SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended June 30, 2010

OR

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

For the transition period from ___________ to ___________

Commission file number 1-9210

OCCIDENTAL PETROLEUM CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**95-4035997**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
10889 Wilshire Boulevard Los Angeles, California	**90024**
(Address of principal executive offices)	(Zip Code)

(310) 208-8800

(Registrant's telephone number, including area code)

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

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

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

Large Accelerated FilerR Accelerated Filer£ Non-Accelerated Filer£ Smaller Reporting Company£

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

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

Class	Outstanding at June 30, 2010
Common stock $.20 par value	812,243,611 shares

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES

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PART I FINANCIAL INFORMATION

Item 1. Financial Statements (unaudited)

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS
JUNE 30, 2010 AND DECEMBER 31, 2009
(Amounts in millions)

	2010	2009
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 2,322	$ 1,230
Trade receivables, net	4,335	4,142
Marketing and trading assets and other	872	1,203
Inventories	1,220	1,081
Prepaid expenses and other	440	430
Total current assets	9,189	8,086
INVESTMENTS IN UNCONSOLIDATED ENTITIES	1,786	1,732
PROPERTY, PLANT AND EQUIPMENT, net of accumulated depreciation, depletion and amortization of $21,205 at June 30, 2010 and $19,486 at December 31, 2009	34,514	33,645
LONG-TERM RECEIVABLES AND OTHER ASSETS, NET	770	766
TOTAL ASSETS	$ 46,259	$ 44,229

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

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS
JUNE 30, 2010 AND DECEMBER 31, 2009
(Amounts in millions)

	2010	2009
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Current maturities of long-term debt	$ 12	$ 239
Accounts payable	3,952	3,379
Accrued liabilities	1,923	2,341
Domestic and foreign income taxes	72	28
Liabilities of discontinued operations	103	105
Total current liabilities	6,062	6,092
LONG-TERM DEBT, NET	2,511	2,557
DEFERRED CREDITS AND OTHER LIABILITIES		
Deferred and other domestic and foreign income taxes	3,321	3,125
Long-term liabilities of discontinued operations	126	136
Other	3,327	3,160
	6,774	6,421
STOCKHOLDERS' EQUITY		
Common stock, at par value	177	177
Treasury stock	(4,172)	(4,161)
Additional paid-in capital	7,193	7,127
Retained earnings	28,083	26,534
Accumulated other comprehensive loss	(483)	(596)
Total equity attributable to common stock	30,798	29,081
Noncontrolling interest	114	78
Total equity	30,912	29,159
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 46,259	$ 44,229

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

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF INCOME
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2010 AND 2009
(Amounts in millions, except per-share amounts)

	Three months ended June 30		Six months ended June 30	
	2010	2009	2010	2009
REVENUES AND OTHER INCOME				
Net sales	$ 4,761	$ 3,687	$ 9,532	$ 6,760
Interest, dividends and other income	40	28	61	58
Gains (losses) on disposition of assets, net	(6)	7	(5)	7
	4,795	3,722	9,588	6,825
COSTS AND OTHER DEDUCTIONS				
Cost of sales	2,432	2,059	4,874	4,123
Selling, general and administrative and other operating expenses	309	362	684	632
Taxes other than on income	127	110	250	215
Exploration expense	73	54	129	112
Interest and debt expense, net	32	32	70	59
	2,973	2,617	6,007	5,141
Income before income taxes and other items	1,822	1,105	3,581	1,684
Provision for domestic and foreign income taxes	800	455	1,529	696
(Income) from equity investments	(59)	(46)	(124)	(88)
Income from continuing operations	1,081	696	2,176	1,076
Discontinued operations, net	(6)	(2)	(13)	(5)
Net income	1,075	694	2,163	1,071
Less: Net income attributable to noncontrolling interest	(12)	(12)	(36)	(21)
NET INCOME ATTRIBUTABLE TO COMMON STOCK	$ 1,063	$ 682	$ 2,127	$ 1,050
BASIC EARNINGS PER COMMON SHARE (attributable to common stock)				
Income from continuing operations	$ 1.31	$ 0.84	$ 2.63	$ 1.30
Discontinued operations, net	—	—	(0.02)	(0.01)
BASIC EARNINGS PER COMMON SHARE	$ 1.31	$ 0.84	$ 2.61	$ 1.29
DILUTED EARNINGS PER COMMON SHARE (attributable to common stock)				
Income from continuing operations	$ 1.31	$ 0.84	$ 2.63	$ 1.30
Discontinued operations, net	—	—	(0.02)	(0.01)
DILUTED EARNINGS PER COMMON SHARE	$ 1.31	$ 0.84	$ 2.61	$ 1.29
DIVIDENDS PER COMMON SHARE	$ 0.38	$ 0.33	$ 0.71	$ 0.65

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

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2010 AND 2009
(Amounts in millions)

	2010	2009
CASH FLOW FROM OPERATING ACTIVITIES		
Net income	$ 2,163	$ 1,071
Adjustments to reconcile net income to net cash provided by operating activities:		
Discontinued operations, net	13	5
Depreciation, depletion and amortization of assets	1,750	1,528
Deferred income tax provision	129	128
Other noncash charges to income	263	205
Losses (gains) on disposition of assets, net	5	(7)
Income from equity investments	(124)	(88)
Dry hole and impairment expense	72	90
Changes in operating assets and liabilities, net	285	(555)
Other operating, net	(217)	(154)
Operating cash flow from continuing operations	4,339	2,223
Operating cash flow from discontinued operations	(62)	(22)
Net cash provided by operating activities	4,277	2,201
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditures	(1,716)	(1,902)
Purchases of assets	(743)	(534)
Sale of assets	17	45
Equity investments and other, net	93	(51)
Net cash used by investing activities	(2,349)	(2,442)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long-term debt	—	740
Payments of long-term debt	(299)	(8)
Proceeds from issuance of common stock	5	13
Purchases of treasury stock	(11)	(9)
Excess share-based tax benefits and other	7	5
Distributions to noncontrolling interest	—	(2)
Cash dividends paid	(538)	(520)
Net cash (used) provided by financing activities	(836)	219
Increase (decrease) in cash and cash equivalents	1,092	(22)
Cash and cash equivalents—beginning of period	1,230	1,777
Cash and cash equivalents—end of period	$ 2,322	$ 1,755

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

1. General

In these unaudited consolidated condensed financial statements, "Occidental" means Occidental Petroleum Corporation, a Delaware corporation (OPC), and/or one or more entities in which it owns a majority voting interest (subsidiaries). Occidental has made its disclosures in accordance with accounting principles generally accepted in the United States of America as they apply to interim reporting, and condensed or omitted, as permitted by the Securities and Exchange Commission's rules and regulations, certain information and disclosures normally included in consolidated financial statements and the notes. The consolidated condensed financial statements should be read in conjunction with the consolidated financial statements and the notes thereto in Occidental's Annual Report on Form 10-K for the year ended December 31, 2009.

In the opinion of Occidental's management, the accompanying consolidated condensed financial statements contain all adjustments (consisting of normal recurring adjustments) necessary to fairly present Occidental's consolidated financial position as of June 30, 2010, and the consolidated statements of income and cash flows for the three and six months ended June 30, 2010 and 2009, as applicable. The income and cash flows for the periods ended June 30, 2010 and 2009 are not necessarily indicative of the income or cash flows to be expected for the full year.

Certain financial statements and notes for the prior year have been reclassified to conform to the 2010 presentation.

2. Asset Acquisitions, Dispositions and Other Transactions

In January 2010, Occidental and its partners signed a technical service contract with the government of Iraq to develop the Zubair Field in Iraq.

During the six months ended June 30, 2010, Occidental acquired various interests in domestic oil and gas properties for approximately $460 million. Occidental also obtained a ten-year extension for its hydrocarbon concessions in the Santa Cruz province of Argentina.

3. Accounting and Disclosure Changes

Fair Value Measurements – Beginning in the quarter ended March 31, 2010, Occidental enhanced its fair value measurement disclosures as a result of adopting new disclosure requirements issued by the Financial Accounting Standards Board (FASB) in January 2010. The new rules require interim and year-end disclosures of: (i) fair value measurements by classes of assets and liabilities; (ii) valuation techniques and inputs used for Level 2 or 3 fair value measurements; and (iii) significant transfers into and out of Level 1 and 2 measurements and the reasons for the transfers.

Variable Interest Entities – Beginning January 1, 2010, Occidental modified its method of assessing the consolidation of variable interest entities as a result of adopting new accounting requirements issued by the FASB in June 2009. This new rule had no impact on Occidental's financial statements upon adoption and will require assessment on an ongoing basis.

