

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

FORM 10-Q

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

For the quarterly period ended September 30, 2019

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

(State or other jurisdiction of
incorporation or organization)

95-4035997

(I.R.S. Employer
Identification No.)

5 Greenway Plaza, Suite 110

Houston, Texas 77046

(Address of principal executive offices) (Zip Code)

(713) 215-7000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.20 par value	OXY	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

☒ Yes ☐ No

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

Large Accelerated Filer ☒ Accelerated Filer ☐ Non-Accelerated Filer ☐
Smaller Reporting Company ☐ Emerging Growth Company ☐

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

☐ Yes ☒ No

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

Class	Outstanding at September 30, 2019
Common stock \$.20 par value	893,317,470

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

<i>millions</i>	September 30, 2019	December 31, 2018
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 4,840	\$ 3,033
Restricted cash and restricted cash equivalents	454	—
Trade receivables, net	5,854	4,893
Inventories	1,601	1,260
Assets held for sale	6,445	—
Other current assets	1,750	746
Total current assets	<u>20,944</u>	<u>9,932</u>
INVESTMENTS IN UNCONSOLIDATED ENTITIES (\$2,261 related to WES)	3,684	1,680
PROPERTY, PLANT AND EQUIPMENT		
Oil and Gas segment	110,668	58,799
Chemical segment	7,092	7,001
Marketing and Other Midstream segment	8,133	8,070
WES Midstream segment	9,635	—
Corporate	1,397	550
	<u>136,925</u>	<u>74,420</u>
Accumulated depreciation, depletion, and amortization	<u>(46,804)</u>	<u>(42,983)</u>
	90,121	31,437
OPERATING LEASE ASSETS	1,078	—
LONG-TERM RECEIVABLES AND OTHER ASSETS, NET	1,155	797
INTANGIBLES, NET (\$2,380 related to WES)	2,387	8
GOODWILL - WES	<u>6,074</u>	<u>—</u>
TOTAL ASSETS	<u><u>\$ 125,443</u></u>	<u><u>\$ 43,854</u></u>

Western Midstream Partners, LP (WES) is a Variable Interest Entity (VIE). See Note 1 - General. The related parenthetical references reflect amounts as of September 30, 2019.

The accompanying notes are an integral part of these Consolidated Condensed Financial Statements.

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS (Continued)

<i>millions, except share amounts</i>	September 30, 2019	December 31, 2018
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Current maturities of long-term debt	\$ 31	\$ 116
Current operating lease liabilities	463	—
Accounts payable	6,789	4,885
Accrued liabilities (\$315 related to WES)	5,175	2,411
Accrued income taxes	1,036	—
Liabilities of assets held for sale	2,203	—
Total current liabilities	15,697	7,412
LONG-TERM DEBT, NET		
Long-term debt, net - Occidental	39,946	10,201
Long-term debt, net - WES	7,637	—
	47,583	10,201
DEFERRED CREDITS AND OTHER LIABILITIES		
Deferred income taxes (\$1,167 related to WES)	9,920	907
Asset retirement obligations (\$319 related to WES)	4,164	1,424
Pension and postretirement obligations	1,927	809
Environmental remediation reserves	905	762
Operating lease liabilities	676	—
Other	3,566	1,009
	21,158	4,911
EQUITY		
Preferred stock, at \$1.00 per share par value (100,000 shares at September 30, 2019)	9,762	—
Common stock, at \$0.20 per share par value (1,043,640,621 shares at September 30, 2019, and 895,115,637 shares at December 31, 2018)	209	179
Treasury stock (150,323,151 shares at September 30, 2019, and 145,726,051 shares at December 31, 2018)	(10,653)	(10,473)
Additional paid-in capital	14,867	8,046
Retained earnings	22,227	23,750
Accumulated other comprehensive loss	(332)	(172)
Total stockholders' equity	36,080	21,330
Noncontrolling interests	4,925	—
Total equity	41,005	21,330
TOTAL LIABILITIES AND EQUITY	\$ 125,443	\$ 43,854

Western Midstream Partners, LP (WES) is a Variable Interest Entity (VIE). See Note 1 - General. The related parenthetical references reflect amounts as of September 30, 2019.

The accompanying notes are an integral part of these Consolidated Condensed Financial Statements.

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS

<i>millions, except per-share amounts</i>	Three months ended September 30		Nine months ended September 30	
	2019	2018	2019	2018
REVENUES AND OTHER INCOME				
Net sales	\$ 5,687	\$ 5,216	\$ 14,111	\$ 13,062
Interest, dividends, and other income	56	34	175	101
Gain on sale of assets, net	128	926	150	969
	<u>5,871</u>	<u>6,176</u>	<u>14,436</u>	<u>14,132</u>
COSTS AND OTHER DEDUCTIONS				
Oil and gas operating expense	962	680	2,324	1,909
Transportation expense	217	41	281	121
Chemical and midstream cost of sales	741	722	2,046	2,128
Purchased commodities	441	343	1,237	456
Selling, general and administrative	242	151	545	423
Other operating expense	363	280	861	717
Taxes other than on income	198	110	432	333
Depreciation, depletion, and amortization	1,706	1,023	3,710	2,891
Asset impairments and other items	325	214	325	256
Anadarko merger-related costs	924	—	974	—
Exploration expense	63	24	134	60
Interest and debt expense, net	381	96	632	290
	<u>6,563</u>	<u>3,684</u>	<u>13,501</u>	<u>9,584</u>
Income (loss) before income taxes and other items	(692)	2,492	935	4,548
OTHER ITEMS				
Gains (losses) on interest rate swaps and warrants, net	(33)	—	(33)	—
Income from equity investments	104	87	274	228
	<u>71</u>	<u>87</u>	<u>241</u>	<u>228</u>
Income (loss) from continuing operations before income taxes	(621)	2,579	1,176	4,776
Income tax expense	(116)	(710)	(647)	(1,351)
Income (loss) from continuing operations	(737)	1,869	529	3,425
Discontinued operations, net of tax	(15)	—	(15)	—
NET INCOME (LOSS)	<u>(752)</u>	<u>1,869</u>	<u>514</u>	<u>3,425</u>
Less: Net income attributable to noncontrolling interests	(42)	—	(42)	—
Less: Preferred stock dividends	(118)	—	(118)	—
NET INCOME (LOSS) ATTRIBUTABLE TO COMMON STOCKHOLDERS	<u>(912)</u>	<u>1,869</u>	<u>354</u>	<u>3,425</u>
PER COMMON SHARE				
Income (loss) from continuing operations—basic	\$ (1.06)	\$ 2.44	\$ 0.47	\$ 4.46
Income (loss) from discontinued operations—basic	(0.02)	—	(0.02)	—
Net income (loss) attributable to common stockholders—basic	<u>\$ (1.08)</u>	<u>\$ 2.44</u>	<u>\$ 0.45</u>	<u>\$ 4.46</u>
Income (loss) from continuing operations—diluted	\$ (1.06)	\$ 2.44	\$ 0.47	\$ 4.45
Income (loss) from discontinued operations—diluted	(0.02)	—	(0.02)	—
Net income (loss) attributable to common stockholders—diluted	<u>\$ (1.08)</u>	<u>\$ 2.44</u>	<u>\$ 0.45</u>	<u>\$ 4.45</u>

The accompanying notes are an integral part of these Consolidated Condensed Financial Statements.

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

<i>millions</i>	Three months ended September 30		Nine months ended September 30	
	2019	2018	2019	2018
Net income (loss)	\$ (752)	\$ 1,869	\$ 514	\$ 3,425
Other comprehensive income (loss) items:				
Losses on derivatives ^(a)	(114)	(1)	(130)	(5)
Pension and postretirement (losses) gains ^(b)	(34)	144	(30)	153
Reclassification of losses on derivatives ^(c)	—	10	—	13
Other comprehensive (loss) income, net of tax	(148)	153	(160)	161
Comprehensive income (loss)	(900)	2,022	354	3,586
Comprehensive income attributable to noncontrolling interests	(42)	—	(42)	—
Comprehensive income (loss) attributable to preferred and common stockholders	\$ (942)	\$ 2,022	\$ 312	\$ 3,586

(a) Net of tax of \$32 million and zero for the three months ended September 30, 2019, and 2018, and \$36 million and \$1 million for the nine months ended September 30, 2019, and 2018, respectively.

(b) Net of tax of \$10 million and \$(40) million for the three months ended September 30, 2019, and 2018, and \$8 million and \$(43) million for the nine months ended September 30, 2019, and 2018, respectively.

(c) Net of tax of \$(3) million for the three months ended September 30, 2018, and \$(4) million for the nine months ended September 30, 2018, respectively.

The accompanying notes are an integral part of these Consolidated Condensed Financial Statements.

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS

<i>millions</i>	Nine months ended September 30	
	2019	2018
CASH FLOW FROM OPERATING ACTIVITIES		
Net income	\$ 514	\$ 3,425
Adjustments to reconcile net income to net cash provided by operating activities:		
Discontinued operations, net	15	—
Depreciation, depletion and amortization of assets	3,710	2,891
Deferred income tax (benefit) provision	(1,050)	550
Other noncash charges to income	578	74
Gain on sale of assets, net	(150)	(969)
Asset impairments and other items	325	256
Undistributed earnings from affiliates	(50)	(16)
Dry hole expenses	41	27
Changes in operating assets and liabilities, net	1,506	(1,069)
Cash provided by operating activities - continuing operations	5,439	5,169
Cash used by operating activities - discontinued operations	(73)	—
Net cash provided by operating activities	5,366	5,169
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditures	(4,184)	(3,638)
Change in capital accrual	(160)	7
Proceeds from sale of assets and equity investments, net	4,809	2,745
Purchase of businesses and assets, net	(27,926)	(726)
Equity investments and other, net	(140)	(88)
Cash used by investing activities - continuing operations	(27,601)	(1,700)
Cash used by investing activities - discontinued operations	(125)	—
Net cash used by investing activities	(27,726)	(1,700)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long-term debt, net	21,557	978
Payments of long-term debt	(4,949)	(500)
Proceeds from WES revolvers	1,240	—
Payment of revolvers - WES	(1,000)	—
Proceeds from issuance of common and preferred stock	10,010	17
Purchases of treasury stock	(237)	(908)
Cash dividends paid to common stockholders	(1,766)	(1,780)
Distributions to noncontrolling interest	(127)	—
Other financing, net	(35)	6
Cash provided (used) by financing activities - continuing operations	24,693	(2,187)
Cash used by financing activities - discontinued operations	(1)	—
Net cash provided by (used) by financing activities	24,692	(2,187)
 Increase in cash, cash equivalents, restricted cash and restricted cash equivalents	 2,332	 1,282
Cash and cash equivalents — beginning of period	3,033	1,672
Cash, cash equivalents, restricted cash and restricted cash equivalents — end of period	\$ 5,365	\$ 2,954

The accompanying notes are an integral part of these Consolidated Condensed Financial Statements.

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF EQUITY

	Total Stockholders' Equity							
<i>millions</i>	Common Stock	Preferred Stock	Treasury Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Non- controlling Interests	Total Equity
Balance at June 30, 2019	\$ 179	\$ —	\$ (10,653)	\$ 8,157	\$ 23,848	\$ (184)	\$ —	\$ 21,347
Net income (loss)	—	—	—	—	(794)	—	42	(752)
Other comprehensive loss, net of tax	—	—	—	—	—	(148)	—	(148)
Dividends on common stock, \$0.79 per share	—	—	—	—	(709)	—	—	(709)
Dividends on preferred stock, \$1,489 per share	—	—	—	—	(118)	—	—	(118)
Issuance of common stock and other, net	30	—	—	6,710	—	—	—	6,740
Issuance of preferred stock, net	—	9,762	—	—	—	—	—	9,762
Fair value of noncontrolling interest acquired	—	—	—	—	—	—	4,875	4,875
Noncontrolling interest contributions, net	—	—	—	—	—	—	8	8
Balance at September 30, 2019	\$ 209	\$ 9,762	\$ (10,653)	\$ 14,867	\$ 22,227	\$ (332)	\$ 4,925	\$ 41,005

	Total Stockholders' Equity							
<i>millions</i>	Common Stock	Preferred Stock	Treasury Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Non- controlling Interests	Total Equity
Balance at June 30, 2018	\$ 179	\$ —	\$ (9,268)	\$ 7,967	\$ 22,361	\$ (308)	\$ —	\$ 20,931
Net income	—	—	—	—	1,869	—	—	1,869
Other comprehensive income, net of tax	—	—	—	—	—	153	—	153
Dividends on common stock, \$0.78 per share	—	—	—	—	(595)	—	—	(595)
Issuance of common stock, net	—	—	—	24	—	—	—	24
Purchases of treasury stock	—	—	(894)	—	—	—	—	(894)
Reclassification of stranded tax effects	—	—	—	—	—	—	—	—
Noncontrolling interest	—	—	—	—	—	—	—	—
Balance at September 30, 2018	\$ 179	\$ —	\$ (10,162)	\$ 7,991	\$ 23,635	\$ (155)	\$ —	\$ 21,488

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

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF EQUITY (Continued)

	Total Stockholders' Equity								
<i>millions</i>	Common Stock	Preferred Stock	Treasury Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Non- controlling Interests	Total Equity	
Balance at December 31, 2018	\$ 179	\$ —	\$ (10,473)	\$ 8,046	\$ 23,750	\$ (172)	\$ —	\$ 21,330	
Net income	—	—	—	—	472	—	42	514	
Other comprehensive loss, net of tax	—	—	—	—	—	(160)	—	(160)	
Dividends on common stock, \$2.35 per share	—	—	—	—	(1,877)	—	—	(1,877)	
Dividends on preferred stock, \$1,489 per share	—	—	—	—	(118)	—	—	(118)	
Issuance of common stock, net	30	—	—	6,821	—	—	—	6,851	
Issuance of preferred stock	—	9,762	—	—	—	—	—	9,762	
Purchases of treasury stock	—	—	(180)	—	—	—	—	(180)	
Fair value of noncontrolling interest acquired	—	—	—	—	—	—	4,875	4,875	
Noncontrolling interest contributions, net	—	—	—	—	—	—	8	8	
Balance at September 30, 2019	\$ 209	\$ 9,762	\$ (10,653)	\$ 14,867	\$ 22,227	\$ (332)	\$ 4,925	\$ 41,005	

	Total Stockholders' Equity								
<i>millions</i>	Common Stock	Preferred Stock	Treasury Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Non- controlling Interests	Total Equity	
Balance at December 31, 2017	\$ 179	\$ —	\$ (9,168)	\$ 7,884	\$ 21,935	\$ (258)	\$ —	\$ 20,572	
Net income	—	—	—	—	3,425	—	—	3,425	
Other comprehensive income, net of tax	—	—	—	—	—	161	—	161	
Dividends on common stock, \$2.32 per share	—	—	—	—	(1,783)	—	—	(1,783)	
Issuance of common stock, net	—	—	—	107	—	—	—	107	
Purchases of treasury stock	—	—	(994)	—	—	—	—	(994)	
Reclassification of stranded tax effects	—	—	—	—	58	(58)	—	—	
Noncontrolling interest	—	—	—	—	—	—	—	—	
Balance at September 30, 2018	\$ 179	\$ —	\$ (10,162)	\$ 7,991	\$ 23,635	\$ (155)	\$ —	\$ 21,488	

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

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Note 1 - General

Nature of Operations

In this report, "Occidental" means Occidental Petroleum Corporation, a Delaware corporation (OPC), or OPC and one or more entities in which it owns a controlling interest (subsidiaries). Occidental conducts its operations through various subsidiaries and affiliates. On August 8, 2019, pursuant to the Agreement and Plan of Merger, dated as of May 9, 2019 (the Merger Agreement), among Occidental, Baseball Merger Sub 1, Inc., a Delaware corporation and an indirect, wholly owned subsidiary of Occidental (Merger Subsidiary), and Anadarko Petroleum Corporation (Anadarko), Occidental acquired all of the outstanding shares of Anadarko through a transaction in which Merger Subsidiary merged with and into Anadarko (the Merger), with Anadarko continuing as the surviving entity and as an indirect, wholly owned subsidiary of Occidental. See Note 3 - The Merger.

Occidental's principal businesses consist of four reporting segments: Oil and Gas, Chemical, Marketing and Other Midstream, and WES Midstream, which includes the operations of Western Midstream Partners, LP (WES), a publicly traded limited partnership and a consolidated subsidiary of OPC. The Oil and Gas segment explores for, develops and produces oil and condensate, natural gas liquids (NGL) and natural gas. The Chemical segment (OxyChem) mainly manufactures and markets basic chemicals and vinyls. The Marketing and Other Midstream segment purchases, markets, gathers, processes, transports and stores oil, condensate, NGL, natural gas, carbon dioxide (CO₂) and power. It also trades around its assets, including transportation and storage capacity, and invests in entities that conduct similar activities. Also within the Marketing and Other Midstream segment is Oxy Low Carbon Ventures (OLCV). OLCV seeks to capitalize on Occidental's enhanced oil recovery (EOR) leadership by developing carbon capture, utilization and storage projects that source anthropogenic carbon dioxide and promote innovative technologies that drive cost efficiencies and grow Occidental's business while reducing emissions. The WES Midstream segment owns gathering systems, plants and pipelines and earns revenue from fee-based and service-based contracts with Occidental and third parties. WES is a variable interest entity (VIE) to Occidental.

