (it being understood that if any CRC Asset shall be held by a Transferred Entity or a wholly owned Subsidiary of a Transferred Entity, such CRC Asset will be indirectly owned by CRC as a result of the transfer of the equity interests in such Transferred Entity);

(ii) CRC and the applicable CRC Designees shall accept and assume from OPC and the applicable OPC Subsidiaries and agree faithfully to perform, discharge and fulfill certain of the CRC Liabilities in accordance with their respective terms. CRC and such CRC Designees shall be responsible for all CRC Liabilities, regardless of when or where such CRC Liabilities arose or arise, or whether the facts on which they are based occurred prior to or subsequent to the Distribution Date, regardless of where or against whom such CRC Liabilities are asserted or determined (including any CRC Liabilities arising out of claims made by the respective directors, officers, employees, agents, stockholders, managers, Subsidiaries or Affiliates of either Group against any member of either Group) or whether asserted or determined prior to the date hereof, and regardless of whether arising from or alleged to arise from negligence, recklessness, violation of Law, fraud, misrepresentation or any other cause by any member of either Group, or any of their respective directors, officers, employees, agents or managers;

(iii) OPC shall cause its applicable Subsidiaries or CRC to assign, transfer and convey to certain of its other Subsidiaries, which shall accept from such applicable OPC Subsidiaries or CRC, such applicable Subsidiaries’ respective right, title and interest in and to any OPC Assets specified by OPC to be so assigned, transferred and conveyed; and

(iv) OPC and certain of its Subsidiaries shall accept and assume from certain of its other Subsidiaries and agree faithfully to perform, discharge and fulfill certain OPC Liabilities of such other Subsidiaries, and OPC and its applicable Subsidiaries shall be responsible for all OPC Liabilities, regardless of when or where such OPC Liabilities arose or arise, or whether the facts on which they are based occurred prior to or subsequent to the Distribution Date, regardless of where or against whom such OPC Liabilities are asserted or determined (including any such OPC Liabilities arising out of claims made by the respective directors, officers, employees, agents, stockholders, managers, Subsidiaries or Affiliates of either Group against any member of either Group) or whether asserted or determined prior to the date hereof, and regardless of whether arising from or alleged to arise from negligence, recklessness, violation of Law, fraud, misrepresentation or any other cause by any member of either Group, or any of their respective directors, officers, employees, agents or managers.

Except as otherwise specifically set forth in this Agreement or any Ancillary Agreement, (A) and except for where the assignment, transfer or conveyance of any CRC Assets from OPC to CRC would be a violation of applicable Law, or require any Approvals or Notifications in connection with the Separation or the Distribution that have not been obtained or made by the Distribution Date, to the extent that any CRC Assets have not been assigned, transferred or conveyed by OPC to CRC or an applicable CRC Designee in accordance with Section 2.1(a)(i) as of immediately prior to the Distribution Date, then from and after the Distribution Date, OPC hereby assigns and CRC accepts such assignment of OPC’s right, title and interest in such CRC Assets and (B) and except for where the assignment, transfer or conveyance of any OPC Assets from its Subsidiaries or CRC to OPC would be a violation of applicable Law, or require any Approvals or Notifications in connection with the Separation or the Distribution that have not been obtained or made by the Distribution Date, to the extent that any OPC Assets have not been assigned, transferred or conveyed by its Subsidiaries or CRC to OPC or an applicable OPC Group member in accordance with Section 2.1(a)(iii) as of immediately prior to the Distribution Date, then from and after the Distribution Date, its Subsidiaries or CRC hereby assigns and OPC accepts such assignment of the Subsidiaries’ or CRC’s right, title and interest in such OPC Assets.

Except as otherwise specifically set forth in this Agreement or any Ancillary Agreement, (A) and except for where the assumption by CRC of any CRC Liabilities would be a violation of applicable Law, or require any Approvals or Notifications in connection with the Separation or the Distribution that have not been obtained or made by the Distribution Date, to the extent that any CRC Liabilities have not been accepted and assumed by CRC or an applicable CRC Designee in accordance with Section 2.1(a)(ii) as of immediately prior to the Distribution Date, then from and after the Distribution Date, CRC shall and hereby does, accept, assume and agree faithfully to perform, discharge and fulfill all such CRC Liabilities in accordance with their respective terms and (B) and except for where the assumption by OPC of any OPC Liabilities would be a violation of applicable Law, or require any Approvals or Notifications in connection with the Separation or the Distribution that have not been obtained or made by the Distribution Date, to the extent that any OPC Liabilities have not been accepted and assumed by OPC or an applicable OPC Group member in accordance with Section 2.1(a)(iv) as of immediately prior to the Distribution Date, then from and after the Distribution Date, OPC shall and hereby does, accept, assume and agree faithfully to perform, discharge and fulfill all such OPC Liabilities in accordance with their respective terms.

(b) In furtherance of the assignment, transfer and conveyance of the CRC Assets and the assumption of the CRC Liabilities in accordance with Sections 2.1(a)(i) and 2.1(a)(ii) and Section 2.1(d), on, before and/or as of the date that such CRC Assets are assigned, transferred or conveyed or such CRC Liabilities are assumed (i) OPC shall execute and deliver, and shall cause its Subsidiaries to execute and deliver, such bills of sale, quitclaim deeds, stock powers, certificates of title, assignments of contracts and other instruments of transfer, conveyance and assignment as and to the extent necessary to evidence the transfer, conveyance and assignment of all of OPC’s and its Subsidiaries’ (other than CRC and its Subsidiaries) right, title and interest in and to the CRC Assets to CRC and the CRC Designees, and (ii) CRC shall execute and deliver, and shall cause the CRC Designees to execute and deliver, such assumptions of contracts and other instruments of assumption as and to the extent necessary to evidence the valid and effective assumption of the CRC Liabilities. All of the foregoing documents contemplated by this Section 2.1(b) (whether executed on or after the date hereof or prior to the date hereof in contemplation of the Separation) shall be referred to collectively herein as the “OPC Transfer Documents.”

(c) In furtherance of the assignment, transfer and conveyance of OPC Assets and the assumption of OPC Liabilities set forth in Sections 2.1(a)(iii) and 2.1(a)(iv) and Section 2.1(e), on, before and/or as of the date that such CRC Assets are assigned, transferred or conveyed or such CRC Liabilities are assumed: (i) CRC shall execute and deliver, and shall cause its Subsidiaries to execute and deliver, such bills of sale, quitclaim deeds, stock powers, certificates of title, assignments of contracts (including partial assignments) and other instruments of transfer, conveyance and assignment as and to the extent necessary to evidence the transfer, conveyance and assignment of all of CRC’s and its Subsidiaries’ right, title and interest in and to the OPC Assets to OPC and its Subsidiaries, and (ii) OPC shall execute and deliver, and shall cause its Subsidiaries to execute and deliver, such assumptions of contracts and other instruments of assumption as and to the extent necessary to evidence the valid and effective assumption of the OPC Liabilities. All of the foregoing documents contemplated by this Section 2.1(c) (whether executed on or after the date hereof or prior to the date hereof in contemplation of the Separation) including the First Contribution Agreement and the Second Contribution Agreement, shall be referred to collectively herein as the “CRC Transfer Documents” and, together with the OPC Transfer Documents, the “Transfer Documents.”

(d) To the extent any CRC Asset is not transferred, assigned or delivered to or retained by, or any CRC Liability is not assumed by or retained by, a member of the CRC Group at the Distribution Date or is owned or held by a member of the OPC Group after the Distribution Date, from and after the Distribution Date, any such CRC Asset or CRC Liability shall be held by such member of the OPC Group for the use, benefit and/or burden of the member of the CRC Group entitled thereto (at the expense and for the account of the member of the CRC Group entitled thereto) in accordance with Section 2.4(e), and, subject to Section 2.4(b):

(i) OPC shall, and shall cause its applicable Subsidiaries to, as soon as reasonably practicable, assign, transfer, convey and deliver to CRC or certain of its Subsidiaries designated by CRC, and CRC or such Subsidiaries shall accept from OPC and its applicable Subsidiaries, all of OPC’s and such Subsidiaries’ respective right, title and interest in and to such CRC Assets in accordance with the terms of this Agreement and/or the applicable Ancillary Agreement; and

(ii) CRC and certain of its Subsidiaries designated by CRC shall, as soon as reasonably practicable, accept, assume and agree faithfully to perform, discharge and fulfill all such CRC Liabilities in accordance with their respective terms.

(e) To the extent any OPC Asset is not transferred, assigned or delivered to or retained by, or any OPC Liability is not assumed by or retained by, a member of the OPC Group at the Distribution Date or is owned or held by a member of the CRC Group after the Distribution Date, from and after the Distribution Date, any such OPC Asset or OPC Liability shall be held by such member of the CRC Group for the use, benefit and/or burden of the member of the OPC Group entitled thereto (at the expense and for the account of the member of the OPC Group entitled thereto) in accordance with Section 2.4(f), and, subject to Section 2.4(c):

(i) CRC shall, and shall cause its applicable Subsidiaries to, as soon as reasonably practicable, assign, transfer, convey and deliver to OPC or certain of its Subsidiaries designated by OPC, and OPC or such Subsidiaries shall accept from CRC and its applicable Subsidiaries, all of CRC's and such Subsidiaries' respective right, title and interest in and to such OPC Assets in accordance with the terms of this Agreement and/or the applicable Ancillary Agreement; and

(ii) OPC and certain of its Subsidiaries designated by OPC shall, as soon as reasonably practicable, accept, assume and agree faithfully to perform, discharge and fulfill all such OPC Liabilities in accordance with their respective terms.

(f) CRC hereby waives compliance by each and every member of the OPC Group with the requirements and provisions of any "bulk-sale" or "bulk-transfer" Laws of any jurisdiction that may otherwise be applicable with respect to the transfer or sale of any or all of the CRC Assets to any member of the CRC Group.

(g) OPC hereby waives compliance by each and every member of the CRC Group with the requirements and provisions of any "bulk-sale" or "bulk-transfer" Laws of any jurisdiction that may otherwise be applicable with respect to the transfer or sale of any or all of the OPC Assets to any member of the OPC Group.

2.2 CRC Assets.

(a) For purposes of this Agreement, "CRC Assets" means (without duplication):

(i) all Assets that are specifically provided pursuant to the express terms of this Agreement or any Ancillary Agreement as Assets to be transferred to CRC or any other member of the CRC Group;

(ii) (A) all CRC Contracts, (B) all issued and outstanding equity interests held by OPC or its Subsidiaries in the wholly owned Subsidiaries and Affiliates of OPC that have been or shall be contributed to, or otherwise transferred, conveyed, or assigned to, the CRC Group or entities that shall be members of the CRC Group as of the Distribution Date, as listed on Schedule 2.2(a)(ii)(B) (such Subsidiaries and entities, the "Transferred Entities"), and (C) the shares of capital stock or other equity interests held by OPC or its Subsidiaries in certain entities (other than the Transferred Entities) that have been or shall be contributed to, or otherwise transferred, conveyed, or assigned to, the CRC Group as listed on Schedule 2.2(a)(ii)(C);

(iii) all Assets reflected as assets of CRC or its Subsidiaries on the CRC Balance Sheet, subject to any dispositions of such Assets subsequent to the date of the CRC Balance Sheet;

(iv) all CRC Intellectual Property;

(v) all permits, waivers, authorizations and similar approvals issued under or pursuant to any Environmental Laws used or held for use by OPC or any of its Subsidiaries exclusively in the CRC Business;

(vi) any Shared Contracts (but only to the extent assigned to a member of the CRC Group pursuant to Section 2.8(a) or a Transfer Document);

(vii) any and all Assets (including oil and gas interests) owned and used or held for use immediately prior to the Distribution Date by OPC or any of its Subsidiaries exclusively in the CRC Business, including any account or trade receivables, inventory, property, plant and equipment, prepaid expenses and other assets associated with oil, gas and NGL production by the CRC Business, whether or not reflected as assets of CRC or its Subsidiaries on the CRC Balance Sheet.

Notwithstanding the foregoing, the CRC Assets shall not, in any event, include the OPC Assets referred to in Section 2.2(b)(i), (ii), (iii) and (iv). All rights of the CRC Group in respect of OPC insurance policies are set forth in Article VI and shall not be included in the CRC Assets.

(b) For the purposes of this Agreement, "OPC Assets" means (without duplication):

(i) the Assets listed on Schedule 2.2(b)(i), and any and all other Assets that are specifically provided pursuant to the express terms of this Agreement or any Ancillary Agreement as Assets to be retained by OPC or any other member of the OPC Group;

(ii) the Cash Dividends and (without duplication) any cash or cash equivalents withdrawn from CRC Accounts in accordance with Sections 2.9(c), (d) or (e);

(iii) the OPC Intellectual Property and OPC Software;

(iv) any Shared Contracts (other than CRC Assets to the extent assigned to a member of the CRC Group pursuant to Section 2.8(a) or a Transfer Document); and

(v) any and all Assets of any members of the OPC Group that are not CRC Assets pursuant to Section 2.2(a).

2.3 CRC Liabilities.

(a) For the purposes of this Agreement, "CRC Liabilities" means (without duplication):

(vi) all Liabilities, including any Environmental Liabilities to the extent relating to:

(A) the operation or ownership of the CRC Business, as conducted at any time prior to, on or after the Distribution Date (including any Liability related to oil and gas properties and operations in California formerly owned or operated by OPC or any of its Subsidiaries and the marketing and trading of commodities related to such properties at the time they were owned or operated by OPC or any of its Subsidiaries), including any Liability relating to, arising out of or resulting from (i) any strict liability under or violation of Environmental Law at any CRC Assets; (ii) a Release of Hazardous Materials to, on or under any CRC Assets (including Releases that migrate from CRC Assets to, on or under other properties); or (iii) any Liabilities related to Hazardous Materials generated, transported from or disposed of by any CRC Business, including any act or failure to act by any Person, whether or not such act or failure to act is or was within such Person's authority; or

(B) any CRC Assets, including any CRC Contracts, Shared Contracts (to the extent related to the CRC Business) and any real property and leasehold interests;

in any such case, whether arising before, on or after the Distribution Date;

(vii) any and all other Liabilities that are expressly contemplated by this Agreement or any Ancillary Agreement as Liabilities to be assumed by CRC or any member of the CRC Group including the Assumed Actions, and all agreements, obligations and Liabilities of any member of the CRC Group under this Agreement or any of the Ancillary Agreements;

(viii) all Liabilities relating to, arising out of or resulting from the CRC Financing Arrangements;

(ix) all Liabilities reflected as liabilities or obligations of CRC or its Subsidiaries on the CRC Balance Sheet, subject to any discharge of such Liabilities subsequent to the date of the CRC Balance Sheet; and

(x) all Liabilities arising out of claims made by the respective directors, officers, stockholders, employees, agents, managers, Subsidiaries or Affiliates of either Group against any member of either Group relating to, arising out of or resulting from the CRC Business or the other businesses, operations, activities or Liabilities referred to in clauses (i) through (iv) above, inclusive.

Notwithstanding the foregoing, the CRC Liabilities shall not include (i) any and all other Liabilities that are expressly stated in this Agreement or any Ancillary Agreement as Liabilities to be retained or assumed by OPC or any other member of the OPC Group and (ii) all agreements and obligations of any member of the OPC Group under this Agreement or any of the Ancillary Agreements.

(b) For the purposes of this Agreement, "OPC Liabilities" means (without duplication): all Liabilities of OPC and its Subsidiaries as of the Distribution Date other than CRC Liabilities.

2.4 Approvals and Notifications.

(a) To the extent that the transfer or assignment of any CRC Asset, the assumption of any CRC Liability, the Separation or the Distribution requires any Approvals or Notifications, the Parties will endeavor to obtain or make such Approvals or Notifications as soon as reasonably practicable; provided, however, that, except to the extent expressly provided in this Agreement (including in Section 2.4(j)) or any of the Ancillary Agreements or as otherwise agreed between OPC and CRC, neither OPC nor CRC shall be obligated to contribute capital or pay any consideration in any form (including providing any letter of credit, guaranty or other financial accommodation) to any Person in order to obtain or make such Approvals or Notifications.

(b) To the extent that the transfer or assignment of any OPC Asset, the assumption of any OPC Liability, the Separation or the Distribution requires any Approvals or Notifications, the Parties will endeavor to obtain or make such Approvals or Notifications as soon as reasonably practicable; provided, however, that, except to the extent expressly provided in this Agreement (including in Section 2.4(j)) or any of the Ancillary Agreements or as otherwise agreed between OPC and CRC, neither OPC nor CRC shall be obligated to contribute capital or pay any consideration in any form (including providing any letter of credit, guaranty or other financial accommodation) to any Person in order to obtain or make such Approvals or Notifications.

(c) If and to the extent that the valid, complete and perfected transfer or assignment to the CRC Group of any CRC Assets or assumption by the CRC Group of any CRC Liabilities would be a violation of applicable Law, or require any Approvals or Notifications in connection with the Separation or the Distribution that have not been obtained or made by the Distribution Date, then, unless the Parties shall

otherwise mutually determine, the transfer or assignment to the CRC Group of such CRC Assets or the assumption by the CRC Group of such CRC Liabilities, as the case may be, shall be automatically deemed deferred and any such purported transfer, assignment or assumption shall be null and void until such time as all legal impediments are removed or such Approvals or Notifications have been obtained or made. Notwithstanding the foregoing, any such CRC Assets or CRC Liabilities shall continue to constitute CRC Assets and CRC Liabilities for all other purposes of this Agreement.

(d) If and to the extent that the valid, complete and perfected transfer or assignment to the OPC Group of any OPC Assets or assumption by the OPC Group of any OPC Liabilities would be a violation of applicable Law, or require any Approvals or Notifications in connection with the Separation or the Distribution that have not been obtained or made by the Distribution Date, then, unless the Parties shall otherwise mutually determine, the transfer or assignment to the OPC Group of such OPC Assets or the assumption by the OPC Group of such OPC Liabilities, as the case may be, shall be automatically deemed deferred and any such purported transfer, assignment or assumption shall be null and void until such time as all legal impediments are removed or such Approvals or Notifications have been obtained or made. Notwithstanding the foregoing, any such OPC Assets or OPC Liabilities shall continue to constitute OPC Assets and OPC Liabilities for all other purposes of this Agreement.

(e) If any transfer or assignment of any CRC Asset or any assumption of any CRC Liability intended to be transferred, assigned or assumed hereunder, as the case may be, is not consummated on or prior to the Distribution Date, whether as a result of the provisions of Section 2.4(c) or for any other reason, then, insofar as reasonably possible, the member of the OPC Group retaining such CRC Asset or such CRC Liability, as the case may be, shall thereafter hold such CRC Asset or CRC Liability, as the case may be, for the use, benefit and/or burden of the member of the CRC Group entitled thereto (at the expense and for the account of the member of the CRC Group entitled thereto). In addition, the member of the OPC Group retaining such CRC Asset or such CRC Liability shall, insofar as reasonably possible and to the extent permitted by applicable Law, treat such CRC Asset or CRC Liability in the ordinary course of business in accordance with past practice and take such other actions as may be reasonably requested by the member of the CRC Group to whom such CRC Asset is to be transferred or assigned, or which will assume such CRC Liability, as the case may be, in order to place such member of the CRC Group in a substantially similar position as if such CRC Asset or CRC Liability had been transferred, assigned or assumed as contemplated hereby and so that all the benefits and burdens relating to such CRC Asset or CRC Liability, as the case may be, including use, risk of loss, potential for gain, and dominion, control and command over such CRC Asset or CRC Liability, as the case may be, and all costs and expenses related thereto, shall inure from and after the Distribution Date to the CRC Group.

(f) If any transfer or assignment of any OPC Asset or any assumption of any OPC Liability intended to be transferred, assigned or assumed hereunder, as the case may be, is not consummated on or prior to the Distribution Date, whether as a result of the provisions of Section 2.4(d) or for any other reason, then, insofar as reasonably possible, the member of the CRC Group retaining such OPC Asset or such OPC Liability, as the case may be, shall thereafter hold such OPC Asset or OPC Liability, as the case may be, for the use, benefit and/or burden of the member of the OPC Group entitled thereto (at the expense and for the account of the member of the OPC Group entitled thereto). In addition, the member of the CRC Group retaining such OPC Asset or such OPC Liability shall, insofar as reasonably possible and to the extent permitted by applicable Law, treat such OPC Asset or OPC Liability in the ordinary course of business in accordance with past practice and take such other actions as may be reasonably requested by the member of the OPC Group to whom such OPC Asset is to be transferred or assigned, or which will assume such OPC Liability, as the case may be, in order to place such member of the OPC Group in a substantially similar position as if such OPC Asset or OPC Liability had been transferred, assigned or assumed as contemplated hereby and so that all the benefits and burdens relating to such OPC Asset or OPC Liability, as the case may be, including use, risk of loss, potential for gain, and dominion, control and command over such OPC Asset or OPC Liability, as the case may be, and all costs and expenses related thereto, shall inure from and after the Distribution Date to the OPC Group.

(g) If the transfer or assignment of any OPC Asset or the assumption of any OPC Liability not intended to be transferred, assigned or assumed hereunder, as the case may be, is consummated on or prior to the Distribution Date, then, insofar as reasonably possible, the member of the CRC Group holding or owning such OPC Asset or such OPC Liability, as the case may be, shall thereafter hold such OPC Asset or OPC Liability, as the case may be, for the use, benefit and/or burden of the member of the OPC Group entitled thereto (at the expense of the member of the OPC Group entitled thereto). In addition, the member of the CRC Group retaining such OPC Asset or such OPC Liability shall, insofar as reasonably possible and to the extent permitted by applicable Law, treat such OPC Asset or OPC Liability in the ordinary course of business in accordance with past practice and take such other actions as may be reasonably requested by the member of the OPC Group to whom such OPC Asset is to be transferred or assigned, or which will assume such OPC Liability, as the case may be, in order to place such member of the OPC Group in a substantially similar position as if such OPC Asset or OPC Liability had not been so transferred, assigned or assumed and so that all the benefits and burdens relating to such OPC Asset or OPC Liability, as the case may be, including use, risk of loss, potential for gain, and dominion, control and command over such OPC Asset or OPC Liability, as the case may be, and all costs and expenses related thereto, shall inure from and after the Distribution Date to the OPC Group.

(h) If the transfer or assignment of any CRC Asset or the assumption of any CRC Liability not intended to be transferred, assigned or assumed hereunder, as the case may be, is consummated on or prior to the Distribution Date, then, insofar as reasonably possible, the member of the OPC Group holding or owning such CRC Asset or such CRC Liability, as the case may be, shall thereafter hold such CRC Asset or CRC Liability, as the case may be, for the use, benefit and/or burden of the member of the CRC Group entitled thereto (at the expense of the member of the CRC Group entitled thereto). In addition, the member of the OPC Group retaining such CRC Asset or such CRC Liability shall, insofar as reasonably possible and to the extent permitted by applicable Law, treat such CRC Asset or CRC Liability in the ordinary course of business in accordance with past practice and take such other actions as may be reasonably requested by the member of the CRC Group to whom such CRC Asset is to be transferred or assigned, or which will assume such CRC Liability, as the case may be, in order to place such member of the CRC Group in a substantially similar position as if such CRC Asset or CRC Liability had not been so transferred, assigned or assumed and so that all the benefits and burdens relating to such CRC Asset or CRC Liability, as the case may be, including use, risk of loss, potential for gain, and dominion, control and command over such CRC Asset or CRC Liability, as the case may be, and all costs and expenses related thereto, shall inure from and after the Distribution Date to the CRC Group.

(i) If and when the Approvals or Notifications, the absence of which caused the deferral of transfer or assignment of any CRC Asset or the deferral of assumption of any CRC Liability pursuant to Section 2.4(c) or the deferral of transfer or assignment of any OPC Asset or the deferral of assumption of any OPC Liability pursuant to Section 2.4(d), are obtained or made, and, if and when any other legal impediments for the transfer or assignment of any CRC Asset or the assumption of any CRC Liability or for the transfer or assignment of any OPC Asset or the assumption of any OPC Liability, have been removed, the transfer or assignment of the applicable CRC Asset or the assumption of the applicable CRC Liability or the transfer or assignment of the applicable OPC Asset or the assumption of the applicable OPC Liability, as the case may be, shall be effected in accordance with the terms of this Agreement and/or the applicable Ancillary Agreement.

(j) Except as otherwise agreed between OPC and CRC, (i) any member of the OPC Group holding, owning or retaining a CRC Asset or CRC Liability (whether as a result of the provisions of Section 2.4(c) or for any other reason), and (ii) any member of the CRC Group holding, owning or retaining an OPC Asset or OPC Liability due to a transfer or assignment to, or assumption by, such member of the CRC Group (whether as a result of the provisions of Section 2.4(d) or for any other reason), shall not be obligated, in order to effect the transfer of such Asset or Liability to the Group member entitled thereto, to expend any money unless the necessary funds are advanced (or otherwise made available) by the Group member entitled thereto, other than reasonable out-of-pocket expenses, attorneys' fees and recording or similar fees, all of which shall be promptly reimbursed by the Group member entitled to such Asset or Liability.

2.5 Novation of CRC Liabilities.

(a) Each of OPC and CRC, at the request of the other, shall endeavor, if reasonably practicable, to obtain, or to cause to be obtained, if reasonably practicable, any consent, substitution, approval or amendment required to novate or assign all obligations under agreements, leases, licenses and other obligations or Liabilities of any nature whatsoever that constitute CRC Liabilities, or to obtain in writing the unconditional release of all parties to such arrangements other than any member of the CRC Group, so that, in any such case, the members of the CRC Group will be solely responsible for the CRC Liabilities; provided, however, that neither OPC nor CRC shall be obligated to contribute any capital or pay any consideration in any form (including providing any letter of credit, guaranty or other financial accommodation) to any Third Party from whom any such consent, substitution, approval, amendment or release is requested.

(b) If OPC or CRC is unable to obtain, or to cause to be obtained, any such required consent, substitution, approval, amendment or release and the applicable member of the OPC Group continues to be bound by such agreement, lease, license or other obligation or Liability (each, an "Unreleased CRC Liability"), CRC shall, to the extent not prohibited by Law, as indemnitor, guarantor, agent or subcontractor for such member of the OPC Group, as the case may be, (i) pay, perform and discharge fully all the obligations or other Liabilities of such member of the OPC Group that constitute Unreleased CRC Liabilities from and after the Distribution Date and (ii) use its commercially reasonable efforts to effect such payment, performance, or discharge prior to any demand for such payment, performance, or discharge is permitted to be made by the obligee thereunder on any member of the OPC Group. If and when any such consent, substitution, approval, amendment or release shall be obtained or the Unreleased CRC Liabilities shall otherwise become assignable or able to be novated, OPC shall promptly assign, or cause to be assigned, and CRC or the applicable CRC Group member shall assume, such Unreleased CRC Liabilities without exchange of further consideration.

2.6 Novation of OPC Liabilities.

(a) Each of OPC and CRC, at the request of the other, shall endeavor, if reasonably practicable, to obtain, or to cause to be obtained, if reasonably practicable, any consent, substitution, approval or amendment required to novate or assign all obligations under agreements, leases, licenses and other obligations or Liabilities of any nature whatsoever that constitute OPC Liabilities, or to obtain in writing the unconditional release of all parties to such arrangements other than any member of the OPC Group, so that, in any such case, the members of the OPC Group will be solely responsible for such OPC Liabilities; provided, however, that neither OPC nor CRC shall be obligated to contribute any capital or pay any consideration in any form (including providing any letter of credit, guaranty or other financial accommodation) to any Third Party from whom any such consent, substitution, approval, amendment or release is requested.

(b) If OPC or CRC is unable to obtain, or to cause to be obtained, any such required consent, substitution, approval, amendment or release and the applicable member of the CRC Group continues to be bound by such agreement, lease, license or other obligation or Liability (each, an "Unreleased OPC Liability"), OPC shall, to the extent not prohibited by Law, as indemnitor, guarantor, agent or subcontractor for such member of the CRC Group, as the case may be, (i) pay, perform and discharge fully all the obligations or other Liabilities of such member of the CRC Group that constitute Unreleased OPC Liabilities from and after the Distribution Date and (ii) use its commercially reasonable efforts to effect such payment, performance, or discharge prior to any demand for such payment, performance, or discharge is permitted to be made by the obligee thereunder on any member of the CRC Group. If and when any such consent, substitution, approval, amendment or release shall be obtained or the Unreleased OPC Liabilities shall otherwise become assignable or able to be novated, CRC shall promptly assign, or cause to be assigned, and OPC or the applicable OPC Group member shall assume, such Unreleased OPC Liabilities without exchange of further consideration.

2.7 Termination of Agreements.

(a) Except as set forth in Section 2.7(b), in furtherance of the releases and other provisions of this Agreement, CRC and each member of the CRC Group, on the one hand, and OPC and each member of the OPC Group, on the other hand, hereby terminate any and all agreements, arrangements, commitments or understandings, whether or not in writing, between or among CRC and/or any member of the CRC Group and/or any entity that shall be a member of the CRC Group as of the Distribution Date, on the one hand, and OPC and/or any member of the OPC Group (other than entities that shall be members of the CRC Group as of the Distribution Date), on the other hand, effective as of the Distribution Date. No such terminated agreement, arrangement, commitment or understanding (including any provision thereof which purports to survive termination) shall be of any further force or effect after the Distribution Date. Each Party shall, at the reasonable request of the other Party, take, or cause to be taken, such other actions as may be necessary to effect the foregoing.

(b) The provisions of Section 2.7(a) shall not apply to any of the following agreements, arrangements, commitments or understandings (or to any of the provisions thereof): (i) this Agreement and the Ancillary Agreements (and each other agreement or instrument expressly contemplated by this Agreement or any Ancillary Agreement to be entered into by any of the Parties or any of the members of their respective Groups); (ii) any agreements, arrangements, commitments or understandings listed or described on Schedule 2.7(b)(ii); (iii) any agreements, arrangements, commitments or understandings to which any Person other than the Parties and the members of their respective Groups is a Party (it being understood that to the extent that the rights and obligations of the Parties and the members of their respective Groups under any such

agreements, arrangements, commitments or understandings constitute CRC Assets or CRC Liabilities, they shall be assigned pursuant to Section 2.1); (iv) any agreements, arrangements, commitments or understandings to which any member of the OPC Group or CRC Group, other than OPC, CRC or a wholly owned Subsidiary of OPC or CRC, as the case may be, is a Party (it being understood that directors' qualifying shares or similar interests will be disregarded for purposes of determining whether a Subsidiary is wholly owned); (v) any Shared Contracts; and (vi) any other agreements, arrangements, commitments or understandings that this Agreement or any Ancillary Agreement expressly states will survive the Distribution Date.

2.8 Treatment of Shared Contracts.

(a) Without limiting the generality of the obligations set forth in Section 2.1, unless the Parties otherwise agree or the benefits of any contract, agreement, arrangement, commitment or understanding described in this Section 2.8 are expressly conveyed to the applicable party pursuant to an Ancillary Agreement, any contract, agreement, arrangement, commitment or understanding that is listed on Schedule 2.8(a) shall be assigned in part to the applicable member(s) of the applicable Group, if so assignable, or appropriately amended prior to, on or after the Distribution Date, so that each Party or the members of its respective Group shall, as of the Distribution Date, be entitled to the rights and benefits, and shall assume the related portion of any Liabilities, inuring to its respective businesses, in each case, in accordance with the allocation of benefits and burdens set forth on Schedule 2.8(a) (each, a "Schedule 2.8 Contract"); provided, however, that, (i) in no event shall any member of any Group be required to assign (or amend) any Schedule 2.8 Contract in its entirety or to assign a portion of any Schedule 2.8 Contract which is not assignable (or cannot be amended) by its terms (including any terms imposing consents or conditions on an assignment where such consents or conditions have not been obtained or fulfilled) and (ii) if any Schedule 2.8 Contract cannot be so partially assigned by its terms or otherwise, or cannot be amended or if such assignment or amendment would impair the benefit the parties thereto derive from such Schedule 2.8 Contract, then the Parties shall, and shall cause each of their respective Subsidiaries to, take such other reasonable and permissible actions (including by providing prompt notice to the other Party with respect to any relevant claim of Liability or other relevant matters arising in connection with a Schedule 2.8 Contract so as to allow such other Party the ability to exercise any applicable rights under such Schedule 2.8 Contract) to cause a member of the CRC Group or the OPC Group, as the case may be, to receive the rights and benefits of that portion of each Schedule 2.8 Contract that relates to the CRC Business or the businesses retained by OPC, as the case may be (in each case, to the extent so related), as if such Schedule 2.8 Contract had been assigned to (or amended to allow) a member of the applicable Group pursuant to this Section 2.8, and to bear the burden of the corresponding Liabilities (including any Liabilities that may arise by reason of such arrangement), as if such Liabilities had been assumed by a member of the applicable Group pursuant to this Section 2.8.

(b) Each of OPC and CRC shall, and shall cause the members of its Group to, (i) treat for all Tax purposes the portion of each Shared Contract inuring to its respective businesses as Assets owned by, and/or Liabilities of, as applicable, such Party, or its Subsidiaries, as applicable, not later than the Distribution Date, and (ii) neither report nor take any Tax position (on a Tax Return or otherwise) inconsistent with such treatment (unless required by applicable Law).

(c) Nothing in this Section 2.8 shall require any member of any Group to make any material payment (except to the extent advanced, assumed or agreed in advance to be reimbursed by any member of the other Group), incur any material obligation or grant any material concession for the benefit of any member of any other Group in order to effect any transaction contemplated by this Section 2.8.

2.9 Bank Accounts; Cash Balances.

(a) OPC and CRC each agrees to take, or cause the respective members of their respective Groups to take, at the Distribution Date (or such earlier time as OPC and CRC may agree), all actions necessary to amend all contracts or agreements governing each bank and brokerage account owned by CRC or any other member of the CRC Group (collectively, the "CRC Accounts") so that such CRC Accounts, if currently linked (whether by automatic withdrawal, automatic deposit or any other authorization to transfer funds from or to, hereinafter "linked") to any bank or brokerage account owned by OPC or any other member of the OPC Group (collectively, the "OPC Accounts"), are de-linked from the OPC Accounts.

(b) OPC and CRC each agrees to take, or cause the respective members of their respective Groups to take, at the Distribution Date (or such earlier time as OPC and CRC may agree), all actions necessary to amend all agreements governing the OPC Accounts so that such OPC Accounts, if currently linked to a CRC Account, are de-linked from the CRC Accounts.

(c) It is intended that, following consummation of the actions contemplated by Sections 2.9(a) and 2.9(b), there will be in place a centralized cash management process pursuant to which the CRC Accounts will be managed centrally and funds collected will be transferred into one or more centralized accounts maintained by CRC or its designee; provided that, on November 28, 2014, the accumulated funds in such centralized CRC Accounts will be transferred to one or more centralized accounts managed by OPC, at the discretion of OPC.

(d) It is intended that, following consummation of the actions contemplated by Sections 2.9(a) and 2.9(b), there will continue to be in place a centralized cash management process pursuant to which the OPC Accounts will be managed centrally and funds collected will be transferred into one or more centralized accounts maintained by OPC or its designee.

(e) With respect to any outstanding payments initiated by OPC, CRC, or any of their respective Subsidiaries prior to the Distribution Date, such outstanding payments shall be honored following the Separation by the Person or Group owning the account from which the payment was initiated.

(f) As between OPC and CRC (and the members of their respective Groups) all payments made and reimbursements received after the Separation by either Party (or member of its Group) that relate to a business, Asset or Liability of the other Party (or member of its Group), shall be held by such Party for the use and benefit of the Party entitled thereto (at the expense of the Party entitled thereto). Each Party shall maintain an accounting of any such payments and reimbursements, and the Parties shall have a monthly reconciliation, whereby all such payments made and reimbursements received by each Party are calculated and the net amount owed to OPC or CRC shall be paid over with right of set-off. If at any time the net amount owed to either Party exceeds \$10,000,000, an interim payment of such net amount owed shall be made to the Party entitled thereto within three (3) business days of such amount exceeding \$10,000,000. Notwithstanding the foregoing, neither OPC nor CRC shall act as collection agent for the other Party, nor shall either Party act as surety or endorser with respect to non-sufficient funds checks, or funds to be returned in a bankruptcy or fraudulent conveyance action.

2.10 Other Ancillary Agreements. Effective as of the date hereof, each of OPC and CRC will execute and deliver all Ancillary Agreements to which it is a party (other than the Transfer Documents, which will be executed on or prior to the Distribution Date to the extent not previously executed prior to the date hereof).

2.11 Disclaimer of Representations and Warranties. EACH OF OPC (ON BEHALF OF ITSELF AND EACH MEMBER OF THE OPC GROUP) AND CRC (ON BEHALF OF ITSELF AND EACH MEMBER OF THE CRC GROUP) UNDERSTANDS AND AGREES THAT, EXCEPT AS EXPRESSLY SET FORTH HEREIN OR IN ANY ANCILLARY AGREEMENT, NO PARTY TO THIS AGREEMENT, ANY ANCILLARY AGREEMENT OR ANY OTHER AGREEMENT OR DOCUMENT CONTEMPLATED BY THIS AGREEMENT, ANY ANCILLARY AGREEMENT OR OTHERWISE, IS REPRESENTING OR WARRANTING IN ANY WAY AS TO THE ASSETS, BUSINESSES OR LIABILITIES TRANSFERRED, ASSUMED OR RETAINED AS CONTEMPLATED HEREBY OR THEREBY, AS TO ANY CONSENTS OR APPROVALS REQUIRED IN CONNECTION THEREWITH, AS TO THE VALUE OR FREEDOM FROM ANY SECURITY INTERESTS OF, OR ANY OTHER MATTER CONCERNING, ANY ASSETS OF SUCH PARTY, OR AS TO THE ABSENCE OF ANY DEFENSES OR RIGHT OF SET-OFF OR FREEDOM FROM COUNTERCLAIM WITH RESPECT TO ANY CLAIM OR OTHER ASSET, INCLUDING ANY ACCOUNTS RECEIVABLE, OF ANY PARTY, OR AS TO THE LEGAL SUFFICIENCY OF ANY ASSIGNMENT, DOCUMENT OR INSTRUMENT DELIVERED HEREUNDER TO CONVEY TITLE TO ANY ASSET OR THING OF VALUE UPON THE EXECUTION, DELIVERY AND FILING HEREOF OR THEREOF, AND IN ENTERING INTO THIS AGREEMENT, EACH OF OPC (ON BEHALF OF ITSELF AND EACH MEMBER OF THE OPC GROUP) AND CRC (ON BEHALF OF ITSELF AND EACH MEMBER OF THE CRC GROUP) ACKNOWLEDGES THAT IT IS NOT RELYING ON ANY SUCH REPRESENTATION OR WARRANTY. EXCEPT AS MAY EXPRESSLY BE SET FORTH HEREIN OR IN ANY ANCILLARY AGREEMENT, ALL SUCH ASSETS ARE BEING TRANSFERRED ON AN "AS IS," "WHERE IS" BASIS (AND, IN THE CASE OF ANY REAL PROPERTY, EXCEPT AS OTHERWISE AGREED BY OPC, BY MEANS OF A QUITCLAIM OR SIMILAR FORM DEED OR CONVEYANCE) AND THE RESPECTIVE TRANSFERREES SHALL BEAR THE ECONOMIC AND LEGAL RISKS THAT (I) ANY CONVEYANCE WILL PROVE TO BE INSUFFICIENT TO VEST IN THE TRANSFEREE GOOD AND MARKETABLE TITLE, FREE AND CLEAR OF ANY SECURITY INTEREST, AND (II) ANY NECESSARY APPROVALS OR NOTIFICATIONS ARE NOT OBTAINED OR THAT ANY REQUIREMENTS OF LAWS, INCLUDING ENVIRONMENTAL LAWS, OR JUDGMENTS ARE NOT COMPLIED WITH. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, OPC MAKES NO REPRESENTATION OR WARRANTY REGARDING ANY MATTER OR CIRCUMSTANCE RELATING TO ENVIRONMENTAL LAWS, THE RELEASE OF HAZARDOUS MATERIALS INTO THE ENVIRONMENT OR THE PROTECTION OF HUMAN HEALTH, SAFETY, NATURAL RESOURCES OR THE ENVIRONMENT, OR ANY OTHER ENVIRONMENTAL CONDITION OF THE CRC ASSETS.

2.12 CRC Financing Arrangements. Prior to the Distribution Date (to the extent not previously effected prior to the date hereof), CRC shall enter into the CRC Financing Arrangements, on such terms and conditions as agreed by OPC (including the amount that shall be borrowed pursuant to the Financing Arrangements and the interest rates for such borrowings). OPC and CRC shall participate in the preparation of all materials and presentations as may be reasonably necessary to secure funding pursuant to the CRC Financing Arrangements, including rating agency presentations necessary to obtain the requisite ratings needed to secure the financing under any of the CRC Financing Arrangements. The Parties agree that CRC, and not OPC, shall be ultimately responsible for all costs and expenses incurred by, and for reimbursement of such costs and expenses to, any member of the OPC Group or CRC Group associated with the CRC Financing Arrangements. In connection with the Initial Distribution, (i) CRC shall use borrowings under the Term Loan Facility and the Revolving Credit Facility to fund the \$1.05 billion cash dividend to be paid to OPC on November 26, 2014 and (ii) CRC shall borrow under the Revolving Credit Facility an amount sufficient to have cash on hand on November 28, 2014 equal to \$100 million to fund a cash distribution of \$100 million to OPC on November 28, 2014. For the avoidance of doubt, CRC shall not be permitted to use cash flows from its operations to fund the amounts referenced in (i) and (ii) above.

2.13 Financial Information Certifications. OPC's disclosure controls and procedures and internal control over financial reporting (as each is contemplated by the Exchange Act) are currently applicable to CRC as its Subsidiary. In order to enable the principal executive officer and principal financial officer of CRC to make the certifications required of them under Sections 302 and 906 of the Sarbanes-Oxley Act of 2002, OPC, within twenty-five (25) days of the end of any fiscal quarter during which CRC remains its Subsidiary, shall provide CRC with one or more certifications as may be determined to be reasonably necessary by OPC and CRC with respect to such disclosure controls and procedures, its internal control over financial reporting and the effectiveness thereof. Such certification(s) shall be provided by OPC (and not by any officer or employee in their individual capacity).

ARTICLE III THE DISTRIBUTION

3.1 The Initial Distribution and the Distribution.

(c) OPC intends to consummate the Initial Distribution on 11:59 p.m. Eastern Time Zone November 30, 2014. OPC will, in its sole and absolute discretion, determine the Distribution Date and all terms of the Distribution, including, without limitation, the form, structure and terms of any transaction(s) and/or offering(s) to effect the Distribution and the timing and conditions to the consummation of the Distribution. In addition, OPC may, at any time and from time to time until the consummation of the Initial Distribution, modify or change the terms of the Initial Distribution, including, without limitation, by accelerating or delaying the timing of the consummation of all or part of the Initial Distribution. For the avoidance of doubt, nothing in the foregoing shall in any way limit OPC's right to terminate this Agreement or the Initial Distribution as set forth in Article IX or alter the consequences of any such termination from those specified in such Article.

(d) CRC shall cooperate with OPC to accomplish the Distribution and shall, at OPC's direction, promptly take any and all actions necessary or desirable to effect the Distribution, including, without limitation, the registration under the Securities Act and the Exchange Act of CRC Common Stock on an appropriate registration form or forms to be designated by OPC. OPC shall select any investment bank or

manager in connection with the Distribution, as well as any financial printer, solicitation and/or exchange agent and financial, legal, accounting and other advisors for OPC. CRC and OPC, as the case may be, will provide to the Agent all share certificates and any information required in order to complete the Distribution.

3.2 Actions Prior to the Initial Distribution.

(c) OPC and CRC shall prepare and make available, prior to the Distribution Date, to the holders of OPC Common Stock, such information concerning CRC, its business, operations and management, the Initial Distribution and such other matters as OPC shall reasonably determine and as may be required by Law. OPC and CRC will prepare, and CRC will, to the extent required under applicable Law, file with the SEC any such documentation and any requisite no-action letters which OPC determines are necessary or desirable to effectuate the Distribution, and OPC and CRC shall each use its commercially reasonable efforts to obtain all necessary approvals from the SEC with respect thereto as soon as practicable.

(d) OPC and CRC shall take all such action as may be necessary or appropriate under the securities or blue sky laws of the United States (and any comparable Laws under any foreign jurisdiction) in connection with the Distribution.

(e) CRC shall prepare and file, and shall use its commercially reasonable efforts to have approved, an application for the listing of the CRC Common Stock to be distributed in the Distribution on the NYSE, subject to official notice of distribution.

(f) OPC and CRC shall take all necessary action that may be required to provide for the adoption by CRC of the Amended and Restated Certificate of Incorporation of CRC (the "CRC Certificate of Incorporation") and the Amended and Restated Bylaws of CRC, each in such form as may be reasonably determined by OPC and CRC, and CRC will file the CRC Certificate of Incorporation with the Secretary of State of the State of Delaware.

(g) OPC and CRC shall take all actions as may be necessary to approve the stock-based employee benefit plans of CRC (and the grants of adjusted awards over OPC stock by OPC and of awards over CRC stock by CRC) in order to satisfy the requirement of Rule 16b-3 under the Exchange Act and the applicable rules and regulations of the NYSE.

3.3 Conditions to Initial Distribution.

(k) The consummation of the Initial Distribution will be subject to the satisfaction, or waiver by OPC in its sole and absolute discretion, of the conditions set forth in this Section 3.3(a). Any determination by OPC regarding the satisfaction or waiver of any of such conditions will be conclusive.

(i) The Separation shall have been completed in accordance with the Restructuring Steps Memorandum.

(ii) OPC will have received a private letter ruling from the U.S. Internal Revenue Service substantially to the effect that, among other things, certain aspects of the transactions that will be undertaken in preparation for, or in connection with, the Separation and the Distribution will not cause the Distribution to be taxable to OPC or its Affiliates.

(iii) OPC shall have received an opinion of its tax counsel, in form and substance acceptable to OPC and which shall remain in full force and effect, that (i) certain transactions that will be undertaken in preparation for, or in connection with, the Separation and Distribution will not be taxable to OPC or its Affiliates for federal income tax purposes and (ii) the Distribution and related transactions generally qualify as tax-free transactions under Sections 355, 361 and/or 368(a)(1)(D) of the Code

(iv) All Governmental Approvals necessary to consummate the Initial Distribution shall have been obtained and be in full force and effect.

(v) The actions and filings necessary or appropriate under applicable securities laws in connection with the Initial Distribution will have been taken or made, and, where applicable, have become effective or been accepted by the applicable Governmental Authority.

(vi) No order, injunction or decree issued by any court or agency of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Initial Distribution or any of the related transactions shall be in effect, and no other event outside the control of OPC shall have occurred or failed to occur that prevents the consummation of the Initial Distribution or any of the related transactions.

(vii) A Registration Statement on Form 10 registering the CRC Common Stock (the "Form 10") shall be effective under the Exchange Act, with no stop order in effect with respect thereto, and the Information Statement included therein (the "Information Statement") shall have been made available to OPC's stockholders as of the Record Date.

(viii) The CRC Common Stock to be distributed to the OPC stockholders in the Distribution shall have been accepted for listing on the NYSE, subject to official notice of distribution.

(ix) Each of the Ancillary Agreements shall have been duly executed and delivered by the parties thereto.

(x) No events or developments shall have occurred or exist that, in the judgment of the OPC Board, in its sole and absolute discretion, make it inadvisable to effect the Initial Distribution or the other transactions contemplated hereby, or would result in the Initial Distribution or the other transactions contemplated hereby not being in the best interest of OPC or its stockholders.

(xi) OPC shall have received the Cash Dividends.

(xii) One or more independent nationally recognized investment banking firms or other firms acceptable to OPC, in its sole and absolute discretion, shall have delivered one or more solvency opinions to the OPC Board and the board of directors of CRC, in form and substance acceptable to OPC in its sole discretion, regarding the payment of the Cash Dividends.

(l) The foregoing conditions are for the sole benefit of OPC and shall not give rise to or create any duty on the part of OPC or the OPC Board to waive or not waive such conditions or in any way limit OPC's right to terminate this Agreement as set forth in Article IX or alter the consequences of any such termination from those specified in such Article. Any determination made by the OPC Board prior to the Initial Distribution concerning the satisfaction or waiver of any or all of the conditions set forth in this Section 3.3 shall be conclusive.

3.4 Certain Stockholder Matters.

(c) Subject to Section 3.3, on or prior to the Distribution Date, OPC will deliver to the Agent for the benefit of holders of record of OPC Common Stock on the Record Date not less than 80.1% of the outstanding shares of CRC Common Stock (taking into account for purposes of calculating the outstanding shares of CRC Common Stock, the number of shares of CRC Common Stock expected to be issued to employees and directors of CRC pursuant to the Employee Matters Agreement and the CRC Stock Plan effective as of the Distribution Date) to be distributed to holders of record of OPC Common Stock in the Initial Distribution (and not less than the number of shares of CRC Common Stock required to be distributed pursuant to Section 3.4(b)), and shall cause the transfer agent for the shares of OPC Common Stock to instruct the Agent to distribute on the Distribution Date the appropriate number of such shares of CRC Common Stock to each such holder or designated transferee or transferees of such holder by way of direct registration in book-entry form. CRC will not issue paper stock certificates. The Initial Distribution shall be effective at 11:59 p.m. Eastern Time on the Distribution Date or at such other time as OPC may determine. If OPC determines, in its sole discretion, at any time after the Distribution Date, that the CRC Common Stock distributed in the Initial Distribution constitutes less than 80.1% of the outstanding shares of CRC Common Stock, OPC will contribute to CRC, for cancellation, that number of shares of CRC Common Stock necessary to cause the CRC Common Stock distributed in the Initial Distribution to constitute at least 80.1% of the outstanding shares of CRC Common Stock.

(d) Subject to Sections 3.3 and 3.4(c), and except as otherwise provided in the Employee Matters Agreement, each holder of OPC Common Stock on the Record Date will be entitled to receive in the Initial Distribution a number of whole shares of CRC Common Stock equal to the number of shares of OPC Common Stock held by such holder on the Record Date multiplied by the Distribution Ratio.

(e) No fractional shares will be distributed or credited to book-entry accounts in connection with the Initial Distribution. As soon as practicable after the Distribution Date, OPC shall direct the Agent to determine the number of whole shares and fractional shares of CRC Common Stock allocable to each holder of record or beneficial owner of OPC Common Stock as of the Record Date, to aggregate all such fractional shares and to sell the whole shares obtained thereby in open market transactions (with the Agent, in its sole and absolute discretion, determining when, how and through which broker-dealer and at what price to make such sales), and to cause to be distributed to each such holder or for the benefit of each such beneficial owner, in lieu of any fractional share, such holder's or owner's ratable share of the proceeds of such sale, after deducting any taxes required to be withheld and after deducting an amount equal to all brokerage charges, commissions and transfer taxes attributed to such sale. Neither OPC nor CRC will be required to guarantee any minimum sale price for the fractional shares of CRC Common Stock. Neither OPC nor CRC will be required to pay any interest on the proceeds from the sale of fractional shares.

(f) Until the CRC Common Stock is duly transferred in accordance with this Section 3.4 and applicable Law, from and after the effective time of the Initial Distribution, CRC will regard the Persons entitled to receive such CRC Common Stock as record holders of CRC Common Stock in accordance with the terms of the Initial Distribution without requiring any action on the part of such Persons. CRC agrees that, subject to any transfers of such stock, from and after the effective time of the Initial Distribution (i) each such holder will be entitled to receive all dividends payable on, and exercise voting rights and all other rights and privileges with respect to, the shares of CRC Common Stock then held by such holder, and (ii) each such holder will be entitled, without any action on the part of such holder, to receive evidence of ownership of the shares of CRC Common Stock then held by such holder.

3.5 Treatment of the Loan 1 Proceeds. As described in the Recitals, OPC received the Loan 1 Proceeds Dividend on October 9, 2014. Consistent with the terms of the Private Letter Ruling, OPC will distribute the Loan 1 Proceeds (i) to its shareholders (whether through quarterly dividends, redemptions pursuant to existing or future repurchase programs, or otherwise), (ii) transfer the Loan 1 Proceeds to creditors, or (iii) engage in combination of (i) and (ii) within 18 months of the First Distribution.

ARTICLE IV DISPUTE RESOLUTION

4.1 General Provisions.

(h) Any dispute, controversy or claim arising out of or relating to this Agreement or the Ancillary Agreements (except as otherwise set forth in any such Ancillary Agreements), including the validity, interpretation, breach or termination thereof (a "Dispute"), shall be resolved in accordance with the procedures set forth in this Article IV, which shall be the sole and exclusive procedures for the resolution of any such Dispute unless otherwise specified in the applicable Ancillary Agreement or in this Article IV.

(i) Commencing with a request contemplated by Section 4.2, all communications between the Parties or their representatives to attempt to resolve any Dispute shall be deemed to have been delivered in furtherance of a Dispute settlement and shall be exempt from disclosure and production, and shall not be introduced into evidence for any reason (whether as an admission or otherwise) before any arbitral tribunal.

(j) The specific procedures set forth in this Article IV, including the time limits referenced herein, may be modified by agreement of both of the Parties in writing.

(k) All applicable statutes of limitations and defenses based upon the passage of time shall be tolled while the procedures specified in this Article IV are pending. The Parties will take any necessary or appropriate action required to effectuate such tolling.

4.2 **Consideration by Senior Executives.** If a Dispute is not resolved in the normal course of business at the operational level, the Parties shall attempt in good faith to resolve the Dispute by negotiation between executives. Either Party may initiate the executive negotiation process by providing a written notice to the other (the "**Initial Notice**"). Within fifteen (15) days after delivery of the Initial Notice, the receiving Party shall submit to the other a written response (the "**Response**"). The Initial Notice and the Response shall include (a) a statement of the Dispute and of each Party's respective position and (b) the name and title of the executive who will represent that Party and of any other person who will accompany the executive. The Parties agree that such executives shall have full and complete authority to resolve any Disputes submitted pursuant to this Section 4.2. Such executives will meet in person or by teleconference or video conference within thirty (30) days of the date of the Initial Notice to seek a resolution of the Dispute. If the executives are unable to agree to a format for such meeting, the meeting shall be convened by teleconference.

4.3 **Mediation.** If a Dispute is not resolved by negotiation or if a meeting between executives is not held as provided in Section 4.2 within thirty (30) days from the delivery of the Initial Notice, resolution of such Dispute shall be attempted by mediation administered by the American Arbitration Association (the "**AAA**") under its Commercial Mediation Procedures (the "**Mediation Procedures**") as then in effect. Unless otherwise agreed by OPC and CRC, the Parties shall (a) conduct the mediation in Houston, Texas, and (b) select a mutually agreeable mediator. If the Parties are unable to agree upon a mediator within 10 days of the request for mediation, a mediator shall be appointed as set out in the Mediation Procedures. The Parties shall agree to a mutually convenient date and time to conduct the mediation; provided that the mediation must occur within thirty (30) days of the appointment of the mediator unless a later date is agreed to by the Parties in writing. Each Party shall bear its own fees, costs and expenses and an equal share of the expenses of the mediation. Each Party shall designate an executive to have full and complete authority to resolve the Dispute and to represent its interests in the mediation, and each Party may, in its sole and absolute discretion, include any number of other Representatives in the mediation process. At the commencement of the mediation, either Party may request to submit a written mediation statement to the mediator.

4.4 **Arbitration.**

(c) Any Dispute that is not resolved within the latter of sixty (60) days from the delivery of the Initial Notice under Section 4.3 or the date of termination of mediation under the Mediation Procedures shall be settled by arbitration administered by the AAA in accordance with its Commercial Arbitration Rules (the "**AAA Commercial Arbitration Rules**").

(d) Without waiving its rights to any remedy under this Agreement and without first complying with the provisions of Sections 4.2 and 4.3, either Party may seek any emergency measures of protection or interim relief (i) before any Texas federal or state court, (ii) before an emergency arbitrator, as provided for under the AAA Commercial Arbitration Rules, or (iii) before the arbitral tribunal established hereunder.

(e) Unless otherwise agreed by OPC and CRC, any Dispute to be decided in arbitration hereunder shall be decided by a tribunal of three (3) arbitrators appointed pursuant to the AAA Commercial Arbitration Rules.

(f) The place of arbitration shall be Houston, Texas. The final hearing(s) in such arbitration shall take place within fourteen (14) months of the date of appointment of the arbitral tribunal, unless the Parties agree otherwise in writing.

(g) The arbitral tribunal will have the right to award, on an interim basis, or include in the final award, any relief which it deems proper in the circumstances, including money damages (with interest on unpaid amounts from the due date), injunctive relief (including specific performance) and attorneys' fees and costs; provided that the arbitral tribunal will not award any relief not specifically requested by the Parties and, in any event, will not award special damages. Upon constitution of the arbitral tribunal following any grant of interim relief by a special arbitrator or court pursuant to Section 4.4(b), the tribunal may affirm or disaffirm that relief, and the Parties will take such measures that are necessary to execute the tribunal's decision.

(h) So long as either Party has a timely claim to assert, the agreement to arbitrate Disputes set forth in this Section 4.4 will continue in full force and effect subsequent to, and notwithstanding the completion, expiration or termination of, this Agreement.

(i) Any award of the arbitrators shall state reasons and shall be conclusive and binding upon the Parties. Judgment on any award rendered by the arbitrators may be entered in any court having jurisdiction thereof.

(j) Each Party shall bear its own fees, costs and expenses and shall bear an equal share of the costs and expenses of the arbitration, including the fees, costs and expenses of the arbitral tribunal, provided, that the arbitral tribunal may award the prevailing Party its reasonable fees and expenses (including attorneys' fees), including such reasonable fees and expenses for any Disputes relating to the Parties' rights and obligations for indemnification under this Agreement.

4.5 **Confidentiality.** Except as may be required by law or to enforce an award, neither a Party nor an arbitrator may disclose the existence, content or results of any arbitration hereunder without the prior written consent of the Parties.

ARTICLE V MUTUAL RELEASES; INDEMNIFICATION

5.1 **Regardless of Fault.** IN THIS ARTICLE V, THE PHRASE "REGARDLESS OF FAULT" MEANS WITH RESPECT TO ANY INDEMNITY OR RELEASE PROVISION THAT THE INDEMNITY OR RELEASE IS BEING GIVEN WITHOUT REGARD TO THE FAULT OF THE PARTY BEING RELEASED OR INDEMNIFIED AND THAT THE INDEMNITY OR RELEASE WILL BE ENFORCEABLE EVEN IF THE LIABILITY BEING RELEASED OR INDEMNIFIED AGAINST WAS CAUSED BY THE NEGLIGENCE (OF ANY DEGREE OR CHARACTER), STRICT LIABILITY, BREACH OF DUTY OR ANY OTHER FAULT ON THE PART OF THE PARTY OR PERSON BEING RELEASED OR INDEMNIFIED.

5.2 **Intention of Parties.** IT IS THE INTENTION OF THE PARTIES THAT THE INDEMNITIES AND RELEASES IN ARTICLE V COMPLY WITH BOTH THE EXPRESS NEGLIGENCE DOCTRINE AND THE CLEAR AND CONSPICUOUS RULE AND THAT WHEREVER "REGARDLESS OF FAULT" APPEARS IN ARTICLE V, THE DEFINITION SET OUT IN SECTION 5.1 IS INCORPORATED AS THOUGH FULLY SET OUT THEREIN.

5.3 **Release of Pre-Initial Distribution Claims.**

(k) Except as provided in Section 5.3(c), effective as of the Distribution Date, CRC does hereby, for itself and each other member of the CRC Group, their respective Affiliates (other than any member of the OPC Group), successors and assigns, and all Persons who at any time prior to the Distribution Date have been directors, officers, agents, managers, or employees of any member of the CRC Group (in each case, in their respective capacities as such), remise, release and forever discharge REGARDLESS OF FAULT OPC and the members of the OPC Group, their respective controlled Affiliates (other than any member of the CRC Group), successors and assigns, and all Persons who at any time prior to the Distribution Date have been stockholders, directors, officers, agents, managers or employees of any member of the OPC Group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, from any and all Liabilities whatsoever, whether at law or in equity (including any right of contribution), whether arising under any contract or agreement, by operation of law or otherwise, including from fraud, existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed on or before the Distribution Date, including in connection with the transactions and all other activities to implement the Separation and the Distribution; provided, however, with respect to stockholders, directors, officers, agents, managers, or employees of any member of the OPC Group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, such remise, release and discharge shall not apply to the extent any such person or party is grossly negligent or has acted in bad faith or has engaged in willful misconduct.

(l) Except as provided in Section 5.3(c), effective as of the Distribution Date, OPC does hereby, for itself and each other member of the OPC Group, their respective Affiliates (other than any member of the CRC Group), successors and assigns, and all Persons who at any time prior to the Distribution Date have been directors, officers, agents, managers, or employees of any member of the OPC Group (in each case, in their respective capacities as such), remise, release and forever discharge REGARDLESS OF FAULT CRC, the respective members of the CRC Group, their respective controlled Affiliates (other than any member of the OPC Group), successors and assigns, and all Persons who at any time prior to the Distribution Date have been stockholders, directors, officers, agents, managers, or employees of any member of the CRC Group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, from any and all Liabilities whatsoever, whether at law or in equity (including any right of contribution), whether arising under any contract or agreement, by operation of law or otherwise, including from fraud, existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed on or before the Distribution Date, including in connection with the transactions and all other activities to implement the Separation and the Distribution; provided, however, with respect to stockholders, directors, officers, agents, managers, or employees of any member of the CRC Group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, such remise, release and discharge shall not apply to the extent any such person or party is grossly negligent or has acted in bad faith or has engaged in willful misconduct.

(m) Nothing contained in Section 5.3(a) or (b) shall impair any right of any Person to enforce this Agreement or any Ancillary Agreement. Nothing contained in Section 5.3(a) or (b) shall release any Person from:

(i) any Liability provided in or resulting from any agreement among any members of the OPC Group or the CRC Group that is specified in Section 2.7(b) of this Agreement or the applicable Schedules thereto as not to terminate as of the Distribution Date, or any other Liability specified in such Section 2.7(b) as not to terminate as of the Distribution Date;

(ii) any Liability, contingent or otherwise, assumed, transferred, assigned or allocated to the Group of which such Person is a member in accordance with, or any other Liability of any member of any Group under, this Agreement or any Ancillary Agreement;

(iii) any Liability for the agreed upon purchase price or fee due arising out of the sale, lease, construction or receipt of goods, property or services purchased, obtained or used in the ordinary course of business by a member of one Group from a member of the other Group prior to the Distribution Date;

(iv) any Liability that the Parties may have with respect to indemnification or contribution pursuant to this Agreement for claims brought against the Parties by Third Parties, which Liability shall be governed by the provisions of this Article V and Article VI and, if applicable, the other appropriate provisions of this Agreement and the other Ancillary Agreements; or

(v) any Liability the release of which would result in the release of any Third Parties other than a Person released pursuant to this Section 5.3; provided, however, that the Parties agree not to bring or allow their respective Subsidiaries to bring suit or other Action against the other Party or any of their respective past, present or future directors, officers and employees, and each of the heirs, executors, successors and assigns of any of the foregoing, with respect to any such Liability.

In addition, nothing contained in Section 5.3(a) shall release OPC from honoring its obligations in effect immediately prior to the Initial Distribution to indemnify any director, officer or employee of a member of the CRC Group who was a director, officer or employee of a member of the OPC Group on or prior to the Distribution Date, to the extent such director, officer or employee becomes a named defendant in any Action covered by such indemnity obligations; it being understood that, if the underlying obligation giving rise to such Action is a CRC Liability, CRC shall indemnify OPC for such Liability (including OPC's costs to indemnify the director, officer or employee) in accordance with the provisions set forth in this Article V.