4. Comprehensive Income

The following table presents Occidental's comprehensive income (loss) for the three and six months ended June 30, 2010 and 2009 (in millions):

	Periods ended June 30			
	Three months		Six months	
	2010	2009	2010	2009
Net income attributable to common stock	$ 1,063	$ 682	$ 2,127	$ 1,050
Other comprehensive income (loss) items				
Foreign currency translation adjustments	(1)	17	(4)	18
Pension and post-retirement adjustments	6	6	13	12
Unrealized gains (losses) on derivatives	37	(81)	60	(46)
Reclassification of realized losses (gains) on derivatives and securities	23	12	44	(22)
Other comprehensive income (loss), net of tax	65	(46)	113	(38)
Comprehensive income attributable to common stock	$ 1,128	$ 636	$ 2,240	$ 1,012

There were no "other comprehensive income (loss) items" or changes to equity other than net income related to noncontrolling interests for the three and six months ended June 30, 2010 and 2009.

5. Supplemental Cash Flow Information

Occidental paid U.S. federal, state and foreign income taxes of approximately $1.4 billion and $517 million during the six months ended June 30, 2010 and 2009, respectively. Net payments for taxes included amounts related to discontinued operations of $44 million and $8 million for the six months ended June 30, 2010 and 2009, respectively. Interest paid totaled approximately $83 million and $81 million for the six months ended June 30, 2010 and 2009, respectively.

6. Inventories

A portion of inventories is valued under the LIFO method. The valuation of LIFO inventory for interim periods is based on Occidental's estimates of year-end inventory levels and costs. Inventories as of June 30, 2010 and December 31, 2009 consisted of the following (in millions):

	2010	2009
Raw materials	$ 57	$ 63
Materials and supplies	506	515
Finished goods	738	584
	1,301	1,162
LIFO reserve	(81)	(81)
Total	$ 1,220	$ 1,081

7. Environmental Liabilities and Expenditures

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

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

As of June 30, 2010, Occidental participated in or monitored remedial activities or proceedings at 169 sites. The following table presents Occidental's environmental remediation reserves as of June 30, 2010, the current portion of which is included in accrued liabilities ($84 million) and the remainder in deferred credits and other liabilities – other ($294 million). The reserves are grouped as environmental remediation sites listed or proposed for listing by the U.S. Environmental Protection Agency on the CERCLA National Priorities List (NPL sites) and three categories of non-NPL sites — third-party sites, Occidental-operated sites and closed or non-operated Occidental sites.

	Number of Sites	Reserve Balance (in millions)
NPL sites	40	$ 54
Third-party sites	81	97
Occidental-operated sites	19	118
Closed or non-operated Occidental sites	29	109
Total	169	$ 378

As of June 30, 2010, Occidental's environmental reserves exceeded $10 million at 14 of the 169 sites described above, and 120 of the sites had reserves from $0 to $1 million each. Occidental expects to expend funds corresponding to about half of the current environmental reserves over the next four years and the balance over the subsequent ten or more years. Occidental believes its range of reasonably possible additional loss beyond those liabilities recorded for environmental remediation at the sites described above could be up to $375 million. The status of Occidental's involvement with the sites and related significant assumptions have not changed materially since December 31, 2009. For management's opinion with respect to environmental matters, refer to Note 8.

8. Lawsuits, Claims, Commitments, Contingencies and Related Matters

OPC or certain of its subsidiaries are named, in the normal course of business, in lawsuits, claims and other legal proceedings that seek, among other things, compensation for alleged personal injury, breach of contract, property damage, punitive damages, civil penalties or other losses, or injunctive or declaratory relief. OPC or certain of its subsidiaries also have been named in proceedings under CERCLA and similar federal, state, local and foreign environmental laws. These environmental proceedings seek funding or performance of remediation and, in some cases, compensation for alleged property damage, punitive damages, civil penalties and injunctive relief; however, Occidental is usually one of many companies in these proceedings and has to date been successful in sharing response costs with other financially sound companies. With respect to all such lawsuits, claims and proceedings, including environmental proceedings, Occidental accrues reserves when it is probable a liability has been incurred and the amount of loss can be reasonably estimated.

Lawsuits filed in Nicaragua against Occidental Chemical Corporation (OxyChem) and other companies that once manufactured or used the pesticide dibromochloropropane (DBCP) claim damages of several billion dollars for alleged personal injuries. In the opinion of management, the claims against OxyChem are without merit because, among other things, the DBCP it manufactured was never sold or used in Nicaragua. Nicaraguan courts have entered judgments of approximately $900 million against four defendants, including OxyChem, which, if affirmed and ultimately enforced, would be shared equally among the defendants. When the plaintiffs attempted to enforce one judgment in Miami, the federal district court granted summary judgment in favor of OxyChem and refused to enforce the judgment, finding the Nicaraguan cour t lacked personal jurisdiction because OxyChem DBCP was not used in Nicaragua, OxyChem did not have sufficient contacts with Nicaragua, and other grounds for dismissal. Although the Plaintiffs have appealed that dismissal as to other defendants, the Plaintiffs have not appealed as to OxyChem. OxyChem has no assets in Nicaragua and, in the opinion of management, no such Nicaraguan judgment would be enforceable in the United States.

During the course of its operations, Occidental is subject to audit by tax authorities for varying periods in various federal, state, local and foreign tax jurisdictions. While the audits of corporate tax returns for taxable years through 2008 have concluded for U.S. federal income tax purposes, the 2009 and 2010 taxable years are currently under review by the U.S. Internal Revenue Service pursuant to its Compliance Assurance Program. Taxable years from 2000 through 2009 remain subject to examination by foreign and state government tax authorities in certain jurisdictions. In certain of these locations, tax authorities are in various stages of auditing Occidental’s income taxes. During the course of tax audits, disputes have arisen and other disputes may arise as to facts and matters of law.

Occidental has indemnified various parties against specified liabilities that those parties might incur in the future in connection with purchases and other transactions that they have entered into with Occidental. These indemnities usually are contingent upon the other party incurring liabilities that reach specified thresholds. As of June 30, 2010, Occidental is not aware of circumstances that it believes would reasonably be expected to lead to future indemnity claims against it in connection with these transactions that would result in payments materially in excess of reserves.

The ultimate amount of losses and the timing of any such losses that OPC and its subsidiaries may incur resulting from currently outstanding lawsuits, claims and proceedings, audits, commitments, contingencies and related matters cannot be determined reliably at this time. If these matters were ultimately resolved unfavorably at amounts substantially exceeding Occidental’s reserves, an outcome not currently expected, it is possible that such outcome could have a material adverse effect upon Occidental’s consolidated financial position or results of operations. However, after taking into account reserves, management does not expect the ultimate resolution of any of these matters to have a material adverse effect upon Occidental’s consolidated financial position or results of operations.

9. Retirement Plans and Postretirement Benefits

The following table sets forth the components of the net periodic benefit costs for Occidental's defined benefit pension and postretirement benefit plans for the three and six months ended June 30, 2010 and 2009 (in millions):

Three months ended June 30	2010		2009	
Net Periodic Benefit Costs	Pension Benefit	Postretirement Benefit	Pension Benefit	Postretirement Benefit
Service cost	$ 5	$ 4	$ 4	$ 4
Interest cost	7	11	7	10
Expected return on plan assets	(8)	—	(7)	—
Amortization of prior service cost	1	—	—	—
Recognized actuarial loss	3	7	4	6
Total	$ 8	$ 22	$ 8	$ 20

Six months ended June 30	2010		2009	
Net Periodic Benefit Costs	Pension Benefit	Postretirement Benefit	Pension Benefit	Postretirement Benefit
Service cost	$ 9	$ 9	$ 8	$ 8
Interest cost	15	22	14	20
Expected return on plan assets	(16)	—	(13)	—
Amortization of prior service cost	1	—	—	—
Recognized actuarial loss	6	13	8	11
Total	$ 15	$ 44	$ 17	$ 39

Occidental contributed $3 million in the three month periods ended June 30, 2010 and 2009, and $5 million in each of the six month periods then ended, to its defined benefit pension plans.

10. Fair Value Measurements

Occidental has categorized its assets and liabilities that are measured at fair value, based on the priority of the inputs to the valuation techniques, in a three-level fair value hierarchy: Level 1 – using quoted prices in active markets for identical assets or liabilities; Level 2 – using observable inputs other than quoted prices; and Level 3 – using unobservable inputs.

Fair Values – Recurring

Occidental primarily applies the market approach for recurring fair value measurements, maximizes its use of observable inputs and minimizes its use of unobservable inputs. Occidental utilizes the mid-point price between bid and ask prices for valuing the majority of its assets and liabilities measured and reported at fair value. In addition to using market data, Occidental makes assumptions in valuing its assets and liabilities, including assumptions about risk and the risks inherent in the inputs to the valuation technique. For assets and liabilities carried at fair value, Occidental measures fair value using the following methods:

Trading equity securities – Quoted prices in active markets exist and are used to provide fair values for these instruments. These securities are classified as Level 1.