Principles of Consolidation

The unaudited consolidated financial statements have been prepared in conformity with United States Generally Accepted Accounting Principles (GAAP) and include the accounts of OPC, its subsidiaries, VIEs for which Occidental is the primary beneficiary, and its undivided interests in oil and gas exploration and production ventures. Occidental has made its disclosures in accordance with GAAP as they apply to interim reporting, and condensed or omitted, as permitted by the Securities and Exchange Commission's rules and regulations, certain information and disclosures normally included in consolidated financial statements and notes. These unaudited consolidated financial statements should be read in conjunction with the audited consolidated financial statements and the notes thereto in Occidental's Annual Report on Form 10-K for the year ended December 31, 2018 (the 2018 Form 10-K).

The Merger, including the addition of WES Midstream as a new reporting segment, introduced different revenue and expense streams to Occidental's legacy operations. As a result, changes were made to the structure of certain financial statements, notes and supplementary data to provide clarity and to conform to the current presentation.

Variable Interest Entities

Occidental, through its ownership of the general partner interest in WES, has the power to direct the activities that significantly affect the economic performance of WES and the obligation to absorb losses or the right to receive benefits that could be significant to WES; therefore, Occidental is considered the primary beneficiary and consolidates WES and all of its consolidated subsidiaries. WES maintains its own capital structure that is separate from Occidental, consisting of its own debt instruments and publicly traded common units. All intercompany transactions have been eliminated.

The assets of WES and its subsidiaries cannot be used by Occidental for general corporate purposes and are included in and disclosed parenthetically on Occidental's consolidated condensed balance sheets, if material. The carrying amount of liabilities related to WES for which the creditors do not have recourse to Occidental's assets are also included in and disclosed parenthetically on Occidental's Consolidated Condensed Balance Sheets, if material.

All outstanding debt for WES at September 30, 2019, including any borrowings under the WES revolving credit facility (WES RCF) and WES Term Loan Facility, is recourse to the general partner of Western Midstream Operating, LP (WES Operating), which in turn has been indemnified in certain circumstances by certain indirect wholly owned subsidiaries of Occidental for such liabilities. See Note 9 - Long-Term Debt.

WES's sources of liquidity include cash and cash equivalents, cash flows generated from operations, interest income from a note receivable from Anadarko, borrowings under the WES RCF, the issuance of additional partnership units, and debt offerings.

Concurrent with the closing of its May 2008 initial public offering, WES Operating loaned Anadarko \$260 million in exchange for a 30-year note bearing interest at a fixed annual rate of 6.50%, payable quarterly. The note receivable and related interest income are eliminated in consolidation.

Noncontrolling Interest

WES is a publicly traded limited partnership with its common units traded on the New York Stock Exchange (NYSE) under the ticker symbol "WES." WES also owns the entire non-economic general partner interest and a 98% limited partner interest in WES Operating, a Delaware limited partnership formed by Anadarko in 2007 to acquire, own, develop and operate midstream assets. In addition, Occidental has a 2% limited partner interest in WES Operating and its ownership is held through the investment in WES.

At September 30, 2019, Occidental's ownership interest in WES consisted of the entire non-economic general partner interest and a 55.4% limited partner interest. The noncontrolling interest primarily consists of the 44.6% limited partner interest of WES owned by the public.

Discontinued Operations

In connection with the Merger, Occidental agreed to sell to TOTAL S.A. (Total) all of the assets, liabilities, businesses, and operations of Anadarko's operations in Algeria, Ghana, Mozambique and South Africa (collectively, the Africa Assets) for \$8.8 billion, subject to certain purchase price adjustments. In August 2019, a purchase and sale agreement was executed for these Africa Assets. This transaction is conditioned on the receipt of required regulatory approvals, as well as other customary closing conditions. On September 27, 2019, Occidental completed the sale of Anadarko's Mozambique LNG assets to Total for \$4.2 billion. The assets and liabilities for Algeria, Ghana and South Africa, are presented as held for sale at September 30, 2019. The results of operations of the Africa Assets are presented as discontinued operations, see Note 4 - Acquisitions, Dispositions, and Other.

Unless otherwise indicated, information presented in the Notes to the Consolidated Condensed Financial Statements relates only to Occidental's continuing operations. Information related to discontinued operations is included in Note 4 - Acquisitions, Dispositions, and Other, and in some instances, where appropriate, is included as a separate disclosure within the individual Notes to the Consolidated Condensed Financial Statements.

Goodwill and Other Intangible Assets

Goodwill resulting from the Merger was assigned to WES Midstream and represents the excess of the purchase price over the estimated fair value of the assets acquired and liabilities assumed. Goodwill is subject to annual impairment testing. Changes in goodwill may result from, among other things, finalization of preliminary purchase price allocations, impairments, additional acquisitions, or divestitures. See Note 3 - The Merger.

Other intangible assets represent contractual rights obtained in connection with the Merger that had favorable contractual terms relative to market terms as well as customer-related intangible assets, including customer relationships. Other intangible assets are amortized over their estimated useful lives and are assessed for impairment with the associated long-lived asset group whenever impairment indicators are present. See Note 3 - The Merger.

Supplemental Cash Flow Information

Occidental paid international and domestic state income taxes of \$751 million and \$838 million during the nine months ended September 30, 2019, and 2018, respectively. Occidental received domestic state tax refunds of \$2 million in each of the nine months ended September 30, 2019, and 2018. No federal income tax payments were made during the nine months ended September 30, 2019, and 2018. Interest paid totaled \$610 million and \$298 million during the nine months ended September 30, 2019, and 2018, respectively.

Cash Equivalents and Restricted Cash Equivalents

Occidental considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents or restricted cash equivalents. The cash equivalents and restricted cash equivalents balance at September 30, 2019, includes investments in government money market funds in which the carrying value approximates fair value.

The following table provides a reconciliation of cash, cash equivalents, restricted cash and restricted cash equivalents as reported at the end of the period in the Consolidated Condensed Statements of Cash Flows for the nine months ended September 30, 2019 to the line items within the Consolidated Condensed Balance Sheet at September 30, 2019. There was no restricted cash or restricted cash equivalents at September 30, 2018 or December 31, 2018.

<i>millions</i>	September 30, 2019
Cash and cash equivalents	\$ 4,840
Restricted cash and restricted cash equivalents	454
Cash and restricted cash included in assets held for sale	16
Restricted cash and restricted cash equivalents included in long-term receivables and other assets, net	55
Cash, Cash Equivalents, Restricted Cash, and Restricted Cash Equivalents	\$ 5,365

Total restricted cash and restricted cash equivalents are primarily associated with a benefits trust for former Anadarko employees that was funded as part of the Merger, payments of future hard-minerals royalties conveyed, and a judicially-controlled account related to a Brazilian tax dispute.

Note 2 - Accounting and Disclosure Changes

In January 2019, Occidental adopted the new lease standard Accounting Standards Codification Topic 842 - Leases (ASC 842). The new standard requires Occidental to recognize most leases, including operating leases, on the balance sheet. The new rules require lessees to recognize a right-of-use asset (ROU) and lease liability for all leases with lease terms of more than 12 months. Occidental adopted the standard using the modified retrospective approach, including adopting several optional practical expedients. See Note 10 - Lease Commitments.

Note 3 - The Merger

On May 9, 2019, Occidental entered into the Merger Agreement with Anadarko. On August 8, 2019, Anadarko's stockholders voted to approve the Merger and it was made effective the same day. The Merger added to Occidental's oil and gas portfolio, primarily in the Permian Basin, DJ Basin and Gulf of Mexico, and a controlling interest in WES.

In exchange for each share of Anadarko common stock, Anadarko stockholders received \$59.00 in cash and 0.2934 of a share of Occidental common stock, plus cash in lieu of any fractional share of Occidental common stock that otherwise would have been issued, based on the average price of \$46.31 per share of Occidental common stock on the NYSE on August 8, 2019.

In connection with the Merger, Occidental issued \$13.0 billion of new senior unsecured notes, \$8.8 billion of term loans (the Term Loans) and 100,000 shares of series A preferred stock (the Preferred Stock) with a warrant to purchase 80 million shares of Occidental common stock at an exercise price of \$62.50 (the Warrant) for \$10 billion. In addition, Occidental increased its existing \$3.0 billion revolving credit facility by an additional \$2.0 billion in commitments. See Note 9 - Long-term Debt and Note 14 - Stockholders' Equity for additional information.

The Merger constitutes a business combination and was accounted for using the acquisition method of accounting. The following table presents the Merger consideration paid to Anadarko stockholders as a result of the Merger:

millions, except per share amounts

Total shares of Anadarko common stock eligible for Merger consideration		491.6
Cash consideration (per share of common stock and shares underlying Anadarko stock-based awards eligible for Merger consideration)	\$	59.00
Cash portion of Merger consideration	\$	29,002
Total shares of Anadarko common stock and shares underlying Anadarko stock-based awards eligible for Merger consideration		492.0
Exchange ratio (per share of Anadarko common stock)		0.2934
Total shares of Occidental common stock issued to Anadarko stockholders		144
Average share price of Occidental common stock at August 8, 2019	\$	46.31
Stock portion of Merger consideration	\$	6,684
Total Merger consideration	\$	35,686

The following table sets forth the preliminary allocation of the Merger consideration. Certain data necessary to complete the purchase price allocation is not yet available, and includes, but is not limited to, final appraisals of assets acquired and liabilities assumed, valuation of pre-merger contingencies and final tax returns that provide underlying tax basis of assets acquired and liabilities assumed. Occidental will finalize the purchase price allocation during the 12-month period following the Merger date, during which time the value of the assets and liabilities may be revised as appropriate.

<i>millions</i>	As of August 8, 2019
Fair value of assets acquired:	
Current assets	\$ 3,590
Anadarko's Africa Assets held for sale	10,746
Investments in unconsolidated entities	2,430
Property, plant and equipment, net - Anadarko	48,771
Property, plant and equipment, net - WES Midstream	9,475
Other assets	797
Intangible assets - WES Midstream	2,400
Amount attributable to assets acquired	<u>\$ 78,209</u>
Fair value of liabilities assumed:	
Current liabilities	\$ 3,677
Liabilities of Anadarko's Africa Assets held for sale	2,329
Long-term debt - Anadarko	12,829
Long-term debt - WES Midstream	7,407
Deferred income taxes	10,040
Asset retirement obligations	2,728
Pension and post retirement obligations	1,125
Non-current derivative liabilities	1,279
Other long-term liabilities	2,308
Amount attributable to liabilities assumed	<u>\$ 43,722</u>
Net assets	<u>\$ 34,487</u>
Less: Fair value of noncontrolling interests in WES Midstream	4,875
Fair value of net assets acquired	<u>29,612</u>
Goodwill - WES Midstream	6,074
Total Merger consideration	<u><u>\$ 35,686</u></u>

The aggregate purchase price noted above was allocated to the major categories of assets and liabilities acquired based upon their preliminary estimated fair values at the date of the Merger. The valuation of certain assets, including property and intangible assets, are based on preliminary appraisals. The majority of measurements of assets acquired and liabilities assumed, other than debt, are based on inputs that are not observable in the market and thus represent Level 3 inputs. The fair value of acquired properties and equipment is based on both available market data and a cost approach. Oil and natural gas properties were valued using either available market data based on the nature of the properties and the location or an income approach. Intangible assets primarily consist of third-party customer contracts, the fair value of which was determined using an income approach. Deferred income taxes represent the tax effects of differences in the tax basis and merger-date fair values of assets acquired and liabilities assumed. The measurement of debt instruments was based on unadjusted quoted prices in an active market and are primarily Level 1; approximately \$6.1 billion of the assumed debt is considered Level 2. The value of derivative instruments was based on observable inputs, primarily forward commodity-price and interest-rate curves and is considered Level 2.

The excess of the purchase price over the preliminary estimated fair value of the net tangible and identifiable intangible assets acquired totaled \$6.1 billion in goodwill. Goodwill is attributable to the difference in the WES Midstream market capitalization value at the date of the Merger and the WES Midstream net assets acquired, and primarily represents the intrinsic value of the customer relationship between WES Midstream and Occidental.

With the completion of the Merger, Occidental acquired proved and unproved properties of approximately \$18.2 billion and \$26.0 billion, respectively, primarily associated with the Permian Basin, DJ Basin, Gulf of Mexico and Powder River Basin. The remaining \$5.0 billion is related to land, mineral interests and corporate properties.

Other intangible assets of \$2.4 billion primarily relate to customer contracts associated with the WES Midstream segment. These contracts are amortized over 25 years. The annual aggregate amortization expense for intangible assets is expected to be \$108 million.

From the date of the Merger through September 30, 2019, revenues and net loss attributable to common stockholders associated with Anadarko assets totaled \$1.5 billion and \$400 million, respectively.

The following summarizes the unaudited pro forma condensed financial information of Occidental as if the Merger had occurred on January 1, 2018:

<i>millions, except per-share amounts</i>	Three months ended September 30		Nine months ended September 30	
	2019	2018	2019	2018
Revenues	\$ 7,335	\$ 8,913	\$ 22,419	\$ 23,095
Net income (loss) attributable to common stockholders	\$ (427)	\$ 2,060	\$ 475	\$ 3,405
Net income (loss) attributable to common stockholders per share—basic	\$ (0.50)	\$ 2.27	\$ 0.51	\$ 3.74
Net income (loss) attributable to common stockholders per share—diluted	\$ (0.50)	\$ 2.26	\$ 0.50	\$ 3.73

The unaudited pro forma information is presented for illustration purposes only and is not necessarily indicative of the operating results that would have occurred had the Merger been completed at January 1, 2018, nor is it necessarily indicative of future operating results of the combined entity. The unaudited pro forma information for 2019 and 2018 is a result of combining the three and nine months statements of operations of Occidental with the pre-merger results from January 1, 2019, and 2018 of Anadarko and includes adjustments for revenues and direct expenses. The pro forma results exclude results from the Africa Assets and the impact of any merger-related costs. The pro forma results include adjustments to DD&A (Depreciation, depletion and amortization) based on the purchase price allocated to property, plant, and equipment and intangibles and the estimated useful lives as well as adjustments to interest expense. The pro forma adjustments include estimates and assumptions based on currently available information. Management believes the estimates and assumptions are reasonable, and the relative effects of the Merger are properly reflected. The unaudited pro forma information does not reflect any cost savings anticipated as a result of the Merger or any merger-related costs.

Anadarko Merger-Related Costs

The following table summarizes the merger-related costs incurred:

<i>millions</i>	Three months ended September 30, 2019	Nine months ended September 30, 2019
Employee severance and related cost	\$ 459	\$ 459
Licensing fees for critical seismic data	329	354
Bank, legal and consulting fees	136	161
Total	\$ 924	\$ 974

Employee severance and related cost primarily relates to one-time severance costs and the accelerated vesting of certain Anadarko share-based awards for former Anadarko employees based on the terms of the Merger Agreement and existing change of control provisions within the former Anadarko employment agreements. In addition, employee severance and related cost includes expenses for a voluntary separation program for eligible employees. Occidental initiated this program to align the size and composition of its workforce with its expected future operating and capital plans. Employee notifications related to the voluntary separation program were ongoing at September 30, 2019, with additional expenses associated with the program expected to be incurred throughout the remainder of 2019 and through most of 2020.

The seismic licensing fees relate to relicensing of critical seismic data related to the Gulf of Mexico, Permian Basin and DJ Basin that Anadarko had licensed from third-party vendors. The third-party vendors who own the seismic data require a transfer fee in order for Occidental to use the data.

Occidental Stock-based Incentive Plans

On the date of the Merger, Occidental issued restricted share awards covering 1.7 million shares of common stock in exchange for Anadarko stock-based incentive shares to the former Anadarko employees. These restricted shares vest in periods ranging from one month to 3.5 years and are conditioned solely on the employees' continued service, with a weighted-average grant-date fair value of \$47.13 and a weighted-average remaining life of 1.3 years. Under the terms of the Merger Agreement, these restricted share awards would be subject to accelerated vesting based on a qualifying termination event.

Note 4 - Acquisitions, Dispositions and Other Transactions

On September 27, 2019, Occidental completed the sale of Anadarko's Mozambique LNG assets to Total for \$4.2 billion, with proceeds used to pay down a portion of the Term Loans. Occidental and Total continue to work toward completing the sales of the remaining Africa Assets. Occidental anticipates that the remaining sales will be completed before June 2020. The carrying amount of the remaining Africa Assets will be adjusted in future periods based on changes in fair value. The results of the Africa Assets are presented as discontinued operations in the Consolidated Condensed Statements of Operations and Cash Flows.

The following table presents the amounts reported in discontinued operations, net of income taxes, related to the Africa Assets subsequent to the Merger closing date through September 30, 2019:

<i>millions</i>	2019
REVENUES AND OTHER INCOME	
Net sales	\$ 228
COSTS AND OTHER DEDUCTIONS	
Oil and gas operating expense	\$ 32
Transportation and marketing expense	4
Taxes other than on income	46
Fair value adjustment on assets held for sale	65
Selling, general and administrative	8
Other	4
	<u>\$ 159</u>
Income before income taxes	\$ 69
Income tax expense	(84)
Discontinued operations, net of tax	<u>\$ (15)</u>

The following table presents the amounts reported in the Consolidated Condensed Balance Sheets as held for sale related to the Africa Assets and other corporate property.

<i>millions</i>	September 30, 2019
Cash and cash equivalents	\$ 16
Inventories	207
Other current assets	110
Property, plant and equipment, net	5,863
Operating lease assets	29
Long-term receivables and other assets, net	220
Assets held for sale	<u>\$ 6,445</u>
Current maturities of debt - finance leases	13
Current operating lease liabilities	11
Accounts payable	217
Accrued liabilities	152
Long-term debt, net - finance leases	187
Deferred income taxes	1,281
Asset retirement obligations	142
Other	200
Liabilities of assets held for sale	<u>\$ 2,203</u>
Net assets held for sale	<u>\$ 4,242</u>

Sale of Plains Investment

On September 23, 2019, Occidental sold its remaining equity investment in Plains All American Pipeline, L.P. and Plains GP Holdings, L.P. (together, Plains) for net proceeds of \$646 million, which resulted in a pre-tax gain of \$111 million. The proceeds were used to pay down a portion of the Term Loans.