(n) CRC covenants that it will not make, and will not permit any member of the CRC Group to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification, against OPC or any member of the OPC Group, or any other Person released pursuant to Section 5.3(a), with respect to any Liabilities released pursuant to Section 5.3(a). OPC covenants that it will not make, and will not permit any member of the OPC Group to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification, against CRC or any member of the CRC Group, or any other Person released pursuant to Section 5.3(b), with respect to any Liabilities released pursuant to Section 5.3(b).

(o) It is the intent of each of OPC and CRC, by virtue of the provisions of this Section 5.3, to provide for a full and complete release and discharge REGARDLESS OF FAULT of all Liabilities existing or arising from all acts and events occurring or failing to occur or alleged to have occurred or to have failed to occur and all conditions existing or alleged to have existed on or before the Distribution Date, between or among CRC or any member of the CRC Group, on the one hand, and OPC or any member of the OPC Group, on the other hand (including any contractual agreements or arrangements existing or alleged to exist between or among any such members on or before the Distribution Date, including any representations or warranties or indemnities made or alleged to have been made on or before the Distribution Date, by any member of the CRC Group or the OPC Group), except as expressly set forth in Section 5.3(c). At any time, at the request of the other Party, each Party shall cause each member of its respective Group to execute and deliver releases reflecting the provisions hereof.

(p) Any breach of the provisions of this Section 5.3 by either OPC or CRC shall entitle the other Party to recover reasonable fees and expenses of counsel in connection with such breach or any action resulting from such breach.

5.4 Indemnification by CRC. Subject to Section 5.6, CRC shall REGARDLESS OF FAULT indemnify, defend and hold harmless OPC, each member of the OPC Group and each of their respective past, present and future directors, officers and employees, and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the "OPC Indemnitees"), from and against any and all Liabilities of the OPC Indemnitees arising out of or resulting from:

(c) any OPC Third Party Claim to the extent arising out of or resulting from any of the following items:

(i) the failure of CRC or any other member of the CRC Group or any other Person to pay, perform or otherwise promptly discharge any CRC Liabilities or CRC Contracts in accordance with its respective terms, whether prior to or after the Distribution Date;

(ii) the CRC Business, any CRC Liabilities or any CRC Contracts;

(iii) any representation or other warranty (including any warranty of title) or indemnity from or made by the OPC Group contained in any deed, agreement or other document constituting or relating to the CRC Assets or the CRC Business, including any conveyancing instrument whereby any of the CRC assets were conveyed, assigned or transferred to a member of the CRC Group (whether in connection with the Separation or a transaction not related to the Separation);

(iv) the Assumed Actions;

(v) any Corporate Action or Action relating to the CRC Business from which CRC is unable to cause an OPC Group party to be removed pursuant to Section 5.8(d), but only to the extent relating to the CRC Business;

(vi) any use by any member of the CRC Group or Person that becomes an Affiliate of a member of the CRC Group after the Distribution Date of the OPC Names and Marks;

(vii) any guarantee, indemnification obligation, letter of credit reimbursement obligations, surety, bond or other credit support agreement, arrangement, commitment or understanding for the benefit of CRC or its Subsidiaries by OPC or any of its Subsidiaries (other than CRC or its Subsidiaries) that survives following the Distribution Date; and

(viii) any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, with respect to all information contained in any of the Form 10 (including in any amendments or supplements thereto), the Information Statement (as amended or supplemented if CRC will have furnished any amendments or supplements thereto) or any offering memorandum or other marketing materials prepared in connection with the CRC Financing Arrangements or otherwise, other than any such statement or omission in the Form 10, Information Statement or offering memorandum or other marketing materials based on information furnished by OPC solely in respect of the OPC Group (it being understood that, with respect to the Form 10 and the Information Statement, the only such information furnished by OPC is the information set forth in the section of the Form 10 titled "The Spin-Off—Reasons for the Spin-Off"); and

(d) any breach by CRC or any member of the CRC Group of this Agreement or any of the other Ancillary Agreements.

5.5 Indemnification by OPC. Subject to Section 5.6, OPC shall REGARDLESS OF FAULT indemnify, defend and hold harmless CRC, each member of the CRC Group and each of their respective past, present and future directors, officers and employees, and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the "CRC Indemnitees"), from and against any and all Liabilities of the CRC Indemnitees arising out of or resulting from:

(d) any CRC Third Party Claim to the extent arising out of or resulting from any of the following items:

(i) the failure of OPC or any other member of the OPC Group or any other Person to pay, perform or otherwise promptly discharge any OPC Liabilities, whether prior to or after the Distribution Date;

(ii) the OPC Business, any OPC Liabilities or any OPC Contracts;

(iii) any representation or other warranty (including any warranty of title) or indemnity from or made by the CRC Group contained in any deed, agreement or other document constituting or relating to the OPC Assets or the OPC Business, including any conveyancing instrument whereby any of the OPC assets were conveyed, assigned or transferred to a member of the OPC Group (whether in connection with the Separation or a transaction not related to the Separation);

(iv) any Corporate Action or Action relating to the OPC Business from which OPC is unable to cause a CRC Group party to be removed pursuant to Section 5.8(d) (but only to the extent relating to the OPC Business); and

(v) any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, with respect to all information contained in any of the Form 10 (including in any amendments or supplements thereto), the Information Statement (as amended or supplemented if CRC will have furnished any amendments or supplements thereto) or any offering memorandum or other marketing materials prepared in connection with the CRC Financing Arrangements or otherwise, only to the extent based on information furnished by OPC solely in respect of the OPC Group (it being understood that, with respect to the Form 10 and the Information Statement, the only such information furnished by OPC is the information set forth in the section of the Form 10 titled "The Spin-Off—Reasons for the Spin-Off"); and

(e) any breach by OPC or any member of the OPC Group of this Agreement or any of the Ancillary Agreements.

5.6 Indemnification Obligations Net of Insurance Proceeds and Other Amounts.

(g) The Parties intend that any Liability subject to indemnification or reimbursement pursuant to this Article V or Article VI ultimately will be net of Insurance Proceeds that actually reduce the amount of the Liability. Accordingly, the amount which any Party (an "Indemnifying Party") has paid to or on behalf of any person or entity entitled to indemnification hereunder (an "Indemnitee") will be reduced by any Insurance Proceeds theretofore actually recovered by or on behalf of the Indemnitee in respect of the related Liability. If an Indemnitee receives a payment (an "Indemnity Payment") required by this Agreement from an Indemnifying Party in respect of any Liability and subsequently receives Insurance Proceeds, then the Indemnitee will pay to the Indemnifying Party an amount equal to the excess of the Indemnity Payment received and any costs or expenses incurred by the Indemnitee in recovering such payment over the amount of the Indemnity Payment that would have been due if the Insurance Proceeds had been received, realized or recovered before the Indemnity Payment was made.

(i) Notwithstanding anything in subsection 5.6(a), the initial obligation of the Indemnifying Party shall be to indemnify fully the Indemnitee, without regard to whether there may or may not be available Insurance Proceeds.

(ii) Once the Indemnifying Party has indemnified the Indemnitee, or agreed to the reasonable satisfaction of the Indemnitee to indemnify the Indemnitee without reservation or exception, for a liability as to which the Indemnitee may have insurance coverage, then upon the request of the Indemnifying party, the Indemnitee shall pursue recovery of Insurance Proceeds under the Indemnitee's insurance policies, including making claims and filing suits if necessary. Such insurance recovery efforts shall be at the sole cost and expense of the Indemnifying Party, but shall be under the final control of the Indemnitee. Specifically, the Indemnitee shall retain and direct counsel, control litigation, and make final decisions on all matters, including settlement or any other form of claim resolution. In all such matters, the Indemnitee shall consult with the Indemnifying Party if requested, but the Indemnitee shall retain final authority.

(h) An insurer who would otherwise be obligated to pay any claim shall not be relieved of the responsibility therefor, or have any subrogation rights with respect thereto, as a consequence of the indemnification rights under this Agreement.

(i) The Parties intend that any indemnification or reimbursement payment in respect of a Liability pursuant to this Article V or Article VI shall be (i) reduced to take into account the amount of any Tax Benefit actually realized by the indemnified or reimbursed Person in respect of such Liability by the end of the taxable year in which the indemnification or reimbursement payment is made and (ii) increased as necessary to ensure that, after all required Taxes on the indemnification or reimbursement payment are paid (including Taxes applicable to any increases in the indemnity payment under this Section 5.6(c)), the indemnified or reimbursed Person receives the amount it would have received if the indemnity payment was not taxable. For purposes of this Section 5.6(c), the amount of any Tax Benefit and any Income Taxes shall be calculated on the basis that the indemnified or reimbursed Person is subject to the highest federal marginal regular statutory income Tax rate, has sufficient taxable income to permit the realization or receipt of any relevant Tax Benefit at the earliest possible time and is not subject to the alternative minimum tax.

(j) For all claims as to which indemnification is provided under Section 5.4 or Section 5.5 other than Third-Party Claims (as to which Section 5.7 shall apply), the reasonable fees and expenses of counsel to the Indemnitee for the enforcement of the indemnity obligations shall be borne by the Indemnifying Party.

5.7 Procedures for Indemnification of Third Party Claims.

(a) If an Indemnitee shall receive written notice of a Third Party Claim with respect to which an Indemnifying Party may be obligated to provide indemnification to such Indemnitee pursuant to Section 5.4 or 5.5, or any other Section of this Agreement or any other Ancillary Agreement, such Indemnitee shall give such Indemnifying Party written notice thereof within fourteen (14) days of such written notice. Any such notice shall describe the Third-Party Claim in reasonable detail and include copies of all notices and documents (including court papers) received by the Indemnitee relating to the Third-Party Claim. Notwithstanding the foregoing, the failure of an Indemnitee to provide notice in accordance with this Section 5.7(a) shall not relieve an Indemnifying Party of its indemnification obligations under this Agreement, except to the extent to which the Indemnifying Party shall demonstrate that it was materially prejudiced by the Indemnitee's failure to provide notice in accordance with this Section 5.7(a).

(b) An Indemnifying Party may elect to defend (and, unless the Indemnifying Party has specified any reservations or exceptions, to seek to settle or compromise), at such Indemnifying Party's own expense and by such Indemnifying Party's own counsel, any Third-Party Claim; provided, however, that an Indemnifying Party shall not be entitled to elect to defend any Third Party Claim that potentially includes Liabilities for which the Indemnitee will not be indemnified hereunder unless either the Indemnitee consents to the Indemnifying Party assuming such defense or the Indemnifying Party agrees to assume such defense and indemnify without reservation or exception. Within thirty (30) days after the receipt of notice from an Indemnitee in accordance with Section 5.7(a) (or sooner, if the nature of such Third-Party Claim so requires), the Indemnifying Party shall notify the Indemnitee of its election whether the Indemnifying Party will assume responsibility for defending such Third-Party Claim, which election shall specify any reservations or exceptions if the Indemnitee has consented to the Indemnifying Party assuming the defense notwithstanding such reservations or exceptions. After notice from an Indemnifying Party to an Indemnitee of its election to assume the defense of a Third-Party Claim, such Indemnitee shall have the right to employ separate counsel and to participate in (but not control) the defense, compromise, or settlement thereof, but the fees and expenses of such counsel shall be the expense of such Indemnitee except as set forth in the next sentence.

(c) If the Indemnifying Party has elected (and is permitted hereunder) to assume the defense of the Third-Party Claim but has specified, and continues to assert, any reservations or exceptions in such notice, then, in any such case, the reasonable fees and expenses of one separate counsel for all Indemnitees shall be the expense of such Indemnitees, but shall be promptly reimbursed by the Indemnifying Party. If the Indemnifying Party has elected to assume the defense of the Third Party Claim but has specified, and continues to assert, any reservations or exceptions in such notice, then the Indemnifying Party must obtain the consent of the Indemnitee prior to any settlement or compromise.

(d) Notwithstanding an election by an Indemnifying Party to defend a Third-Party Claim pursuant to Section 5.7(b), the Indemnitee may, upon notice to the Indemnifying Party, elect to take over the defense of such Third-Party Claim if (i) in its exercise of reasonable business judgment, the Indemnitee determines that the Indemnifying Party is not defending such Third-Party Claim competently or in good faith, (ii) the Credit Rating of the Indemnifying Party is or falls below the Minimum Credit Rating as determined by at least two Rating Agencies, (iii) the Indemnitee determines in its exercise of reasonable business judgment that there exists a compelling business reason for such Indemnitee to defend such Third-Party Claim (other than as contemplated by the foregoing clause (i)), (iv) the Indemnifying Party makes a general assignment for the benefit of creditors, has filed against it or files a petition in bankruptcy or insolvency or is declared bankrupt or insolvent or declares that it is bankrupt or insolvent, or (v) when OPC is the Indemnitee, there has occurred a change of control of CRC since the Distribution Date.

(e) If an Indemnifying Party elects not to assume responsibility for defending a Third-Party Claim, or fails to notify an Indemnitee of its election as provided in Section 5.7(b), or if an Indemnitee takes over the defense of a Third-Party Claim as provided in Section 5.7(d), the Indemnifying Party shall bear, and reimburse promptly, all of the Indemnitee's reasonable costs and expenses incurred in defending such Third-Party Claim.

(f) If, pursuant to Section 5.7(d) or for any other reason, the Indemnifying Party is not defending a Third-Party Claim for which indemnification is provided under this Agreement, the Indemnifying Party shall have the right, at its own expense, to monitor reasonably the defense of such Third-Party Claim; provided, that such monitoring activity shall not interfere in any material respect with the conduct of such defense.

(g) If an Indemnifying Party has failed to assume the defense of the Third-Party Claim in accordance with the terms of this Agreement or an Indemnitee takes over the defense of a Third-Party Claim as provided in Section 5.7(d)(i), an Indemnitee may settle or compromise the Third-Party Claim without the consent of the Indemnifying Party. If an Indemnitee takes over the defense of a Third-Party Claim as provided in Section 5.7(d)(ii)-(v), such Indemnitee may not settle or compromise any Third-Party Claim without the consent of the Indemnifying Party, such consent not to be unreasonably withheld or delayed.

(h) In the case of a Third-Party Claim, no Indemnifying Party shall consent to entry of any judgment or enter into any settlement of the Third-Party Claim without the consent of the Indemnitee if the effect thereof is to permit any injunction, declaratory judgment, regulatory penalty or other non-monetary relief to be entered, directly or indirectly against any Indemnitee.

(i) CRC or OPC, as applicable, shall prepare and circulate a legal hold order ("LHO") covering relevant categories of documents as promptly as practical following receipt of any notice pursuant to Section 5.7(a) and shall promptly notify the other Party after such LHO has been circulated. OPC or CRC, as applicable, shall prepare and circulate a LHO covering documents in the possession, custody or control of the members of its Group with respect to any Action so notified to the other Party.

(j) The provisions of this Section 5.7 (other than this Section 5.7(j)) and the provisions of Section 5.8 shall not apply to Taxes (Taxes being governed by the Tax Sharing Agreement).

(k) All Assumed Actions have been tendered by OPC to CRC and are deemed to be formally accepted by CRC upon the execution of this Agreement without reservation or exception and CRC has elected to defend all such actions subject to the other provisions of this Section 5.7.

(l) An Indemnifying Party shall provide the Indemnitee with a monthly written report identifying any Third Party Claims which such Indemnifying Party has elected to defend pursuant to this Section 5.7. In addition, the Indemnifying Party shall establish a procedure reasonably acceptable to the Indemnitee to automatically send electronic notice from the Indemnifying Party to the Indemnitee through the litigation management system or any successor system when any such Third Party Claim is closed, regardless of whether such Third Party Claim was decided by settlement, verdict, dismissal or was otherwise disposed of.

5.8 Additional Matters.

(a) Indemnification payments in respect of any Liabilities for which an Indemnitee is entitled to indemnification under this Article V shall be paid by the Indemnifying Party to the Indemnitee as such Liabilities are incurred upon demand by the Indemnitee, including reasonably satisfactory documentation setting forth the basis for the amount of such indemnification payment, including documentation with respect to calculations made and consideration of any Insurance Proceeds that actually reduce the amount of such Liabilities; provided, however, that if requested by the Indemnitee, in the case of any Third Party Claims for which the Indemnifying Party is liable under the terms of this Agreement, the Indemnifying Party will pay the amounts due to such Third Party as a result of any settlement of such Third Party Claim in accordance with Section 5.7 directly to the Third Party as opposed to reimbursing the Indemnitee for the amounts paid in any such settlement. **THE INDEMNITY AGREEMENTS CONTAINED IN THIS ARTICLE V SHALL REMAIN OPERATIVE AND IN FULL FORCE AND EFFECT, REGARDLESS OF (I) ANY INVESTIGATION MADE BY OR ON BEHALF OF ANY INDEMNITEE AND (II) THE KNOWLEDGE BY THE INDEMNITEE OF LIABILITIES FOR WHICH IT MIGHT BE ENTITLED TO INDEMNIFICATION HEREUNDER.**

(b) Any claim on account of a Liability that does not result from a Third-Party Claim shall be asserted by written notice given by the Indemnitee to the related Indemnifying Party. Such Indemnifying Party shall have a period of thirty (30) days after the receipt of such notice within which to respond thereto. If such Indemnifying Party does not respond within such thirty (30)-day period, such Indemnifying Party shall be deemed to have refused to accept responsibility to make payment. If such Indemnifying Party does not respond within such thirty (30)-day period or rejects such claim in whole or in part, such Indemnitee shall be free to pursue such remedies as may be available to such Party as contemplated by this Agreement and the other Ancillary Agreements.

(c) In the event of payment by or on behalf of any Indemnifying Party to any Indemnitee in connection with any Third-Party Claim, such Indemnifying Party shall be subrogated to and shall stand in the place of such Indemnitee as to any events or circumstances in respect of which such Indemnitee may have any right, defense or claim relating to such Third-Party Claim against any claimant or plaintiff asserting such Third-Party Claim or against any other Person. Such Indemnitee shall cooperate with such Indemnifying Party in a reasonable manner, and at the cost and expense of such Indemnifying Party, in prosecuting any subrogated right, defense or claim.

(d) In the event of an Action for which indemnification is sought pursuant to Section 5.4 or 5.5 and in which the Indemnifying Party is not a named defendant, if either the Indemnitee or Indemnifying Party shall so request, the Parties shall use commercially reasonable efforts to substitute the Indemnifying Party for the named defendant.

(e) If CRC or OPC shall establish a risk accrual in an amount of at least \$25 million with respect to any Third-Party Claim for which such Party has indemnified the other Party pursuant to Section 5.4 or 5.5, as applicable, it shall notify the other Party of the existence and amount of such risk accrual (*i.e.*, when the accrual is recorded in the financial statements as an accrual for a potential liability), subject to the Parties entering into an appropriate agreement with respect to the confidentiality and/or Privilege thereof.

5.9 Remedies Cumulative. The remedies provided in this Article V shall be cumulative and shall not preclude assertion by any Indemnitee of any other rights or the seeking of any and all other remedies against any Indemnifying Party expressly provided in this Agreement or any Ancillary Agreement; provided, however, if a Party has recovered any Losses from the other Party pursuant to any provision of this Agreement or any Ancillary Agreement or otherwise, it shall not be entitled to recover the same Losses pursuant to any other provision of this Agreement or any Ancillary Agreement.

5.10 Survival of Indemnities. The rights and obligations of each of OPC and CRC and their respective Indemnitees under this Article V shall survive the sale or other transfer by any Party of any Assets or businesses or the assignment by it of any Liabilities.

5.11 Guarantees, Letters of Credit and other Obligations. In furtherance of, and not in limitation of, the obligations set forth in Section 2.6 and Section 8.3 hereof:

(a) On or prior to the Distribution Date or as soon as practicable thereafter, CRC shall (with the reasonable cooperation of the applicable member(s) of the OPC Group) use its commercially reasonable efforts to have any member(s) of the OPC Group removed as guarantor of or obligor for any CRC Liability, including in respect of those guarantees, letters of credit and other obligations set forth on Schedule 5.11(a).

(b) On or prior to the Distribution Date, to the extent required to obtain a release from a guarantee, letter of credit or other obligation of any member of the OPC Group, CRC shall execute a substitute document substantially in the form of any such existing guarantee or letter of credit, as applicable, or such other form as is agreed to by the relevant parties to such guarantee agreement, letter of credit or other obligation, provided that CRC shall not be required to make or agree to any representations, covenants or other terms or provisions in an existing guarantee, letter of credit or other obligation to the extent (i) CRC would not be reasonably able to comply therewith or (ii) CRC would reasonably be expected to be in breach thereof.

(c) If the Parties are unable to obtain, or to cause to be obtained, any such required removal as set forth in clauses (a) and (b) of this Section 5.11, (i) CRC shall REGARDLESS OF FAULT indemnify, defend and hold harmless each of the OPC Indemnitees for any Liability arising from or relating to such guarantee, letter of credit or other obligation, as applicable, and shall, as agent or subcontractor for the applicable OPC Group guarantor or obligor, pay, perform and discharge fully all of the obligations or other Liabilities of such guarantor or obligor thereunder, and (ii) CRC shall not, and shall cause the other members of the CRC Group not to, agree to renew or extend the term of, increase any obligations under, or transfer to a Third Party, any loan, guarantee, letter of credit, lease, contract or other obligation for which a member of the OPC Group is or may be liable unless all obligations of the members of the OPC Group with respect thereto are thereupon terminated by documentation satisfactory in form and substance to OPC in its sole and absolute discretion.

5.12 No Impact on Third Parties. For the avoidance of doubt, except as expressly set forth in this Agreement, the indemnifications provided for in this Article V are made only for purposes of allocating responsibility for Liabilities between the OPC Group, on the one hand, and the CRC Group, on the other hand, and are not intended to, and shall not, affect any obligations to, or give rise to any rights of, any Third Parties.

5.13 No Cross-Claims or Third-Party Claims. Each of CRC and OPC agrees that it shall not, and shall not permit any of its respective Subsidiaries or controlled Affiliates to, in connection with any Third-Party Claim, assert as a counterclaim or third-party claim against any member of the OPC Group or CRC Group, respectively, any claim (whether sounding in contract, tort or otherwise) that arises out of or relates to this Agreement, any breach or alleged breach hereof, the transactions contemplated hereby (including all actions taken in furtherance of the transactions contemplated hereby on or prior to the date hereof), or the construction, interpretation, enforceability or validity hereof, which in each such case shall be asserted only as contemplated by Article IV.

5.14 Severability. If any indemnification provided for in this Article IV is determined by any arbitrator or arbitral tribunal with authority to make such determination under Article IV or by a Texas federal or state court to be invalid, void or unenforceable, the Liability shall be apportioned between the Indemnitee and the Indemnifying Party as determined in a separate proceeding in accordance with Article IV.

5.15 Change of Control. If any Third Party or "group" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) acquires beneficial ownership, including by way of merger, consolidation or other business combination, of fifty percent (50%) or more of the assets or voting equity of CRC, CRC shall take all necessary action so that such Third Party or group shall become a guarantor of the obligations of CRC under this Agreement and the Ancillary Agreements.

ARTICLE VI INSURANCE MATTERS

6.1 Insurance Matters.

(g) OPC and CRC agree to cooperate in good faith to arrange insurance coverage for CRC to be effective no later than the Distribution Date. In no event shall OPC, any other member of the OPC Group or any OPC Indemnitee have Liability or obligation whatsoever to any member of the CRC Group if any insurance policy or other contract or policy of insurance shall be terminated or otherwise cease to be in effect for any reason, shall be unavailable or inadequate to cover any Liability of any member of the CRC Group for any reason whatsoever or shall not be renewed or extended beyond the current expiration date.

(h) At the Distribution Date, CRC shall have in effect all insurance programs required to comply with CRC's contractual obligations and such other insurance policies as reasonably necessary, and, following the Distribution Date, CRC shall maintain such insurance programs and policies with insurers which comply with the minimum financial credit rating standards set by the major global insurance brokers.

From the Distribution Date through the fifth (5th) anniversary of the Distribution Date, OPC shall continue to provide to the CRC Covered Group, as commercially and reasonably available, the same directors, officers and fiduciary coverage as OPC provides to OPC's directors and officers; and, to the extent that OPC's current directors, officers, and fiduciary policies provide coverage to former subsidiaries, shall continue to provide such coverage, as commercially and reasonably available, with respect to CRC and CRC's subsidiaries, if any, that existed at any time prior to the Distribution Date. Such coverage, if obtained, will not extend to any acts that occur, actually or allegedly, on or after the Distribution Date.

(i) Following the Distribution Date, OPC will reasonably cooperate with CRC, any member of the CRC Group, and/or any of their present or former employees, officer, or directors in order to afford access for such parties to any insurance policies issued to OPC under which any such parties are insureds. The foregoing shall not apply to fronted policies to the extent not reinsured and/or to any other policies to the extent that they do not accomplish an actual risk transfer. It is understood that the coverage available to CRC, any member of the CRC Group, and/or any of their present or former employees, officers, or directors shall be subject to the terms and conditions of such insurance policies, including any limits on coverage or scope, any deductibles and other fees and expenses, and shall be subject to the following additional conditions:

(i) CRC shall provide OPC with a written report sixty (60) days prior to any such third-party insurance policy's renewal date, as advised by OPC, identifying any claims made by CRC for which notice has previously been provided to insurers of OPC;

(ii) CRC and its Affiliates shall indemnify, hold harmless and reimburse OPC and its Affiliates for any deductibles, self-insured retention, fees and expenses incurred by OPC or its Affiliates to the extent resulting from any such access to, or any claims made by CRC or any of its Affiliates under, any insurance provided pursuant to this Section 6.1(c), including any indemnity payments, settlements, judgments, legal fees and allocated claims expenses and claim handling fees, whether such claims are made by CRC, its employees or Third Parties; and

(iii) CRC shall exclusively bear (and neither OPC nor its Affiliates shall have any obligation to repay or reimburse CRC or its Affiliates for) and shall be liable for all uninsured, uncovered, unavailable or uncollectible amounts of all such claims made by CRC or any of its Affiliates under the policies as provided for in this Section 6.1(c).

If an insurance policy aggregate is exhausted, or believed likely to be exhausted, due to noticed claims, the CRC Group, on the one hand, and the OPC Group, on the other hand, shall be responsible for their *pro rata* portion of the reinstatement premium, based upon the losses of such Group submitted to OPC's insurance carrier(s) (including any submissions prior to the Distribution Date). To the extent that the OPC Group or the CRC Group is allocated more than its *pro rata* portion of such premium due to the timing of losses submitted to OPC's insurance carrier(s), the other Party shall promptly pay the first Party an amount so that each Group has been properly allocated its *pro rata* portion of the reinstatement premium. OPC can decide not to reinstate the policy aggregate and each Group then will bear all of its own future costs.

If any member of the OPC Group incurs any losses, damages or Liability prior to the Distribution Date under CRC's third-party insurance policies and captive insurance policies (to the extent such captive insurance policies have been reinsured), the same process pursuant to this Section 6.1(c) shall apply, substituting "OPC" for "CRC" and "CRC" for "OPC."

(j) All payments and reimbursements by CRC pursuant to this Section 6.1 will be made within fifteen (15) days after CRC's receipt of an invoice therefor from OPC. If OPC incurs costs to enforce CRC's obligations herein, CRC agrees to indemnify OPC for such enforcement costs, including attorneys' fees.

(k) All payments and reimbursements by OPC pursuant to this Section 6.1 will be made within fifteen (15) days after OPC's receipt of an invoice therefor from CRC. If CRC incurs costs to enforce OPC's obligations herein, OPC agrees to indemnify CRC for such enforcement costs, including attorneys' fees.

(l) Except to the extent that CRC, any member of the CRC Group, and/or any of their present or former employees, officers or directors is an insured thereunder, OPC shall retain the exclusive right to control its insurance policies and programs. With the sole exception of the rights of CRC, members of the CRC Group, and/or any of their present or former employees, officers, or directors to settle claims as to which they are insureds, for monetary amounts payable to them or on their behalf, OPC shall have the exclusive right to exhaust, settle, release, commute, buy-back or otherwise resolve disputes with respect to any of its insurance policies and programs and to amend, modify or waive any rights under any such insurance policies and programs, notwithstanding whether any such policies or programs apply to any CRC Liabilities and/or claims CRC has made or could make in the future, and no member of the CRC Group shall, without the prior written consent of OPC, erode, exhaust, settle, release, commute, buy-back or otherwise resolve disputes with OPC's insurers with respect to any of OPC's insurance policies and programs, or amend, modify or waive any rights under any such insurance policies and programs. CRC shall cooperate with OPC and share such information at CRC's cost as is reasonably necessary in order to permit OPC to manage and conduct its insurance matters as it deems appropriate. Neither OPC nor any of its Affiliates shall have any obligation to secure extended reporting for any claims under any of OPC's or its Affiliates' liability policies for any acts or omissions by any member of the CRC Group incurred prior to the Distribution Date.

(m) This Agreement shall not be considered as an attempted assignment of any policy of insurance or as a contract of insurance and shall not be construed to waive any right or remedy of any member of the OPC Group in respect of any insurance policy or any other contract or policy of insurance.

(n) CRC does hereby, for itself and each other member of the CRC Group, agree that no member of the OPC Group shall have any Liability whatsoever as a result of the insurance policies and practices of OPC and its Affiliates as in effect at any time, including as a result of the level or scope of any such insurance, the creditworthiness of any insurance carrier, the terms and conditions of any policy, or the adequacy or timeliness of any notice to any insurance carrier with respect to any claim or potential claim or otherwise.

(o) The Parties acknowledge that to the extent there are losses or premium adjustments under the Parties' tripartite insurance agreements, such losses or adjustments will be governed by such tripartite insurance agreements.

ARTICLE VII EXCHANGE OF INFORMATION; CONFIDENTIALITY

7.1 Agreement for Exchange of Information. Subject to Section 7.7 and any other applicable confidentiality obligations, each of OPC and CRC, on behalf of its respective Group, agrees to provide, or cause to be provided, to the other Group, at any time before or after the Distribution Date, as soon as reasonably practicable after written request therefor, any Information in the possession or under the control of such respective Group which the requesting Party reasonably needs (a) to comply with reporting, disclosure, filing or other requirements imposed on the requesting Party (including under applicable securities or tax Laws)

by a Governmental Authority having jurisdiction over the requesting Party, (b) for use in any other judicial, regulatory, administrative, tax or other proceeding or in order to satisfy audit, accounting, claims, regulatory, litigation, tax or other similar requirements, in each case other than claims or allegations that one Party has against the other, or (c) subject to the foregoing clause (b), to comply with its obligations under this Agreement or any other Ancillary Agreement; provided, however, that, in the event that any Party determines that any such provision of Information could be commercially detrimental, violate any Law or agreement, or waive any privilege otherwise available under applicable Law, including the attorney-client privilege, work product, joint defense, common interest or other applicable privilege (each, a "Privilege") the Parties shall take all reasonable measures to permit the compliance with such obligations in a manner that avoids any such harm or consequence, and shall only provide that portion of the Information that is mandatorily required by the requesting agency.

7.2 Ownership of Information. Any Information owned by one Group that is provided to a requesting Party pursuant to Section 7.1 or Section 7.6 shall be deemed to remain the property of the providing Party. Unless specifically set forth herein, nothing contained in this Agreement shall be construed as granting or conferring rights of license or otherwise in any such Information.

7.3 Compensation for Providing Information. The Party requesting Information agrees to reimburse the other Party for the reasonable costs, if any, of creating, gathering and copying such Information, to the extent that such costs are incurred for the benefit of the requesting Party. Except as may be otherwise specifically provided elsewhere in this Agreement or in any other agreement between the Parties, such costs shall be computed in accordance with the providing Party's standard methodology and procedures.

7.4 Record Retention. To facilitate the possible exchange of Information pursuant to this Article VII and other provisions of this Agreement after the Distribution Date, the Parties agree to use their commercially reasonable efforts to retain all Information in their respective possession or control on the Distribution Date in accordance with the policies of OPC as in effect on the Distribution Date or such other policies as may be adopted by OPC after the Distribution Date (provided, in the case of CRC, that OPC notifies CRC of any such change). No Party will destroy, or permit any of its Subsidiaries to destroy, any Information which the other Party may have the right to obtain pursuant to this Agreement prior to the end of the retention period set forth in such policies without first notifying the other Party of the proposed destruction and giving the other Party the opportunity to take possession of such information prior to such destruction; provided, however, that in the case of any Information relating to Taxes, employee benefits or Environmental Liabilities, such retention period shall be extended to the expiration of the applicable statute of limitations (giving effect to any extensions thereof). Notwithstanding the foregoing, Section 6.7(c) of the Tax Sharing Agreement shall govern the retention of Tax Records (as defined in the Tax Sharing Agreement).

7.5 Other Agreements Providing for Exchange of Information. The rights and obligations granted under this Article VII are subject to any specific limitations, qualifications or additional provisions on the sharing, exchange, retention or confidential treatment of Information set forth in this Agreement or any Ancillary Agreement.

7.6 Production of Witnesses; Records; Cooperation.

(f) After the Distribution Date, except in the case of an adversarial Action by one Party against another Party, each Party shall use its commercially reasonable efforts to make available to the other Party, upon written request, the former, current and future directors, officers, employees, managers, other personnel and agents of the members of its respective Group as witnesses and any Records or other documents within its control or which it otherwise has the ability to make available, to the extent that any such person (giving consideration to business demands of such directors, officers, employees, managers, other personnel and agents) or Records or other documents may reasonably be required in connection with any Action in which the requesting Party may from time to time be involved, regardless of whether such Action is a matter with respect to which indemnification may be sought hereunder. The requesting Party shall bear all costs and expenses in connection therewith.

(g) If an Indemnifying Party chooses to defend or to seek to compromise or settle any Third-Party Claim, the other Party shall make available to such Indemnifying Party, upon written request, the former, current and future directors, officers, employees, managers, other personnel and agents of the members of its respective Group as witnesses and any Records (unless the provision of any Record would result in the waiver of any applicable Privilege) or other documents within its control or which it otherwise has the ability to make available, to the extent that any such person (giving consideration to business demands of such directors, officers, employees, managers, other personnel and agents) or Records or other documents may reasonably be required in connection with such defense, settlement or compromise, or such prosecution, evaluation or pursuit, as the case may be, and shall otherwise cooperate in such defense, settlement or compromise, or such prosecution, evaluation or pursuit, as the case may be.

(h) Without limiting the foregoing, the Parties shall cooperate and consult to the extent reasonably necessary with respect to any Actions.

(i) Without limiting any provision of this Section 7.6, each of the Parties agrees to cooperate, and to cause each member of its respective Group to cooperate, with each other in the defense of any infringement or similar claim with respect any Intellectual Property and shall not claim to acknowledge, or permit any member of its respective Group to claim to acknowledge, the validity or infringing use of any Intellectual Property of a Third Party in a manner that would hamper or undermine the defense of such infringement or similar claim.

(j) The obligation of the Parties to provide witnesses pursuant to this Section 7.6 is intended to be interpreted in a manner so as to facilitate cooperation and shall include the obligation to provide as witnesses inventors and other officers without regard to whether the witness or the employer of the witness could assert a possible business conflict (subject to the exception set forth in the first sentence of Section 7.6(a)).

(k) In connection with any matter contemplated by this Section 7.6, the Parties will enter into a mutually acceptable joint defense agreement so as to maintain to the extent practicable any applicable Privilege of any member of any Group.

7.7 Confidentiality.

(a) Subject to Section 7.8, until the five (5)-year anniversary of the Distribution Date, CRC, on behalf of itself and each member of the CRC Group, agrees to hold, and to cause its Representatives to hold, in strict confidence, with at least the same degree of care that applies to OPC's confidential and proprietary information pursuant to policies in effect as of the Distribution Date, all Information concerning the OPC Group that is either in its possession (including Information in its possession prior to the Distribution Date) or furnished by the OPC Group or its Representatives at any time pursuant to this Agreement, any Ancillary Agreement or otherwise, except, in each case, to the extent that such Information has been (i) in the public domain through no fault of CRC or any member of the CRC Group or any of their respective Representatives, (ii) later lawfully acquired from other sources by CRC (or any member of the CRC Group) which sources are not themselves bound by a confidentiality obligation, or (iii) independently generated without reference to any proprietary or confidential Information of OPC.

(b) CRC, on behalf of itself and each member of the CRC Group, agrees not to release or disclose, or permit to be released or disclosed, any such Information to any other Person, except its Representatives who need to know such Information (who shall be advised of their obligations hereunder with respect to such Information), except in compliance with Section 7.8. Without limiting the foregoing, when any Information is no longer needed for the purposes contemplated by this Agreement or any Ancillary Agreement, CRC will promptly after request of OPC either return to OPC all Information in a tangible form (including all copies thereof and all notes, extracts or summaries based thereon) or certify to OPC that it has destroyed such Information (and such copies thereof and such notes, extracts or summaries based thereon); provided, however, that a Party shall not be required to destroy or return any such Information to the extent that (i) CRC is required to retain the Information in order to comply with any applicable Law, (ii) the Information has been backed up electronically pursuant to CRC's standard document retention policies and will be managed and ultimately destroyed consistent with such policies or (iii) it is kept in CRC's legal files for purposes of resolving any dispute that may arise under this Agreement or any Ancillary Agreement.

7.8 Protective Arrangements. If CRC or any member of its Group either determines on the advice of its counsel that it is required to disclose any Information pursuant to applicable Law or receives any demand under lawful process or from any Governmental Authority to disclose or provide Information of OPC (or any member of the OPC Group) that is subject to the confidentiality provisions hereof, CRC shall use commercially reasonable efforts to notify OPC prior to disclosing or providing such Information and shall cooperate at the expense of OPC in seeking any reasonable protective arrangements requested by OPC. Subject to the foregoing, the Person that received such request may thereafter disclose or provide Information to the extent required by such Law (as so advised by counsel) or by lawful process or such Governmental Authority.

ARTICLE VIII FURTHER ASSURANCES AND ADDITIONAL COVENANTS

8.1 Further Assurances.

(e) In addition to the actions specifically provided for elsewhere in this Agreement, each of the Parties shall use its commercially reasonable efforts, prior to, on and after the Distribution Date, to take, or cause to be taken, all actions, and to do, or cause to be done, all things, reasonably necessary, proper or advisable under applicable Laws, regulations and agreements, to consummate and make effective the transactions contemplated by this Agreement and the Ancillary Agreements.

(f) Without limiting the foregoing, prior to, on and after the Distribution Date, each Party hereto shall cooperate with the other Party, and without any further consideration, but at the expense of the requesting Party, to execute and deliver, or use its commercially reasonable efforts to cause to be executed and delivered, all instruments, including instruments of conveyance, assignment and transfer, and to make all filings with, and to obtain all consents, approvals or authorizations of, any Governmental Authority or any other Person under any permit, license, agreement, indenture or other instrument (including any Third Party consents or Governmental Approvals), and to take all such other actions as such Party may reasonably be requested to take by any other Party hereto from time to time, consistent with the terms of this Agreement and the Ancillary Agreements, in order to effectuate the provisions and purposes of this Agreement and the Ancillary Agreements and the transfers of the CRC Assets and the assignment and assumption of the CRC Liabilities and the other transactions contemplated hereby and thereby.

(g) On or prior to the Distribution Date, OPC and CRC in their respective capacities as direct and indirect stockholders of their respective Subsidiaries, shall each ratify any actions which are reasonably necessary or desirable to be taken by any Subsidiary of OPC or CRC, as the case may be, to effectuate the transactions contemplated by this Agreement and the Ancillary Agreements.

(h) OPC and CRC, and each of the members of their respective Groups, waive (and agree not to assert against any of the others) any claim or demand that any of them may have against any of the others for any Liabilities or other claims relating to or arising out of: (i) the failure of CRC or any member of the CRC Group, on the one hand, or of OPC or any member of the OPC Group, on the other hand, to provide any notification or disclosure required under any state Environmental Law in connection with the Separation or the other transactions contemplated by this Agreement or the Ancillary Agreements, including the transfer by any member of any Group to any member of the other Group of ownership or operational control of any Assets not previously owned or operated by such transferee; or (ii) any inadequate, incorrect or incomplete notification or disclosure under any such state Environmental Law by the applicable transferor. To the extent any Liability to any Governmental Authority or any Third Party arises out of any action or inaction described in clause (i) or (ii) above, the transferee of the applicable Asset hereby assumes and agrees to pay any such Liability.

8.2 Performance. OPC will cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth in this Agreement or in any Ancillary Agreement to be performed by any member of the OPC Group. CRC will cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth in this Agreement or in any Ancillary Agreement to be performed by any member of the CRC Group. Each Party (including its permitted successors and assigns) further agrees that it will (a) give timely notice of the terms, conditions and continuing obligations contained in this Section 8.2 to all of the other members of its Group, and (b) cause all of the other members of its Group not to take any action or fail to take any such action inconsistent with such Party's obligations under this Agreement, any Ancillary Agreement or the transactions contemplated hereby or thereby.

8.3 OPC Guarantees. CRC acknowledges that in the course of conduct of the CRC Business, OPC and members of the OPC Group may have entered into various arrangements in which guarantees, bonds, letters of credit or similar arrangements were issued or arranged by OPC or members of the OPC Group to support or facilitate the CRC Business. Any such arrangements entered into by OPC and its Affiliates are, to the extent related to the CRC Business, hereinafter referred to as the "OPC Guarantees." Except as otherwise agreed by OPC and CRC, CRC agrees that it will use its commercially reasonable efforts to obtain or provide replacement guarantees, bonds, letters of credit or similar arrangements, which will be in effect at the Distribution Date, and obtain the release of OPC and members of the OPC Group from any OPC Guarantees in accordance with Section 5.11. On a quarterly basis and upon any specific request by OPC, CRC shall provide OPC a listing of outstanding OPC Guarantees and the then current status with respect to the replacement or cancellation of such OPC Guarantees and other relevant information with respect thereto that OPC reasonably requests.

8.4 Third-Party Agreements. CRC agrees that it will use its commercially reasonable efforts to obtain or provide replacement agreements with Third Parties for agreements between such Third Parties and OPC or any member of the OPC Group that are CRC Contracts and cannot be assigned to CRC.

8.5 OPC Names and Marks.

(l) CRC agrees that, after the Distribution Date, no member of the CRC Group nor any Person that becomes an Affiliate of a member of the CRC Group after the Distribution Date, shall have any rights in and to the OPC Names and Marks, and (except as expressly set forth in this Section 8.5) will not, at any time after the Distribution Date, market, promote, advertise or offer for sale any products, goods or services utilizing any of the OPC Names and Marks or otherwise hold itself out as having any affiliation with the OPC Group. CRC agrees that (i) if the CRC Assets include any signage or facility bearing the OPC Names and Marks in a manner that is visible to consumers or the general public, CRC shall remove and replace the OPC Names and Marks on such signage or facility within thirty (30) days after the Distribution Date, (ii) if the CRC Assets include any vehicles that bear any of the OPC Names and Marks and are visible to consumers or the general public, CRC shall remove and replace such OPC Names and Marks within thirty (30) days after the Distribution Date, and (iii) if any of the other CRC Assets, including any promotional materials or printed forms, bear any of the OPC Names and Marks, CRC shall, prior to distributing, selling or otherwise making use of such CRC Assets for consumers or the general public, remove, delete or render illegible the OPC Names and Marks as they may appear on such CRC Assets. Notwithstanding the foregoing, for a period of ninety (90) days after the Distribution Date, CRC may distribute and display marketing, promotional and advertising materials including business cards, stationery, packaging materials, displays, signs, promotional materials and other similar materials that include one or more of the OPC Names and Marks (collectively, "Supplies"), provided such Supplies (i) were included within the inventory of CRC Assets as of the Distribution Date, (ii) are used solely in connection with the promotion, marketing, advertising and sale of the CRC Business' products of the type sold, and in a manner consistent with that used, prior to the Distribution Date and (iii) clearly indicate that (A) no member of the CRC Group is affiliated with any member of the OPC Group and (B) the inclusion of the OPC Names and Marks in the Supplies shall not be construed as an endorsement of any of the CRC Business' products by any member of the OPC Group.

(m) CRC agrees to cause each member of the CRC Group whose name includes any of the OPC Names and Marks, promptly following the Distribution Date, and in any event within ten (10) business days after the Distribution Date, change its name such that its name does not include any of the OPC Names and Marks.

(n) Notwithstanding anything to the contrary provided in this Section 8.5, CRC may use the OPC Names and Marks (i) on internal office supplies or signage not visible to consumers or the general public, provided that such supplies or signage are replaced promptly in the ordinary course of business, (ii) in a neutral, non-trademark manner to describe the historical relationship of the CRC Group and the OPC Group, or (iii) to the extent required by Law in legal or business documents already in existence on the Distribution Date.

8.6 Conflicts with and between Ancillary Agreements. Notwithstanding anything to the contrary in this Agreement or any Ancillary Agreement:

(c) in the case of any conflict between this Agreement or any Ancillary Agreement (other than the Tax Sharing Agreement) and the Tax Sharing Agreement in relation to any matters addressed by the Tax Sharing Agreement, the Tax Sharing Agreement shall prevail;

(d) except as set forth in Section 8.6(a), in the case of any conflict between this Agreement or any Ancillary Agreement (other than the Intellectual Property License Agreement) and the Intellectual Property License Agreement in relation to any matters addressed by the Intellectual Property License Agreement, the Intellectual Property License Agreement shall prevail;

(e) except as set forth in Section 8.6(a) or Section 8.6(b), in the case of any conflict between this Agreement or any Ancillary Agreement (other than the Employee Matters Agreement) and the Employee Matters Agreement in relation to any matters addressed by the Employee Matters Agreement, the Employee Matters Agreement shall prevail; and

(f) except as set forth in Section 8.6(a), Section 8.6(b) or Section 8.6(c), in the case of any conflict between this Agreement or any Ancillary Agreement (other than the Stockholder's Agreement) and the Stockholder's Agreement in relation to any matters addressed by the Stockholder's Agreement, the Stockholder's Agreement shall prevail; and

(g) except as set forth in Section 8.6(a), Section 8.6(b), Section 8.6(c) or Section 8.6(d), in the case of any conflict between this Agreement or any Ancillary Agreement (other than the Area of Mutual Interest Agreement) and the Area of Mutual Interest Agreement in relation to any matters addressed by the Area of Mutual Interest Agreement, the Area of Mutual Interest Agreement shall prevail; and

(h) except as set forth in Section 8.6(a), Section 8.6(b), Section 8.6(c), Section 8.6(d) or Section 8.6(e), in the case of any conflict between this Agreement or any Ancillary Agreement (other than the Confidentiality and Trade Secret Protection Agreement) and the Confidentiality and Trade Secret Protection Agreement in relation to any matters addressed by the Confidentiality and Trade Secret Protection Agreement, the Confidentiality and Trade Secret Protection Agreement shall prevail; and

(i) except as set forth in Section 8.6(a), Section 8.6(b), Section 8.6(c), Section 8.6(d), Section 8.6(e) or Section 8.6(f), in the case of any conflict between this Agreement or any Ancillary Agreement in relation to any matters addressed by this Agreement, this Agreement shall prevail.

8.7 Attorney Client Privilege. CRC agrees that, in the event of any Dispute or other litigation, dispute, controversy or claim between OPC or a member of the OPC Group, on the one hand, and CRC or a member of the CRC Group, on the other hand, CRC will not, and will cause the members of its Group not to, seek any waiver of any applicable Privilege with respect to any oral or written communications relating to advice given prior to the Distribution Date by counsel to OPC or any Person that was a Subsidiary of OPC prior to the Distribution Date, regardless of any argument that such advice may have affected the interests of both Parties. Moreover, CRC will, and will cause the members of its Group to, honor any such applicable Privilege between OPC and the members of its Group and its or their counsel, and will not assert that OPC or a member of its Group has waived, relinquished or otherwise lost such Privilege. For the avoidance of doubt, in the event of any litigation, dispute, controversy or claim between OPC or a member of its Group, on the one hand, and a Third Party other than a member of the CRC Group, on the other hand, OPC shall retain the right to assert any applicable Privilege with respect to any communications relating to advice given prior to the Distribution Date by counsel to OPC or any Person that was a Subsidiary of OPC prior to the Distribution Date (it being understood, for the avoidance of doubt, that nothing in this Section 8.7 shall prevent CRC from asserting any applicable Privilege with respect to the matters discussed herein in the event such Privilege is not waived by OPC).

8.8 No Attorney Testimony. No in-house attorney or outside attorney may be called to testify about or present evidence covering the interpretation or meaning of this Agreement in any dispute between the Parties.

8.9 Compliance with Biological Opinion. CRC agrees to, and agrees to cause its designees and Subsidiaries to, be bound by, comply with and perform all of the covenants and obligations set forth in the November 8, 1995 Biological Opinion prepared by the United States Fish and Wildlife Service pursuant to section 7(a) of the Endangered Species Act of 1973, as amended, concerning hydrocarbon production on the Elk Hills Naval Petroleum Reserve No. 1 that were previously assumed by OPC in accordance with the terms of the Elk Hills Purchase and Sale Agreement and First Amendment to Option Agreement Amending the Purchase and Sale Agreement by and between the United States of America, acting by and through the Department of Energy, and OPC, dated January 27, 1998.

ARTICLE IX TERMINATION

9.1 Termination. This Agreement and any Ancillary Agreement may be terminated and the terms and conditions of the Distribution may be amended, modified or abandoned at any time prior to the Distribution Date by and in the sole and absolute discretion of the OPC Board without the approval of any Person, including CRC, in which case no Party will have any liability of any kind to any other Party by reason of this Agreement. After the Distribution, this Agreement may not be terminated except by an agreement in writing signed by each of the Parties to this Agreement.

ARTICLE X MISCELLANEOUS

10.1 Counterparts; Entire Agreement; Corporate Power.

(k) This Agreement and each Ancillary Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Party.

(l) This Agreement and the Ancillary Agreements contain the entire agreement between the Parties with respect to the subject matter hereof, supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter and there are no agreements or understandings between the Parties other than those set forth or referred to herein or therein.

(m) OPC represents on behalf of itself and each other member of the OPC Group, and CRC represents on behalf of itself and each other member of the CRC Group, as follows:

(i) each such Person has the requisite corporate or other power and authority and has taken all corporate or other action necessary in order to execute, deliver and perform each of this Agreement and each Ancillary Agreement to which it is a party and to consummate the transactions contemplated hereby and thereby; and

(ii) this Agreement and each Ancillary Agreement to which it is a party has been duly executed and delivered by it and constitutes a valid and binding agreement of it enforceable in accordance with the terms thereof.

(n) Each Party acknowledges that it and each other Party may execute certain of the Ancillary Agreements by facsimile, stamp or mechanical signature. Each Party expressly adopts and confirms each such facsimile, stamp or mechanical signature made in its respective name as if it were a manual signature, agrees that it will not assert that any such signature is not adequate to bind such Party to the same extent as if it were signed manually and agrees that at the reasonable request of any other Party hereto at any time it will as promptly as reasonably practicable cause each such Ancillary Agreement to be manually executed (any such execution to be as of the date of the initial date thereof).

(o) Notwithstanding any provision of this Agreement or any Ancillary Agreement, neither OPC nor CRC shall be required to take or omit to take any act that would violate its fiduciary duties to any minority stockholders of any non-wholly owned Subsidiary of OPC or CRC, as the case may be (it being understood that directors' qualifying shares or similar interests will be disregarded for purposes of determining whether a Subsidiary is wholly owned).

10.2 Governing Law; Waiver of Trial by Jury.

(m) This Agreement and, unless expressly provided therein, each Ancillary Agreement (and any claims or disputes arising out of or related hereto or thereto or to the transactions contemplated hereby and thereby or to the inducement of any party to enter herein and therein, whether for breach of contract, tortious conduct or otherwise and whether predicated on common law, statute or otherwise) shall be governed by and construed and interpreted in accordance with the Laws of the State of Texas, irrespective of the choice of laws principles of the State of Texas as of the date of this Agreement, including all matters of validity, construction, effect, enforceability, performance and remedies.

(n) THE PARTIES EXPRESSLY WAIVE AND FOREGO ANY RIGHT TO TRIAL BY JURY.

10.3 Assignability. Except as set forth in any Ancillary Agreement, this Agreement and each Ancillary Agreement shall be binding upon and inure to the benefit of the parties hereto and thereto, respectively, and their respective successors and permitted assigns; provided, however, that no party hereto or thereto may assign its respective rights or delegate its respective obligations under this Agreement or any Ancillary Agreement without the express prior written consent of the other parties hereto or thereto.

10.4 Third-Party Beneficiaries. Except for the indemnification rights under this Agreement or any Ancillary Agreement of any OPC Indemnitee or CRC Indemnitee in their respective capacities as such, (a) the provisions of this Agreement and each Ancillary Agreement are solely for the benefit of the Parties and are not intended to confer upon any Person except the Parties any rights or remedies hereunder or thereunder, and (b) there are no third-party beneficiaries of this Agreement or any Ancillary Agreement and neither this Agreement nor any Ancillary Agreement shall provide any Third Party with any remedy, claim, liability, reimbursement, claim of action or other right in excess of those existing without reference to this Agreement or any Ancillary Agreement.

10.5 Notices. All notices, requests, claims, demands or other communications under this Agreement and, to the extent, applicable and unless otherwise provided therein, under each of the Ancillary Agreements shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service, or by facsimile or electronic transmission with receipt confirmed (followed by delivery of an original via overnight courier service), to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 10.5):

If to OPC, to:	Occidental Petroleum Corporation 5 Greenway Plaza Houston, Texas 77046 Attention: General Counsel
If to CRC, to:	California Resources Corporation 10889 Wilshire Blvd. Los Angeles, California 90024 Attention: General Counsel

Any Party may, by notice to the other Party, change the address and contact person to which any such notices are to be given.

10.6 Severability. If any provision of this Agreement or any Ancillary Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof or thereof, or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby. Upon such determination, the Parties shall negotiate in good faith in an effort to agree upon such a suitable and equitable provision to effect the original intent of the Parties.

10.7 Force Majeure. No Party shall be deemed in default of this Agreement to the extent that any delay or failure in the performance of its obligations under this Agreement or any Ancillary Agreement, other than a delay or failure to make a payment, results from any cause beyond its reasonable control and without its fault or negligence, such as acts of God, acts of civil or military authority, embargoes, epidemics, war, riots, insurrections, fires, explosions, earthquakes, floods, unusually severe weather conditions, labor problems or unavailability of parts, or, in the case of computer systems, any failure in electrical or air conditioning equipment. In the event of any such excused delay, the time for performance shall be extended for a period equal to the time lost by reason of the delay.

10.8 Publicity. Prior to the Distribution, CRC shall not, without the consent of OPC, issue any press releases or otherwise making public statements with respect to the Separation, the Distribution or any of the other transactions contemplated hereby and prior to making any filings with any Governmental Authority with respect thereto.

10.9 Expenses. Except as expressly set forth in this Agreement (including Sections 2.12 and 8.1(b)) or in any Ancillary Agreement, all fees, costs and expenses incurred in connection with the preparation, execution, delivery and implementation of this Agreement and any Ancillary Agreement, and with the consummation of the transactions contemplated hereby and thereby, will be borne by the Party incurring such fees, costs or expenses.

10.10 Late Payments. Except as expressly provided to the contrary in this Agreement or in any Ancillary Agreement, any amount not paid when due pursuant to this Agreement or any Ancillary Agreement (and any amounts billed or otherwise invoiced or demanded and properly payable that are not paid within thirty (30) days of such bill, invoice or other demand) shall accrue interest at a rate per annum equal to the Prime Rate plus 2% but in no event higher than the highest rate permitted by applicable Law

10.11 Headings. The article, section and paragraph headings contained in this Agreement and in the Ancillary Agreements are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement or any Ancillary Agreement.

10.12 Survival of Covenants. Except as expressly set forth in any Ancillary Agreement, the covenants, representations and warranties contained in this Agreement and each Ancillary Agreement, and liability for the breach of any obligations contained herein or therein, shall survive the Separation and the Distribution and shall remain in full force and effect.

10.13 Waivers of Default. Waiver by any Party of any default by the other Party of any provision of this Agreement or any Ancillary Agreement shall not be deemed a waiver by the waiving Party of any subsequent or other default, nor shall it prejudice the rights of such Party. No failure or delay by any party in exercising any right, power or privilege under this Agreement or any Ancillary Agreement shall operate as a waiver thereof nor shall a single or partial exercise thereof prejudice any other or further exercise thereof or the exercise of any other right, power or privilege.

10.14 Specific Performance. Subject to the provisions of Article IV, in the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement or any Ancillary Agreement, the Party or Parties who are, or are to be, thereby aggrieved shall have the right to specific performance and injunctive or other equitable relief in respect of its or their rights under this Agreement or such Ancillary Agreement, in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies shall be cumulative. The Parties agree that the remedies at law for any breach or threatened breach, including monetary damages, are inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are waived by each of the Parties.

10.15 Amendments. No provisions of this Agreement or any Ancillary Agreement shall be deemed waived, amended, supplemented or modified by any Party, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of the Party against whom it is sought to enforce such waiver, amendment, supplement or modification.

10.16 Interpretation. In this Agreement and any Ancillary Agreement, (a) words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other genders as the context requires; (b) the terms "hereof," "herein," "herewith" and words of similar import, and the terms "Agreement" and "Ancillary Agreement" shall, unless otherwise stated, be construed to refer to this Agreement or the applicable Ancillary Agreement as a whole (including all of the Schedules, Exhibits and Appendices hereto and thereto) and not to any particular provision of this Agreement or such Ancillary Agreement; (c) Article, Section, Exhibit, Schedule and Appendix references are to the Articles, Sections, Exhibits, Schedules and Appendices to this Agreement (or the applicable Ancillary Agreement) unless otherwise specified; (d) the word "including" and words of similar import when used in this Agreement (or the applicable Ancillary Agreement) means "including, without limitation"; (e) the word "or" shall not be exclusive; and (f) unless expressly stated to the contrary in this Agreement or in any Ancillary Agreement, all references to "the date hereof," "the date of this Agreement," "hereby" and "hereupon" and words of similar import shall all be references to the date first stated in the preamble to this Agreement, regardless of any amendment or restatement hereof. Nothing contained herein shall be interpreted or construed against the drafter(s) of these agreements. Both Parties had full and fair opportunity to contribute to the drafting of this Agreement.

10.17 Limitations of Liability. NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY OTHER THAN THE FOLLOWING PROVISIO, NEITHER CRC OR ITS AFFILIATES, ON THE ONE HAND, NOR OPC OR ITS AFFILIATES, ON THE OTHER HAND, SHALL BE LIABLE UNDER THIS AGREEMENT TO THE OTHER FOR ANY CONSEQUENTIAL, SPECIAL, INDIRECT, PUNITIVE, EXEMPLARY, REMOTE, SPECULATIVE, LOSS OF PROFIT OR SIMILAR DAMAGES OF THE OTHER ARISING IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED HEREBY; PROVIDED, THE AFORESAID LIMITATION ON DAMAGES SHALL NOT APPLY TO ANY SUCH DAMAGES THAT ARE OWED PURSUANT TO A THIRD PARTY CLAIM FOR WHICH INDEMNIFICATION IS REQUIRED UNDER ARTICLE V OR ARTICLE VI.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives.

OCCIDENTAL PETROLEUM CORPORATION

By: /s/ Marcia E. Backus
Name: Marcia E. Backus
Title: Vice President and General Counsel

CALIFORNIA RESOURCES CORPORATION

By: /s/ Todd A. Stevens

Name: Todd A. Stevens

Title: President and Chief Executive Officer

Stockholder's and Registration Rights Agreement

US 3079273v.4

by and between

Occidental Petroleum Corporation

and

California Resources Corporation

Dated as of November 25, 2014

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STOCKHOLDER'S AND REGISTRATION RIGHTS AGREEMENT

This Stockholder's and Registration Rights Agreement (this "**Agreement**") is made as of November 25, 2014 by and between Occidental Petroleum Corporation, a Delaware corporation ("**Occidental**"), and California Resources Corporation, a Delaware corporation and wholly owned subsidiary of Occidental ("**CRC**") and is effective as of the Effective Time. Capitalized terms used herein and not otherwise defined shall have the respective meanings assigned to them in Section 1.01.

RECITALS

A. Pursuant to the Separation and Distribution Agreement, dated as of November 25, 2014 (the "**Separation and Distribution Agreement**"), by and between Occidental and CRC, Occidental will distribute at least 80.1% of the outstanding shares of common stock, par value \$0.01 per share, of CRC (the "**CRC Common Stock**") to Occidental's stockholders (the "**Distribution**").

B. Occidental may Transfer those shares of CRC Common Stock that are not distributed in the Distribution (such shares not distributed in the Distribution, the "**Retained Shares**") through one or more transactions, including pursuant to one or more transactions registered under the Securities Act.

C. CRC desires to grant to Occidental the Registration Rights for the Retained Shares and other Registrable Securities, subject to the terms and conditions of this Agreement.

D. Occidental desires to grant CRC a proxy to vote the Retained Shares in proportion to the votes cast by holders of CRC Common Stock other than Occidental (the “**Other CRC Holders**”), subject to the terms and conditions of this Agreement.

AGREEMENTS

NOW, THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto hereby agree as follows:

ARTICLE I Definitions

Section 1.01 Definitions.

As used in this Agreement, the following terms shall have the following meanings:

“**Affiliate**” means, when used with respect to a specified Person, a Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified Person. As used in this definition, the term “control” (including with correlative meanings, “controlled by” and “under common control with”), when used with respect to any specified Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or other interests, by contract, agreement, obligation, indenture, instrument, lease, promise, arrangement, release, warranty, commitment, undertaking or otherwise. It is expressly agreed that, from and after the Distribution Date, no member of the CRC Group shall be deemed to be an Affiliate of any member of the Occidental Group, and no member of the Occidental Group shall be deemed to be an Affiliate of any member of the CRC Group.

“**Agreement**” has the meaning set forth in the preamble.

“**Ancillary Filings**” has the meaning set forth in Section 2.02(a)(i).

“**Board**” means the board of directors of CRC.

“**Business Day**” means any day that is not a Saturday, Sunday or other day on which banking institutions doing business in New York, New York, are authorized or obligated by law or required by executive order to be closed.

“**CRC**” has the meaning set forth in the preamble and shall include CRC’s successors by merger, acquisition, reorganization or otherwise.

“**CRC Common Stock**” has the meaning set forth in the recitals.

“**CRC Offering Confidential Information**” means, with respect to a Demand Registration or Exchange Offer, any information (including information contained in draft supplements or amendments to offering materials) provided to Occidental by CRC in connection with a Demand Registration; provided, that CRC Offering Confidential Information shall not include information that (x) was or becomes generally available to the public (including as a result of the filing of the relevant Registration Statement) other than as a result of a disclosure by Occidental, (y) was or becomes available to Occidental from a source not bound by any confidentiality agreement with CRC or (z) was otherwise in Occidental’s possession prior to it being furnished to Occidental by CRC.

“**CRC Group**” means CRC, each Subsidiary of CRC immediately after the Distribution Date and each Affiliate of CRC immediately after the Distribution Date (in each case other than any member of the Occidental Group).

“**Demand Registration**” has the meaning set forth in Section 2.01(b).

“**Dispute**” has the meaning set forth in Section 4.03(a).

“**Distribution**” has the meaning set forth in the recitals.

“**Distribution Date**” means the date and time at which the Distribution occurs.

“**Effective Time**” means 11:59 p.m., CST, on November 30, 2014.