Commodity derivatives – Occidental values exchange-cleared commodity derivatives using closing prices provided by the exchange as of the balance sheet date. These derivatives are classified as Level 1. Over-the-Counter (OTC) financial commodity contracts, options and physical commodity forward purchase and sale contracts are generally valued using quotations provided by brokers or industry-standard models that consider various inputs, including quoted forward prices for commodities, time value, volatility factors, credit risk and current market and contractual prices for the underlying instruments, as well as other relevant economic measures. Substantially all of these inputs are observable in the marketplace throughout the full term of the instrument, can be derived from observable data or are supported by observable prices at which transactions are executed in the marketplace. Occidental classifies these measurements as Level 2.

The following tables provide fair value measurement information for such assets and liabilities that are measured on a recurring basis as of June 30, 2010 and December 31, 2009 (in millions):

	Fair Value Measurements at June 30, 2010 Using				
Description	Level 1	Level 2	Level 3	Netting and Collateral (a)	Total Fair Value
Assets:					
Trading equity securities – natural resources industry	$ 84	$ —	$ —	$ —	$ 84
Commodity derivatives	282	654	—	(636)	300
Total assets	$ 366	$ 654	$ —	$ (636)	$ 384
Liabilities:					
Commodity derivatives	$ 198	$ 856	$ —	$ (673)	$ 381
Total liabilities	$ 198	$ 856	$ —	$ (673)	$ 381

	Fair Value Measurements at December 31, 2009 Using				
Description	Level 1	Level 2	Level 3	Netting and Collateral (a)	Total Fair Value
Assets:					
Trading equity securities – natural resources industry	$ 230	$ —	$ —	$ —	$ 230
Commodity derivatives	243	612	—	(645)	210
Total assets	$ 473	$ 612	$ —	$ (645)	$ 440
Liabilities:					
Commodity derivatives	$ 280	$ 920	$ —	$ (665)	$ 535
Total liabilities	$ 280	$ 920	$ —	$ (665)	$ 535

(a) Represents the impact of netting assets, liabilities and collateral when a legal right of offset exists.

Fair Values - Nonrecurring

During the three and six months ended June 30, 2010 and 2009, Occidental did not have any assets or liabilities measured at fair value on a non-recurring basis.

Other Financial Instruments

The carrying amounts of cash and cash equivalents and other on-balance-sheet financial instruments, other than fixed-rate debt, approximate fair value. The cost, if any, to terminate off-balance-sheet financial instruments is not significant. Occidental estimates the fair value of fixed-rate debt based on the quoted market prices for those instruments or on quoted market yields for similarly rated debt instruments, taking into account such similar instruments' maturities. The estimated fair values of Occidental's debt, as of June 30, 2010 and December 31, 2009, were approximately $2.9 billion and $3.1 billion, respectively, compared to carrying values of $2.5 billion and $2.8 billion, respectively.

11. Derivatives

Derivatives are carried at fair value and on a net basis when a legal right of offset exists with the same counterparty. Occidental applies hedge accounting when transactions meet specified criteria for such treatment. If a derivative does not qualify or is not designated and documented as a hedge, any fair value gains or losses are recognized in earnings in the current period.

Occidental has used derivatives to reduce its long-term exposure to price volatility on a small portion of its oil and gas production. Through its low-risk marketing and trading activities and within its established policy controls and procedures, Occidental has also used derivative instruments, including a combination of short-term futures, forwards, options and swaps, to improve realized prices for its oil and gas. Additionally, Occidental, through its Phibro trading unit, engages in trading activities using derivatives for the purpose of generating profits mainly from market price changes of commodities, in part using similar derivative instruments.

Cash-Flow Hedges

As of June 30, 2010 and December 31, 2009, Occidental held a series of collar agreements that qualify as cash-flow hedges for the sale of approximately 2 percent of its crude oil production. These agreements continue to the end of 2011. The following table presents the daily quantities and weighted-average strike prices of Occidental's collar positions as of June 30, 2010 and December 31, 2009:

Crude Oil – Collars	Daily Volume (barrels)	Average Floor	Average Cap
July 2010 December 2010 (a)	12,000	$33.00	$46.35
January 2011 December 2011 (a)	12,000	$32.92	$46.27

In 2009, Occidental entered into financial swap agreements related to the sale of a portion of its natural gas production from the Rockies that qualify as cash-flow hedges. The following table presents the daily quantities and weighted-average prices that will be received by Occidental as of June 30, 2010 and December 31, 2009:

Natural Gas – Swaps	Daily Volume (cubic feet)	Average Price
July 2010 – December 2010 (a)	40 million	$5.03
December 2010 – March 2012 (a)	50 million	$6.07

(a) At December 31, 2009, these contracts were outstanding with the same daily volumes and terms indicated and also covered the period from January 1, 2010 to June 30, 2010.

Occidental's marketing and trading operations store natural gas purchased from third parties at Occidental's leased storage facilities. Derivative instruments are used to fix margins on the future sales of the stored volumes. These derivative agreements continue through April 2011. As of June 30, 2010 and December 31, 2009, Occidental had approximately 20 billion cubic feet and 28 billion cubic feet of natural gas held in storage, respectively. As of June 30, 2010 and December 31, 2009, Occidental had designated the forecasted sale of approximately 11 billion cubic feet and 24 billion cubic feet of natural gas from storage as cash-flow hedges, respectively.

The following table presents the pre-tax gains and losses recognized in, and reclassified from, Accumulated Other Comprehensive Income (AOCI) and recognized in income (net sales), including any hedge ineffectiveness, for derivative instruments classified as cash-flow hedges for the three and six months ended June 30, 2010 and 2009 (in millions):

	Periods ended June 30			
	Three Months		Six Months	
Commodity Contracts	2010	2009	2010	2009
Unrealized gains (losses) recognized in AOCI – effective portion	$ 58	$ (127)	$ 95	$ (72)
Amount of (gains) losses reclassified from AOCI into income – effective portion	$ 31	$ 18	$ 63	$ (36)
(Losses) gains recognized in income – ineffective portion	$ (1)	$ 6	$ 1	$ 9

The following table summarizes net after-tax derivative activity recorded in AOCI for the three and six months ended June 30, 2010 and 2009 (in millions):

	Periods ended June 30			
	Three Months		Six Months	
	2010	2009	2010	2009
Beginning balance	$ (183)	$ (149)	$ (227)	$ (150)
Unrealized gains (losses) from changes in cash flow hedges	37	(81)	60	(46)
Losses (gains) reclassified to income	19	12	40	(22)
Ending balance	$ (127)	$ (218)	$ (127)	$ (218)

During the next twelve months, Occidental expects that approximately $75 million of net after-tax derivative losses included in AOCI, based on their valuation as of June 30, 2010, will be reclassified into income.

<u>Derivatives Not Designated as Hedging Instruments</u>

Occidental's third-party marketing and trading activities focus on purchasing crude oil and natural gas for resale from partners, producers and third parties whose oil and gas supply is located near the midstream and marketing assets, such as pipelines, processing plants and storage facilities, that are owned or leased by Occidental. These purchases allow Occidental to aggregate volumes to maximize prices received for Occidental's production. The aggregate volumes and durations of these third-party marketing and trading purchase and sales contracts generally approximate each other. In addition, Occidental's Phibro trading unit uses derivative instruments, including forward purchases and sales for physical delivery, futures, swaps and options, in its strategy to profit from market price changes.

The following table presents gross volumes of Occidental's commodity derivatives not designated as hedging instruments as of June 30, 2010 and December 31, 2009:

Commodity	Volumes 2010	Volumes 2009
Occidental's production sales contracts		
Crude oil (million barrels)	10	9
Third-party marketing and trading activities		
Purchase contracts		
Crude oil (million barrels)	147	161
Natural gas (billion cubic feet)	1,230	1,391
Sales contracts		
Crude oil (million barrels)	147	182
Natural gas (billion cubic feet)	1,296	1,561

In addition, Occidental has certain other commodity trading contracts, including agricultural products, metals, precious metals, electricity and foreign exchange contracts, which were not material to Occidental as of June 30, 2010 and December 31, 2009.

Approximately $10 million and $24 million of net gains from derivatives not designated as hedging instruments were recognized in net sales for the three months ended June 30, 2010 and 2009, respectively. Approximately $53 million of net gains and $39 million of net losses from derivatives not designated as hedging instruments were recognized in net sales for the six months ended June 30, 2010 and 2009, respectively.