Ecopetrol Joint Venture

On July 31, 2019, Occidental and Ecopetrol entered into definitive agreements to form a joint venture to develop approximately 97,000 net acres of Occidental's Midland Basin properties in the Permian Basin. Ecopetrol will pay \$750 million in cash at closing and \$750 million of carried capital in exchange for a 49-percent interest in the new venture. Occidental will own a 51-percent interest and operate the joint venture. During the carry period, Ecopetrol will pay 75-percent of Occidental's share of capital expenditures, up to \$750 million. The joint venture allows Occidental to accelerate its development plans in the Midland Basin, where it currently has minimal activity. Occidental will retain production and cash flow from its existing operations in the Midland Basin. This transaction is expected to close in the fourth quarter of 2019.

Note 5 - Revenue Recognition

Revenue from customers is recognized when obligations under the terms of a contract with our customers are satisfied; this generally occurs with the delivery of oil, gas, NGL, chemicals or services, such as transportation. As of September 30, 2019, trade receivables, net, of \$5.9 billion represent rights to payment for which Occidental has satisfied its obligations under a contract and its right to payment is conditioned only on the passage of time.

The following table shows a reconciliation of revenue from customers to total net sales:

<i>millions</i>	Three months ended September 30		Nine months ended September 30	
	2019	2018	2019	2018
Revenue from customers	\$ 5,231	\$ 4,257	\$ 12,397	\$ 11,813
All other revenues ^(a)	456	959	1,714	1,249
Net sales	\$ 5,687	\$ 5,216	\$ 14,111	\$ 13,062

(a) Includes net marketing derivatives, oil collars and calls, and chemical exchange contracts.

Disaggregation of Revenue from Contracts with Customers

The following table presents Occidental's revenue from customers by segment, product and geographical area. The Oil and Gas segment typically sells its oil, gas and NGL at the lease or concession area. WES Midstream's operations are entirely in the United States. Chemical revenues are shown by geographic area based on the location of the sale. Excluding net marketing revenue, Marketing and Other Midstream revenues are shown by the location of sale:

<i>millions</i>	United States	Middle East	Latin America	Other International	Eliminations	Total
Three months ended September 30, 2019						
Oil and Gas						
Oil	\$ 2,453	\$ 683	\$ 177	\$ —	\$ —	\$ 3,313
NGL	177	63	—	—	—	240
Gas	125	78	5	—	—	208
Other	(18)	3	—	—	—	(15)
Segment total	\$ 2,737	\$ 827	\$ 182	\$ —	\$ —	\$ 3,746
Chemical	\$ 1,009	\$ —	\$ 36	\$ 16	\$ —	\$ 1,061
Marketing and Other Midstream						
Gas processing	93	81	—	—	—	174
Power and other	198	—	—	37	—	235
Segment total	\$ 291	\$ 81	\$ —	\$ 37	\$ —	\$ 409
WES Midstream	\$ 383	\$ —	\$ —	\$ —	\$ —	\$ 383
Eliminations	\$ —	\$ —	\$ —	\$ —	\$ (368)	\$ (368)
Consolidated	\$ 4,420	\$ 908	\$ 218	\$ 53	\$ (368)	\$ 5,231

<i>millions</i>	United States	Middle East	Latin America	Other International	Eliminations	Total
Three months ended September 30, 2018						
Oil and Gas						
Oil	\$ 1,326	\$ 1,016	\$ 197	\$ —	\$ —	\$ 2,539
NGL	139	77	—	—	—	216
Gas	47	80	5	—	—	132
Other	3	—	(1)	—	—	2
Segment total	\$ 1,515	\$ 1,173	\$ 201	\$ —	\$ —	\$ 2,889
Chemical	\$ 1,112	\$ —	\$ 51	\$ 21	\$ —	\$ 1,184
Marketing and Other Midstream						
Gas processing	148	108	—	—	—	256
Pipelines	115	—	—	—	—	115
Power and other	38	—	—	—	—	38
Segment total	\$ 301	\$ 108	\$ —	\$ —	\$ —	\$ 409
Eliminations	\$ —	\$ —	\$ —	\$ —	\$ (225)	\$ (225)
Consolidated	\$ 2,928	\$ 1,281	\$ 252	\$ 21	\$ (225)	\$ 4,257
<i>millions</i>	United States	Middle East	Latin America	Other International	Eliminations	Total
Nine months ended September 30, 2019						
Oil and Gas						
Oil	\$ 5,105	\$ 2,266	\$ 524	\$ —	\$ —	\$ 7,895
NGL	339	196	—	—	—	535
Gas	180	233	14	—	—	427
Other	(40)	(2)	—	—	—	(42)
Segment total	\$ 5,584	\$ 2,693	\$ 538	\$ —	\$ —	\$ 8,815
Chemical	\$ 2,937	\$ —	\$ 119	\$ 53	\$ —	\$ 3,109
Marketing and Other Midstream						
Gas processing	302	272	—	—	—	574
Power and other	274	—	—	37	—	311
Segment total	\$ 576	\$ 272	\$ —	\$ 37	\$ —	\$ 885
WES Midstream	\$ 383	\$ —	\$ —	\$ —	\$ —	\$ 383
Eliminations	\$ —	\$ —	\$ —	\$ —	\$ (795)	\$ (795)
Consolidated	\$ 9,480	\$ 2,965	\$ 657	\$ 90	\$ (795)	\$ 12,397

<i>millions</i>	United States	Middle East	Latin America	Other International	Eliminations	Total
Nine months ended September 30, 2018						
Oil and Gas						
Oil	\$ 3,907	\$ 2,507	\$ 547	\$ —	\$ —	\$ 6,961
NGL	339	192	—	—	—	531
Gas	141	218	12	—	—	371
Other	10	1	—	—	—	11
Segment total	\$ 4,397	\$ 2,918	\$ 559	\$ —	\$ —	\$ 7,874
Chemical	\$ 3,294	\$ —	\$ 154	\$ 59	\$ —	\$ 3,507
Marketing and Other Midstream						
Gas processing	416	308	—	—	—	724
Pipelines	310	—	—	—	—	310
Power and other	84	—	—	—	—	84
Segment total	\$ 810	\$ 308	\$ —	\$ —	\$ —	\$ 1,118
Eliminations	\$ —	\$ —	\$ —	\$ —	\$ (686)	\$ (686)
Consolidated	\$ 8,501	\$ 3,226	\$ 713	\$ 59	\$ (686)	\$ 11,813

Contract Liabilities

Contract liabilities relate to WES fees and capital reimbursements that are charged to customers for only a portion of the contract term and must be recognized as revenues over the expected period of benefit, fixed and variable fees that are received from customers but revenue recognition is deferred under midstream cost of service contracts, and hard-minerals bonus payments received from customers that must be recognized as revenue over the expected period of benefit.

The following table summarizes current period activity related to contract liabilities from contracts with customers:

<i>millions</i>	
Balance at December 31, 2018	\$ —
Increase due to contract liabilities acquired with Anadarko	154
Increase due to cash received, excluding revenues recognized in the period	9
Decrease due to revenue recognized	(13)
Balance at September 30, 2019	\$ 150

Transaction Price Allocated to Remaining Performance Obligations

Revenue expected to be recognized from certain performance obligations that are unsatisfied as of September 30, 2019, is reflected in the table below. Occidental applies the optional exemptions in Topic 606 and does not disclose consideration for remaining performance obligations with an original expected duration of one year or less or for variable consideration related to unsatisfied performance obligations. As a result, the following table represents a small portion of Occidental's expected future consolidated revenues, as future revenue from the sale of most products and services is dependent on future production or variable customer volume and variable commodity prices for that volume:

<i>millions</i>	Oil and Gas	WES Midstream	Eliminations	Total
Remainder of 2019	\$ 26	\$ 193	\$ (127)	\$ 92
2020	103	863	(589)	377
2021	103	912	(645)	370
2022	7	963	(703)	267
2023	7	915	(690)	232
Thereafter	60	4,399	(3,768)	691
Total	\$ 306	\$ 8,245	\$ (6,522)	\$ 2,029

Note 6 - Inventories

Commodity inventory and finished goods primarily represents crude oil, which is carried at the lower of weighted-average cost or market value, and caustic soda and chlorine, which are valued under the last-in, first-out (LIFO) method. Inventories consisted of the following:

<i>millions</i>	September 30, 2019	December 31, 2018
Raw materials	\$ 67	\$ 74
Materials and supplies	916	445
Commodity inventory and finished goods	665	788
	1,648	1,307
Revaluation to LIFO	(47)	(47)
Total	\$ 1,601	\$ 1,260

Note 7 - Derivative Instruments

Occidental uses a variety of derivative financial instruments and physical contracts to manage its exposure to commodity-price fluctuations and transportation commitments, to fix margins on the future sale of stored commodity volumes and interest rate risks. Occidental also enters into derivative financial instruments for trading purposes.

Occidental may elect normal purchases and normal sales exclusions when physically delivered commodities are purchased or sold to a customer. Occidental occasionally applies cash flow hedge accounting treatment to derivative financial instruments to lock in margins on the forecasted sales of its natural gas storage volumes, and at times for other strategies, such as to lock rates on forecasted debt issuances. Derivatives are carried at fair value and on a net basis when a legal right of offset exists with the same counterparty.

Derivatives Not Designated as Hedging Instruments

As of September 30, 2019, Occidental's derivatives not designated as hedges consist of three-way oil collars and call options, interest rate swaps, marketing derivatives and the Warrant.

Derivative instruments that are derivatives not designated as hedging instruments are required to be recorded on the statement of operations and balance sheet at fair value. Changes in fair value will impact Occidental's earnings through mark-to-market adjustments until the physical commodity is delivered or the financial instrument is settled. The fair value does not reflect the realized or cash value of the instrument.

Three-way Oil Collars and Call Options

In July 2019, Occidental entered into three-way costless collar derivative instruments for 2020 and additional call options in 2021 to manage its near-term exposure to cash-flow variability from commodity-price risks. A three-way collar is a combination of three options: a sold call, a purchased put and a sold put. The sold call establishes the ceiling price that Occidental will receive for the contracted commodity volume for a defined period of time. The purchased put establishes the floor price that Occidental will receive for the contracted volumes unless the market price for the commodity falls below the sold put strike price, at which point the floor price equals the reference price plus the difference between the purchased put strike price and the sold put strike price for a defined period of time. Occidental entered into the 2021 call options to substantially improve the ceiling price that Occidental will receive for the contracted commodity volumes in 2020. In the Merger, Occidental also assumed three-way costless collars that expire throughout the rest of 2019. Net gains and losses associated with collars and calls are recognized currently in net sales. Hedge accounting was not elected for these contracts.

Occidental had the following collars and calls outstanding at September 30, 2019:

Collars and Calls, not designated as hedges

2019 Settlement			
Three-way collars (Oil MMBL)			8.0
Average price per barrel (NYMEX/Brent oil pricing)			
Ceiling sold price (call)	\$	72.98	
Floor purchased price (put)	\$	56.72	
Floor sold price (put)	\$	46.72	
2020 Settlement			
Three-way collars (Oil MMBL)			109.8
Average price per barrel (Brent oil pricing)			
Ceiling sold price (call)	\$	74.09	
Floor purchased price (put)	\$	55.00	
Floor sold price (put)	\$	45.00	
2021 Settlement			
Call Options sold (Oil MMBL)			109.5
Average price per barrel (Brent oil pricing)			
Ceiling sold price (call)	\$	74.09	

Occidental Interest Rate Swaps (Excluding WES Midstream)

Occidental acquired interest rate swap contracts in the Merger. The contracts lock in a fixed interest rate in exchange for a floating interest rate indexed to three-month London Inter-Bank Offered Rate (LIBOR) throughout the reference period. Net gains and losses associated with interest rate derivative instruments not designated as hedging instruments are recognized currently in losses on interest rate swaps and warrants, net.

Occidental had the following outstanding interest rate swaps at September 30, 2019:

<i>millions except percentages</i> Notional Principal Amount	Reference Period	Mandatory Termination Date	Weighted-Average Interest Rate
\$ 125	September 2016 - 2046	October 2019	6.782%
\$ 550	September 2016 - 2046	September 2020	6.418%
\$ 125	September 2016 - 2046	September 2022	6.835%
\$ 100	September 2017 - 2047	September 2020	6.891%
\$ 250	September 2017 - 2047	September 2021	6.570%
\$ 450	September 2017 - 2047	September 2023	6.445%

Depending on market conditions, liability-management actions or other factors, Occidental may enter into offsetting interest rate swap positions or settle or amend certain or all of the currently outstanding interest rate swaps.

Derivative settlements and collateralization are classified as cash flows from operating activities unless the derivatives contain an other-than-insignificant financing element, in which case the settlements and collateralization are classified as cash flows from financing activities. As a result of prior extensions of reference-period start dates without settlement of the related interest rate derivative obligations, the interest rate derivatives in Occidental's portfolio contain an other-than-insignificant financing element, and therefore, any settlements, collateralization or cash payments for amendments related to these extended interest rate derivatives are classified as cash flows from financing activities. Net cash payments related to settlements and amendments of interest rate swap agreements were \$43 million during the period from August 8, 2019, through September 30, 2019. Subsequent to September 30, 2019, Occidental settled interest rate swaps that had a mandatory termination date of October 11, 2019, and a notional value of \$125 million.

WES Interest Rate Swaps

In the Merger, Occidental also acquired interest rate swap contracts held by WES. WES exchanged a floating interest rate indexed to the three-month LIBOR for a fixed interest rate. Net gains and losses associated with these interest rate derivative instruments are recognized currently in losses on interest rate swaps and warrants, net. The following interest rate swaps were outstanding at September 30, 2019:

<i>millions except percentages</i> Notional Principal Amount	Reference Period	Mandatory Termination Date	Weighted-Average Interest Rate
\$ 375	December 2019 - 2024	December 2019	2.662%
\$ 375	December 2019 - 2029	December 2019	2.802%
\$ 375	December 2019 - 2049	December 2019	2.885%

Depending on market conditions, liability-management actions, or other factors, WES may settle or amend certain or all of the currently outstanding interest rate swaps.

Marketing Derivatives

Occidental's marketing derivative instruments not designated as hedges are physical and financial forward contracts which typically settle within three months. A substantial majority of Occidental's physically settled derivative contracts are index-based and carry no mark-to-market valuation in earnings. These instruments settle at a weighted-average contract price of \$58.39 per barrel and \$2.22 per thousand cubic feet (Mcf) for crude oil and natural gas, respectively, at September 30, 2019. The weighted-average contract price was \$58.81 per barrel and \$3.18 per Mcf for crude oil and natural gas, respectively, at December 31, 2018. Net gains and losses associated with marketing derivative instruments not designated as hedging instruments are recognized currently in net sales.

The following table summarizes net long/(short) volumes associated with the outstanding marketing commodity derivatives not designated as hedging instruments as of September 30, 2019, and December 31, 2018.

	2019	2018
Crude Oil Commodity Contracts		
Volume (MMBL)	36	61
Natural Gas Commodity Contracts		
Volume (Bcf)	(128)	(142)

The Warrant

The Warrant issued with the Preferred Stock in connection with the Merger is exercisable at the holder's option, in whole or in part, until the first anniversary of the date on which no shares of Preferred Stock remain outstanding at which point the Warrant expires. The holder of the Warrant may require net cash settlement if certain shareholder and regulatory approvals to issue Occidental common stock are not obtained on a timely basis. The initial fair value of the Warrant, \$188 million, was measured at the date of the Merger using the Black Scholes option model. The following inputs were used in the Black Scholes option model; the expected life is based on the estimated term of the Warrant, the volatility factor is based on historical volatilities of Occidental common stock, and the call option price for Occidental common stock at \$62.50. The fair value of the Warrant is remeasured each reporting period based on changes in the inputs above.

Derivatives Designated as Hedging Instruments

Net gains and losses attributable to derivative instruments subject to cash flow hedge accounting reside in accumulated other comprehensive loss and are reclassified to earnings as the transactions to which the derivatives relate are recognized in earnings.

Cash Flow Hedges

Occidental's marketing operations store natural gas purchased from third parties at Occidental's leased storage facilities. Derivative instruments are used to fix margins on the future sales of the stored volumes. As of September 30, 2019, Occidental had approximately 5 billion cubic feet (Bcf) of natural gas held in storage, and had cash flow hedges for the forecast sales, to be settled by physical delivery, of approximately 3 Bcf of stored natural gas. As of December 31, 2018, Occidental had approximately 5 Bcf of natural gas held in storage, and had cash flow hedges for the forecasted sales, to be settled by physical delivery, of approximately 4 Bcf of stored natural gas. The fair value of the cash flow hedges associated with stored natural gas was immaterial at September 30, 2019 and December 31, 2018. The ineffective portion recognized through earnings was immaterial for the nine months ended September 30, 2019, and the year ended December 31, 2018.

In June 2019, in anticipation of issuing debt in the third quarter to partially finance the cash portion of the Merger consideration, Occidental entered into a series of U.S. treasury locks which were designated as cash flow hedges. In August 2019, the U.S. treasury locks were unwound with the issuance of the \$13.0 billion new senior unsecured notes, and the resulting after-tax accumulated other comprehensive loss of \$125 million will be amortized to interest expense over the life of the underlying senior notes.