“**Exchange Act**” means the U.S. Securities Exchange Act of 1934, as amended, and any successor thereto, and any rules and regulations promulgated thereunder, all as the same shall be in effect from time to time.

“**Exchange Offer**” means an offer or series of offers registered under the Securities Act by CRC pursuant to a Registration Statement pursuant to which Occidental shall offer, at one time or from time to time on a delayed basis, one or more of Occidental’s stockholders the opportunity to exchange outstanding shares of common stock of Occidental held by such Occidental stockholder(s) for Exchange Securities pursuant to the terms for the exchange determined by Occidental and disclosed in the Registration Statement (including amendments or supplements thereto).

“**Exchange Securities**” means Registrable Securities registered on a Registration Statement to be issued to Occidental’s stockholders in exchange for outstanding shares of common stock of Occidental in connection with an Exchange Offer.

“**Governmental Authority**” means any nation or government, any state, municipality or other political subdivision thereof, and any entity, body, agency, commission, department, board, bureau, court, tribunal or other instrumentality, whether federal, state, local, domestic, foreign or multinational, exercising executive, legislative, judicial, regulatory, administrative or other similar functions of, or pertaining to, government and any executive official thereof.

“**Indemnifying Party**” has the meaning set forth in Section 2.05(c).

“**Indemnitee**” has the meaning set forth in Section 2.05(c).

“**Loss**” and “**Losses**” have the meaning set forth in Section 2.05(a).

“**Notes Registration Rights Agreement**” means that Registration Rights Agreement dated October 1, 2014 among CRC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, as representative of the initial purchasers and other parties thereto relating to the Notes Securities.

“**Notes Securities**” means CRC’s 5.00% Senior Notes due 2020, 5.50% Senior Notes due 2021 and 6.00% Senior Notes due 2024.

“**Occidental**” has the meaning set forth in the preamble and shall include Occidental’s successors by merger, acquisition, reorganization or otherwise.

“**Occidental Group**” means Occidental and each Subsidiary of Occidental immediately after the Distribution Date (in each case other than any member of the CRC Group).

“**Occidental Offering Confidential Information**” means, with respect to a Demand Registration or Exchange Offer, (i) Occidental’s plan to file the relevant Registration Statement and engage in any Exchange Offer so registered and (ii) any information regarding any Exchange Offer (including the potential timing, number of shares, exchange ratio and dealer manager); provided, that Occidental Offering Confidential Information shall not include information that (x) was or becomes generally available to the public (including as a result of the filing of the relevant Registration Statement) other than as a result of a disclosure by CRC, (y) was or becomes available to CRC from a source not bound by any confidentiality agreement with Occidental or (z) was otherwise in CRC’s possession prior to it being furnished to CRC by Occidental.

“**Other CRC Holders**” has the meaning set forth in the recitals.

“**Person**” means an individual, a general or limited partnership, a corporation, a trust, a joint venture, an unincorporated organization, a limited liability entity, any other entity and any Governmental Authority.

“**Prospectus**” means the prospectus included in any Registration Statement, all amendments and supplements to such prospectus, including post-effective amendments, and all other material incorporated by reference in such prospectus.

“**Registrable Securities**” means the Retained Shares and any shares of CRC Common Stock or other CRC securities issued with respect to, in exchange for, or in replacement of such Retained Shares; provided, that the term “Registrable Securities” excludes any security (i) the offering and Transfer of which has been effectively registered under the Securities Act and which has been Transferred in accordance with a Registration Statement, (ii) that has been Transferred by Occidental in a transaction or transactions exempt from the registration and prospectus delivery requirements of the Securities Act such that the further Transfer of such securities by the transferee or assignee is not restricted under the Securities Act, including any subsequent pro rata distribution of the Retained Shares to Occidental’s shareholders, or (iii) that has been Transferred by Occidental in a transaction in which Occidental’s rights under this Agreement are not, or cannot be, assigned.

“**Registration**” means a registration with the SEC of the offer and Transfer to the public of any Registrable Securities under a Registration Statement. The terms “**Register**” and “**Registering**” shall have correlative meanings.

“**Registration Expenses**” means all expenses incident to CRC’s performance of or compliance with this Agreement, including all (i) registration, qualification and filing fees, (ii) fees and expenses of compliance with securities or blue sky laws (including reasonable fees and disbursements of counsel in connection with blue sky qualifications within the United States of any Registrable Securities being registered), (iii) printing expenses, messenger, telephone and delivery expenses, (iv) internal expenses of the CRC Group (including all salaries and expenses of employees of members of the CRC Group performing legal or accounting duties), (v) fees and disbursements of counsel for CRC and customary fees and expenses for independent certified public accountants retained by the CRC Group (including the expenses of any comfort letters or costs associated with the delivery by CRC Group members’ independent certified public accountants of comfort letters customarily requested by underwriters or dealer managers) and (vi) fees and expenses of listing any Registrable Securities on any securities exchange on which the shares of CRC Common Stock are then listed and Financial Industry Regulatory Authority registration and filing fees; but excluding all expenses incurred in connection with the printing, mailing and delivering of copies of any Registration Statement, any Prospectus, any other offering documents and any amendments and supplements thereto to any dealers; any fees and expenses of the underwriters or dealer managers, the cost of preparing, printing or producing any blue sky or legal investment memoranda, any selling agreements and any other similar documents in connection with the offering, Transfer, distribution or delivery of the Registrable Securities or other shares of CRC Common Stock to be Transferred, costs and expenses relating to any investor presentations on any “road show” presentations undertaken in connection with marketing of the Registrable Securities and any fees and expenses of one counsel to Occidental and one counsel to the underwriters or dealer managers.

“**Registration Rights**” means the rights of Occidental to cause CRC to Register Registrable Securities pursuant to Article II.

“**Registration Rights Period**” has the meaning set forth in Section 2.01(b).

“**Registration Statement**” means any registration statement of CRC filed with, or to be filed with, the SEC under the rules and regulations promulgated under the Securities Act, including the related Prospectus, amendments and supplements to such registration statement, including post-effective amendments, and all exhibits and all material incorporated by reference into such registration statement.

“**Retained Shares**” has the meaning set forth in the recitals.

“**SEC**” means the U.S. Securities and Exchange Commission.

“**Securities Act**” means the U.S. Securities Act of 1933, as amended, and any successor thereto, and any rules and regulations promulgated thereunder, all as the same shall be in effect from time to time.

“**Separation and Distribution Agreement**” has the meaning set forth in the recitals.

“**Subsequent Transferee**” has the meaning set forth in Section 4.06(b).

“**Subsidiary**” means, with respect to any Person, any corporation, limited liability company, joint venture or partnership of which such Person (i) beneficially owns, either directly or indirectly, more than fifty percent (50%) of (x) the total combined voting power of all classes of voting securities of such Person, (y) the total combined equity interests or (z) the capital or profit interests, in the case of a partnership, or (ii) otherwise has the power to vote, either directly or indirectly, sufficient securities to elect a majority of the board of directors or similar governing body.

“**Transfer**” means the direct or indirect transfer, sale, assignment or other disposition of a security. The term “**Transferred**” shall have correlative meaning.

“**Transferee**” has the meaning set forth in Section 4.06(b).

Section 1.02 Interpretation.

In this Agreement, unless the context clearly indicates otherwise:

(a) words used in the singular include the plural, and words used in the plural include the singular;

(b) references to any Person include such Person’s successors and assigns but, if applicable, only if such successors and assigns are permitted by this Agreement, and a reference to such Person’s “Affiliates” or “Subsidiaries” shall be deemed to mean such Person’s Affiliates or Subsidiaries, as applicable, following the Distribution Date;

(c) any reference to any gender includes the other gender and the neuter;

(d) the words “include,” “includes” and “including” shall be deemed to be followed by the words “without limitation”;

(e) the words “shall” and “will” are used interchangeably and have the same meaning;

(f) the word “or” shall have the inclusive meaning represented by the phrase “and/or”;

(g) any reference to any Article, Section, Exhibit or Schedule means such Article or Section of, or such Exhibit or Schedule to, this Agreement, as the case may be, and references in any Section or definition to any clause means such clause of such Section or definition;

(h) the words “herein,” “hereunder,” “hereof,” “hereto” and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Section or other provision of this Agreement;

(i) any reference to any agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof and by this Agreement;

(j) any reference to any law (including statutes and ordinances) means such law (including all rules and regulations promulgated thereunder) as amended, modified, codified or reenacted, in whole or in part, and in effect at the time of determining compliance or applicability;

(k) relative to the determination of any period of time, “from” means “from and including,” “to” means “to but excluding” and “through” means “through and including”;

(l) the table of contents and titles to Articles and headings of Sections contained in this Agreement have been inserted for convenience of reference only and shall not be deemed to be a part of or to affect the meaning or interpretation of this Agreement;

(m) any portion of this Agreement obligating a party to take any action or refrain from taking any action, as the case may be, shall mean that such party shall also be obligated to cause its relevant Subsidiaries to take such action or refrain from taking such action, as the case may be;

(n) the language of this Agreement shall be deemed to be the language the parties hereto have chosen to express their mutual intent, and no rule of strict construction shall be applied against any party; and

(o) except as otherwise indicated, all periods of time referred to herein shall include all Saturdays, Sundays and holidays; provided, however, that if the date to perform the act or give any notice with respect to this Agreement shall fall on a day other than a Business Day, such act or notice may be performed or given timely if performed or given on the next succeeding Business Day.

ARTICLE II Registration Rights

Section 2.01 Registration.

(p) Within thirty days following the Distribution Date, or such earlier date that is within five days of any written request from Occidental, CRC shall prepare and deliver to Occidental a Registration Statement on any appropriate form requested by Occidental to effect an Exchange Offer; provided that such Registration Statement may omit information regarding the expected terms and timing of the Exchange Offer and other information to be provided by Occidental. CRC shall update the Registration Statement (a) at any time for any information or edits reasonably requested by Occidental and (b) on a quarterly basis within three days of the release of a CRC quarterly report on Form 10-Q or annual report on Form 10-K, as applicable, or (c) on a more frequent basis as necessary to reflect any material developments at CRC, in each case, in order to enable CRC to be in a position to file such Registration Statement within three days of any demand request from Occidental pursuant to Section 2.01(b), and, in each case, promptly distribute a revised draft Registration Statement to Occidental.

(q) On or prior to the 18-month anniversary of the Distribution Date, or upon notice of extension by Occidental to CRC at any time prior to such 18 month anniversary, on or prior to the 30-month anniversary of the Distribution Date (the "Registration Rights Period"), Occidental shall have the right to request that CRC file a Registration Statement with the SEC for all or part of the Registrable Securities held by Occidental, by delivering a written request thereof to CRC specifying the number of shares of Registrable Securities that Occidental wishes to register (a "Demand Registration"). CRC shall (i) within three Business Days of the receipt of a Demand Registration, prepare the Registration Statement for an Exchange Offer for all Registrable Securities requested by Occidental in the Demand Registration request and reflect any edits received pursuant to Section 2.02(a)(xix) and file the Registration Statement with the SEC within five Business Days of such request; provided that CRC shall have at least one Business Day to incorporate and review comments received pursuant to Section 2.02(a)(i) and 2.02(a)(xix) and (ii) use its reasonable best efforts to cause the Registration Statement to become effective in respect of each Demand Registration in accordance with the intended method of distribution set forth in the written request delivered by Occidental. There are no limits on the number of Demand Registrations that Occidental may request during the Registration Rights Period.

(r) Occidental shall select the dealer manager(s) and shall be entitled to designate counsel for such dealer manager(s) (subject to their approval).

(s) In connection with any Demand Registration pursuant to Section 2.01(b) or any subsequent filing pursuant to Section 2.02 to facilitate an Exchange Offer:

(i) Occidental shall treat the CRC Offering Confidential Information as confidential information, shall not use any CRC Offering Confidential Information for any purpose other than to prepare a Registration Statement pursuant to the Demand Registration and effect an Exchange Offer, and shall not disclose any CRC Offering Confidential Information to any Person other than such of its agents, employees, advisors and counsel as have a need to know such CRC Offering Confidential Information, and to cause such agents, employees, advisors and counsel to comply with the requirements of this Section 2.01(d)(i); provided, that Occidental may disclose CRC Offering Confidential Information if such disclosure is required by court order, or state or federal regulation or statute, but Occidental shall cooperate with CRC to limit the extent of such disclosure through protective order or otherwise, and to seek confidential treatment of the CRC Offering Confidential Information.

(ii) CRC shall treat the Occidental Offering Confidential Information as confidential information, shall not use any Occidental Offering Confidential Information for any purpose other than to prepare a Registration Statement pursuant to the Demand Registration and effect an Exchange Offer, and shall not disclose any Occidental Offering Confidential Information to any Person other than such of its agents, employees, advisors and counsel as have a need to know such Occidental Offering Confidential Information, and to cause such agents, employees, advisors and counsel to comply with the requirements of this Section 2.01(d)(i); provided, that CRC may disclose Occidental Offering Confidential Information if such disclosure is required by court order, or state or federal regulation or statute, but CRC shall cooperate with Occidental to limit the extent of such disclosure through protective order or otherwise, and to seek confidential treatment of the Occidental Offering Confidential Information

Section 2.02 Registration Procedures.

(a) In connection with CRC's Registration obligations under Section 2.01, CRC shall use its reasonable best efforts to effect such Registration to permit the offer and Transfer of such Registrable Securities in accordance with the intended method or methods of distribution thereof as expeditiously as reasonably practicable, and in connection therewith, CRC shall, and shall cause the members of the CRC Group to:

(i) prepare and file the required Registration Statement, including all exhibits and financial statements required under the Securities Act to be filed therewith and, in the case of an Exchange Offer, any document required with respect to such Exchange Offer, including under Rule 425 or Rule 165 (collectively, the "Ancillary Filings"), and before filing with the SEC a Registration Statement or Prospectus, or any amendments or supplements thereto, (A) furnish to the dealer managers, if any, and to Occidental, copies of all documents prepared to be filed, which documents shall be subject to the review and comment of such dealer managers and Occidental and their respective counsel, and provide such dealer managers, if any, and Occidental and their respective counsel reasonable time to review and comment thereon and (B) not file with the SEC any Registration Statement or Prospectus relating to the Exchange Offer or amendments or supplements thereto or any Ancillary Filing to which Occidental or the dealer managers, if any, shall reasonably object;

(ii) maintain the effectiveness of the applicable Registration Statement until the earlier of (i) the date when all Registrable Securities thereunder have been sold and (ii) the expiration of the Registration Rights Period, and prepare and file with the SEC such amendments and post-effective amendments to such Registration Statement and supplements to the Prospectus and any Ancillary Filing as may be reasonably requested by Occidental to facilitate any Exchange Offer;

(iii) promptly notify Occidental and the dealer managers, if any, and, if requested, confirm such advice in writing and provide copies of the relevant documents, as soon as reasonably practicable after notice thereof is received by any member of the CRC Group (A) when the applicable Registration Statement or any amendment thereto has been filed or becomes effective, the applicable Prospectus or any amendment or supplement to such Prospectus has been filed, or any Ancillary Filing has been filed, (B) of any comments (written or oral) by the SEC or any request (written or oral) by the SEC or any other Governmental Authority for amendments or supplements to such Registration Statement, such Prospectus or any Ancillary Filing, or for any additional information, (C) of the issuance by the SEC of any stop order suspending the effectiveness of such Registration Statement, any order preventing or suspending the use of any preliminary or final Prospectus or any Ancillary Filing, or the initiation or threatening of any proceedings for such purposes, (D) if, at any time, the representations and warranties (written or oral) in any applicable dealer manager agreement cease to be true and correct in all material respects and (E) of the receipt by any member of the CRC Group of any notification with respect to the suspension of the qualification of the Registrable Securities for offering or Transfer in any jurisdiction or the initiation or threatening of any proceeding for such purpose;

(iv) (A) promptly notify Occidental and the dealer manager(s), if any, when CRC becomes aware of the occurrence of any event as a result of which the applicable Registration Statement, the Prospectus included in such Registration Statement (as then in effect) or any Ancillary Filing contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein (in the case of such Prospectus and any preliminary Prospectus, in light of the circumstances under which they were made) not misleading, or if for any other reason it shall be necessary during such time period to amend or supplement such Registration Statement, Prospectus or any Ancillary Filing in order to comply with the Securities Act, and (B) in either case, as quickly as possible thereafter using all best efforts, prepare and file with the SEC, and furnish without charge to Occidental and the dealer manager(s), if any, an amendment or supplement to such Registration Statement, Prospectus or Ancillary Filing that will correct such statement or omission or effect such compliance;

(v) use its reasonable best efforts to prevent or obtain the withdrawal of any stop order or other order suspending the use of any preliminary or final Prospectus;

(vi) promptly (A) incorporate in a Prospectus supplement or post-effective amendment such information as the dealer manager(s), if any, and Occidental agrees should be included therein relating to the plan of distribution with respect to such Registrable Securities and (B) make all required filings of such Prospectus supplement or post-effective amendment as soon as reasonably practicable after being notified of the matters to be incorporated in such Prospectus supplement or post-effective amendment;

(vii) furnish to Occidental and each dealer manager, if any, without charge, as many conformed copies as Occidental or such dealer manager may reasonably request of the applicable Registration Statement and any amendment or post-effective amendment thereto, including financial statements and schedules, all documents incorporated therein by reference and all exhibits (including those incorporated by reference);

(viii) deliver to Occidental and each dealer manager, if any, without charge, as many copies of the applicable Prospectus (including each preliminary Prospectus) and any amendment or supplement thereto as Occidental or such dealer manager may reasonably request (it being understood that CRC consents to the use of such Prospectus or any amendment or supplement thereto by Occidental and the dealer manager(s), if any, in connection with the offering and Transfer of the Registrable Securities covered by such Prospectus or any amendment or supplement thereto) and such other documents as Occidental or dealer manager may reasonably request in order to facilitate the Transfer of the Registrable Securities by Occidental or such dealer manager;

(ix) on or prior to the date on which the applicable Registration Statement is declared effective or becomes effective, use its reasonable best efforts to register or qualify, and cooperate with Occidental, the dealer manager(s), if any, and their respective counsel, in connection with the registration or qualification of, such Registrable Securities for offer and Transfer under the securities or "blue sky" laws of each state and other jurisdiction of the United States as Occidental or any participating dealer manager(s), if any, or their respective counsel reasonably request, and in any foreign jurisdiction mutually agreeable to CRC and Occidental, and do any and all other acts or things reasonably necessary or advisable to keep such registration or qualification in effect for so long as such Registration Statement remains in effect and so as to permit the continuance of offers and Transfers and dealings in such jurisdictions for so long as may be necessary to complete the distribution of the Registrable Securities covered by the Registration Statement; provided that CRC will not be required to qualify generally to do business in any jurisdiction where it is not then so qualified, to take any action which would subject it to taxation or general service of process in any such jurisdiction where it is not then so subject or conform its capitalization or the composition of its assets at the time to the securities or blue sky laws of any such jurisdiction;

(x) in connection with any Transfer of Registrable Securities that will result in such securities no longer being Registrable Securities, cooperate with Occidental and the dealer manager(s), if any, to (A) facilitate the timely preparation and delivery of certificates representing Registrable Securities to be Transferred and not bearing any restrictive Securities Act legends and (B) register such Registrable Securities in such denominations and such names as Occidental or the dealer manager(s), if any, may request at least two Business Days prior to such Transfer of Registrable Securities; provided that CRC may satisfy its obligations hereunder without issuing physical stock certificates through the use of the Depository Trust Company's Direct Registration System;

(xi) cooperate and assist in any filings required to be made with the Financial Industry Regulatory Authority and each securities exchange, if any, on which any of CRC's securities are then listed or quoted and on each inter-dealer quotation system on which any of CRC's securities are then quoted, and in the performance of any customary due diligence investigation by any dealer manager, and use its reasonable best efforts to cause the Registrable Securities covered by the applicable Registration Statement to be registered with or approved by such other Governmental Authorities as may be necessary to enable the seller or sellers thereof or the dealer manager(s), if any, to consummate the Transfer of such Registrable Securities;

(xii) not later than the effective date of the applicable Registration Statement, provide a CUSIP number for all Registrable Securities and provide the applicable transfer agent with printed certificates for the Registrable Securities which are in a form eligible for deposit with the Depository Trust Company; provided, that CRC may satisfy its obligations hereunder without issuing physical stock certificates through the use of the Depository Trust Company's Direct Registration System;

(xiii) obtain for delivery to and addressed to Occidental and to the dealer manager(s), if any, opinions from the general counsel or deputy general counsel for CRC, in each case dated the effective date of the Registration Statement or, the date of the closing under the dealer manager agreement or similar agreement or otherwise, and in each such case in customary form and content for the type of Exchange Offer;

(xiv) in the case of any Exchange Offer, obtain for delivery to and addressed to CRC and the dealer manager(s), if any, and, to the extent requested, Occidental, (A) a cold comfort letter from CRC's independent registered public accounting firm in customary form and content for the type of Exchange Offer, dated the date of execution of the dealer manager agreement or, if none, the date of commencement of the Exchange Offer, and brought down to the closing, whether under the dealer manager agreement, if applicable, or otherwise, and (B) a cold comfort letter from CRC's independent petroleum engineers in customary form and content for the type of Exchange Offer, dated the date of execution of the dealer manager agreement or, if none, the date of commencement of the Exchange Offer, and brought down to the closing, whether under the dealer manager agreement, if applicable, or otherwise;

(xv) in the case of any Exchange Offer that does not involve a dealer manager, provide to Occidental such customary written representations and warranties or other covenants or agreements as may be requested by Occidental comparable to those that would be included in a dealer manager agreement;

(xvi) use its reasonable best efforts to comply with all applicable rules and regulations of the SEC and make generally available to its security holders, as soon as reasonably practicable, but in any event no later than 90 days, after the end of the 12-month period beginning with the first day of CRC's first quarter commencing after the effective date of the applicable Registration Statement, an earnings statement satisfying the provisions of Section 11(a) of the Securities Act and covering the period of at least 12 months, but not more than 18 months, beginning with the first month after the effective date of the Registration Statement;

(xvii) provide and cause to be maintained a transfer agent and registrar for all Registrable Securities covered by the applicable Registration Statement from and after a date not later than the effective date of such Registration Statement;

(xviii) cause all Registrable Securities covered by the applicable Registration Statement to be listed on each securities exchange on which any of CRC's securities are then listed or quoted and on each inter-dealer quotation system on which any of CRC's securities are then quoted;

(xix) provide (A) Occidental, (B) the Transfer or placement agent therefor, if any, (C) the dealer manager therefor, if any, (D) counsel for Occidental or such dealer manager and (E) any attorney, accountant or other agent or representative retained by Occidental or any such dealer manager, as selected by Occidental, in each case, the opportunity to participate in the preparation of such Registration Statement, each Prospectus included therein or filed with the SEC, and each amendment or supplement thereto; and for a reasonable period prior to the filing of such Registration Statement, make available for inspection upon reasonable notice at reasonable times and for reasonable periods, by the parties referred to in clauses (A) through (E) above, all pertinent financial and other records, pertinent corporate and other documents and properties of the CRC Group that are available to CRC, and cause all of the CRC Group's officers, directors and employees and the independent public accountants who have certified its financial statements to make themselves available at reasonable times and for reasonable periods to discuss the business of CRC and to supply all information available to CRC reasonably requested by any such Person in connection with such Registration Statement as shall be necessary to enable them to exercise their due diligence or other responsibility, subject to the foregoing. The recipients of such information shall coordinate with one another so that the inspection permitted hereunder will not unnecessarily interfere with the CRC Group's conduct of business.

(xx) cause the senior executive officers of CRC to participate at reasonable times and for reasonable periods in the customary "road show" presentations that may be reasonably requested by Occidental and dealer manager(s), if any, and otherwise to facilitate, cooperate with, and participate in each proposed offering contemplated herein and customary selling efforts related thereto;

(xxi) comply with all requirements of the Securities Act, Exchange Act and other applicable laws, rules and regulations, as well as all applicable stock exchange rules; and

(xxii) take all other customary steps reasonably necessary or advisable to effect the Registration and distribution of the Registrable Securities contemplated hereby.

(b) As a condition precedent to any Registration hereunder, CRC may require Occidental to furnish to CRC such information regarding the distribution of such securities and such other information relating to Occidental, its ownership of Registrable Securities and other matters as CRC may from time to time reasonably request in writing. Occidental agrees to furnish such information to CRC and to cooperate with CRC as reasonably necessary to enable CRC to comply with the provisions of this Agreement.

(c) Occidental shall, as promptly as reasonably practicable, notify CRC, at any time when a Prospectus is required to be delivered (or deemed delivered) under the Securities Act, of the occurrence of an event, of which Occidental has knowledge, relating to Occidental or its Transfer of Registrable Securities thereunder requiring the preparation of a supplement or amendment to such Prospectus so that, as thereafter delivered (or deemed delivered) to the purchasers of such Registrable Securities, such Prospectus will not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading.

(d) Occidental agrees by acquisition of such Registrable Securities, that, upon receipt of any written notice from CRC of the occurrence of any event of the kind described in [Section 2.02\(a\)\(iv\)](#), Occidental will forthwith discontinue Transfer of Registrable Securities pursuant to such Registration Statement until Occidental's receipt of the copies of the supplemented or amended Prospectus contemplated by [Section 2.02\(a\)\(iv\)](#), or until Occidental is advised in writing by CRC that the use of the Prospectus may be resumed; provided, however, that such obligation to discontinue shall not negate or modify CRC's obligations, or liability for damages for a breach of, any provision hereof including the provisions of [Section 2.02\(a\)\(iv\)](#) and 2.06.

Section 2.03 [Exchange Offers](#).

(a) If requested by the dealer manager(s) for any Exchange Offer that is requested by Occidental pursuant to a Demand Registration under [Section 2.01](#), CRC shall enter into a dealer manager agreement with such dealer manager(s) for such offering, such agreement to be reasonably satisfactory in substance and form to CRC, the dealer manager(s) and Occidental. Such agreement shall contain such representations, warranties, covenants and indemnifications by CRC and such other terms as are generally prevailing in agreements of that type. Occidental shall enter into such dealer manager agreement at the request of CRC, which agreement shall contain such reasonable representations, warranties, covenants and indemnifications by Occidental and such other reasonable terms as are generally prevailing in agreements of that type.

(b) In the event of any Exchange Offer, CRC shall agree, and it shall use its best efforts to cause its executive officers and directors to agree, if requested by Occidental or the dealer manager or dealer managers, not to effect any Transfer or distribution (including any offer to Transfer, contract to Transfer, short Transfer or any option to purchase) of any securities (except, in each case, as part of the applicable Registration, if permitted hereunder) that are of the same type as those being Registered in connection with such Exchange Offer, or any securities convertible into or exchangeable or exercisable for such securities, during the period beginning five days before, and ending after the completion of such Exchange Offer (or such lesser period as may be permitted by Occidental, as applicable, or such dealer manager or managers) (the "**Lock-up Period**"), to the extent timely notified in writing by such selling Person or the dealer manager or dealer managers, subject to customary exceptions agreed to by Occidental and provided that the applicable party would not be required by law (including without limitation the disclosure requirements of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended) to make, and shall agree to not voluntarily make, any filing or public announcement of the transfer or disposition prior to the expiration of the Lock-up Period. CRC also agrees to execute an agreement evidencing the restrictions in this [Section 2.03\(b\)](#) in customary form, which form is reasonably satisfactory to Occidental and the dealer manager(s); provided that such restrictions may be included in the dealer manager agreement.

Section 2.04 [Registration Expenses Paid by CRC](#).

In the case of any Registration of Registrable Securities required pursuant to this Agreement, CRC shall pay all Registration Expenses regardless of whether the Registration Statement becomes effective.

Section 2.05 [Indemnification](#).

(a) CRC agrees to indemnify and hold harmless, to the full extent permitted by law, Occidental, Occidental's Affiliates and their respective officers, directors, agents, advisors, employees and each Person, if any, who controls (within the meaning of the Securities Act or the Exchange Act) Occidental, from and against any and all losses, claims, damages, liabilities (or actions or proceedings in respect thereof, whether or not such indemnified party is a party thereto) and expenses, joint or several (including reasonable costs of investigation and legal expenses) (each, a "**Loss**" and collectively "**Losses**") arising out of or based upon (i) any untrue or alleged untrue statement of a material fact contained in any Registration Statement under which the offering and Transfer of such Registrable Securities was Registered under the Securities Act (including any final or preliminary Prospectus contained therein or any amendment thereof or supplement thereto or any documents incorporated by reference therein), or any such statement made in any free writing prospectus (as defined in Rule 405 under the Securities Act) that CRC has filed or is required to file pursuant to Rule 433(d) of the Securities Act or any Ancillary Filing, (ii) any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein (in the case of a Prospectus, preliminary Prospectus or free writing prospectus, in light of the circumstances under which they were made) not misleading; provided, that with respect to any untrue statement or omission or alleged untrue statement or omission made in any Prospectus, the indemnity agreement contained in this paragraph shall not apply to the extent that any such liability results from or arises out of information furnished in writing by Occidental or on Occidental's behalf, in either case expressly for use in such Registration Statement, Prospectus relating to Occidental's Registrable Securities. This indemnity shall be in addition to any liability CRC may otherwise have, including under the Separation and Distribution Agreement. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of Occidental or any indemnified party and shall survive the Transfer of such securities by Occidental.

(b) Occidental indemnifies and holds harmless, to the full extent permitted by law, CRC, its directors, officers, agents, advisors, employees and each Person, if any, who controls (within the meaning of the Securities Act and the Exchange Act) CRC from and against any and all Losses (i) arising out of or based upon information furnished in writing by Occidental or on Occidental's behalf, in either case expressly for use in a Registration Statement, Prospectus relating to Occidental's Registrable Securities. This indemnity shall be in addition to any liability Occidental may otherwise have, including under the Separation and Distribution Agreement. In no event shall the liability of Occidental hereunder be greater in amount than the value of consideration received by Occidental for the Transfer of the Registrable Securities giving rise to such indemnification obligation, determined with respect to any Exchange Offer to be an amount equal to the shares of Occidental common stock received in connection with the Exchange Offer multiplied by the average daily sales price of shares of Occidental common stock on the date of such Transfer. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of CRC or any indemnified party.

(c) Any claim or action with respect to which a party (an "**Indemnifying Party**") may be obligated to provide indemnification to any Person entitled to indemnification hereunder (an "**Indemnitee**") shall be subject to the procedures for indemnification set forth in Article V of the Separation and Distribution Agreement.

(d) If for any reason the indemnification provided for in [Section 2.07\(a\)](#) or [Section 2.07\(b\)](#) is unavailable to an Indemnitee or insufficient to hold it harmless as contemplated by [Section 2.07\(a\)](#) or [Section 2.07\(b\)](#), then the Indemnifying Party shall contribute to the amount paid or payable by the Indemnitee as a result of such Loss in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party on the one hand and the Indemnitee on the other hand. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Indemnifying Party or the Indemnitee and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. For the avoidance of doubt, the establishment of such relative fault, and any disagreements or disputes relating thereto, shall be subject to [Section 4.03](#). Notwithstanding anything in this [Section 2.07\(d\)](#) to the contrary, no Indemnifying Party (other than CRC) shall be required pursuant to this [Section 2.07\(d\)](#) to contribute any amount in excess of the amount by which the value of the Registrable Securities Transferred by such Indemnifying Party in the Transfer of Registrable Securities in the offering to which the Losses of the Indemnitees relate (before deducting expenses, if any) exceeds the amount of any damages which such Indemnifying Party has otherwise been required to pay by reason of such untrue statement or omission. The parties hereto agree that it would not be just and equitable if contribution pursuant to this [Section 2.07\(d\)](#) were determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to in this [Section 2.07\(d\)](#). No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. The amount paid or payable by an Indemnitee hereunder shall be deemed to include, for purposes of this [Section 2.07\(d\)](#), any legal or other expenses reasonably incurred by such Indemnitee in connection with investigating, preparing to defend or defending against or appearing as a third party witness in respect of, or otherwise incurred in connection with, any such loss, claim, damage, expense, liability, action, investigation or proceeding. If indemnification is available under this [Section 2.07](#), the Indemnifying Parties shall indemnify each Indemnitee to the full extent provided in [Section 2.07\(a\)](#) and [Section 2.07\(b\)](#) without regard to the relative fault of said Indemnifying Parties or Indemnitee.

Section 2.06 [Reporting Requirements](#).

Until the earlier of (a) the expiration or termination of this Agreement in accordance with its terms and (b) the date upon which the Occidental Group ceases to own any Registrable Securities, CRC shall remain in compliance with the periodic filing requirements imposed under the SEC's rules and regulations, including the Exchange Act, and any

other applicable laws or rules, and thereafter shall timely file such information, documents and reports as the SEC may require or prescribe under Sections 13, 14 and 15(d), as applicable, of the Exchange Act. From and after the date hereof through the earlier of the expiration or termination of this Agreement in accordance with its terms and the date upon which the Occidental Group ceases to own any Registrable Securities, CRC shall forthwith upon request furnish Occidental (x) a written statement by CRC as to whether it has complied with such requirements and, if not, the specifics thereof and (y) such other reports and documents filed by CRC with the SEC as Occidental may reasonably request in availing itself of an exemption for the offering and Transfer of Registrable Securities without registration under the Securities Act.

Section 2.07 Registration Covenants.

(a) Subject to 2.07(b), immediately following the Distribution, CRC shall file prepare and file with the SEC a Registration Statement with respect to a registered offer to exchange the Note Securities as contemplated by the Notes Registration Rights Agreement and shall use their reasonable best efforts to cause such Registration Statement to become effective under the Securities Act and consummate the exchange offer of the Notes Securities in accordance with the Notes Registration Rights Agreement as promptly as reasonably possible.

(b) Upon receipt of any Demand Registration, CRC shall not, and it will cause the members of the CRC Group not to, file any other Registration Statement without Occidental's consent until the consummation of the Exchange Offer contemplated by the applicable Demand Registration; provided that CRC shall be permitted to file any Registration Statement on Form S-8.

(c) CRC shall not, and it will cause the members of the CRC Group not to, grant any right of registration under the Securities Act relating to any of its shares of CRC Common Stock or other securities to any Person other than pursuant to this Agreement without Occidental's consent if such rights are exercisable within the Registration Rights Period.

ARTICLE III Voting Restrictions

Section 3.01 Voting of CRC Common Stock.

(e) From the date of this Agreement and until the date that the Occidental Group ceases to own any Retained Shares, Occidental shall, and shall cause each member of the Occidental Group to (in each case, to the extent that they own any Retained Shares), be present, in person or by proxy, at each and every CRC stockholder meeting, and otherwise to cause all Retained Shares owned by them to be counted as present for purposes of establishing a quorum at any such meeting, and to vote or consent on any matter, or cause to be voted or consented on any such matter, all such Retained Shares in proportion to the votes cast by Other CRC Holders on such matter.

(f) From the date of this Agreement and until the date that the Occidental Group ceases to own any Retained Shares, Occidental hereby grants, and shall cause each member of the Occidental Group (in each case, to the extent that they own any Retained Shares) to grant, an irrevocable proxy, which shall be deemed coupled with an interest sufficient in law to support an irrevocable proxy to CRC or its designees, to vote, with respect to any matter, all Retained Shares owned by them, in proportion to the votes cast by the Other CRC Holders on such matter; provided, that (i) such proxy shall automatically be revoked as to a particular Retained Share upon any Transfer of such Retained Share from a member of the Occidental Group to a Person other than a member of the Occidental Group and (ii) nothing in this Section 3.01(b) shall limit or prohibit any such Transfer.

ARTICLE IV Miscellaneous

Section 4.01 Term.

This Agreement shall terminate upon the earlier of (a) the last day of the Registration Rights Period, (b) the time at which all Registrable Securities are held by Persons other than the Occidental Group and (c) the time at which all Registrable Securities have been Transferred in accordance with one or more Registration Statements; provided, that the provisions of Section 2.05 and this Article IV shall survive any such termination.

Section 4.02 Counterparts; Entire Agreement; Corporate Power.

(a) This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each party and delivered to each other party.

(b) This Agreement contains the entire agreement between the parties with respect to the subject matter hereof, supersedes all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter and there are no agreements or understandings between the parties with respect to such subject matter other than those set forth or referred to herein other than the Separation and Distribution Agreement and the agreements referred to therein.

(c) Occidental represents on behalf of itself and each other member of the Occidental Group, and CRC represents on behalf of itself and each other member of the CRC Group, as follows: (i) each such Person has the requisite corporate or other power and authority and has taken all corporate or other action necessary in order to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby, and (ii) this Agreement has been duly executed and delivered by it and constitutes a valid and binding agreement of it enforceable in accordance with the terms hereof.

(d) Each party hereto acknowledges that it and each other party hereto may execute this Agreement by facsimile, stamp or mechanical signature. Each party hereto expressly adopts and confirms each such facsimile, stamp or mechanical signature made in its respective name as if it were a manual signature, agrees that it shall not assert that any such signature is not adequate to bind such party to the same extent as if it were signed manually and agrees that at the reasonable request of any other party hereto at any time it shall as promptly as reasonably practicable cause this Agreement to be manually executed (any such execution to be as of the date of the initial date thereof).

Section 4.03 Disputes.

(e) This Agreement (and any claims or disputes arising out of or related hereto or to the transactions contemplated hereby or to the inducement of any party to enter herein, whether for breach of contract, tortious conduct or otherwise and whether predicated on common law, statute or otherwise) shall be governed by and construed and interpreted in accordance with the laws of the State of Texas, irrespective of the choice of laws principles of the State of Texas, including all matters of validity, construction, effect, enforceability, performance and remedies.

(f) THE PARTIES EXPRESSLY WAIVE AND FOREGO ANY RIGHT TO TRIAL BY JURY.

(g) In the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement, the Party who is, or will be, thereby aggrieved shall have the right to specific performance and injunctive or other equitable relief in respect of its rights under this Agreement, in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies shall be cumulative. The Parties agree that the remedies at law for any breach or threatened breach, including monetary damages, are inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are waived by each Party.

(h) **IN RESPECT OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, EACH OF THE PARTIES HERETO CONSENTS TO THE JURISDICTION AND VENUE OF THE COURT OF CHANCERY OF THE STATE OF DELAWARE, AND WAIVES ANY MOTION TO TRANSFER VENUE FROM, ANY OF THE AFORESAID COURTS.**

Section 4.04 Amendment.

No provisions of this Agreement shall be deemed waived, amended, supplemented or modified by any party, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of CRC, if such waiver, amendment, supplement or modification is sought to be enforced against CRC, or Occidental, if such waiver, amendment, supplement or modification is sought to be enforced against Occidental.

Section 4.05 Waiver of Default.

Waiver by any party of any default by the other party of any provision of this Agreement shall not be deemed a waiver by the waiving party of any subsequent or other default, nor shall it prejudice the rights of such party. No failure or delay by any party in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof nor shall a single or partial exercise thereof prejudice any other or further exercise thereof or the exercise of any other right, power or privilege.

Section 4.06 Successors, Assigns and Transferees.

This Agreement and all provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. CRC may not assign this Agreement, without the consent of Occidental. Occidental may assign this Agreement at any time in connection with a sale or acquisition of Occidental, whether by merger, consolidation, sale of all or substantially all of Occidental's assets, or similar transaction, without the consent of CRC.

Section 4.07 Further Assurances.

In addition to the actions specifically provided for elsewhere in this Agreement, CRC shall use its reasonable best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper or advisable on its part under applicable laws, regulations and agreements, to consummate and make effective the transactions contemplated by this Agreement as expeditiously as reasonably practicable.

Section 4.08 Performance.

Occidental shall cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth in this Agreement to be performed by any member of the Occidental Group. CRC shall cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth in this Agreement to be performed by any member of the CRC Group. Each party (including its permitted successors and assigns) further agrees that it shall (a) give timely notice of the terms, conditions and continuing obligations contained in this Section 4.08 to all of the other members of its Group and (b) cause all of the other members of its Group not to take, or omit to take, any action which action or omission would violate or cause such party to violate this Agreement.

Section 4.09 Notices.

All notices, requests, claims, demands or other communications under this Agreement shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service, by facsimile or electronic transmission with receipt confirmed (followed by delivery of an original via overnight courier service), or by registered or certified mail (postage prepaid, return receipt requested) to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 4.09):

If to Occidental, to:

Occidental Petroleum Corporation
5 Greenway Plaza, Suite 110
Houston, Texas 77046
Attention: General Counsel
Email: Marcia_E._Backus@oxy.com

If to CRC, to:

California Resources Corporation
10889 Wilshire Blvd.
Los Angeles, California 90024
Attention: General Counsel
Email: Michael.Preston@crc.com

Any party may, by notice to the other party, change the address and contact person to which any such notices are to be given.

Section 4.10 Severability.

If any provision of this Agreement or the application hereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby. Upon such determination, the parties shall negotiate in good faith in an effort to agree upon such a suitable and equitable provision to effect the original intent of the parties.

Section 4.11 No Reliance on Other Party.

The parties hereto represent to each other that this Agreement is entered into with full consideration of any and all rights which the parties hereto may have. The parties hereto have relied upon their own knowledge and judgment and have conducted such investigations they and their in-house counsel have deemed appropriate regarding this Agreement and their rights in connection with this Agreement. The parties hereto are not relying upon any representations or statements made by any other party, or any such other party's employees, agents, representatives or attorneys, regarding this Agreement, except to the extent such representations are expressly set forth or incorporated in this Agreement. The parties hereto are not relying upon a legal duty, if one exists, on the part of any other party (or any such other party's employees, agents, representatives or attorneys) to disclose any information in connection with the execution of this Agreement or its preparation, it being expressly understood that no party hereto shall ever assert any failure to disclose information on the part of any other party as a ground for challenging this Agreement or any provision hereof.

Section 4.12 Registrations, Exchanges, etc.

Notwithstanding anything to the contrary that may be contained in this Agreement, the provisions of this Agreement shall apply to the full extent set forth herein with respect to (a) any shares of CRC Common Stock, now or hereafter authorized to be issued, (b) any and all securities of CRC into which the shares of CRC Common Stock are converted, exchanged or substituted in any recapitalization or other capital reorganization by CRC and (c) any and all securities of any kind whatsoever of CRC or any successor or permitted assign of CRC (whether by merger, consolidation, sale of assets or otherwise) which may be issued on or after the date hereof in respect of, in conversion of, in exchange for or in substitution of, the shares of CRC Common Stock, and shall be appropriately adjusted for any stock dividends, or other distributions, stock splits or reverse stock splits, combinations, recapitalizations, mergers, consolidations, exchange offers or other reorganizations occurring after the date hereof.

Section 4.13 Mutual Drafting.

This Agreement shall be deemed to be the joint work product of the parties, and any rule of construction that a document shall be interpreted or construed against a drafter of such document shall not be applicable.

[The remainder of this page has been left blank intentionally.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their authorized representatives as of the date first above written.

Occidental Petroleum Corporation

By: /s/ Marcia E. Backus

Name: Marcia E. Backus

Title: Vice President and General Counsel

California Resources Corporation

By: /s/ Todd A. Stevens

Name: Todd A. Stevens

Title: President and Chief Executive Officer

US 2360501v.19

TAX SHARING AGREEMENT
between
OCCIDENTAL PETROLEUM CORPORATION
AND ITS AFFILIATES
and
CALIFORNIA RESOURCES CORPORATION
AND ITS AFFILIATES
Dated as of November 25, 2014

TAX SHARING AGREEMENT

This TAX SHARING AGREEMENT (the “**Agreement**”) is entered into as of November 25, 2014, by and between Occidental Petroleum Corporation (“**OPC**”), a Delaware corporation, and California Resources Corporation (“**CRC**”), a Delaware corporation and is effective as of the Effective Time. Each of OPC and CRC is sometimes referred to herein as a “**party**” and, collectively, the “**parties**.”

RECITALS

WHEREAS, OPC, through various subsidiaries, is engaged in the oil and gas exploration and production business, the midstream and marketing business, and the chemicals business, including the CRC Business;

WHEREAS, the board of directors of OPC has determined that it is in the best interests of OPC and its shareholders that CRC operate the CRC Business as a separate publicly-traded entity;

WHEREAS, prior to the Second Distribution, CRC was a member of the OPC Consolidated Group;

WHEREAS, pursuant to an overall “plan of reorganization,” within the meaning of Treasury Regulation Section 1.368-2(g),

(a) Sub 1 changed its state of incorporation to Delaware and changed its name from OPIC to Oxy USA Inc.

(b) Sub 1 and its subsidiaries have undertaken an internal restructuring, pursuant to which (i) entities, assets, employees and liabilities associated with CRC Business were transferred to Sub 1, CRC Services, and CRC Marketing, and (ii) intercompany obligations between members of the OPC Group and members of the CRC Group were eliminated (the “**Internal Restructuring**”).

(c) Pursuant to the Contribution Agreement, Sub 1 contributed to CRC (i) all of the stock and interests that it owned in the CA Entities and (ii) certain other California assets owned by Sub 1 in exchange for CRC common stock, the assumption of liabilities associated with the CRC Business, and a right, subject to certain conditions, to receive a distribution of the Loan 1 Proceeds (the “**First Contribution**”).

(d) CRC distributed the net Loan 1 Proceeds to Sub 1.

(e) Sub 1 distributed the net Loan 1 Proceeds to OPC, and then distributed all of the CRC stock to OPC (the “**First Distribution**” and, together with the First Contribution, the “**Internal Spin-Off**”), and within 18 months of the First Distribution, OPC will (i) transfer the Loan 1 Proceeds to shareholders (whether through quarterly dividends, redemptions pursuant to existing or future repurchase programs, or otherwise), (ii) transfer the Loan 1 Proceeds to creditors, or (iii) some combination of the foregoing.

(f) On November 26, 2014, CRC will declare and pay a dividend of the Loan 2 Proceeds to OPC.

(g) OPC contributed assets it owned related to the CRC Business and certain intercompany receivables owed to OPC from CA Entities to CRC in actual or constructive exchange for shares of CRC common stock and the assumption of certain liabilities associated with the CRC Business (the “**Second Contribution**”).

(h) OPC will distribute more than 80.1 percent of the outstanding stock of CRC pro rata to OPC’s shareholders on November 30, 2014 (the “**Second Distribution**”).

(i) OPC will either (i) exchange all additional CRC stock that it holds for OPC common stock, or (ii) distribute all such CRC stock pro rata to the OPC shareholders, or a combination of both, in either case within 18 months of the Second Distribution (the “**Final Distribution**,” and together with the Second Contribution and the Second Distribution, the “**External Spin-Off**”);

WHEREAS, the parties intend that, for United States federal income tax purposes, the First Contribution and the First Distribution, taken together, will qualify for tax-free treatment under Sections 355, 361, 368(a)(1)(D), and related provisions of the Code;

WHEREAS, the parties intend that, for United States federal income tax purposes, the Second Contribution, the Second Distribution and the Final Distribution, taken together, will qualify for tax-free treatment under Sections 355, 361, 368(a)(1)(D), and related provisions of the Code;

WHEREAS, as a result of the Second Distribution, CRC and the other members of the CRC Group ceased to be members of the OPC Group;

WHEREAS, with respect to the portion of the 2014 taxable year ending with the Second Distribution, the CRC Group has not made payments to OPC of the CRC Group’s Net Separate Tax Liability or Separate Tax Liability;

WHEREAS, the parties wish to (a) provide for the payment of Tax Liabilities and entitlement to refunds thereof, (b) allocate responsibility for, and cooperation in, the filing of Tax Returns and provide for certain other matters relating to Taxes, and (c) set forth certain covenants and indemnities relating to the preservation of the Tax-Free Status of the Internal Spin-Off and the External Spin-Off under Sections 355, 361, 368(a)(1)(D), and related provisions of the Code, and (d) provide for and agree on certain other matters relating to Taxes.

NOW, THEREFORE, in consideration of the mutual promises and undertakings contained herein and in any other document executed in connection with this Agreement, the parties agree as follows:

ARTICLE I
DEFINITIONS; CERTAIN OPERATING CONVENTIONS

1.1 For the purposes of this Agreement, the following terms have the meanings set forth below:

Adjustment Request means any formal or informal claim or request filed with any Tax Authority, or with any administrative agency or court, for the adjustment, refund, or credit of Taxes, including (a) any amended Tax return claiming adjustment to the Taxes as reported on the Tax Return or, if applicable, as previously adjusted, (b) any claim for equitable recoupment or other offset, and (c) any claim for refund or credit of Taxes previously paid.

Affiliated Group means an affiliated group of corporations, within the meaning of Section 1504(a) of the Code, including the common parent corporation, and any member of such group.

Agreement has the meaning set forth in the introductory paragraph of this Agreement.

Audit includes any audit, assessment of Taxes, other examination by any Tax Authority, proceeding, or appeal of such a proceeding relating to Taxes, whether administrative or judicial, including proceedings relating to competent authority determinations.

Audit Adjustment Increase means, with respect to any Tax Return described in Section 2.1(a)(i), any increase in Separate Tax Liability that results from a Final Determination.

CA Entities means the entities that are engaged in the CRC Business and which were contributed to CRC pursuant to the Contribution Agreement in the First Contribution, including OLBI, OEH LLC, CHO, VPL, SSJP, Vintage Production, CRC Marketing, CRC Services, and Social Holdings, LLC.

Capital Stock means any capital stock or other equity interests, options, or rights to acquire capital stock or other equity interests, or any other instruments convertible into or exchangeable for, or that could otherwise result in the issuance of, capital stock or other equity interests.

CHO means California Heavy Oil, Inc., a Delaware corporation which is owned by OXY USA and which is a member of the OPC Consolidated Group.

Code means the Internal Revenue Code of 1986, as amended.

Combined Return means any Tax Return with respect to franchise Taxes or Income Taxes, other than United States federal Income Taxes, filed on a consolidated, combined, or unitary basis wherein CRC or any member of the CRC Group joins in the filing of such Tax Return (for any taxable period or portion thereof) with OPC or one or more members of the OPC Group.

Consolidated Return means any Tax Return with respect to United States federal Income Taxes filed on a consolidated basis wherein CRC or any member of the CRC Group joins in the filing of such Tax Return (for any taxable period or portion thereof) with OPC or one or more members of the OPC Group.

Contribution Agreement means the Contribution, Conveyance and Assumption Agreement by and among CRC and Sub 1 dated September 11, 2014.

CRC has the meaning set forth in the introductory paragraph of this Agreement.

CRC Business means (a) the exploration for and development and production of crude oil and condensate, NGL and natural gas in the State of California and in state waters offshore California, including all California operations of OPC's Oil and Gas Segment, operated mainly through OXY Long Beach and California Resources Elk Hills, California Production, and the California operations of OXY USA, and the gathering and processing of such crude oil, condensate, NGL and natural gas, (b) the ownership interest in and operation of three gas-fired combined cycle power plants at Elk Hills Field in California and THUMS in California, (c) the marketing and trading of crude oil and condensate, NGL, natural gas, water, steam and electricity produced in the operations set forth in clause (a) and (b) of this definition, and (d) the abandonment, monitoring and remediation of oil and gas properties and operations utilized therein. For the avoidance of doubt, the "CRC Business" shall not include (i) the existing third-party crude oil and gas marketing business of OPC and its subsidiaries' non-California midstream and marketing segment, which participates in various U.S. markets, including California, and (ii) the office building located at 10889 Wilshire Boulevard, Los Angeles, CA 90024, which is owned by Oxy Westwood Corporation, a California corporation that is a subsidiary of Sub 1.

CRC Group means the Affiliated Group, or similar group of entities as defined under corresponding provisions of the laws of other jurisdictions, of which CRC will be the common parent corporation immediately after the Second Distribution, (i) any predecessor to any such entity, and (ii) any corporation or other entity which may become a member of such group from time to time. For the avoidance of doubt, the CRC Group will include any legal entity which is wholly-owned, directly or indirectly, by members of the CRC Group.

CRC Marketing means a Delaware corporation which was formed by Sub 1 to conduct the marketing activities with respect to the CRC Business.

CRC Services means a Delaware limited liability company which was formed by Sub 1, and which has elected to be classified as disregarded as an entity separate from Sub 1 for U.S. federal income tax purposes, to acquire and hold certain information technology that will be used in the CRC Business and replace Sub 1's cash management functions for members of the CRC Group.

CRC Tax Refund has the meaning set forth in Section 3.9.

Deferred Intercompany Gain Transaction means any transfer of Directly Owned California Assets in connection with the Internal Restructuring which is an "intercompany transaction" (as defined in Treasury Regulation Section 1.1502-13(b)(1)) and pursuant to which OPC or any member of the OPC Group recognized taxable gain or income pursuant to Treasury Regulation Sections 1.1502-13(c) or (d).

Directly Owned California Assets means any asset associated with the CRC Business that was (i) sold, contributed, or otherwise transferred to CRC, any member of the CRC Group, or CRC Services, as part of the Internal Restructuring or the First Contribution, and (ii) treated for a taxable period, or any portion thereof, prior to the First Contribution, as directly owned by any member of the OPC Group for United States Federal Income Tax purposes. Directly Owned California Assets

include, but are not limited to, oil and gas interests, software agreements, supply agreements, marketing agreements, etc.

Distribution Date means the date the last distribution of CRC stock is made in connection with the Final Distribution.

Distributions means the First Distribution, the Second Distribution and the Final Distribution.

Draft Tax Materials has the meaning set forth in Section 5.1.

Effective Time means 11:59 P.M., Eastern Standard Time, on November 30, 2014.

Estimated Tax Installment Date means the estimated United States federal Income Tax installment due dates prescribed in Section 6655(c) of the Code and any other date on which an installment of Income Taxes is required to be made.

External Spin-Off has the meaning set forth in the Recitals of this Agreement.

Federal Separate Tax Liability means the CRC Group's United States federal Income Tax liability, as determined by OPC in good faith and prepared: (a) assuming that all Tax Items attributable to Directly Owned California Assets are attributable to the CRC Group; (b) assuming that the members of the CRC Group were not included in the United States federal consolidated Income Tax return of the OPC Consolidated Group and including only Tax items of members of the CRC Group that would have been included in the United States federal consolidated Income Tax return of the OPC Consolidated Group for the applicable taxable period; (c) using all applicable elections, accounting methods and conventions used in the United States federal consolidated Income Tax Return of the OPC Consolidated Group for the applicable taxable period; (d) applying the highest statutory marginal corporate United States federal Income Tax rate in effect for such taxable period; and (e) assuming that the CRC Group's utilization of any tax attribute carryforward or carryback is limited to the tax attributes of the CRC Group that were actually utilized in the United States federal consolidated Income Tax return of the OPC Consolidated Group for such period; provided, however, that in no event shall the Federal Separate Tax Liability be less than zero.

Fifty-Percent or Greater Interest has the meaning ascribed to such term for purposes of Sections 355(d) and (e) of the Code.

Filing Party has the meaning set forth in Section 8.1.

Final Determination means the final resolution of liability for any Tax Item or for the Tax Liability for any taxable period, by or as a result of (i) a final decision, judgment, decree or other order by any court of competent jurisdiction that can no longer be appealed; (ii) a final settlement with the IRS, a closing agreement or accepted offer in compromise under Sections 7121 or 7122 of the Code, or a comparable agreement under the laws of other jurisdictions, which resolves the entire Tax Liability for any taxable period; (iii) any allowance of a Tax Refund or credit in respect

of an overpayment of Tax, but only after the expiration of all periods during which such refund or credit may be recovered by the jurisdiction imposing the Tax; or (iv) any other final resolution, including by reason of the expiration of the applicable statute of limitations or the execution of a pre-filing agreement with the IRS or other Taxing Authority.

Final Distribution has the meaning set forth in the Recitals of this Agreement.

Final Tax Materials has the meaning set forth in Section 5.1.

First Contribution has the meaning set forth in the Recitals of this Agreement.

First Distribution has the meaning set forth in the Recitals of this Agreement.

Hypothetical Post-Distribution CRC Group Tax Liability means the Hypothetical Post-Distribution Federal CRC Group Tax Liability or the Hypothetical Post-Distribution State CRC Group Tax Liability, as applicable.

Hypothetical Post-Distribution Federal CRC Group Tax Liability means a hypothetical amount equal to the Post-Distribution Federal CRC Group Tax Liability computed as if no Transaction Taxes resulting in the application of Section 4.4 had been imposed.

Hypothetical Post-Distribution State CRC Group Tax Liability means a hypothetical amount equal to the Post-Distribution State CRC Group Tax Liability computed as if no Transaction Taxes resulting in the application of Section 4.4 had been imposed.

Income Taxes means all federal, state, local or foreign Taxes measured by or imposed on net income, or any Taxes imposed in lieu of such Taxes.

Income Tax Return means any Tax Return with respect to Income Taxes.

Indemnifying Party means any Person from which an Indemnified Party is seeking indemnification pursuant to the provisions of this Agreement.

Indemnified Party means any Person which is seeking indemnification from an Indemnifying Party pursuant to the provisions of this Agreement.

Independent Firm means a recognized law firm, in the event of a dispute regarding the interpretation of this Agreement, or accounting firm, in the event of a dispute regarding calculations made pursuant to this Agreement; provided, however, that such term shall not include any accounting firm that performs or has performed audit services with respect to OPC or CRC.

Internal Restructuring has the meaning set forth in the Recitals of this Agreement.

Internal Spin-Off has the meaning set forth in the Recitals of this Agreement.

IRS means the United States Internal Revenue Service.

Joint Return means any Tax Return of OPC or any member of the OPC Consolidated Group that includes any member of the CRC Group or Tax Items attributable to Directly Owned California Assets.

Liquidated Corporation means each of (i) OEHI; (ii) Occidental Energy Ventures Corp., a Delaware corporation; and (iii) EHPP Holdings Inc., a Delaware corporation (collectively, the "**Liquidated Corporations**").

Loan 1 Proceeds means the proceeds raised by CRC through its issuance of senior notes in the aggregate principal amount of \$5 billion.

Loan 2 Proceeds means the proceeds raised by CRC prior to or simultaneously with the Second Contribution through a term loan and a revolving credit facility entered into with a syndicate of institutional lenders.

Net Separate Tax Liability means the Net Federal Separate Tax Liability or the Net State Separate Tax Liability, as applicable.

Net Federal Separate Tax Liability means the excess, if any, of the Federal Separate Tax Liability over the Proforma Federal Separate Tax Liability. For the avoidance of doubt, Net Federal Separate Tax Liability is intended to equal the increase in the amount of the Federal Separate Tax Liability, if any, that results from capitalization of intangible drilling and development costs.

Net State Separate Tax Liability means the excess, if any, of the State Separate Tax Liability over the Proforma State Separate Tax Liability. For the avoidance of doubt, Net State Separate Tax Liability is intended to equal the increase in the amount of the State Separate Tax Liability, if any, that results from capitalization of intangible drilling and development costs.

OEHI means Occidental of Elk Hills, Inc., a Delaware corporation which prior to the Internal Restructuring was owned by OOGHC and which was a member of the OPC Consolidated Group.

OEH LLC means the Delaware limited liability company into which OEHI was converted as part of the Internal Restructuring and which is disregarded as an entity separate from Sub 1 for U.S. federal income tax purposes.

Officer's Certificate means the letter executed by officers of OPC and CRC provided to OPC's outside tax advisors in connection with the Tax Opinion.

OLBI means Oxy Long Beach, Inc., a Delaware corporation which is owned by OOGHC and which is a member of the OPC Consolidated Group.

OOGHC means Occidental Oil and Gas Holding Corporation, a California corporation which is owned by Sub 1 and which is a member of the OPC Consolidated Group.

OPC has the meaning set forth in the introductory paragraph of this Agreement.

OPC Consolidated Group means the Affiliated Group of which OPC is the common parent corporation.

OPC Group means the Affiliated Group, or similar group of entities as defined under corresponding provisions of the laws of other jurisdictions, of which OPC is the common parent corporation, and any corporation or other entity which may be, may have been or may become a member of such group from time to time, but excluding any member of the CRC Group.

OPC Tax Refund has the meaning set forth in Section 3.9.

OPIC means Occidental Petroleum Investment Company, which, prior to the Internal Reorganization, was a California corporation owned by OPC and a member of the OPC Consolidated Group. As part of the Internal Restructuring, OPIC changed its name to Oxy USA Inc., and is referred to herein as Sub 1.

Option means an option to acquire common stock, or other equity-based incentives the economic value of which is designed to mirror that of an option, including non-qualified stock options, discounted non-qualified stock options, cliff options to the extent stock is issued or issuable (as opposed to cash compensation), and tandem stock options to the extent stock is issued or issuable (as opposed to cash compensation).

Owed Party has the meaning set forth in Section 7.5.

Owing Party has the meaning set forth in Section 7.5.

OXY USA means, prior to the Internal Reorganization, OXY USA, Inc., a Delaware corporation owned by OOGHC and which was a member of the OPC Consolidated Group.

Payment Period has the meaning set forth in Section 7.5(c).

Person means and includes any individual, corporation, company, association, partnership, joint venture, limited liability company, joint stock company, trust, unincorporated organization, or other entity.

Post-Distribution CRC Group Tax Liability means the Post-Distribution Federal CRC Group Tax Liability or the Post-Distribution State CRC Group Tax Liability, as applicable.

Post-Distribution Federal CRC Group Tax Liability means the CRC Group's United States federal Income Tax liability for any Post-Distribution Taxable Period.

Post-Distribution State CRC Group Tax Liability means the CRC Group's liability for state Income Taxes for any Post-Distribution Taxable Period.

Post-Distribution Taxable Period means a taxable period or portion thereof that begins after the date of the Second Distribution.

Pre-Distribution Taxable Period means a taxable period or portion thereof that ends on or before the date of the Second Distribution.

Private Letter Ruling Request means the private letter ruling request submitted by OPC to the IRS on March 14, 2014, and any supplements thereto.

Proforma Federal Separate Tax Liability means an amount equal to the hypothetical Federal Separate Tax Liability if such amount were computed assuming no elections were made to capitalize intangible drilling and development costs under Sections 59(e) or 263(c) of the Code.

Proforma State Separate Tax Liability means an amount equal to the hypothetical State Separate Tax Liability if such amount were computed assuming no elections were made to capitalize intangible drilling and development costs under Sections 59(e) or 263(c) of the Code, or corresponding provisions of state tax laws.

Proposed Acquisition Transaction means a transaction or series of transactions (or any agreement, understanding or arrangement, within the meaning of Section 355(e) of the Code and Treasury Regulation Section 1.355-7, or any other regulations promulgated under Section 355(e), to enter into a transaction or series of transactions), whether such transaction is supported by CRC management or shareholders, is a hostile acquisition, or otherwise, as a result of which CRC would merge, convert, or consolidate with or into any other Person or as a result of which one or more Persons would (directly or indirectly) acquire from CRC and/or one or more holders of outstanding shares of CRC Capital Stock, as the case may be, a number of shares of CRC Capital Stock that would, when combined with any other direct or indirect changes in ownership of CRC Capital Stock pertinent for purposes of Section 355(e) of the Code, comprise 30% or more of (i) the value of all outstanding shares of stock of CRC as of the date of such transaction, or in the case of a series of transactions, the date of the last transaction of such series, or (ii) the total combined voting power of all outstanding shares of voting stock of CRC as of the date of such transaction, or in the case of a series of transactions, the date of the last transaction of such series. Notwithstanding the foregoing, a Proposed Acquisition Transaction shall not include issuances by CRC that satisfy Safe Harbor VIII (relating to acquisitions in connection with a person's performance of services) or Safe Harbor IX (relating to acquisitions by a retirement plan of an employer) of Treasury Regulation Section 1.355-7(d). For purposes of determining whether a transaction constitutes an indirect acquisition, any recapitalization resulting in a shift of voting power or any redemption of shares of stock shall be treated as an indirect acquisition of shares of stock by the non-exchanging shareholders. This definition, and the application thereof, is intended to monitor compliance with Section 355(e) of the Code and shall be interpreted accordingly. Any clarification of, or change in, the statute or regulations promulgated under Section 355(e) of the Code shall be incorporated in this definition and its interpretation.