Fair Value of Derivatives

The following table presents the gross fair value of Occidental's outstanding derivatives as of June 30, 2010 and December 31, 2009 (in millions):

June 30, 2010	Asset Derivatives Balance Sheet Location	Fair Value	Liability Derivatives Balance Sheet Location	Fair Value
Cash-flow hedges [(a)]				
	Marketing and trading assets and other	$ 21	Accrued liabilities	$ 139
Commodity contracts	Long-term receivables and other assets, net	17	Deferred credits and other liabilities	75
		38		214
Derivatives not designated as hedging instruments [(a)]				
	Marketing and trading assets and other	834	Accrued liabilities	775
Commodity contracts	Long-term receivables and other assets, net	64	Deferred credits and other liabilities	65
		898		840
Total gross fair value		936		1,054
Less: counterparty netting and cash collateral [(b)]		(636)		(673)
Total net fair value		$ 300		$ 381

December 31, 2009	Asset Derivatives Balance Sheet Location	Fair Value	Liability Derivatives Balance Sheet Location	Fair Value
Cash-flow hedges [(a)]				
	Marketing and trading assets and other	$ 2	Accrued liabilities	$ 168
Commodity contracts	Long-term receivables and other assets, net	5	Deferred credits and other liabilities	174
		7		342
Derivatives not designated as hedging instruments [(a)]				
	Marketing and trading assets and other	776	Accrued liabilities	789
Commodity contracts	Long-term receivables and other assets, net	72	Deferred credits and other liabilities	69
		848		858
Total gross fair value		855		1,200
Less: counterparty netting and cash collateral [(c)]		(645)		(665)
Total net fair value		$ 210		$ 535

(a) The above fair values are presented at gross amounts, including when the derivatives are subject to master netting arrangements and qualify for net presentation in the consolidated balance sheet.
(b) As of June 30, 2010, collateral received of $53 million has been netted against derivative assets and collateral paid of $90 million has been netted against derivative liabilities.
(c) As of December 31, 2009, collateral received of $23 million has been netted against derivative assets and collateral paid of $43 million has been netted against derivative liabilities.

See Note 10 for fair value measurement disclosures on derivatives.

Credit Risk

A majority of Occidental’s derivative transactions are exchange-traded contracts, which are subject to nominal credit risk as a significant portion of these transactions are executed on a daily margin basis. Collateral of $178 million and $222 million deposited by Occidental for such contracts with clearing houses and brokers**,** which has not been reflected in the derivative fair value tables, is included in the marketing and trading assets and other balance as of June 30, 2010 and December 31, 2009, respectively.

In addition, Occidental executes a portion of its derivative transactions in the OTC market. Occidental is subject to counterparty credit risk to the extent the counterparty to the derivatives is unable to meet its settlement commitments. Occidental manages this credit risk by selecting counterparties that it believes to be financially strong, by spreading the credit risk among many such counterparties, by entering into master netting arrangements with the counterparties and by requiring collateral as appropriate. Occidental actively monitors the creditworthiness of each counterparty and records valuation adjustments to reflect counterparty risk, if necessary. Certain of Occidental's OTC derivative instruments contain credit risk contingent features, primarily tied to credit ratings for Occid ental or its counterparties, which may affect the amount of collateral that each would need to post. As of June 30, 2010 and December 31, 2009, Occidental had a net liability of $246 million and $350 million, respectively, for which the amount of collateral posted was not material. Occidental believes that if it had received a one-notch reduction in its credit rating, it would not have resulted in a material change in its collateral-posting requirements as of June 30, 2010 and December 31, 2009.

12. Industry Segments

Occidental conducts its continuing operations through three segments: (1) oil and gas; (2) chemical; and (3) midstream, marketing and other (midstream and marketing). The oil and gas segment explores for, develops, produces and markets crude oil, including natural gas liquids (NGLs) and condensate, as well as natural gas. The chemical segment manufactures and markets basic chemicals, vinyls and other chemicals. The midstream and marketing segment gathers, treats, processes, transports, stores, purchases and markets crude oil (including NGLs and condensate), natural gas, CO_2 and power. The segment also trades around its assets, including pipelines and storage facilities, and trades commodities and securities.

Segment earnings generally exclude income taxes, interest income, interest expense, environmental remediation expenses, unallocated corporate expenses and discontinued operations, but include gains and losses from dispositions of segment assets and income from the segments’ equity investments.

The following table presents Occidental's industry segment and corporate disclosures (in millions):

	Oil and Gas	Chemical	Midstream, Marketing and Other	Corporate and Eliminations	Total
Six months ended June 30, 2010					
Net sales	$ 7,322	$ 1,969	$ 605	$ (364)[(a)]	$ 9,532
Pretax operating profit (loss)	$ 3,708	$ 138	$ 107	$ (248)[(b)]	$ 3,705
Income taxes	—	—	—	(1,529)[(c)]	(1,529)
Discontinued operations, net	—	—	—	(13)	(13)
Net income attributable to noncontrolling interest	(36)	—	—	—	(36)
Net income (loss) attributable to common stock	$ 3,672	$ 138	$ 107	$ (1,790)	$ 2,127
Six months ended June 30, 2009					
Net sales	$ 4,863	$ 1,603	$ 478	$ (184)[(a)]	$ 6,760
Pretax operating profit (loss)	$ 1,649	$ 284	$ 77	$ (238)[(b)]	$ 1,772
Income taxes	—	—	—	(696)[(c)]	(696)
Discontinued operations, net	—	—	—	(5)	(5)
Net income attributable to noncontrolling interest	(21)	—	—	—	(21)
Net income (loss) attributable to common stock	$ 1,628	$ 284	$ 77	$ (939)	$ 1,050

(a) Intersegment sales are generally made at prices approximating those that the selling entity is able to obtain in third-party transactions.
(b) Includes net interest expense, administration expense, environmental remediation and other pre-tax items.
(c) Includes all foreign and domestic income taxes from continuing operations.

13. Earnings Per Share

Occidental's instruments containing rights to nonforfeitable dividends granted in share-based payment transactions are considered participating securities prior to vesting, and therefore, have been included in the earnings allocations in computing basic and diluted EPS under the two-class method.

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

The following table presents the calculation of basic and diluted EPS for the three and six months ended June 30, 2010 and 2009:

	Periods Ended June 30			
	Three months		Six months	
(in millions, except per-share amounts)	2010	2009	2010	2009
Basic EPS				
Income from continuing operations	$ 1,081	$ 696	$ 2,176	$ 1,076
Less: Income from continuing operations attributable to noncontrolling interest	(12)	(12)	(36)	(21)
Income from continuing operations attributable to common stock	1,069	684	2,140	1,055
Discontinued operations	(6)	(2)	(13)	(5)
Net income attributable to common stock	1,063	682	2,127	1,050
Less: Net income allocated to participating securities	(1)	(1)	(3)	(1)
Net income attributable to common stock, net of participating securities	$ 1,062	$ 681	$ 2,124	$ 1,049
Weighted average number of basic shares	812.6	811.0	812.3	810.8
Basic EPS	$ 1.31	$ 0.84	$ 2.61	$ 1.29
Diluted EPS				
Net income attributable to common stock, net of participating securities	$ 1,062	$ 681	$ 2,124	$ 1,049
Weighted average number of basic shares	812.6	811.0	812.3	810.8
Dilutive effect of potentially dilutive securities	1.2	3.0	1.4	2.9
Total diluted weighted average common shares	813.8	814.0	813.7	813.7
Diluted EPS	$ 1.31	$ 0.84	$ 2.61	$ 1.29

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

Consolidated Results of Operations

Occidental (which means Occidental Petroleum Corporation (OPC) and/or one or more entities in which it owns a majority voting interest) reported net income of $1.1 billion for the second quarter of 2010 on net sales of $4.8 billion, compared to net income of $682 million on net sales of $3.7 billion for the same period of 2009. Diluted earnings per share (EPS) were $1.31 for the second quarter of 2010 compared to $0.84 for the same period of 2009. Occidental reported net income of $2.1 billion for the first six months of 2010 on net sales of $9.5 billion, compared to net income of $1.1 billion on net sales of $6.8 billion for the same period of 2009. Diluted EPS were $2.61 and $1.29 for the first six months of 2010 and 2009, respectively.

Net income for the three and six months ended June 30, 2010, compared to the same periods of 2009, reflected higher worldwide crude oil and natural gas prices and volumes, partially offset by caustic soda price erosion, higher taxes (largely a result of higher pretax income), higher chemical raw materials prices, trading losses in Phibro, Occidental's trading unit, higher depreciation, depletion and amortization (DD&A) rates and higher oil and gas operating expenses, partly resulting from the effects of fully expensing CO_2 costs in 2010.

Net income for the six months ended June 30, 2009 included after-tax charges of $41 million for severance, railcar leases and rig termination costs.

Unless indicated otherwise, net income and EPS reflect net income attributable to common stock.

Selected Income Statement Items

The increase in net sales for the three and six months ended June 30, 2010, compared with the same periods of 2009, reflected higher worldwide crude oil and natural gas prices and volumes, and higher volumes in chemical segment products, partially offset by lower caustic soda prices.

The increase in cost of sales for the three and six months ended June 30, 2010, compared with the same periods of 2009, reflected higher product volumes, raw materials costs, DD&A rates and oil and gas operating expenses, partly resulting from the effects of fully expensing CO_2 costs in 2010, as well as third party product purchases in the midstream, marketing and other (midstream and marketing) segment.