Fair Value of Derivatives

The following tables present the fair values of Occidental's outstanding derivatives. Fair values are presented at gross amounts, including when the derivatives are subject to master netting arrangements, and are presented on a net basis in the Consolidated Condensed Balance Sheets.

Balance Sheet Classification	Fair-Value Measurements Using				Total Fair Value
millions	Level 1	Level 2	Level 3	Netting ^(a)	
September 30, 2019					
Oil Collars and Calls					
Other current assets	\$ —	\$ 217	\$ —	\$ (4)	\$ 213
Accrued liabilities	—	3	—	(3)	—
Deferred credits and other liabilities - other	—	97	—	—	97
Marketing Derivatives					
Other current assets	838	97	—	(861)	74
Long-term receivables and other assets, net	70	12	—	(70)	12
Accrued liabilities	827	45	—	(861)	11
Deferred credits and other liabilities - other	71	1	—	(70)	2
Interest Rate Swaps (excluding WES)					
Other current assets	—	14	—	—	14
Long-term receivables and other assets, net	—	13	—	—	13
Accrued liabilities	—	882	—	—	882
Deferred credits and other liabilities - other	—	879	—	—	879
WES Interest Rate Swaps					
Accrued liabilities	—	171	—	—	171
Warrant					
Deferred credits and other liabilities - other	—	168	—	—	168
December 31, 2018					
Marketing Derivatives					
Other current assets	\$ 2,531	\$ 110	\$ —	\$ (2,392)	\$ 249
Long-term receivables and other assets, net	5	9	—	(6)	8
Accrued liabilities	2,357	101	—	(2,392)	66
Deferred credits and other liabilities - other	6	2	—	(6)	2

(a) These amounts do not include collateral.

As of September 30, 2019, \$359 million of collateral has been netted against derivative liabilities related to interest rate swaps. Occidental had \$36 million of initial margin deposited with brokers as of September 30, 2019, related to marketing derivatives. As of December 31, 2018, \$45 million collateral received has been netted against derivative assets, and collateral posted of \$1 million has been netted against derivative liabilities. Occidental had \$178 million of initial margin deposited with brokers as of December 31, 2018. Initial margin is included in other current assets in the Consolidated Condensed Balance Sheets and has not been reflected in these derivative fair-value tables.

Gains and Losses on Derivatives

The following table presents the effect of Occidental's derivative instruments on the Consolidated Condensed Statements of Operations:

Income Statement Classification <i>millions</i>	Three months ended September 30		Nine months ended September 30	
	2019	2018	2019	2018
Oil Collars and Calls				
Net sales	\$ 75	\$ —	\$ 75	\$ —
Marketing Derivatives				
Net sales	91	36	(119)	8
Interest Rate Swaps (Excluding WES)				
Losses on interest rate swaps and warrants, net	(45)	—	(45)	—
Interest Rate Swaps (WES)				
Losses on interest rate swaps and warrants, net	(8)	—	(8)	—
Warrants				
Gains on interest rate swaps and warrants, net	20	—	20	—

Credit Risk

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

Certain over-the-counter derivative instruments contain credit-risk-contingent features, primarily tied to credit ratings for Occidental or its counterparties, which may affect the amount of collateral that each party would need to post. The aggregate fair value of derivative instruments with credit-risk-related contingent features for which a net liability position existed at September 30, 2019 was \$1.6 billion (net of \$0.3 billion collateral), primarily related to acquired interest-rate swaps, and \$68 million (net of \$1 million of collateral) existed at December 31, 2018.

Note 8 - Fair-Value Measurements

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

Fair Values — Recurring

In January 2012, Occidental entered into a long-term contract to purchase CO₂. This contract contains a price adjustment clause that is linked to changes in NYMEX crude oil prices. Occidental determined that the portion of this contract linked to NYMEX oil prices is not clearly and closely related to the host contract, and Occidental therefore bifurcated this embedded pricing feature from its host contract and accounts for it at fair value in the Consolidated Condensed Financial Statements.

The following tables provide fair-value measurement information for embedded derivatives that are measured on a recurring basis:

<i>millions</i>	Fair-Value Measurements Using			Netting and Collateral	Total Fair Value
	Level 1	Level 2	Level 3		
Embedded derivatives					
As of September 30, 2019					
Accrued liabilities	\$ —	\$ 54	\$ —	\$ —	\$ 54
Deferred credits and other liabilities - other	—	73	—	—	73
As of December 31, 2018					
Accrued liabilities	\$ —	\$ 66	\$ —	\$ —	\$ 66
Deferred credits and other liabilities - other	—	116	—	—	116

Fair-Values — Nonrecurring

During the nine months ended September 30, 2019, Occidental measured assets and liabilities at merger-date fair value on a nonrecurring basis related to the Merger. See [Note 3 - The Merger](#) for more detail.

During the three and nine months ended September 30, 2019, Occidental's Oil and Gas segment recognized pre-tax impairment and related charges of \$285 million related to domestic undeveloped leases that were set to expire in the near term, where Occidental had no plans to pursue exploration activities, and \$40 million related to Occidental's mutually agreed early termination of its Qatar Idd El Shargi South Dome (ISSD) contract.

During 2018, Occidental recognized pre-tax impairment and related charges of \$416 million primarily related to Idd El Shargi North Dome (ISND) and ISSD proved properties and inventory. The fair value of the proved properties was measured based on the income approach, which incorporated a number of assumptions involving expectations of future cash flows. These assumptions included estimates of future product prices, which Occidental based on forward price curves, estimates of oil and gas reserves, estimates of future expected operating and capital costs and a risk-adjusted discount rate of 10 percent. These inputs are categorized as Level 3 in the fair-value hierarchy.

Other Financial Instruments

The carrying amounts of cash and cash equivalents and other on-balance-sheet financial instruments, other than long-term, fixed-rate debt, approximate fair value. The cost, if any, to terminate Occidental's off-balance-sheet financial instruments is not significant. Occidental estimates the fair value of fixed-rate debt based on the quoted market prices for those instruments or on quoted market yields for similarly rated debt instruments, taking into account such instruments' maturities.

The estimated fair value of Occidental's debt as of September 30, 2019, was \$47.8 billion, which included \$7.6 billion in debt related to WES. The majority of Occidental's debt is classified as Level 1, with \$12.5 billion classified as Level 2. At December 31, 2018, the estimated fair value of Occidental's debt was \$10.3 billion.

Note 9 - Long-Term Debt

Long-term debt consisted of the following:

<i>millions</i>	Balance at September 30, 2019
Occidental	
4.850% senior notes due 2021	\$ 677
2.600% senior notes due 2021	1,500
4.100% senior notes due 2021	1,249
Variable rate bonds due 2021 (3.137% as of September 30, 2019)	500
Variable rate bonds due 2021 (3.437% as of September 30, 2019)	500
2-year variable rate Term Loan due 2021 (3.417% as of September 30, 2019)	3,966
2.700% senior notes due 2022	2,000
3.125% senior notes due 2022	814
2.600% senior notes due 2022	400
Variable rate bonds due 2022 (3.637% as of September 30, 2019)	1,500
2.700% senior notes due 2023	1,191
8.750% medium-term notes due 2023	22
2.900% senior notes due 2024	3,000
6.950% senior notes due 2024	650
3.450% senior notes due 2024	248
3.500% senior notes due 2025	750
5.550% senior notes due 2026	1,100
3.200% senior notes due 2026	1,000
3.400% senior notes due 2026	1,150
7.500% debentures due 2026	112
3.000% senior notes due 2027	750
7.125% debentures due 2027	150
7.000% debentures due 2027	48
6.625% debentures due 2028	14
7.150% debentures due 2028	235
7.200% senior debentures due 2028	82
7.200% debentures due 2029	135
7.950% debentures due 2029	116
8.450% senior debentures due 2029	116
3.500 senior notes due 2029	1,500
Variable rate bonds due 2030 (1.785% as of September 30, 2019)	68
7.500% senior notes due 2031	900
7.875% senior notes due 2031	500
6.450% senior notes due 2036	1,750
Zero Coupon senior notes due 2036	2,271
4.300% senior notes due 2039	750
7.950% senior notes due 2039	325
6.200% senior notes due 2040	750
4.500% senior notes due 2044	625
4.625% senior notes due 2045	750
6.600% senior notes due 2046	1,100
4.400% senior notes due 2046	1,200
4.100% senior notes due 2047	750
4.200% senior notes due 2048	1,000
4.400% senior notes due 2049	750
7.730% debentures due 2096	60
7.500% debentures due 2096	78
7.250% debentures due 2096	49
Total borrowings at face value ^(a)	39,151
Adjustments to book value:	
Unamortized premium, net	859
Debt issuance costs	(133)

Long-term Debt, net - Occidental

\$	39,946
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^(a) Total borrowings at face value also includes a \$310 thousand 7.25% senior note due 2025

<i>millions</i>	Balance at September 30, 2019
WES	
5.375% senior notes due 2021	\$ 500
4.000% senior notes due 2022	670
3.950% senior notes due 2025	500
4.650% senior notes due 2026	500
4.500% senior notes due 2028	400
4.750% senior notes due 2028	400
5.450% senior notes due 2044	600
5.300% senior notes due 2048	700
5.500% senior notes due 2048	350
WES Term Loan Facility (3.420% as of September 30, 2019)	3,000
WES revolving credit facility (3.340% as of September 30, 2019)	160
Total borrowings at face value	\$ 7,780
Adjustments to book value:	
Unamortized discount net	(135)
Debt issuance costs	(8)
Long-term Debt, net - WES	\$ 7,637
 Occidental Consolidated	
Total borrowings at face value	\$ 46,931
 Adjustments to book value:	
Unamortized premium, net	724
Debt issuance costs	(141)
Long-term finance leases	69
Total Occidental Consolidated Long-term Debt	\$ 47,583

<i>millions</i>	Balance at December 31, 2018
Occidental	
9.250% senior debentures due 2019	\$ 116
4.100% senior notes due 2021	1,249
3.125% senior notes due 2022	813
2.600% senior notes due 2022	400
2.700% senior notes due 2023	1,191
8.750% medium-term notes due 2023	22
3.500% senior notes due 2025	750
3.400% senior notes due 2026	1,150
3.000% senior notes due 2027	750
7.200% senior debentures due 2028	82
8.450% senior debentures due 2029	116
4.625% senior notes due 2045	750
4.400% senior notes due 2046	1,200
4.100% senior notes due 2047	750
4.200% senior notes due 2048	1,000
Variable rate bonds due 2030 (1.9% as of December 31, 2018)	68
	10,407
 Adjustments to book value:	
Unamortized discount, net	(36)
Debt issuance costs	(54)
Current maturities	(116)
Total Occidental Consolidated Long-term Debt	\$ 10,201

Debt Issued

On August 8, 2019, Occidental issued \$13.0 billion of new senior unsecured notes, consisting of both floating and fixed rate debt. Occidental also borrowed under the Term Loans, which consist of: (1) a 364-day senior unsecured variable-rate term loan tranche of \$4.4 billion and (2) a two-year senior unsecured variable-rate term loan tranche of \$4.4 billion. In total, the \$21.8 billion in debt issued was used to finance part of the cash portion of the purchase price for the Merger.

Debt Assumed as Part of the Merger

In the Merger, Occidental assumed Anadarko and WES debt with an outstanding principal balance of \$11.9 billion and \$4.6 billion, respectively. In addition, WES had borrowings of \$2.9 billion under an RCF and term loan facilities at the Merger date. Debt assumed from Anadarko and WES was recorded at fair value at the Merger date, refer to Note 3 - The Merger. In September 2019, Occidental completed its offers to exchange the Anadarko senior notes and debentures assumed as part of the Merger for notes of a corresponding series issued by Occidental and cash, and related solicitation of consents. Of the approximately \$11.9 billion in aggregate principal amount of Anadarko senior notes and debentures offered in the exchange, 97 percent, or approximately \$11.5 billion, were tendered and accepted in the exchange offers. The portion not exchanged, approximately \$400 million, remains outstanding with the original terms.

Debt Repayment

In September 2019, Occidental paid down \$4.8 billion on the Term Loans, primarily using proceeds from the sales of both the Anadarko Mozambique LNG asset and Occidental's equity investment in Plains.

WES Debt

Debt related to WES included \$4.6 billion in senior unsecured notes, \$3.0 billion under the WES Term Loan Facility due December 2020, and \$160 million drawn against the WES RCF at September 30, 2019. The WES Term Loan Facility has a maturity date of December 31, 2020 and requires that net cash proceeds received from future asset sales and debt or equity offerings must be used to repay amounts outstanding under the facility, with a \$1.0 billion exclusion for debt offering proceeds. The WES RCF has a maturity date of February 2024 and a borrowing capacity of \$2.0 billion. In September 2019, WES borrowed \$1.0 billion under the WES Term Loan Facility and used the funds to repay borrowings under the WES RCF.

Revolving Credit Facility

On June 3, 2019, Occidental entered into an amendment to its existing \$3.0 billion revolving credit facility (Occidental RCF) pursuant to which, among other things, the commitments under the Occidental RCF were increased to \$5.0 billion at the closing of the Merger. Borrowings under the Occidental RCF bear interest at various benchmark rates, including LIBOR, plus a margin based on Occidental's senior debt ratings. The facility has similar terms to other debt agreements and does not contain material adverse change clauses or debt-ratings triggers that could restrict Occidental's ability to borrow, or that would permit lenders to terminate their commitments or accelerate debt repayment. The facility provides for the termination of loan commitments and requires immediate repayment of any outstanding amounts if certain events of default occur. Occidental has not drawn down any amounts under the Occidental RCF.

Zero Coupon Notes Due 2036

The Zero Coupon senior notes due 2036 (Zero Coupons) have an aggregate principal amount due at maturity of approximately \$2.3 billion, reflecting an accretion rate of 5.24%. The Zero Coupons can be put to Occidental in October of each year, in whole or in part, for the then-accreted value of the outstanding Zero Coupons. None of the Zero Coupons were put to Occidental in October 2019. The Zero Coupons can next be put to Occidental in October 2020, which, if put in whole, would be \$992 million at such date. Occidental has the ability and intent to refinance these obligations using long-term debt should a put be exercised.

Note 10 - Lease Commitments

On January 1, 2019, Occidental adopted ASC 842 using the modified retrospective approach, which provided a method for recording existing leases at adoption and did not require restatement of prior year amounts and disclosures, which continue to be reflected in accordance with ASC 840. Occidental elected certain practical expedients as follows:

- Leases that commenced before the effective date carried forward their historical lease classification.
- Existing or expired land easements as of December 31, 2018, were not reassessed to determine whether or not they contained a lease.
- Leases with a lease term of 12 months or less from lease commencement date are considered short-term leases and not recorded on the Consolidated Condensed Balance Sheet; however, the lease expenditures recognized are captured and reported as incurred.
- For asset classes, except long-term drilling rigs, Occidental elected to account for the lease and non-lease components as a single lease component as the non-lease portions were not significant to separate in determining the lease liability. For long-term drilling rig contracts, Occidental bifurcated the lease and non-lease components using relative fair value as a stand-alone selling price between the asset rental and the services obtained.

ASC 842 requires lessees to recognize a ROU asset and lease liability for all long-term leases. A ROU asset represents Occidental's right to use an underlying asset for the lease term and the associated lease liability represents the discounted obligation of future minimum lease payments. Occidental identifies leases through its accounts payable and contract monitoring process. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The ROU assets include the discounted obligation in addition to any upfront payments or costs incurred during the contract execution of the lease and amortized on a straight-line basis over the course of the lease term. Except for leases with explicitly defined contract terms, Occidental utilizes judgment to assess likelihood of renewals, terminations and purchase options, in order to determine the lease term. Occidental uses the incremental borrowing rate at commencement date to determine the present value of lease payments. The incremental borrowing rate equates to the rate of interest that Occidental would have to pay to borrow on a collateralized basis over a similar term an amount equal to the lease payments in a similar economic environment. Certain leases include variable lease payments which are over and above the minimum lease liability used to derive the ROU asset and lease liability and are based on the underlying asset's operations. These variable lease costs are reported in the lease cost classification table.

Recognition, measurement, and presentation of expenses and cash flows arising from a lease will depend on classification as a finance or operating lease. The criteria for distinguishing between finance and operating leases are substantially similar to the criteria under ASC 840. For Occidental operations, adoption of ASC 842 resulted in recording of net lease assets and lease liabilities of \$772 million as of January 1, 2019. There was no material impact to net income, cash flows, or stockholders' equity.

Merger Impact

ASC 805 Business Combinations requires lease-related assets and liabilities acquired to be measured as if the lease were new at the merger date. Occidental measured the Anadarko legacy lease agreements using an updated incremental borrowing rate curve. This resulted in legacy Anadarko assets and liabilities of \$498 million and \$574 million, respectively, excluding the Africa Assets at the Merger date. These agreements are still under further review for above-or below-market impacts.

The following table reconciles the undiscounted cash flows related to the operating and finance lease liabilities assumed in the Merger and recorded on the Consolidated Condensed Balance Sheet at the Merger date:

<i>millions</i>	Operating Leases	Finance Leases	Total
Remainder of 2019	\$ 90	\$ 7	\$ 97
2020	172	25	197
2021	64	15	79
2022	42	12	54
2023	28	7	35
Thereafter	136	42	178
Total lease payments	532	108	640
Less: Interest	(44)	(22)	(66)
Total lease liabilities	\$ 488	\$ 86	\$ 574

Additionally, Occidental has elected short-term lease treatment for those acquired lease contracts which, at the Merger date, have a remaining lease term of 12 months or less. For the leases acquired through the Merger, Occidental will retain the previous lease classification.