Restricted Action has the meaning set forth in Section 6.2(h).

Restricted Period means the period beginning on the date of the execution of this Agreement through and including the last day of the two-year period following the Distribution Date.

Ruling has the meaning set forth in Section 6.3(a).

Second Contribution has the meaning set forth in the Recitals of this Agreement.

Second Distribution has the meaning set forth in the Recitals of this Agreement.

Separate Tax Liability means the Federal Separate Tax Liability or the State Separate Tax Liability, as applicable.

Separation and Distribution Agreement means the Separation and Distribution Agreement, as amended from time to time, by and between OPC and CRC dated as of November 25, 2014.

SSJP means Southern San Joaquin Production, LLC, a Delaware limited liability company which, prior to the Internal Restructuring, was owned by OXY USA and which was disregarded as an entity separate from OXY USA for U.S. federal income tax purposes.

State Separate Tax Liability means the sum of (i) the CRC Group's liability for Taxes owed with respect to Combined Returns for any period in which any member of the CRC Group joins in the filing of a Combined Return, and (ii) the Taxes owed with respect to Tax Items attributable to Directly Owned California Assets for such period, determined in a manner consistent with the principles set forth in the definition of Federal Separate Tax Liability.

Straddle Period means any tax period that begins on or before and ends after the date of the Second Distribution.

Sub 1 means (i) OPIC prior to the date it changed its name to Oxy USA Inc. and, (ii) after such date, Oxy USA Inc.

Subsequent Opinion has the meaning set forth in Section 6.3(b).

Tax or Taxes means all taxes, charges, fees, imposts, levies or other assessments, including all net income, gross receipts, capital, sales, use, gains, ad valorem, value added, transfer, franchise, profits, inventory, capital stock, license, withholding, payroll, employment, social security, unemployment, excise, severance, stamp, occupation, property and estimated taxes, custom duties, fees, assessments and charges of any kind whatsoever, together with any interest and any penalties, fines, additions to tax or additional amounts imposed by any Tax Authority and includes any liability in respect of Taxes that arises by operation of law; provided, however, that the terms Tax and Taxes shall not include amounts paid in connection with procuring California greenhouse gas allowances under the California Greenhouse Gas Cap-and-Trade Program, California Code of Regulations, Title 17, sections 95800, et seq.

Tax Authority means the IRS and any other domestic or foreign governmental authority responsible for the administration and collection of Taxes.

Tax Benefit means a reduction in the Tax Liability (or increase in a refund or credit or any item of deduction or expense) of a taxpayer (or of the Affiliated Group of which it is a member) for any taxable period. Except as otherwise provided in this Agreement, a Tax Benefit will be deemed to have been realized or received from a Tax Item in a taxable period only if and to the extent that the Tax Liability of the taxpayer (or of the Affiliated Group of which it is a member) for such period,

after taking into account the effect of the Tax Item on the Tax Liability of such taxpayer in the current period and all prior periods, is less than it would have been had such Tax Liability been determined without regard to such Tax Item.

Tax Detriment means an increase in the Tax Liability (or reduction in a refund or credit or item of deduction or expense) of a taxpayer (or of the Affiliated Group of which it is a member) for any taxable period. Except as otherwise provided in this Agreement, a Tax Detriment will be deemed to have been realized or received from a Tax Item in a taxable period only if and to the extent that the Tax Liability of the taxpayer (or of the Affiliated Group of which it is a member) for such period, after taking into account the effect of the Tax Item on the Tax Liability of such taxpayer in the current period and all prior periods, is more than it would have been had such Tax Liability been determined without regard to such Tax Item.

Tax-Free Status has the meaning set forth in Section 6.1.

Tax Item means any item of income, gain, loss, deduction, expense or credit, or other attribute that may have the effect of increasing or decreasing any Tax Liability.

Tax Liabilities means all liabilities for Taxes.

Tax Losses means all Tax Liabilities and any losses attributable to a reduction in net operating losses, net operating loss carryforwards, capital losses, capital loss carryforwards, or tax credits of the OPC Group.

Tax Opinion means the opinion letter(s) to be issued by OPC's outside tax advisors addressing certain U.S. federal Income Tax consequences of the Internal Restructuring, the Internal Spin-Off, and the External Spin-Off.

Tax Refund has the meaning set forth in Section 3.9.

Tax Returns means any and all reports, returns, declaration forms and statements (including amendments thereto) filed or required to be filed with respect to Taxes, and any attachments thereto.

Tax Savings Attributable to Tax Basis Increases means, for each Post-Distribution taxable year of the CRC Group, an amount equal to the excess, if any, of the Hypothetical Post-Distribution CRC Group Tax Liability over the Post-Distribution CRC Group Tax Liability.

Transaction Taxes means any Tax or increase in Tax Liability resulting from any income or gain recognized by OPC, CRC or their affiliates as a result of the Internal Restructuring (other than Deferred Intercompany Gain Transactions), the Internal Spin-Off, or the External Spin-Off failing to qualify for Tax-Free Status.

Transfer Taxes has the meaning set forth in Section 3.4.

Treasury Regulations means the regulations under the Code promulgated by the United States Department of the Treasury.

Vintage Production means Vintage Production California, LLC, a Delaware limited liability company which, prior to the Internal Restructuring, was owned by OXY USA and which was disregarded as an entity separate from OXY USA for U.S. federal income tax purposes.

VPL means Vintage Petroleum, LLC, a Delaware limited liability company which, prior to the Internal Restructuring, was owned by OXY USA and which was disregarded as an entity separate from OXY USA for U.S. federal income tax purposes.

1.2 References; Construction.

(a) Capitalized terms not otherwise defined in this Agreement have the meaning ascribed to them in the Separation and Distribution Agreement.

(b) The words “hereof,” “herein,” and “hereunder” and words of similar import, when used in this Agreement, refer to this Agreement as a whole and not to any particular provision of this Agreement.

(c) The terms defined in the singular have a comparable meaning when used in the plural, and vice versa.

(d) References to any “Article” or “Section,” without more, are to Articles and Sections to or of this Agreement. Unless otherwise expressly stated, clauses beginning with the term “including” or similar words set forth examples only and in no way limit the generality of the matters thus exemplified.

**ARTICLE II
PREPARATION AND FILING OF TAX RETURNS**

2.1 Preparation of Tax Returns – OPC’s Responsibility.

(e) OPC will prepare or cause to be prepared, and will file or cause to be filed, (i) all Consolidated Returns and all Combined Returns; (ii) all Income Tax Returns of CRC and any member of the CRC Group for any Pre-Distribution Taxable Period or Straddle Period and (iii) all Tax Returns of OPC or any member of the OPC Group that do not include CRC or any member of the CRC Group.

(f) Subject to Section 2.4, OPC will have the right, with respect to any Tax Return described in Section 2.1(a), to determine: (i) the manner in which such Tax Return will be prepared and filed, including the method of accounting, positions, conventions, and principles of taxation to be used and the manner in which any Tax Item will be reported; (ii) whether any extensions may be requested; (iii) the elections that will be made by OPC, any member of the OPC Group, CRC, or any member of the CRC Group on such Tax Return, including, without limitation, elections relating to the deduction or capitalization of intangible drilling and development costs under Sections 59(e) or 263(c) of the Code; (iv) whether any amended Tax Returns will be filed; (v) whether any claims for refund will be made; (vi) whether any refunds will be paid by way of refund or credited

against any liability for the related Tax; and (vii) whether to retain outside firms to prepare or review such Tax Returns.

(g) OPC shall provide CRC with a copy of any Tax Returns that include CRC or any member of the CRC Group promptly upon the filing of such Tax Returns.

2.2 Preparation of Tax Returns – CRC’s Responsibility. CRC will prepare or cause to be prepared and file or cause to be filed (i) all Tax Returns of CRC and any member of the CRC Group for any Post-Distribution Taxable Period; and (ii) all Tax Returns (other than Income Tax Returns described in Sections 2.1(a)(i) and 2.1(a)(ii)) with respect to CRC and any member of the CRC Group.

2.3 Agent. Subject to the other applicable provisions of this Agreement, CRC hereby irrevocably designates, and agrees to cause each member of the CRC Group to so designate, OPC as its sole and exclusive agent and attorney-in-fact to take such action (including execution of documents) as OPC, in its sole discretion, may deem appropriate in any and all matters (including Audits) relating to any Tax Return described in Section 2.1(a).

2.4 Manner of Tax Return Preparation. Unless otherwise required by applicable law, the parties hereby agree to prepare and file all Tax Returns, and to take all other actions, in a manner consistent with this Agreement, the Officer’s Certificate, the Tax Opinion, and the Private Letter Ruling Request. OPC will make a protective election with respect to the External Spin-Off pursuant to Section 336(e) of the Code and Treasury Regulation Section 1.336-2(j). All Tax Returns shall be filed on a timely basis (taking into account applicable extensions) by the party responsible for filing such Tax Returns under this Agreement.

ARTICLE III
LIABILITY FOR TAXES; ALLOCATION

3.1 CRC’s Liability for Article II Taxes.

- (a) With respect to all Tax Returns described in Section 2.1(a)(i), CRC will be liable for (i) the Net Separate Tax Liability and (ii) any Audit Adjustment Increase.
- (b) With respect to all Tax Returns described in Sections 2.1(a)(ii) and 2.2, CRC will be liable for all Taxes due with respect thereto.

3.2 OPC’s Liability for Article II Taxes.

- (a) With respect to all Tax Returns described in Section 2.1(a)(i), OPC will be liable for the difference between the Net Separate Tax Liability and all Taxes shown as due on such Tax Returns; provided, however, that OPC will not be liable for any Audit Adjustment Increase.
- (b) With respect to all Tax Returns described in Section 2.1(a)(iii), OPC will be liable for all Taxes due with respect thereto.

3.3 Computation. At least ten (10) days prior to the due date of any Tax Return prepared by OPC pursuant to Section 2.1(a) for which CRC will incur a Tax Liability pursuant to Section 3.1, OPC shall provide CRC with a written calculation in reasonable detail setting forth the amount of such Tax Liability. CRC will have the right to review and comment on such calculation, and shall be provided with reasonable access to any supporting documentation on request. Any dispute with respect to such calculation will be resolved pursuant to Section 10.1. If such dispute has not been resolved prior to the due date (including extensions) for filing such Tax Return, CRC will pay an amount equal to the Tax Liability to OPC and will be entitled to be reimbursed by OPC to the extent the dispute is resolved in CRC's favor.

3.4 Payment of Sales, Use or Similar Taxes. All sales, use, transfer, real property transfer, intangible, recordation, registration, documentary, stamp or similar Taxes ("**Transfer Taxes**") applicable to, or resulting from the Internal Restructuring, the Internal Spin-Off and the External Spin-Off will be borne fifty percent (50%) by OPC and fifty percent (50%) by CRC. Notwithstanding anything in this Article III to the contrary, the party required by applicable law shall remit payment for any Transfer Taxes and duly and timely file any Tax Returns required to be filed with respect to such Transfer Taxes, subject to any indemnification rights it may have against the other party, which shall be paid in accordance with Section 7.5. CRC, OPC, and their respective affiliates will cooperate in (i) determining the amount of such Transfer Taxes, (ii) providing all requisite exemption certificates, and (iii) preparing and timely filing any and all required Tax Returns for or with respect to such Transfer Taxes with any and all appropriate Tax Authorities.

3.5 CRC's Liability For Tax on Deferred Intercompany Gain Transactions. CRC shall pay to OPC any amount equal to (i) the aggregate amount of gain from Deferred Intercompany Gain Transactions, multiplied by (ii) 36.3 percent. OPC shall compute the amount due under this Section 3.5, and shall present its computation to CRC along with the computation of Net Separate Tax Liability required by Section 3.3, and CRC shall pay that amount to OPC pursuant to Section 7.5.

3.6 Payment of Tax Liability. The party responsible for filing a Tax Return under Article II will be responsible for paying to the relevant Tax Authority the entire amount of the Tax Liability reflected on such Tax Return; provided, however, that the party liable for such Tax Liability pursuant to this Article III shall pay the Taxes for which it is liable to the filing party as set forth in Article VII.

3.7 Amended Returns. Except as expressly provided in Sections 3.8 and 3.9, unless OPC provides its written consent in the form of a letter from the Vice President - Tax, no Adjustment Request shall be filed for any Joint Return.

3.8 Carrybacks.

(a) The carryback of any loss, credit, or other Tax Item from any Post-Distribution Taxable Period shall be in accordance with the provisions of the Code and Treasury Regulations (and any applicable state, local or foreign laws).

(b) Subject to Sections 3.8(d) and 3.9, in the event that any member of the CRC Group realizes any loss, credit or other Tax Item in a Post-Distribution Taxable Period of such member, such member may elect to carry back such Tax Item to a Pre-Distribution Taxable Period or a Straddle Period of OPC only with the prior written consent of OPC in the form of a letter from the Vice President - Tax. OPC shall be entitled to any Tax Refund realized by any member of the OPC Group or the CRC Group resulting from such carryback.

(c) Subject to Sections 3.8(d) and 3.9, in the event that any member of the OPC Group realizes any loss, credit or other Tax Item in a Post-Closing Taxable Period of such member, such member may elect to carry back such loss, credit or other Tax Item to a Pre-Closing Taxable Period or a Straddle Period of such member. CRC shall cooperate with OPC and such member in seeking from the appropriate Taxing Authority any Tax Refund that reasonably would result from such carryback (including by filing an amended Tax Return), at OPC's cost and expense. OPC shall be entitled to any Tax Refund realized by any member of the CRC Group or the OPC Group resulting from such carryback.

(d) Except as otherwise provided by applicable law, if any Tax Item of OPC or CRC would be eligible to be carried back or carried forward to the same Pre-Closing Taxable Period (had such carryback been the only carryback to such taxable period), any Tax Refund resulting therefrom shall be allocated between OPC and CRC proportionately based on the relative amounts of the Tax Refunds to which OPC and CRC, respectively, would have been entitled.

3.9 Refunds.

(a) Tax Refunds for OPC's Account. OPC shall be entitled to receive and retain all refunds and credits of Taxes with respect to Tax Returns described in Section 2.1(a)(i) and Section 2.1(a)(iii) (collectively, "**OPC Tax Refunds**"). If CRC or any member of the CRC Group receives a refund of Taxes (a "**Tax Refund**") (or any reduction in Tax Liability by means of a credit, offset or otherwise) constituting an OPC Tax Refund, within 15 days of receipt of such OPC Tax Refund, CRC shall pay to OPC an amount that is equal to the OPC Tax Refund, plus any interest paid by the applicable Tax Authority with respect to such OPC Tax Refund, less any Taxes payable by CRC or any CRC Group member in connection with the receipt of such OPC Tax Refund.

(b) Tax Refunds for CRC's Account. CRC shall be entitled to receive and retain all refunds and credits of Taxes with respect to Tax Returns described in Sections 2.1(a)(ii) and 2.2 (collectively "**CRC Tax Refunds**"). If OPC or any member of the OPC Group receives a refund of Taxes (or any reduction in Tax Liability by means of a credit, offset or otherwise) constituting a CRC Tax Refund, within 15 days of receipt of such CRC Tax Refund, OPC shall pay to CRC an amount that is equal to the CRC Tax Refund, plus any interest paid by the applicable Tax Authority with respect to such CRC Tax Refund, less any Taxes payable by OPC or any OPC Group member in connection with the receipt of such CRC Tax Refund.

(c) To the extent the amount of any Tax Refund is reduced by a Tax Authority or a Tax Proceeding, such reduction shall be allocated to the party to which such Tax Refund was allocated pursuant to this Section 3.9.

3.10 Allocation and Apportionment of Earnings and Profits and Other Tax Attributes. OPC will advise CRC in writing of the amount of (i) OPC's and/or Sub 1's earnings and profits allocable to CRC under Section 312(h) of the Code and Treasury Regulation Section 1.1502-33, and (ii) other Tax attributes that must be allocated or apportioned between OPC and CRC, on or before the first anniversary of the Second Distribution. OPC shall, to the extent permitted by applicable law, determine the allocation and apportionment of earnings and profits and other Tax attributes in its sole discretion. CRC and all members of the CRC Group shall prepare all Tax Returns in accordance with such written notice. For the avoidance of doubt, OPC shall not be liable to CRC or any member of the CRC Group for failure of the determination of earnings and profits or other Tax attributes to be accurate under applicable law.

3.11 Allocation of Tax Items. All Tax computations for (1) any Pre-Distribution Taxable Periods ending on the Distribution Date and (2) the immediately following taxable period of CRC or any member of the CRC Group will be made pursuant to Treasury Regulation Section 1.1502-76(b) of the Treasury Regulations or of a corresponding provision under the laws of other jurisdictions, as determined by OPC.

ARTICLE IV LIABILITY FOR TRANSACTION TAXES

4.1 OPC's Liability for Transaction Taxes. Notwithstanding Article III, OPC and each member of the OPC Group will be liable for one hundred percent (100%) of any Transaction Taxes that result from one or more of the following:

(c) any inaccurate written covenant, representation or warranty by OPC (or any member of the OPC Group) in this Agreement or the Officer's Certificate; or

(d) any act, failure to act, or omission of or by OPC (or any member of the OPC Group) inconsistent with any covenant, representation or warranty of OPC in this Agreement, the Officer's Certificate, or the Private Letter Ruling Request.

(e) Notwithstanding Section 4.1(a), OPC shall have no liability for Transaction Taxes that result, in whole or in part, from any act by CRC or any CRC subsidiary described in Section 4.2(c) or (d).

4.2 CRC's Liability for Transaction Taxes. Notwithstanding Article III, CRC and each CRC subsidiary will be liable for one hundred percent (100%) of any Transaction Taxes that result from one or more of the following:

(a) any inaccurate written covenant, representation or warranty by CRC (or any CRC subsidiary) in this Agreement or the Officer's Certificate;

(b) any act, failure to act, or omission of or by CRC (or any CRC subsidiary) inconsistent with (i) any covenant, representation or warranty of CRC in this Agreement or the Officer's Certificate, or (ii) any covenant, representation or warranty included in the Private Letter Ruling Request;

- (c) any breach by CRC (or any CRC subsidiary) of any covenant contained in Section 6.2; or
- (d) any action of CRC taken pursuant to Section 6.3 that results in the imposition of any Transaction Taxes.

4.3 **Shared Liability for Transaction Taxes.** Subject to Section 4.4, Transaction Taxes that are not attributable to the fault of either party, and as such are not allocable under Section 4.1 or Section 4.2, shall be shared between the parties, with OPC and CRC each bearing fifty percent (50%) of such Transaction Taxes.

4.4 To the extent the imposition of Transaction Taxes that are not attributable to the fault of either party result in an increase in the tax basis of depreciable, depletable or amortizable assets of CRC or any member of the CRC Group, then (i) OPC shall be liable for the payment of such Transaction Taxes, and (ii) CRC shall make the payments to OPC provided for in Section 7.4. For the avoidance of doubt, penalties and interest related to Transaction Taxes that are not attributable to the fault of either party will be shared between the parties under Section 4.3.

ARTICLE V REPRESENTATIONS AND WARRANTIES

5.1 **Tax Materials.** Each of OPC and CRC hereby represents and warrants or covenants and agrees, as appropriate, that (i) it has examined (A) drafts of the Officer's Certificate and (B) any other materials delivered by OPC or CRC in connection with obtaining the Tax Opinion or submitting the Private Letter Ruling Request ((A) and (B), collectively, the "**Draft Tax Materials**"), (ii) it has updated through and including the date of the Second Distribution the Draft Tax Materials deliverable by OPC or CRC (as updated, the "**Final Tax Materials**"), and (iii) the facts to be presented and the representations to be made in the Final Tax Materials are and will be, from the time presented or made through and including the time of the Final Distribution, true, correct and complete in all respects.

5.2 **No Contrary Knowledge.** Each of OPC and CRC represents that, as of the date of this Agreement, it knows of no fact (after due inquiry) that may cause the Tax treatment of the Internal Spin-Off or the External Spin-Off to be other than that contemplated in the Separation and Distribution Agreement and the Tax Opinion.

5.3 **No Contrary Plan.** OPC represents and warrants that neither it, nor any member of the OPC Group, has any plan or intent to take any action that is inconsistent with any factual statements or representations it makes in the Final Tax Materials. CRC represents and warrants that neither it, nor any member of the CRC Group nor any CRC subsidiary, has any plan or intent to take any action that is inconsistent with any factual statements or representations it makes in the Final Tax Materials.

ARTICLE VI COVENANTS

6.1 General. The parties intend for the Internal Restructuring to qualify for tax-free treatment as described in the Tax Opinions, and for each of the Internal Spin-Off and the External Spin-Off to qualify for tax-free treatment under Sections 355, 361, and/or 368(a)(1)(D), and related provisions of the Code pursuant to which gain or loss is not recognized by Sub 1, OPC, or OPC's stockholders (such tax-free treatment, the "**Tax-Free Status**").

6.2 CRC Restricted Actions. During the Restricted Period, CRC will not, nor will CRC permit any member of the CRC Group or any other Person directly or indirectly controlled by CRC to:

(a) voluntarily liquidate or dissolve (including any action that results in a liquidation or dissolution for federal income tax purposes);

(b) (1) enter into any Proposed Acquisition Transaction or, to the extent CRC has the right to prohibit any Proposed Acquisition Transaction, permit any Proposed Acquisition Transaction to occur, (2) redeem or otherwise repurchase (directly or through an Affiliate) any outstanding CRC Capital Stock, except to the extent such repurchases satisfy Section 4.05(1)(b) of Revenue Procedure 96-30, 1996-1 C.B. 696 (as in effect prior to the amendment of such Revenue Procedure by Revenue Procedure 2003-48, 2003-2 C.B. 86, and Revenue Procedure 2013-32, 2013-28 I.R.B. 55), (3) recapitalize, reclassify, or alter the voting rights of one or more shares of its Capital Stock, or (4) take any other action or actions (including any action or transaction that would be reasonably likely to be inconsistent with any representation made in the Final Tax Materials) that in the aggregate (and taking into account any other transactions described in this Section 6.2(b)) would be reasonably likely to have the effect of causing or permitting one or more Persons (whether or not acting in concert) to acquire directly or indirectly stock representing a Fifty-Percent or Greater Interest in CRC or otherwise jeopardize the Tax-Free Status;

(c) (1) decrease the number of members of the board of directors of CRC or increase the number of such members to more than ten, (2) increase or decrease the number of the members of the board of directors of any pre-Second Distribution CRC subsidiary, or (3) alter in any way the procedures for the nomination, election, and termination of members of the board of directors, or expand, contract, or otherwise modify the rights of the board of directors to govern the affairs of CRC or any pre-Second Distribution CRC subsidiary, in each case, in a manner that differs from the manner set forth in the Certificate of Incorporation and Bylaws of CRC or any pre-Second Distribution CRC subsidiary in effect as of the date of the First Contribution if any such modification could reasonably be expected to cause the First Distribution or the Second Distribution to be taxable under Section 355 of the Code;

(d) sell, exchange, distribute, or otherwise dispose of any pre-Second Distribution CRC subsidiary or all or a substantial part of the assets of any of the trades or businesses conducted by CRC and the pre-Second Distribution CRC subsidiaries (other than sales or transfers of inventory in the ordinary course of business) prior to the Second Distribution, provided, however, that the foregoing shall not apply to (i) sales, transfers, or dispositions of assets in the ordinary course of business, (ii) any cash paid to acquire assets from an unrelated Person in an arm's-length transaction, (iii) any assets transferred to a Person that is disregarded as an entity separate from the transferor for federal income tax purposes, or (iv) any mandatory or optional repayment (or pre-

payment) of any indebtedness of CRC or any member of the CRC Group, and provided, further, that for purposes of this Section 6.2(d), a merger of CRC or one of its subsidiaries with and into any Person that is not a wholly owned subsidiary of CRC shall constitute a disposition of all of the assets of CRC or such subsidiary;

(e) take, or fail to take, any action that causes the trades or businesses conducted by CRC or any pre-Second Distribution CRC subsidiary to cease to be actively conducted (within the meaning of Section 355(b) of the Code and the applicable Treasury Regulations) by CRC or any such pre-Second Distribution CRC subsidiary in substantially the same manner as such business was conducted immediately before the Internal Spin-Off;

(f) sell or transfer to any corporate subsidiary, or agree to sell or transfer to any corporate subsidiary (including in any transaction treated for federal income tax purposes as a sale or transfer) any assets held, directly or indirectly, by any Liquidated Corporation immediately before the liquidation (whether actual or deemed for federal income tax purposes) of such Liquidated Corporation;

(g) enter into any negotiations, agreements, understandings, or arrangements with respect to any of the foregoing; or

(h) take, or fail to take, any action that could reasonably be expected to cause the Internal Spin-Off or the External Spin-Off to fail to obtain the Tax-Free Status (any such action or failure to act, together with any action set forth in Sections 6.2(a)-(g), a "**Restricted Action**"); provided, however, that the term "Restricted Action" does not include any action, or failure to act, that is contemplated by the terms of the Separation and Distribution Agreement.

6.3 Permitted Actions. Notwithstanding Section 6.2, CRC will be permitted to take a Restricted Action if, prior to taking such action, CRC provides 60 days' advance written notification to OPC of its plans with respect to such action, and promptly and completely responds to any inquiries by OPC with respect to such action and either:

(a) CRC obtains a private letter ruling with respect to such Restricted Action from the IRS (a "**Ruling**") that is reasonably satisfactory to OPC on the basis of facts and representations consistent with the facts at the time of such action, that such action will not affect the Tax-Free Status as contemplated by the Tax Opinion; provided, however, that CRC will not submit any request for such Ruling if OPC determines in good faith that filing such request might have a materially adverse effect upon OPC;

(b) CRC obtains an unqualified opinion reasonably acceptable to OPC of an independent nationally recognized law firm or accounting firm approved by OPC (a "**Subsequent Opinion**"), on the basis of facts and representations consistent with the facts at the time of such action, that such action will not affect the Tax-Free Status as contemplated by the Tax Opinion, provided that such Subsequent Opinion assumes that, without regard to the Restricted Transaction, the Internal Restructuring, the Internal Spin-Off, and the External Spin-Off qualify for the Tax-Free Status; or

(c) CRC obtains the prior written consent of OPC.

(d) For the avoidance of doubt, CRC shall not be relieved of any indemnification obligation pursuant to Article IX or otherwise under this Agreement as a result of having satisfied the requirements of this Section 6.3.

6.4 Notice of Subsequent Information. CRC and its affiliates will furnish OPC with a copy of any document or information that reasonably could be expected to have an impact on the Tax-Free Status of the Distributions.

6.5 Cooperation Related to the Tax-Free Status of the Distributions.

(e) OPC will cooperate with CRC, and will take (or refrain from taking) all such actions as CRC may reasonably request in connection with obtaining any Ruling or Subsequent Opinion referred to in Sections 6.3 and 6.4; provided, however, that CRC shall reimburse OPC for all expenses incurred by OPC in connection with such cooperation. Such cooperation includes providing any information, representations and/or covenants reasonably requested by CRC (or its counsel) to enable CRC to obtain and maintain either a Ruling or a Subsequent Opinion. From and after any date on which OPC, CRC, or any of their respective affiliates makes any representation or covenant to counsel for the purpose of obtaining a Subsequent Opinion or to the IRS for the purpose of obtaining a Ruling and (with respect solely to any representation given) until the Restricted Period ends (or such later date as may be agreed upon at the time such representation is made), the party making such representation or covenant will take no action that would cause such representation to be untrue or covenant to be breached unless both parties determine, in their reasonable discretion, which discretion shall be exercised in good faith solely to preserve the Tax-Free Status of the Distributions, that such action would not cause the Tax-Free Status to cease to apply to the Distributions. Such representations and warranties, once made in writing, will be considered Final Tax Materials subject to the provisions of Section 5.1.

(f) Without limiting OPC's approval rights set forth in Section 6.3, if CRC receives a Subsequent Opinion or Ruling, CRC shall promptly, and in any event within two (2) business days after the receipt of the Subsequent Opinion or Ruling, provide a copy of such Subsequent Opinion or Ruling to OPC to the extent OPC has not otherwise been provided with a copy.

(g) CRC may not file any request for a Ruling with respect to the Tax-Free Status of the Distributions without the prior written consent of OPC, which consent may not be unreasonably withheld or delayed.

6.6 Tax Reporting.

(d) Each of OPC and CRC covenants and agrees that it will not take, and will cause its respective affiliates to refrain from taking, any position on a Tax Return that is inconsistent with the Tax-Free Status of the Internal Spin-Off and the External Spin-Off.

(e) Each of OPC and CRC shall timely comply with any information reporting requirements imposed by any Tax Authority with respect to the Internal Spin-Off and the External Spin-Off.

6.7 Tax Assistance and Cooperation.

(a) Cooperation. OPC and CRC will each cooperate fully (and each will cause its respective affiliates to cooperate fully) with all reasonable requests from the other party in connection with the preparation and filing of Tax Returns, claims for refund and Audits concerning issues or other matters covered by this Agreement. The party requesting assistance hereunder shall reimburse the other for reasonable out-of-pocket expenses incurred in providing such assistance. Such cooperation will include, without limitation:

(i) the retention until the expiration of the applicable statute of limitations, and extensions, if any, thereof, and the provision upon request, of Tax Returns, books, records (including information regarding ownership and Income Tax basis of property), documentation and other information relating to the Tax Returns, including accompanying schedules, related work papers, and documents relating to rulings or other determinations by Tax Authorities;

(ii) the execution of any document that may be necessary or reasonably helpful in connection with any Audit, or the filing of a Tax Return or refund claim by a member of the OPC Group or the CRC Group, including certification, to the best of a party's knowledge, of the accuracy and completeness of the information it has supplied; and

(iii) the use of the party's best efforts to obtain any documentation that may be necessary or reasonably helpful in connection with any of the foregoing. Each party will make its employees and facilities available on a reasonable and mutually convenient basis in connection with the foregoing matters.

(b) Failure to Perform. If a party fails to comply with any of its obligations set forth in Section 6.7(a) upon reasonable request and notice by the other party, and such failure results in the imposition of additional Taxes, the nonperforming party will be liable in full for such additional Taxes.

(c) Retention of Records. A party intending to dispose of documentation of OPC (or any OPC affiliate) or CRC (or any CRC affiliate), including without limitation, books, records, Tax Returns and all supporting schedules and information relating thereto prior to the expiration of the statute of limitations (including any waivers or extensions thereof) of the taxable year or years to which such documentation relates, shall provide written notice to the other party describing the documentation to be destroyed or disposed of sixty (60) business days prior to taking such action. The other party may arrange to take delivery of the documentation described in the notice at its expense during the succeeding sixty (60) day period.

ARTICLE VII PAYMENTS

7.1 Net Separate Tax Liability. Not later than fifteen days following the provision of the Net Separate Tax Liability computation to CRC as provided in Section 3.3, CRC shall pay to OPC an amount equal to the Net Separate Tax Liability.

7.2 Returns Under Section 2.1(a)(ii). CRC shall pay to OPC the amount of Tax Liability shown on any return filed by OPC pursuant to Section 2.1(a)(ii).

7.3 Audit Adjustment Increases. In the event of a redetermination of any Tax Item reflected on any Tax Return described in Section 2.1(a)(i) (other than Tax Items relating to Transaction Taxes), as a result of a Final Determination which affects CRC's liability for Audit Adjustment Increases, OPC will prepare a revised pro forma Tax Return for the relevant taxable period reflecting the redetermination of such Tax Item as a result of such Final Determination. CRC shall pay to OPC an amount equal to any Audit Adjustment Increase as described by the revised pro forma Tax Return.

7.4 Payments Owed by CRC Under Section 4.4. CRC shall pay to OPC the amount of Tax Savings Attributable to Tax Basis Increases. In the event that CRC is required to make payments pursuant to this Section 7.4, CRC shall, on an annual basis, provide OPC with a computation of the amount of Tax Savings Attributable to Tax Basis Increases within 15 days of filing the federal income tax return of the CRC Group. Any dispute regarding the computation shall be resolved pursuant to Article X.

7.5 Rules Regarding Payments Under this Agreement. In the event that one party (the "**Owing Party**") is required to make a payment to another party (the "**Owed Party**") pursuant to this Agreement, then such payments will be made according to this Section 7.5.

(f) General. All payments shall be made to the Owed Party within the time prescribed for payment in this Agreement, or if no period is prescribed, within twenty (20) days after delivery of written notice of payment owing together with a computation of the amounts due.

(g) Treatment of Payments. Unless otherwise required by any Final Determination, the OPC Group and the CRC Group agree to treat (i) any payment required by this Agreement as either a contribution by OPC to CRC or a distribution by CRC to OPC, as the case may be, occurring immediately prior to the Second Distribution, and (ii) any payment of interest or non-federal Taxes by or to a Tax Authority as taxable or deductible, as the case may be, to the party entitled under this Agreement to retain such payment or required under this Agreement to make such payment.

(h) Interest. Payments pursuant to this Agreement that are not made within the period prescribed in this Agreement (the "**Payment Period**") and that are not otherwise setoff against amounts owed by one party to the other party will bear interest for the period from and including the date immediately following the last date of the Payment Period through and including the date of payment at a per annum rate equal to the applicable rate for large corporate underpayments set forth in Section 6621(c) of the Code. Such interest will be payable at the same time as the payment to which it relates and will be calculated on the basis of a year of 365 days and the actual number of days for which due.

**ARTICLE VIII
AUDITS AND TAX PROCEEDINGS**

8.1 In General. Except as otherwise provided in this Agreement, the party filing a Tax Return (the "**Filing Party**") will have the exclusive right, in its sole discretion, to control, contest, and represent the interests of OPC, any member of the OPC Group, CRC, and any member of the CRC Group in any Audit relating to such Tax Return and to resolve, settle or agree to any deficiency, claim or adjustment proposed, asserted or assessed in connection with or as a result of any such Audit. The Filing Party's rights will extend to any matter pertaining to the management and control of an Audit, including execution of waivers, choice of forum, scheduling of conferences and the resolution of any Tax Item. Any costs incurred in handling, settling, or contesting an Audit will be borne by the Filing Party. CRC will not settle any Audit it controls concerning a Tax Item of a Pre-Distribution Taxable Period on a basis that would materially increase a Tax Liability of the OPC Group with respect to a Pre-Distribution Taxable Period without obtaining OPC's consent.

8.2 Notice. As soon as practicable after a party receives a written notice from a Tax Authority of a proposed adjustment to a Tax Item for a Pre-Distribution Taxable Period (irrespective of whether such proposed adjustment would reasonably be expected to give rise to an indemnification obligation or other liability (including a liability for Tax) under this Agreement), such party shall notify the other party of such proposed adjustment, and thereafter shall promptly forward to the other party copies of notices and material communications with any Tax Authority relating to such proposed adjustment; provided, however, that the failure to provide such notice will not release the Indemnifying Party from any of its obligations under this Agreement except to the extent that such Indemnifying Party is materially prejudiced by such failure.

8.3 Control of Transaction Tax Proceedings. Notwithstanding any provision in this Agreement to the contrary, OPC will control all activities and strategic decisions with respect to any Tax proceedings relating to Transaction Taxes.

**ARTICLE IX
INDEMNIFICATION**

9.1 OPC's Indemnification Obligations. Except as otherwise provided in this Agreement, OPC will indemnify and hold harmless CRC and any member of the CRC Group and any CRC subsidiary for all Tax Liabilities (and any loss, cost, fine, penalty, damage or other expense of any kind, including reasonable attorneys' fees and costs incurred in connection therewith) attributable to (i) any Taxes for which OPC or any member of the OPC Consolidated Group liable for under this agreement which is imposed upon CRC by reason of CRC being severally liable for such Taxes pursuant to Treasury Regulation Section 1.1502-6 or any analogous provision of state or local law; (ii) OPC's portion of any Transfer Taxes as set forth in Section 3.4; and (iii) any Taxes of CRC or its affiliates resulting from the breach of any obligation or covenant of OPC under this Agreement.

9.2 CRC's Indemnification Obligations. CRC will indemnify and hold harmless each of OPC and any member of the OPC Group for all Tax Losses (and any loss, cost, fine, penalty, damage or expense of any kind, including reasonable attorneys' fees and costs incurred in connection therewith) attributable to (i) any Taxes for which CRC is responsible under Section 3.1; (ii)

Transaction Taxes for which CRC is responsible under Article IV; (iii) CRC's portion of any Transfer Taxes as set forth in Section 3.4; and (iv) any Taxes resulting from the breach of any obligation or covenant of CRC under this Agreement.

9.3 Indemnification Mechanics.

(i) If the Indemnifying Party is required to indemnify the Indemnified Party pursuant to this Article IX, the Indemnified Party shall submit its calculations of the amount required to be paid pursuant to this Article IX, showing such calculations in reasonably sufficient detail so as to permit the Indemnifying Party to understand the calculations. The Indemnifying Party shall pay to the Indemnified Party, no later than ten (10) business days after the Indemnifying Party receives the Indemnified Party's calculations, the amount that the Indemnifying Party is required to pay the Indemnified Party under this Article IX; provided, however, that the Indemnifying Party will not be required to make the indemnification payment if the Indemnifying Party disagrees with such calculations. In such case, the Indemnifying Party shall notify the Indemnified Party of its disagreement in writing within ten (10) business days of receiving such calculations. Any disagreement with respect to such indemnification payment will be resolved pursuant to Section 10.1.

(j) Any claim under this Article IX shall be made no later than sixty (60) days after the expiration of the applicable statute of limitations for assessment of such Tax Liability.

(k) The amount of any indemnification payment with respect to any Tax Liability will be reduced by any current Tax Benefits actually realized by the Indemnified Party in respect of such Tax Liability by the end of the taxable year in which the indemnity payment is made. The calculation of such Tax Benefit shall be included in the calculation required to be submitted pursuant to Section 9.3(a). If any indemnification payment hereunder is determined to be taxable to the Indemnified Party by any Tax Authority, the indemnity payment payable by the Indemnifying Party will be increased as necessary to ensure that, after all required Taxes on the indemnity payment are paid (including Taxes applicable to any increases in the indemnity payment under this Section 9.3(e)), the Indemnified Party receives the amount it would have received if the indemnity payment was not taxable.

ARTICLE X MISCELLANEOUS

10.1 Dispute Resolution. In the event that OPC and CRC disagree as to the amount or calculation of any payment to be made under this Agreement, or the interpretation or application of any provision under this Agreement, the parties will attempt in good faith to resolve such dispute. If such dispute is not resolved within sixty (60) business days following the commencement of the dispute, OPC and CRC will jointly retain an Independent Firm, reasonably acceptable to both parties, to resolve the dispute; provided, however, that in order to pursue any such dispute resolution under this Section 10.1, the Owing Party shall either (i) first pay to the Owed Party, or place in an escrow reasonably satisfactory to the Owed Party pending resolution of such dispute, an amount equal to the payment which is the subject of such dispute, or (ii) deliver to the Owed Party a written opinion of an independent law or accounting firm reasonably acceptable to both parties, substantially to the

effect that with respect to such dispute the Owing Party is more likely than not to prevail in its entirety in the dispute resolution proceeding. The Independent Firm will act as an arbitrator to resolve all points of disagreement and its decision will be final and binding upon all parties involved. Following the decision of the Independent Firm, OPC and CRC will each take or cause to be taken any action necessary to implement the decision of the Independent Firm. The fees and expenses relating to the Independent Firm will be borne by the party that does not prevail in the dispute resolution proceeding. Notwithstanding anything in this Agreement to the contrary, the dispute resolution provisions set forth in this Section 10.1 will not be applicable to any disagreement between OPC and CRC relating to Transaction Taxes or Transaction Tax proceedings.

10.2 Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of Texas, without reference to its conflicts of laws principles.

10.3 Changes in Law. Any reference to a provision of the Code or a law of another jurisdiction will include a reference to any applicable successor provision or law. If, due to any change in applicable law or regulations or their interpretation by any court of law or other governing body having jurisdiction subsequent to the date of this Agreement, performance of any provision of this Agreement or any transaction contemplated thereby becomes impracticable or impossible, the parties hereto will use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such provision.

10.4 Confidentiality. Each party will hold and cause its directors, officers, employees, advisors and consultants to hold in strict confidence, unless compelled to disclose by judicial or administrative process or, in the opinion of its counsel, by other requirements of law, all information (other than any such information relating solely to the business or affairs of such party) concerning the other parties hereto furnished to it by such other party or its representatives pursuant to this Agreement (except to the extent that such information can be shown to have been (i) in the public domain through no fault of such party, (ii) later lawfully acquired from other sources not known to be under a duty of confidentiality by the party to which it was furnished, or (iii) independently developed), and each party will not release or disclose such information to any other Person, except its directors, officers, employees, auditors, attorneys, financial advisors, bankers and other consultants who will be advised of and agree to be bound by the provisions of this Section 10.4. Each party will be deemed to have satisfied its obligation to hold confidential information concerning or supplied by the other party if it exercises the same care as it takes to preserve confidentiality for its own similar information.

10.5 Amendment, Modification, or Termination. This Agreement may be amended, modified, supplemented or terminated only by a written agreement signed by all of the parties hereto; provided, however, that any indemnification obligations arising under Article IX of this Agreement for all taxable periods prior to any termination of this Agreement will survive until such indemnification obligations are satisfied in full.

10.6 Notices. All notices and other communications required or permitted to be given hereunder shall be in writing and will be deemed given upon (a) a transmitter's confirmation of a receipt of a facsimile transmission (but only if followed by confirmed delivery of a standard overnight courier the following business day or if delivered by hand the following business day),

(b) confirmed delivery of a standard overnight courier or when delivered by hand or (c) the expiration of five business days after the date mailed by certified or registered mail (return receipt requested), postage prepaid, to the parties at the following addresses (or at such other addresses for a party as may be specified by like notice):

If to OPC or any member of the OPC Group, to:

Occidental Petroleum Corporation
10889 Wilshire Boulevard, Los Angeles, CA 90024
Attention: Michael S. Stutts
Michael_Stutts@oxy.com

with a copy (which will not constitute effective notice) to:

Vinson & Elkins L.L.P.
2200 Pennsylvania Avenue, NW, Washington, DC 20037
Attention: Gary R. Huffman
ghuffman@velaw.com

If to CRC or any member of the CRC Group, to:

CRC
10889 Wilshire Boulevard, Los Angeles, CA 90024
Attention: Noelle M. Repetti
Noelle_Repetti@oxy.com

with a copy (which will not constitute effective notice) to:

CRC
10889 Wilshire Boulevard, Los Angeles, CA 90024
Attention: Michael Preston
Michael_Preston@oxy.com

or to such other address as any party hereto may have furnished to the other parties by a notice in writing in accordance with this Section 10.6.

10.7 Complete Agreement. This Agreement, with the other transaction agreements and other documents referred to herein, constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all previous negotiations, commitments and writings with respect to such subject matter. In the case of any conflict between the terms of this Agreement and the terms of any other transaction agreement, the terms of this Agreement will be applicable.

10.8 Interpretation. The Article and Section headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the parties hereto and should not in any way affect the meaning or interpretation of this Agreement.

10.9 Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

10.10 Successors and Assigns; No Third-Party Beneficiaries. This Agreement and all of the provisions hereof will be binding upon and inure to the benefit of the parties hereto and their successors and permitted assigns, but neither this Agreement nor any of the rights, interests and obligations hereunder may be assigned by any party hereto without the prior written consent of the other parties. This Agreement is solely for the benefit of OPC and CRC and their respective subsidiaries, affiliates, successors and assigns, and is not intended to confer upon any third parties any rights or remedies hereunder.

10.11 Authorization. Each of OPC and CRC hereby represents and warrants that it has the power and authority to execute, deliver and perform this Agreement, that this Agreement has been duly authorized by all necessary corporate action on the part of such party, that this Agreement constitutes a legal, valid and binding obligation of each such party and that the execution, delivery and performance of this Agreement by such party does not contravene or conflict with any provision of law or of its charter or bylaws or any agreement, instrument or order binding on such party.

10.12 Arbitration. To the extent any dispute under this Agreement (i) cannot be resolved pursuant to Section 10.1, or (ii) relates to Transaction Taxes or Transaction Tax proceedings, OPC and CRC shall resolve such dispute pursuant to the arbitration provisions set forth in Article VI of the Separation and Distribution Agreement.

10.13 Waiver of Jury Trial. Each of the parties hereto irrevocably and unconditionally waives all right to trial by jury in any litigation, claim, action, suit, arbitration, inquiry, proceeding, investigation or counterclaim (whether based in contract, tort or otherwise) arising out of or relating to this Agreement or the actions of the parties hereto in the negotiation, administration, performance and enforcement thereof.

10.14 Waivers. Except as provided in this Agreement, no action taken pursuant to this Agreement, including any investigation by or on behalf of any party, will be deemed to constitute a waiver by the party taking such action of compliance with any representations, warranties, covenants or agreements contained in this Agreement. The waiver by any party hereto of a breach of any provision hereunder will not operate or be construed as a waiver of any prior or subsequent breach of the same or any other provision hereunder.

10.15 Specific Performance. The parties hereto agree that irreparable damage would occur in the event any provision of this Agreement was not performed in accordance with the terms hereof and that the parties will be entitled to specific performance of the terms hereof, in addition to any other remedy at law or in equity.

10.16 Setoff. All payments to be made by any party under this Agreement may be netted against payments due to such party under this Agreement, but otherwise shall be made without setoff, counterclaim or withholding, all of which are hereby expressly waived.

10.17 **Severability.** If any provision of this Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to Persons or circumstances other than those as to which it has been held invalid or unenforceable, will remain in full force and effect and will in no way be affected, impaired or invalidated thereby, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any party.

10.18 **Effective Date.** This Agreement is effective as of the Effective Time.

IN WITNESS WHEREOF, each of the parties has caused this Tax Sharing Agreement to be executed on its behalf by its officers thereunto duly authorized, all as of the day and year first written above.

OCCIDENTAL PETROLEUM CORPORATION

By: /s/ Marcia E. Backus

Name: Marcia E. Backus
Title: Vice President and General Counsel

CALIFORNIA RESOURCES CORPORATION

By: /s/ Todd A. Stevens

Name: Todd A. Stevens

Title: President and Chief Executive Officer

EMPLOYEE MATTERS AGREEMENT
BY AND BETWEEN
OCCIDENTAL PETROLEUM CORPORATION
AND
CALIFORNIA RESOURCES CORPORATION
DATED AS OF NOVEMBER 25, 2014

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EMPLOYEE MATTERS AGREEMENT

This **EMPLOYEE MATTERS AGREEMENT**, made and entered into as of November 25, 2014, is by and between Occidental Petroleum Corporation, a Delaware corporation ("**OPC**"), and California Resources Corporation, a Delaware corporation and wholly-owned Subsidiary of OPC ("**CRC**"). OPC and CRC are also referred to in this Agreement individually as a "**Party**" and collectively as the "**Parties**." Capitalized terms used herein and not otherwise defined shall have the respective meanings assigned to them in [Section 2.1](#).

R E C I T A L S

WHEREAS, OPC has determined that it would be appropriate, desirable and in the best interests of OPC and the stockholders of OPC to separate the CRC Business from OPC;

WHEREAS, concurrently herewith, OPC and CRC will enter into the Separation and Distribution Agreement, dated as of the date hereof (the "**Separation Agreement**"), in connection with the separation of the CRC Business from OPC and the Distribution of CRC Common Stock to the stockholders of OPC;

WHEREAS, the Separation Agreement also provides for the execution and delivery of certain other agreements, including this Agreement, in order to facilitate and provide for the separation of CRC and its Subsidiaries from OPC; and

WHEREAS, in order to ensure an orderly transition under the Separation Agreement, it will be necessary for the Parties to allocate between them Assets, Liabilities and responsibilities with respect to certain employee compensation and benefit plans and programs, and certain other employment-related matters.

NOW, THEREFORE, in consideration of the foregoing and the covenants and agreements set forth below and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the Parties hereby agree as follows:

**Article I
GENERAL PRINCIPLES FOR ALLOCATION OF LIABILITIES**

Section 1.1 **General Principles.**

(a) *Cessation of Participation in OPC Benefit Plans by CRC Group Employees.* Each member of the OPC Group and each member of the CRC Group shall take any and all reasonable action as shall be necessary or appropriate so that active participation in the OPC Benefit Plans by all CRC Group Employees shall terminate in connection with the Initial Distribution as and when provided under this Agreement (or, if not specifically provided under this Agreement, as of the Effective Time).

(b) Certain Obligations of the CRC Group. Except as otherwise provided in this Agreement, effective as of the Effective Time, CRC (on behalf of the CRC Group) hereby assumes or shall continue the sponsorship of, and no member of the OPC Group shall have any further Liability with respect to or under, the following agreements, obligations and Liabilities, and CRC hereby indemnifies each member of the OPC Group, and the officers, directors, and employees of each member of the OPC Group, and shall hold them harmless with respect to such agreements, obligations or Liabilities:

(i) any and all individual agreements entered into between any member of the OPC Group or CRC Group and any CRC Group Employee or Former CRC Group Employee;

(ii) any and all agreements entered into between any member of the OPC Group or CRC Group and any individual who is a consultant or an independent contractor providing services primarily for the benefit of the CRC Business;

(iii) any and all collective bargaining agreements, collective agreements and trade union or works council agreements entered into between any member of the OPC Group or CRC Group and any labor union, trade union, works council or other representative of CRC Group Employees;

(iv) any and all wages, salaries, incentive compensation (as the same may be modified by this Agreement), commissions, bonuses, payment owed for any vacation or paid time off entitlement and any other compensation or benefits payable to or on behalf of any CRC Group Employees or Former CRC Group Employees on or after the Distribution Date, without regard to when such wages, salaries, incentive compensation, commissions, bonuses, or other compensation or benefits are or may have been earned;

(v) any and all Liabilities and other obligations relating to any Benefit Plan that is sponsored, maintained or contributed to exclusively by a member or members of the CRC Group or for the benefit of one or more CRC Group Employees or Former CRC Group Employees (whether or not such Liabilities relate to CRC Group Employees or Former CRC Group Employees);

(vi) any and all expenses and obligations related to relocation, repatriation, transfers or similar items incurred by or owed to any CRC Group Employees or Former CRC Group Employees that have not been paid prior to the Distribution Date;

(vii) any and all immigration-related, visa, work application or similar rights, obligations and Liabilities related to any CRC Group Employees and Former CRC Group Employees;

(viii) any employment tax, superannuation, employment insurance, pension plan or similar Liabilities incurred or owed with respect to CRC Group Employees and Former CRC Group Employees; and

(ix) any and all Liabilities and obligations whatsoever with respect to claims made by, on behalf of, or with respect to any CRC Group Employees, Former CRC Group Employees or independent contractors providing services primarily for the CRC Business including any such Liability or obligation in connection with any labor or employment practice, workers' compensation claims, labor or employment Laws, employee benefit plan, program or policy not otherwise expressly retained or assumed by any member of the OPC Group pursuant to this Agreement, including such Liabilities relating to actions or omissions of or by any member of the CRC Group or any officer, director, employee or agent thereof on or prior to the Effective Time.

(c) Certain Obligations of the OPC Group. Except as otherwise provided in this Agreement, effective as of the Effective Time, no member of the CRC Group shall have any further Liability for, and OPC hereby indemnifies each member of the CRC Group, and the officers, directors, and employees of each member of the CRC Group, and shall hold them harmless with respect to any and all Liabilities and obligations whatsoever with respect to, claims made by or with respect to any OPC Group Employees and Former OPC Group Employees in connection with any employee benefit plan, program or policy not otherwise retained or assumed by any member of the CRC Group pursuant to this Agreement, including such Liabilities relating to actions or omissions of or by any member of the OPC Group or any officer, director, employee or agent thereof on, prior to or after the Effective Time.

Section 1.2 Service Credit

(a) Service for Participation, Eligibility, Vesting, and Benefit Level Purposes. Except as otherwise provided in any other provision of this Agreement, the CRC Benefit Plans shall, and CRC shall cause each member of the CRC Group to, recognize each CRC Group Employee's full service credit for purposes of participation, eligibility, vesting and determination of level of benefits under any CRC Benefit Plan for such CRC Group Employee's service with any member of the OPC Group on or prior to the Effective Time, to the same extent such service would be credited if it had been performed for a member of the CRC Group.

(b) Evidence of Prior Service. Notwithstanding anything to the contrary, but subject to applicable Law, upon reasonable request by one Party to the other Party, the first Party will provide to the other Party copies of any records available to the first Party to document such service, plan participation and membership of such Employees and cooperate with the first Party to resolve any discrepancies or obtain any missing data for purposes of determining benefit eligibility, participation, vesting and determination of level of benefits with respect to any Employee.

Section 1.3 Plan Administration

(a) Transition Services. The Parties acknowledge that the OPC Group or the CRC Group may provide administrative services for certain of the other Party's benefit programs for a transitional period under the terms of the Transition Services Agreement. The Parties agree to enter into a business associate or comparable agreement (if required by HIPAA or other applicable health information or privacy Laws) in connection with such Transition Services Agreement.

(b) Participant Elections and Beneficiary Designations. All participant elections and beneficiary designations made under any OPC Benefit Plan with respect to which Assets or Liabilities are transferred or allocated to plans maintained by a member of the CRC Group in accordance with this Agreement shall continue in effect under the applicable CRC Benefit Plan, including deferral, investment and payment form elections, dividend elections, coverage options and levels, beneficiary designations and the rights of alternate payees under qualified domestic relations orders, to the extent allowed by applicable Law.

Section 1.4 Retention of CRC Group Plans. In the event any Benefit Plan is sponsored, maintained or contributed to exclusively by a member or members of the CRC Group or exclusively for the benefit of one or more CRC Group Employees or Former CRC Group Employees, from and after the Effective Time, CRC hereby assumes and retains, or shall cause a member of the CRC Group to assume or retain, sponsorship of such Benefit Plan and all Liabilities relating thereto (whether or not such Liabilities relate to CRC Group Employees or Former CRC Group Employees).

Section 1.5 No Duplication or Acceleration of Benefits. Notwithstanding anything to the contrary in this Agreement, the Separation Agreement or any Transfer Document, no participant in the CRC Defined Contribution Plans, CRC Welfare Plans or other CRC Benefit Plans shall receive benefits that duplicate benefits provided by the corresponding OPC Benefit Plan or arrangement. Furthermore, unless expressly provided for in this Agreement, the Separation Agreement or in any Transfer Document or required by applicable Law, no provision in this Agreement shall be construed to create any right to accelerate vesting or entitlements to any compensation or Benefit Plan on the part of any OPC Group Employee, Former OPC Group Employee, OPC Director, CRC Director, CRC Group Employee or Former CRC Group Employee.

Section 1.6 No Expansion of Participation. Unless otherwise expressly provided in this Agreement, as otherwise determined or agreed to by OPC and CRC, as required by applicable Law, or as explicitly set forth in a CRC Benefit Plan, a CRC Group Employee shall be entitled to participate in the CRC Benefit Plans only to the extent that such Employee was entitled to participate in the corresponding OPC Benefit Plan or Benefit Plan sponsored by a member of the CRC Group as in effect as of the Effective Time, with it being the intent of the Parties that this Agreement does not result in any expansion of the number of CRC Group Employees participating or the participation rights therein that they had prior to the Effective Time.

ARTICLE II DEFINITIONS

Section 2.1 Definitions. As used in this Agreement, the following terms have the meanings set forth in this Section 2.1:

“**Actual LTI Performance**” means, with respect to an OPC LTI Cash Award or OPC RSU, the actual attainment of the performance objectives subject to such award, as determined by the OPC Committee based upon performance through the end of the latest practicable date prior to the Effective Time applicable to such award.

“**Additional OPC RSAs**” has the meaning set forth in [Section 4.2\(c\)](#).

“**Adjusted OPC DSU**” has the meaning set forth in [Section 4.5\(b\)](#).

“**Adjusted OPC LTI Award**” means an Adjusted OPC DSU, Adjusted OPC MSU, Adjusted OPC RSU, Adjusted OPC SAR or Adjusted OPC Phantom Share Unit.

“**Adjusted OPC MSU**” has the meaning set forth in [Section 4.4\(b\)](#).

“**Adjusted OPC Phantom Share Unit**” has the meaning set forth in [Section 4.7\(b\)](#).

“**Adjusted OPC RSU**” has the meaning set forth in [Section 4.5\(d\)](#).

“**Adjusted OPC SAR**” has the meaning set forth in [Section 4.3\(b\)](#).

“**Adjusted OPC Share Number**” means, with respect to an Adjusted OPC LTI Award, (a) the number of shares of OPC Common Stock subject to the related OPC LTI Award immediately prior to the Effective Time (assuming, in the case of any OPC RSU, settlement based upon the target number of performance shares subject to such award) multiplied by (b) the OPC Equity Award Ratio, rounded (i) down to the nearest whole share of OPC Common Stock in the case of any Adjusted OPC SAR and (ii) up to the nearest whole share of OPC Common Stock in the case of any Adjusted OPC LTI Award other than an Adjusted OPC SAR.

“**Affiliate**” has the meaning set forth in the Separation Agreement.

“**Agreement**” means this Employee Matters Agreement, together with all Schedules hereto and all amendments, modifications, and changes hereto entered into pursuant to [Section 13.9](#).

“**ASC 718**” means Accounting Standards Codification Topic 718, Compensation – Stock Compensation, or any successor accounting standard.

“**Assets**” has the meaning set forth in the Separation Agreement.

“**Benefit Management Records**” has the meaning set forth in [Section 3.3\(b\)](#).

“**Benefit Plan**” means any contract, agreement, policy, practice, program, plan, trust, commitment or arrangement (whether written or unwritten) providing for benefits, perquisites or compensation of any nature to any Employee, or to any family member, dependent, or beneficiary of any Employee, including pension plans, thrift plans, supplemental pension plans and welfare plans, and contracts, agreements, policies, practices, programs, plans, trusts, commitments and arrangements providing for terms of employment, fringe benefits, severance benefits, change in control protections or benefits, travel and accident, life, disability and accident insurance, tuition reimbursement, travel reimbursement, vacation, sick, personal or bereavement days, leaves of absences and holidays.

“**COBRA**” means the U.S. Consolidated Omnibus Budget Reconciliation Act of 1985, as codified at Section 601 et seq. of ERISA and at Section 4980B of the Code.

“**Code**” has the meaning set forth in the Separation Agreement.

“**Collective Bargaining Agreements**” has the meaning set forth in [Section 3.1\(h\)](#).

“**CRC**” has the meaning set forth in the preamble to this Agreement.

“**CRC Benefit Plan**” means any Benefit Plan sponsored or maintained by a member of the CRC Group immediately following the Effective Time.

“**CRC Business**” has the meaning set forth in the Separation Agreement.

“**CRC Common Stock**” has the meaning set forth in the Separation Agreement.

“**CRC Deferred Compensation Beneficiaries**” has the meaning set forth in [Section 8.2](#).

“**CRC Deferred Compensation Plan**” has the meaning set forth in [Section 8.2](#).

“**CRC Defined Contribution Plans**” has the meaning set forth in [Section 7.2](#).

“**CRC Director**” means any individual who is a non-employee member of the Board of Directors of CRC immediately after the Effective Time and who is not at such time also a member of the Board of Directors of OPC.

“**CRC Director DSU**” has the meaning set forth in [Section 4.5\(a\)](#).

“**CRC DSU**” has the meaning set forth in [Section 4.5\(a\)](#).

“**CRC Employee LTI Cash Award**” has the meaning set forth in [Section 4.6\(a\)](#).

“**CRC Employee Mixed-Settlement Unit**” has the meaning set forth in [Section 4.4\(a\)](#).

“**CRC Employee RSA**” has the meaning set forth in [Section 4.2\(b\)](#).

“**CRC Employee Phantom Share Unit**” has the meaning set forth in [Section 4.7\(a\)](#).

“**CRC Employee RSU**” has the meaning set forth in [Section 4.5\(c\)](#).

“**CRC Employee SAR**” has the meaning set forth in [Section 4.3\(a\)](#).

“**CRC Entity**” means any member of the CRC Group.

“**CRC Equity Award Ratio**” means the quotient obtained by dividing the OPC Pre-Distribution Stock Value by the CRC Stock Value.

“**CRC ESPP**” means an “employee stock purchase plan” (as defined in Section 423 of the Code) which shall be adopted by CRC in accordance with [Section 4.12](#).

“**CRC Existing Deferred Compensation Plan**” means the Tidelands Deferred Compensation Plan.

“**CRC Existing Defined Contribution Plans**” means the Orchard Petroleum Inc. 401(k) Profit Sharing Plan and Trust and the Tidelands Oil Production Company Employees’ Deferred Compensation 401(k) Savings & Investment Plan.

“**CRC Existing Welfare Plans**” means the Tidelands Oil Production Company Employee Long Term Disability Plan, the Tidelands Oil Production Company Employee Welfare Plan and the Tidelands Oil Production Company Occupational AD&D Plan.

“**CRC FSA**” has the meaning set forth in [Section 9.5\(b\)](#).

“**CRC Group**” has the meaning set forth in the Separation Agreement.

“**CRC Group Defined Benefit Plans**” means the THUMS Pension Plan and the Tidelands Oil Production Company Employees’ Pension Plan.

“**CRC Group Employees**” has the meaning set forth in [Section 3.1\(a\)](#).

“**CRC LTI Awards**” means the CRC DSUs, the CRC MSUs, the CRC RSAs, the CRC SARs, and the CRC Phantom Share Units.

“**CRC MSU**” has the meaning set forth in [Section 4.4\(a\)](#).

“**CRC New Equity Plan**” means the plan adopted by CRC and approved by a member of the OPC Group, in accordance with [Section 4.12](#), under which the CRC LTI Awards described in [Article IV](#) shall be issued.

“**CRC Pension Assets**” has the meaning set forth in [Section 6.2](#).

“**CRC Pension Trust**” has the meaning set forth in [Section 6.2](#).

“**CRC Phantom Share Units**” has the meaning set forth in [Section 4.7\(a\)](#).

“**CRC Post-Retirement Welfare Plan Participants**” has the meaning set forth in [Section 9.3](#).

“**CRC Post-Retirement Welfare Plans**” has the meaning set forth in [Section 9.3](#).

“**CRC RSA**” has the meaning set forth in [Section 4.2\(b\)](#).

“**CRC SAR**” has the meaning set forth in [Section 4.3\(a\)](#).

“**CRC Share Number**” means, with respect to a CRC LTI Award, (a) the number of shares of OPC Common Stock subject to the related OPC LTI Award immediately prior to the Effective Time (assuming, in the case of any OPC RSU, settlement based upon (i) target performance if there is 12 months or more remaining in the performance period applicable to such award, or (ii) attainment of Actual LTI Performance if there is less than 12 months remaining in the performance period applicable to such award) multiplied by (b) the CRC Equity Award Ratio, rounded (i) down to the nearest whole share of CRC Common Stock in the case of any CRC SAR and (ii) up to the nearest whole share of CRC Common Stock in the case of any CRC LTI Award other than a CRC SAR.

“**CRC Stock Value**” means the simple average of the volume weighted average per share price of CRC Common Stock trading on the NYSE during Regular Trading Hours on the first four Trading Days following the Distribution Date.

“**CRC Welfare Plan Participants**” has the meaning set forth in [Section 9.1](#).

“**CRC Welfare Plans**” has the meaning set forth in [Section 9.2](#).

“**Distribution**” has the meaning set forth in the Separation Agreement.