The increase in provision for domestic and foreign income taxes for the three and six months ended June 30, 2010 compared with the same periods of 2009, reflected higher pre-tax income and higher tax rates in 2010 than 2009, which included a tax benefit from the relinquishment of international exploration contracts during 2009.

Selected Analysis of Financial Position

See "Liquidity and Capital Resources" for discussion about the change in cash and cash equivalents. The increase in trade receivables, net, reflected higher volumes during the second quarter of 2010, compared to the fourth quarter of 2009. The decrease in marketing and trading assets and other reflected a decrease in trading securities held and timing of collections from joint venture partners. The increase in inventories reflected higher third-party product marketing activity. The increase in property, plant and equipment reflected capital expenditures and purchases of assets, partially offset by DD&A.

The decrease in current maturities of long-term debt reflected payments of amounts due on senior notes. The increase in accounts payable reflected higher third-party product marketing and trading activity. The decrease in accrued liabilities reflected payments made in the first six months of 2010 related to the Phibro trading unit acquisition and scheduled foreign contract payments. The increase in deferred and other domestic and foreign income taxes reflected higher federal deferred taxes. The increase in stockholders' equity reflected net income for the first six months of 2010, partially offset by dividend payments.

Segment Operations

Occidental conducts its continuing operations through three segments: (1) oil and gas; (2) chemical; and (3) midstream and marketing. The oil and gas segment explores for, develops, produces and markets crude oil, including natural gas liquids (NGLs) and condensate (together with NGLs, "liquids"), as well as natural gas. The chemical segment manufactures and markets basic chemicals, vinyls and other chemicals. The midstream and marketing segment gathers, treats, processes, transports, stores, purchases and markets crude oil (including liquids), natural gas, CO_2 and power. The segment also trades around its assets, including pipelines and storage capacity, and trades commodities and securities.

The following table sets forth the sales and earnings of each operating segment and corporate items for the three and six months ended June 30, 2010 and 2009 (in millions):

	Periods Ended June 30			
	Three Months		Six Months	
	2010	2009	2010	2009
Net Sales [a]				
Oil and Gas	$ 3,676	$ 2,726	$ 7,322	$ 4,863
Chemical	1,013	811	1,969	1,603
Midstream, Marketing and Other	236	250	605	478
Eliminations	(164)	(100)	(364)	(184)
	$ 4,761	$ 3,687	$ 9,532	$ 6,760
Segment Earnings [b]				
Oil and Gas [c]	$ 1,853	$ 1,083	$ 3,672	$ 1,628
Chemical	108	115	138	284
Midstream, Marketing and Other	13	63	107	77
	1,974	1,261	3,917	1,989
Unallocated Corporate Items				
Interest expense, net [b]	(22)	(23)	(58)	(43)
Income taxes	(800)	(455)	(1,529)	(696)
Other expense, net [b]	(83)	(99)	(190)	(195)
Income from continuing operations [c]	1,069	684	2,140	1,055
Discontinued operations, net [b]	(6)	(2)	(13)	(5)
Net income [c]	$ 1,063	$ 682	$ 2,127	$ 1,050

(a) Intersegment sales are generally made at prices approximating those that the selling entity is able to obtain in third-party transactions.
(b) Refer to "Significant Items Affecting Earnings," "Oil and Gas Segment," "Chemical Segment," "Midstream, Marketing and Other Segment" and "Corporate" discussions that follow.
(c) Represents amounts attributable to common stock shown after deducting noncontrolling interest amounts of $12 million for each of the three month periods ended June 30, 2010 and 2009, and $36 million and $21 million for the six months ended June 30, 2010 and 2009, respectively.

Significant Transactions and Events Affecting Earnings

The following table sets forth, for the three and six months ended June 30, 2010 and 2009, the effects of significant transactions and events affecting Occidental's earnings that vary widely and unpredictably in nature, timing and amount (in millions):

	Periods Ended June 30			
	Three Months		Six Months	
	2010	2009	2010	2009
Oil & Gas				
Rig terminations	$ —	$ —	$ —	$ (8)
Total Oil and Gas	$ —	$ —	$ —	$ (8)
Chemical				
No significant items affecting earnings	$ —	$ —	$ —	$ —
Total Chemical	$ —	$ —	$ —	$ —
Midstream, Marketing and Other				
No significant items affecting earnings	$ —	$ —	$ —	$ —
Total Midstream, Marketing and Other	$ —	$ —	$ —	$ —
Corporate				
Severance accrual	$ —	$ (8)	$ —	$ (40)
Railcar leases	—	—	—	(15)
Tax effect of pre-tax adjustments	—	3	—	22
Discontinued operations, net*	(6)	(2)	(13)	(5)
Total Corporate	$ (6)	$ (7)	$ (13)	$ (38)
Total	$ (6)	$ (7)	$ (13)	$ (46)

*Amounts shown after tax.

Worldwide Effective Tax Rate

The following table sets forth the calculation of the worldwide effective tax rate for income from continuing operations for the three and six months ended June 30, 2010 and 2009 (in millions):

	Periods Ended June 30			
	Three Months		Six Months	
	2010	2009	2010	2009
Oil & Gas earnings [(a)]	$ 1,853	$ 1,083	$ 3,672	$ 1,628
Chemical earnings	108	115	138	284
Midstream, Marketing and Other earnings	13	63	107	77
Unallocated corporate items	(105)	(122)	(248)	(238)
Pre-tax income [(a)]	1,869	1,139	3,669	1,751
Income tax expense				
Federal and state	329	148	636	160
Foreign	471	307	893	536
Total	800	455	1,529	696
Income from continuing operations [(a)]	$ 1,069	$ 684	$ 2,140	$ 1,055
Worldwide effective tax rate	43%	40%	42%	40%

(a) Represents amounts attributable to common stock shown after deducting noncontrolling interest amounts of $12 million for each of the three month periods ended June 30, 2010 and 2009, and $36 million and $21 million for the six months ended June 30, 2010 and 2009, respectively.

Oil and Gas Segment

The following tables set forth the sales and production volumes of crude oil and liquids and natural gas per day for the three and six months ended June 30, 2010 and 2009. The differences between the sales volumes and production per day are generally due to the timing of shipments at Occidental's international locations where product is loaded onto tankers. Sales at these locations are not recognized until title passes.

	Periods Ended June 30			
	Three Months		Six Months	
Sales Volumes per Day	2010	2009	2010	2009
Crude Oil and Liquids (MBBL)				
United States	269	267	269	271
Middle East/North Africa	219	206	206	200
Latin America [(a)]	68	85	72	88
Natural Gas (MMCF)				
United States	681	621	678	621
Middle East	444	332	445	309
Latin America	47	49	45	49
Total sales volumes (MBOE) [(b)]	751	725	742	722
Production per Day				
Crude Oil and Liquids (MBBL)				
United States	269	267	269	271
Middle East/North Africa	210	204	209	200
Latin America [(a)]	73	85	75	85
Natural Gas (MMCF)				
United States	681	621	678	621
Middle East	444	332	445	309
Latin America	47	49	45	49
Total production (MBOE) [(b)]	747	723	748	719

(a) Includes volumes per day of 4 mbbl and 6 mbbl for the three months ended June 30, 2010 and 2009, respectively, and 5 mbbl and 6 mbbl for the six months ended June 30, 2010 and 2009, respectively, related to the noncontrolling interest in a Colombian subsidiary.
(b) Natural gas volumes have been converted to barrels of oil equivalent (BOE) based on energy content of 6,000 cubic feet (one thousand cubic feet is referred to as "Mcf") of gas to one barrel of oil.

	Periods Ended June 30			
	Three Months		Six Months	
Average Sales Prices	2010	2009	2010	2009
Crude Oil ($/BBL)				
United States	$ 71.66	$ 55.55	$ 72.38	$ 46.43
Middle East/North Africa	$ 77.50	$ 53.43	$ 76.31	$ 47.60
Latin America	$ 57.57	$ 46.08	$ 59.37	$ 42.71
Worldwide	$ 72.13	$ 52.97	$ 72.01	$ 46.05
Natural Gas ($/MCF)				
United States	$ 4.19	$ 2.87	$ 4.90	$ 3.20
Latin America	$ 3.90	$ 2.75	$ 3.63	$ 3.11
Worldwide	$ 2.90	$ 2.34	$ 3.30	$ 2.61

Oil and gas segment earnings for the three and six months ended June 30, 2010, were $1.9 billion and $3.7 billion, respectively, compared to $1.1 billion and $1.6 billion, respectively, for the same periods of 2009. The increase in oil and gas segment earnings for the three and six months ended June 30, 2010, compared to the same periods of 2009, reflected higher crude oil and natural gas prices and volumes, partially offset by higher DD&A rates and higher operating expenses, partly resulting from fully expensing CO_2 costs in 2010.