Nature of Leases

Occidental's operating lease agreements include leases for oil and gas exploration and development equipment, including offshore and onshore drilling rigs of \$186 million, compressors of \$174 million and other field equipment of \$97 million, which are recorded gross on the Consolidated Condensed Balance Sheet and in the lease cost disclosures below. Contract expiration terms generally range from two to seven years. Further, actual expenditures are netted against joint-interest recoveries on the income statement through the normal joint-interest billing process. Occidental's leases also include pipelines, rail cars, storage facilities, easements and real estate of \$682 million, which typically are not associated with joint-interest recoveries. Real estate leases have contract expiration terms ranging from 1 to 16 years.

Occidental's finance lease agreements include leases for oil and gas exploration and development equipment, as well as real estate offices, compressors, and field equipment of approximately \$100 million.

The following table presents lease balances and their location on the Consolidated Condensed Balance Sheet at September 30, 2019:

<i>millions</i>	Balance sheet location	2019
Assets:		
Operating	Operating lease assets	\$ 1,078
Finance	Property, plant and equipment	97
Total lease assets		\$ 1,175
Liabilities:		
Current		
Operating	Current operating lease liabilities	\$ 463
Finance	Current maturities of long-term debt	31
Non-current		
Operating	Deferred credits and other liabilities - Operating lease liabilities	676
Finance	Long-term debt, net - Occidental	69
Total lease liabilities		\$ 1,239

At September 30, 2019, Occidental's leases expire based on the following schedule:

<i>millions</i>	Operating Leases ^(a)	Finance Leases ^(b)	Total
Remainder of 2019	\$ 119	\$ 8	\$ 127
2020	390	38	428
2021	197	15	212
2022	129	12	141
2023	94	7	101
Thereafter	311	42	353
Total lease payments	1,240	122	1,362
Less: Interest	(101)	(22)	(123)
Total lease liabilities	\$ 1,139	\$ 100	\$ 1,239

(a) The weighted-average remaining lease term is 5.3 years and the weighted-average discount rate is 2.79%.

(b) The weighted-average remaining lease term is 6.4 years and the weighted-average discount rate is 4.92%.

At December 31, 2018, future undiscounted net minimum fixed lease payments for non-cancellable operating leases, prepared in accordance with accounting standards prior to the adoption of ASC 842, were as follows:

<i>millions</i>	Operating Leases
2019	\$ 186
2020	147
2021	96
2022	68
2023	49
Thereafter	158
Total minimum lease payments ^(a)	\$ 704

(a) The amount represents the future undiscounted cash flows at December 31, 2018, excluding any amount associated with the Merger.

The following tables present Occidental's total lease cost and classifications, as well as cash paid for amounts included in the measurement of operating and finance lease liabilities.

Lease cost classification ^(a) <i>millions</i>	Three months ended September 30, 2019	Nine months ended September 30, 2019
Operating lease costs ^(b)		
Property, plant and equipment, net	\$ 139	\$ 321
Cost of sales	133	271
Selling, general and administrative expenses	26	61
Finance lease cost		
Amortization of ROU assets	5	11
Interest on lease liabilities	1	1
	\$ 304	\$ 665

(a) Amounts reflected are gross before joint-interest recoveries.

(b) Includes short-term lease cost of \$139 million and \$295 million for the three and nine months ended September 30, 2019, respectively, and variable lease cost of \$55 million and \$115 million for the three and nine months ended September 30, 2019, respectively.

<i>millions</i>	Nine months ended September 30, 2019
Operating cash flows	\$ 162
Investing cash flows	83
Financing cash flows	11

Note 11 - Lawsuits, Claims, Commitments and Contingencies

Legal Matters

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

In accordance with applicable accounting guidance, Occidental accrues reserves for outstanding lawsuits, claims and proceedings when it is probable that a liability has been incurred and the liability can be reasonably estimated. In Note 12 - Environmental Liabilities and Expenditures, Occidental has disclosed its reserve balances for environmental remediation matters that satisfy this criteria. Reserve balances for matters, other than environmental remediation, that satisfy this criteria as of September 30, 2019, and December 31, 2018, were not material to Occidental's Consolidated Condensed Balance Sheets.

In 2016, Occidental received payments from the Republic of Ecuador of approximately \$1.0 billion pursuant to a November 2015 arbitration award for Ecuador's 2006 expropriation of Occidental's Participation Contract for Block 15. The awarded amount represented a recovery of 60 percent of the value of Block 15. In 2017, Andes Petroleum Ecuador Ltd. (Andes) filed a demand for arbitration, claiming it is entitled to a 40 percent share of the judgment amount obtained by Occidental. Occidental contends that Andes is not entitled to any of the amounts paid under the 2015 arbitration award because Occidental's recovery was limited to Occidental's own 60 percent economic interest in the block. The merits hearing is scheduled for May 2020. Occidental intends to vigorously defend against this claim in arbitration.

On May 30, 2019, a complaint was filed in the Court of Chancery of the State of Delaware by purported Occidental stockholders High River Limited Partnership, Icahn Partners Master Fund LP and Icahn Partners LP (the "Icahn Complainants"), captioned High River Ltd. P'ship v. Occidental Petroleum Corp., C.A. No. 2019-0403-JRS, seeking inspection of Occidental's books and records pursuant to Section 220 of the Delaware General Corporation Law. In the complaint, the Icahn Complainants noted that they had accumulated over \$1.6 billion of Occidental Common Stock. On June 14, 2019, Occidental filed an answer to the complaint in the Court of Chancery of the State of Delaware. A trial was held on September 20, 2019, and the parties are awaiting a ruling.

The ultimate outcome and impact of outstanding lawsuits, claims and proceedings on Occidental cannot be predicted. Management believes that the resolution of these matters will not, individually or in the aggregate, have a material adverse effect on Occidental's Consolidated Condensed Balance Sheets. If unfavorable outcomes of these matters were to occur, future results of operations or cash flows for any particular quarterly or annual period could be materially adversely affected. Occidental's estimates are based on information known about the legal matters and its experience in contesting, litigating and settling similar matters. Occidental reassesses the probability and estimability of contingent losses as new information becomes available.

Tax Matters

During the course of its operations, Occidental is subject to audit by tax authorities for varying periods in various federal, state, local and foreign tax jurisdictions. With the Merger, Occidental maintains two separate federal consolidated groups. For the legacy Occidental group, taxable years through 2016 for United States federal income tax purposes have been audited by the United States Internal Revenue Service (IRS) pursuant to its Compliance Assurance Program and subsequent taxable years are currently under review. Taxable years through 2009 have been audited for state income tax purposes. While a single foreign tax jurisdiction is open for 2002 and subsequent years, all other significant audit matters in foreign jurisdictions have been resolved through 2010.

For Anadarko, taxable years through 2016 for United States federal and state income tax purposes have been audited by the IRS and respective state taxing authorities. While the local country audit of a single foreign tax jurisdiction is open for tax years 2011 through 2013, there are no outstanding significant audit matters in foreign jurisdictions. During the course of tax audits, disputes have arisen and other disputes may arise as to facts and matters of law. Occidental believes that the resolution of outstanding tax matters would not have a material adverse effect on its consolidated financial position or results of operations.

The tax deduction for the Tronox Adversary Proceeding (Tronox) settlement payment contributed to a net operating loss reported on Anadarko's 2015 federal income tax return that was subsequently carried back to previous years and resulted in a tentative cash refund of \$881 million of prior taxes paid, which was received in 2016. While Occidental believes it is entitled to this refund, in accordance with ASC 740's guidance on the accounting for uncertain tax positions, as of September 30, 2019, Occidental has recorded no tax benefit on the tentative cash tax refund of prior federal taxes paid of \$881 million. As a result, should Occidental not ultimately prevail on the issue, there would be no tax expense recorded for financial statement purposes other than future interest. However, in that event Occidental would be required to repay approximately \$917 million (\$898 million federal and \$19 million in state taxes) plus accrued interest of approximately \$171 million.

Indemnities to Third Parties

Occidental, its subsidiaries, or both, have indemnified various parties against specified liabilities those parties might incur in the future in connection with purchases and other transactions that they have entered into with Occidental. These indemnities usually are contingent upon the other party incurring liabilities that reach specified thresholds. As of September 30, 2019, Occidental is not aware of circumstances that it believes would reasonably be expected to lead to indemnity claims that would result in payments materially in excess of reserves.

Purchase Obligations and Commitments

Occidental, its subsidiaries, or both, have entered into agreements providing for future payments to secure terminal and pipeline capacity, drilling rigs and services, electrical power, steam and certain chemical raw materials. Occidental has certain other commitments under contracts, guarantees and joint ventures, including purchase commitments for goods and services at market-related prices and certain other contingent liabilities.

As of September 30, 2019, there were no material changes to Occidental's legacy purchase obligations since disclosure in the 2018 Form 10-K. In the Merger, Occidental assumed purchase obligations of approximately \$5.2 billion, which included approximately \$315 million, \$1.0 billion, \$907 million, \$735 million, \$589 million and \$1.6 billion that will be paid for the remainder of 2019, 2020, 2021, 2022, 2023, and 2024 and thereafter, respectively. These amounts were discounted at 3.88%. These purchase obligations are related to long-term and work-related commitments for drilling wells, obtaining and processing seismic data, and fulfilling rig commitments, as well as various processing, transportation, storage, and purchase agreements to access markets and provide flexibility to sell its oil, natural gas, and NGL in certain areas.

Note 12 - Environmental Liabilities and Expenditures

Occidental's operations are subject to stringent federal, state, local, and international laws and regulations related to improving or maintaining environmental quality. The laws that require or address environmental remediation, including the CERCLA and similar federal, state, local and international laws, may apply retroactively and regardless of fault, the legality of the original activities or the current ownership or control of sites. Occidental 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 performance of remediation and, in some cases, compensation for alleged property damage, punitive damages, civil penalties, injunctive relief and government oversight costs.

As of September 30, 2019, Occidental participated in or monitored remedial activities or proceedings at 185 sites. The following table presents Occidental's current and non-current environmental remediation reserves as of September 30, 2019. The current portion, \$149 million, is included in accrued liabilities and the non-current portion, \$905 million, in deferred credits and other liabilities - environmental remediation reserves. The reserves are grouped as environmental remediation sites listed or proposed for listing by the United States Environmental Protection Agency (EPA) 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. Occidental continues to evaluate environmental liabilities assumed through the Merger with an initial determination that it will participate in or monitor remedial activities or proceedings at 42 sites. The underlying reserve balance for the environmental sites assumed through the Merger will change as more site-specific information and clean-up measures becomes available.

	Number of Sites	Reserve Balance (millions)
NPL sites	34	\$ 452
Third-party sites	66	223
Occidental-operated sites	14	110
Closed or non-operated Occidental sites	29	127
Environmental sites assumed from the Merger	42	142
Total	185	\$ 1,054

As of September 30, 2019, Occidental's environmental reserves exceeded \$10 million each at 19 of the 185 sites described above, and 112 of the sites had reserves from zero to \$1 million each. Based on current estimates, Occidental expects to expend funds corresponding to approximately 40 percent of the environmental reserves at the sites described above over the next three to four years and the remaining balance at these sites over the subsequent 10 or more years. Occidental believes its range of reasonably possible additional losses beyond those liabilities recorded for environmental remediation at these sites could be up to \$1.2 billion. Other than the sites assumed through the Merger, the status of Occidental's involvement with the sites and related significant assumptions, including those sites indemnified by Maxus Energy Corporation (Maxus), has not changed materially since December 31, 2018.

Maxus Environmental Sites

When Occidental acquired Diamond Shamrock Chemicals Company (DSCC) in 1986, Maxus, a subsidiary of YPF S.A. (YPF), agreed to indemnify Occidental for a number of environmental sites, including the Diamond Alkali Superfund Site (Site) along a portion of the Passaic River. On September 17, 2016, Maxus and several affiliated companies filed for Chapter 11 bankruptcy in Federal District Court in the State of Delaware. Prior to filing for bankruptcy, Maxus defended and indemnified Occidental in connection with clean-up and other costs associated with the sites subject to the indemnity, including the Site.

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

Occidental has accrued a reserve relating to its estimated allocable share of the costs to perform the design and remediation called for in the AOC and the ROD, as well as for certain other Maxus-indemnified sites. Occidental's accrued estimated environmental reserve does not consider any recoveries for indemnified costs. Occidental's ultimate share of this liability may be higher or lower than the reserved amount, and is subject to final design plans and the resolution of Occidental's allocable share with other potentially responsible parties. Occidental continues to evaluate the costs to be incurred to comply with the AOC, the ROD, and to perform remediation at other Maxus-indemnified sites in light of the Maxus bankruptcy and the share of ultimate liability of other potentially responsible parties. In June 2018, Occidental filed a complaint under CERCLA in Federal District Court in the State of New Jersey against numerous potentially responsible parties for reimbursement of amounts incurred or to be incurred to comply with the AOC, the ROD, or to perform other remediation activities at the Site.

In June 2017, the court overseeing the Maxus bankruptcy approved a Plan of Liquidation (Plan) to liquidate Maxus and create a trust to pursue claims against YPF, Repsol, and others to satisfy claims by Occidental and other creditors for past and future cleanup and other costs. In July 2017, the court-approved Plan became final and the trust became effective. Among other responsibilities, the trust will pursue claims against YPF, Repsol and others and distribute assets to Maxus' creditors in accordance with the trust agreement and Plan. In June 2018, the trust filed its complaint against YPF and Repsol in Delaware bankruptcy court asserting claims based upon, among other things, fraudulent transfer and alter ego. On February 15, 2019, the bankruptcy court denied Repsol's and YPF's motions to dismiss the complaint.

Note 13 - Retirement and Postretirement Benefit Plans

Occidental has various defined benefit pension plans for certain domestic union, non-union hourly and foreign national employees. In addition, Occidental also provides medical and other benefits for certain active, retired and disabled employees and their eligible dependents.

In conjunction with the Merger, Occidental acquired certain Anadarko contributory and non-contributory defined benefit pension plans, which include both qualified and supplemental plans, and plans that provide health care and life insurance benefits for certain retired employees. The Anadarko pension and postretirement obligations were remeasured as of the Merger date. The disclosures below exclude the Africa Assets classified as held for sale as of September 30, 2019.

The remeasurement resulted in an increase to the benefit obligation of \$193 million. Accumulated other comprehensive income balances of \$390 million were eliminated in purchase price accounting.

Net periodic benefit costs related to pension benefits included a curtailment gain of \$34 million and a \$10 million cost of special termination benefits for both the three and nine months ended September 30, 2019. The curtailment gain and cost of special termination benefits for 2019 relate to the separation program initiated in conjunction with the Merger. Excluding these items, net periodic benefit costs related to pension benefits were \$15 million and \$19 million for the three and nine months ended September 30, 2019, respectively, compared to \$2 million and \$4 million for the same periods in 2018.

Net periodic benefit costs related to postretirement benefits were \$19 million and \$48 million for the three and nine months ended September 30, 2019, respectively, compared to \$15 million and \$55 million for the same periods in 2018.

Occidental contributed approximately \$7 million and \$2 million in the three months ended September 30, 2019, and 2018, respectively, and approximately \$8 million and \$4 million in the nine months ended September 30, 2019, and 2018, respectively, to its defined benefit plans.

Note 14 - Stockholders' Equity

The following table is a summary of common stock issuances:

<i>shares in thousands</i>	Common Stock
Balance at December 31, 2018	895,116
Issued in the ordinary course	2,394
Issued as part of the Merger ^(a)	146,131
Balance at September 30, 2019	1,043,641

(a) Includes approximately 2 million shares of common stock issued to a benefits trust for former Anadarko employees treated as treasury stock at September 30, 2019.

Occidental has authorized 50 million shares of preferred stock with a par value of \$1.00 per share. On August 8, 2019, in connection with the Merger, Occidental issued 100,000 shares of a new series A preferred stock (the Preferred Stock), having a face value of \$100,000 per share. Dividends on the Preferred Stock will accrue on the face value at a rate per annum of 8 percent, but will be paid only when, as, and if declared by Occidental's Board of Directors. At any time, when such dividends have not been paid in full, the unpaid amounts will accrue dividends, compounded quarterly, at a rate per annum of 9 percent. Following the payment in full of any accrued but unpaid dividends, the dividend rate will remain at 9 percent per annum. On October 15, 2019, Occidental paid approximately \$149 million in Preferred Stock dividends. At September 30, 2019, Occidental had 100,000 shares of preferred stock issued and outstanding, and none were outstanding at December 31, 2018.

The following table presents the calculation of basic and diluted net income (loss) attributable to common stockholders per share:

<i>millions except per-share amounts</i>	Three months ended September 30		Nine months ended September 30	
	2019	2018	2019	2018
Net income (loss) attributable to common stockholders	\$ (912)	\$ 1,869	\$ 354	\$ 3,425
Less: Net income allocated to participating securities	—	8	1	16
Net income (loss), net of participating securities	\$ (912)	\$ 1,861	\$ 353	\$ 3,409
Weighted average number of basic shares	845.7	761.7	781.1	764.3
Net income (loss) attributable to common stockholders per share—basic	\$ (1.08)	\$ 2.44	\$ 0.45	\$ 4.46

Net income (loss), net of participating securities	\$	(912)	\$	1,861	\$	353	\$	3,409
Weighted average number of basic shares		845.7		761.7		781.1		764.3
Dilutive securities		—		1.6		1.1		1.5
Total diluted weighted-average common shares		<u>845.7</u>		<u>763.3</u>		<u>782.2</u>		<u>765.8</u>
Net income (loss) attributable to common stockholders per share—diluted	\$	<u>(1.08)</u>	\$	<u>2.44</u>	\$	<u>0.45</u>	\$	<u>4.45</u>

Accumulated other comprehensive loss consisted of the following after-tax amounts:

<i>millions</i>	Gains and (losses) on derivatives	Pension and postretirement benefit plans	Foreign currency translation adjustments	Total
Balance at December 31, 2018	\$ 5	\$ (170)	\$ (7)	\$ (172)
Other comprehensive loss, before reclassifications	(130)	(30)	—	(160)
Balance at September 30, 2019	<u>\$ (125)</u>	<u>\$ (200)</u>	<u>\$ (7)</u>	<u>\$ (332)</u>

Note 15 - Industry Segments

Occidental conducts its operations through four segments: (1) Oil and Gas; (2) Chemical; (3) Marketing and Other Midstream; and (4) WES Midstream.