“**Distribution Date**” has the meaning set forth in the Separation Agreement.

“**Distribution Ratio**” has the meaning set forth in the Separation Agreement.

“**Effective Time**” means the time immediately before the effective time of the Initial Distribution.

“**Employee**” means any OPC Group Employee, Former OPC Group Employee, Former CRC Group Employee or CRC Group Employee.

“**ERISA**” means the U.S. Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder.

“**FICA**” has the meaning set forth in [Section 3.1\(f\)](#).

“**Former CRC Group Employees**” means all former employees of the OPC Group who have an employment end date on or before the Effective Time and who provided services primarily relating to the CRC Business while employed by the OPC Group.

“**Former OPC Group Employees**” means all former employees of the OPC Group who are not Former CRC Group Employees.

“**FSA Participation Period**” has the meaning set forth in [Section 9.5\(b\)](#).

“**FUTA**” has the meaning set forth in [Section 3.1\(f\)](#).

“**HIPAA**” means the U.S. Health Insurance Portability and Accountability Act of 1996, as amended, and the regulations promulgated thereunder and any similar foreign, state, provincial or local Law.

“**Initial Distribution**” has the meaning set forth in the Separation Agreement.

“**Law**” has the meaning set forth in the Separation Agreement.

“**Liabilities**” has the meaning set forth in the Separation Agreement.

“**NYSE**” means the New York Stock Exchange.

“**OPC**” has the meaning set forth in the preamble.

“**OPC Benefit Plan**” means any Benefit Plan sponsored or maintained by a member of the OPC Group immediately prior to the Effective Time other than any Benefit Plan sponsored or maintained exclusively by a member of the CRC Group.

“**OPC Committee**” means the Executive Compensation Committee of the Board of Directors of OPC.

“**OPC Common Stock**” has the meaning set forth in the Separation Agreement.

“**OPC Deferred Compensation Plans**” means the Occidental Petroleum Corporation Modified Deferred Compensation Plan and the Occidental Petroleum Corporation Supplemental Retirement Plan II, each as amended.

“**OPC Defined Benefit Plans**” means all Benefit Plans sponsored by one or more members of the OPC Group that are subject to Title IV of ERISA, other than the CRC Group Defined Benefit Plans.

“**OPC Defined Contribution Plans**” means the Occidental Petroleum Corporation Savings Plan and the Occidental Petroleum Corporation Retirement Plan, each as amended.

“**OPC Director**” means any individual who is a non-employee member of the Board of Directors of OPC immediately prior to the Effective Time.

“**OPC Director DSU**” has the meaning set forth in [Section 4.5\(b\)](#).

“**OPC DSA**” means any award granted pursuant to any of the OPC Equity Plans to an OPC Director that may be fully-vested but that is subject to transfer restrictions immediately prior to the Effective Time.

“**OPC DSP**” means the Occidental Petroleum Corporation 2005 Deferred Stock Program, as amended.

“**OPC DSU**” means a deferred stock award granted pursuant to any of the OPC Equity Plans to an individual who was a non-employee member of the Board of Directors of OPC on the date of grant.

“**OPC Employee Mixed-Settlement Unit**” has the meaning set forth in [Section 4.4\(b\)](#).

“**OPC Employee Phantom Share Unit**” has the meaning set forth in [Section 4.7\(b\)](#).

“**OPC Employee RSA**” has the meaning set forth in [Section 4.2\(c\)](#).

“**OPC Employee RSU**” has the meaning set forth in [Section 4.5\(d\)](#).

“**OPC Employee SAR**” has the meaning set forth in [Section 4.3\(b\)](#).

“**OPC Entity**” means any member of the OPC Group.

“**OPC Equity Award Ratio**” means the quotient obtained by dividing the OPC Pre-Distribution Stock Value by the OPC Post-Distribution Stock Value.

“**OPC Equity Plans**” means the Occidental Petroleum Corporation 2005 Long-Term Incentive Plan, the Occidental Petroleum Corporation Phantom Share Unit Award Plan, and any other plan or agreement sponsored or maintained by OPC as of the Effective Time pursuant to which equity or other long-term incentive awards are or may be granted (in each case, as amended from time to time).

“**OPC Full Year Performance**” has the meaning set forth in [Section 5.1](#).

“**OPC Group**” has the meaning set forth in the Separation Agreement.

“**OPC Group Employees**” has the meaning set forth in [Section 3.1\(b\)](#).

“**OPC LTI Awards**” means the OPC DSAs, the OPC DSUs, the OPC LTI Cash Awards, the OPC LTI Mixed-Settlement Units, the OPC RSAs, the OPC RSUs, OPC SARs and the OPC Phantom Share Units.

“**OPC LTI Cash Award**” means a cash-based and cash-settled award granted pursuant to any of the OPC Equity Plans to an individual who was an employee on the date of grant of such award, and which award is subject to performance-based vesting and forfeiture conditions.

“**OPC LTI Mixed-Settlement Unit**” means a long-term incentive unit granted pursuant to any of the OPC Equity Plans and with respect to which each unit represents one share of OPC Common Stock and is generally intended to be settled 50% in shares of OPC Common Stock and 50% in cash.

“**OPC Master Trust**” means the trust established pursuant to that certain Master Trust Agreement dated as of April 1, 2004 between Occidental Petroleum Corporation, BNY Western Trust Company and The Bank of New York, as amended from time to time.

“**OPC Phantom Share Unit**” means a phantom share unit award granted pursuant to the Occidental Petroleum Corporation Phantom Share Unit Award Plan.

“**OPC Post-Distribution Stock Value**” means the simple average of the volume weighted average per share price of OPC Common Stock trading on the NYSE during Regular Trading Hours on the first four Trading Days following the Distribution Date.

“**OPC Post-Retirement Welfare Plan**” means any Welfare Plan sponsored or maintained by any one or more members of the OPC Group as of immediately prior to the Effective Time, for the benefit of retired employees of the OPC Group.

“**OPC Pre-Distribution Stock Value**” means the simple average of the volume weighted average per share price of OPC Common Stock trading “regular way with due bills” on the NYSE during Regular Trading Hours on the Distribution Date and the three immediately preceding Trading Days.

“**OPC RSA**” means a restricted stock award granted pursuant to any of the OPC Equity Plans (which term shall not include any OPC DSA or OPC DSU).

“**OPC RSU**” means an award of deferred stock granted pursuant to any of the OPC Equity Plans to an individual who was an employee on the date of grant of such award, and which award is subject to performance-based vesting and forfeiture conditions.

“**OPC SAR**” means a stock appreciation right granted pursuant to any of the OPC Equity Plans.

“**OPC Short-Term Incentive Plans**” means those short-term incentive plans sponsored by the members of the OPC Group.

“**OPC Welfare Plan**” means any Welfare Plan sponsored or maintained by any one or more members of the OPC Group as of immediately prior to the Effective Time, other than an OPC Post-Retirement Welfare Plan.

“**Party**” or “**Parties**” has the meaning set forth in the preamble to this Agreement.

“**Pension Transfer Date**” has the meaning set forth in [Section 6.2](#).

“**Person**” has the meaning set forth in the Separation Agreement.

“**Regular Trading Hours**” means the period beginning at 9:30 A.M. New York City time and ending 4:00 P.M. New York City time.

“**Separation Agreement**” has the meaning set forth in the recitals to this Agreement.

“**Subsidiary**” has the meaning set forth in the Separation Agreement.

“**THUMS Pension Plan**” means the THUMS Long Beach Company Pension Plan.

“**Trading Day**” means the period of time during any given calendar day, commencing with the determination of the opening price on the NYSE and ending with the determination of the closing price on the NYSE, in which trading and settlement in shares of OPC Common Stock or CRC Common Stock is permitted on the NYSE.

“**Transfer Documents**” has the meaning set forth in the Separation Agreement.

“**Transition Services Agreement**” has the meaning set forth in the Separation Agreement.

“**U.S.**” means the United States of America.

“**WARN**” means the U.S. Worker Adjustment and Retraining Notification Act, as amended, and the regulations promulgated thereunder, and any applicable foreign, state, provincial or local Law equivalent.

“**Welfare Plan**” means, where applicable, a “welfare plan” (as defined in Section 3(1) of ERISA) or a “cafeteria plan” under Section 125 of the Code, and any benefits offered thereunder, and any other plan offering health benefits (including medical, prescription drug, dental, vision, and mental health and substance abuse), disability benefits, or life, accidental death and disability, and business travel insurance, pre-tax premium conversion benefits, dependent care assistance programs, employee assistance programs, paid time off programs, contribution funding toward a health savings account or flexible spending accounts.

Section 2.2 **Interpretation.** In this Agreement, unless the context clearly indicates otherwise:

- (c) words used in the singular include the plural and words used in the plural include the singular;
- (d) if a word or phrase is defined in this Agreement, its other grammatical forms, as used in this Agreement, shall have a corresponding meaning;
- (e) reference to any gender includes the other gender and the neuter;
- (f) the words “include,” “includes” and “including” shall be deemed to be followed by the words “without limitation”;
- (g) the words “shall” and “will” are used interchangeably and have the same meaning;
- (h) the word “or” shall have the inclusive meaning represented by the phrase “and/or”;
- (i) relative to the determination of any period of time, “from” means “from and including,” “to” means “to but excluding” and “through” means “through and including”;
- (j) whenever this Agreement refers to a number of days, such number shall refer to calendar days;
- (k) accounting terms used herein have the meanings historically ascribed to them by OPC and its Subsidiaries, including CRC for this purpose, in its and their internal accounting and financial policies and procedures in effect immediately prior to the date of this Agreement;
- (l) reference to any Article, Section or Schedule means such Article or Section of, or such Schedule to, this Agreement, as the case may be, and references in any Section or definition to any clause means such clause of such Section or definition;
- (m) the words “this Agreement,” “herein,” “hereunder,” “hereof,” “hereto” and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Section or other provision of this Agreement;
- (n) the term “commercially reasonable efforts” means efforts which are commercially reasonable to enable a Party, directly or indirectly, to satisfy a condition to or otherwise assist in the consummation of a desired result and which do not require the performing Party to expend funds or assume Liabilities other than expenditures and Liabilities which are customary and reasonable in nature and amount in the context of a series of related transactions similar to the Distribution;
- (o) reference to any agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof and not prohibited by this Agreement;
- (p) reference to any Law (including statutes and ordinances) means such Law (including any and all rules and regulations promulgated thereunder) as amended, modified, codified or reenacted, in whole or in part, and in effect at the time of determining compliance or applicability;
- (q) references to any Person include such Person’s successors and assigns but, if applicable, only if such successors and assigns are permitted by this Agreement; a reference to such Person’s “Affiliates” shall be deemed to mean such Person’s Affiliates following the Initial Distribution and any reference to a third party shall be deemed to mean a Person who is not a Party or an Affiliate of a Party;
- (r) if there is any conflict between the provisions of the main body of this Agreement and the Schedules hereto, the provisions of the main body of this Agreement shall control unless explicitly stated otherwise in such Schedule;
- (s) unless otherwise specified in this Agreement, all references to dollar amounts herein shall be in respect of lawful currency of the U.S.;
- (t) the titles to Articles and headings of Sections contained in this Agreement, in any Schedule and exhibit and in the table of contents to this Agreement have been inserted for convenience of reference only and shall not be deemed to be a part of or to affect the meaning or interpretation of this Agreement; and
- (u) any portion of this Agreement obligating a Party to take any action or refrain from taking any action, as the case may be, shall mean that such Party shall also be obligated to cause its relevant Subsidiaries to take such action or refrain from taking such action, as the case may be.

ARTICLE III ASSIGNMENT OF EMPLOYEES

Section 3.1 **Active Employees.**

- (v) **CRC Group Employees.** Except as otherwise set forth in this Agreement, effective not later than immediately prior to the Effective Time, the employment of each individual (i) who is employed by CRC or a Subsidiary of CRC as of immediately prior to the Effective Time or (ii) whose employment duties are to be exclusively related to the CRC Business immediately following the Effective Time (collectively, the “**CRC Group Employees**”) shall continue with a member of the CRC Group or is hereby assigned and transferred as of the Effective Time to a member of the CRC Group (in each case, with such member as determined by CRC). Each of the Parties agrees to execute, and to seek to have the applicable employees execute, such documentation, if any, as may be necessary to reflect such assignments and transfers.
- (w) **OPC Group Employees.** Except as otherwise set forth in this Agreement, effective not later than immediately prior to Effective Time, the employment of each individual who is employed by a member of the OPC Group and is not a CRC Group Employee (collectively, the “**OPC Group Employees**”) shall continue with a member of the OPC Group or is hereby assigned and transferred as of the Effective Time to a member of the OPC Group (in each case as determined by OPC). Each of the Parties agrees to execute, and to seek to have the applicable employees execute, such documentation, if any, as may be necessary to reflect such assignments and transfers.
- (x) **At-Will Status.** Notwithstanding the above or any other provision of this Agreement, nothing in this Agreement shall create any obligation on the part of any member of the OPC Group or any member of the CRC Group to (i) continue the employment of any Employee or permit the return from a leave of absence for any period following the date of this Agreement or the Distribution Date (except as required by applicable Law) or (ii) change the employment status of any Employee from “at will,” to the extent such Employee is an “at will” employee under applicable Law.
- (y) **Separation from Service.** The Parties acknowledge and agree that the Distribution and the assignment, transfer or continuation of the employment of Employees as contemplated by this **Section 3.1** (i) shall not be deemed a “separation from service” (as defined in Section 409A of the Code) of any Employee for purposes of this Agreement or any Benefit Plan of any member of the OPC Group or any member of the CRC Group but (ii) shall, with respect to CRC Group Employees and for purposes of the OPC Defined Contribution Plans, constitute a “severance from employment” (as described in Section 401(k)(2)(B) of the Code).
- (z) **Not a Change of Control/Change in Control.** The Parties acknowledge and agree that neither the consummation of the Distribution nor any transaction in connection with the Distribution shall be deemed a “change of control,” “change in control,” or term of similar import for purposes of any Benefit Plan of any member of the OPC Group or any member of the CRC Group.
- (aa) **Payroll and Related Taxes.** OPC and CRC hereby agree to follow the standard procedure for U.S. employment tax withholding as provided in Section 4 of Rev. Proc. 2004-53, I.R.B. 2004-34. Without limiting the generality of the foregoing, with respect to each CRC Group Employee, OPC and CRC shall, and shall cause their respective Affiliates to (to the extent permitted by applicable Law and practicable) (i) treat CRC (or the applicable CRC Entity) as a “successor employer” and OPC (or the applicable OPC

Entity) as a “predecessor,” within the meaning of Sections 3121(a)(1) and 3306(b)(1) of the Code, to the extent appropriate, for purposes of taxes imposed under the U.S. Federal Insurance Contributions Act, as amended (“**FICA**”), or the U.S. Federal Unemployment Tax Act, as amended (“**FUTA**”), and (b) cooperate with each other to avoid, to the extent possible, the restart of FICA and FUTA upon or following the Effective Time with respect to each CRC Group Employee for the tax year during which the Effective Time occurs.

(bb) **Employment Contracts; Expatriate Obligations.** Effective as of the Effective Time, CRC hereby assumes and shall honor, or will cause a member of the CRC Group to honor, any agreements to which any CRC Group Employee is party with any OPC Entity, including any (i) employment contract, executive agreement, offer letter, indemnification or consulting agreement, (ii) retention, severance or change of control arrangement or (iii) expatriate or relocation contract or arrangement (including agreements and obligations regarding repatriation, relocation, equalization of taxes and living standards in the host country).

(cc) **Collective Bargaining Agreements.** Prior to the Effective Time, OPC and CRC will take or cause to be taken all actions necessary (if any) to cause a CRC Entity to continue sponsorship of the collective bargaining agreements, collective agreements, trade union or works council agreements and any other contractual or other obligation to a labor union, trade union, works council or other representative of any CRC Group Employee relating to the CRC Group Employees in effect immediately prior to the Effective Time (collectively, the “**Collective Bargaining Agreements**”). Nothing in this Agreement is intended to alter the provisions of any Collective Bargaining Agreement or modify in any way the obligations owed to the Employees covered by any such agreement.

Section 3.2 **Employment Law Obligations.**

(a) **WARN.** After the Effective Time, (i) OPC shall be responsible for providing any necessary WARN notice and satisfying WARN obligations with respect to any termination of employment of any OPC Group Employee that occurs after the Effective Time and (ii) CRC shall be responsible for providing any necessary WARN notice and satisfying WARN obligations with respect to any termination of employment of any CRC Group Employee that occurs after the Effective Time.

(b) **Compliance With Employment Laws.** With respect to the time period occurring on and after the Effective Time (i) each member of the OPC Group shall be responsible for adopting and maintaining any policies or practices, and for all other actions and inactions, necessary to comply with employment-related Laws and requirements relating to the employment of OPC Group Employees and the treatment of any applicable Former OPC Group Employees in respect of their employment, and (ii) each member of the CRC Group shall be responsible for adopting and maintaining any policies or practices, and for all other actions and inactions, necessary to comply with employment-related Laws and requirements relating to the employment of CRC Group Employees and the treatment of any applicable Former CRC Group Employees in respect of their employment.

Section 3.3 **Employee Records.**

(a) **Sharing of Information.** Subject to any limitations imposed by applicable Law, OPC and CRC (acting directly or through members of the OPC Group or the CRC Group, respectively) shall provide to the other and their respective agents and vendors all information reasonably necessary for the Parties to perform their respective duties under this Agreement. The Parties also hereby agree to enter into any business associate arrangements that may be required for the sharing of any information pursuant to this Agreement to comply with the requirements of HIPAA.

(b) **Transfer of Personnel Records and Authorization.** Subject to any limitations imposed by applicable Law, as soon as administratively feasible following the Distribution Date, OPC shall transfer and assign to CRC all personnel records, all immigration documents, including I-9 forms and work authorizations, all payroll deduction authorizations and elections, whether voluntary or mandated by Law, including but not limited to W-4 forms and deductions for benefits under the applicable CRC Benefit Plans and all absence management records, Family and Medical Leave Act and employee leave records, insurance beneficiary designations, flexible spending account enrollment confirmations, attendance, and return to work information (“**Benefit Management Records**”). Subject to any limitations imposed by applicable Law, OPC, however, may retain originals of, copies of, or access to Benefit Management Records as long as necessary to provide services to CRC (acting pursuant to the Transition Services Agreement). CRC will use Benefit Management Records for lawful purposes only, including calculation of withholdings from wages and personnel management. It is understood that following the Distribution Date, OPC records so transferred and assigned may be maintained by CRC (acting directly or through one of its Subsidiaries) pursuant to CRC’s applicable records retention policy.

(c) **Access to Records.** To the extent not inconsistent with this Agreement and any applicable Laws, reasonable access to Employee-related records after the Distribution Date will be provided to members of the OPC Group and members of the CRC Group pursuant to the terms and conditions of Article VII of the Separation Agreement. In addition, notwithstanding anything to the contrary, CRC shall provide OPC with reasonable access to those records necessary for its administration of any plans or programs on behalf of OPC Group Employees and Former OPC Group Employees after the Distribution Date as permitted by any applicable Laws. OPC shall also be permitted to retain copies of all restrictive covenant agreements with any CRC Group Employee in which any member of the OPC Group has a valid business interest. In addition, OPC shall provide CRC with reasonable access to those records necessary for its administration of any plans or programs on behalf of CRC Group Employees and Former CRC Group Employees after the Distribution Date as permitted by any applicable Laws. CRC shall also be permitted to retain copies of all restrictive covenant agreements with any OPC Group Employee or Former OPC Group Employee in which any member of the CRC Group has a valid business interest.

(d) **Maintenance of Records.** With respect to retaining, destroying, transferring, sharing, copying and permitting access to all Employee-related information, OPC and CRC shall comply with all applicable Laws and hereby agree to indemnify and hold harmless each other from and against any and all Liability, claims, actions, and damages that arise from a failure (by the indemnifying party or its Subsidiaries or their respective agents) to so comply with all applicable Laws applicable to such information.

(e) **No Access to Computer Systems or Files.** Except as set forth in the Separation Agreement or any Transfer Document, no provision of this Agreement shall give (i) any member of the OPC Group direct access to the computer systems or other files, records or databases of any member of the CRC Group or (ii) any member of the CRC Group direct access to the computer systems or other files, records or databases of any member of the OPC Group, unless specifically permitted by the owner of such systems, files, records or databases.

(f) **Confidentiality.** The provisions of this [Section 3.3](#) shall be in addition to, and not in derogation of, the provisions of the Separation Agreement governing confidential information, including Section 7.7 of the Separation Agreement. Except as otherwise set forth in this Agreement, all records and data relating to Employees shall, in each case, be subject to the confidentiality provisions of the Separation Agreement and any other applicable agreement and applicable Law.

(g) **Cooperation.** Each Party shall use commercially reasonable efforts to cooperate to share, retain, and maintain data and records that are necessary or appropriate to further the purposes of this [Section 3.3](#) and for each Party to administer its respective Benefit Plans to the extent consistent with this Agreement and applicable Law, and each Party agrees to cooperate as long as is reasonably necessary to further the purposes of this [Section 3.3](#). Except as provided under any Transfer Document, no Party shall charge another Party a fee for such cooperation.

ARTICLE IV EQUITY AND LONG-TERM INCENTIVE AWARDS

Section 4.1 **General Principles.**

(c) **Additional Actions.** OPC and CRC shall take any and all reasonable actions as shall be necessary and appropriate to further the provisions of this [Article IV](#), including, to the extent practicable, providing written notice or similar communication to each individual who holds one or more awards granted under any of the OPC Equity Plans informing such individual of (i) the actions contemplated by this [Article IV](#) with respect to such awards and (ii) whether (and during what time period) any “blackout” period shall be imposed upon holders of awards granted under any of the OPC Equity Plans during which time awards may not be exercised or settled, as the case may be.

(d) **Service Recognition; Change of Control.** From and after the Initial Distribution, (i) a grantee who has outstanding awards under one or more of the OPC Equity Plans and/or replacement awards under the CRC New Equity Plan shall be considered to have been employed by (or otherwise providing services to) the applicable plan sponsor before and after the Initial Distribution for purposes of (x) vesting and (y) determining the date of termination of employment (or any other applicable service relationship) as it applies to any such award and (ii) for purposes of determining whether any “change of control” has occurred with respect to any OPC LTI Award or CRC LTI Award, (x) a “change of control” shall only be deemed to have occurred for purposes of any award that is governed by the OPC Equity Plans upon a “change of control” of OPC and (y) a “change of control” shall only be deemed to have occurred for purposes of any award that is governed by the CRC New Equity Plan upon a “change of control” of CRC.

(e) **Consistency with Applicable Laws.** No award described in this [Article IV](#), whether outstanding or to be issued, adjusted, substituted or cancelled by reason of or in connection with the Initial Distribution, shall be adjusted, settled, cancelled, or exercisable, until in the judgment of the administrator of the applicable plan or program such action

is consistent with all applicable Laws, including federal securities Laws. Any period of exercisability will not be extended on account of a period during which such an award is not exercisable pursuant to the preceding sentence.

(f) ASC 718. The adjustment or conversion of OPC LTI Awards pursuant to this Article IV is intended to be effectuated in a manner so as to result in each Adjusted OPC LTI Award or CRC LTI Award, as applicable, having an aggregate “fair value” and an “intrinsic value” (in each case, within the meaning of ASC 718 and determined in accordance therewith), as of immediately following the Initial Distribution, that shall not be materially greater than the fair value and intrinsic value of the related OPC LTI Award immediately prior to the Initial Distribution.

(g) Section 409A of the Code. The adjustment or conversion of OPC LTI Awards shall be effectuated in a manner that is intended to avoid the imposition of any penalty or other taxes on the holders thereof pursuant to Section 409A of the Code.

Section 4.2 Restricted Stock and Director Common Stock Awards.

(h) OPC Directors. Each OPC Director who is the holder of outstanding OPC DSAs immediately prior to the Effective Time, shall receive from OPC, upon the Initial Distribution being made, such number of shares of CRC Common Stock as determined by applying the Distribution Ratio in the same way as if such outstanding OPC DSAs were fully vested and transferrable shares of OPC Common Stock as of the Effective Time. The shares of CRC Common Stock so distributed to such OPC Director shall be subject to substantially the same terms and conditions (including transfer restrictions) immediately following the Effective Time as applicable to the OPC DSAs held by such OPC Director immediately prior to the Effective Time.

(i) CRC Employees. Each CRC Group Employee who is the holder of outstanding, unvested OPC RSAs immediately prior to the Effective Time (a “**CRC Employee RSA**”) shall receive from OPC, upon the Initial Distribution being made, such number of shares of CRC Common Stock (which shares shall then immediately and automatically be deemed exchanged for restricted shares of CRC Common Stock under the CRC New Equity Plan, each a “**CRC RSA**”) as determined by applying the Distribution Ratio in the same way as if such outstanding OPC RSAs were fully vested and transferable shares of OPC Common Stock as of the Effective Time (rounded up to the nearest whole share), and, upon the Effective Time, such CRC Employee RSA shall be cancelled and such holder shall be entitled to receive, as soon as practicable following the Effective Time, an additional CRC RSA covering a number of restricted shares of CRC Common Stock under the CRC New Equity Plan equal to the difference between (i) the CRC Share Number and (ii) the number of shares of CRC Common Stock covered by the CRC RSA received upon the Initial Distribution with respect to such CRC Employee RSA. The CRC RSAs described in the preceding sentence that relate to a particular CRC Employee RSA may be issued as a single award under the CRC New Equity Plan, and each such CRC RSA shall be subject to substantially the same terms and conditions after the Effective Time as the terms and conditions applicable to the corresponding CRC Employee RSA immediately prior to the Effective Time (including vesting); provided, however, that from and after the Effective Time, (x) any time-based vesting conditions applicable to the CRC RSA shall be determined based solely upon continued service with the CRC Group rather than the OPC Group and (y) if the CRC Employee RSA was subject to performance-based vesting conditions immediately prior to the Effective Time, then the CRC RSA shall include such performance-based vesting conditions, if any, as may be determined by the OPC Committee in its sole discretion (which performance-based vesting conditions may be applicable to some recipients of CRC RSAs and not other such recipients).

(c) Other Holders. Each OPC RSA that is outstanding, unvested and held by any Person other than a CRC Group Employee as of immediately prior to the Effective Time (an “**OPC Employee RSA**”) shall, following the Effective Time, remain outstanding and the holder thereof shall receive from OPC upon the Initial Distribution being made such number of shares of CRC Common Stock as determined by applying the Distribution Ratio in the same way as if such outstanding OPC RSAs were fully vested and transferable shares of OPC Common Stock as of the Effective Time (rounded up to the nearest whole share); provided, however, that, immediately after the issuance of such shares of CRC Common Stock, such shares of CRC Common Stock shall automatically be returned to OPC and, in exchange therefor, the holder thereof shall receive an additional OPC RSA (the “**Additional OPC RSAs**”) with respect to a number of shares of OPC Common Stock equal to (i) (x) the number of shares with respect to such OPC Employee RSA which are outstanding and unvested as of immediately prior to the Effective Time multiplied by (y) the OPC Equity Award Ratio (which product shall be rounded up to the nearest whole share of OPC Common Stock), minus (ii) the number of shares with respect to such OPC Employee RSA which are outstanding and unvested as of immediately prior to the Effective Time. Each Additional OPC RSA shall be granted under the same terms and conditions as the related OPC Employee RSA. Following the Effective Time, each OPC Employee RSA and Additional OPC RSA related thereto shall remain subject to the same terms and conditions as applicable to such OPC Employee RSA prior to the Effective Time.

Section 4.3 Stock Appreciation Rights.

(a) CRC Employees. Each OPC SAR, whether or not exercisable, that is outstanding and held by a CRC Group Employee as of immediately prior to the Effective Time (a “**CRC Employee SAR**”) shall, upon the Effective Time, be converted into a stock appreciation right granted under the CRC New Equity Plan with respect to a number of shares of CRC Common Stock equal to the CRC Share Number (a “**CRC SAR**”) with a grant price per share of CRC Common Stock equal to (i) the grant price of the relevant OPC SAR as of the Effective Time divided by (ii) the CRC Equity Award Ratio, rounded up to the nearest whole cent. Each CRC SAR described in the preceding sentence shall be subject to the same terms and conditions after the Effective Time as the terms and conditions applicable to the corresponding CRC Employee SAR immediately prior to the Effective Time (including vesting); provided, however, that from and after the Effective Time, the vesting and exercisability of each CRC SAR shall be determined based upon continued service with the CRC Group rather than the OPC Group.

(a) Other Holders. Each OPC SAR, whether or not exercisable, that is outstanding and held by any Person other than a CRC Group Employee as of immediately prior to the Effective Time (an “**OPC Employee SAR**”) shall, upon the Effective Time, be adjusted such that (i) the number of shares of OPC Common Stock subject to such OPC Employee SAR is the Adjusted OPC Share Number (following such adjustment, the OPC Employee SAR shall be an “**Adjusted OPC SAR**”) and (ii) the per share grant price of such Adjusted OPC SAR is equal to (x) the grant price of the relevant OPC SAR as of the Effective Time divided by (y) the OPC Equity Award Ratio, rounded up to the nearest whole cent. Other than as described in the preceding sentence, following the Effective Time the Adjusted OPC SAR shall remain subject to the same terms and conditions as applicable to the OPC Employee SAR prior to the Effective Time.

Section 4.4 OPC LTI Mixed-Settlement Units.

(a) CRC Employees. Each OPC LTI Mixed-Settlement Unit that is outstanding, unvested and held by a CRC Group Employee as of immediately prior to the Effective Time (a “**CRC Employee Mixed-Settlement Unit**”) shall, upon the Effective Time, be converted into an award of incentive units granted under the CRC New Equity Plan with respect to a number of shares of CRC Common Stock equal to the CRC Share Number (a “**CRC MSU**”). Each CRC MSU described in the preceding sentence shall be subject to substantially the same terms and conditions after the Effective Time as the terms and conditions applicable to the corresponding CRC Employee Mixed-Settlement Unit immediately prior to the Effective Time (including vesting and the form of settlement (except that CRC Common Stock shall be substituted for OPC Common Stock)); provided, however, that from and after the Effective Time, the vesting of each CRC MSU shall be determined based upon continued service with the CRC Group rather than the OPC Group.

(b) Other Holders. Each OPC LTI Mixed-Settlement Unit that is outstanding and held by any Person other than a CRC Group Employee as of immediately prior to the Effective Time (an “**OPC Employee Mixed-Settlement Unit**”) shall, upon the Effective Time, be adjusted such that the number of shares of OPC Common Stock subject to such OPC LTI Mixed-Settlement Unit is the Adjusted OPC Share Number (such adjusted OPC LTI Mixed-Settlement Unit, an “**Adjusted OPC MSU**”). Other than as described in the preceding sentence, following the Effective Time the Adjusted OPC MSU shall remain subject to the same terms and conditions as applicable to the OPC LTI Mixed-Settlement Unit prior to the Effective Time.

Section 4.5 Restricted Stock Units and Director Stock Units.

(a) CRC Directors. Each OPC DSU that is outstanding and held by a CRC Director as of immediately prior to the Effective Time (a “**CRC Director DSU**”) shall, upon the Effective Time, be converted into a common stock unit granted under the CRC New Equity Plan with respect to a number of shares of CRC Common Stock equal to the CRC Share Number (a “**CRC DSU**”). Each CRC DSU described in the preceding sentence shall be subject to the same terms and conditions after the Effective Time as the terms and conditions applicable to the corresponding CRC Director DSU immediately prior to the Effective Time.

(b) OPC Directors. Each OPC DSU that is outstanding and held by an individual other than a CRC Director as of immediately prior to the Effective Time (an “**OPC Director DSU**”) shall, upon the Effective Time, be adjusted such that the number of shares of OPC Common Stock subject to such OPC Director DSU is the Adjusted OPC Share Number (an “**Adjusted OPC DSU**”). Other than as described in the preceding sentence, following the Effective Time the Adjusted OPC DSU shall remain subject to the same terms and conditions as applicable to the OPC DSU prior to the Effective Time.

(c) CRC Employees. Each OPC RSU that is outstanding and held by a CRC Group Employee as of immediately prior to the Effective Time (a “**CRC Employee RSU**”) shall, upon the Effective Time, be terminated at the Effective Time with the holder thereof entitled to receive, as soon as practicable following the Effective Time, (i) a number of CRC RSAs granted pursuant to the CRC New Equity Plan equal to the CRC Share Number and (ii) a payment from CRC with respect to any cash dividend equivalents that have accrued under such CRC Employee RSU and which remain unpaid as of the Effective Time (which payment shall (x) be determined based upon the level of performance assumed for purposes of determining the related CRC Share Number and (y) occur in no event later than March 15 of the calendar year following the calendar year in which the Effective Time occurs). Other than as described in the preceding sentence, following the Effective Time, the CRC RSAs shall remain subject to substantially the same terms and conditions as applicable to the CRC Employee RSU prior to the Effective Time (including vesting); provided, however that (A) if the CRC Employee RSU was subject to both time-based and performance-based vesting conditions immediately prior to the Effective Time, then from and after the Effective Time the vesting of such CRC RSAs shall continue to be subject to the time-based vesting conditions based upon continued service with the CRC Group and such CRC RSAs shall include such performance-based vesting conditions, if any, as may be determined by the OPC Committee in its sole discretion (which performance-based vesting conditions may be applicable to some recipients of such CRC RSAs and not other such recipients), and (B) such CRC RSAs shall have such other rights as are generally applicable to other CRC RSAs (including, without limitation, any such rights relating to voting and dividends).

(d) Other Holders. Each OPC RSU that is outstanding and held by any Person other than a CRC Group Employee as of immediately prior to the Effective Time (an “**OPC Employee RSU**”) shall, upon the Effective Time, be adjusted such that the number of shares of OPC Common Stock subject to such OPC RSU is the Adjusted OPC Share Number (such adjusted OPC RSU, an “**Adjusted OPC RSU**”). Other than as described in the preceding sentence, following the Effective Time the Adjusted OPC RSU shall remain subject to the same terms and conditions as applicable to the OPC RSU prior to the Effective Time.

Section 4.6 Long-Term Incentive Cash-Based and Cash-Settled Awards

(a) CRC Employees. Each OPC LTI Cash Award that is outstanding and held by a CRC Group Employee as of immediately prior to the Effective Time (a “**CRC Employee LTI Cash Award**”) shall, upon the Effective Time, be terminated at the Effective Time with the holder thereof entitled to receive, as soon as practicable following the Effective Time, a number of CRC RSAs granted pursuant to the CRC New Equity Plan equal to the quotient obtained by dividing (i) the target incentive amount applicable to such CRC Employee LTI Cash Award (provided, however, that if there is less than 12 months remaining in the performance period applicable to such CRC Employee LTI Cash Award, then the amount determined under this clause (i) shall be equal to the amount that would be payable under such CRC Employee LTI Cash Award based upon attainment of Actual LTI Performance), by (ii) the CRC Stock Value. Following the Effective Time, (x) the time-based vesting conditions applicable to the CRC Employee LTI Cash Award immediately prior to the Effective Time shall continue to apply to the CRC RSAs issued in accordance with the preceding sentence based solely upon continued service with the CRC Group rather than the OPC Group, (y) such CRC RSAs shall include such performance-based vesting conditions, if any, as may be determined by the OPC Committee in its sole discretion (which performance-based vesting conditions may be applicable to some recipients of such CRC RSAs and not other such recipients), and (z) such CRC RSAs shall have such other rights as are generally applicable to other CRC RSAs (including, without limitation, any such rights relating to voting and dividends).

(b) Other Holders. Each OPC LTI Cash Award that is outstanding and held by any Person other than a CRC Group Employee as of immediately prior to the Effective Time shall remain subject to the same terms and conditions as were applicable to such OPC LTI Cash Award prior to the Effective Time.

Section 4.7 Phantom Share Units

(a) CRC Employees. Each OPC Phantom Share Unit that is outstanding and held by a CRC Group Employee as of immediately prior to the Effective Time (a “**CRC Employee Phantom Share Unit**”) shall, upon the Effective Time, be terminated at the Effective Time with the holder thereof entitled to receive, as soon as practicable following the Effective Time, (i) a number of phantom share units (including dividend equivalent rights) with respect to CRC Common Stock (“**CRC Phantom Share Units**”) granted pursuant to the CRC New Equity Plan equal to the CRC Share Number and (ii) a payment from CRC with respect to any cash dividend equivalents that have accrued under such CRC Employee Phantom Share Unit and which remain unpaid as of the Effective Time (which payment shall occur in no event later than March 15 of the calendar year following the calendar year in which the Effective Time occurs). Other than as described in the preceding sentence, following the Effective Time, the CRC Phantom Share Units shall remain subject to substantially the same terms and conditions as applicable to the CRC Employee Phantom Share Unit prior to the Effective Time (including vesting).

(b) Other Holders. Each OPC Phantom Share Unit that is outstanding and held by any Person other than a CRC Group Employee as of immediately prior to the Effective Time (an “**OPC Employee Phantom Share Unit**”) shall, upon the Effective Time, be adjusted such that the number of shares of OPC Common Stock subject to such OPC Phantom Share Unit is the Adjusted OPC Share Number (such adjusted OPC Phantom Share Unit, an “**Adjusted OPC Phantom Share Unit**”). Other than as described in the preceding sentence, following the Effective Time the Adjusted OPC Phantom Share Unit shall remain subject to the same terms and conditions as applicable to the OPC Phantom Share Unit prior to the Effective Time.

Section 4.8 Section 16(b) of the Securities Exchange Act; Code Sections 162(m) and 409A

(a) Section 16(b) of the Securities Exchange Act. By approving the adoption of this Agreement, the respective Boards of Directors of each of OPC and CRC intend to exempt from the short-swing profit recovery provisions of Section 16(b) of the Securities Exchange Act of 1934, as amended, by reason of the application of Rule 16b-3 thereunder, all acquisitions and dispositions of equity incentive awards by directors and officers of each of the OPC Group and the CRC Group, and the respective Boards of Directors of OPC and CRC also intend expressly to approve, in respect of any equity-based award, the use of any method for the payment of an exercise price and the satisfaction of any applicable tax withholding (specifically including the actual or constructive tendering of shares in payment of an exercise price and the withholding of award shares from delivery in satisfaction of applicable tax withholding requirements) to the extent such method is permitted under the applicable OPC Equity Plan, CRC New Equity Plan and award agreement.

(b) Code Sections 162(m) and 409A. Notwithstanding anything in this Agreement to the contrary (including the treatment of supplemental and deferred compensation plans, outstanding long-term incentive awards and annual incentive awards as described herein), OPC and CRC agree to negotiate in good faith regarding the need for any treatment different from that otherwise provided herein to ensure that (i) a federal income tax deduction for the payment of such supplemental or deferred compensation or long-term incentive award, annual incentive award or other compensation is, to the extent prescribed under the terms of the applicable plan and award agreement, not limited by reason of Section 162(m) of the Code, and (ii) the treatment of such supplemental or deferred compensation or long-term incentive award, annual incentive award or other compensation does not cause the imposition of a penalty tax under Section 409A of the Code.

Section 4.9 Liabilities for Settlement of Awards. Except as provided for pursuant to Section 4.11, from and after the Effective Time (a) OPC shall be responsible for all Liabilities associated with OPC LTI Awards, including any exercise, share delivery, registration or other obligations related to the exercise, vesting or settlement of the OPC LTI Awards and (b) CRC shall be responsible for all Liabilities associated with CRC LTI Awards, including any exercise, share delivery, registration or other obligations related to the exercise, vesting or settlement of the CRC LTI Awards.

Section 4.10 Form S-8. Prior to, upon or as soon as reasonably practicable after the Effective Time and subject to applicable Law, CRC shall prepare and file with the Securities and Exchange Commission a registration statement on Form S-8 (or another appropriate form) registering under the Securities Act of 1933, as amended, the offering of a number of shares of CRC Common Stock at a minimum equal to the number of shares subject to the CRC LTI Awards. CRC shall use commercially reasonable efforts to cause any such registration statement to be kept effective (and the current status of the prospectus or prospectuses required thereby to be maintained) as long as any CRC LTI Awards remain outstanding.

Section 4.11 Tax Reporting and Withholding for Awards. OPC (or one of its Subsidiaries) will be responsible for all income, payroll, or other tax reporting related to income of Persons from equity-based and other long-term incentive awards outstanding pursuant to the OPC Equity Plans, and CRC (or one of its Subsidiaries) will be responsible for all income, payroll, or other tax reporting related to income of Persons from equity-based and other long-term incentive awards granted under the CRC New Equity Plan. Further, OPC (or one of its Subsidiaries) shall be responsible for remitting applicable tax withholdings for Persons who hold equity-based and other long-term incentive awards outstanding pursuant to the OPC Equity Plans to each applicable taxing authority, and CRC (or one of its Subsidiaries) shall be responsible for remitting applicable tax withholdings for Persons who hold equity-based and other long-term incentive awards granted under the CRC New Equity Plan to each applicable taxing authority. OPC and CRC acknowledge and agree that the Parties will cooperate with each other and with third-party providers to effectuate withholding and remittance of taxes, as well as required tax reporting, in a timely, efficient, and appropriate manner.

Section 4.12 Approval of CRC New Equity Plan and CRC ESPP. Not later than the Effective Time, CRC shall, or shall have caused a CRC Entity to, have adopted the CRC New Equity Plan and the CRC ESPP. The CRC New Equity Plan and the CRC ESPP shall each be approved prior to the Effective Time by the member of the OPC Group that is the sole shareholder of CRC at the time of such approval.

ARTICLE V
BONUS AND SHORT-TERM INCENTIVE PLANS

Section 5.1 **Treatment of Short-Term Incentives for Year of Initial Distribution.** From and after the Effective Time, CRC Group Employees and Former CRC Group Employees shall cease participation in the annual bonus and short-term cash incentive compensation opportunities under the OPC Short-Term Incentive Plans and shall, for the avoidance of doubt, not be entitled to any benefits thereunder for the year in which the Distribution Date occurs. With respect to the year in which the Distribution Date occurs, CRC shall, or shall cause another CRC Entity to, provide each CRC Group Employee and Former CRC Group Employee who participated in an OPC Short-Term Incentive Plan and otherwise meets all service-based and other requirements to receive an award, with an annual bonus payment determined based upon the performance of OPC under the applicable OPC Short-Term Incentive Plan for the entire year in which the Distribution Date occurs ("***OPC Full Year Performance***"). As soon as practicable, and in no event later than sixty (60) days following the end of the year in which the Distribution Date occurs, OPC shall inform CRC in writing of the OPC Full Year Performance.

Section 5.2 **Plan Liabilities.** For the avoidance of doubt, (i) the CRC Group shall be solely responsible for funding, paying, and discharging all obligations relating to any annual cash incentive awards that any CRC Group Employee or Former CRC Group Employee is eligible to receive under any CRC Group annual bonus and other short-term incentive compensation plans with respect to payments made beginning at or after the Effective Time, and no member of the OPC Group shall have any obligations with respect thereto, and (ii) the OPC Group shall be solely responsible for funding, paying, and discharging all obligations relating to any annual cash incentive awards that any OPC Group Employee or Former OPC Group Employee is eligible to receive under any OPC annual bonus and other short-term incentive compensation plans with respect to payments made beginning at or after the Effective Time, including the OPC Short-Term Incentive Plans, and no member of the CRC Group shall have any obligations with respect thereto.

ARTICLE VI
QUALIFIED DEFINED BENEFIT PLANS

Section 6.1 **Retention of CRC Group Defined Benefit Plans.** At or prior to the Effective Time, CRC shall take all actions necessary (if any) to provide for the retention by the applicable CRC Entity of the sponsorship of each CRC Group Defined Benefit Plan. Except as expressly set forth in Section 6.2, from and after the Effective Time (a) the CRC Group shall be solely responsible for (and CRC (on behalf of the CRC Group) hereby indemnifies and agrees to hold harmless the OPC Group from) all Liabilities and obligations pursuant to the CRC Group Defined Benefit Plans (regardless of whether such Liabilities relate to a CRC Group Employee, Former CRC Group Employee, OPC Group Employee or Former OPC Group Employee) and (b) OPC Group Employees shall cease active participation in all CRC Group Defined Benefit Plans.

Section 6.2 **Transfer of Assets.** As soon as practicable and in no event later than 60 days following the Effective Time, CRC shall, or shall cause a CRC Entity to, establish one or more trusts which relate to the THUMS Pension Plan and are exempt from taxation under Section 501(a) of the Code (together, the "***CRC Pension Trust***"). No later than 60 days following the establishment of the CRC Pension Trust, OPC shall, or shall cause the appropriate OPC Entity to, cause the OPC Master Trust to transfer all Assets in the OPC Master Trust which are held for purposes of providing benefits pursuant to the THUMS Pension Plan (the "***CRC Pension Assets***") to the CRC Pension Trust (the date of such transfer, the "***Pension Transfer Date***"). The transfer of the CRC Pension Assets shall be in the form of cash or such other Assets as may be selected by the appropriate fiduciary of the OPC Master Trust in its sole discretion. Through and including the Pension Transfer Date, OPC shall remain primarily responsible for causing benefits due under the THUMS Pension Plan through such date to be paid from the OPC Master Trust, with any such benefits paid reducing the CRC Pension Assets. In connection with the transfer of CRC Pension Assets, the Parties (each acting directly or through their respective Affiliates) shall, to the extent necessary, file Internal Revenue Service Form 5310-A regarding the transfer of CRC Pension Assets from the OPC Master Trust to the CRC Pension Trust as provided in this Section 6.2.

Section 6.3 **OPC Defined Benefit Plans.** From and after the Effective Time, CRC Group Employees shall cease active participation in all OPC Defined Benefit Plans, and shall not accrue credit for any purposes under the OPC Defined Benefit Plans with respect to service with the CRC Group after the Effective Time. The applicable OPC Entities shall retain sponsorship of the OPC Defined Benefit Plans, and each OPC Defined Benefit Plan shall retain all Liabilities with respect to all benefits accrued thereunder (including with respect to CRC Group Employees and Former CRC Group Employees).

ARTICLE VII
QUALIFIED DEFINED CONTRIBUTION PLANS

Section 7.1 **Retention of CRC Existing Defined Contribution Plans.** At or prior to the Effective Time, CRC shall take all actions necessary (if any) to provide for the retention by the applicable CRC Entity of the sponsorship of each CRC Existing Defined Contribution Plan. From and after the Effective Time (a) the CRC Group shall be solely responsible for (and CRC (on behalf of the CRC Group) hereby indemnifies and agrees to hold harmless the OPC Group from) all Liabilities and obligations pursuant to the CRC Existing Defined Contribution Plans (regardless of whether such Liabilities relate to a CRC Group Employee, Former CRC Group Employee, OPC Group Employee or Former OPC Group Employee) and (b) OPC Group Employees shall cease active participation in all CRC Existing Defined Contribution Plans.

Section 7.2 **Establishment of the CRC Defined Contribution Plans.** As of the Effective Time, CRC shall, or shall cause another CRC Entity to, establish one or more qualified defined contribution plans and trusts for the benefit of CRC Group Employees who were eligible to participate in the OPC Defined Contribution Plans (the "***CRC Defined Contribution Plans***"), at least one of which provides for a cash or deferred arrangement under Section 401(k) of the Code. CRC shall be responsible for taking all necessary, reasonable, and appropriate action to establish, maintain, and administer the CRC Defined Contribution Plans so that each such plan is qualified under Section 401(a) of the Code and that the related trust thereunder is exempt under Section 501(a) of the Code. CRC (acting directly or through its Affiliates) shall be responsible for any and all Liabilities and other obligations with respect to the CRC Defined Contribution Plans.

Section 7.3 **Vesting of CRC Employee Accounts.** Effective as of the Effective Time, OPC shall, or shall cause the appropriate OPC Entity to, fully vest each CRC Group Employee in his or her account balance in each OPC Defined Contribution Plan.

Section 7.4 **CRC Group Employee Account Balances.** CRC or the appropriate CRC Entity shall cause the appropriate CRC Defined Contribution Plan to accept the direct rollover of each CRC Group Employee's account distributed from an OPC Defined Contribution Plan (including any notes representing participant loans); provided, however, that such direct rollover consists solely of cash (other than notes representing participant loans).

ARTICLE VIII
NONQUALIFIED DEFERRED COMPENSATION PLANS

Section 8.1 **Retention of CRC Existing Deferred Compensation Plan.** At or prior to the Effective Time, CRC shall take all actions necessary (if any) to provide for the retention by the applicable CRC Entity of the sponsorship of the CRC Existing Deferred Compensation Plan. From and after the Effective Time (a) the CRC Group shall be solely responsible for (and CRC (on behalf of the CRC Group) hereby indemnifies and agrees to hold harmless the OPC Group from) all Liabilities and obligations pursuant to the CRC Existing Deferred Compensation Plan (regardless of whether such Liabilities relate to a CRC Group Employee, Former CRC Group Employee, OPC Group Employee or Former OPC Group Employee) and (b) OPC Group Employees shall cease active participation in the CRC Existing Deferred Compensation Plan.

Section 8.2 **Establishment of CRC Deferred Compensation Plans.** On or prior to the Effective Time, CRC shall, or shall cause another CRC Entity to, establish and adopt one or more deferred compensation plans (the "***CRC Deferred Compensation Plan***") to provide each CRC Group Employee who was eligible to participate in one or more OPC Deferred Compensation Plans as of immediately prior to the Effective Time (the "***CRC Deferred Compensation Beneficiaries***") benefits following the Effective Time. As of the Effective Time, the CRC Group Employees shall no longer participate in the OPC Deferred Compensation Plans. The Parties agree that, for purposes of the CRC Deferred Compensation Plans, the employment of a CRC Deferred Compensation Beneficiary shall not be considered to have terminated (and, for the avoidance of doubt, such CRC Deferred Compensation Beneficiary shall not be deemed to have incurred a "separation from service") as a result of the Distribution or the transfer of employment from OPC (or an OPC Entity) to CRC (or a CRC Entity), and such employment shall only be considered to terminate for purposes of the applicable CRC Deferred Compensation Plans when the employment of such CRC Deferred Compensation Beneficiary with the CRC Group terminates in accordance with the terms of the applicable CRC Deferred Compensation Plan and applicable Laws.

Section 8.3 **Liability and Responsibility.** The Liabilities in respect of CRC Deferred Compensation Beneficiaries under the OPC Deferred Compensation Plans are hereby assumed by CRC, effective as of the Effective Time. CRC shall have sole responsibility for the administration of the CRC Deferred Compensation Plans and the payment of benefits thereunder to or on behalf of CRC Group Employees, and no member of the OPC Group shall have any liability or responsibility therefor. OPC shall have sole responsibility for the

administration of the OPC Deferred Compensation Plans and the payment of benefits thereunder to or on behalf of OPC Group Employees, Former OPC Group Employees and Former CRC Group Employees, and no member of the CRC Group shall have any liability or responsibility therefor.

Section 8.4 **Special Provisions Relating to 2005 Deferred Stock Program.** At the Effective Time, the number of “Deferred Shares” credited to each “Deferred Share Account” (as each such term is defined in the OPC DSP) under the OPC DSP shall be adjusted such that such number of Deferred Shares (each of which is deemed to represent one share of OPC Common Stock) shall equal the product of (a) the number of Deferred Shares credited to such Deferred Share Account immediately prior to the Effective Time multiplied by (b) the OPC Equity Award Ratio (rounded up to the nearest whole number). The Parties agree that, for purposes of the OPC DSP, the employment of any CRC Group Employee with an account balance under the OPC DSP as of the Effective Time shall not be considered to have terminated (and, for the avoidance of doubt, such CRC Group Employee shall not be deemed to have a “separation from service”) as a result of the Distribution or the transfer of employment from OPC (or an OPC Entity) to CRC (or a CRC Entity), and such employment shall only be considered to terminate for purposes of the OPC DSP when such CRC Group Employee incurs a “separation from service” (as defined under the OPC DSP in a manner consistent with Section 409A of the Code) with the CRC Group. OPC shall have sole responsibility for the administration of the OPC DSP and the provision of benefits thereunder to or on behalf of all Employees, and no member of the CRC Group shall have any liability or responsibility therefor; provided, however, that, CRC shall notify OPC in writing no later than 10 days following the date any CRC Group Employee with an account balance under the OPC DSP as of the Effective Time incurs a “separation from service” (as defined under the OPC DSP in a manner consistent with Section 409A of the Code) with the CRC Group.

ARTICLE IX WELFARE PLANS

Section 9.1 **Retention of CRC Existing Welfare Plans.** At or prior to the Effective Time, CRC shall take all actions necessary (if any) to provide for the retention by the applicable CRC Entity of the sponsorship of each CRC Existing Welfare Plan. From and after the Effective Time (a) the CRC Group shall be solely responsible for (and CRC (on behalf of the CRC Group) hereby indemnifies and agrees to hold harmless the OPC Group from) all Liabilities and obligations pursuant to the CRC Existing Welfare Plans (regardless of whether such Liabilities relate to a CRC Group Employee, Former CRC Group Employee, OPC Group Employee or Former OPC Group Employee) and (b) OPC Group Employees shall cease active participation in all CRC Existing Welfare Plans.

Section 9.2 **Establishment of CRC Welfare Plans.** On or prior to the Effective Time, CRC shall, or shall cause another CRC Entity to, establish and adopt Welfare Plans (the “**CRC Welfare Plans**”) which will provide welfare benefits to each CRC Group Employee and Former CRC Group Employee who is, as of the Effective Time, a participant in any of the OPC Welfare Plans (and their eligible spouses and dependents, as the case may be) (collectively, the “**CRC Welfare Plan Participants**”). Coverage and benefits under the CRC Welfare Plans shall then be provided to the CRC Welfare Plan Participants on an uninterrupted basis under the newly established CRC Welfare Plans. CRC Welfare Plan Participants shall cease to be eligible for coverage under the OPC Welfare Plans at the Effective Time. For the avoidance of doubt, CRC Welfare Plan Participants shall not participate in any OPC Welfare Plans after the Effective Time, and OPC Group Employees and Former OPC Group Employees shall not participate in any CRC Welfare Plans at any time.

Section 9.3 **Special Provisions Relating to Post-Retirement Welfare Plans.** On or prior to the Effective Time, CRC shall, or shall cause another CRC Entity to, establish and adopt Welfare Plans (the “**CRC Post-Retirement Welfare Plans**”) which will provide post-retirement welfare benefits to each CRC Group Employee who is, as of the Effective Time, eligible to participate in any OPC Post-Retirement Welfare Plan (and their eligible spouses and dependents, as the case may be) (collectively, the “**CRC Post-Retirement Welfare Plan Participants**”). Former CRC Group Employees who are, as of the Effective Time, receiving or are eligible to receive benefits pursuant to an OPC Post-Retirement Welfare Plan shall, subject to the terms thereof, continue to be covered or be eligible to be covered by such OPC Post-Retirement Welfare Plan and shall not be covered by or be eligible to be covered by any CRC Post-Retirement Welfare Plans. Notwithstanding any provision herein to the contrary, CRC agrees that the CRC Post-Retirement Welfare Plans, and OPC agrees that the OPC Post-Retirement Welfare Plans, will be operated in accordance with the requirements set forth on Schedule 9.3.

Section 9.4 **Transitional Matters Under CRC Welfare Plans.**

(a) **Liability for Claims Incurred.** OPC hereby agrees to be liable (or to cause a member of the OPC Group or the applicable OPC Welfare Plan to be liable) for all claims for benefits (other than flexible spending accounts) by CRC Welfare Plan Participants under the OPC Welfare Plans arising out of claims incurred on or prior to the Effective Time. CRC hereby agrees to be liable (or to cause a member of the CRC Group to be liable) for all other Welfare Plan coverages for CRC Welfare Plan Participants under any Welfare Plan for which OPC, a member of the OPC Group or the applicable OPC Welfare Plan is not expressly liable, as set forth above.

(b) **Credit for Deductibles and Other Limits.** With respect to each CRC Welfare Plan Participant, each CRC Welfare Plan will give credit for the plan year in which the Distribution Date occurs for any amount paid, number of services obtained or provider visits by such CRC Welfare Plan Participant toward deductibles, out-of-pocket maximums, limits on number of services or visits, or other similar limitations to the extent such amounts are taken into account under the corresponding OPC Welfare Plan. For purposes of any life-time maximum benefit limit payable to a CRC Welfare Plan Participant under any CRC Welfare Plan, the CRC Welfare Plan will recognize any expenses paid or reimbursed by an OPC Welfare Plan with respect to such participant prior to the Effective Time to the same extent such expense payments or reimbursements would be recognized in respect of an active plan participant under the applicable OPC Welfare Plan.

(c) **COBRA.** At and after the Effective Time, CRC hereby assumes all Liabilities and other obligations under COBRA (and shall provide any required coverage under the CRC Welfare Plans) with respect to all CRC Group Employees and Former CRC Group Employees (and, in either case, their qualifying beneficiaries) who, at such time, were covered under an OPC Welfare Plan pursuant to COBRA or who have a COBRA qualifying event (as defined in Section 4980B of the Code) prior to the Effective Time.

Section 9.5 **Benefit Elections and Designations and Continuity of Benefits.**

(a) **Benefit Elections and Designations.** From and after the Effective Time, CRC or the appropriate CRC Entity shall cause each CRC Welfare Plan to recognize and give effect to all elections and designations (including all coverage and contribution elections and beneficiary designations) made by each CRC Welfare Plan Participant under, or with respect to, the corresponding OPC Welfare Plan for the plan year in which the Distribution Date occurs. Notwithstanding the foregoing, nothing in this Section 9.5(a) will prohibit CRC from soliciting or causing the solicitation of new election forms or beneficiary designations from CRC Welfare Plan Participants to be effective under the CRC Welfare Plan as of the Distribution Date or any time thereafter.

(b) **Additional Details Regarding Flexible Spending Accounts.** Pursuant to Section 9.2, at or prior to the Effective Time, CRC shall, or shall cause another CRC Entity to, establish and adopt CRC Welfare Plans which will provide health care flexible spending account and dependent care flexible spending account benefits to CRC Welfare Plan Participants (each a “**CRC FSA**”).

(i) It is the intention of the Parties that all activity under a CRC Welfare Plan Participant’s flexible spending account with OPC for the plan year in which the Distribution Date occurs be treated instead as activity under the corresponding CRC FSA. Accordingly, (x) any period of participation by a CRC Welfare Plan Participant in an OPC flexible spending account during the plan year in which the Distribution Date occurs (the “**FSA Participation Period**”) will be deemed a period when the CRC Welfare Plan Participant participated in the corresponding CRC FSA; (y) all expenses incurred during the FSA Participation Period will be deemed incurred while the CRC Welfare Plan Participant’s coverage was in effect under the corresponding CRC FSA; and (z) all elections and reimbursements made with respect to an FSA Participation Period under an OPC flexible spending account will be deemed to have been made with respect to the corresponding OPC FSA.

(ii) If the aggregate reimbursement payouts made to CRC Welfare Plan Participants prior to the Effective Time from the applicable OPC Welfare Plan flexible spending accounts during the plan year in which the Distribution Date occurs are less than the aggregate accumulated contributions to such accounts made by such CRC Welfare Plan Participants prior to the Effective Time for such plan year, OPC shall cause an amount equal to the amount by which such contributions are in excess of such reimbursement payouts to be transferred to CRC (or a CRC Entity designated by CRC) by wire transfer of immediately available funds as soon as practicable, but in no event later than 45 days, following the Effective Time.

(iii) If the aggregate reimbursement payouts made to CRC Welfare Plan Participants prior to the Effective Time from the applicable OPC Welfare Plan flexible spending accounts during the plan year in which the Distribution Date occurs exceed the aggregate accumulated contributions to such accounts made by the CRC Welfare Plan Participants prior to the Effective Time for such plan year, CRC shall cause an amount equal to the amount by which such reimbursement payouts are in excess of such contributions to be transferred to OPC (or an OPC Entity designated by OPC) by wire transfer of immediately available funds as soon as practicable, but in no event later than 45 days, following the Effective Time.

(iv) Notwithstanding anything to the contrary in this [Section 9.5\(b\)](#), at and after the Effective Time, CRC (on behalf of the CRC Group) hereby assumes, and shall cause the appropriate CRC FSA to be solely responsible for, all claims by CRC Welfare Plan Participants under the applicable OPC Welfare Plan flexible spending accounts that were incurred in the plan year in which the Distribution Date occurs, whether incurred prior to, on, or after the Effective Time, that have not been paid in full as of the Effective Time.

(c) **Employer Non-elective Contributions.** As of immediately after the Effective Time, CRC shall cause any CRC Welfare Plan that constitutes a “cafeteria plan” under Section 125 of the Code to recognize and give effect to all non-elective employer contributions credited toward coverage of a CRC Welfare Plan Participant under the corresponding OPC Welfare Plan that is a cafeteria plan under Section 125 of the Code for the applicable plan year.

(d) **Waiver of Conditions or Restrictions.** Unless prohibited by applicable Law or a Collective Bargaining Agreement, the CRC Welfare Plans will waive all limitations as to preexisting conditions, exclusions, service conditions, waiting period limitations or evidence of insurability requirements that would otherwise be applicable to the CRC Welfare Plan Participant following the Effective Time to the extent that such participant had previously satisfied such limitation under the corresponding OPC Welfare Plan.

Section 9.6 Insurance Contracts. To the extent any OPC Welfare Plan is funded through the purchase of an insurance contract or is subject to any stop loss contract, OPC and CRC will cooperate and use their commercially reasonable efforts to replicate such insurance contracts for CRC (except for design changes and to the extent changes are required under applicable state insurance Laws or filings by the respective insurers) and to maintain any pricing discounts or other preferential terms for both OPC and CRC for a reasonable term. Neither Party shall be liable for failure to obtain such insurance contracts, pricing discounts, or other preferential terms for the other Party. Each Party shall be responsible for any additional premiums, charges, or administrative fees that such Party may incur pursuant to this [Section 9.6](#).

Section 9.7 Third-Party Vendors. Except as provided below, to the extent any OPC Welfare Plan is administered by a third-party vendor, OPC and CRC will cooperate and use their commercially reasonable efforts to replicate any contract with such third-party vendor for CRC (except for changes agreed to by the Parties) and to maintain any pricing discounts or other preferential terms for both OPC and CRC for a reasonable term. Neither Party shall be liable for failure to obtain such pricing discounts or other preferential terms for the other Party. Each Party shall be responsible for any additional premiums, charges, or administrative fees that such Party may incur pursuant to this [Section 9.7](#).

ARTICLE X WORKERS' COMPENSATION AND UNEMPLOYMENT COMPENSATION

Section 10.1 CRC Workers' and Unemployment Compensation. Effective as of the Effective Time, (a) the CRC Entity employing each CRC Group Employee shall have (and, to the extent it has not previously had such obligations, CRC hereby assumes on behalf of such CRC Entity) the obligations for all claims and Liabilities relating to workers' compensation and unemployment compensation benefits for all CRC Group Employees employed by that CRC Entity and (b) CRC hereby assumes all obligations for all claims and Liabilities relating to workers' compensation and unemployment compensation benefits for all Former CRC Group Employees. Effective as of the Effective Time, CRC, acting through the CRC Entity employing each CRC Group Employee, will be responsible for (a) obtaining workers' compensation insurance, including providing all collateral required by the insurance carriers and providing all notices to CRC Group Employees required by applicable workers' compensation Laws and (b) establishing new or transferred unemployment insurance employer accounts, policies and claims handling contracts with the applicable government agencies. To the extent that such unemployment insurance coverage cannot be either assigned to or obtained by CRC or a CRC Entity, in respect of unemployment claims and Liabilities otherwise assumed by CRC or a CRC Entity pursuant to this [Section 10.1](#), OPC shall remain primarily liable for such claims and Liabilities, but CRC hereby agrees to indemnify and hold harmless OPC for any such claims and Liabilities. If the preceding sentence applies, then at one or more mutually agreed upon dates, OPC shall determine in good faith the present value of such claims and Liabilities and CRC shall reimburse OPC for that amount.