In the second quarter of 2010, the average West Texas Intermediate (WTI) price was $78.03 per barrel and the average New York Mercantile Exchange (NYMEX) price for natural gas was $4.18 per million British Thermal Units (BTUs), compared to $59.62 per barrel and $3.83 per million BTUs, respectively, for the second quarter of 2009. Occidental's realized crude oil price for the second quarter of 2010 was $72.13 per barrel, compared to $52.97 per barrel for the second quarter of 2009. Based on the current levels of production and prices, if domestic natural gas prices vary by $0.50 per million BTUs, it would have an estimated effect on quarterly pre-tax income of approximately $30 million, while a $1.00 per-barrel change in oil prices would have a quarterly pre-tax impact of approximately $37 million. If production levels change, the sensitivity of Occidental's results to oil and gas prices also would change.

Oil and gas production (net of noncontrolling interest) in the second quarter of 2010 was 743,000 BOE per day, compared with 717,000 BOE per day for the same period of 2009. This increase reflected volumes in Bahrain of 3,000 barrels of oil per day and 161 million cubic feet of gas per day as well as 16,000 BOE per day of higher volumes in the Mukhaizna field of Oman. Occidental's domestic operations added 11,000 BOE per day. Gains in the Kern County discovery area were moderated by production declines in Elk Hills, which were caused by gas gathering and processing issues. Production was negatively impacted for the second quarter of 2010, compared to the same period of 2009, by 29,000 BOE per day in the Middle East/North Africa, Long Beach and Colombia as a result of higher oil prices affecting Occidental's production sharing and similar contracts (PS Cs). Sales volumes (net of noncontrolling interest) for the second quarter of 2010 were 747,000 BOE per day, compared with 719,000 BOE per day for the same period of 2009. Oil and gas production in the first six months of 2010 was 743,000 BOE per day, compared with 713,000 BOE per day for the same period of 2009. This increase reflected new production from the Bahrain start-up and increased production from the Mukhaizna field. Production was negatively impacted for the first six months of 2010, compared to the same period of 2009, by 28,000 BOE per day in the Middle East/North Africa, Long Beach and Colombia as a result of higher oil prices affecting Occidental's PSCs. Sales volumes for the first six months of 2010 were 737,000 BOE per day, compared with 716,000 BOE per day for the same period of 2009. Sales volumes generally differ from production volumes due to the timing of liftings in Occidental's international operations.

Oil and gas cash production costs, excluding production and property taxes, increased from $9.37 per BOE for the total year 2009 to $9.90 per BOE for the six months ended June 30, 2010. The second quarter 2010 per barrel production costs were slightly lower than the corresponding amount for the six months ended June 30, 2010. These increases reflected higher field support operations and maintenance costs and the change to expensing 100 percent of injected CO_2 costs beginning in 2010.

In January 2010, Occidental and its partners signed a technical service contract with the government of Iraq to develop the Zubair Field in Iraq. During the six months ended June 30, 2010, Occidental acquired various interests in domestic oil and gas properties for approximately $460 million. Occidental also obtained a ten-year extension for its hydrocarbon concessions in the Santa Cruz province of Argentina.

Chemical Segment

Chemical segment earnings for the three and six months ended June 30, 2010, were $108 million and $138 million, respectively, compared to $115 million and $284 million, respectively, for the same periods of 2009. The three and six month results reflected the margin erosion in caustic soda, which began in 2009 due to the economic downturn in the United States, particularly in the housing and construction sectors, combined with higher raw materials costs, primarily for ethylene. The decrease in the second quarter of 2010 earnings as compared to the same period in 2009 was partially offset by improved volumes across most product lines.

Midstream, Marketing and Other Segment

Midstream and marketing segment earnings for the three months ended June 30, 2010 and 2009 were $13 million and $63 million, respectively. The second quarter of 2010 results reflected a $104 million loss from Phibro, Occidental’s trading unit, which included the marking of open positions to market. This was partially offset by higher margins in the marketing, gas processing and pipeline businesses.

Midstream and marketing segment earnings for the six months ended June 30, 2010 and 2009 were $107 million and $77 million, respectively. The 2010 results reflected higher margins in the gas processing business and increased earnings in the pipeline and power generation businesses, partially offset by lower marketing and trading income, including the second-quarter loss from Phibro. Phibro’s first quarter results were insignificant.

Corporate

During the six months ended June 30, 2009, Occidental recorded pre-tax charges of $55 million for severance and railcar leases, of which $8 million was recorded for severance in the three months ended June 30, 2009.

Liquidity and Capital Resources

At June 30, 2010, Occidental had approximately $2.3 billion in cash on hand. Available but unused lines of committed bank credit totaled approximately $1.5 billion at June 30, 2010. Income and cash flows are largely dependent on crude oil and gas prices and sales volumes, all of which increased in the first six months of 2010 as compared to the same period of 2009. Occidental believes that cash on hand and cash generated from operations will be sufficient to fund its operating needs and planned capital expenditures, dividends and debt payments.

Occidental’s cash flow from operations for the six months ended June 30, 2010 was approximately $4.3 billion, compared to $2.2 billion for the same period in 2009. The most important sources of the increase in operating cash flow in 2010, compared to 2009, were higher worldwide crude oil and domestic natural gas prices. In the first six months of 2010, compared to the same period in 2009, Occidental's average worldwide realized crude oil price was higher by 56 percent and Occidental’s average realized natural gas price increased 53 percent in the U.S., where approximately 58 percent of Occidental’s natural gas was produced. The overall impact of the chemical and midstream and marketing segments’ margins on cash flow was less significant than the increases in oil and gas prices because the chemical and midstream and marketing segments’ earnings and cash flows are significantly smaller than those for the oil and gas segment.

Occidental’s net cash used by investing activities was $2.3 billion for the first six months of 2010, compared to $2.4 billion for the same period of 2009. The 2010 amount included payments of $460 million for acquisitions of various interests in domestic oil and gas properties and $300 million for foreign contracts. The 2009 amount included cash payments for foreign contracts and acquisitions of various oil and gas and chemical interests of

$534 million. Capital expenditures for the first six months of 2010 were $1.7 billion, including $1.4 billion for oil and gas. Capital expenditures for the first six months of 2009 were $1.9 billion, including $1.5 billion for oil and gas.

Occidental's net cash used by financing activities was $836 million in the first six months of 2010, compared to net cash provided by financing activities of $219 million for the same period of 2009. The 2010 amount included the repayment of Occidental's debt of $299 million and dividend payments of $538 million. The 2009 amount included net proceeds of $740 million from the issuance of senior notes and dividend payments of $520 million.

As of June 30, 2010, under the most restrictive covenants of its financing agreements, Occidental had substantial capacity for additional unsecured borrowings, the payment of cash dividends and other distributions on, or acquisitions of, Occidental stock.

Occidental's capital spending estimate for 2010 is approximately $4.5 billion and Occidental will focus on the goal of keeping Occidental's returns well above its cost of capital.

Environmental Liabilities and Expenditures

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

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

As of June 30, 2010, Occidental participated in or monitored remedial activities or proceedings at 169 sites. The following table presents Occidental's environmental remediation reserves as of June 30, 2010, the current portion of which is included in accrued liabilities ($84 million) and the remainder in deferred credits and other liabilities — other ($294 million). The reserves are grouped as environmental remediation sites listed or proposed for listing by the U.S. Environmental Protection Agency on the CERCLA National Priorities List (NPL sites) and three categories of non-NPL sites — third-party sites, Occidental-operated sites and closed or non-operated Occidental sites.

	Number of Sites	Reserve Balance (in millions)
NPL sites	40	$ 54
Third-party sites	81	97
Occidental-operated sites	19	118
Closed or non-operated Occidental sites	29	109
Total	169	$ 378

As of June 30, 2010, Occidental's environmental reserves exceeded $10 million at 14 of the 169 sites described above, and 120 of the sites had reserves from $0 to $1 million each. Occidental expects to expend funds corresponding to about half of the current environmental reserves over the next four years and the balance over the subsequent ten or more years. Occidental believes its range of reasonably possible additional loss beyond those liabilities recorded for environmental remediation at the sites described above could be up to $375 million. The status of Occidental's involvement with the sites and related significant assumptions have not changed materially since December 31, 2009.

Refer to the "Environmental Liabilities and Expenditures" section of Management's Discussion and Analysis of Financial Condition and Results of Operations in Occidental's Annual Report on Form 10-K for the year ended December 31, 2009 for additional information regarding Occidental's environmental expenditures.

Lawsuits, Claims, Commitments, Contingencies and Related Matters

OPC or certain of its subsidiaries are named, in the normal course of business, in lawsuits, claims and other legal proceedings that seek, among other things, compensation for alleged personal injury, breach of contract, property damage, punitive damages, civil penalties or other losses, or injunctive or declaratory relief. OPC or certain of its subsidiaries also have been named in proceedings under CERCLA and similar federal, state, local and foreign environmental laws. These environmental proceedings seek funding or performance of remediation and, in some cases, compensation for alleged property damage, punitive damages, civil penalties and injunctive relief; however, Occidental is usually one of many companies in these proceedings and has to date been successful in sharing response costs with other financially sound companies. With respect to all such lawsuits, claims an d proceedings, including environmental proceedings, Occidental accrues reserves when it is probable a liability has been incurred and the amount of loss can be reasonably estimated.