Income taxes, interest income, interest expense, environmental remediation expenses, Anadarko merger-related costs and unallocated corporate expenses are included under Corporate and Eliminations. Intersegment sales eliminate upon consolidation and are generally made at prices approximating those that the selling entity would be able to obtain in third-party transactions. The following tables present Occidental's industry segments:

<i>millions</i>	Oil and Gas	Chemical	Marketing and Other Midstream	WES Midstream ^(a)	Corporate and Eliminations	Total
Three months ended September 30, 2019						
Net sales	\$ 3,821	\$ 1,071	\$ 780	\$ 383	\$ (368)	\$ 5,687
Income (loss) from continuing operations before income taxes	\$ 221	\$ 207	\$ 266	\$ 134	\$ (1,449) ^(b)	\$ (621)
Income tax expense	—	—	—	—	(116)	(116)
Income (loss) from continuing operations	\$ 221	\$ 207	\$ 266	\$ 134	\$ (1,565)	\$ (737)
Three months ended September 30, 2018						
Net sales	\$ 2,889	\$ 1,185	\$ 1,367	\$ —	\$ (225)	\$ 5,216
Income (loss) from continuing operations before income taxes	\$ 767	\$ 321	\$ 1,698	\$ —	\$ (207)	\$ 2,579
Income tax expense	—	—	—	—	(710)	(710)
Income (loss) from continuing operations	\$ 767	\$ 321	\$ 1,698	\$ —	\$ (917)	\$ 1,869
Nine months ended September 30, 2019						
Net sales	\$ 8,890	\$ 3,128	\$ 2,505	\$ 383	\$ (795)	\$ 14,111
Income (loss) from continuing operations before income taxes	\$ 1,431	\$ 680	\$ 876	\$ 134	\$ (1,945) ^(b)	\$ 1,176
Income tax expense	—	—	—	—	(647)	(647)
Income (loss) from continuing operations	\$ 1,431	\$ 680	\$ 876	\$ 134	\$ (2,592)	\$ 529
Nine months ended September 30, 2018						
Net sales	\$ 7,874	\$ 3,515	\$ 2,359	\$ —	\$ (686)	\$ 13,062
Income (loss) from continuing operations before income taxes	\$ 2,297	\$ 936	\$ 2,127	\$ —	\$ (584)	\$ 4,776
Income tax expense	—	—	—	—	(1,351)	(1,351)
Income (loss) from continuing operations	\$ 2,297	\$ 936	\$ 2,127	\$ —	\$ (1,935)	\$ 3,425

(a) The WES Midstream segment results represent the period from August 8, 2019, the Merger date, through September 30, 2019.

(b) The three months ended September 30, 2019 includes merger-related costs of \$924 million and amortized debt financing fees of \$65 million. The nine months ended September 30, 2019 includes merger-related costs of \$974 million and amortized debt financing fees of \$122 million.

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

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

In this report, "Occidental" means Occidental Petroleum Corporation (OPC), or OPC and one or more entities in which it owns a controlling interest (subsidiaries). Portions of this report contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical fact are "forward-looking statements" for purposes of federal and state securities laws, and they include, but are not limited to: any projections of earnings, revenue or other financial items or future financial position or sources of financing; any statements of the plans, strategies and objectives of management for future operations or business strategy; any statements regarding future economic conditions or performance; any statements of belief; and any statements of assumptions underlying any of the foregoing. Words such as "estimate," "project," "predict," "will," "would," "should," "could," "may," "might," "anticipate," "plan," "intend," "believe," "expect," "aim," "goal," "target," "objective," "likely" or similar expressions that convey the prospective nature of events or outcomes are generally indicative of 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.

Although Occidental believes that the expectations reflected in any of our forward-looking statements are reasonable, actual results may differ from anticipated results, sometimes materially. Factors that could cause results to differ from those projected or assumed in any forward-looking statement include, but are not limited to: the extent to which Occidental is able to successfully integrate Anadarko

Petroleum Corporation (Anadarko), manage expanded operations, including Western Midstream Partners, LP (WES), and realize the anticipated benefits of combining Occidental and Anadarko; Occidental's ability to successfully complete the sale of the remaining assets, liabilities, businesses and operations of the Africa assets to Total S.A. (Total); global commodity pricing fluctuations; supply and demand considerations for Occidental's products; higher-than-expected costs; the regulatory approval environment; not successfully completing, or any material delay of, field developments, expansion projects, capital expenditures, efficiency projects, acquisitions or dispositions; uncertainties about the estimated quantities of oil and natural gas reserves; lower-than-expected production from development projects or acquisitions; exploration risks; disruptions to, capacity constraints in, or other limitations on the pipeline systems that deliver our oil and natural gas and other processing and transportation considerations; general economic slowdowns domestically or internationally; difficult and adverse conditions in the domestic and global capital and credit markets; the impact of potential changes in Occidental's credit ratings; uncertainty from the expected discontinuance of LIBOR and transition to any other interest rate benchmark; political conditions and events; liability under environmental regulations, including remedial actions; litigation; disruption or interruption of production or manufacturing or facility damage due to accidents, chemical releases, labor unrest, weather, natural disasters, cyber attacks or insurgent activity; failure of risk management; changes in law or regulations; reorganization or restructuring of Occidental's operations; changes in tax rates; actions by third parties that are beyond Occidental's control; and the ability to generate cash to fund operations and repay indebtedness.

Additional information concerning these and other factors can be found in Occidental's filings with the U.S. Securities and Exchange Commission, including Occidental's Annual Report on Form 10-K for the year ended December 31, 2018 (the 2018 Form 10-K), Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

The Merger

On August 8, 2019, Occidental acquired all of the outstanding shares of Anadarko Petroleum Corporation (Anadarko) through a transaction in which an indirect, wholly owned subsidiary of Occidental merged with and into Anadarko (the Merger). Occidental believes that the Merger will enhance Occidental's Permian Basin leadership position and bolster its portfolio with additional free cash flow-generating assets; generate significant cost and capital synergies as well as capital spending efficiency; enhance its dividend growth strategy while maintaining balance sheet strength; permit Occidental to apply its proven technology and operational excellence to Anadarko's asset portfolio; and create a global energy leader with enhanced scale and expertise to lead energy into a lower-carbon future.

In connection with the Merger, Occidental agreed to sell to Total all of Anadarko's assets, liabilities, businesses, and operations for Algeria, Ghana, Mozambique, and South Africa (collectively, the Africa Assets) for \$8.8 billion, subject to certain purchase price adjustments. In August 2019, a purchase and sale agreement was executed for these assets. On September 27, 2019, Occidental completed the sale of Anadarko's Mozambique LNG assets to Total for \$4.2 billion. The assets and liabilities for Algeria, Ghana and South Africa, are presented as held for sale at September 30, 2019. The results of operations of the Africa Assets are presented as discontinued operations.

See *Note 3 - The Merger*, in the Notes to Consolidated Condensed Financial Statements in Part 1 Item 1 of this Form 10-Q, and Risk Factors in Part II Item 1A of this Form 10-Q for more information. Occidental's results of operations include the results of Anadarko from August 8, 2019 to September 30, 2019.

Consolidated Results of Operations

Occidental reported a loss from continuing operations of \$737 million for the third quarter of 2019 on net sales of \$5.7 billion, compared to income from continuing operations of \$1.9 billion on net sales of \$5.2 billion for the third quarter of 2018. Diluted earnings from continuing operations per share was a loss of \$1.06 for the third quarter of 2019 compared to earnings of \$2.44 for the third quarter of 2018.

Occidental reported income from continuing operations of \$529 million for the nine months ended September 30, 2019 on net sales of \$14.1 billion, compared to income from continuing operations of \$3.4 billion on net sales of \$13.1 billion for the nine months ended September 30, 2018. Diluted earnings from continuing operations per share was \$0.47 for the nine months ended September 30, 2019, compared to \$4.45 for the nine months ended September 30, 2018.

Excluding the impact of Anadarko merger-related costs, asset impairments, asset and equity investment sales gains, the decrease in income from continuing operations for the three and nine months ended September 30, 2019, compared to the same periods in 2018, is primarily related to lower crude oil prices, lower realized caustic soda prices and lower marketing margins, the effects of which were partially offset by higher crude oil production volumes acquired with the Merger and from legacy Occidental operations in the Permian Basin.

Selected Statements of Operations Items

Net sales increased for the three and nine months ended September 30, 2019, compared to the same period in 2018, primarily due to higher domestic crude oil volumes from the assets acquired through the Merger and from legacy Permian Resources operations. Increases in net sales were partially offset by lower crude oil prices and lower realized caustic soda prices in the Chemical segment.

Oil and gas operating expense and transportation expense increased for the three and nine months ended September 30, 2019, compared to the same periods in 2018, primarily due to higher production costs for surface operations and maintenance due to increased production as a result of the Merger. Purchased commodities increased for the three and nine months ended September 30, 2019, compared to the same periods in 2018, due to higher third-party crude purchases related to the Marketing and Other Midstream segment. DD&A (depreciation, depletion and amortization) expense increased for the three and nine months ended September 30, 2019, compared to the same periods in 2018, was primarily due to depreciation associated with assets acquired through the Merger.

Interest and debt expense, net, increased for the three and nine months ended September 30, 2019, compared to the same periods in 2018, due to the increase in debt issued to partially fund the Merger, as well as the debt assumed through the Merger.

The decrease in the provision for income taxes for the three and nine months ended September 30, 2019 compared to the same periods in 2018 reflects lower pre-tax income, which is offset by an increase in tax as a result of transaction-related costs for which Occidental received no tax benefit.

Segment Operations

Occidental conducts its operations through four segments: (1) Oil and Gas; (2) Chemical; (3) Marketing and Other Midstream; and (4) WES Midstream. The Oil and Gas segment explores for, develops and produces oil and condensate, natural gas liquids (NGL) and natural gas. The Chemical segment mainly manufactures and markets basic chemicals and vinyls. The Marketing and Other Midstream segment purchases, markets, gathers, processes, transports and stores oil, condensate, NGL, natural gas, CO₂ and power. Additionally, the Marketing and Other Midstream segment invests in entities that conduct similar activities. The WES Midstream segment owns gathering systems, plants and pipelines and earns revenue from fee-based and service-based contracts with Occidental and third parties.

The following table sets forth the sales and earnings of each operating segment and corporate items for the three and nine months ended September 30, 2019, and 2018:

<i>millions</i>	Three months ended September 30		Nine months ended September 30	
	2019	2018	2019	2018
Net sales ^(a)				
Oil and Gas	\$ 3,821	\$ 2,889	\$ 8,890	\$ 7,874
Chemical	1,071	1,185	3,128	3,515
Marketing and Other Midstream	780	1,367	2,505	2,359
WES Midstream ^(b)	383	—	383	—
Eliminations	(368)	(225)	(795)	(686)
	<u>\$ 5,687</u>	<u>\$ 5,216</u>	<u>\$ 14,111</u>	<u>\$ 13,062</u>
Income from continuing operations				
Oil and Gas	\$ 221	\$ 767	\$ 1,431	\$ 2,297
Chemical	207	321	680	936
Marketing and Other Midstream	266	1,698	876	2,127
WES Midstream ^(b)	134	—	134	—
	<u>\$ 828</u>	<u>\$ 2,786</u>	<u>\$ 3,121</u>	<u>\$ 5,360</u>
Unallocated corporate items				
Interest expense, net	(360)	(92)	(586)	(275)
Income tax expense	(116)	(710)	(647)	(1,351)
Other items, net ^(c)	(1,089)	(115)	(1,359)	(309)
Income (loss) from continuing operations	<u>\$ (737)</u>	<u>\$ 1,869</u>	<u>\$ 529</u>	<u>\$ 3,425</u>

(a) Intersegment sales eliminate upon consolidation and are generally made at prices approximating those that the selling entity would be able to obtain in third-party transactions.

(b) The WES Midstream segment results represent the period from August 8, 2019, the Merger date, through September 30, 2019.

(c) The three months ended September 30, 2019 includes merger-related costs of \$924 million and amortized debt financing fees of \$65 million. The nine months ended September 30, 2019 includes merger-related costs of \$974 million and amortized debt financing fees of \$122 million.

Items Affecting Comparability

The following table sets forth items affecting the comparability of Occidental's earnings that either arose in connection with the Merger or vary widely and unpredictably in nature, timing, and amount for the three and nine months ended September 30, 2019, and 2018:

<i>millions</i>	Three months ended September 30		Nine months ended September 30	
	2019	2018	2019	2018
Oil and Gas				
Asset impairments - domestic	\$ (285)	\$ —	\$ (285)	\$ —
Asset impairments - international	(40)	(196)	(40)	(196)
Oil collars gains	75	—	75	—
Total oil and gas	<u>\$ (250)</u>	<u>\$ (196)</u>	<u>\$ (250)</u>	<u>\$ (196)</u>
Marketing and Other Midstream				
Asset and equity investment sales gains	<u>\$ 111</u>	<u>\$ 902</u>	<u>\$ 111</u>	<u>\$ 902</u>
Corporate				
Anadarko merger-related costs	\$ (924)	\$ —	\$ (974)	\$ —
Bridge loan financing fees	(65)	—	(122)	—
Merger-related pension and other termination benefits	20	—	20	—
Gains (losses) on interest rate swaps and warrants, net	(33)	—	(33)	—
Total Corporate	<u>\$ (1,002)</u>	<u>\$ —</u>	<u>\$ (1,109)</u>	<u>\$ —</u>
Tax effect of items affecting comparability	151	(197)	164	(197)
Income from continuing operations	(990)	509	(1,084)	509
Discontinued operations	(15)	—	(15)	—
Total	<u><u>\$ (1,005)</u></u>	<u><u>\$ 509</u></u>	<u><u>\$ (1,099)</u></u>	<u><u>\$ 509</u></u>

Worldwide Effective Tax Rate

The following table sets forth the calculation of the worldwide effective tax rate:

<i>millions, except percentages</i>	Three months ended September 30		Nine months ended September 30	
	2019	2018	2019	2018
Income (loss) from continuing operations before income taxes	\$ (621)	\$ 2,579	\$ 1,176	\$ 4,776
Income tax (expense) benefit				
Federal and state	181	(362)	69	(533)
Foreign	(297)	(348)	(716)	(818)
Total income tax expense	<u>(116)</u>	<u>(710)</u>	<u>(647)</u>	<u>(1,351)</u>
Income (loss) from continuing operations	<u>\$ (737)</u>	<u>\$ 1,869</u>	<u>\$ 529</u>	<u>\$ 3,425</u>
Worldwide effective tax rate	<u>(19)%</u>	<u>28%</u>	<u>55%</u>	<u>28%</u>

The decrease in the provision for income taxes for the three and nine months ended September 30, 2019 compared to the same periods in 2018, reflects lower pre-tax income, which is offset by an increase in tax as a result of merger-related costs for which Occidental received no tax benefit.

Oil and Gas Segment

Oil and Gas segment earnings were \$221 million and \$1.4 billion for the three and nine months ended September 30, 2019, compared with segment earnings of \$767 million and \$2.3 billion for the same periods of 2018. The decrease in earnings primarily reflected lower realized crude oil, NGL and natural gas prices, partially offset by higher crude oil, NGL and natural gas sales volumes mostly due to added production from the Merger and increased production in the legacy Occidental Permian Resources business unit.

The following table sets forth the total sales volumes per day for oil, NGL, and natural gas:

	Three months ended September 30		Nine months ended September 30	
	2019	2018	2019	2018
Sales Volumes per Day				
Oil (MBBL)				
United States	486	256	351	241
Middle East	120	154	133	138
Latin America	35	31	33	31
NGL (MBBL)				
United States	168	73	112	65
Middle East	33	34	33	30
Natural Gas (MMCF)				
United States	1,085	332	633	315
Middle East	550	552	540	504
Latin America	8	6	7	6
Total Continuing Operations Volumes (MBOE) ^(a)	1,116	696	859	643
Discontinued Operations - Africa	41	—	14	—
Total Sales Volumes (MBOE) ^(a)	1,157	696	873	643

(a) Natural gas volumes have been converted to BOE based on energy content of six MCF of gas to one barrel of oil. Barrels of oil equivalent does not necessarily result in price equivalence.

Average daily sales volumes from continuing operations were 1,116 MBOE for the third quarter of 2019, compared to 696 MBOE for the third quarter of 2018. The increase in average daily sales volumes from continuing operations of 420 MBOE is primarily due to 377 MBOE in acquired production from the Merger including 163 MBOE in DJ Basin, 90 MBOE in the Gulf of Mexico, and 90 MBOE in the Delaware Basin as well as an increase of 75 MBOE, or 33 percent, in the legacy Occidental Permian Resources business unit as a result of increased drilling and well productivity.