Section 10.2 Assignment of Contribution Rights. Effective as of the Effective Time, OPC hereby transfers and assigns (on behalf of the OPC Group) to the CRC Group all rights to seek contribution or damages from any applicable third party (such as a third party who aggravates an injury to a worker who makes a workers' compensation claim) with respect to any workers' compensation claim for which CRC is responsible for pursuant to this [Article X](#).

Section 10.3 Collateral. From and after the Effective Time, CRC (acting directly or through a member of the CRC Group) shall be responsible for providing all collateral required by insurance carriers in connection with workers' compensation claims for which Liability is allocated to the CRC Group under this [Article X](#).

Section 10.4 Cooperation. CRC and OPC shall use commercially reasonable efforts to provide that workers' compensation and unemployment insurance costs are not adversely affected for either of them by reason of the Distribution.

ARTICLE XI SEVERANCE

Section 11.1 Establishment of CRC Severance Program. Effective as of the Effective Time, CRC shall, or shall cause another CRC Entity to, establish and adopt one or more severance plans, policies or arrangements at such levels and subject to such terms as CRC determines in its reasonable discretion. As of the Effective Time, the CRC Group Employees shall no longer participate in any severance plan, policy or program of the OPC Group.

Section 11.2 Liability for Severance. As of the Effective Time, OPC shall have no Liability or obligation under any OPC Group severance plan or policy with respect to CRC Group Employees or Former CRC Group Employees.

ARTICLE XII BENEFIT ARRANGEMENTS AND OTHER MATTERS

Section 12.1 Termination of Participation. Except as otherwise provided under this Agreement, effective as of the Effective Time, CRC Group Employees shall cease participation in each OPC Benefit Plan and shall no longer be eligible to participate in any OPC Benefit Plan.

Section 12.2 Accrued Time Off. CRC shall recognize and hereby assumes, effective as of the Effective Time, all Liability for all unused vacation, holiday, sick leave, flex days, personal days and paid-time off and other time-off benefits with respect to CRC Group Employees which accrued prior to the Effective Time.

Section 12.3 Leaves of Absence. CRC will continue to apply the appropriate leave of absence policies applicable to inactive CRC Group Employees who are on an approved leave of absence as of the Effective Time. Leaves of absence taken by CRC Group Employees prior to the Effective Time shall be deemed to have been taken as employees of a member of the CRC Group.

Section 12.4 Collective Bargaining Agreements. The OPC Group shall have no Liability for or under any collective bargaining agreements, collective agreements, multiemployer plans, pension and welfare plans and arrangements, labor union, trade union or works council agreements that related to the CRC Business and which were entered into with any member of the OPC Group, any union, works council, or representative of any CRC Group Employee, and such agreements, plans, and arrangements (if any) are hereby, to the extent permitted under applicable Law and their respective terms, assigned from the applicable OPC Entity to CRC effective as of the Effective Time and CRC shall cooperate in submitting and completing any required successor employer application, or similar application or notice, in order to effectuate any such assignment.

Section 12.5 Restrictive Covenants in Employment and Other Agreements. To the fullest extent permitted by the agreements described in this [Section 12.5](#) and applicable Law, OPC hereby assigns (on behalf of the OPC Group) to the CRC Group all agreements containing restrictive covenants (including confidentiality, non-competition and non-solicitation provisions) between a member of the OPC Group and a CRC Group Employee, with such assignment to be effective as of the Effective Time. To the extent that assignment of such agreements is not permitted, effective as of the Effective Time, each member of the CRC Group shall be considered to be a successor to each member of the OPC Group for purposes of, and a third-party beneficiary with respect to, all agreements containing restrictive covenants (including confidentiality, non-competition and non-solicitation provisions) between a member of the OPC Group and a CRC Group Employee, such that each member of the CRC Group shall enjoy all the rights and benefits under such agreements (including rights and benefits as a third-party beneficiary), with respect to the business operations of the CRC Group; provided, however, that in no event shall OPC be permitted to enforce such restrictive covenant agreements against CRC Group Employees for action taken in their capacity as employees of a member of the CRC Group.

ARTICLE XIII GENERAL PROVISIONS

Section 13.1 **Preservation of Rights to Amend.** The rights of each member of the OPC Group and each member of the CRC Group to amend, waive, or terminate any plan, arrangement, agreement, program, or policy referred to herein shall not be limited in any way by this Agreement.

Section 13.2 **Confidentiality.** Each Party agrees that any information conveyed or otherwise received by or on behalf of a Party in conjunction herewith that is not otherwise public through no fault of such Party is confidential and is subject to the terms of the confidentiality provisions set forth herein and in the Separation Agreement, including Section 3.3(f) of this Agreement and Section 7.7 of the Separation Agreement.

Section 13.3 **Administrative Complaints/Litigation.** Except as otherwise provided in this Agreement, from and after the Effective Time, CRC hereby assumes, and shall be solely liable for, the handling, administration, investigation, and defense of actions, including ERISA, occupational safety and health, employment standards, union grievances, wrongful dismissal, discrimination or human rights, and unemployment compensation claims asserted at any time against OPC or any member of the OPC Group by (a) any CRC Group Employee or Former CRC Group Employee (including any dependent or beneficiary of any such Employee), (b) any consultant or independent contractor who provided or provides services primarily for the benefit of the CRC Business or (c) any other person to the extent such actions or claims otherwise arise out of or relate to employment or the provision of services (whether as an employee, contractor, consultant, or otherwise) to or with respect to the business activities of any member of the CRC Group. Clause (c) of the preceding sentence to the contrary notwithstanding, to the extent that any such legal action is brought by an OPC Group Employee or Former OPC Group Employee and relates to employment or the provision of services with respect to both the business activities of a member of the CRC Group and the business activities of a member of the OPC Group (excluding the CRC Group), reasonable costs and expenses incurred by the Parties in responding to such legal action shall be allocated among the Parties based upon the relative levels of service provided between the CRC Business and the businesses of the OPC Group other than the CRC Business. Further notwithstanding the foregoing, to the extent that any legal action relates to a putative or certified class of plaintiffs, which includes both OPC Group Employees (or Former OPC Group Employees) and CRC Group Employees (or Former CRC Group Employees) and such action involves employment or benefit plan related claims, reasonable costs and expenses incurred by the Parties in responding to such legal action shall be allocated among the Parties equitably in proportion to a reasonable assessment of the relative proportion of Employees included in or represented by the putative or certified plaintiff class. The procedures contained in the indemnification and related litigation cooperation provisions of the Separation Agreement shall apply with respect to each Party's indemnification obligations under this Section 13.3.

Section 13.4 **Reimbursement and Indemnification.** To the extent provided for under this Agreement, each Party agrees to reimburse the other Party, within 30 days of receipt from the other Party of reasonable verification, for all costs and expenses which the other Party may incur on its behalf as a result of any of the respective OPC and CRC Benefit Plans and, as contemplated by Article XI, any termination or severance payments or benefits. All Liabilities retained, assumed, or indemnified against by CRC pursuant to this Agreement, and all Liabilities retained, assumed, or indemnified against by OPC pursuant to this Agreement, shall in each case be subject to the indemnification provisions of the Separation Agreement. Notwithstanding anything to the contrary, (i) no provision of this Agreement shall require any member of the CRC Group to pay or reimburse to any member of the OPC Group any benefit-related cost item that a member of the CRC Group has paid or reimbursed to any member of the OPC Group prior to the Effective Time, and (ii) no provision of this Agreement shall require any member of the OPC Group to pay or reimburse to any member of the CRC Group any benefit-related cost item that a member of the OPC Group has paid or reimbursed to any member of the CRC Group prior to the Effective Time.

Section 13.5 **Costs of Compliance with Agreement.** Except as otherwise provided in this Agreement or any other Transfer Document, each Party shall pay its own expenses in fulfilling its obligations under this Agreement.

Section 13.6 **Fiduciary Matters.** OPC and CRC each acknowledges that actions required to be taken pursuant to this Agreement may be subject to fiduciary duties or standards of conduct under ERISA or other applicable Law, and no Party shall be deemed to be in violation of this Agreement if it fails to comply with any provisions hereof based upon its good-faith determination (as supported by advice from counsel experienced in such matters) that to do so would violate such a fiduciary duty or standard. Each Party shall be responsible for taking such actions as are deemed necessary and appropriate to comply with its own fiduciary responsibilities and shall fully release and indemnify the other Party for any Liabilities caused by the failure to satisfy any such responsibility.

Section 13.7 **Entire Agreement.** This Agreement, together with the documents referenced herein (including the Separation Agreement, the Transfer Documents and the plans and agreements referenced herein), constitutes the entire agreement and understanding among the Parties with respect to the subject matter hereof and supersedes all prior written and oral and all contemporaneous oral agreements and understandings with respect to the subject matter hereof. Any conflicts between the provisions of this Agreement and the Separation Agreement (and the agreements referenced therein) or any Transfer Document shall be addressed in the manner set forth in Section 8.6 of the Separation Agreement.

Section 13.8 **Binding Effect; No Third-Party Beneficiaries; Assignment.** This Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns. Except as otherwise expressly provided in this Agreement, this Agreement is solely for the benefit of the Parties and should not be deemed to confer upon any third parties any remedy, claim, Liability, reimbursement, cause of action, or other right in excess of those existing without reference to this Agreement. Nothing in this Agreement is intended to amend any employee benefit plan or affect the applicable plan sponsor's right to amend or terminate any employee benefit plan pursuant to the terms of such plan. The provisions of this Agreement are solely for the benefit of the Parties, and no current or former Employee, officer, director, or independent contractor or any other individual associated therewith shall be regarded for any purpose as a third-party beneficiary of this Agreement. This Agreement may not be assigned by any Party, except with the prior written consent of the other Party.

Section 13.9 **Amendment; Waivers.** No change or amendment may be made to this Agreement except by an instrument in writing signed on behalf of each of the Parties. Any Party may, at any time, (i) extend the time for the performance of any of the obligations or other acts of the other Party, (ii) waive any inaccuracies in the representations and warranties of the other Party contained herein or in any document delivered pursuant hereto, and (iii) waive compliance by the other Party with any of the agreements, covenants, or conditions contained herein. Any such extension or waiver shall be valid only if set forth in an instrument in writing signed by the Party to be bound thereby. No failure or delay on the part of any Party in the exercise of any right hereunder shall impair such right or be construed to be a waiver of, or acquiescence in, any breach of any representation, warranty, covenant, or agreement contained herein, nor shall any single or partial exercise of any such right preclude other or further exercises thereof or of any other right.

Section 13.10 **Remedies Cumulative.** All rights and remedies existing under this Agreement or the Schedules attached hereto are cumulative to, and not exclusive of, any rights or remedies otherwise available.

Section 13.11 **Notices.** Unless otherwise expressly provided herein, all notices, claims, certificates, requests, demands and other communications hereunder shall be in writing and shall be deemed to be duly given: (i) when personally delivered, (ii) if mailed by registered or certified mail, postage prepaid, return receipt requested, on the date the return receipt is executed or the letter is refused by the addressee or its agent, (iii) if sent by overnight courier which delivers only upon the executed receipt of the addressee, on the date the receipt acknowledgment is executed or refused by the addressee or its agent, or (iv) if sent by facsimile or electronic mail, on the date confirmation of transmission is received (provided that a copy of any notice delivered pursuant to this clause (iv) shall also be sent pursuant to clause (i), (ii) or (iii)), addressed to the attention of the addressee's General Counsel at the address of its principal executive office or to such other address or facsimile number for a Party as it shall have specified by like notice.

Section 13.12 **Counterparts.** This Agreement, including the Schedules hereto and the other documents referred to herein, may be executed in multiple counterparts, each of which when executed shall be deemed to be an original but all of which together shall constitute one and the same agreement.

Section 13.13 **Severability.** If any term or other provision of this Agreement or the Schedules attached hereto is determined by a non-appealable decision by a court, administrative agency, or arbitrator to be invalid, illegal, or incapable of being enforced by any rule of Law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal, or incapable of being enforced, the court, administrative agency, or arbitrator shall interpret this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the fullest extent possible. If any sentence in this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as is enforceable.

Section 13.14 **Governing Law.** This Agreement (and any claims or disputes arising out of or related hereto or thereto or to the transactions contemplated hereby and thereby or to the inducement of any Party to enter herein and therein, whether for breach of contract, tortious conduct, or otherwise and whether predicated on common law, statute, or otherwise) shall be governed by and construed and interpreted in accordance with the Laws of the State of Texas irrespective of the choice of laws principles of the State of Texas, including all matters of validity, construction, effect, enforceability, performance, and remedies.

Section 13.15 **Dispute Resolution.** The procedures set forth in Article IV of the Separation Agreement shall apply to any dispute, controversy or claim (whether sounding in contract, tort or otherwise) that arises out of or relates to this Agreement, any breach or alleged breach hereof, the transactions contemplated hereby (including all actions taken in

furtherance of the transactions contemplated hereby on or prior to the date hereof), or the construction, interpretation, enforceability, or validity hereof.

Section 13.16 **Performance.** Each of OPC and CRC shall cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth herein to be performed by any member of the OPC Group and any member of the CRC Group, respectively. The Parties each agree to take such further actions and to execute, acknowledge, and deliver, or to cause to be executed, acknowledged, and delivered, all such further documents as are reasonably requested by the other for carrying out the purposes of this Agreement or of any document delivered pursuant to this Agreement.

Section 13.17 **Construction.** This Agreement shall be construed as if jointly drafted by the Parties and no rule of construction or strict interpretation shall be applied against any Party.

Section 13.18 **Effect if Initial Distribution Does Not Occur.** Notwithstanding anything in this Agreement to the contrary, if the Separation Agreement is terminated prior to the Effective Time, then this Agreement shall be of no further force and effect.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives.

OCCIDENTAL PETROLEUM CORPORATION

By: /s/ Marcia E. Backus
Name: Marcia E. Backus
Title: Vice President and General Counsel

CALIFORNIA RESOURCES CORPORATION

By: /s/ Todd A. Stevens
Name: Todd A. Stevens
Title: President and Chief Executive Officer

**SCHEDULE 9.3
PROVISIONS RELATING TO POST-RETIREMENT WELFARE PLANS**

OPC and CRC agree that for all purposes under the post-retirement welfare benefit plans sponsored by OPC and CRC or their respective Affiliates, unless otherwise agreed upon between OPC and CRC, employees who transfer employment during the five year period beginning on the day following the Distribution Date from OPC and its Subsidiaries to CRC and its Subsidiaries, or *vice versa*, will not be given credit for prior recognized service with the other Party and its respective Affiliates.

TRANSITION SERVICES AGREEMENT

US 2844871v.16

THIS TRANSITION SERVICES AGREEMENT is entered into on November 25, 2014, to be effective for all purposes as of the Effective Time, by and between Occidental Petroleum Corporation, a Delaware corporation (“**OPC**”), and California Resources Corporation, a Delaware corporation (“**CRC**”).

RECITALS

The board of directors of OPC has determined that it is in the best interests of OPC and its stockholders to create a new publicly traded company that shall operate the CRC Business.

OPC and CRC have entered into a Separation and Distribution Agreement dated as of the date hereof (the “**Separation Agreement**”).

OPC and CRC deem it to be appropriate and in the best interests of OPC and CRC that OPC provide certain Services to CRC and CRC provide certain Services to OPC, on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the forgoing and the mutual agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

Article I
DEFINITIONS

Section 1.1 Definitions. Unless otherwise defined herein, each capitalized term shall have the meaning specified for such term in the Separation Agreement. As used in this Agreement:

(a) “**Additional Services**” means the Additional OPC Services (as defined in Section 3.2(a)) or the Additional CRC Services (as defined in Section 3.2(b)), individually, or the Additional OPC Services and the Additional CRC Services, collectively, as the context may indicate. Any Additional Services provided pursuant to this Agreement shall be deemed to be “Services” under this Agreement.

(b) “**Agreement**” means this Transition Services Agreement together with those portions of the Separation Agreement referenced herein and all Annexes attached hereto and incorporated herein by this reference and all amendments, modifications and changes hereto and thereto.

(c) “**Authorized Representative**” means, for each Party, any of the individuals listed on Annex A under the name of such Party.

(d) “**Availed Party**” has the meaning set forth in Section 9.2(a).

(e) “**Billing Period**” has the meaning set forth in Section 6.1.

(f) “**Building**” has the meaning set forth in Annex B, Part VII, Section A.

(g) “**CRC Services**” means the Services generally described on Annex C and any other Service provided by CRC or any of its Subsidiaries pursuant to this Agreement.

(h) “**CRC Space**” has the meaning set forth in Annex B, Part VII, Section A.

(i) “**Effective Time**” means 11:59 p.m., Eastern Time, on November 30, 2014.

(j) “**Fee**” or “**Fees**” has the meaning set forth in Section 5.1.

(k) “**Gross Rental Fee**” has the meaning set forth in Annex B, Part VII, Section A.

(l) “**Office Term**” has the meaning set forth in Annex B, Part VII, Section A.

(m) “**OPC Services**” means the Services generally described on Annex B and any other Service provided by OPC or any of its Subsidiaries pursuant to this Agreement.

(n) “**Oxy Westwood**” has the meaning set forth in Annex B, Part VII, Section A.

(o) “**Partial Termination**” has the meaning set forth in Section 3.3(a).

(p) “**Party**” means OPC or CRC, as applicable. “**Parties**” means OPC and CRC.

(q) “**Security Regulations**” has the meaning set forth in Section 9.2(a).

(r) “**Services**” means the OPC Services or the CRC Services, individually, or the OPC Services and the CRC Services, collectively, as the context may indicate.

(s) “**Subject Party**” has the meaning set forth in Section 3.4(d).

(t) “**Systems**” has the meaning set forth in Section 9.2(a).

(u) “**Term**” has the meaning set forth Section 2.1.

Section 1.2 Interpretation. In this Agreement, unless the context clearly indicates otherwise:

(a) words used in the singular include the plural and words used in the plural include the singular;

(b) references to any Person include such Person’s successors and assigns but, if applicable, only if such successors and assigns are permitted by this Agreement, and a reference to such Person’s “Subsidiaries” shall be deemed to mean such Person’s Subsidiaries following the Initial Distribution;

(c) any reference to any gender includes the other gender and the neuter;

(d) the words “include,” “includes” and “including” shall be deemed to be followed by the words “without limitation”;

(e) the words “shall” and “will” are used interchangeably and have the same meaning;

(f) the word “or” shall have the inclusive meaning represented by the phrase “and/or”;

(g) any reference to any Article, Section or Annex means such Article or Section of, or such Annex to, this Agreement, as the case may be, and references in any Section or definition to any clause means such clause of such Section or definition;

(h) the words “herein,” “hereunder,” “hereof,” “hereto” and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Section or other provision of this Agreement;

(i) any reference to any agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof and by this Agreement;

(j) any reference to any law (including statutes and ordinances) means such law (including all rules and regulations promulgated thereunder) as amended, modified, codified or reenacted, in whole or in part, and in effect at the time of determining compliance or applicability;

(k) relative to the determination of any period of time, “from” means “from and including,” “to” means “to but excluding” and “through” means “through and including”;

(l) accounting terms used herein shall have the meanings historically ascribed to them by OPC and its Subsidiaries, including CRC and its Subsidiaries, in its and their internal accounting and financial policies and procedures in effect as of the date of this Agreement;

(m) if there is any conflict between the provisions of the Separation Agreement and this Agreement, the provisions of this Agreement shall control with respect to the subject matter hereof; if there is any conflict between the provisions of the main body of this Agreement and the Annexes hereto, the provisions of the main body of this Agreement shall control unless explicitly stated otherwise in such Annex;

(n) the titles to Articles and headings of Sections contained in this Agreement have been inserted for convenience of reference only and shall not be deemed to be a part of or to affect the meaning or interpretation of this Agreement;

(o) any portion of this Agreement obligating a Party to take any action or refrain from taking any action, as the case may be, shall mean that such Party shall also be obligated to cause its relevant Subsidiaries to take such action or refrain from taking such action, as the case may be (and, accordingly, if Services are provided by Subsidiaries of OPC, references to "OPC" shall be deemed to be references to such Subsidiaries which provide the Services under this Agreement; if Services are provided by Subsidiaries of CRC, references to "CRC" shall be deemed to be references to such Subsidiaries which provide the Services under this Agreement);

(p) unless otherwise specified in this Agreement, all references to dollar amounts herein shall be in respect of lawful currency of the United States; and

(q) the language of this Agreement shall be deemed to be the language the Parties hereto have chosen to express their mutual intent, and no rule of strict construction shall be applied against either Party.

ARTICLE II TERM

Section 2.1 Term. The term of this Agreement shall commence as of the Effective Time and end on the second anniversary of the Effective Time (the "Term").

ARTICLE III PERFORMANCE OF SERVICES

Section 3.1 General.

(a) During the Term, and subject to the terms and conditions of this Agreement, OPC will use commercially reasonable efforts to provide, or cause to be provided, the OPC Services to CRC and its Subsidiaries and to otherwise comply with its obligations as stated in Annex B and Annex C (as applicable).

(b) During the Term, and subject to the terms and conditions of this Agreement, CRC will use commercially reasonable efforts to provide, or cause to be provided, the CRC Services to OPC and its Subsidiaries and to otherwise comply with its obligations as stated in Annex B and Annex C (as applicable).

(c) Notwithstanding anything to the contrary in this Agreement, neither OPC nor CRC (nor any of their respective Subsidiaries) shall be required to perform Services hereunder or take any actions relating thereto that would conflict with, breach or violate any applicable law, contract, license, sublicense, authorization, certification or permit.

Section 3.2 Additional Services.

(a) If CRC reasonably determines that additional transition services (not listed on Annex B) of the type previously provided by OPC and its Subsidiaries to the CRC Business are necessary to conduct the CRC Business and CRC and its Subsidiaries are not able to provide such services to the CRC Business, and if OPC is willing, in its sole discretion, to provide such additional service during the Term, the Parties may negotiate an amendment to Annex B setting forth the additional service (each such service an "Additional OPC Service"), the terms and conditions for the provision of such Additional OPC Service. Unless otherwise agreed by the Parties, the fees payable for such Additional OPC Service shall be the same as the Fees set forth in Section 5.1.

(b) If OPC reasonably determines that additional transition services (not listed on Annex C) of the type previously provided by CRC and its Subsidiaries to the OPC Business are necessary to conduct the OPC Business and OPC and its Subsidiaries are not able to provide such services to the OPC Business, and if CRC is willing, in its sole discretion, to provide such additional service during the Term, the Parties may negotiate an amendment to Annex C setting forth the additional service (each such service an "Additional CRC Service"), the terms and conditions for the provision of such Additional CRC Service. Unless otherwise agreed by the Parties, the fees payable for such Additional CRC Service shall be the same as the Fees set forth in Section 5.1.

(c) Unless expressly set forth in Annex B or Annex C, any transfer or conversion of data (regardless of the form or the media on which such data is stored) to a format different from the format in which such data existed immediately prior to the Effective Time will be considered an Additional Service.

Section 3.3 Procedure.

(a) Any requests by a Party to the other Party regarding any modification or alteration to the provision of the Services must be made by an Authorized Representative (it being understood that the receiving Party shall not be obligated to agree to any modification or alteration requested thereby). A Party receiving Services shall provide no less than 30 days written notice (unless a shorter time is mutually agreed upon by the Parties) to the other Party of any Services that, prior to the expiration of the Term, are no longer needed from the other Party, in which case this Agreement shall terminate as to such Services (a "Partial Termination"). The Parties shall mutually agree as to the effective date of any Partial Termination. In the event of any termination prior to the scheduled expiration of the Term or of any Partial Termination hereunder, with respect to any terminated Services in which the Fee for such terminated Services is charged as a flat monthly rate, if termination occurs other than the end of the month, the Fee for that month shall be pro-rated to reflect a partial month. Notwithstanding the immediately preceding sentence, to the extent any amounts due or advances made hereunder relate to costs or expenses that have been or will be incurred and that cannot be recovered by the Party providing Services, such amounts due or advances made shall not be pro-rated or reduced and the Party providing such Services shall not be required to refund to the other Party any pro-rated amount for such costs or expenses; and the terminating Party shall reimburse the Party providing such Services for any Third-Party cancellation or similar charges incurred as a result of such early termination. Notwithstanding anything to the contrary hereunder, each Party may avail itself of the remedies set forth in Section 3.4(d), and 11.2 without fulfilling the notice requirements of this Section 3.3(a).

(b) In the event of a Partial Termination, this Agreement shall remain in full force and effect with respect to the Services which have not been terminated by the Parties as provided herein.

(c) Each Party acknowledges and agrees that certain of the Services to be provided under this Agreement have been, and will continue to be, provided (in accordance with this Agreement) to the OPC Business or the CRC Business, as applicable, by Third Parties designated by the Party responsible for providing such Services hereunder. The Party to which any Third Party Service is provided may, in its sole discretion, refuse such Service, in which case the Parties may agree to designate another service provider or terminate such Service pursuant to the procedure set forth in Section 3.3(a). Subject to the preceding sentence and to the extent so provided, the Party responsible for providing such Services shall use commercially reasonable efforts to (i) cause such Third Parties to provide such Services under this Agreement and/or (ii) enable the Party seeking the benefit of such Services and its Subsidiaries to avail itself of such Services; provided, if any such Third Party is unable or unwilling to provide any such Services, the Parties agree to use their commercially reasonable efforts to determine the manner, if any, in which such Services can best be provided (it being acknowledged and agreed that any costs or expenses to be incurred in connection with obtaining a Third Party to provide any such Services shall be paid by the Party to which such Services are provided; provided, the Party responsible for providing such Services shall use commercially reasonable efforts to communicate the costs or expenses expected to be incurred in advance of incurring such costs or expenses).

Section 3.4 Disclaimer of Warranties; Limitation of Liability; Force Majeure.

(a) Each Party acknowledges and agrees that the other Party makes no warranties of any kind with respect to the Services to be provided hereunder, and each Party hereby expressly disclaims all warranties, expressed or implied, of any kind with respect to the Services to be provided hereunder, including any warranty of non-infringement, merchantability, fitness for a particular purpose or conformity to any representation or description as to the Services provided hereunder. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, THE SERVICES TO BE PROVIDED UNDER THIS AGREEMENT WILL BE PROVIDED AS IS, WHERE IS, WITH ALL FAULTS, AND WITHOUT WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF NON-INFRINGEMENT, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, CONFORMITY TO ANY REPRESENTATION OR DESCRIPTION OR ANY OTHER WARRANTY WHATSOEVER.

(b) NOTWITHSTANDING ANYTHING TO THE CONTRARY, IT IS EXPRESSLY ACKNOWLEDGED BY THE PARTIES THAT NEITHER OPC, CRC NOR ANY OF THEIR RESPECTIVE SUBSIDIARIES SHALL HAVE ANY LIABILITY FOR THE SERVICES PROVIDED HEREUNDER AND FURTHER THAT NEITHER OPC, CRC NOR ANY OF THEIR RESPECTIVE SUBSIDIARIES SHALL HAVE ANY LIABILITY FOR THE SERVICES PROVIDED BY ANY THIRD PARTY, UNLESS IN EITHER EVENT SUCH SERVICES ARE PROVIDED IN A MANNER THAT CONSTITUTES GROSS NEGLIGENCE OR WILLFUL MISCONDUCT ON THE PART OF THE PARTY (OR ITS SUBSIDIARY) PROVIDING SUCH SERVICES.

(c) EXCEPT AS SET FORTH IN (OR RESULTING FROM A BREACH OF) SECTION 3.4(B), ARTICLE V, ARTICLE VI, ARTICLE IX, SECTION 12.3 OR SECTION 12.4 BUT OTHERWISE NOTWITHSTANDING ANYTHING TO THE CONTRARY, NEITHER OPC NOR CRC SHALL HAVE ANY LIABILITY TO THE OTHER PARTY UNDER THIS AGREEMENT FOR LOSSES.

(d) If either Party, any of its Subsidiaries or any Third-Party service provider (each a "Subject Party") is prevented from or delayed in complying, either totally or in part, with any of the terms or provisions of this Agreement by reason of fire, flood, storm, strike, walkout, lockout or other labor trouble or shortage, delays by unaffiliated suppliers or carriers, shortages of fuel, power, raw materials or components, equipment failure, any law, order, proclamation, regulation, ordinance, demand, seizure or requirement of any Governmental Authority, riot, civil commotion, war, rebellion, act of terrorism, nuclear or other accident, explosion, casualty, pandemic, or act of God, or act, omission or delay in acting by any governmental or military authority or the other Party or any of its Subsidiaries or any other cause, whether or not of a class or kind listed in this sentence, beyond the reasonable control and without the fault of the Subject Party, then upon notice to the other Party, the affected provisions and/or other requirements of this Agreement shall be suspended during the period of such disability and, unless otherwise set forth herein to the contrary, the Subject Party shall have no liability to the other Party, its Subsidiaries or any other Person in connection therewith; provided, the Subject Party shall not be excused for any obligation to make payments pursuant to the terms of this Agreement. Each Party shall use commercially reasonable efforts to promptly remove such disability as soon as possible; provided, nothing in this Section 3.4(d) will be construed to require the settlement of any strike, walkout, lockout or other labor dispute on terms which, in the reasonable judgment of the Subject Party, are contrary to its interest. It is understood that the settlement of a strike, walkout, lockout or other labor dispute will be entirely within the discretion of the Subject Party. If a Party is unable to provide any of the Services due to a disability described in the first sentence of this Section 3.4(d), each Party shall use commercially reasonable efforts to cooperatively seek a solution that is mutually satisfactory to the Parties. In addition, upon becoming aware of a disability causing a delay in performance or preventing performance of any obligations of a Party under this Agreement, the Subject Party shall promptly notify the other Party in writing of the existence of such disability and the anticipated duration of the disability. The Party entitled to the benefit of the Services shall have the right, but not the obligation, to engage subcontractors to perform such obligations for the duration of the period during which such disability delays or prevents the performance of such obligation by the Subject Party, it being agreed that the Fees paid or payable under this Agreement with respect to the Service affected by the disability shall be reduced (or refunded, if applicable) on a dollar-for-dollar basis for all amounts paid by the Party entitled to the benefit of the Services to such subcontractors, provided that the Subject Party shall not be responsible for the amount of fees charged by any such subcontractors to perform such Services to the extent they exceed the Fees for the applicable period of disability. Notwithstanding anything to the contrary hereunder, each Party shall make the mitigation and resolution of any disability affecting its ability to perform hereunder a high priority and shall use efforts of a type, intensity and duration which, taking into account the type of Services and the significance of such Services to the other Party's business, represent a reasonably appropriate response to such disability, but in any event no less than commercially reasonable efforts. In addition and notwithstanding anything hereunder to the contrary, the Parties agree that this Section 3.4(d) shall not be construed so as to excuse a Party from complying with any of its obligations under Article IX.

Section 3.5 Transition of Responsibilities. Each Party agrees to use commercially reasonable efforts to reduce or eliminate its and its Subsidiaries' dependency on each Service as soon as is reasonably practicable. Each Party agrees to cooperate with the other Party to facilitate the smooth transition of the Services being provided to such Party by the other Party.

Section 3.6 Employee Status. During the Term of this Agreement:

- (a) No employee of a Party shall be deemed an employee of the other Party by reason of such employee's involvement in providing Services provided hereunder. The employing Party shall bear the sole responsibility for payment of each such employee's wages, benefits, all withholding obligations to federal, state and local taxation and insurance authorities and all other costs and expenses associated with such employee.
- (b) No workers' compensation insurance shall be obtained by either Party for the employees of the other Party in connection with the Services provided hereunder.
- (c) Each Party shall retain control over the time, manner and method of the employment of its employees. This retained control shall include the right to review employees' performance, determine employees' compensation and benefits, discipline employees and determine whether or not to continue employees' employment.
- (d) This Agreement shall not be construed as an agreement granting employees any employment rights for a specific duration, and shall not constrain a Party's right to terminate the employment relationship with any of its employees.
- (e) Each employee shall be entitled to take vacation and other time off in accordance with the policies of his or her employer, including sick leave and military leave.

ARTICLE IV COOPERATION

Section 4.1 Cooperation. Each Party shall, and shall cause its Subsidiaries to, provide reasonable cooperation to the other Party in all matters relating to the provision and receipt of the Services, including providing information and documentation reasonably requested by the other Party, other than information and documentation protected by attorney-client privilege, sufficient for the other Party to provide the Services and making available, as reasonably requested by the other Party, timely decisions, approvals and acceptances in order that the other Party and its Subsidiaries may perform their respective obligations under this Agreement in a timely manner.

Section 4.2 Consents.

- (d) If the provision of the Services by a Party requires or triggers the consent of any Third Party or any Governmental Approval, such Party shall use reasonable efforts to acquire such consent or approval; provided, neither Party shall be obligated under this Agreement to pay any consideration, grant any concession or incur any Liability to any Third Party to obtain any such Third-Party consent.
- (e) In the event that any Third-Party consent or any Governmental Approval required for the provision of Services hereunder is not obtained, then, unless and until such Third-Party consent or Governmental Approval is obtained, the Parties shall, to the extent practicable, provide reasonable cooperation to each other in achieving a reasonable alternative arrangement for the Party entitled to the benefit of the Services to continue to process its work and for the Party providing the Services to perform such Services.

ARTICLE V FEES

Section 5.1 Fees. For each Billing Period and in accordance with provisions of Article VI, each Party shall pay the other Party a fee for Services provided by such other Party under this Agreement, and unless explicitly stated otherwise in Annex B or Annex C, such "Fee" paid by such Party shall be an amount equal to \$175 multiplied by the number of total hours worked during such relevant Billing Period by employees of the other Party involved in the provision of Services to the paying Party plus any amounts invoiced pursuant to Section 3.3(c). In addition, for each Billing Period CRC shall pay to OPC the Gross Rental Fee for the use of the CRC Space, and OPC shall pay to CRC the charge for mailroom, loading dock and related services provided by CRC in accordance with Annex C, Part V.

Section 5.2 Taxes. To the extent required or permitted by applicable law, there shall be added to any Fees due under this Agreement, and each Party agrees to pay to the other, amounts equal to any taxes, however designated or levied, based upon such Fees, or upon this Agreement or the Services provided under the Agreement, or their use, including state and local privilege or excise taxes based on gross revenue and any taxes or amounts in lieu thereof paid or payable by the Party providing Services hereunder. In the event taxes are not added to an invoice from the Party providing Services hereunder, the Party being provided such Services is responsible to remit to the appropriate tax jurisdiction any additional amounts due including tax, interest and penalty. The Parties shall cooperate with each other to minimize any of these taxes to the extent reasonable. If additional amounts are determined to be due on the Services provided hereunder as a result of an audit by a tax jurisdiction, the Party provided the Services hereunder agrees to reimburse the Party who provided the Services for the additional amounts due including tax, interest and penalty. The Party obligated to make such reimbursement shall have the right to contest the assessment with the tax jurisdiction at its own expense. The Party providing Services hereunder will be responsible for penalty or interest associated with its failure to remit invoiced taxes. The Parties further agree that, notwithstanding the foregoing, neither Party shall be required to pay any franchise taxes, taxes based on the net income of the other Party or personal property taxes on property owned or leased by a Party and used by such Party to provide Services. Notwithstanding anything else in this Agreement to the contrary, the obligations of this Section 5.2 shall remain in effect until the expiration of the relevant statutes of limitation.

ARTICLE VI INVOICE AND PAYMENT; AUDIT

Section 6.1 Invoices and Payment. Each Party providing a Service shall maintain records reflecting each employee of such Party involved, and the number of hours worked by such employee, in the provision of such Service. Within 20 days following the period beginning on December 1, 2014 and ending on March 31, 2015, and following the end of each calendar quarter thereafter during the Term (or within 20 days after receipt of a Third Party supplier's invoice in the case of Services that are provided by a Third-Party supplier pursuant to Section 3.3(c)) (each such period, a "Billing Period"), each Party will submit to the other Party for payment a written statement of amounts due under this Agreement for such Billing Period or such Third Party supplier's invoice, as applicable. The statement will set forth the Fees and will reflect the number of hours worked by each employee involved in providing Services to the paying Party during such Billing Period (and include the descriptions set forth on Annex B or Annex C, if appropriate). Each statement will specify the nature of any amounts due for any Fee and will contain reasonably satisfactory documentation in support of such amounts and such other supporting detail as the other Party may reasonably require to validate such amounts due.

Section 6.2 Timing of Payment; No Offsets. Each Party will pay all amounts due by such Party pursuant to this Agreement within 10 days after the date upon which each such statement that is required to be provided hereunder is received by such Party. Neither Party shall offset any amounts owing to it by the other Party or any of its Subsidiaries against amounts payable by such Party hereunder or any other agreement or arrangement. All timely payments under this Agreement shall be made without early payment discount.

Section 6.3 Non-Payment. If either Party fails to pay the full amount of any invoice within 30 days after its receipt of the invoice, such failure shall be considered a material default under this Agreement. The remedies provided to each Party by this Section 6.3 and by Section 11.2 shall be without limitation of any other applicable provisions of this Agreement. Payments made after the date they are due shall bear interest at a rate per annum equal to the Prime Rate plus 2.0% (compounded monthly).

Section 6.4 Payment Disputes. Either Party may object to any amounts for any Service invoiced to it at any time before, at the time of, or after payment is made, provided such objection is made in writing to the other Party within 150 days following the termination of such Service. The disputing Party shall timely pay the disputed items in full while resolution of the dispute is pending; provided, the other Party shall pay interest at a rate per annum equal to the Prime Rate plus 2.0% (compounded monthly) on any amounts it is required to return to the disputing Party upon resolution of the dispute. Payment of any amount shall not constitute approval thereof. Any dispute under this Section 6.4 shall be resolved in accordance with the provisions set forth in Article IV of the Separation Agreement.

Section 6.5 Audit Rights.

- (a) Each Party may, at its own cost and expense, audit (or cause an independent Third Party auditor to audit) the books, records and facilities of the other Party to the extent necessary to determine the other Party's compliance with this Agreement with respect to Fees paid or payable pursuant to this Article VI or the performance of its other obligations set forth in this Agreement. For any given Service, each Party shall have the right to audit the books, records and facilities of the other Party pertaining to such Service once for each twelve-month period during which payment obligations are due (and at such other times as may be required by applicable law); provided, any such audit shall not be commenced later than 90 days after the termination of such Service.
- (b) Any audit shall be conducted during regular business hours and in a manner that complies with the building and security requirements of, and does not unreasonably interfere with the operations of, the Party being audited. The Party desiring to conduct an audit shall provide notice to the Party to be audited not less than 30 days prior to the commencement of the audit and shall specify the date on which the audit will commence. If the audit concludes that an overpayment or underpayment has occurred during the audited period, then the Party that conducted the audit may raise an objection pursuant to the provisions of Section 6.4.

ARTICLE VII INDEPENDENCE; OWNERSHIP OF ASSETS

Section 7.1 Independence. The Parties are independent contractors. All employees and representatives of a Party and any of its Subsidiaries involved in providing services shall be under the exclusive direction, control and supervision of the Party or its Subsidiaries (or their subcontractors) providing such Services, and not of the Party receiving such Services. In accordance with Section 3.6, the Party or its Subsidiaries (or their subcontractors) providing the Services will have the sole right to exercise all authority with respect to the employment (including termination of employment), assignment and compensation of such employees and representatives. This Agreement is a purely commercial transaction between the Parties and nothing stated in this Agreement shall operate to create any implied or fiduciary duty between the Parties.

Section 7.2 Assets. All procedures, methods, systems, strategies, tools, equipment, facilities and other resources used by a Party, any of its Subsidiaries or any Third-Party service provider in connection with the provision of the Services hereunder shall remain the property of such Party, its Subsidiaries or such service providers and, except as otherwise provided herein, shall at all times be under the sole direction and control of such Party, its Subsidiaries or such Third-Party service provider.

**ARTICLE VIII
TECHNOLOGY AND PROPRIETARY RIGHTS**

Section 8.1 Intellectual Property Ownership.

(f) Except as expressly provided in the Separation Agreement, nothing in this Agreement shall transfer any rights, title or interests in any Intellectual Property invented, created, conceived, or reduced-to-practice before or after the Effective Time by or on behalf of any member of either Group or otherwise controlled by or licensed to any member of such Group.

(g) Subject to Article IX of this Agreement and Article VII of the Separation Agreement (relating to Exchange of Information; Confidentiality), as between the Parties, all Intellectual Property acquired by or for any member of either Group in connection with providing the Services shall be owned by such member of such Group. However, nothing in this Agreement obligates either Party to assign any licenses or contracts to the other Party.

Section 8.2 No Implied Licenses. Except as expressly specified in this Agreement, nothing in this Agreement will be deemed to grant to any member of either Group, by implication, estoppel or otherwise, license rights, ownership rights or any other Intellectual Property in any technology, work processes or Software owned by any member of the other Group. However, nothing in this Section 8.2 is intended to alter the terms of any grant of any rights, title or interests in any Intellectual Property from OPC to CRC pursuant to the Separation Agreement or Intellectual Property License Agreement.

**ARTICLE IX
CONFIDENTIALITY AND SYSTEM SECURITY**

Section 9.1 Confidentiality. Each Party agrees that the specific terms and conditions of this Agreement and any information conveyed or otherwise received by or on behalf of a Party in conjunction herewith are confidential and are subject to the terms of the confidentiality provisions set forth in Section 7.7 of the Separation Agreement.

Section 9.2 System Security.

(c) If any Party is given access to the other Party's computer systems, networks or software (collectively, "Systems") in connection with the Transition Services, the Party given access (the "Availed Party") shall comply with all of the other Party's system security and other company policies, procedures and requirements that have been provided to the Availed Party in advance and in writing (collectively, "Security Regulations"), and shall not tamper with, compromise or circumvent any security or audit measures employed by such other Party. The Availed Party shall access and use only those Systems of the other Party for which it has been granted the right to access and use.

(d) Each Party shall use commercially reasonable efforts to ensure that only those of its personnel who are specifically authorized to have access to the Systems of the other Party gain such access, and use commercially reasonable efforts to prevent unauthorized access, use, destruction, alteration or loss of information contained therein, including notifying its personnel of the restrictions set forth in this Agreement and of the Security Regulations.

(e) Each Party shall use commercially reasonable efforts to ensure that its personnel will access the Systems of the other Party only for the purpose of providing the Services and, when accessing or using the Systems of the other Party, shall not (i) introduce any viruses, worms, Trojan horses or other bugs or errors in the Systems or (ii) open or forward any executable "ready to run" files or other files which may cause damage to such Systems. Each Party reserves the right to monitor the other Party's use of the Internet and other activities on its own Systems.

(f) If, at any time, the Availed Party determines that any of its personnel has sought to circumvent, or has circumvented, the Security Regulations, that any unauthorized Availed Party personnel has accessed the Systems, or that any of its personnel has engaged in activities that may lead to the unauthorized access, use, destruction, alteration or loss of data, information or software of the other Party, the Availed Party shall promptly terminate any such person's access to the Systems and promptly notify the other Party. In addition, such other Party shall have the right to deny personnel of the Availed Party access to its Systems upon notice to the Availed Party in the event that the other Party reasonably believes that such personnel have engaged in any of the activities set forth above in this Section 9.2(d) or otherwise pose a legitimate security concern. The Availed Party shall use commercially reasonable efforts to cooperate with the other Party in investigating any apparent unauthorized access to such other Party's Systems.

(g) Each Party shall be responsible and liable for all damages or unauthorized access resulting from the actions of its personnel in violation of this Section 9.2.

**ARTICLE X
NO PARTNERSHIP OR AGENCY RELATIONSHIP**

Section 10.1 No Partnership or Agency Relationship. Nothing in this Agreement is intended or shall be deemed to constitute a partnership, agency, franchise or joint venture relationship between the Parties or any of their Subsidiaries. Neither Party shall have power to control the activities and operations of the other Party or its Subsidiaries, nor to bind or commit the other Party or its Subsidiaries.

**ARTICLE XI
TERMINATION**

Section 11.1 General. Subject to the provisions of Section 11.4, this Agreement shall terminate, and the obligation of each Party to provide all Services shall cease, on the earliest to occur of (i) the date on which the provision of all Services has been terminated by the Parties pursuant to Section 3.3, subject to the terms of Section 3.3, or (ii) the date on which the Term of this Agreement has ended pursuant to Section 2.1 or 11.2.

Section 11.2 Termination of Entire Agreement. Subject to the provisions of Section 11.4, a Party shall have the right to terminate this Agreement or effect a Partial Termination effective upon delivery of written notice to the other Party if the other Party: (a) makes an assignment for the benefit of creditors, or becomes bankrupt or insolvent, or is petitioned into bankruptcy, or takes advantage of any state, federal or foreign bankruptcy or insolvency act, or if a receiver or receiver/manager is appointed for all or any substantial part of its property and business and such receiver or receiver/manager remains undischarged for a period of 30 days; or (b) materially defaults in the performance of any of its covenants or obligations contained in this Agreement (or, in the case of a Partial Termination, with respect to the Services being terminated) and such default is not remedied to the nondefaulting Party's reasonable satisfaction within 45 days after receipt of written notice by the defaulting Party informing such Party of such default, or if such default is not capable of being cured within 45 days, if the defaulting Party has not promptly begun to cure the default within such 45-day period and thereafter proceeded with all diligence to cure the same.

Section 11.3 Procedures on Termination. Following any termination of this Agreement or Partial Termination, each Party will cooperate with the other Party as reasonably necessary to avoid disruption of the ordinary course of the other Party's and its Subsidiaries' businesses. Termination shall not affect any right to payment for Services provided prior to termination.

Section 11.4 Effect of Termination. Article V (with respect to Fees and Taxes attributable to periods prior to termination), Sections 6.1, 6.2, 6.4, 6.5 and 11.3, this Section 11.4 and Articles I, VII, IX, XII and XIII shall survive any termination of this Agreement. For the avoidance of doubt, neither (a) termination of a particular Service hereunder nor (b) termination of this Agreement with respect to the Services provided under one Annex, but not the other Annex, shall be a termination of this Agreement.

**ARTICLE XII
INDEMNIFICATION**

Section 12.1 IN THIS ARTICLE XII AND IN SECTION 13.12, THE PHRASE "REGARDLESS OF FAULT" MEANS WITH RESPECT TO ANY INDEMNITY OR RELEASE PROVISION THAT THE INDEMNITY OR RELEASE IS BEING GIVEN WITHOUT REGARD TO THE FAULT OF THE PARTY OR PERSON BEING RELEASED OR INDEMNIFIED AND THAT THE INDEMNITY OR RELEASE WILL BE ENFORCEABLE EVEN IF THE LIABILITY BEING RELEASED OR INDEMNIFIED AGAINST WAS CAUSED BY THE NEGLIGENCE (OF ANY DEGREE OR CHARACTER), STRICT LIABILITY, BREACH OF DUTY OR ANY OTHER FAULT ON THE PART OF THE PARTY OR PERSON BEING RELEASED OR INDEMNIFIED.

Section 12.2 IT IS THE INTENTION OF THE PARTIES THAT THE INDEMNITIES AND RELEASES IN THIS ARTICLE XII AND IN SECTION 13.12 COMPLY WITH BOTH THE EXPRESS NEGLIGENCE DOCTRINE AND THE CLEAR AND CONSPICUOUS RULE AND THAT WHEREVER "REGARDLESS OF FAULT" APPEARS IN THIS ARTICLE XII, THE DEFINITION SET OUT IN SECTION 12.1 IS INCORPORATED AS THOUGH FULLY SET OUT THEREIN.

Section 12.3 Indemnification by CRC. CRC shall REGARDLESS OF FAULT indemnify, defend and hold harmless each of the OPC Indemnitees for any Losses incurred by them in connection with or arising out of any: (a) CRC's, its Subsidiaries', employees', suppliers' or contractors' gross negligence or willful misconduct in the provision of the CRC Services by CRC, its Subsidiaries, employees, suppliers or contractors pursuant to this Agreement; (b) any Action that determines that the provision by CRC or its Subsidiaries and/or the receipt by any of the OPC Indemnitees of any CRC Services infringes upon or misappropriates the Intellectual Property of any Third Party, to the extent that any such Losses are determined to have resulted from CRC's, its Subsidiaries', employees', suppliers' or contractors' gross negligence or willful misconduct; and (c) Third-Party claims arising out of the provision of the OPC Services, except to the extent that such Third-Party claims for Losses are finally determined by a final non-appealable decision of a court having jurisdiction over CRC and OPC or pursuant to Article IV of the Separation Agreement to have arisen out of the gross negligence or willful misconduct of OPC or its Subsidiaries or their respective employees, suppliers or contractors in providing the OPC Services.

Section 12.4 Indemnification by OPC. OPC shall REGARDLESS OF FAULT indemnify, defend and hold harmless the CRC Indemnitees for any Losses incurred by them in connection with or arising out of: (a) OPC's, its Subsidiaries', employees', suppliers' or contractors' gross negligence or willful misconduct in the provision of the OPC Services by OPC, its Subsidiaries, employees, suppliers or contractors pursuant to this Agreement; (b) any Action that determines that the provision by OPC or its Subsidiaries and/or the receipt by any of the CRC Indemnitees of any OPC Services infringes upon or misappropriates the Intellectual Property of any Third Party, to the extent that any such Losses are determined to have resulted from OPC's, its Subsidiaries', employees', suppliers' or contractors' gross negligence or willful misconduct; and (c) Third-Party claims arising out of the provision of the CRC Services, except to the extent that such Losses are finally determined by a final non-appealable decision of a court having jurisdiction over OPC and CRC or pursuant to Article IV of the Separation Agreement to have arisen out of the gross negligence or willful misconduct of CRC or its Subsidiaries or their respective employees, suppliers or contractors in providing the CRC Services.

Section 12.5 Waiver of Consequential Damages; Professional Opinions.

(a) Each Party shall have a duty to mitigate the Losses for which the other is responsible hereunder. IN NO EVENT SHALL EITHER PARTY OR ANY OF THEIR RESPECTIVE SUBSIDIARIES BE LIABLE FOR ANY SPECIAL, INCIDENTAL, INDIRECT, CONSEQUENTIAL (INCLUDING LOSS OF REVENUES OR PROFITS, LOSS OF DATA, LOSS OF GOODWILL AND LOSS OF CAPITAL, WHETHER OR NOT SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES), EXEMPLARY OR PUNITIVE DAMAGES OR THE LIKE ARISING UNDER ANY LEGAL OR

EQUITABLE THEORY OR ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT (OR THE PROVISION OF SERVICES HEREUNDER), ALL OF WHICH ARE HEREBY EXCLUDED BY AGREEMENT OF THE PARTIES REGARDLESS OF WHETHER OR NOT ANY PARTY TO THIS AGREEMENT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES; PROVIDED, THE FOREGOING SHALL NOT APPLY TO ANY SUCH DAMAGES OWED TO A THIRD PARTY UNDER A CLAIM MADE BY SUCH THIRD PARTY FOR WHICH AN INDEMNITY IS OWED PURSUANT TO SECTION 12.3 OR 12.4. THESE LIMITATIONS SHALL APPLY NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY.

(b) It is not the intent of either Party to receive from the other Party, or any of its officers, employees, Subsidiaries or representatives, professional opinions, whether with regard to tax, legal, treasury, finance, employment or other business and financial matters, or technical advice, whether with regard to information technology or other matters; neither Party shall rely on, or construe, any Service provided to it as such professional advice or opinions or technical advice; and each Party shall seek all third-party professional advice and opinions or technical advice as it may desire or need in connection with its business and operations.

Section 12.6 Indemnification Is Exclusive Remedy. Except for equitable relief and rights pursuant to [Section 5.2](#), [Section 6.3](#) or [Article IX](#), the indemnification provisions of this [Article XII](#) shall be the exclusive remedy for breach of this Agreement.

Section 12.7 Risk Allocation. Each Party agrees that the Fees charged under this Agreement reflect the allocation of risk between the Parties, including the disclaimer of warranties in [Section 3.4\(a\)](#), and the limitations on liability in [Section 3.4\(b\)](#), [Section 3.4\(c\)](#), and [Section 12.5](#). Modifying the allocation of risk from what is stated here would affect the Fees that each Party charges, and in consideration of those Fees, each Party agrees to the stated allocation of risk.

Section 12.8 Insurance. Each Party (as to itself) shall insure or self-insure liabilities it assumes under this Agreement and shall procure insurance coverage consistent with peer companies of similar size and industry.

Section 12.9 Indemnification Procedures. All claims for indemnification pursuant to this [Article XII](#) shall be made in accordance with the provisions set forth in Section 5.7 of the Separation Agreement. Notwithstanding anything to the contrary hereunder, no cause of action, dispute or claim for indemnification may be asserted against either Party or submitted to arbitration or legal proceedings which accrued more than two years after the later of (i) the occurrence of the act or event giving rise to the underlying cause of action, dispute or claim and (ii) the date on which such act or event was, or should have been, in the exercise of reasonable due diligence, discovered by the Party asserting the cause of action, dispute or claim.

ARTICLE XIII MISCELLANEOUS

Section 13.1 Entire Agreement. Without limiting [Section 1.2\(m\)](#), this Agreement, including the Annexes hereto and the sections of the Separation Agreement referenced herein, constitutes the entire agreement between the Parties with respect to the subject matter of this Agreement, and supersedes all prior agreements, negotiations, discussions, understandings and commitments, written or oral, between the Parties with respect to such subject matter.

Section 13.2 Choice of Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE SUBSTANTIVE LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO ANY CONFLICTS OF LAW PROVISION OR RULE THEREOF THAT WOULD RESULT IN THE APPLICATION OF THE LAWS OF ANY OTHER JURISDICTION.

Section 13.3 Amendment. This Agreement shall not be amended, modified or supplemented except by a written instrument signed by an authorized representative of each of OPC and CRC.

Section 13.4 Waiver. Any term or provision of this Agreement may be waived, or the time for its performance may be extended, by the Party or Parties entitled to the benefit thereof. Any such waiver shall be validly and sufficiently given for the purposes of this Agreement if, as to either Party, it is in writing signed by an authorized representative of such Party. The failure of either Party to enforce at any time any provision of this Agreement shall not be construed to be a waiver of such provision, or in any way to affect the validity of this Agreement or any part hereof or the right of either Party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to constitute a waiver of any other or subsequent breach.

Section 13.5 Partial Invalidity. Wherever possible, each provision hereof shall be interpreted in such a manner as to be effective and valid under applicable law, but in case any one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such provision or provisions shall be ineffective to the extent, but only to the extent, of such invalidity, illegality or unenforceability without invalidating the remainder of such provision or provisions or any other provisions hereof, unless such a construction would be unreasonable.

Section 13.6 Execution in Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original instrument, but all of which shall be considered one and the same agreement, and shall become binding when one or more counterparts have been signed by and delivered to each of the Parties.

Section 13.7 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties and their successors and permitted assigns; provided, however, that the rights and obligations of either Party under this Agreement shall not be assignable by such Party without the prior written consent of the other Party. The successors and permitted assigns hereunder shall include any permitted assignee as well as the successors in interest to such permitted assignee (whether by merger, liquidation (including successive mergers or liquidations) or otherwise).

Section 13.8 Third-Party Beneficiaries. Except to the extent otherwise provided in [Article XII](#) and [Section 13.12](#), the provisions of this Agreement are solely for the benefit of the Parties and their respective Subsidiaries, successors and permitted assigns and shall not confer upon any Third Party any remedy, claim, liability, reimbursement or other right in excess of those existing without reference to this Agreement.

Section 13.9 Notices. All notices or other communications under this Agreement shall be in writing and shall be deemed to be duly given when delivered or mailed in accordance with the provisions of Section 10.5 of the Separation Agreement.

Section 13.10 Performance. Each Party shall cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth herein to be performed by any Subsidiary of such Party.

Section 13.11 No Public Announcement. Neither OPC nor CRC shall, without the approval of the other, make any press release or other public announcement concerning the transactions contemplated by this Agreement, except as and to the extent that either Party shall be so obligated by law or the rules of any regulatory body, stock exchange or quotation system, in which case the other Party shall be advised and the Parties shall use commercially reasonable efforts to cause a mutually agreeable release or announcement to be issued; provided, however, that the foregoing shall not preclude communications or disclosures necessary to implement the provisions of this Agreement or to comply with applicable law, accounting and SEC disclosure obligations or the rules of any stock exchange.

Section 13.12 Limited Liability. Notwithstanding any other provision of this Agreement, no individual who is a stockholder, director, employee, officer, agent or representative of CRC or OPC, in such individual's capacity as such, shall, REGARDLESS OF FAULT, have any liability in respect of or relating to the covenants or obligations of such Party under this Agreement and, to the fullest extent legally permissible, each of CRC and OPC, for itself and its respective stockholders, directors, employees, officers and Subsidiaries, waives and agrees not to seek to assert or enforce any such liability that any such Person otherwise might have pursuant to applicable law.

Section 13.13 Dispute Resolution. The Parties agree that any dispute, controversy or claim between them with respect to the matters covered hereby shall be governed by and resolved in accordance with the procedures set forth in Article IV of the Separation Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed by their authorized representatives as of the date first above written.

OCCIDENTAL PETROLEUM CORPORATION

By: /s/ Marcia E. Backus
Name: Marcia E. Backus

Title: Vice President and General Counsel

CALIFORNIA RESOURCES CORPORATION

By: /s/ Todd A. Stevens
Name: Todd A. Stevens

Title: President and Chief Executive Officer

ANNEX A

AUTHORIZED REPRESENTATIVES

Authorized Representatives of OPC:

• Marcia Backus

Authorized Representatives of CRC:

• Jody Johnson

ANNEX B**DESCRIPTION OF OPC SERVICES****Part I – Accounting**

1. Overall general consulting needs based on historical knowledge embedded in either company
2. Support, as needed, and information for regulatory inquiries, including state escheat audits, etc.
3. Training and support for the Marketing back office activities for CRC Marketing
4. Access to records and information to complete regulatory filings, including the Proxy statement
5. Assistance with HFM Planning Module, including setting up new forms and templates
6. Payroll training from OPC
 - a. Including but not limited to assistance with changing payroll frequency of all CRC employees to bi-weekly
7. Land Administration
 - a. General consulting needs based on historical knowledge embedded in OPC
 - b. File room location & staff – File room and staff (both scanning and filing) are needed until new space is obtained and staffed
 - i. Scanning services are limited to scanning of files and emailing to CRC personnel making the request.
 - ii. Scanning services do not include scanning to network connected systems such as Insight or FileNet as OPC Records Management personnel will not have CRC network access; however, the digital scan output will be transferred to CRC in a format facilitating direct input to CRC systems.
 - iii. There are approximately 3900 linear feet of CRC records housed in Houston (324 boxes). The equivalent of 1 person will be needed to support ongoing CRC needs up to the point the records are transferred to CRC. OPC Records Management will provide assistance to prepare records for shipment.
 - c. Office space – 1 office in Houston near the files for CRC Land Admin staff while the files are still in Houston
 - d. Continuing owner relations and accounting support for DOI related activities
8. Revenue and Regulatory
 - a. Owner Services – assistance to help gather the information such as detailed suspense loads and checkwrite details
 - b. Revenue – Audits: assistance from OEMI to help pull any purchase statements, third party invoices and pricing
 - c. Regulatory – assistance to pull historical data (royalty payments to MMS/ONRR) when needed for future audits
9. OneOxy/Business Support
 - a. Consultation and assistance from Phil Limos' finance support groups for a period of 6 months (several groups - OneOxy, JVA, Fixed Assets, Projects)
 - b. Access to Shannon Grossman's group for a period of 6 months (for OneOxy/OneCal Supply Chain Systems support)
 - c. Training and consultation with the financial and operational database and management reporting software (SSAS Cube) post-separation from Jayce Roundtree or someone from the OPC Financial Reporting team. This is where most of the management reports will be generated from and there are no current "heavy users" in CA.
10. Accounts Payable
 - a. Escheat preparation and information (historical information) for issues that go back a number of years
 - b. Third Party/Internal Audit – will need historical information (historical information) for issues that go back a number of years
 - c. Regulatory or Government filings & requests – preparation and information (historical information) for issues that go back a number of years (includes Forms 1099, California Resident and Non-Resident Withholding (Forms 592), Annual Withholding Tax Returns for U.S. Source Income of Foreign Persons (For 1042) and related Forms W-8, Proxy reporting, etc.)
 - d. Assistance with Concur and OAS systems/process
 - e. Assistance with iSupplier – process/system support
 - f. Assistance with Bottom-line system
 - g. Assistance with invoice scanning system
 - h. For the avoidance of doubt, Accounts Payable support will not include any IT systems or application support.
 - i.

Part II – HR

1. Benefits accounting through the preparation of 2014 financial reports
2. Occupational Health Services
 - a. Complete STD cases open at Effective Time
 - b. Ongoing consulting on prior cases
 - c. Ongoing drug testing for random, DOT, post-accident and probable suspicion until CRC sets up
3. HRIS Operations – for months of December 2014 and January 2015, HRIS operational support and training of CRC's HRIS personnel
4. HRIS Support – Ongoing consulting and sharing of technical specifications through YE2015
5. Consulting and provision of data related to OPC's Compensation, Benefits and Executive Compensation programs as needed to complete transitions to CRC and for preparation of CRC's proxy statement
6. "Contractor" access to Taleo applicant tracking system
 - a. Access required through December 31, 2014
7. Relocation Services

- a. Complete in-process relocations active at Effective Time
 - b. Provide assistance in year-end tax calculations
 - c. Consulting with CRC HR staff and relocated employees through YE 2015
8. Technical Training – Ongoing consulting with the internal authors of technical training and competency assurance programs with respect to the design and development of those programs

Part III – IT

1. General system support
 - a. OPC Group IT will provide general application support services to CRC Group IT through the first month's closing cycle after the Effective Time. This would include general system support by working with CRC Group IT staff to troubleshoot and resolve errors related to the month end closing activities. However, the scope of transition services will not include implementation services, training or systems consulting.
2. PeopleSoft HCM application
 - a. OPC Group IT will provide IT support for the PeopleSoft HCM application(s) for the first two (2) pay cycles following the Effective Time; provide year-end support for calendar year 2014; and provide interfaces support through December 31, 2014. These transition services will include working with CRC Group IT staff to troubleshoot and resolve errors related to the pay cycle, year-end activities and interfaces associated with the PeopleSoft HCM application(s).
 - b. OPC Group IT will also provide consultancy services for the designated CRC Group PeopleSoft Administrator through December 31, 2014. These transition services will include working with CRC Group IT support on environment troubleshooting, tax updates, and MasterTax software support.
3. Services related to Marketing – OPC Group IT will provide assistance with the first monthly close process post-separation.
4. Revenue 1099 application – upon final implementation of the OPC OneOxy system, OPC Group IT will provide support through December 31, 2014 as necessary to CRC Group IT to implement and test the system.
5. PowerPlan application – upon final implementation of the OPC PowerPlan system, OPC Group IT will provide support and training through December 31, 2014 as necessary to CRC Group IT to implement and test the system.
6. Data Transfer from OPC Systems to CRC Systems – OPC Group IT will provide support as necessary to CRC Group IT to ensure that data is fully transferred to CRC. Data may encompass physical and electronic records, both general archives and system-specific data. Specifically, General Ledger and Revenue data are to be transferred upon completion of business process activities for November activity processed in December.
7. Wilshire Office PBX Support – OPC Group IT will continue to provide basic PBX support for the Wilshire office building (including the Hammer Museum since there is a single PBX system for both facilities) until the expiration of the Office Term under Annex B, Part VII, Section A.
8. Wilshire Office Printers – CRC Group personnel will continue to be able to use the Ricoh and Lanier printers at the Wilshire office building until the expiration of the Office Term under Annex B, Part VII, Section A.
9. Wilshire Office Network Equipment – CRC Group IT will utilize the Cisco 6509 core switches in the 5th Floor data/network center, network cabling between the 5th Floor data/network center and the CRC Space (defined in Annex B, Part VII, Section A) within the Wilshire office building, and the floor switches, wireless access points, and associated cabling on each floor (or portion thereof) of the CRC Space. This will allow for a CRC Group network that is separate from the OPC Group network. All of the foregoing equipment will continue to be owned by the OPC Group, but CRC Group IT will be entitled to utilize such equipment until the expiration of the Office Term under Annex B, Part VII, Section A.
- 10.