Lawsuits filed in Nicaragua against Occidental Chemical Corporation (OxyChem) and other companies that once manufactured or used the pesticide dibromochloropropane (DBCP) claim damages of several billion dollars for alleged personal injuries. In the opinion of management, the claims against OxyChem are without merit because, among other things, the DBCP it manufactured was never sold or used in Nicaragua. Nicaraguan courts have entered judgments of approximately $900 million against four defendants, including OxyChem, which, if affirmed and ultimately enforced, would be shared equally among the defendants. When the plaintiffs attempted to enforce one judgment in Miami, the federal district court granted summary judgment in favor of OxyChem and refused to enforce the judgment, finding the Nicaraguan court lacked personal jurisdiction because OxyChem DBCP was not used in Nica ragua, OxyChem did not have sufficient contacts with Nicaragua, and other grounds for dismissal. Although the Plaintiffs have appealed that dismissal as to other defendants, the Plaintiffs have not appealed as to OxyChem. OxyChem has no assets in Nicaragua and, in the opinion of management, no such Nicaraguan judgment would be enforceable in the United States.

During the course of its operations, Occidental is subject to audit by tax authorities for varying periods in various federal, state, local and foreign tax jurisdictions. While the audits of corporate tax returns for taxable years through 2008 have concluded for U.S. federal income tax purposes, the 2009 and 2010 taxable years are currently under review by the U.S. Internal Revenue Service pursuant to its Compliance Assurance Program. Taxable years from 2000 through 2009 remain subject to examination by foreign and state government tax authorities in certain jurisdictions. In certain of these locations, tax authorities are in various stages of auditing Occidental's income taxes. During the course of tax audits, disputes have arisen and other disputes may arise as to facts and matters of law.

Occidental has indemnified various parties against specified liabilities that those parties might incur in the future in connection with purchases and other transactions that they have entered into with Occidental. These indemnities usually are contingent upon the other party incurring liabilities that reach specified thresholds. As of June 30, 2010, Occidental is not aware of circumstances that it believes would reasonably be expected to lead to future indemnity claims against it in connection with these transactions that would result in payments materially in excess of reserves.

The ultimate amount of losses and the timing of any such losses that OPC and its subsidiaries may incur resulting from currently outstanding lawsuits, claims and proceedings, audits, commitments, contingencies and related matters cannot be determined reliably at this time. If these matters were ultimately resolved unfavorably at amounts substantially exceeding Occidental's reserves, an outcome not currently expected, it is possible that such outcome could have a material adverse effect upon Occidental's consolidated financial position or results of operations. However, after taking into account reserves, management does not expect the ultimate resolution of any of these matters to have a material adverse effect upon Occidental's consolidated financial position or results of operations.

Recently Adopted Accounting and Disclosure Changes

Fair Value Measurements – Beginning in the quarter ended March 31, 2010, Occidental enhanced its fair value measurement disclosures as a result of adopting new disclosure requirements issued by the Financial Accounting Standards Board (FASB) in January 2010. The new rules require interim and year-end disclosures of: (i) fair value measurements by classes of assets and liabilities; (ii) valuation techniques and inputs used for Level 2 or 3 fair value measurements; and (iii) significant transfers into and out of Level 1 and 2 measurements and the reasons for the transfers.

Variable Interest Entities – Beginning January 1, 2010, Occidental modified its method of assessing the consolidation of variable interest entities as a result of adopting new accounting requirements issued by the FASB in June 2009. This new rule had no impact on Occidental's financial statements upon adoption and will require assessment on an ongoing basis.

Safe Harbor Statement Regarding Outlook and Forward-Looking Information

Portions of this report contain forward-looking statements and involve risks and uncertainties that could materially affect expected results of operations, liquidity, cash flows and business prospects. Factors that could cause results to differ materially include, but are not limited to: global commodity pricing fluctuations; supply and demand considerations for Occidental's products; any general economic recession or slowdown domestically or internationally; exploration risks such as drilling unsuccessful wells; higher-than-expected costs; potential liability for remedial actions under existing or future environmental regulations and litigation; potential liability resulting from pending or future litigation; general domestic and international political conditions; potential disruption or interruption of Occidental's production or manufacturing or damage to facilities due to acciden ts, chemical releases, labor unrest, weather, natural disasters, political events or insurgent activity; potential failure to achieve expected production from existing and future oil and gas development projects; failure of risk management; changes in law or regulations; changes in tax rates; and not successfully completing, or any material delay of, any development of new fields, expansion, capital expenditure, efficiency-improvement project, acquisition or disposition. Words such as "estimate", "project", "predict", "will", "would", "should", "could", "may", "might", "anticipate", "plan", "intend", "believe", "expect" or similar expressions that convey the uncertainty of future events or outcomes generally indicate forward-looking statements. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this report. Unless legally required, Occidental does not undertake any obligation to update any forward-looking statements, as a result of new information, future events or otherwise. Material risks that may affect Occidental's results of operations and financial position appear in Part 1, Item 1A "Risk Factors" of the 2009 Form 10-K.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

For the three and six months ended June 30, 2010, there were no material changes in the information required to be provided under Item 305 of Regulation S-K included under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations (Incorporating Item 7A) – Derivative Activities and Market Risk" in the 2009 Form 10-K.

The six months ended June 30, 2010 included operations of the Phibro trading unit, which Occidental acquired on December 31, 2009. Occidental determined that operations of the unit are not reasonably likely to have a material adverse effect on the Company. This conclusion is based primarily on the trading limits Occidental placed on the unit, including, among others, limits on total notional trade value, value at risk and credit, as well as the highly liquid positions the operation maintains, in which the market risk can be neutralized on very short notice.

Item 4. Controls and Procedures

Occidental's Chairman of the Board of Directors and Chief Executive Officer and its President and Chief Financial Officer supervised and participated in Occidental's evaluation of its disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) as of the end of the period covered by this report. Based upon that evaluation, Occidental's Chairman of the Board of Directors and Chief Executive Officer and its President and Chief Financial Officer concluded that Occidental's disclosure controls and procedures were effective as of June 30, 2010.

There has been no change in Occidental's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934) during the second quarter of 2010 that has materially affected, or is reasonably likely to materially affect, Occidental's internal control over financial reporting.

PART II OTHER INFORMATION

Item 1. Legal Proceedings

For information regarding legal proceedings, see the information in Note 8 to the consolidated condensed financial statements in Part I of this Form 10-Q and Part II, Item I "Legal Proceedings" in the Form 10-Q for the period ended March 31, 2010.

In May 2010, a putative stockholder action, *Resnik v. Abraham*, purporting to allege both direct and derivative claims, was filed in the U.S. District Court (Delaware), naming the present directors, the executive officers listed in the 2010 Proxy Statement and Occidental, as defendants. The complaint alleges that the defendants made a false and misleading proxy solicitation in connection with re-approval of the performance goals for certain incentive awards, and authorized excessive compensation, which the complaint characterizes as corporate waste and a breach of the defendants' fiduciary duties. On July 29, 2010, a second purported stockholder complaint captioned *Gusinsky v. Irani*, alleging similar derivative claims for corporate waste and breach of fiduciary duty, was filed in the Los Angeles Superior Court. Both actions seek damages in favor of Occidental and various equitable remedies. Occidental believes that both cases are without merit, and plans to file appropriate responses in due course.

Item 2. Share Repurchase Activities

Occidental's share repurchase activities for the three months ended June 30, 2010 were as follows:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet be Purchased Under the Plans or Programs
First Quarter 2010	—	$ —	—	
April 1 – 30, 2010 [(a)]	129,774	$ 86.60	—	
May 1 – 31, 2010	—	$ —	—	
June 1 – 30, 2010	—	$ —	—	
Second Quarter 2010 [(a)]	129,774	$ —	—	
Total	129,774	$ 86.60	—	27,155,575

(a) Represents amounts Occidental purchased from the trustee of Occidental's defined contribution savings plan in April 2010.