Average daily sales volumes from continuing operations for the first nine months of 2019 were 859 MBOE compared to 643 MBOE for the same period in 2018. The increase in average daily sales volumes from continuing operations of 216 MBOE is primarily due to 127 MBOE in acquired production from the Merger including 55 MBOE in DJ Basin, 30 MBOE in the Gulf of Mexico and 30 MBOE in the Delaware Basin as well as an increase of 83 MBOE, or 41 percent, in the legacy Occidental Permian Resources business unit from increased drilling and well productivity, and Al Hosn, which increased by 11 MBOE, or 16 percent, due to the expansion of capacity and improved plant performance.

The following table presents information about Occidental's average realized prices and index prices:

	Three months ended September 30		Nine months ended September 30	
	2019	2018	2019	2018
Average Realized Prices				
Oil (\$/BBL)				
United States	\$ 54.90	\$ 56.36	\$ 53.27	\$ 59.38
Middle East	\$ 62.17	\$ 71.71	\$ 62.86	\$ 66.80
Latin America	\$ 54.98	\$ 69.94	\$ 58.00	\$ 64.90
Total Worldwide	\$ 56.26	\$ 62.67	\$ 56.02	\$ 62.29
NGL (\$/BBL)				
United States	\$ 13.91	\$ 31.82	\$ 15.20	\$ 29.38
Middle East	\$ 20.22	\$ 24.66	\$ 21.33	\$ 23.50
Total Worldwide	\$ 14.96	\$ 29.55	\$ 16.62	\$ 27.54
Natural Gas (\$/MCF)				
United States	\$ 1.25	\$ 1.58	\$ 1.05	\$ 1.70
Latin America	\$ 7.05	\$ 6.74	\$ 7.14	\$ 6.16
Total Worldwide	\$ 1.38	\$ 1.62	\$ 1.33	\$ 1.67
Average Index Prices				
WTI oil (\$/BBL)	\$ 56.45	\$ 69.50	\$ 57.06	\$ 66.75
Brent oil (\$/BBL)	\$ 62.01	\$ 75.97	\$ 64.74	\$ 72.68
NYMEX gas (\$/MCF)	\$ 2.27	\$ 2.88	\$ 2.72	\$ 2.83
Average Realized Prices as Percentage of Average Index Prices				
Worldwide oil as a percentage of average WTI	100%	90%	98%	93%
Worldwide oil as a percentage of average Brent	91%	82%	87%	86%
Worldwide NGL as a percentage of average WTI	27%	43%	29%	41%
Domestic natural gas as a percentage of average NYMEX	55%	55%	39%	60%

Chemical Segment

Chemical segment earnings for the three months ended September 30, 2019, and 2018 were \$207 million and \$321 million, respectively. Compared to the third quarter of 2018, the third quarter of 2019 reflected a decline in realized caustic soda prices along with weaker vinyl margins, slightly offset by stronger export caustic soda demand. Chemical segment earnings for the nine months ended September 30, 2019, and 2018, were \$680 million and \$936 million, respectively. Compared to the same period in 2018, the nine months ended September 30, 2019, reflected lower realized caustic soda prices partially offset by favorable feedstock costs. The nine months earnings also reflected fees received under a pipeline easement agreement that was executed during the first quarter of 2019.

Marketing and Other Midstream Segment

Marketing and Other Midstream segment earnings were \$266 million for the three months ended September 30, 2019, compared with earnings of \$1.7 billion for the same period of 2018. Marketing and Other Midstream earnings were \$876 million for the nine months ended September 30, 2019, compared with earnings of \$2.1 billion for the same period of 2018. Earnings for the three and nine months ended September 30, 2018 included a \$902 million gain from the sale of non-core domestic midstream assets. Excluding this gain on sale, the decrease in earnings was attributable to lower marketing margins due to decreased crude oil price spreads, lower NGL prices impacting gas processing and lower pipeline income due to the sale of non-core domestic midstream assets in the third quarter of 2018.

WES Midstream Segment

WES Midstream segment earnings from the Merger date to September 30, 2019 was \$134 million and income attributable to noncontrolling interests was \$42 million.

Liquidity and Capital Resources

At September 30, 2019, Occidental had \$4.8 billion in cash and cash equivalents and \$0.5 billion in restricted cash and restricted cash equivalents, which was primarily associated with a benefits trust for former Anadarko employees that was funded as part of the Merger. Restricted cash within the benefits trust will be made available to Occidental as payments are made to former Anadarko employees. In the third quarter of 2019, Occidental initiated a voluntary severance program to align the size and composition of its workforce with its expected future operating and capital plans. Additional expenses associated with the program are expected to be incurred throughout the remainder of 2019 and through most of 2020. With a continued focus on capital and operational efficiencies, Occidental expects to fund its liquidity needs, including future dividend payments, through cash on hand, cash generated from operations, monetization of non-core assets or investments and, if necessary, proceeds from other forms of capital issuance.

Operating cash flow from continuing operations was \$5.4 billion for the first nine months of 2019, compared to \$5.2 billion for the same period of 2018. The increase in operating cash flow from continuing operations mainly reflected higher production, which was partially offset by lower oil prices and Merger-related costs.

Occidental's net cash used by investing activities from continuing operations was \$27.6 billion for the first nine months of 2019, compared to \$1.7 billion for the same period of 2018. Capital expenditures for the first nine months of 2019 were \$4.2 billion, of which \$3.8 billion was for the Oil and Gas segment, compared to \$3.6 billion for the first nine months of 2018, of which \$3.2 billion was for the Oil and Gas segment. The primary use of cash for investing activities was the cash portion of the Merger consideration, net of the cash acquired in the Merger. Proceeds from the sale of assets and equity investments, net included the sale of Anadarko's Mozambique LNG assets, as well as proceeds from the sale of Occidental's Plains All American Pipeline equity investment.

Occidental's net cash provided by financing activities from continuing operations was \$24.7 billion for the first nine months of 2019, compared to \$2.2 billion cash used for the same period of 2018. Cash provided by financing activities for the first nine months of 2019 mainly reflected the issuance of long-term debt and preferred shares to consummate the Merger. These proceeds were partially offset by the partial repayment of the term loans and the payment of dividends. The nine months ended September 30, 2019, and 2018, each included dividend payments of \$1.8 billion.

As of September 30, 2019, Occidental was in compliance with all covenants of its financing agreements and had capacity for the payment of cash dividends and other distributions on, or acquisitions of, Occidental stock.

Environmental Liabilities and Expenditures

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

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

Refer to Note 12 - Environmental Liabilities and Expenditures, in the Notes to the Consolidated Condensed Financial Statements in Part I Item 1 of this Form 10-Q and to the Environmental Liabilities and Expenditures section of Management's Discussion and Analysis of Financial Condition and Results of Operations in the 2018 Form 10-K for additional information regarding Occidental's environmental expenditures.

Lawsuits, Claims, Commitments and Contingencies

Occidental accrues reserves for outstanding lawsuits, claims and proceedings when it is probable that a liability has been incurred and the liability can be reasonably estimated. Occidental has disclosed its reserve balances for environmental remediation matters and its estimated range of reasonably possible additional losses for such matters. Reserve balances for other matters as of September 30, 2019, and December 31, 2018, were not material to Occidental's Consolidated Condensed Balance Sheets. See Note 11 - Lawsuits, Claims, Commitments and Contingencies, in the Notes to Consolidated Condensed Financial Statements in Part I Item 1 of this Form 10-Q for further information.

Recently Adopted Accounting and Disclosure Changes

See Note 2 - Accounting and Disclosure Changes, in the Notes to Consolidated Condensed Financial Statements in Part I Item 1 of this Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Occidental's primary market risks are attributable to fluctuations in commodity prices and interest rates. These risks can affect revenues and cash flows, and Occidental's risk-management policies provide for the use of derivative instruments to manage these risks. The types of commodity derivative instruments used by Occidental include futures, swaps, options and fixed-price physical-delivery contracts. The volume of commodity derivatives entered into by Occidental is governed by risk-management policies and may vary from year to year. Both exchange and over-the-counter traded derivative instruments may be subject to margin-deposit requirements, and Occidental may be required from time to time to deposit cash or provide letters of credit with exchange brokers or counterparties to satisfy these margin requirements. For additional information relating to Occidental's derivative and financial instruments, see Note 7—Derivative Instruments in the Notes to Consolidated Condensed Financial Statements in Part I Item 1 of this Form 10-Q.

Commodity Price Risk

Occidental's most significant market risk relates to prices for oil, natural gas, and NGL. Management expects energy prices to remain unpredictable and potentially volatile. As energy prices decline or rise significantly, revenues and cash flows are likewise affected. In addition, a non-cash write-down of Occidental's oil and gas properties or goodwill may be required if commodity prices experience a significant decline.

Derivative Instruments Held for Non-Trading Purposes

As of September 30, 2019, Occidental had derivative instruments in place to reduce the price risk associated with future crude oil production of 300 thousand barrels per day. As of September 30, 2019, these derivative instruments were at a \$95 million net derivative asset position.

The following table shows a sensitivity analysis based on both a five-percent and ten-percent change in commodity prices and their effect on the net derivative asset position of \$95 million at September 30, 2019:

millions (except for percentages)

Percent change in commodity prices	Resulting Net Fair Value position- asset (liability)	Change to Fair Value from September 30, 2019 position
+ 5%	\$(91)	\$(186)
- 5%	\$261	\$166
+ 10%	\$(300)	\$(395)
-10%	\$410	\$315

Interest Rate Risk

Occidental acquired interest rate swap contracts in the Merger. Occidental pays a fixed interest rate and receives a floating interest rate indexed to three-month London Inter-Bank Offered Rate (LIBOR). The swaps have an initial term of 30 years with mandatory termination dates in September 2020 through 2023 and a total notional amount of \$1.6 billion as of September 30, 2019. In October 2019, \$125 million of notional interest rate swaps were terminated. As of September 30, 2019, Occidental had a net liability of \$1.4 billion based on the fair value of the swaps of negative \$1.7 billion netted against \$359 million in posted cash collateral. A 25-basis point decrease in implied LIBOR rates over the term of the swaps would result in an additional liability of approximately \$130 million on these swaps.

As of September 30, 2019, Occidental had \$6.5 billion of variable-rate debt outstanding, excluding WES. A 25-basis point increase in LIBOR interest rates would increase gross interest expense approximately \$16 million per year.

As of September 30, 2019, Occidental had \$32.6 billion of fixed-rate debt outstanding, excluding WES. A 25-basis point change in Treasury rates would change the fair value of the fixed-rate debt approximately \$680 million.

Item 4. Controls and Procedures

Occidental's President and Chief Executive Officer and its Senior Vice President and Chief Financial Officer supervised and participated in Occidental's evaluation of the effectiveness of its disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) as of the end of the period covered by this report. Based upon that evaluation, Occidental's President and Chief Executive Officer and Senior Vice President and Chief Financial Officer concluded that Occidental's disclosure controls and procedures were effective as of September 30, 2019.

Except as described below, 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 three months ended September 30, 2019, that has materially affected, or is reasonably likely to materially affect, Occidental's internal control over financial reporting.

In the third quarter of 2019, Occidental started the process of integrating Anadarko into its operations and internal control processes, resulting in some of Anadarko's historical internal controls being superseded by Occidental's internal controls. Management will continue to integrate Anadarko's historical internal controls over financial reporting with Occidental's internal controls over financial reporting. This integration may lead to changes in Occidental's or Anadarko's historical internal controls over financial reporting in future fiscal periods. Occidental is also in the process of implementing a new Enterprise Resource Planning (ERP) system. Occidental intends to integrate Anadarko's internal control processes into Occidental's internal control processes in conjunction with implementation of the ERP system. Management expects the integration process to be completed during 2021.

PART II OTHER INFORMATION

Item 1. Legal Proceedings

On July 17, 2019, an Occidental subsidiary received a draft consent agreement and final order from the U.S. Environmental Protection Agency (EPA) regarding alleged violations under the Clean Air Act (CAA) and various sections of the EPA's Chemical Accident Prevention Provisions at the Convent, Louisiana facility. EPA's order includes allegations associated with process reviews, procedures and recordkeeping. EPA's draft settlement proposal includes a civil penalty of \$185,545. Occidental is currently negotiating a resolution of this matter with EPA.

On September 13, 2019, an Occidental subsidiary received a draft consent agreement and final order from EPA regarding alleged violations under the CAA and various sections of the EPA's Chemical Accident Prevention Provisions at the Geismar, Louisiana facility. EPA's order includes allegations associated with operating procedures, inspections, contractor reviews, medical protocols in the emergency response plan, administrative updates and four historical on-site incidents. EPA's draft settlement proposal includes a civil penalty of \$931,990. Occidental is currently negotiating a resolution of this matter with EPA.

For information regarding legal proceedings, see Note - 11, Lawsuits, Claims, Commitments and Contingencies in the Notes to Consolidated Condensed Financial Statements, in Part I Item 1 of this Form 10-Q.

Item 1A. Risk Factors

Other than as set forth below, there have been no material changes to the disclosure presented in the 2018 Form 10-K under Part I Item 1A.

The diversion of resources and management's attention to the integration of Anadarko could adversely affect day-to-day business.

The integration of Anadarko places a significant burden on Occidental's management and internal resources. The diversion of management's attention away from day-to-day business concerns and any difficulties encountered in the transition and integration process could adversely affect financial results.

Occidental may not be able to integrate Anadarko successfully, and many of the anticipated benefits of combining Anadarko and Occidental may not be realized.

Occidental acquired Anadarko with the expectation that the Merger will result in various benefits, including, among other things, operating efficiencies. Achieving those anticipated benefits is subject to a number of uncertainties, including whether Occidental can integrate the business of Anadarko in an efficient and effective manner, and Occidental cannot assure you that those benefits will be realized as quickly as expected or at all. If Occidental does not achieve those benefits, costs could increase, expected net income could decrease, and future business, financial condition, operating results, and prospects could suffer.

The integration process could take longer than anticipated and involve unanticipated costs. Disruptions of each company's ongoing businesses, processes, and systems or inconsistencies in standards, controls, procedures, practices, policies, and compensation arrangements could adversely affect the combined company. Occidental may also have difficulty addressing differences in corporate cultures and management philosophies, and in harmonizing other systems and business practices. Although Occidental expects that the elimination of certain duplicative costs, as well as the realization of other efficiencies related to the integration of the two businesses, will over time offset the substantial incremental transaction and Merger-related costs, Occidental may not achieve this net benefit in the near term, or at all.

Future results will be negatively impacted if Occidental does not effectively manage its expanded operations.

With completion of the Merger, the size of Occidental's business has increased significantly. Occidental's continued success depends, in part, upon its ability to manage this expanded business, which poses substantial challenges for management, including challenges related to the management and monitoring of new operations and associated increased costs and complexity. Occidental cannot assure you that it will be successful or that it will realize the expected operating efficiencies, cost savings, and other benefits from the combination currently anticipated.

Occidental has incurred a substantial amount of indebtedness and other payment obligations in connection with the financing of the Merger and may be unable to service and repay such indebtedness.

Occidental funded the cash portion of the Merger consideration by incurring \$21.8 billion of third-party indebtedness and issuing shares of series A preferred stock and a warrant to acquire common stock pursuant to the Berkshire Hathaway Inc. investment. In addition, Occidental assumed approximately \$11.9 billion aggregate principal amount of Anadarko's outstanding long-term debt, excluding finance lease liabilities, as well as approximately \$7.3 billion aggregate principal amount of WES Midstream's outstanding short- and long-term debt in the Merger. Occidental cannot guarantee that it will be able to generate sufficient cash flow to service and repay this indebtedness or to pay the dividends required to be paid on the series A preferred stock, or that it will be able to refinance such indebtedness on favorable terms, or at all. The failure to so repay or refinance such indebtedness, or to pay dividends on such series A preferred stock, could have a material adverse effect on Occidental's business, financial condition, results of operations, cash flows and/or share price. If Occidental is unable to service such indebtedness and fund its operations, Occidental may be forced to reduce or delay capital expenditures, seek additional capital, sell assets or refinance Occidental's indebtedness. Any such action may not be successful and Occidental may be unable to service such indebtedness and its operations, which could have a material adverse effect on Occidental's business, financial condition, results of operations, cash flows and/or share price.

Occidental may not be able to complete the sale to Total S.A. of the assets, liabilities, businesses and operations of Anadarko in Algeria, Ghana and South Africa or complete its planned divestitures of certain assets on favorable terms or at all.

The Total transaction is conditioned on the receipt of required regulatory approvals as well as other customary closing conditions. Occidental may not be able to complete the Total transaction or obtain the proceeds that could be realized from it, and those cash proceeds may not be adequate to meet any debt service obligations then due. In addition, although Occidental intends to complete \$10 billion to \$15 billion of divestitures of certain assets within 24 months after completion of the Merger (including the Total transaction), Occidental may not be able to complete its planned divestitures on favorable terms or at all. Any difficulties with respect to the completion of the Total transaction or other planned divestitures could have a material adverse effect on Occidental's business, financial condition, results of operations, cash flows and/or stock price. See Note 4 - Acquisitions, Dispositions, and Other, in the Notes to Consolidated Condensed Financial Statements in Part I Item 1 of this Form 10-Q for more information about the Total transaction.

Occidental's operations and financial results could be significantly negatively impacted by its offshore operations.