Part IV – Marketing

1. Regulatory/Access to Information – OPC will provide such data, technical and other information for pre-spin periods as CRC may reasonably request for purposes of making required regulatory filings during 2015, and responding to regulatory requests for data following the separation.

Part V – Tax

1. Property Tax
 - a. Assistance with the annual California property tax filings to the State Board of Equalization and the County Assessor's office using California Rendition and assistance with the testing of California Rendition
 - b. Assistance with the Change in Ownership filings resulting from the Internal Restructuring
 - c. Assistance with Power Plan and remitting California property tax payments and accounting for secured and unsecured regular, supplemental, and escaped assessments
 - d. Assistance with property tax examinations
2. Sales and Use Tax
 - a. Retrieval and processing of data using Second Decimal
 - b. Assistance with Power Plan and remitting sales and use tax payments and accounting
 - c. Assistance with State Board of Equalization examinations
3. Excise Tax and Business Tax
 - a. Assist in monthly, quarterly, and annual Federal, State, and Local excise and business tax compliance reporting and payments
 - b. Advise and assist in Federal and State registration and tax audits
4. Income and Franchise Tax
 - a. Assistance (including data migration and training) with Oracle's tax fixed asset module. Beginning balance information (as of November 30, 2014) will be available to be loaded into CRC's instance of the Oracle tax fixed asset module beginning in the week of January 26, 2015.
 - b. Assistance with Corptax Compliance including data migration, testing and set-up through February 28, 2015
 - c. Assistance with the preparation of the short year December 2014 income/franchise tax returns and the 2014 income tax provision
 - i. Assistance with the preparation of the 2014 income tax provision using the November 30, 2014 stub period information provided by OPC. The preliminary November 30 current tax calculation and cumulative temporary differences will be available to CRC on or before January 6, 2015. Final cumulative temporary differences of November 30, 2014 to be provided by OPC to CRC by March 17, 2015.
 - ii. Assistance with the preparation of the short year December 2014 income/franchise tax returns as contemplated by Section 2.2(i) of the Tax Sharing Agreement. OPC will provide assistance with respect to historical balances, historical elections, historical accounting methods, and historical compliance practices until September 15, 2015.

Part VI – Technical Reserves Review

1. CRC will be following the established OPC reserves review process for the 2014 cycle, which will require maintaining the services of the OPC Technical Reserves Review Team (“TRRT”) and the OPC Reserves staff through March 2015.
 - a. Approve change records
 - b. Compile Petrolook data
 - c. Prepare summary numbers for Form 10-K filing and Board of Directors meetings
 - d. Support CRC through KPMG audit
2. In addition to providing 2014 reserve reviews, the TRRT will need to effect the transfer of all electronic California reserves information from the current Houston servers to CRC servers. This would occur following the close of the 2014 cycle (ca. January 30, 2015).

Part VII – Miscellaneous

A. Use of Wilshire Office Space

1. Through June 30, 2015 (the “Office Term”), CRC shall be entitled to occupy the entirety of floors 6, 7, 10 and 11 and 75% of floor 14 (the “CRC Space”) of 10889 Wilshire Boulevard, Los Angeles, California (the “Building”), which is currently owned by Oxy Westwood Corporation, a California corporation (“Oxy Westwood”), a wholly owned subsidiary of OPC.
 - a. CRC shall give 30 days’ notice to Oxy Westwood and OPC prior to vacating all or any portion of the CRC Space. CRC shall be deemed to have vacated the CRC Space when it has surrendered possession of such space in a “broom-clean” condition and removed its personal property therefrom.
 - b. CRC shall not be entitled to occupy or use any portion of the Building other than the CRC Space without the prior written consent of Donald P. de Brier, the President of Oxy Westwood.
 - c. CRC shall pay a monthly gross rental fee (the “Gross Rental Fee”) for its use of the CRC Space during the Office Term, which will equal an amount per month of \$3.25 per net rentable square foot of space in the CRC Space.
 - d. The Gross Rental Fee will cover charges for water, gas, heat, electricity, other forms of power, sewage, office telephone and other charges for public utilities that are shared with Oxy Westwood during the Office Term, except that CRC shall be directly responsible for all internet, wireless internet, cable and satellite television services for the CRC Space.
 - e. Oxy Westwood shall continue to provide cleaning services for the CRC Space as has been customarily provided in the past, except that carpet cleaning service shall be reduced to two times per month. The charges for such services are covered by the Gross Rental Fee.
 - f. All real estate taxes assessed upon the Building will be borne by Oxy Westwood and (as to CRC) are covered by the Gross Rental Fee. Each of Oxy Westwood, OPC and CRC shall pay and be responsible for all taxes on their respective personal property in the Building.
 - g. Oxy Westwood shall maintain such fire and casualty insurance with respect to the Building, which it shall determine is satisfactory in its sole discretion, and the premiums and other charges for such insurance will be covered (as to CRC) by the Gross Rental Fee. CRC shall maintain fire and casualty insurance with respect to its personal property in the CRC Space and comprehensive general liability insurance against claims for bodily injury or death, and property damage occurring on, in or about the CRC Space.
 - h. The CRC space has been provided to CRC furnished, including office equipment, by OPC, and CRC acknowledges and agrees that OPC owns all right and title to all furnishings, office equipment and fixtures in the CRC Space without the prior written consent of Donald P. de Brier, President of Oxy Westwood. CRC shall keep and maintain such furnishings, office equipment and fixtures in good and usable condition, reasonable wear and tear excepted. Any CRC or other personal property remaining in the CRC Space after CRC surrenders such CRC Space shall, at the option of OPC and Oxy Westwood, be deemed to have been abandoned by CRC and may be retained or disposed of by OPC or Oxy Westwood without obligation to CRC. Notwithstanding the foregoing, the Parties acknowledge and agree that “office equipment” does not include certain IT-related assets transferred from Oxy Inc. to CRC Services, LLC pursuant to the Purchase and Sale Agreement between such parties.
 - i. The Parties acknowledge and agree that CRC has assumed the OPC leases for certain office equipment in the copy room and the mailroom in the CRC Space and that Oxy Westwood and OPC have no right, title or interest in such equipment and are not responsible for the servicing or maintenance of such equipment.
 - j. Through the Office Term, Oxy Westwood and OPC will continue to provide bottled water, water cooler and coffee service throughout the CRC Space and vending machine supplies and services customarily provided by Oxy Westwood and OPC in the break room on the 4th floor of the Building. All other beverage and food service will be discontinued as of December 31, 2014.
 - k. CRC will not install any signage on or in the Building, including the CRC Space, or on or in the common areas of the floors of the Building in which the CRC Space is located.
 - l. CRC shall not transfer, assign or sublet its entitlement to occupy the CRC Space, and any such purported transfer, assignment or sublease shall be null, void, and without effect.
 - m. Oxy Westwood and OPC shall be entitled to enter the CRC Space at all times for the purposes of inspecting the space, making repairs and allowing buyers, potential buyers, and potential tenants of the CRC Space and the Building, and their agents, representatives and consultants, to inspect the CRC Space.
 - n. Oxy Westwood and OPC will continue to provide security services for the Building as customarily provided in the past with such modifications as they deem appropriate in their sole discretion.
 - o. Oxy Westwood and OPC will continue to provide document destruction services as customarily provided in the past and the charge for the same will be covered (as to CRC) by the Gross Rental Fee.

B. Treasury

1. OPC Treasury will be working with CRC Treasury and CRC Marketing on transitioning Letters of Credit and Parent Guarantees issued by OPC over to CRC.

C. CRC Supply Chain Management Employee

1. Due to visa issues, Juan Pablo Tamayo has not been transferred to CRC and will not be transferred until a visa is issued. J.P. Tamayo will continue to be employed by OOGC and work supply chain issues on behalf of CRC during the transition period. The transition period will be for approximately 2 months until the end of January (it is anticipated the visa issue will be resolved at that time). J.P. Tamayo is a member to the CRC Strategic Sourcing team.

D. Use of Long Beach Office Space

1. CRC will continue to use OPC’s office space in the office building located at 301 East Ocean Boulevard, Long Beach, CA 90802, until approximately mid-December 2014. CRC will continue to use only the portions of OPC’s office space as are being used by CRC personnel at the time of the Effective Time.

E. Elk Hills Regulatory Employee

1. Ken Goltz, an Elk Hills employee who has been transferred to OPC payroll due to deferred compensation issues, will continue to work on Elk Hills regulatory issues on a part time basis until his retirement at YE2015.

F. Risk Management Services

1. OPC insurance and risk management personnel will assist Greg Hodgson and his team via telephone or e-mail regarding any risk management inquiries.

ANNEX C

DESCRIPTION OF CRC SERVICES

Part I – Accounting

1. HFM support and consultations (Significant knowledge resides in CRC retained employees) (12-18 months)
2. Overall general consulting needs based on historical knowledge embedded in either company
3. Marketing/November Settlement and Pre-Effective Time True-Ups: Assistance from CRC personnel to reconcile commodity purchase and sale accruals with actual purchase and sale data

4. OPC will require Larry Dale's assistance in Houston for a period of 2 or more weeks in February, after the year-end close.
 - a. Larry Dale will train Houston personnel in year-end closing procedures such as equity pick-up entries and pass-back adjustments (if any).
 - b. Larry Dale will instruct both accounting and HFM/PLN administrative personnel on realigning the legal entity tree, to reflect all the 2014 changes to the current parent / sub hierarchy, and will train them on the four parent / sub hierarchal trees in HFM and how to keep the hierarchal trees in sync.

Part II – HR

1. Ongoing consulting relating to OPC's Compensation, Benefits, and Executive Compensation programs
 - a. Through year end 2015
 - b. Volume expected to be major through the 2015 Proxy preparation period
2. Internal legal services related to the above-mentioned Compensation, Benefits, and Executive Compensation programs
 - a. Through year end 2015
 - b. Volume will be sporadic and tied to regulatory filings, corporate Committee issues and discontinued programs
3. Generalist HR support for Los Angeles based OPC personnel
 - a. Through June 30, 2015
 - b. Includes processing employees as they leave OPC employment (agreements, close out activities, etc.)
 - c. Volume expected to be moderate through March 31, 2015
4. Benefits accounting through the preparation of 2014 financial reports

Part III – Marketing

1. Regulatory/Access to Information – CRC will provide such data, technical and other information for pre-spin periods as OPC may reasonably request for purposes of making required regulatory filings during 2015, and responding to regulatory requests for data following the separation.
2. Phibro – CRC will make available employees who handled Phibro issues to assist OPC until such time as Phibro ceases to be an affiliate of OPC (approx end of Q2 2015).

Part IV – IT

1. Desktop Support – CRC Group IT will provide basic IT-related support for the OPC Group personnel (including CBRE as part of the "Office of the Building") at the Wilshire office building through December 31, 2014, and Van Nuys Airport flight support personnel until such flight operations have relocated to Houston (anticipated to be no later than the end of Q2 2015). Commencing on January 1, 2015, (a) OPC Group IT will provide all IT and network support for the OPC Group personnel (including CBRE as part of the "Office of the Building") at the Wilshire office building, and (b) CRC Group IT will provide all IT and network support for the CRC Group personnel at the Wilshire office building until the expiration of the Office Term under [Annex B, Part VII, Section A](#).
2. Data Transfer from CRC Systems to OPC Systems – CRC Group IT will provide support as necessary to ensure that all data related to pre-spin production operations data is transferred to OPC Group IT (e.g., November natural gas actual volumes received in December).

Part V – Miscellaneous

A. Use of Wilshire Office Space

1. During the Office Term, CRC shall staff and manage the mailroom and the loading dock of the Building and continue to provide the same services, including mail, package and other deliveries, on the same terms and in the same manner and standards as has been customary in the Building. CRC has established UPS, Federal Express and other mail and package delivery accounts and has assumed OPC's agreement for the pick-up of outgoing USPS mail. OPC shall pay 20% of the cost and CRC shall pay 80% of the cost of such services during the Office Term.

B. Support for Steve Chazen

1. CRC will provide OPC with access to Karen Plotts to assist Steven Chazen with preparation for meetings and dinners relating to the OPC Board of Directors.

AREA OF MUTUAL INTEREST AGREEMENT

US 2454886v.10

This Area of Mutual Interest Agreement (as the same may be amended, this “**Agreement**”) is entered into on November 25, 2014, to be effective for all purposes as of the Effective Time, by Occidental Petroleum Corporation, a Delaware corporation (“**OPC**”), and California Resources Corporation, a Delaware corporation (“**CRC**”).

RECITALS

OPC and CRC are parties to a Separation and Distribution Agreement dated November 25, 2014 (as the same may be amended, the “**SDA**”). The SDA contemplates that OPC and CRC will enter into this Agreement contemporaneous with the execution of the SDA.

Now, therefore, in and for the same consideration expressed in the SDA, the sufficiency of which is hereby acknowledged, OPC and CRC agree as follows:

ARTICLE I DEFINITIONS

Section 1.1 Certain Defined Terms. The following terms shall have the meanings indicated below:

“**AAA**” has the meaning ascribed to such term in Section 3.2.

“**AAA Commercial Arbitration Rules**” has the meaning ascribed to such term in Section 3.2(a).

“**Acquired Interests**” has the meaning ascribed to such term in Section 2.1(e).

“**Acquisition Notice**” has the meaning ascribed to such term in Section 2.1(a).

“**Acquisition Price**” has the meaning ascribed to such term in Section 2.1(d).

“**Affiliate**” means, when used with respect to a specified Person, a Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified Person. For the purpose of this definition, “**control**” (including with correlative meanings, “**controlled by**” and “**under common control with**”), when used with respect to any specified Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or other interests, by contract, agreement, obligation, indenture, instrument, lease, promise, arrangement, release, warranty, commitment, undertaking or otherwise. For the avoidance of doubt, after the Distribution, the members of the OPC Group and the members of the CRC Group shall not be deemed to be under common control for purposes hereof due solely to the fact that OPC and CRC have common shareholders.

“**AMI**” means the United States (excluding the State of California and State and Federal waters off the coast of the State of California). For the avoidance of doubt, the AMI includes all depths.

“**AMI Interests**” means interests in and rights with respect to Hydrocarbons and Hydrocarbons leases, subleases, fee interests, fee mineral interests, mineral servitudes, royalties, overriding royalties, production payments, net profits interests, carried interests, reversionary interests and all other interests of any kind or character in Hydrocarbons in place and located in or covering any part of the AMI (collectively, the “**Oil and Gas Leases**”), together with any and all other rights, titles and interests in and to any pooled acreage, communitized acreage or units arising on account of the Oil and Gas Leases having been pooled, communitized or unitized into such units, including any arrangement by which the consideration to acquire an Oil and Gas Lease is paid at the time of signing of such Oil and Gas Lease but such Oil and Gas Lease becomes effective only after expiration or termination of an existing lease.

“**CRC Business Transaction**” means a direct or indirect acquisition of AMI Interests through (a) a consolidation, amalgamation, merger or other business combination with, or the acquisition of equity or economic interests in, another Person in which a CRC Person acquires control (as the term “**control**” is defined in the definition of the term “**Affiliate**”) of such Person or (b) an acquisition by a CRC Person of a group of assets from another Person who is not a CRC Person.

“**CRC Person**” means CRC and its Subsidiaries.

“**Dispute**” has the meaning ascribed to such term in Section 3.1(a).

“**Distribution Date**” has the meaning ascribed to such term in the SDA.

“**Effective Time**” means 11:59 p.m., Eastern Time, on November 30, 2014.

“**Election Period**” has the meaning ascribed to such term in Section 2.1(a).

“**GHG Costs**” means costs of emissions allowances incurred in order to comply with the California Global Warming Solutions Act of 2006.

“**Governmental Authority**” means any nation or government, any state, municipality or other political subdivision thereof, and any entity, body, agency, commission, department, board, bureau, court, tribunal or other instrumentality, whether federal, state, local, domestic, foreign or multinational, exercising executive, legislative, judicial, regulatory, administrative or other similar functions of, or pertaining to, government and any executive official thereof.

“**Hydrocarbons**” means oil and gas and other hydrocarbons produced or processed in association therewith (whether in liquid or gaseous form), or any combination thereof, and any minerals produced in association therewith.

“**OPC Person**” means OPC and its Affiliates. For purposes of this definition, as of the Distribution Date none of CRC or its Affiliates shall constitute an OPC Person.

“**Option**” has the meaning ascribed to such term in Section 2.1(a).

“**Party**” or “**Parties**” means each of (or collectively) OPC and CRC.

“**Person**” means an individual, a general or limited partnership, a corporation, a trust, a joint venture, an unincorporated organization, a limited liability entity, any other entity and any Governmental Authority.

“**Post-Acquisition Period**” has the meaning ascribed to such term in Section 2.1(d).

“**Property Taxes**” means all federal, state or local taxes, assessments, levies or other charges, which are imposed upon the AMI Interests, including ad valorem, property, documentary or stamp, as well as any interest, penalties and fines assessed or due in respect of any such taxes, whether disputed or not.

“**Revocation Notice**” has the meaning ascribed to such term in Section 2.1(c).

“**Revocation Period**” has the meaning ascribed to such term in Section 2.1(c).

“**Severance Taxes**” means all federal, state or local taxes, assessments, levies or other charges, which are imposed upon production from the AMI Interests, including excise taxes on production, severance or gross production, as well as any interest, penalties and fines assessed or due in respect of any such taxes, whether disputed or not.

“**Subsidiary**” means, when used with respect to a specified Person, a Person that, directly or indirectly, through one or more intermediaries, is controlled by such specified Person (using the correlative meaning of the term “control” as defined in the definition of the term “Affiliate”).

ARTICLE II **AMI OPTION**

Section 2.1 Acquisition of Option Acreage.

(a) If, during the period commencing as of the Distribution Date and ending on fifth (5th) anniversary of the Distribution Date, any CRC Person, directly or indirectly, acquires any AMI Interest, then CRC will provide written notice to OPC of such acquisition, including the acquisition price and other material terms and conditions of such acquisition (the “**Acquisition Notice**”) within thirty (30) days following the date such CRC Person consummates such acquisition. An Acquisition Notice shall be provided for each transaction pursuant to which one or more AMI Interests is directly or indirectly acquired by any CRC Person during such five (5) year period. OPC will have the option (each an “**Option**”) to acquire an undivided 51% interest in the AMI Interest(s) covered by each Acquisition Notice on the same terms and conditions on which the CRC Person acquired such AMI Interest (provided, the acquisition price to be paid to CRC by OPC shall be determined in accordance with Section 2.1(d)) by providing written notice of such election to CRC at any time within the one (1) year period following OPC’s receipt of such Acquisition Notice (the “**Election Period**”). If as to any Acquisition Notice OPC fails to exercise the Option within the Election Period applicable to such Acquisition Notice, OPC shall be deemed to have made an election not to exercise the Option and not to acquire an undivided interest in such AMI Interest.

(b) If as to any AMI Interest covered by an Acquisition Notice OPC elects (or is deemed to have elected) to not acquire a 51% undivided interest in such AMI Interest, such AMI Interest shall cease to be subject to this Agreement upon the earlier to occur of (i) the expiration of the Election Period applicable to such AMI Interest, (ii) the date OPC notifies CRC in writing that OPC elects not to acquire a 51% undivided interest in such AMI Interest and (iii) the date OPC provides to CRC a Revocation Notice in respect of such AMI Interest.

(c) If as to any AMI Interest covered by an Acquisition Notice OPC provides written notice to CRC of its election to acquire a 51% undivided interest in such AMI Interest within the Election Period, then within fifteen (15) days following CRC’s receipt of such election notice CRC shall provide to OPC its good faith estimate of the Acquisition Price of such AMI Interest together with documentation that reflects and supports the components of such Acquisition Price. OPC shall have thirty (30) days following receipt of the notification of such Acquisition Price (the “**Revocation Period**”) to notify CRC of its decision (in its sole discretion) to revoke its exercise of the Option with respect to such AMI Interest (in which case Section 2.1(b) shall apply thereto) (a “**Revocation Notice**”). If OPC fails to provide a Revocation Notice within such thirty (30) day period, then as to such AMI Interest OPC shall have no further right to revoke its exercise of the Option with respect thereto.

(d) If as to any AMI Interest covered by an Acquisition Notice OPC provides written notice to CRC of its election to acquire a 51% undivided interest in such AMI Interest within the Election Period and provided that OPC does not send a Revocation Notice with respect thereto in accordance with Section 2.1(c), OPC shall purchase such undivided interest within 30 days following the expiration of the Revocation Period. The consideration to be paid by OPC for the 51% undivided interest in such AMI Interest will be equal to (i) 51% of the net acquisition price paid by the CRC Person for such AMI Interest after taking into account any adjustments to such acquisition price in accordance with the terms of the definitive purchase agreement for such acquisition plus, (ii) 51% of all direct out-of-pocket operating expenses incurred by the CRC Person in the ownership and operation of the AMI Interest, including without limitation costs of insurance, Property Taxes, Severance Taxes, GHG Costs and capital expenditures (including drilling operations) incurred in the ordinary course of business and a reasonable allocation of overhead costs for an operated AMI Interest or any third party overhead costs charged to the AMI Interest under a relevant operating agreement or unit agreement for a non-operated AMI Interest (net of any reimbursements from other working interest owners, other Persons or insurance) in respect of such AMI Interest attributable to the period after the date of such CRC Person’s acquisition of such AMI Interest through the day immediately preceding the date of OPC’s acquisition from such CRC Person of the 51% undivided interest in such AMI Interest (the “**Post-Acquisition Period**”), less (iii) 51% of the proceeds received by or legally or contractually committed to be paid to such CRC Person from the sale of Hydrocarbons produced from such AMI Interest during the Post-Acquisition Period less (without duplication of any amount covered by clause (ii) preceding) amounts paid or payable as royalties, overriding royalties and other burdens measured by or payable out of such production or proceeds (the “**Acquisition Price**”).

(e) Interests acquired by OPC in accordance with this Section 2.1 shall be referred to as “**Acquired Interests**”. At the closing of the purchase of the Acquired Interests, CRC shall cause the CRC Person who owns such interests to execute and deliver to OPC (or an Affiliate of OPC designated by OPC), and OPC (or, if applicable, such designated Affiliate of OPC) will execute an assignment of such Acquired Interests in a form reasonably acceptable to OPC and CRC (provided, such assignment shall be without warranty of title other than as to adverse claims made by, through or under any CRC Person) and the effective date of such assignment shall be the date it is executed. If any of the Acquired Interests are encumbered by any lien or security interest which secures any indebtedness of any CRC Person, CRC shall cause such lien and security interest to be released contemporaneous with the execution of such assignment. OPC will pay the costs of recording such assignment in the real property records of the appropriate county(ies) or township(s).

(f) Subject to Section 2.2, the rights and obligations set forth in Sections 2.1(a) through (e) shall apply to direct or indirect acquisitions of AMI Interests by any CRC Person that occur as a result of a CRC Business Transaction.

(g) If a CRC Person is the operator of any of the Acquired Interests, OPC may elect (in its sole discretion) by notice to CRC to have such CRC Person resign as operator and vote its entire percentage interest in such AMI Interest for the OPC Person designated by OPC as the successor operator. Within 60 days following receipt of any such notice and, subject to the requirements of any applicable operating agreement in existence prior to the date of acquisition by CRC of such Acquired Interests, CRC shall cause such resignation and vote to occur in accordance with the preceding sentence and shall provide contemporaneous evidence of the same having occurred.

Section 2.2 Transactions Excluded. Notwithstanding anything to the contrary, the direct or indirect acquisition of AMI Interests by a CRC Person pursuant to any transaction described in this Section 2.2 shall be excluded from and not subject to Section 2.1.

(a) Any acquisition of equity securities in a Person that owns or holds AMI Interests if:

(i) such equity securities constitute less than 50% of the outstanding equity securities and voting power of such Person;

(ii) following the consummation of the acquisition, the value of the AMI Interests held by such Person represent less than 10% of the value of all of the assets held by such Person; and

(iii) no CRC Person otherwise controls such Person (as the term “control” is defined in the definition of the term “Affiliate”).

(b) Any direct or indirect acquisition of AMI Interests as a result of a CRC Business Transaction in which the value of the AMI Interests included in such transaction represents less than 20% of the total consideration paid by the applicable CRC Person in such CRC Business Transaction.

ARTICLE III **DISPUTE RESOLUTION**

Section 3.1 General Provisions.

(c) Any dispute, controversy or claim arising out of or relating to this Agreement, including the validity, interpretation, breach or termination thereof (a “**Dispute**”), shall be resolved in accordance with the procedures set forth in this Article III, which shall be the sole and exclusive procedures for the resolution of any such Dispute unless otherwise specified in this Article III.

(d) Commencing with a request contemplated by Section 3.2, all communications between the Parties or their representatives in connection with the attempted resolution of any Dispute shall be deemed to have been delivered in furtherance of a Dispute settlement and shall be exempt from discovery and production, and shall not be admissible into evidence for any reason (whether as an admission or otherwise), in any arbitral or other proceeding for the resolution of any Dispute.

(e) All applicable statutes of limitations and defenses based upon the passage of time shall be tolled while the procedures specified in this Article III are pending. The Parties will take any necessary or appropriate action required to effectuate such tolling.

Section 3.2 Arbitration.

(a) Any Dispute shall be submitted to be finally resolved by binding arbitration pursuant to the American Arbitration Association (“AAA”) Commercial Arbitration Rules as then in effect (the “AAA Commercial Arbitration Rules”).

(b) Without waiving its rights to any remedy under this Agreement, either Party may seek any interim or provisional relief that is necessary to protect the rights or property of that Party either (i) before any Texas federal or state court, (ii) before a special arbitrator, as provided for under the AAA Commercial Arbitration Rules, or (iii) before the arbitral tribunal established hereunder.

(c) Unless otherwise agreed by the Parties in writing, any Dispute to be decided in arbitration hereunder will be decided (i) before a sole arbitrator if the amount in dispute, inclusive of all claims and counterclaims, totals less than \$50 million; or (ii) by an arbitral tribunal of three (3) arbitrators if (A) the amount in dispute, inclusive of all claims and counterclaims, is equal to or greater than \$50 million, or (B) either Party elects in writing to have such dispute decided by three (3) arbitrators when one of the Parties believes, in its sole judgment, the issue could have significant precedential value; however, the Party who makes such a request pursuant to this clause (B) shall solely bear the increased costs and expenses associated with a panel of three (3) arbitrators (i.e., the additional costs and expenses associated with the two (2) additional arbitrators).

(d) The panel of three (3) arbitrators will be chosen as follows: (i) upon the written demand of either Party and within fifteen (15) days from the date of such demand, each Party will name an arbitrator; and (ii) the two (2) party-appointed arbitrators will thereafter, within thirty (30) days from the date on which the second of the two (2) arbitrators was named, name a third, independent arbitrator who will act as chairperson of the arbitral tribunal. If either Party fails to name an arbitrator within fifteen (15) days from the date of a written demand to do so, then upon written application by either Party, that arbitrator will be appointed pursuant to the AAA Commercial Arbitration Rules. If the two (2) party-appointed arbitrators fail to appoint the third, independent arbitrator within thirty (30) days from the date on which the second of the two (2) arbitrators was named, then upon written application by either Party, the third, independent arbitrator will be appointed pursuant to AAA Commercial Arbitration Rules. If the arbitration will be before a sole independent arbitrator, then the sole independent arbitrator will be appointed by agreement of the Parties within fifteen (15) days upon written demand of either Party. If the Parties cannot agree to a sole independent arbitrator, then upon written application by either Party, the sole independent arbitrator will be appointed pursuant to AAA Commercial Arbitration Rules.

(e) The place of arbitration shall be Houston, Texas. Along with the arbitrator(s) appointed, the Parties will agree to a mutually convenient location, date and time to conduct the arbitration, but in no event will the final hearing(s) be scheduled less than two (2) months from submission of the Dispute to arbitration unless the Parties agree otherwise in writing.

(f) The arbitral tribunal will have the right to award, on an interim basis, or include in the final award, any relief which it deems proper in the circumstances, including money damages (with interest on unpaid amounts from the due date), injunctive relief (including specific performance) and attorneys’ fees and costs; provided, the arbitral tribunal will not award any relief not specifically requested by the Parties and, in any event, will not award those damages described in Section 5.13. Upon constitution of the arbitral tribunal following any grant of interim relief by a special arbitrator or court pursuant to Section 3.2(b), the tribunal may affirm or disaffirm that relief, and the Parties will seek modification or rescission of the order entered by the special arbitrator or court as necessary to accord with the tribunal’s decision.

(g) The Parties agree to be bound by the provisions of Rule 13 of the Federal Rules of Civil Procedure with respect to compulsory counterclaims (as the same may be amended from time to time); provided, any such compulsory counterclaim shall be filed within thirty (30) days of the filing of the original claim.

(h) So long as either Party has a timely claim to assert, the agreement to arbitrate Disputes set forth in this Section 3.2 will continue in full force and effect subsequent to, and notwithstanding the completion, expiration or termination of, this Agreement.

(i) A Party obtaining an order of interim injunctive relief may enter judgment upon such award in any Texas federal or state court. The final award in an arbitration pursuant to this Article III shall be conclusive and binding upon the Parties, and a Party obtaining a final award may enter judgment upon such award in any court of competent jurisdiction.

(j) It is the intent of the Parties that the agreement to arbitrate Disputes set forth in this Section 3.2 shall be interpreted and applied broadly such that all reasonable doubts as to arbitrability of a Dispute shall be decided in favor of arbitration.

(k) The Parties agree that any Dispute submitted to mediation and/or arbitration shall be governed by, and construed and interpreted in accordance with, the laws of the State of Texas, as provided in Section 5.2 and, except as otherwise provided in this Article III or mutually agreed to in writing by the parties, the Federal Arbitration Act, 9 U.S.C. § 1 et seq., shall govern any arbitration between the Parties pursuant to this Section 3.4.

(l) Subject to Section 3.2(c)(ii)(B), each Party shall bear its own fees, costs and expenses and shall bear an equal share of the costs and expenses of the arbitration, including the fees, costs and expenses of the three (3) arbitrators; provided, the arbitral tribunal may award the prevailing party its reasonable fees and expenses (including attorneys’ fees), including with respect to any Disputes relating to the Parties’ rights and obligations with respect to indemnification under this Agreement.

Section 3.3 Certain Disputes. Notwithstanding anything in this Article III to the contrary, any disputes relating to injunctive relief or specific performance shall be conducted according to the fast-track arbitration procedures of the AAA then in effect.

Section 3.4 No Attorney Testimony. No in-house attorney or outside attorney may be called to testify about or present evidence covering the interpretation or meaning of this Agreement in any Dispute, mediation or arbitration between the Parties.

ARTICLE IV TERMINATION

If the SDA is terminated pursuant to Article IX of the SDA prior to the Distribution Date, this Agreement shall automatically terminate as of the same date that the SDA terminates, in which case no Party shall have any liability to the other Party by reason of this Agreement.

ARTICLE V MISCELLANEOUS

Section 5.1 Counterparts; Entire Agreement.

(a) This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Party.

(b) This Agreement contains the entire agreement between the Parties with respect to the subject matter hereof, supersedes all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter, and there are no agreements or understandings between the Parties with respect to such subject matter other than those set forth or referred to herein.

Section 5.2 Governing Law. This Agreement (and any claims or Disputes arising out of or related hereto or to the transactions contemplated hereby or to the inducement of either Party to enter herein, whether for breach of contract, tortious conduct or otherwise and whether predicated on common law, statute or otherwise) shall be governed by and construed and interpreted in accordance with the laws of the State of Texas, irrespective of the choice of laws principles of the State of Texas, including all matters of validity, construction, effect, enforceability, performance and remedies.

Section 5.3 Assignability. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. No Party may assign its respective rights or delegate its respective obligations under this Agreement without the prior written consent of the other Party.

Section 5.4 Third-Party Beneficiaries. The provisions of this Agreement are solely for the benefit of the Parties and are not intended to confer upon any Person except the Parties any rights or remedies hereunder, there are no third-party beneficiaries of this Agreement, and this Agreement shall not provide any third Person with any remedy, claim, liability, reimbursement, claim of action or other right in excess of those existing without reference to this Agreement.

Section 5.5 Notices. All notices, requests, claims, demands or other communications under this Agreement shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service, by facsimile or electronic transmission with receipt confirmed (followed by delivery of an original via overnight courier service), or by registered or certified mail (postage prepaid, return receipt requested) to the respective Party at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 5.5):

If to OPC, to: Occidental Petroleum Corporation
5 Greenway Plaza
Houston, Texas 77046
Attention: General Counsel

If to CRC, to: California Resources Corporation
10889 Wilshire Boulevard
Los Angeles, CA 90024
Attention: General Counsel

Any Party may, by notice to the other Party, change the address and contact person to which any such notices are to be given.

Section 5.6 Severability. If any provision of this Agreement or the application thereof to any Person or circumstance is determined pursuant to Article III or by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby. Upon such determination, the Parties shall negotiate in good faith in an effort to agree upon such a suitable and equitable provision to effect the original intent of the Parties.

Section 5.7 Headings. The article and section headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 5.8 Waivers of Default. Waiver by a Party of any default by the other Party of any provision of or obligation under this Agreement shall not be deemed a waiver by the waiving Party of any subsequent or other default, nor shall it prejudice the rights of such waiving Party. No failure or delay by any Party in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof nor shall a single or partial exercise thereof prejudice any other or further exercise thereof or the exercise of any other right, power or privilege.

Section 5.9 Specific Performance. Subject to the provisions of Article III, in the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement, the Party who is, or will be, thereby aggrieved shall have the right to specific performance and injunctive or other equitable relief in respect of its rights under this Agreement, in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies shall be cumulative. The Parties agree that the remedies at law for any breach or threatened breach, including monetary damages, are inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are waived by each Party.

Section 5.10 Amendments. No provision of this Agreement shall be deemed waived, amended, supplemented or modified by any Party, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of the Party against whom it is sought to enforce such waiver, amendment, supplement or modification.

Section 5.11 Interpretation. In this Agreement, (a) words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other genders as the context requires; (b) the terms "hereof," "herein," "herewith" and words of similar import, and the term "Agreement" shall, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement; (c) article and section references are to the articles and sections of this Agreement unless otherwise specified; (d) the word "including" and words of similar import when used in this Agreement means "including, without limitation"; (e) the word "or" shall not be exclusive; and (f) unless expressly stated to the contrary in this Agreement, all references to "the date hereof," "the date of this Agreement," "hereby" and "hereupon" and words of similar import shall all be references to the date first stated in the preamble to this Agreement, regardless of any amendment or restatement hereof. Nothing contained herein shall be interpreted or construed against the drafter(s) of this Agreement, and both Parties had full and fair opportunity to contribute to the drafting of this Agreement.

Section 5.12 Relationship of the Parties. It is expressly agreed that, from and after the Distribution Date and for purposes of this Agreement, (a) no CRC Person shall be deemed to be an Affiliate of any OPC Person and (b) no OPC Person shall be deemed to be an Affiliate of any CRC Person.

Section 5.13 Limitations of Liability. NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, NO CRC PERSON, ON THE ONE HAND, NOR OPC PERSON, ON THE OTHER HAND, SHALL BE LIABLE UNDER THIS AGREEMENT TO THE OTHER FOR ANY SPECIAL, INDIRECT, PUNITIVE, EXEMPLARY, REMOTE, SPECULATIVE, CONSEQUENTIAL OR SIMILAR DAMAGES IN EXCESS OF COMPENSATORY DAMAGES OF THE OTHER ARISING IN CONNECTION WITH THE TRANSACTION CONTEMPLATED HEREBY.

Section 5.14 Attorney Client Privilege. CRC agrees that, in the event of any Dispute or other litigation, Dispute, controversy or claim arising out of this Agreement between one or more OPC Persons, on the one hand, and one or more CRC Persons, on the other hand, CRC will not, and will cause each other CRC Person not to, seek any waiver of attorney-client privilege with respect to any communications relating to advice given prior to the Distribution Date by counsel to OPC or any Person that was an Affiliate of OPC prior to the Distribution Date, regardless of any argument that such advice may have affected the interests of both Parties. Moreover, CRC will, and will cause each other CRC Person to, honor any such attorney-client privilege between OPC and its Affiliates and its or their counsel, and will not assert that OPC or any other OPC Person has waived, relinquished or otherwise lost such privilege. For the avoidance of doubt, in the event of any litigation, Dispute, controversy or claim between OPC or any OPC Person, on the one hand, and any other Person (other than a CRC Person), on the other hand, OPC and its Affiliates shall retain the right to assert attorney-client privilege with respect to any communications relating to advice given prior to the Distribution Date by counsel to OPC or to any Person that was an Affiliate of OPC prior to the Distribution Date.

Section 5.15 WITHOUT LIMITING ARTICLE III, THE PARTIES EXPRESSLY WAIVE AND FOREGO ANY RIGHT TO TRIAL BY JURY.

(signature page follows)

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives.

OCCIDENTAL PETROLEUM CORPORATION

By: /s/ Marcia E. Backus
Name: Marcia E. Backus

Title: Vice President and General Counsel

CALIFORNIA RESOURCES CORPORATION

By: /s/ Todd A. Stevens
Name: Todd A. Stevens

Title: President and Chief Executive Officer

CONFIDENTIALITY AND TRADE SECRET PROTECTION AGREEMENT

US 2712400v.14

This Confidentiality and Trade Secret Protection Agreement (as the same may be amended, this "**Agreement**") is entered into effective as of November 25, 2014 (the "**Effective Date**"), by Occidental Petroleum Corporation, a Delaware corporation ("**OPC**"), and California Resources Corporation, a Delaware corporation ("**CRC**").

RECITALS

OPC and CRC are parties to a Separation and Distribution Agreement dated the date hereof (as the same may be amended, the "**SDA**"). The SDA contemplates that OPC and CRC will enter into this Agreement contemporaneous with the execution of the SDA; and

The Parties desire for OPC to preserve its confidential Information;

Now, therefore, in and for the consideration of the foregoing and the mutual promises and agreements hereinafter set forth, the mutuality, sufficiency and receipt of which are hereby acknowledged, OPC and CRC agree as follows:

ARTICLE I DEFINITIONS

Section 1.1 Certain Defined Terms. In addition to the terms defined elsewhere in this Agreement, the following terms shall have the meanings indicated below:

"**Affiliate**" means, when used with respect to a specified Person, a Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified Person. For the purpose of this definition, "control" (including with correlative meanings, "controlled by" and "under common control with"), when used with respect to any specified Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or other interests, by contract, agreement, obligation, indenture, instrument, lease, promise, arrangement, release, warranty, commitment, undertaking or otherwise. For the avoidance of doubt, after the Distribution Date, the members of the OPC Group and the members of the CRC Group shall not be deemed to be under common control for purposes hereof due solely to the fact that OPC and CRC have common shareholders.

"**Ancillary Agreements**" means this Agreement, the Area of Mutual Interest Agreement, the Employee Matters Agreement, the Intellectual Property License Agreement, the Stockholder's Agreement, the Transition Services Agreement, the Tax Sharing Agreement and the Transfer Documents.

"**Area of Mutual Interest Agreement**" means the Area of Mutual Interest Agreement, dated as of the date hereof, between OPC and CRC.

"**CRC Group**" means CRC, (i) each Subsidiary of CRC immediately after the Distribution Date, (ii) each Affiliate of CRC controlled by CRC immediately after the Distribution Date and (iii) each other entity that becomes a Subsidiary of CRC at any time following the Distribution Date for so long as such entity is a Subsidiary of CRC.

"**Distribution Date**" has the meaning ascribed to such term in the SDA.

"**Employee Matters Agreement**" means the Employee Matters Agreement, dated as of the date hereof, between OPC and CRC.

"**Governmental Authority**" means any nation or government, any state, municipality or other political subdivision thereof, and any entity, body, agency, commission, department, board, bureau, court, tribunal or other instrumentality, whether federal, state, local, domestic, foreign or multinational, exercising executive, legislative, judicial, regulatory, administrative or other similar functions of, or pertaining to, government and any executive official thereof.

"**Information**" means information, whether or not patentable or copyrightable, in written, oral, electronic or other tangible or intangible forms, stored in any medium, including studies, reports, records, books, contracts, instruments, surveys, discoveries, ideas, concepts, know-how, techniques, designs, specifications, drawings, blueprints, diagrams, models, prototypes, samples, flow charts, data, computer data, disks, diskettes, tapes, computer programs or other software, marketing plans, customer names, memos, and other technical, financial, employee or business information or data.

"**Intellectual Property License Agreement**" means the Intellectual Property License Agreement, dated as of the date hereof, between OPC and CRC.

"**Law**" means any national, supranational, federal, state, provincial, local or similar law (including common law), statute, code, order, ordinance, rule, regulation, treaty (including any income tax treaty), license, permit, authorization, approval, consent, decree, injunction, binding judicial or administrative interpretation or other requirement, in each case, enacted, promulgated, issued or entered by a Governmental Authority.

"**Losses**" means actual losses (including any diminution in value), costs, damages, penalties and expenses (including legal and accounting fees and expenses and costs of investigation and litigation), whether or not involving a claim commenced by any Person other than a member of the CRC Group or the OPC Group.

"**OPC Group**" means OPC, (i) each Subsidiary of OPC immediately after the Distribution Date, (ii) each Affiliate of OPC controlled by OPC immediately after the Distribution Date and (iii) each other entity that becomes a Subsidiary of OPC at any time following the Distribution Date for so long as such entity is a Subsidiary of OPC; provided that, from and after the Distribution Date, each member of the CRC Group will be deemed not to be a member of the OPC Group.

"**Party**" or "**Parties**" means each of (or collectively) OPC and CRC.

"**Person**" means an individual, a general or limited partnership, a corporation, a trust, a joint venture, an unincorporated organization, a limited liability entity, any other entity and any Governmental Authority.

"**Privilege**" means any privilege available under applicable Law, including the attorney-client privilege, work product, joint defense, common interest or other applicable privilege.

"**Representatives**" means, with respect to any Person, any of such Person's directors, officers, employees, agents, managers, consultants, advisors, accountants, attorneys or other representatives.

"**Stockholder's Agreement**" means the Stockholder's and Registration Rights Agreement, dated as of the date hereof, between OPC and CRC.

"**Subsidiary**" or "**subsidiary**" means, with respect to any Person, any corporation, limited liability company, joint venture or partnership of which such Person (a) beneficially owns, either directly or indirectly, more than fifty percent (50%) of (i) the total combined voting power of all classes of voting securities of such Person, (ii) the total combined equity interests or (iii) the capital or profit interests, in the case of a partnership, or (b) otherwise has the power to vote, either directly or indirectly, sufficient securities to elect a majority of the board of directors or similar governing body.

"**Tax Sharing Agreement**" means the Tax Sharing Agreement, dated as of the date hereof, between OPC and CRC.

"**Transfer Documents**" shall have the meaning set forth in Section 2.1(c) of the SDA.

"**Transition Services Agreement**" means the Transition Services Agreement, dated as of the date hereof, between OPC and CRC.

ARTICLE II CONFIDENTIAL INFORMATION AND TRADE SECRET PROTECTION

Section 2.1 Confidential Information

(a) Subject to Section 2.1(b) and (c), until the five (5)-year anniversary of the Distribution Date, CRC, on behalf of itself and each member of the CRC Group, agrees to hold, and to cause its Representatives to hold, in strict confidence, with at least the same degree of care that applies to OPC's confidential and proprietary information pursuant to policies in effect as of the Distribution Date, all Information concerning the OPC Group that is either in its possession (including Information in its possession prior to the Distribution Date) or furnished by the OPC Group or its Representatives at any time pursuant to the SDA, this Agreement, or any other Ancillary Agreement or otherwise, except, in each case, to the extent that such Information has been (i) in the public domain through no fault of CRC or any member of the CRC Group or any of their respective Representatives, (ii) later lawfully acquired from other sources by CRC (or any member of the CRC Group) which sources are not themselves bound by a confidentiality obligation, or (iii) independently generated without reference to any proprietary or confidential Information of OPC.

(b) CRC, on behalf of itself and each member of the CRC Group, agrees not to release or disclose, or permit to be released or disclosed, any such Information to any other Person, except its Representatives who need to know such Information (who shall be advised of their obligations hereunder with respect to such Information), except in compliance with Section 2.1(c). Without limiting the foregoing, when any Information is no longer needed for the purposes contemplated by the SDA or any Ancillary Agreement, CRC will promptly after request of OPC either return to OPC all Information in a tangible form (including all copies thereof and all notes, extracts or summaries based thereon) or certify to OPC that it has destroyed such Information (and such copies thereof and such notes, extracts or summaries based thereon); provided, however, that a Party shall not be required to destroy or return any such Information to the extent that (i) CRC is required to retain the Information in order to comply with any applicable Law, (ii) the Information has been backed up electronically pursuant to CRC's standard document retention policies and will be managed and ultimately destroyed consistent with such policies or (iii) it is kept in CRC's legal files for purposes of resolving any dispute that may arise under the SDA or any Ancillary Agreement.

(c) If CRC or any member of its Group either determines on the advice of its counsel that it is required to disclose any Information pursuant to applicable Law or receives any demand under lawful process or from any Governmental Authority to disclose or provide Information of OPC (or any member of the OPC Group) that is subject to the confidentiality provisions hereof, CRC shall use commercially reasonable efforts to notify OPC prior to disclosing or providing such Information and shall cooperate at the expense of OPC in seeking any reasonable protective arrangements requested by OPC. Subject to the foregoing, the Person that received such request may thereafter disclose or provide Information to the extent required by such Law (as so advised by counsel) or by lawful process or such Governmental Authority.

(d) The Parties further recognize that certain employees of OPC will have Information relevant to OPC's ongoing business that is not readily available to CRC and if CRC had such Information, CRC would be able to unfairly compete with OPC. For this and other reasons, the Parties agree to the following restrictions:

(i) for a period of one (1) year from the Distribution Date, CRC will not hire or otherwise engage any individual who is employed by OPC in any of the positions listed in the form titled, "OPC Positions," which is attached hereto as Exhibit A or engaged as an officer of OPC;

(ii) for a period of five (5) years from the Distribution Date, CRC will not directly or indirectly call on, solicit, or induce any individual who is employed by OPC in any of the positions listed in Exhibit A or engaged as an officer of OPC to terminate such person's employment or engagement with OPC and will not assist any other Person in such a solicitation. Solicitation shall be deemed not to include (x) general solicitations of employment that are not specifically directed towards employees or officers of a member of the OPC Group, (y) soliciting any such person who has ceased to be employed by any member of the OPC Group prior to the time of commencement of such solicitation, or (z) hiring or otherwise engaging an employee or officer of any member of the OPC Group who contacted CRC initially without any violation of this provision by CRC;

(iii) for a period of one (1) year from the Distribution Date, OPC will not hire or otherwise engage any individual who is employed by CRC in any of the positions listed in the form titled, "CRC Positions," which is attached hereto as Exhibit B or engaged as an officer of CRC; and

(iv) for a period of five (5) years from the Distribution Date, OPC will not directly or indirectly call on, solicit, or induce any individual who is employed by CRC in any of the positions listed on Exhibit B or engaged as an officer of CRC to terminate such person's employment or engagement with CRC and will not assist any other Person in such a solicitation. Solicitation shall be deemed not to include (x) general solicitations of employment that are not specifically directed towards employees or officers of any member of the CRC Group, (y) soliciting any such person who has ceased to be employed by any member of the CRC Group prior to the time of commencement of such solicitation, or (z) hiring or otherwise engaging an employee or officer of a member of the CRC Group who contacted OPC initially without any violation of this provision by OPC.

(e) For the avoidance of doubt, with respect to any individual employed in any position listed as an OPC Position or CRC Position, the restrictions provided for in Section 2.1(d) shall apply unless the Executive Vice-President of Human Resources of OPC and the Vice-President of Human Resources of CRC agree in writing that any such individual may be exempt from one or more of those restrictions, which agreement shall only be reached after giving due consideration to the purpose of preserving confidentiality of certain Information as set forth in this Agreement.

Section 2.2 Liquidated Damages.

If either Party breaches its obligations under Section 2.1(d), the breaching Party shall pay to the non-breaching Party an amount equal to two times the total compensation that was provided by the non-breaching Party to the individual with respect to whom the breaching activity occurred for the twelve months immediately prior to such breach (the "Liquidated Damages") for each such breach. The Parties acknowledge and agree that quantifying Losses arising from a breach of Section 2.1(d) is inherently difficult where such breach may destroy the confidential nature of the Information and dilute the non-breaching Party's goodwill and further agree that the Liquidated Damages is not a penalty but a reasonable estimate of the anticipated or actual harm that could arise from such a breach based upon the Parties' experience in the industry. The Parties further agree that the Liquidated Damages shall not be deemed the exclusive remedies for a breach of this Agreement, but shall be in addition to all remedies available in equity, including, without limitation, temporary and permanent injunctive relief.

ARTICLE III **DISPUTE RESOLUTION**

Section 3.1 General Provisions.

(a) Any dispute, controversy or claim arising out of or relating to this Agreement between the Parties, including the validity, interpretation, breach or termination thereof (a "**Dispute**"), shall be resolved in accordance with the procedures set forth in this Article III, which shall be the sole and exclusive procedures for the resolution of any such Dispute unless otherwise specified in this Article III.

(b) All applicable statutes of limitations and defenses based upon the passage of time shall be tolled while the procedures specified in this Article III are pending. The Parties will take any necessary or appropriate action required to effectuate such tolling.

Section 3.2 Arbitration.

(a) Each of the Parties (i) agrees that any Dispute shall be settled by arbitration in accordance with the AAA Commercial Arbitration Rules as then in effect (the "**AAA Commercial Arbitration Rules**"); (ii) waives, to the fullest extent it may effectively do so, any objection which it may now or hereafter have to the laying of venue of any such arbitration; and (iii) submits to the exclusive jurisdiction of Texas in any such arbitration. There shall be one (1) arbitrator, selected in accordance with the AAA Commercial Arbitration Rules.

(b) The place of arbitration shall be Houston, Texas. Along with the arbitrator appointed, the Parties will agree to a mutually convenient location, date and time to conduct the arbitration, but in no event will the final hearing(s) be scheduled less than twelve (12) months from submission of the Dispute to arbitration unless the Parties agree otherwise in writing.

(c) The parties to the arbitration shall each pay an equal share of the costs and expenses of such arbitration, and each party shall separately pay for its respective counsel fees and expenses; provided, however, that the prevailing party in any such arbitration shall be entitled to recover from the non-prevailing party its reasonable costs and expenses and attorneys' fees and expenses.

(d) The arbitrator will have the right to award, on an expedited or interim basis, or include in the final award, any relief which it deems proper in the circumstances, including money damages (with interest on unpaid amounts from the due date), injunctive relief (including specific performance), and attorneys' fees and costs and expenses; provided, the arbitrator will not award any relief not specifically requested by the Parties.

(e) The Parties agree to be bound by the provisions of Rule 13 of the Federal Rules of Civil Procedure with respect to compulsory counterclaims (as the same may be amended from time to time); provided, any such compulsory counterclaim shall be filed within thirty (30) days of the filing of the original claim.

(f) So long as either Party has a timely claim to assert, the agreement to arbitrate Disputes set forth in this Section 3.2 will continue in full force and effect subsequent to, and notwithstanding the completion, expiration or termination of, this Agreement.

(g) The decision of the arbitrator shall be final, conclusive and binding on the parties to the arbitration. A Party obtaining an order of interim injunctive relief may enter judgment upon such award in any Texas federal or state court. The final award in an arbitration pursuant to this Article III shall be conclusive and binding upon the Parties, and a Party obtaining a final award may enter judgment upon such award in any Texas federal or state court.

(h) It is the intent of the Parties that the agreement to arbitrate Disputes set forth in this Section 3.2 shall be interpreted and applied broadly such that all reasonable doubts as to arbitrability of a Dispute shall be decided in favor of arbitration.

(i) The Parties agree that any Dispute submitted to arbitration shall be governed by, and construed and interpreted in accordance with, the laws of the State of Texas, as provided in Section 5.2 and, except as otherwise provided in this Article III or mutually agreed to in writing by the Parties, the Federal Arbitration Act, 9 U.S.C. § 1 *et seq.* (the "FAA"), shall govern any arbitration between the Parties pursuant to this Section 3.2. For the avoidance of doubt, the arbitrator shall have the authority to determine the enforceability of this Article III, including whether the terms of the provisions under this Article III are enforceable under the FAA.

Section 3.3 Certain Disputes. Notwithstanding anything in this Article III to the contrary, any disputes relating to injunctive relief or specific performance shall be conducted according to the fast-track arbitration procedures of the AAA then in effect.

Section 3.4 Attorney-Client Privilege. CRC agrees that, in the event of any Dispute or other litigation, dispute, controversy or claim between OPC or a member of the OPC Group, on the one hand, and CRC or a member of the CRC Group, on the other hand, CRC will not, and will cause the members of the CRC Group not to, seek any waiver of any applicable Privilege with respect to any oral or written communications relating to advice given prior to the Distribution Date by counsel to OPC or any Person that was a Subsidiary of OPC prior to the Distribution Date, regardless of any argument that such advice may have affected the interests of both Parties. Moreover, CRC will, and will cause the members of the CRC Group to, honor any such applicable Privilege between OPC and the members of the OPC Group and its or their counsel, and will not assert that OPC or a member of the OPC Group has waived, relinquished or otherwise lost such Privilege. For the avoidance of doubt, in the event of any litigation, dispute, controversy or claim between OPC or a member of the OPC Group, on the one hand, and a Third Party other than a member of the CRC Group, on the other hand, OPC shall retain the right to assert any applicable Privilege with respect to any communications relating to advice given prior to the Distribution Date by counsel to OPC or any Person that was a Subsidiary of OPC prior to the Distribution Date (it being understood, for the avoidance of doubt, that nothing in this Section 3.4 shall prevent CRC from asserting any applicable Privilege with respect to the matters discussed herein in the event such Privilege is not waived by OPC).

Section 3.5 No Attorney Testimony. No in-house attorney or outside attorney may be called to testify about or present evidence covering the interpretation or meaning of this Agreement in any Dispute between the Parties.

ARTICLE IV **TERMINATION**

If the SDA is terminated pursuant to Article IX of the SDA prior to the Distribution Date, this Agreement shall automatically terminate as of the same date that the SDA terminates, in which case no Party shall have any liability to the other Party by reason of this Agreement.

ARTICLE V **MISCELLANEOUS**

Section 5.1 Counterparts; Entire Agreement.

(a) This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Party.

(b) This Agreement contains the entire agreement between the Parties with respect to the subject matter hereof, supersedes all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter and there are no agreements or understandings between the Parties with respect to such subject matter other than those set forth or referred to herein.

Section 5.2 Governing Law. This Agreement (and any claims or Disputes arising out of or related hereto or to the transactions contemplated hereby or to the inducement of either Party to enter herein, whether for breach of contract, tortious conduct or otherwise and whether predicated on common law, statute or otherwise) shall be governed by and construed and interpreted in accordance with the laws of the State of Texas, without regard to the choice of law principles of the State of Texas, including all matters of validity, construction, effect, enforceability, performance and remedies.

Section 5.3 Assignability. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. No Party may assign its respective rights or delegate its respective obligations under this Agreement without the prior written consent of the other Party.

Section 5.4 Third-Party Beneficiaries. The provisions of this Agreement are solely for the benefit of the Parties and are not intended to confer upon any Person except the Parties any rights or remedies hereunder, there are no third-party beneficiaries of this Agreement, and this Agreement shall not provide any third Person with any remedy, claim, liability, reimbursement, claim of action or other right in excess of those existing without reference to this Agreement.

Section 5.5 Notices. All notices, requests, claims, demands or other communications under this Agreement shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service, by facsimile or electronic transmission with receipt confirmed (followed by delivery of an original via overnight courier service), or by registered or certified mail (postage prepaid, return receipt requested) to the respective Party at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 5.5):

If to OPC, to: Occidental Petroleum Corporation
5 Greenway Plaza
Houston, Texas 77046
Attention: General Counsel

If to CRC, to: California Resources Corporation
10889 Wilshire Blvd
Los Angeles, California 90024
Attention: General Counsel

Any Party may, by notice to the other Party, change the address and contact person to which any such notices are to be given.

Section 5.6 Reformation. If any provision of this Agreement or the application thereof to any Person or circumstance is determined to be invalid, void or unenforceable, the Parties intend for the restrictions herein set forth to be modified by the court or arbitrator making such determination so as to be reasonable and enforceable and, as so modified, to be fully enforced. By agreeing to this contractual modification prospectively at this time, the Parties intend to make this provision enforceable under the Law so that this entire Agreement as prospectively modified shall remain in full force and effect and shall not be rendered void or illegal. Should any provision of this Agreement or the application thereof

to any Person or circumstance be determined to be invalid, void, or unenforceable, the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

Section 5.7 **Severability.** If any provision of this Agreement or the application thereof to any Person or circumstance is determined to be invalid, void or unenforceable, then the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, and all other provisions shall remain in full force and effect.

Section 5.8 **Headings.** The article and section headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 5.9 **Waivers of Default.** Waiver by a Party of any default by the other Party of any provision of or obligation under this Agreement shall not be deemed a waiver by the waiving Party of any subsequent or other default, nor shall it prejudice the rights of such waiving Party. No failure or delay by any Party in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof nor shall a single or partial exercise thereof prejudice any other or further exercise thereof or the exercise of any other right, power or privilege.

Section 5.10 **Specific Performance.** Subject to the provisions of Article III, in the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement, the Party who is, or will be, thereby aggrieved shall have the right to specific performance and injunctive or other equitable relief in respect of its rights under this Agreement, in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies shall be cumulative. The Parties agree that the remedies at law for any breach or threatened breach, including monetary damages, are inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are waived by each Party.

Section 5.11 **Amendments.** No provision of this Agreement shall be deemed waived, amended, supplemented or modified by any Party, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of the Party against whom it is sought to enforce such waiver, amendment, supplement or modification.

Section 5.12 **Interpretation.** In this Agreement, (a) words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other genders as the context requires; (b) the terms "hereof," "herein," "herewith" and words of similar import, and the term "Agreement" shall, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement; (c) article and section references are to the articles and sections of this Agreement unless otherwise specified; (d) the word "including" and words of similar import when used in this Agreement means "including, without limitation"; (e) the word "or" shall not be exclusive; and (f) unless expressly stated to the contrary in this Agreement, all references to "the date hereof," "the date of this Agreement," "hereby" and "hereupon" and words of similar import shall all be references to the date first stated in the preamble to this Agreement, regardless of any amendment or restatement hereof. Nothing contained herein shall be interpreted or construed against the drafter(s) of this Agreement, and both Parties had full and fair opportunity to contribute to the drafting of this Agreement.

Section 5.13 **Relationship of the Parties.** It is expressly agreed that, from and after the Distribution Date and for purposes of this Agreement, (a) no member of the CRC Group shall be deemed to be an Affiliate of any OPC Group and (b) no member of the OPC Group shall be deemed to be an Affiliate of any member of the CRC Group.

Section 5.14 WITHOUT LIMITING ARTICLE III, THE PARTIES EXPRESSLY WAIVE AND FOREGO ANY RIGHT TO TRIAL BY JURY.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives.

OCCIDENTAL PETROLEUM CORPORATION

By: /s/ Marcia E. Backus
Name: Marcia E. Backus

Title: Vice President and General Counsel

CALIFORNIA RESOURCES CORPORATION

By: /s/ Todd A. Stevens
Name: Todd A. Stevens

Title: President and Chief Executive Officer

Exhibit A

OPC Positions

1. Management and Supervisory Positions (defined as positions at Grade 26 and above)
2. Petrotech Positions
3. Positions at Grade 23 and above in the following job families:
 - a. Business Development
 - b. Finance/Accounting/Treasury/Audit
 - c. Financial Planning and Analysis
 - d. Health, Environment & Safety
 - e. Information Technology
 - f. Land
 - g. Legal
 - h. Operations/Production/Maintenance
 - i. Risk Management

- j. Sales/Marketing
- k. Supply Chain

Exhibit B
CRC Positions

1. Management and Supervisory Positions (defined as positions at Grade 26 and above)
2. Petrotech Positions
3. Positions at Grade 23 and above in the following job families:
 - a. Business Development
 - b. Finance/Accounting/Treasury/Audit
 - c. Financial Planning and Analysis
 - d. Health, Environment & Safety
 - e. Information Technology
 - f. Land
 - g. Legal
 - h. Operations/Production/Maintenance
 - i. Risk Management
 - j. Sales/Marketing
 - k. Supply Chain

INTELLECTUAL PROPERTY LICENSE AGREEMENT

This Intellectual Property License Agreement (this "**License Agreement**") is made and entered into as of November 25, 2014 and effective as of the Distribution Date (defined below), by and between OCCIDENTAL PETROLEUM CORPORATION, a Delaware corporation ("**OPC**"), and CALIFORNIA RESOURCES CORPORATION, a Delaware corporation ("**CRC**") (each a "**Party**" and collectively, the "**Parties**").

Recitals

A. OPC and its Affiliates desire to grant CRC rights to the Object Code, Source Code and Code Documentation of certain software that is owned by OPC and/or its Affiliates and was used in the conduct of the business of CRC and its Affiliates prior to the Distribution Date and listed in Exhibit A (the "**Oxy Owned Software**").

B. OPC and its Affiliates desire to grant CRC rights to certain operations Intellectual Property, user manuals, technical information, training manuals, protocols, policies, and specifications or other explanatory or informational materials that are owned by OPC and/or its Affiliates and listed in Exhibit B.

C. OPC's Affiliate, OXY USA Inc. ("**OXY USA**"), is the assignee of U.S. Patent No. 7,731,037, and desires to grant CRC rights to this patent and any extensions, divisions, continuations, reexaminations, and reissues thereof that OXY USA owns or controls (collectively, the "**Licensed Patents**").

D. CRC and its Affiliates desire to grant OPC rights to certain data, technical information, and other materials owned by CRC and/or its Affiliates immediately after the Distribution Date, as more fully described in Schedule 1.3(c) (CRC Intellectual Property) to that certain Separation and Distribution Agreement between the Parties, made and entered into as of November 25, 2014 (the "**SDA**"), along with any Intellectual Property associated therewith (the "**CRC Owned Data and Documentation**"), as listed in Exhibit C.

E. OPC desires to grant to CRC a limited non-exclusive license to the Oxy Owned Software, Oxy Owned Operations IP, Supply Chain Documentation, and Licensed Patents; and (ii) CRC desires to grant to OPC a limited non-exclusive license to the CRC Owned Data and Documentation, on the terms and conditions set forth in this License Agreement.