Item 6. Exhibits

10.1	Form of Amendment to Occidental Petroleum Corporation 2005 Long-Term Incentive Plan 2007 Return on Equity Incentive Award Grant Agreement, dated as of July 18, 2007, between Occidental and each of Dr. Ray R. Irani and Stephen I. Chazen.
10.2	Description of Automatic Grant of Directors' Restricted Stock Awards Pursuant to the Terms of the Occidental Petroleum Corporation 2005 Long-Term Incentive Plan.
12	Statement regarding the computation of total enterprise ratios of earnings to fixed charges for the six months ended June 30, 2010 and 2009 and for each of the five years in the period ended December 31, 2009.
31.1	Certification of CEO Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of CFO Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certifications of CEO and CFO Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document

SIGNATURES

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

OCCIDENTAL PETROLEUM CORPORATION

DATE: August 5, 2010

/s/ Roy Pineci
Roy Pineci
Vice President, Controller and
Principal Accounting Officer

EXHIBIT INDEX

EXHIBITS

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CHANGES TO
2007 RETURN ON EQUITY INCENTIVE AWARD
GRANT AGREEMENT

1. Section 2 of the Grant Agreement is amended by adding the following after the end of the paragraph:

   "Further, Grantee shall retain Beneficial Ownership of Shares equal to not less than 100% of the net after-tax Shares received under this Agreement until the third anniversary date of the vesting of the Shares under this Award (the "Beneficial Ownership Period"). Compliance with the foregoing requirement shall be determined by reference to the reports filed by the Grantee on Forms 3, 4, and 5, as applicable, pursuant to Section 16(a) of the Securities Exchange Act of 1934 (the "Exchange Act") and the aggregate number of Shares reported as Beneficially Owned during the Beneficial Ownership Period shall be not less than the sum of the number of Shares then required to be so owned pursuant to this Grant A greement and any other Grant Agreement containing this or a similar requirement. For purposes of this Agreement, "Beneficial Ownership" has the meaning ascribed in Rule 16a-1(2) under the Exchange Act."

2. Section 5 of the Grant Agreement is deleted in its entirety and the following is substituted in its stead:

   "1. **Payment of Awards.** Up to and including 200% of the Target Incentive Amount, as adjusted pursuant to Sections 4 and 6 of this Agreement, will be settled 50% in cash and 50% in Shares. The number of Shares shall be determined by dividing the amount to be settled in Shares by the last reported sale price of a share of Common Stock on the New York Stock Exchange Composite Transactions on the date the Administrator certifies attainment of the Performance Goal. Payment will be made to the Grantee as promptly as practicable after the Administrator's certification of the attainment of the Performance Goal or the Change in Control Event, as the case m ay be, which, in the case of payment upon attainment of the Performance Goal, shall be made no later than the 15th day of the third month following the end of the first taxable year in which the award is no longer subject to a substantial risk of forfeiture."

3. Section 8 of the Grant Agreement is amended by deleting the second sentence in its entirety and substituting the following in its stead:

   "If the Company must withhold any tax in connection with granting or vesting of this Return on Equity Incentive Award, the Grantee by acknowledging this Agreement agrees that, so long as the Grantee is an employee of the Company for tax purposes, all or any part of any such withholding obligation shall be deducted 50% from any cash amount payable under this Agreement and 50% from the amount to be paid in Shares by deducting an appropriate number of shares corresponding to the tax withholding from the number of Shares to be issued or transferred to the Grantee pursuant to this Agreement, unless the Grantee otherwise instructs the Company in writing not less than thirty (30) days prior to the end of the Performance Period, to satisfy such tax withholding by deducting a specified percentage, greater than 50%, from any cash amount p ayable under this Agreement and the remaining amount from the Shares portion to be issued or transferred to the Grantee pursuant to this Agreement."

4. Except as provided herein, all other terms and conditions of the Grant Agreement remain in full force and effect.

EXHIBIT 10.2

Description of Automatic Grant of Directors' Restricted Stock Awards
Pursuant to the Terms of the
Occidental Petroleum Corporation 2005 Long-Term Incentive Plan

In May 2010, pursuant to section 4.5 of the Corporation's 2005 Long-Term Incentive Plan (the "Plan"), the Board of Directors (the "Board") restated its resolutions adopted in February 2006 and 2007 with respect to annual and special restricted stock awards to be granted automatically to non-employee directors (the "Automatic Grants") pursuant to the Plan to increase the grant to the Lead Independent Director and to provide for special grants to Committee Chairs appointed other than at an Annual Meeting. All other provisions of the automatic grants, including the form of award, remain unchanged. The following sets forth the restated automatic grant program:

(a) Annual Awards. On the first business day following each annual meeting during the term of the Plan, each Non-Employee Director who is then a member of the Board shall be awarded five thousand (5,000) whole shares of Restricted Stock.

(b) Special Awards. On the first business day following each annual meeting during the term of the Plan:

(i) each Non-Employee Director who is then serving as a Chairman of one or more committees of the Board shall be awarded eight hundred (800) whole shares of Restricted Stock with respect to each such position, in addition to any Award he or she may be granted pursuant to (a) above; and

(ii) the Non-Employee Director who is then serving as Lead Independent Director shall be awarded three thousand (3,000) whole shares of Restricted Stock with respect to such position, in addition to any Award he or she may be granted pursuant to (a) and (b)(i) above.

(c) Interim Awards.

(i) If, following an annual meeting, a Non-Employee Director is elected during the term of the Plan other than at an annual meeting, then on the first business day following his or her election as a member of the Board, such newly elected Non-Employee Director shall be awarded the number of shares (rounded up to the nearest whole share) of Restricted Stock equal to five thousand (5,000) multiplied by a fraction, the numerator of which is the number of regularly scheduled Board meetings from the date of his or her election until the next annual meeting and the denominator of which is the number of regularly scheduled B oard meetings between the immediately preceding annual meeting and the next scheduled annual meeting, provided that such Non-Employee Director did not receive an Annual Award in the immediately preceding twelve months; and

(ii) If a Non-Employee Director is appointed to serve as a Chairman of one or more committees of the Board at any time other than at an annual meeting, then, on the first business day following the next regularly scheduled annual meeting during the term of the Plan, such Non-Employee Director shall be awarded with respect to each such position the number of shares (rounded up to the nearest whole share) of Restricted Stock equal to eight hundred (800) multiplied by a fraction, the numerator of which is the number of regularly scheduled committee meetings, to which he or she has been appointed Chairman of, remaining from the date of his or her selection as Chairman of one or more Board committees until the next annual meeting and the denominator of which is the number of regularly scheduled committee meetings, to which he or she has been appointed Chairman of, between the immediately preceding annual meeting and the next regularly scheduled annual meeting; *provided however*, that if following the appointment of such Non-Employee Director as a Chairman of a Board Committee, the number of such positions held by such Non-Employee Director has not increased from the number of positions for which he or she received a Special Award following the immediately preceding annual meeting, then the Non-Employee Director shall not be entitled to an Interim Award.

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

	Six Months Ended June 30		Year Ended December 31				
	2010	2009	2009	2008	2007	2006	2005
Income from continuing operations	$ 2,176	$ 1,076	$ 2,978	$ 6,955	$ 5,153	$ 4,313	$ 4,912
Subtract:							
Net income attributable to noncontrolling interest	(36)	(21)	(51)	(116)	(75)	(111)	(74)
Adjusted income from equity investments (a)	(67)	(56)	(88)	(84)	(28)	(52)	(53)
	2,073	999	2,839	6,755	5,050	4,150	4,875
Add:							
Provision for taxes on income (other than foreign oil and gas taxes)	629	206	695	2,213	1,577	1,545	632
Interest and debt expense	70	59	140	133	344	297	305
Portion of lease rentals representative of the interest factor	28	29	57	58	60	52	47
	727	294	892	2,404	1,981	1,894	984
Earnings before fixed charges	$ 2,800	$ 1,293	$ 3,731	$ 9,159	$ 7,031	$ 6,044	$ 5,769
Fixed charges:							
Interest and debt expense including capitalized interest	$ 108	$ 107	$ 218	$ 201	$ 403	$ 352	$ 331
Portion of lease rentals representative of the interest factor	28	29	57	58	60	52	47
Total fixed charges	$ 136	$ 136	$ 275	$ 259	$ 463	$ 404	$ 378
Ratio of earnings to fixed charges	20.59	9.51	13.57	35.36	15.19	14.96	15.26

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

EXHIBIT 31.1

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

I, Ray R. Irani, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: August 5, 2010

/s/ Ray R. Irani
Ray R. Irani
Chairman of the Board of Directors and
Chief Executive Officer

EXHIBIT 31.2

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

I, Stephen I. Chazen, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: August 5, 2010

/s/ Stephen I. Chazen
Stephen I. Chazen
President and Chief Financial Officer

EXHIBIT 32.1

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

In connection with the Quarterly Report on Form 10-Q of Occidental Petroleum Corporation (the "Company") for the fiscal period ended June 30, 2010, as filed with the Securities and Exchange Commission on August 5, 2010 (the "Report"), Ray R. Irani, as Chief Executive Officer of the Company, and Stephen I. Chazen, as Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

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

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

/s/ Ray R. Irani

Name:	Ray R. Irani
Title:	Chairman of the Board of Directors and Chief Executive Officer
Date:	August 5, 2010

/s/ Stephen I. Chazen

Name:	Stephen I. Chazen
Title:	President and Chief Financial Officer
Date:	August 5, 2010

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

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