Agreement

In consideration of the promises and the respective agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Definitions

1.1 When used in this License Agreement, the following terms shall have the meanings set forth below:

- (a) "**Action**" means any demand, action, claim, dispute, suit, countersuit, arbitration, inquiry, subpoena, proceeding or investigation of any nature (whether criminal, civil, legislative, administrative, regulatory, prosecutorial or otherwise) by or before any federal, state, local, foreign or international Governmental Authority or any arbitration or mediation tribunal.
- (b) "**Acquirer**" means any Third Party that acquires, either directly or indirectly, Control, whether accomplished by statutory merger, consolidation or share exchange, stock or asset sale or purchase, or any other form of transaction.
- (c) "**Affiliate**" means any Person which (i) Controls directly or indirectly a Party, or (ii) is Controlled directly or indirectly by such Party, or (iii) is directly or indirectly Controlled by a Person which directly or indirectly Controls such Party.
- (d) "**Code Documentation**" means (i) any design specifications (e.g., logic manuals, flow charts, and principles of operation), testing specifications, test procedures (automated or manual), internal documentation (e.g., database schema designs, functional specifications, training materials, sales guides, build procedures) and (ii) any internal development tools (e.g., build tools, install tools, test tools, debug/diagnostic tools, reviewer guides), and localization versions, all of the foregoing to the extent provided to CRC by OPC under this License Agreement and related to the Source Code of the software listed in Exhibit A.
- (e) "**Confidential Information**" means any information of a Party or its Affiliates (each a "**Discloser**") that is not generally available to the public and is (i) disclosed to the other Party or its Affiliates (each a "**Recipient**"); and (ii) in the case of OPC or its Affiliates as a Discloser, related to the Oxy Owned Software, Oxy Owned Operations IP, Supply Chain Documentation, or any unpublished patent applications, or (iii) in the case of CRC or its Affiliates as a Discloser, related to the CRC Owned Data and Documentation. Confidential Information includes any information that meets the criteria above, regardless of the form in which such information appears, or by which it is communicated whether in tangible or intangible form, whether or not marked as confidential or otherwise identified as confidential. However, Confidential Information does not include any information that: (A) is already in the public domain at the time of disclosure or becomes available to the public through no breach of this License Agreement and without the fault of the Recipient; (B) was rightfully known to the Recipient without obligation of confidentiality at the time of its disclosure; (C) is independently developed by the Recipient without the use of any Confidential Information; or (D) is subsequently learned from a Third Party that has the right to disclose the Confidential Information and is not under a confidentiality obligation to the Discloser.
- (f) "**Control**" means the ability to direct, manage or dictate the actions of or determine the management of the entity in question, whether by the elections of members of the board of directors or other governing body of such entity, or by having a majority number of members of such governing body, or by any other means.
- (g) "**Distribution Date**" has the meaning set forth in the SDA.
- (h) "**Governmental Authority**" means any nation or government, any state, municipality or other political subdivision thereof, and any entity, body, agency, commission, department, board, bureau, court, tribunal or other instrumentality, whether federal, state, local, domestic, foreign or multinational, exercising executive, legislative, judicial, regulatory, administrative or other similar functions of, or pertaining to, government and any executive official thereof.
- (i) "**Intellectual Property**" means any and all intellectual property rights, under the law of any jurisdiction, both statutory and common law rights, including: (i) utility models, supplementary protection certificates, statutory invention registrations, patents and applications for same, and extensions, divisions, continuations, reexaminations, and reissues thereof; (ii) trademarks, service marks, trade names, slogans, domain names, logos, and trade dress (including all goodwill associated with the foregoing), and registrations and applications for registrations thereof; (iii) copyrights, moral rights, other rights in works of authorship and registrations and applications for registration of the foregoing; and (iv) trade secrets, know-how, and rights in confidential information, including designs, concepts, compilations of information, methods, techniques, procedures, processes, whether or not patentable.
- (j) "**iSupplier Portal**" is defined in Paragraph 2 of Exhibit B.
- (k) "**License Agreement**" is defined in the preamble.
- (l) "**CRC**" is defined in the preamble.
- (m) "**CRC Owned Data and Documentation**" is defined in the recitals.
- (n) "**CRC Indemnitees**" means CRC and its Affiliates, each of their respective directors, officers and employees, and each of the heirs, executors, successors and assigns of any of the foregoing.
- (o) "**OPC**" is defined in the preamble.
- (p) "**OPC Indemnitees**" means OPC and its Affiliates, each of their respective directors, officers and employees, and each of the heirs, executors, successors and assigns of any of the foregoing.

- (q) “**Losses**” means losses (including any diminution in value), costs, damages, penalties and expenses (including legal and accounting fees and expenses and costs of investigation and litigation), whether or not involving an Action.
- (r) “**Object Code**” means the machine-readable version of the software listed in [Exhibit A](#) and provided to CRC by OPC under this License Agreement.
- (s) “**OXY USA**” is defined in the [recitals](#).
- (t) “**Oxy Owned Operations IP**” is defined in [Paragraph 1 of Exhibit B](#).
- (u) “**Oxy Owned Software**” is defined in the [recitals](#).
- (v) “**Party**” or “**Parties**” is defined in the [preamble](#).
- (w) “**Person**” means an individual, group, partnership, corporation, limited liability company, trust or other association or entity, including Governmental Authorities.
- (x) “**SDA**” is defined in the [recitals](#).
- (y) “**Source Code**” means code, or any portions thereof, in human readable, high-level language, which when compiled or assembled, becomes the executable Object Code, or any portion thereof, of the software listed in [Exhibit A](#) and provided to CRC by OPC under this License Agreement.
- (z) “**Subsidiary**” means, with respect to a Person, any Person which is Controlled directly or indirectly by such Person.
- (aa) “**Supply Chain Documentation**” is defined in [Paragraph 2 of Exhibit B](#).
- (bb) “**Supply Chain Global Process Governance Teamsite**” is defined in [Paragraph 2 of Exhibit B](#).
- (cc) “**Supplier Webpage**” is defined in [Paragraph 2 of Exhibit B](#).
- (dd) “**Third Party**” means any Person that is not a Party to this License Agreement other than an Affiliate of a Party.
- (ee) “**Transfer**” is defined in [Section 8.1](#).
- (ff) “**Use**” means to copy, install, use, access, display, run, and otherwise interact with, in its intended manner.

2. License of Oxy Owned Software, Oxy Owned Operations IP, and Supply Chain Documentation

2.1 [License Grant](#).

- (a) Subject to CRC’s compliance with the terms and conditions of this License Agreement, OPC, on behalf of itself and its Affiliates, hereby grants to CRC (for itself and the beneficial use of CRC’s Affiliates) a royalty-free, perpetual, non-exclusive, sublicensable license to (i) Use, modify, or otherwise exploit, and (ii) create, Use, modify or otherwise exploit derivative works of, the Oxy Owned Software, Oxy Owned Operations IP, and Supply Chain Documentation, all of the foregoing solely and exclusively for CRC’s or its Affiliates’ internal business purposes.
- (b) Neither CRC nor its Affiliates shall Use the Oxy Owned Software, Oxy Owned Operations IP, or Supply Chain Documentation for the sole or direct benefit of a Third Party. Any use or modification of the Oxy Owned Software, Oxy Owned Operations IP, or Supply Chain Documentation not expressly permitted in this License Agreement is prohibited.
- (c) CRC’s right to sublicense the license granted with respect to the Oxy Owned Software and Supply Chain Documentation pursuant to this [Section 2.1](#) is limited to sublicenses to Third Parties performing services or providing goods solely and exclusively for the benefit of CRC or CRC’s Affiliates. For clarity, Use of the Oxy Owned Software, Oxy Owned Operations IP, or Supply Chain Documentation that benefits other interest owners in oil and gas leases or assets with respect to which CRC or any of its Affiliates is the operator is not a violation of this [Section 2.1](#).
- (d) Solely with respect to the Oxy Owned Operations IP, CRC may sublicense the license granted in this [Section 2.1](#) to (i) Third Parties performing services or providing goods solely and exclusively for the benefit of CRC or CRC’s Affiliates; and (ii) a Third Party that acquires ownership of CRC oil and gas assets from CRC or any of its Affiliates; provided, however, that (A) such sublicense is in writing and contains confidentiality and use restrictions at least as stringent as those in this Agreement; (B) with respect to a sublicense under this subitem (ii), the sublicensed Oxy Owned Operations IP is limited to the Oxy Owned Operations IP that directly and specifically relates to the oil and gas assets so acquired by such Third Party, and (C) such sublicense includes a right of OPC to enforce such sublicense, as a third party beneficiary, directly against such Third Party sublicensee.

2.2 [Ownership](#). As between the Parties, all right, title, and interest in and to the Oxy Owned Software, Oxy Owned Operations IP, and Supply Chain Documentation, including any derivative works of and all Intellectual Property related to the Oxy Owned Software, Oxy Owned Operations IP, and Supply Chain Documentation, are and at all times will be, the sole and exclusive property of OPC or its Affiliates, as applicable. CRC, on behalf of itself and its Affiliates, hereby assigns to OPC and its applicable Affiliates, all right, title, and interest it has or may have in any derivative works of the Oxy Owned Software, Oxy Owned Operations IP, and Supply Chain Documentation; provided, however, that CRC and its Affiliates shall have no obligation under this Agreement to provide to OPC any derivative works created from any of the Oxy Owned Software, Oxy Owned Operations IP, or Supply Chain Documentation. Except as expressly set forth in this License Agreement, CRC acquires no rights in or to the Oxy Owned Software, Oxy Owned Operations IP, or Supply Chain Documentation. All rights not expressly granted in this License Agreement are reserved to OPC and its Affiliates, including the right to apply for any patents or other Intellectual Property registrations related to the Oxy Owned Software, Oxy Owned Operations IP, or Supply Chain Documentation.

2.3 [Proprietary Notices](#). CRC shall not alter, obscure, or remove any trademark, patent notice, or other proprietary or legal notice displayed by or contained in any portion of the Oxy Owned Software, Oxy Owned Operations IP, or Supply Chain Documentation or any associated materials.

2.4 [No Updates](#). OPC has no obligation to provide CRC with any fixes or updates to the Oxy Owned Software, Oxy Owned Operations IP, or Supply Chain Documentation, or otherwise maintain the Oxy Owned Software, Oxy Owned Operations IP, or Supply Chain Documentation in any way.

3. Licensed Patents

3.1 [License Grant](#). Subject to CRC’s compliance with the terms and conditions of this License Agreement, OXY USA hereby grants to CRC (for itself and the beneficial use of CRC’s Affiliates) a royalty-free, non-exclusive, sublicensable license to make or have made, use, sell, and offer for sale, export, and import into the United States and any other country or countries, any and all goods and services covered by the Licensed Patents and to otherwise practice, exploit, modify, enhance and use the Licensed Patents, including any such modifications or enhancements, all to the extent solely and exclusively for the benefit of CRC and CRC’s Affiliates. For clarity, exploitation of the foregoing license that benefits other interest owners in oil and gas leases or assets with respect to which CRC or any of its Affiliates is the operator is not a violation of this [Section 3.1](#).

3.2 [Marking](#). CRC will mark all goods covered by the Licensed Patents with all applicable proprietary legends (e.g., patent pending, patent numbers) as required to ensure the enforceability of the Licensed Patents under all applicable laws.

3.3 [Ownership](#). As between the Parties, all right, title, and interest in and to the Licensed Patents, including any modifications or improvements of and all Intellectual Property related to the Licensed Patents, are and at all times will be, the sole and exclusive property of OXY USA or its Affiliates, as applicable. CRC, on behalf of itself and its Affiliates, hereby assigns to OXY USA and its applicable Affiliates all right, title, and interest it has or may have in any modifications or enhancement of the Licensed Patents. Except as expressly set forth in this License Agreement, CRC acquires no rights in or to the Licensed Patents. All rights not expressly granted in this License Agreement are reserved to OPC and its Affiliates, including the right to apply for any patents or other Intellectual Property registrations related to the Licensed Patents.

3.4 [Infringement Notice](#). If CRC at any time becomes aware or receives notice of any suspected or actual unauthorized use or other infringement of a Licensed Patent, then CRC shall promptly give written notice thereof to OXY USA providing all information in CRC’s or its Affiliates’ possession regarding such infringement.

3.5 [Enforcement](#). OXY USA has the sole right to bring a legal action for infringement of any and all Licensed Patents and to seek the recovery of damages related to such infringement. Upon notice of suspected or actual infringement in accordance with [Section 3.4](#), at OXY USA’s sole discretion, OXY USA may bring a legal action for such patent infringement or begin negotiations for the cessation of such infringement. As between the Parties, OXY USA (a) has the sole and exclusive right to sue and recover past, present, and future damages related to the Licensed Patents incurred by OXY USA, CRC, and their respective Affiliates; (b) has the sole and exclusive right and option

to name CRC and any of its Affiliates as a party plaintiff in such suit; and (c) may seek any damages incurred as a result of such infringement of the Licensed Patents. Any amount awarded or paid as a result of such legal action shall be paid to OXY USA. CRC shall have the right to employ separate counsel and participate in the prosecution of any infringement cause of action instituted by OXY USA at CRC's sole cost.

4. CRC Owned Data and Documentation License

- 4.1 **License Grant.** Subject to OPC's compliance with the terms and conditions of this License Agreement, CRC, on behalf of itself and its Affiliates, hereby grants to OPC (for itself and the beneficial use of OPC's Affiliates) a royalty-free, perpetual, non-exclusive, sublicensable license to (a) Use, modify, or otherwise exploit, and (b) create, Use, modify or otherwise exploit derivative works of, the CRC Owned Data and Documentation solely and exclusively for OPC's or its Affiliates' internal business purposes. Neither OPC nor its Affiliates shall Use the CRC Owned Data and Documentation for the sole or direct benefit of a Third Party. Any use or modification of the CRC Owned Data and Documentation not expressly permitted in this License Agreement is prohibited. For clarity, Use of the CRC Owned Data and Documentation that benefits other interest owners in oil and gas leases or assets with respect to which OPC or any of its Affiliates is the operator is not a violation of this Section 4.1.
- 4.2 **Ownership.** As between the Parties, all right, title, and interest in and to the CRC Owned Data and Documentation, including any derivative works of and all Intellectual Property related to the CRC Owned Data and Documentation, are and at all times will be, the sole and exclusive property of CRC or its Affiliates, as applicable. OPC, on behalf of itself and its Affiliates, hereby assigns to CRC and its applicable Affiliates, all right, title, and interest it has or may have in any derivative works of the CRC Owned Data and Documentation; provided, however, that OPC and its Affiliates shall have no obligation under this Agreement to provide to CRC any derivative works created from any of the CRC Owned Data and Documentation. Except as expressly set forth in this License Agreement, OPC acquires no rights in or to the CRC Owned Data and Documentation. All rights not expressly granted in this License Agreement are reserved to CRC and its Affiliates, including the right to apply for any patents or other Intellectual Property registrations related to the CRC Owned Data and Documentation.
- 4.3 **Proprietary Notices.** OPC shall not alter, obscure, or remove any trademark, patent notice, or other proprietary or legal notice displayed by or contained in any portion of the CRC Owned Data and Documentation or any associated materials.
- 4.4 **No Updates.** CRC has no obligation to provide OPC with any fixes or updates to the CRC Owned Data and Documentation, or otherwise maintain the CRC Owned Data and Documentation in any way.

5. Confidential Treatment

- 5.1 **Protection.** Each Party agrees to secure and protect the Confidential Information of the other Party using at least as great a degree of care as it uses to protect its own confidential information of a similar nature, but in no event less than reasonable care. Each Party agrees to hold the Confidential Information in confidence and not disclose it to Third Parties, except as permitted under this License Agreement.
- 5.2 **Other CRC Obligations.** Except as expressly permitted by this License Agreement, CRC agrees:
- (a) to keep the Oxy Owned Software, Oxy Owned Operations IP, and Supply Chain Documentation confidential and to take appropriate steps to ensure that the employees, agents, officers and representatives of CRC, contractors and CRC's Affiliates (as well as contractors of any such Affiliate) that Use the Oxy Owned Software, Oxy Owned Operations IP, or Supply Chain Documentation pursuant to this License Agreement keep the Oxy Owned Software, Oxy Owned Operations IP, and Supply Chain Documentation confidential; and
 - (b) not disclose or provide the Oxy Owned Software, Oxy Owned Operations IP, or Supply Chain Documentation to any Third Party.
- 5.3 **Other OPC Obligations.** Except as expressly permitted by this License Agreement, OPC agrees:
- (a) to keep the CRC Owned Data and Documentation confidential and to take appropriate steps to ensure that the employees, agents, officers and representatives of OPC, contractors and OPC's Affiliates (as well as contractors of any such Affiliate) that Use the CRC Owned Data and Documentation pursuant to this License Agreement keep the CRC Owned Data and Documentation confidential; and
 - (b) not disclose or provide the CRC Owned Data and Documentation to any Third Party.
- 5.4 **Legally Required Disclosure.** Notwithstanding the foregoing, a Recipient may disclose Confidential Information of a Discloser to a Governmental Authority but only to the extent such disclosure is specifically required by applicable law, stock exchange rules or by a governmental order, decree or regulation, in each case, in the opinion of Recipient's legal counsel. In addition, each Recipient shall use best efforts to preserve the confidentiality of the Confidential Information of the Discloser in any such disclosure to the extent the applicable law, stock exchange rule, governmental order, decree or regulation gives such Recipient the right to do so. Each Recipient agrees to inform the Discloser of (a) any request or demand for disclosure made upon such Recipient by a Governmental Authority and (b) such legal counsel's opinion that such disclosure is necessary prior to making such disclosure.

6. Use by Affiliates

- 6.1 **Same Rights.** Any Affiliate of CRC shall have the same right to exploit the Oxy Owned Software, Oxy Owned Operations IP, Supply Chain Documentation, and Licensed Patents as CRC. Any Affiliate of OPC shall have the same right to exploit the CRC Owned Data and Documentation as OPC. Each Affiliate that exercises such right shall be bound by, and shall comply with all of the terms and conditions of, this License Agreement as though it were "CRC" or "OPC," as applicable, hereunder, but CRC or OPC, as applicable, shall at all times remain responsible for all Use or other exploitation of the Oxy Owned Software, Oxy Owned Operations IP, Supply Chain Documentation, Licensed Patents or CRC Owned Data and Documentation, as applicable, under this License Agreement by such Affiliate.
- 6.2 **Change in Affiliate Status.** If at any time a prior Affiliate of CRC no longer meets the definition of an Affiliate or should cease to exist, such prior Affiliate shall immediately return to CRC all Oxy Owned Software, and Oxy Owned Operations IP and Documentation in its possession and deliver a certificate from an authorized officer stating that such delivery comprises and includes all Oxy Owned Software, Oxy Owned Operations IP, and Supply Chain Documentation previously in its possession, and such prior Affiliate shall cease to have the right to exploit such Oxy Owned Software, Oxy Owned Operations IP, and Supply Chain Documentation as well as the Licensed Patents. If at any time a prior Affiliate of OPC no longer meets the definition of an Affiliate or should cease to exist, such prior Affiliate shall immediately return to OPC all CRC Owned Data and Documentation in its possession and deliver a certificate from an authorized officer stating that such delivery comprises and includes all CRC Owned Data and Documentation previously in its possession, and such prior Affiliate shall cease to have the right to exploit such CRC Owned Data and Documentation.

7. Indemnities

- 7.1 **CRC Indemnity.** CRC agrees for itself and its Affiliates, successors, and assigns, to defend, indemnify and hold the OPC Indemnitees harmless from and against any and all Losses whatsoever incurred by and/or Actions imposed on any OPC Indemnitee in connection with, related to, or arising from CRC's or its Affiliates' possession, Use, and/or other exploitation of the licenses granted by OPC pursuant to this License Agreement; REGARDLESS OF WHETHER SUCH CLAIM INVOLVES THE NEGLIGENCE, STRICT LIABILITY, OR FAULT OF AN OPC INDEMNITEE.
- 7.2 **OPC Participation in Defense.** Any OPC Indemnitee may participate in its defense at its own cost and expense and CRC will consult with OPC in connection with defense and settlement.
- 7.3 **OPC Indemnity.** OPC agrees for itself and its Affiliates, successors, and assigns, to defend, indemnify and hold the CRC Indemnitees harmless from and against any and all Losses whatsoever incurred by and/or Actions imposed on any CRC Indemnitee in connection with, related to, or arising from OPC's or its Affiliates' possession, Use, and/or other exploitation of the license granted by CRC pursuant to this License Agreement; REGARDLESS OF WHETHER SUCH CLAIM INVOLVES THE NEGLIGENCE, STRICT LIABILITY, OR FAULT OF A CRC INDEMNITEE.
- 7.4 **CRC Participation in Defense.** Any CRC Indemnitee may participate in its defense at its own cost and expense and OPC will consult with CRC in connection with defense and settlement.

8. Transfer and Assignment

- 8.1 **No Transfer except as Permitted.** Except as expressly permitted by this License Agreement, neither Party shall sell, sublicense, assign or transfer, in whole or in part, directly or indirectly, by contract, operation of law or otherwise ("**Transfer**") this License Agreement or any rights granted herein to any Third Party without the other Party's prior written consent, which may be withheld, conditioned or delayed at the sole discretion of the other Party. A change of control is considered a Transfer. Any Transfer to a Third Party not permitted by this License Agreement shall automatically and, without any further action, be void *ab initio*.
- 8.2 **Permitted Transfer.** Upon written notice to the other Party, a Party may Transfer this Agreement in its entirety to (a) an Affiliate or (b) an Acquirer, provided that such Affiliate or Acquirer agrees in writing to be bound by all terms and conditions of this License Agreement, including all obligations and liabilities.

9. Termination of License

9.1 Conditions of Termination. This License Agreement and the licenses granted herein may be terminated immediately by a Party:

- (a) if the other Party breaches, in any material respect, any provision of this License Agreement and fails to remedy such breach within thirty (30) days following notice thereof from the non-breaching Party; or
- (b) automatically, without any further action, should the other Party voluntarily file a petition in bankruptcy or assign, voluntarily or involuntarily, its assets for the benefit of its creditors or should proceedings be commenced against or by the other Party under any bankruptcy, insolvency or similar statute.

9.2 Effect of Termination.

- (a) Upon termination of this License Agreement by OPC pursuant to Section 9.1, CRC and each Affiliate in possession of Oxy Owned Software, Oxy Owned Operations IP, or Supply Chain Documentation shall destroy all such Oxy Owned Software, Oxy Owned Operations IP, or Supply Chain Documentation in its possession, shall retain no copies thereof, and shall provide evidence satisfactory to OPC of such destruction. Notwithstanding the foregoing, neither CRC nor its Affiliates shall be required to destroy any Oxy Owned Software, Oxy Owned Operations IP, or Supply Chain Documentation that is on any backup, archival, disaster recovery, or similar media.
- (b) Upon termination of this License Agreement by CRC pursuant to Section 9.1, OPC and each Affiliate in possession of CRC Owned Data and Documentation shall destroy all such CRC Owned Data and Documentation in its possession, shall retain no copies thereof, and shall provide evidence satisfactory to CRC of such destruction. Notwithstanding the foregoing, neither OPC nor its Affiliates shall be required to destroy any CRC Owned Data and Documentation that is on any backup, archival, disaster recovery, or similar media.
- (c) All provisions of this License Agreement relating to the confidentiality of or restrictions on the use of the Oxy Owned Software, Oxy Owned Operations IP, Supply Chain Documentation, Licensed Patents, or CRC Owned Data and Documentation shall survive any termination of this License Agreement.

9.3 No Cross Default.

- (a) A breach by OPC or its Affiliates of its or their obligations as a licensee under this License Agreement will not be deemed to be a breach of OPC's rights or obligations as a licensor under this License Agreement, and will not affect OPC's rights to its Oxy Owned Software, Oxy Owned Operations IP, or Supply Chain Documentation that is licensed to CRC hereunder.
- (b) A breach by CRC or its Affiliates of its or their obligations as a licensee under this License Agreement will not be deemed to be a breach of CRC's obligations as a licensor under this License Agreement, and will not affect CRC's rights to its CRC Owned Data and Documentation that is licensed to OPC hereunder.

10. Warranty and Disclaimers

10.1 No Liability.

- (d) OPC and its Affiliates shall not be liable for any loss, damage, injury or other casualty of any kind or by whomsoever caused, to the person or property of anyone, including CRC or its Affiliates, agents or customers, arising out of or resulting from CRC's and/or its Affiliates or their respective successors, or assigns, possession, Use, or other exploitation of any of the Oxy Owned Software, Oxy Owned Operations IP, Supply Chain Documentation, or the Licensed Patents.
- (e) CRC and its Affiliates shall not be liable for any loss, damage, injury or other casualty of any kind or by whomsoever caused, to the person or property of anyone, including OPC or its Affiliates, agents or customers, arising out of or resulting from OPC's and/or its Affiliates or their respective successors, or assigns, possession, Use, or other exploitation of any of the CRC Owned Data and Documentation.

10.2 No Other Warranties. CRC ACCEPTS THE OXY OWNED SOFTWARE, OXY OPERATIONS IP, SUPPLY CHAIN DOCUMENTATION, AND LICENSED PATENTS "AS IS" AND "WITH ALL FAULTS" (WHETHER DETECTABLE OR NOT). OPC ACCEPTS THE CRC DATA AND DOCUMENTATION "AS IS" AND "WITH ALL FAULTS" (WHETHER DETECTABLE OR NOT). NEITHER PARTY MAKES ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, OF ANY KIND OR DESCRIPTION WITH RESPECT TO THE OXY OWNED SOFTWARE, OXY OPERATIONS IP, SUPPLY CHAIN DOCUMENTATION, LICENSED PATENTS, OR CRC DATA AND DOCUMENTATION, INCLUDING ANY WARRANTY REGARDING MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, OR NON-INFRINGEMENT, INCLUDING ANY NON-INFRINGEMENT BASED ON THE POSSESSION, USE, OR OTHER EXPLOITATION OF THE OXY OWNED SOFTWARE, OXY OPERATIONS IP, SUPPLY CHAIN DOCUMENTATION, LICENSED PATENTS, OR CRC DATA AND DOCUMENTATION. IN ADDITION, (A) NEITHER PARTY MAKES ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, OF ANY KIND OR DESCRIPTION WITH RESPECT TO THE QUALITY, ACCURACY, VALUE OR USEFULNESS OF THE OXY OWNED SOFTWARE, OXY OPERATIONS IP, SUPPLY CHAIN DOCUMENTATION, LICENSED PATENTS, OR THE CRC DATA AND DOCUMENTATION, AND (B) OPC MAKES NO REPRESENTATION OR WARRANTY THAT CRC'S USE OF THE OXY OWNED SOFTWARE WILL BE UNINTERRUPTED OR ERROR-FREE. ALL OF THE FOREGOING WARRANTIES ARE HEREBY DISCLAIMED.

10.3 No Consequential Damages. NEITHER PARTY SHALL IN ANY EVENT BE LIABLE TO THE OTHER PARTY OR ANY OTHER PERSON (INCLUDING ANY AFFILIATE OF THE OTHER PARTY) FOR ANY PUNITIVE, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES WHATSOEVER RESULTING FROM OR ARISING OUT OF THIS LICENSE AGREEMENT OR THE POSSESSION, USE, OR OTHER EXPLOITATION BY A PARTY OR ITS AFFILIATES OR SUCH OTHER PERSON OF THE OXY OWNED SOFTWARE, OXY OPERATIONS IP, SUPPLY CHAIN DOCUMENTATION, LICENSED PATENTS, OR CRC DATA AND DOCUMENTATION, INCLUDING LOSS OF PROFIT, LOSS OF OPPORTUNITY, OR BUSINESS INTERRUPTION, HOWEVER THE SAME MAY BE CAUSED AND EVEN IF A PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR LOSS.

11. Miscellaneous

11.1 Non-exclusivity. This License Agreement is non-exclusive. Nothing in this License Agreement prevents OPC from granting rights to any or all of the Oxy Owned Software, Oxy Owned Operations IP, Supply Chain Documentation, and/or Licensed Patents to any Third Parties on such prices and terms as OPC may establish, and nothing in this License Agreement prevents CRC from granting rights to any or all of the CRC Owned Data and Documentation to any Third Parties on such prices and terms as CRC may establish.

11.2 Entirety of Agreement. This License Agreement and the SDA contain the entire agreement between the Parties with respect to the subject matter hereof, supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter and there are no agreements or understandings between the Parties other than those set forth or referred to herein or therein.

11.3 Incorporation of Provisions of SDA. The following provisions of the SDA are hereby incorporated by reference and will apply to this License Agreement as if fully set forth herein: Article IV (Dispute Resolution); Sections 10.1 (Counterparts; Corporate Power), 10.2 (Governing Law; Waiver of Trial by Jury); 10.4 (Third Party Beneficiaries), except as expressly set forth otherwise in this Agreement, 10.6 (Severability), 10.7 (Force Majeure), 10.9 (Expenses), 10.11 (Headings), 10.13 (Waivers of Default), 10.14 (Specific Performance), 10.15 (Amendments), and 10.16 (Interpretation).

11.4 Notices. All notices, requests, claims, demands or other communications under this License Agreement shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service, by facsimile or electronic transmission with receipt confirmed (followed by delivery of an original via overnight courier service), or by registered or certified mail (postage prepaid, return receipt requested) to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 11.4):

If to OPC:

Occidental Petroleum Corporation
5 Greenway Plaza
Houston, Texas 77046-0506
Facsimile: (713) 985-8934
Attention: General Counsel

If to CRC:

California Resources Corporation
10889 Wilshire Boulevard
Los Angeles, California 90024

Any Party may, by notice to the other Party, change the address and contact person to which any such notices are to be given.

- 11.5 Survival. Those provisions that would require survival in order to give them full force and effect, including Sections 7–11, shall survive the termination or expiration of this License Agreement, regardless of the date, cause or manner of such termination.
- 11.6 No Partnership or Joint Venture. This License Agreement shall not be deemed to create a legal partnership, agency or joint venture between or among any of the Parties hereto or between or among any partners, members or stockholders or any Affiliates (as defined in the Securities Act of 1933, as amended) of any of them. All liabilities and obligations hereunder are the sole and separate responsibility of each Party, and are not joint and several.

[Signature page follows.]

IN WITNESS WHEREOF, the Parties have signed this License Agreement as of the date first set forth above.

OPC:

OCCIDENTAL PETROLEUM CORPORATION

By: /s/ Ioannis Charalambous
Name: Ioannis Charalambous
Title: Vice President

Signature Page to Intellectual Property License Agreement

OXY USA (for purposes of Section 3 only):

OXY USA Inc.

By: /s/ Nicole E. Clark
Name: Nicole E. Clark
Title: Vice President and Secretary

Signature Page to Intellectual Property License Agreement

CRC:

CALIFORNIA RESOURCES CORPORATION

By: /s/ Todd A. Stevens

Name: Todd A. Stevens

Title: President and Chief Executive Officer

Signature Page to Intellectual Property License Agreement

Exhibit A

Oxy Owned Software

No.	Name	Notes
1.	AD Tools	
2.	AFE - ElkHills	
3.	AFE - FP&A	
4.	Application MarketPlace	
5.	Audit Pack	
6.	Business Names and Associates	
7.	Business Unit Dashboard KPI	
8.	CATTS Report	
9.	Centralized Delegation of Authority	
10.	Credit & Accounts Receivable Reporting System	
11.	Deployment Console	
12.	Elk Hills Mobile Self-Assessment Check Lists	
13.	Elk Phone	
14.	eMinder	
15.	Field Assist	(a)
16.	FileNET Access Request	
17.	FileNET Doc Link	
18.	FileNET InvoiceLink	

19.	FileNET OxyDocs	
20.	FinODS	
21.	FracFocus	
22.	Global Phone Directory	
23.	HES and Management Crew Visits	
24.	HES Contractor Hours	
25.	HES Risk Registers	
26.	IDM.Oxy.com	
27.	IPTracker	
28.	IRS	
29.	KMS Single Sign On Validation	
30.	LaunchXP	
31.	Matching Gifts	
32.	MAWAS/CONWAS HES OOG Executive Reporting	
33.	Meter Cross Reference & Hierarchy System	
34.	Monthly Contractor (Web)	
35.	MSDS Archive Search	
36.	Network Printer Locator	
37.	New Hire Website (OxyLink)	
38.	NMM	
39.	OAS (Domestic)	
40.	ODBC for Ingres 9.2	
41.	OPC Reserves Template Add-In(ResAddin)	
42.	Oracle Password Change Tool	
43.	OTS Monthly Maintenance Module	
44.	OXY Absence and Travel Request System	
45.	OXY Corporate AFE	
46.	Oxy Desktop Service	
47.	OXY GIS	
48.	Oxy Promotional Products	
49.	Oxy Reports	
50.	Oxy Safety Toolbox	
51.	OxyLink Home Page	
52.	OxyNet Location Pages	
53.	OxyNET News & Events	
54.	OxyRoyalty.com	
55.	OxyTools	
56.	PC Inventory	
57.	Personal Meter Hierarchy	
58.	Petrel 3D Surveillance Plug-in	
59.	Petrel Dykstra Parsons Plug-in	
60.	Power ² Observation Checklist	
61.	Property Master	
62.	Property Ownership System	
63.	PSP ODS (Operational Data Store)	
64.	RPCNet AFE Prep Tool	
65.	Run Ticket System	
66.	Software Asset Management	
67.	SPLITS	
68.	SSO for ADP Executive Benefits	
69.	SSO for Sungard	
70.	SSO for Talent Management	
71.	SSO for Taleo	
72.	SSO for Training Mine	
73.	Tank Setting OIT	
74.	Taproot 5.x Web Client Configuration	
75.	Taproot Snapchart Caspol	
76.	THUMS Dashboard	

77.	Transenergy	
78.	Unplanned Outage Notification System	
79.	Vendor Gift and Entertainment Disclosure	
80.	Voice Circuit Inventory	
81.	Well Select	
82.	Work Accident Summary	
83.	WST	

Notes:

(a) Does not include any "Petrasoft Derivatives" as defined and licensed to OPC and its Affiliates in the Field Assist License and Services Agreement between PetraSoft Consulting Inc. and OXY Inc., dated May 16, 2012.

**Exhibit B
Oxy Owned Operations IP and Supply Chain Documentation**

1. All Intellectual Property (other than the Licensed Patents and Intellectual Property in the Oxy Owned Software and Supply Chain Documentation) (a) owned by OPC or its Affiliates immediately prior to the Distribution Date, and (b) necessary for the conduct of the business of CRC and its Subsidiaries as conducted immediately prior to the Distribution Date (all of the foregoing, the "Oxy Owned Operations IP"), including:

- Formulas and procedures for IOR and EOR methods, including water injection, steam injection, CO2 injection, gas injection and chemical injection; and
- Proprietary processes and procedures for drilling wellbore anti-collision (e.g., assessing and mitigating risk).

2. Intellectual Property in the following documentation (the "Supply Chain Documentation"):

When used in this Exhibit B, the following terms shall have the meanings set forth below:

(i) "iSupplier Portal" means the Oracle iSupplier Portal that is a component of the Oracle E-Business Suite application software licensed by OPC or its Affiliates.

(ii) "Supplier Webpage" means an external website maintained by OPC containing a collection of Oxy Owned Operations IP and Documentation related to orientation, support information, and tools for prospective or registered suppliers of OPC.

(iii) "Supply Chain Global Process Governance Teamsite" means an internal website maintained by OPC containing a collection of Oxy Owned Operations IP and Documentation related to support information and tools for supply chain processes, systems, departments, and internal stakeholders.

The documents listed below are the versions of such documents existing at the referenced locations as of the Distribution Date.

Document Name	Document Description	Document Type	Location
Process Webpages	List of tabs within the Supply Chain Global Process Governance Teamsite	Supply Chain Global Process Governance Teamsite	http://teamsites-houston.oxy.com/oogc/ONEOXY_SCM/PROCESS%20WEBPAGES/Forms/AllItems.aspx
ADP Supplier Contract Conversion	List to administrate and track the ADP (Automatic Data Processing, Inc.) supplier contract conversion	Supply Chain Global Process Governance Teamsite	http://teamsites-houston.oxy.com/oogc/ONEOXY_SCM/Lists/ADP%20Supplier%20Contract%20Conversion/AllItems.aspx
Approved Forms Administration	List to administrate and track approved forms publication	Supply Chain Global Process Governance Teamsite	http://teamsites-houston.oxy.com/oogc/ONEOXY_SCM/Lists/Approved%20Forms%20Administration/AllItems.aspx
Dashboards and Reports	List of reports and dashboards on the Supply Chain Global Process Governance Teamsite	Supply Chain Global Process Governance Teamsite	http://teamsites-houston.oxy.com/oogc/ONEOXY_SCM/Lists/SCM%20Documents/AllItems.aspx
Documentation	Training materials, process instructions, and templates	Supply Chain Global Process Governance Teamsite	http://teamsites-houston.oxy.com/oogc/ONEOXY_SCM/Lists/PROCESS%20QUICK%20REFERENCES/AllItems.aspx
Item Master Administration	List to administrate and track item master requests	Supply Chain Global Process Governance Teamsite	http://teamsites-houston.oxy.com/oogc/ONEOXY_SCM/Lists/Item%20Master%20Administration/AllItems.aspx
P-Card Audit Violations List	List to administrate and track p-card audit violations	Supply Chain Global Process Governance Teamsite	http://teamsites-houston.oxy.com/oogc/ONEOXY_SCM/Lists/PCard_Audit_Violations_List/AllItems.aspx
Processes – SCM	List of supply chain management	Supply Chain Global Process	http://teamsites-houston.oxy.com/oogc/ONEOXY_SCM/Lists/SCM%20Processes%20Links/AllItems.aspx

	(SCM) processes	Governance Teamsite	
Supplier Inquiry List	List to administrate and track resolution of supplier help desk inquiries	Supply Chain Global Process Governance Teamsite	http://teamsites-houston.oxy.com/oogc/ONEOXY_SCM/Lists/Supplier%20Inquiry%20List/SUPPLIER%20INQUIRIES%20ALL.aspx
Supplier Merge List	List to administrate and track resolution of supplier merge cases	Supply Chain Global Process Governance Teamsite	http://teamsites-houston.oxy.com/oogc/ONEOXY_SCM/Lists/SUPPLIER%20MERGE%20LIST/AllItems.aspx
Vendor Master Requests	List to administrate and track resolution of requests for supplier registration, onboarding, modifications, inactivation, reactivations, iSupplier supplier contact registration, and contract related data setup; only applicable in USA	Supply Chain Global Process Governance Teamsite	http://teamsites-houston.oxy.com/oogc/ONEOXY_SCM/Lists/Vendor_Master_Requests_List/AllItems.aspx
Supplier Webpage Main Page	Home page for orientation, support information and tools for prospective or registered suppliers	Supplier Webpage	http://oxy.com/OurBusinesses/OilAndGas/DBWU/Pages/overview.aspx
Prospective Supplier Registration Page	Web page for prospective suppliers to register	Supplier Webpage	http://oxy.com/OurBusinesses/OilAndGas/DBWU/Pages/ProSup.aspx
User Guide – Submit Prospective Supplier Registration Form	Online user guide that describes how prospective suppliers can submit a registration form	Supplier Webpage	http://oxy.com/OurBusinesses/OilAndGas/DBWU/Documents/iSupplier%20Portal%20User%20Handbook.pdf
User Guide – Overview to Access, Passwords, Navigation and Notifications	Online user guide that provides a general overview of the iSupplier Portal (i.e., how to access, reset passwords, navigate, define preferences and notifications)	Supplier Webpage	http://oxy.com/OurBusinesses/OilAndGas/DBWU/Documents/User%20Guide%20-%20Overview%20to%20Access,%20Passwords,%20Navigation%20and%20Notifications.pdf
User Guide – Administrate Users - Security Administrator	Online user guide that describes how to create, update, inactivate iSupplier Portal users, and reset user passwords	Supplier Webpage	http://oxy.com/OurBusinesses/OilAndGas/DBWU/Documents/User%20Guide%20-%20Administrate%20Users%20-%20Security%20Administrator.pdf
User Guide – Respond to Request for Information (RFI)	Online user guide that describes how to view, acknowledge and submit response to request for information (RFI)	Supplier Webpage	http://oxy.com/OurBusinesses/OilAndGas/DBWU/Documents/User%20Guide%20-%20Respond%20to%20Request%20for%20Information%20(RFI).pdf
User Guide – Quote Request for Quotation (RFQ)	Online user guide that describes how to view, acknowledge and submit quote for request for quotation (RFQ)	Supplier Webpage	http://oxy.com/OurBusinesses/OilAndGas/DBWU/Documents/User%20Guide%20-%20Quote%20Request%20for%20Quotation%20(RFQ).pdf
User Guide – View and/or Accept	Online user guide that describes how	Supplier Webpage	http://oxy.com/OurBusinesses/OilAndGas/DBWU/Documents/iSupplier%20User%20Guide%20-%20View%20or%20Accept%20Purchasing%20Documents%20V3.pdf

Purchasing Documents	to view purchasing documents (purchase orders, services orders, contracts, master services agreements, etc.), their price, and to electronically accept a purchasing document		
User Guide – View Receipts and Returns	Online user guide that describes how to view receipts and returns	Supplier Webpage	http://oxy.com/OurBusinesses/OilAndGas/DBWU/Documents/UserGuide_ViewReceiptsandReturns.pdf
User Guide – View and Submit Contractual Deliverables	Online user guide that describes how to view and submit information and documentation associated with a purchasing document	Supplier Webpage	http://oxy.com/OurBusinesses/OilAndGas/DBWU/Documents/User%20Guide%20-%20View%20and%20Submit%20Contractual%20Deliverables.pdf
User Guide – View Invoices and Payments	Online user guide that describes how to view invoices and payments	Supplier Webpage	http://oxy.com/OurBusinesses/OilAndGas/DBWU/Documents/User%20Guide%20-%20View%20Invoices%20and%20Payments.pdf
User Guide – Create Invoices	Online user guide that describes how to electronically submit invoices against standard purchase orders	Supplier Webpage	http://oxy.com/OurBusinesses/OilAndGas/DBWU/Documents/User%20Guide%20-%20Create%20Invoices.pdf
User Guide – Create and View Credit Memos	Online user guide that describes how to electronically submit credit memos	Supplier Webpage	http://oxy.com/OurBusinesses/OilAndGas/DBWU/Documents/User%20Guide%20-%20Create%20and%20View%20Credit%20Memos.pdf
User Guide – Create iSupplier Supplier Charges	Online user guide that describes how to , and electronically view and submit supplier charges and field ticket invoices against agreements	Supplier Webpage	http://oxy.com/OurBusinesses/OilAndGas/DBWU/Documents/View_and_Create_Supplier_Charges_Invoices.pdf
Integrated Supplier Implementation Guide	Online supplier implementation guide containing the standards used for secured electronic invoice data exchange (i.e. supplier charges)	Supplier Webpage	http://www.oxy.com/OurBusinesses/OilAndGas/DBWU/Documents/INTEGRATED_SUPPLIER_IMPLEMENTATION_GUIDE%20V1.pdf
Supplier B2B Integration Readiness and Technical Assessment Questionnaire	Questionnaire to capture critical information necessary to assess whether electronic business data can be exchanged with a supplier	Supplier Webpage	http://www.oxy.com/OurBusinesses/OilAndGas/DBWU/Documents/Supplier_B2B_Integration_Readiness_and_Technical_Assessment_Questionnaire.docx
Registered Supplier Information Modification Form	Online form used for currently registered suppliers to add, remove, or modify	Supplier Webpage	http://oxy.com/OurBusinesses/OilAndGas/DBWU/Documents/Supplier_Registration_Modification_Form.docx

	information on a supplier's registration form		
Frequently Asked Questions	Online guide providing answers to frequently asked questions about the iSupplier Portal, supplier invoices, etc.	Supplier Webpage	http://oxy.com/OurBusinesses/OilAndGas/DBWU/Documents/iSupplier_Portal_FAQs.pdf
Supplier Help Desk Page	Web page allowing users to submit inquiries regarding the iSupplier Portal and supplier related business processes	Supplier Webpage	http://oxy.com/OurBusinesses/OilAndGas/DBWU/Pages/supplierinquiry.aspx

**Exhibit C
CRC Owned Data and Documentation**

The data and documentation set forth in Schedule 1.3(c) (CRC Intellectual Property) of the SDA.

NEWS RELEASE



For Immediate Release: December 1, 2014

Occidental Petroleum Completes Spin-off of California Resources Corporation

HOUSTON – December 1, 2014 -- Occidental Petroleum Corporation (NYSE:OXY) today announced it has completed the spin-off of its subsidiary California Resources Corporation (NYSE:CRC). California Resources, which begins “regular way” trading today on the New York Stock Exchange as a stand-alone company, is an independent oil and natural gas exploration and production company focused on high-growth, high-return conventional and unconventional assets exclusively in California.

“We spent more than 15 years building a California company, and we expect it to provide significant value to California Resources Corporation stockholders,” said Stephen I. Chazen, President and Chief Executive Officer. “The steps we have taken during our strategic review will result in a greater ability to concentrate Occidental’s resources in areas where we have key competitive advantages.”

To effect the spin-off, the companies were separated on November 30, 2014, through the distribution of approximately 80.5 percent of the outstanding shares of California Resources to holders of Occidental common stock. Each Occidental shareholder received 0.4 shares of California Resources common stock for every one share of Occidental common stock held at the close of business November 17, 2014, the record date for the distribution, for a total of approximately 310 million shares. Occidental retained 71.5 million shares of the California company.

About Occidental Petroleum

Occidental Petroleum Corporation is an international oil and gas exploration and production company with operations in the United States, Middle East/North Africa and Latin America. Headquartered in Houston, Occidental is one of the largest U.S. oil and gas companies, based on equity market capitalization. Occidental’s midstream and marketing segment gathers, processes,

transports, stores, purchases and markets hydrocarbons and other commodities in support of Occidental's businesses. The company's wholly owned subsidiary OxyChem manufactures and markets chlor-alkali products and vinyls.

Forward-Looking Statements

Portions of this press release 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; reorganization or restructuring of Occidental's operations; not successfully completing, or any material delay of, field developments, expansion projects, capital expenditures, efficiency projects, acquisitions or dispositions; 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; 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 release. 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 the 2013 Form 10-K. Occidental posts or provides links to important information on its website at www.oxy.com.

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UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The unaudited pro forma condensed consolidated financial statements of Occidental Petroleum Corporation (Occidental) have been derived from our historical consolidated financial statements and are being presented to give effect to the spin-off of California Resources Corporation (California Resources) into an independent, publicly traded company. Effective with the filing of the Occidental Petroleum Corporation Form 10-K for the period ending December 31, 2014, California Resources Corporation will be reported as a discontinued operation of Occidental Petroleum Corporation. The unaudited pro forma condensed consolidated balance sheet has been prepared as though the spin-off of California Resources Corporation occurred on September 30, 2014. The unaudited pro forma condensed consolidated income statements have been prepared as though the spin-off of California Resources Corporation occurred on January 1, 2014. The following unaudited pro forma condensed consolidated financial statements should be read in conjunction with our historical financial statements and accompanying notes.

The pro forma adjustments are based on available information and assumptions management believes are factually supportable and for income statement purposes recurring in nature. The pro forma adjustments to reflect the spin-off of California Resources Corporation include:

- Special cash distributions of \$4.95 billion and \$1.15 billion from California Resources Corporation to Occidental Petroleum Corporation in connection with the separation.
- The distribution of at least 80.1% of California Resources Corporation common stock to Occidental shareholders.
- Occidental Petroleum Corporation's remaining investment in California Resources Corporation's common stock.
- Costs incurred in connection with the separation of California Resources Corporation.
- Change in the unitary tax rate as a result of the separation of California Resources Corporation.

No adjustments have been made for the costs of operating after the separation of California Resources Corporation, the potentially dilutive impact of changes to stock-based compensation resulting from the Employee Matters Agreement executed in connection with the separation, the use of proceeds from the special cash distribution from California Resources Corporation and any working capital adjustments to be determined after the separation as the impact of these items are not factually supportable at this time.

The unaudited pro forma condensed consolidated financial statements are for illustrative purposes only, and do not reflect what our financial position and results of operations would have been had the separation occurred on the dates indicated and are not necessarily indicative of our future financial position and future results of operations.

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED INCOME STATEMENT
NINE MONTHS ENDED SEPTEMBER 30, 2014
(Amounts in millions, except per-share amounts)

	Historical	Separation of California Resources	Pro Forma Adjustments	Pro Forma
REVENUES AND OTHER INCOME				
Net sales	\$ 18,359	(3,354)	—	\$ 15,005
Interest, dividends, and other income	107	1	—	108
Gain on sale of equity instruments	520	—	—	520
	<u>18,986</u>	<u>(3,353)</u>	<u>—</u>	<u>15,633</u>
COSTS AND OTHER DEDUCTIONS				
Cost of sales	9,880	(1,753)	—	8,127
Selling, general, and administrative and other operating expenses	1,327	(226)	(25) ^(a)	1,076
Asset impairments	471	—	—	471
Taxes other than on income	593	(163)	—	430
Exploration expense	162	(71)	—	91
Interest and debt expense, net	52	6	—	58
	<u>12,485</u>	<u>(2,207)</u>	<u>(25)</u>	<u>10,253</u>
INCOME BEFORE INCOME TAXES AND OTHER ITEMS				
	6,501	(1,146)	25	5,380
Provision for domestic and foreign income taxes	(2,706)	404	42 ^(b)	(2,260)
Income from equity investments	243	—	—	243
INCOME FROM CONTINUING OPERATIONS	<u>4,038</u>	<u>(742)</u>	<u>67</u>	<u>3,363</u>
Discontinued operations, net	(1)	742	—	741
NET INCOME	<u>4,037</u>	<u>—</u>	<u>67</u>	<u>4,104</u>
Less: Net income attributable to noncontrolling interest	(8)	—	—	(8)
NET INCOME ATTRIBUTABLE TO COMMON STOCK	<u>\$ 4,029</u>	<u>—</u>	<u>67</u>	<u>\$ 4,096</u>
BASIC EARNINGS PER COMMON SHARE (attributable to common stock)				
Income from continuing operations	\$ 5.13			\$ 4.28
Discontinued operations, net	—			0.94
BASIC EARNINGS PER COMMON SHARE	<u>\$ 5.13</u>			<u>\$ 5.22</u>
DILUTED EARNINGS PER COMMON SHARE				
Income from continuing operations	\$ 5.13			\$ 4.27
Discontinued operations, net	—			0.94
DILUTED EARNINGS PER COMMON SHARE	<u>\$ 5.13</u>			<u>\$ 5.21</u>
DIVIDENDS PER COMMON SHARE	<u>\$ 2.16</u>			<u>\$ 2.16</u>

See Notes to Unaudited Pro Forma Condensed Consolidated Financial Statements.

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
 UNAUDITED PRO FORMA CONDENSED CONSOLIDATED INCOME STATEMENT
 NINE MONTHS ENDED SEPTEMBER 30, 2013
 (Amounts in millions, except per-share amounts)

	Historical	Separation of California Resources	Pro Forma Adjustments	Pro Forma
REVENUES AND OTHER INCOME				
Net sales	\$ 18,283	(3,205)	—	\$ 15,078
Interest, dividends, and other income	89	—	—	89
Gain on sale of equity instruments	131	—	—	131
	<u>18,503</u>	<u>(3,205)</u>	<u>—</u>	<u>15,298</u>
COSTS AND OTHER DEDUCTIONS				
Cost of sales	9,531	(1,650)	—	7,881
Selling, general, and administrative and other operating expenses	1,347	(185)	—	1,162
Taxes other than on income	568	(141)	—	427
Exploration expense	196	(81)	—	115
Interest and debt expense, net	93	12	—	105
	<u>11,735</u>	<u>(2,045)</u>	<u>—</u>	<u>9,690</u>
INCOME BEFORE INCOME TAXES AND OTHER ITEMS	6,768	(1,160)	—	5,608
Provision for domestic and foreign income taxes	(2,782)	410	—	(2,372)
Income from equity investments	288	—	—	288
INCOME FROM CONTINUING OPERATIONS	4,274	(750)	—	3,524
Discontinued operations, net	(14)	750	—	736
NET INCOME	<u>\$ 4,260</u>	<u>—</u>	<u>—</u>	<u>\$ 4,260</u>
BASIC EARNINGS PER COMMON SHARE				
Income from continuing operations	\$ 5.30			\$ 4.37
Discontinued operations, net	(0.02)			0.91
BASIC EARNINGS PER COMMON SHARE	<u>\$ 5.28</u>			<u>\$ 5.28</u>
DILUTED EARNINGS PER COMMON SHARE				
Income from continuing operations	\$ 5.30			\$ 4.37
Discontinued operations, net	(0.02)			0.91
DILUTED EARNINGS PER COMMON SHARE	<u>\$ 5.28</u>			<u>\$ 5.28</u>
DIVIDENDS PER COMMON SHARE	<u>\$ 1.92</u>			<u>\$ 1.92</u>

See Notes to Unaudited Pro Forma Condensed Consolidated Financial Statements.

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
 UNAUDITED PRO FORMA CONDENSED CONSOLIDATED INCOME STATEMENT
 YEAR ENDED DECEMBER 31, 2013
 (Amounts in millions, except per-share amounts)

	Historical	Separation of California Resources	Pro Forma Adjustments	Pro Forma
REVENUES AND OTHER INCOME				
Net sales	\$ 24,455	(4,285)	—	\$ 20,170
Interest, dividends, and other income	106	1	—	107
Gain on sale of equity instruments	1,175	—	—	1,175
	<u>25,736</u>	<u>(4,284)</u>	<u>—</u>	<u>21,452</u>
COSTS AND OTHER DEDUCTIONS				
Cost of sales	7,562	(1,065)	—	6,497
Selling, general, and administrative and other operating expenses	1,801	(257)	—	1,544
Depreciation, depletion and amortization	5,347	(1,144)	—	4,203
Asset impairments and related items	621	—	—	621
Taxes other than on income	749	(185)	—	564
Exploration expense	256	(116)	—	140
Interest and debt expense, net	118	14	—	132
	<u>16,454</u>	<u>(2,753)</u>	<u>—</u>	<u>13,701</u>
INCOME BEFORE INCOME TAXES AND OTHER ITEMS				
	9,282	(1,531)	—	7,751
Provision for domestic and foreign income taxes	(3,755)	541	—	(3,214)
Income from equity investments	395	—	—	395
INCOME FROM CONTINUING OPERATIONS	<u>5,922</u>	<u>(990)</u>	<u>—</u>	<u>4,932</u>
Discontinued operations, net	(19)	990	—	971
NET INCOME	<u>\$ 5,903</u>	<u>—</u>	<u>—</u>	<u>\$ 5,903</u>
BASIC EARNINGS PER COMMON SHARE				
Income from continuing operations	\$ 7.35			\$ 6.12
Discontinued operations, net	(0.02)			1.21
BASIC EARNINGS PER COMMON SHARE	<u>\$ 7.33</u>			<u>\$ 7.33</u>
DILUTED EARNINGS PER COMMON SHARE				
Income from continuing operations	\$ 7.34			\$ 6.12
Discontinued operations, net	(0.02)			1.20
DILUTED EARNINGS PER COMMON SHARE	<u>\$ 7.32</u>			<u>\$ 7.32</u>
DIVIDENDS PER COMMON SHARE	<u>\$ 2.56</u>			<u>\$ 2.56</u>

See Notes to Unaudited Pro Forma Condensed Consolidated Financial Statements.

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
 UNAUDITED PRO FORMA CONDENSED CONSOLIDATED INCOME STATEMENT
 YEAR ENDED DECEMBER 31, 2012
 (Amounts in millions, except per-share amounts)

	Historical	Separation of California Resources	Pro Forma Adjustments	Pro Forma
REVENUES AND OTHER INCOME				
Net sales	\$ 24,172	(4,072)	—	\$ 20,100
Interest, dividends, and other income	81	(1)	—	80
	<u>24,253</u>	<u>(4,073)</u>	<u>—</u>	<u>20,180</u>
COSTS AND OTHER DEDUCTIONS				
Cost of sales	7,844	(1,314)	—	6,530
Selling, general, and administrative and other operating expenses	1,602	(236)	—	1,366
Depreciation, depletion and amortization	4,511	(926)	—	3,585
Asset impairments and related items	1,751	(41)	—	1,710
Taxes other than on income	680	(167)	—	513
Exploration expense	345	(148)	—	197
Interest and debt expense, net	130	24	—	154
	<u>16,863</u>	<u>(2,808)</u>	<u>—</u>	<u>14,055</u>
				—
INCOME BEFORE INCOME TAXES AND OTHER ITEMS	7,390	(1,265)	—	6,125
Provision for domestic and foreign income taxes	(3,118)	459	—	(2,659)
Income from equity investments	363	—	—	363
INCOME FROM CONTINUING OPERATIONS	4,635	(806)	—	3,829
Discontinued operations, net	(37)	806	—	769
NET INCOME	<u>\$ 4,598</u>	<u>—</u>	<u>—</u>	<u>\$ 4,598</u>
BASIC EARNINGS PER COMMON SHARE				
Income from continuing operations	\$ 5.72			\$ 4.72
Discontinued operations, net	(0.05)			0.95
BASIC EARNINGS PER COMMON SHARE	<u>\$ 5.67</u>			<u>\$ 5.67</u>
DILUTED EARNINGS PER COMMON SHARE				
Income from continuing operations	\$ 5.71			\$ 4.72
Discontinued operations, net	(0.04)			0.95
DILUTED EARNINGS PER COMMON SHARE	<u>\$ 5.67</u>			<u>\$ 5.67</u>
DIVIDENDS PER COMMON SHARE	<u>\$ 2.16</u>			<u>\$ 2.16</u>

See Notes to Unaudited Pro Forma Condensed Consolidated Financial Statements.

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
 UNAUDITED PRO FORMA CONDENSED CONSOLIDATED INCOME STATEMENT
 YEAR ENDED DECEMBER 31, 2011
 (Amounts in millions, except per-share amounts)

	Historical	Separation of California Resources	Pro Forma Adjustments	Pro Forma
REVENUES AND OTHER INCOME				
Net sales	\$ 23,939	(3,938)	—	\$ 20,001
Interest, dividends, and other income	180	4	—	184
	<u>24,119</u>	<u>(3,934)</u>	<u>—</u>	<u>20,185</u>
COSTS AND OTHER DEDUCTIONS				
Cost of sales	7,385	(1,074)	—	6,311
Selling, general, and administrative and other operating expenses	1,523	(211)	—	1,312
Depreciation, depletion and amortization	3,591	(675)	—	2,916
Taxes other than on income	605	(143)	—	462
Exploration expense	258	(114)	—	144
Interest and debt expense, net	298	24	—	322
	<u>13,660</u>	<u>(2,193)</u>	<u>—</u>	<u>11,467</u>
INCOME BEFORE INCOME TAXES AND OTHER ITEMS	10,459	(1,741)	—	8,718
Provision for domestic and foreign income taxes	(4,201)	628	—	(3,573)
Income from equity investments	382	—	—	382
INCOME FROM CONTINUING OPERATIONS	6,640	(1,113)	—	5,527
Discontinued operations, net	131	1,113	—	1,244
NET INCOME	<u>\$ 6,771</u>	<u>—</u>	<u>—</u>	<u>\$ 6,771</u>
BASIC EARNINGS PER COMMON SHARE				
Income from continuing operations	\$ 8.16			\$ 6.79
Discontinued operations, net	0.16			1.53
BASIC EARNINGS PER COMMON SHARE	<u>\$ 8.32</u>			<u>\$ 8.32</u>
DILUTED EARNINGS PER COMMON SHARE				
Income from continuing operations	\$ 8.16			\$ 6.79
Discontinued operations, net	0.16			1.53
DILUTED EARNINGS PER COMMON SHARE	<u>\$ 8.32</u>			<u>\$ 8.32</u>
DIVIDENDS PER COMMON SHARE	<u>\$ 1.84</u>			<u>\$ 1.84</u>

See Notes to Unaudited Pro Forma Condensed Consolidated Financial Statements.

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
 UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
 SEPTEMBER 30, 2014
 (Amounts in millions)

	Historical	Separation of California Resources	Pro Forma Adjustments	Pro Forma
CURRENT ASSETS				
Cash and cash equivalents	\$ 2,897	(105)	1,150 ^(c)	\$ 3,942
Restricted Cash	—	—	4,950 ^(c)	4,950
Trade receivables, net	4,960	(441)	—	4,519
Inventories	1,359	(72)	—	1,287
Other current assets	1,291	(236)	—	1,055
Total current assets	10,507	(854)	6,100	15,753
INVESTMENTS IN UNCONSOLIDATED ENTITIES				
	1,544	—	—	1,544
PROPERTY, PLANT, AND EQUIPMENT				
Total Property, plant, and equipment	94,771	(22,680)	—	72,091
Accumulated depreciation, depletion, and amortization	(36,306)	7,868	—	(28,438)
	58,465	(14,812)	—	43,653
INVESTMENT IN CALIFORNIA RESOURCES COMPANY				
	—	—	997 ^(d)	997
LONG-TERM RECEIVABLES AND OTHER ASSETS, NET				
	994	(34)	—	960
TOTAL ASSETS	\$ 71,510	(15,700)	7,097	\$ 62,907
CURRENT LIABILITIES				
Short-term borrowings	\$ 1,599	—	—	\$ 1,599
Accounts payable	5,511	(584)	—	4,927
Accrued liabilities	2,337	(259)	—	2,078
Domestic and foreign income taxes	74	—	—	74
Total current liabilities	9,521	(843)	—	8,678
LONG-TERM DEBT, NET				
	6,837	—	—	6,837
DEFERRED CREDITS AND OTHER LIABILITIES				
Deferred domestic and foreign income taxes	7,634	(3,107)	(42) ^(b)	4,485
Other	3,433	(546)	—	2,887
	11,067	(3,653)	(42)	7,372
STOCKHOLDERS' EQUITY				
Common stock, at par value	178	—	—	178
Treasury stock	(8,146)	—	—	(8,146)
Additional paid-in capital	7,570	—	—	7,570
Retained earnings	44,166	(11,204)	7,139 ^(e)	40,101
Accumulated other comprehensive loss	(289)	—	—	(289)
Total equity attributable to common stock	43,479	(11,204)	7,139	39,414
Noncontrolling interest	606	—	—	606
Total Equity	44,085	(11,204)	7,139	40,020
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 71,510	(15,700)	7,097	\$ 62,907

See Notes to Unaudited Pro Forma Condensed Consolidated Financial Statements.

NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

- a. Reduction of separation costs incurred related to the spin-off of California Resources Corporation. Expenses incurred primarily relate to compensation and benefits, legal, accounting, and information system costs.
- b. Represents the change in the unitary tax rate as a result of the spin-off of California Resources Corporation.
- c. Pursuant to the private letter ruling received from the Internal Revenue Service (IRS), immediately prior to the separation, California Resources Corporation distributed approximately \$4.95 billion and \$1.15 billion in cash primarily using the proceeds from the \$5 billion in Senior Notes issued by California Resources Corporation in October 2014 and borrowings under the \$1.0 billion Term Loan Facility and \$2.0 billion Revolving Credit Facility. Under the terms of the IRS ruling, the proceeds from the Senior Notes will be used solely to pay dividends, repurchase common stock, repay debt, or a combination of the foregoing, within eighteen months following the distribution.
- d. In connection with the spin-off, Occidental distributed at least 80.1% of California Resources Corporation common stock to Occidental shareholders. The remaining investment is recorded on the pro-forma balance sheet as an Investment in California Resource Corporation at cost. At year end the investment will be recorded at fair value as an available for sale asset with any unrealized gains or losses included in accumulated other comprehensive income. Occidental will dispose of this investment within eighteen months following the spin-off.
- e. Stockholders' equity was adjusted as a result of adjustments (b), (c) and (d).