Occidental is vulnerable to risks associated with our offshore operations that could negatively impact our operations and financial results. Occidental conducts offshore operations in the Gulf of Mexico, Ghana and other countries. Occidental's operations and financial results could be significantly impacted by conditions in some of these areas and are also vulnerable to certain unique risks associated with operating offshore, including those relating to the following:

- hurricanes and other adverse weather conditions
- geological complexities and water depths associated with such operations
- limited number of partners available to participate in projects
- oilfield service costs and availability
- compliance with environmental, safety, and other laws and regulations
- terrorist attacks or piracy
- remediation and other costs and regulatory changes resulting from oil spills or releases of hazardous materials
- failure of equipment or facilities
- response capabilities for personnel, equipment, or environmental incidents

In addition, Occidental conducts some of its exploration in deep waters (greater than 1,000 feet) where operations, support services, and decommissioning activities are more difficult and costly than in shallower waters. The deep waters in the Gulf of Mexico, as well as international deepwater locations, lack the physical and oilfield service infrastructure present in shallower waters. As a result, deepwater operations may require significant time between a discovery and the time that Occidental can market its production, thereby increasing the risk involved with these operations.

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

On August 8, 2019, in connection with the Merger, Occidental issued to Berkshire Hathaway Inc. and certain of its subsidiaries 100,000 shares of series A preferred stock (the Preferred Stock) with a warrant to purchase 80 million shares of Occidental common stock at an exercise price of \$62.50 (the Warrant) for \$10 billion. The Preferred Stock and the Warrant have not been registered under the Securities Act of 1933, as amended, and were issued and sold in a private placement pursuant to Section 4(a)(2) thereof. See Note 3 - The Merger, Note 7 - Derivative Instruments, and Note 14 - Stockholders' Equity, in the Notes to Consolidated Condensed Financial Statements in Part I Item 1 of this Form 10-Q for more information.

Share Repurchase Activities

Occidental's share repurchase activities for the nine months ended September 30, 2019, were as follows:

Period	Total Number of Shares Purchased ^(a)	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 ^(b)
First Quarter 2019	2,690,000	\$ 66.94	2,690,000	
Second Quarter 2019	—	\$ —	—	
Third Quarter 2019	—	\$ —	—	
Total	2,690,000	\$ 66.94	2,690,000	44,206,787

(a) There were no purchases from the trustee of Occidental's defined contribution savings plan in the third quarter.

(b) Represents the total number of shares remaining at September 30, 2019, under Occidental's share repurchase program of 185 million shares. The program was initially announced in 2005. The program does not obligate Occidental to acquire any specific number of shares and may be discontinued at any time.

Item 6. Exhibits

- 2.1 Purchase and Sale Agreement, dated as of August 3, 2019, between Occidental Petroleum Corporation and Total S.A. (filed as Exhibit 2.1 to the Current Report on Form 8-K of Occidental dated August 3, 2019 (date of earliest event reported), filed August 5, 2019, File No. 1-9210).[^]
- 3.1 Certificate of Designations with respect to the Cumulative Perpetual Preferred Stock, Series A (filed as Exhibit 3.1 to the Current Report on Form 8-K of Occidental dated August 8, 2019 (date of earliest event reported), filed August 8, 2019, File No. 1-9210).
- 4.1 Warrant to purchase 80,000,000 shares of common stock (form of Warrant filed as Annex B to Exhibit 10.1 of Occidental Petroleum Corporation's Current Report on Form 8-K filed on May 3, 2019).
- 4.2 Indenture, dated as of August 8, 2019, between Occidental Petroleum Corporation and The Bank of New York Mellon Trust Company, N.A. (filed as Exhibit 4.1 to the Current Report on Form 8-K of Occidental dated August 6, 2019 (date of earliest event reported), filed August 8, 2019, File No. 1-9210).
- 4.3 Officer's Certificate pursuant to the Indenture, dated as of August 8, 2019, establishing the Notes and their terms (filed as Exhibit 4.2 to the Current Report on Form 8-K of Occidental dated August 6, 2019 (date of earliest event reported), filed August 8, 2019, File No. 1-9210).
- 4.4 Form of Floating Rate Senior Notes due February 2021 (included as Exhibit A to Exhibit 4.2) (filed as Exhibit 4.3 to the Current Report on Form 8-K of Occidental dated August 6, 2019 (date of earliest event reported), filed August 8, 2019, File No. 1-9210).
- 4.5 Form of Floating Rate Senior Notes due August 2021 (included as Exhibit B to Exhibit 4.2) (filed as Exhibit 4.4 to the Current Report on Form 8-K of Occidental dated August 6, 2019 (date of earliest event reported), filed August 8, 2019, File No. 1-9210).
- 4.6 Form of Floating Rate Senior Notes due 2022 (included as Exhibit C to Exhibit 4.2) (filed as Exhibit 4.5 to the Current Report on Form 8-K of Occidental dated August 6, 2019 (date of earliest event reported), filed August 8, 2019, File No. 1-9210).

- 4.7 Form of 2.600% Senior Notes due 2021 (included as Exhibit D to Exhibit 4.2) (filed as Exhibit 4.6 to the Current Report on Form 8-K of Occidental dated August 6, 2019 (date of earliest event reported), filed August 8, 2019, File No. 1-9210).
- 4.8 Form of 2.700% Senior Notes due 2022 (included as Exhibit E to Exhibit 4.2) (filed as Exhibit 4.7 to the Current Report on Form 8-K of Occidental dated August 6, 2019 (date of earliest event reported), filed August 8, 2019, File No. 1-9210).
- 4.9 Form of 2.900% Senior Notes due 2024 (included as Exhibit F to Exhibit 4.2) (filed as Exhibit 4.8 to the Current Report on Form 8-K of Occidental dated August 6, 2019 (date of earliest event reported), filed August 8, 2019, File No. 1-9210).
- 4.10 Form of 3.200% Senior Notes due 2026 (included as Exhibit G to Exhibit 4.2) (filed as Exhibit 4.9 to the Current Report on Form 8-K of Occidental dated August 6, 2019 (date of earliest event reported), filed August 8, 2019, File No. 1-9210).
- 4.11 Form of 3.500% Senior Notes due 2029 (included as Exhibit H to Exhibit 4.2) (filed as Exhibit 4.10 to the Current Report on Form 8-K of Occidental dated August 6, 2019 (date of earliest event reported), filed August 8, 2019, File No. 1-9210).
- 4.12 Form of 4.300% Senior Notes due 2039 (included as Exhibit I to Exhibit 4.2) (filed as Exhibit 4.11 to the Current Report on Form 8-K of Occidental dated August 6, 2019 (date of earliest event reported), filed August 8, 2019, File No. 1-9210).
- 4.13 Form of 4.400% Senior Notes due 2049 (included as Exhibit J to Exhibit 4.2) (filed as Exhibit 4.12 to the Current Report on Form 8-K of Occidental dated August 6, 2019 (date of earliest event reported), filed August 8, 2019, File No. 1-9210).
- 4.14 Tenth Supplemental Indenture, dated August 29, 2019, to the August 1, 1982 Indenture, by and among Kerr-McGee Corporation, Anadarko Petroleum Corporation and The Bank of New York Mellon Trust Company, N.A. (as successor in interest to Citibank, N.A.), as Trustee (filed as Exhibit 4.1 to the Current Report on Form 8-K of Occidental dated August 29, 2019 (date of earliest event reported), filed August 30, 2019, File No. 1-9210).
- 4.15 First Supplemental Indenture, dated August 29, 2019, to the March 1, 1995 Indenture, by and between Anadarko Petroleum Corporation and The Bank of New York Mellon Trust Company, N.A. (as successor in interest to The Chase Manhattan Bank, N.A.), as Trustee (filed as Exhibit 4.2 to the Current Report on Form 8-K of Occidental dated August 29, 2019 (date of earliest event reported), filed August 30, 2019, File No. 1-9210).
- 4.16 Second Supplemental Indenture, dated August 29, 2019, to the March 27, 1996 Indenture, by and among Anadarko Holding Company (as successor in interest to Union Pacific Resources Group Inc.), Anadarko Petroleum Corporation and The Bank of New York Mellon Trust Company, N.A. (as successor in interest to Chase Bank of Texas National Association), as Trustee (filed as Exhibit 4.3 to the Current Report on Form 8-K of Occidental dated August 29, 2019 (date of earliest event reported), filed August 30, 2019, File No. 1-9210).
- 4.17 First Supplemental Indenture, dated August 29, 2019, to the September 1, 1997 Indenture, by and between Anadarko Petroleum Corporation and The Bank of New York Mellon Trust Company, N.A. (as successor in interest to Harris Trust and Savings Bank), as Trustee (filed as Exhibit 4.4 to the Current Report on Form 8-K of Occidental dated August 29, 2019 (date of earliest event reported), filed August 30, 2019, File No. 1-9210).
- 4.18 Second Supplemental Indenture, dated August 29, 2019, to the April 13, 1999 Indenture, by and among Anadarko Holding Company (as successor in interest to Union Pacific Resources Group Inc.), Anadarko Finance Company (as successor in interest to UPR Capital Company), Anadarko Petroleum Corporation and The Bank of New York Mellon Trust Company, N.A. (as successor in interest to The Bank of New York), as Trustee (filed as Exhibit 4.5 to the Current Report on Form 8-K of Occidental dated August 29, 2019 (date of earliest event reported), filed August 30, 2019, File No. 1-9210).
- 4.19 Second Supplemental Indenture, dated August 29, 2019, to the April 26, 2001 Indenture, by and among Anadarko Finance Company, Anadarko Petroleum Corporation and The Bank of New York Mellon Trust Company, N.A. (as successor in interest to The Bank of New York), as Trustee (filed as Exhibit 4.6 to the Current Report on Form 8-K of Occidental dated August 29, 2019 (date of earliest event reported), filed August 30, 2019, File No. 1-9210).

- 4.20 Third Supplemental Indenture, dated August 29, 2019, to the August 1, 2001 Indenture, by and among Kerr-McGee Corporation, Anadarko Petroleum Corporation and The Bank of New York Mellon Trust Company, N.A. (as successor in interest to Citibank, N.A.), as Trustee (filed as Exhibit 4.7 to the Current Report on Form 8-K of Occidental dated August 29, 2019 (date of earliest event reported), filed August 30, 2019, File No. 1-9210).
- 4.21 Fourth Supplemental Indenture, dated August 29, 2019, to the September 19, 2006 Indenture, by and between Anadarko Petroleum Corporation and The Bank of New York Mellon Trust Company, N.A. (formerly known as The Bank of New York Trust Company, N.A.), as Trustee (filed as Exhibit 4.8 to the Current Report on Form 8-K of Occidental dated August 29, 2019 (date of earliest event reported), filed August 30, 2019, File No. 1-9210).
- 4.22 Form of 4.850% Senior Notes due 2021 (filed as Exhibit 4.2 to the Current Report on Form 8-K of Occidental dated September 16, 2019 (date of earliest event reported), filed September 19, 2019, File No. 1-9210).
- 4.23 Form of 3.450% Senior Notes due 2024 (filed as Exhibit 4.3 to the Current Report on Form 8-K of Occidental dated September 16, 2019 (date of earliest event reported), filed September 19, 2019, File No. 1-9210).
- 4.24 Form of 6.950% Senior Notes due 2024 (filed as Exhibit 4.4 to the Current Report on Form 8-K of Occidental dated September 16, 2019 (date of earliest event reported), filed September 19, 2019, File No. 1-9210).
- 4.25 Form of 5.550% Senior Notes due 2026 (filed as Exhibit 4.5 to the Current Report on Form 8-K of Occidental dated September 16, 2019 (date of earliest event reported), filed September 19, 2019, File No. 1-9210).
- 4.26 Form of 7.500% Debentures due 2026 (filed as Exhibit 4.6 to the Current Report on Form 8-K of Occidental dated September 16, 2019 (date of earliest event reported), filed September 19, 2019, File No. 1-9210).
- 4.27 Form of 7.000% Debentures due 2027 (filed as Exhibit 4.7 to the Current Report on Form 8-K of Occidental dated September 16, 2019 (date of earliest event reported), filed September 19, 2019, File No. 1-9210).
- 4.28 Form of 7.125% Debentures due 2027 (filed as Exhibit 4.8 to the Current Report on Form 8-K of Occidental dated September 16, 2019 (date of earliest event reported), filed September 19, 2019, File No. 1-9210).
- 4.29 Form of 7.150% Debentures due 2028 (filed as Exhibit 4.9 to the Current Report on Form 8-K of Occidental dated September 16, 2019 (date of earliest event reported), filed September 19, 2019, File No. 1-9210).
- 4.30 Form of 6.625% Debentures due 2028 (filed as Exhibit 4.10 to the Current Report on Form 8-K of Occidental dated September 16, 2019 (date of earliest event reported), filed September 19, 2019, File No. 1-9210).
- 4.31 Form of 7.200% Debentures due 2029 (filed as Exhibit 4.11 to the Current Report on Form 8-K of Occidental dated September 16, 2019 (date of earliest event reported), filed September 19, 2019, File No. 1-9210).
- 4.32 Form of 7.950% Debentures due 2029 (filed as Exhibit 4.12 to the Current Report on Form 8-K of Occidental dated September 16, 2019 (date of earliest event reported), filed September 19, 2019, File No. 1-9210).
- 4.33 Form of 7.500% Senior Notes due 2031 (filed as Exhibit 4.13 to the Current Report on Form 8-K of Occidental dated September 16, 2019 (date of earliest event reported), filed September 19, 2019, File No. 1-9210).
- 4.34 Form of 7.875% Senior Notes due 2031 (filed as Exhibit 4.14 to the Current Report on Form 8-K of Occidental dated September 16, 2019 (date of earliest event reported), filed September 19, 2019, File No. 1-9210).
- 4.35 Form of 6.450% Senior Notes due 2036 (filed as Exhibit 4.15 to the Current Report on Form 8-K of Occidental dated September 16, 2019 (date of earliest event reported), filed September 19, 2019, File No. 1-9210).

4.36	Form of Zero Coupon Senior Notes due 2036 (filed as Exhibit 4.16 to the Current Report on Form 8-K of Occidental dated September 16, 2019 (date of earliest event reported), filed September 19, 2019, File No. 1-9210).
4.37	Form of 7.950% Senior Notes due 2039 (filed as Exhibit 4.17 to the Current Report on Form 8-K of Occidental dated September 16, 2019 (date of earliest event reported), filed September 19, 2019, File No. 1-9210).
4.38	Form of 6.200% Senior Notes due 2040 (filed as Exhibit 4.18 to the Current Report on Form 8-K of Occidental dated September 16, 2019 (date of earliest event reported), filed September 19, 2019, File No. 1-9210).
4.39	Form of 4.500% Senior Notes due 2044 (filed as Exhibit 4.19 to the Current Report on Form 8-K of Occidental dated September 16, 2019 (date of earliest event reported), filed September 19, 2019, File No. 1-9210).
4.40	Form of 6.600% Senior Notes due 2046 (filed as Exhibit 4.20 to the Current Report on Form 8-K of Occidental dated September 16, 2019 (date of earliest event reported), filed September 19, 2019, File No. 1-9210).
4.41	Form of 7.730% Debentures due 2096 (filed as Exhibit 4.21 to the Current Report on Form 8-K of Occidental dated September 16, 2019 (date of earliest event reported), filed September 19, 2019, File No. 1-9210).
4.42	Form of 7.500% Debentures due 2096 (filed as Exhibit 4.22 to the Current Report on Form 8-K of Occidental dated September 16, 2019 (date of earliest event reported), filed September 19, 2019, File No. 1-9210).
10.1	Term Loan Agreement, dated as of June 3, 2019, among Occidental Petroleum Corporation, the lenders party thereto and Citibank, N.A., as Administrative Agent (filed as Exhibit 10.1 to the Current Report on Form 8-K of Occidental dated August 8, 2019 (date of earliest event reported), filed August 8, 2019, File No. 1-9210). [^]
10.2	Amended and Restated Revolving Credit Agreement, dated as of June 3, 2019, among Occidental Petroleum Corporation, the lenders party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent (filed as Exhibit 10.2 to the Current Report on Form 8-K of Occidental dated August 8, 2019 (date of earliest event reported), filed August 8, 2019, File No. 1-9210). [^]
10.3 [#]	Retention Agreement with Christopher O. Champion (filed as Exhibit 10.3 to the Current Report on Form 8-K of Occidental dated August 8, 2019 (date of earliest event reported), filed August 8, 2019, File No. 1-9210). [^]
10.4 ^{**}	Anadarko Retirement Restoration Plan (As Amended and Restated Effective as of August 8, 2019).
10.5 ^{**}	Anadarko Petroleum Corporation Savings Restoration Plan (As Amended and Restated Effective August 8, 2019).
10.6 [#]	Anadarko Employee Savings Plan (As Amended and Restated Effective January 1, 2015) (filed as Exhibit 4.3 to the Post-Effective Amendment No.1 on Form S-8 to Form S-4 of Occidental filed August 8, 2019, File No. 1-9210).
10.7 ^{**}	Termination Amendment to the Anadarko Employee Savings Plan (As Amended and Restated Effective January 1, 2015).
10.8 ^{**}	First Amendment to the Occidental Petroleum Corporation Savings Plan (As Amended and Restated Effective January 1, 2018).
10.9 ^{**}	Kerr-McGee Corporation Benefits Restoration Plan (Amended and Restated Effective August 8, 2019).
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 [*]	Inline XBRL Instance Document.
101.SCH [*]	Inline XBRL Taxonomy Extension Schema Document.
101.CAL [*]	Inline XBRL Taxonomy Extension Calculation Linkbase Document.

101.LAB* Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE* Inline XBRL Taxonomy Extension Presentation Linkbase Document.
101.DEF* Inline XBRL Taxonomy Extension Definition Linkbase Document.
104* Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

Indicates a management contract or compensatory plan or arrangement.

* Filed herewith.

** Furnished herewith.

^ Exhibits and schedules omitted pursuant to Item 601(a)(5) of Regulation S-K. Occidental Petroleum Corporation agrees to furnish supplementally a copy of any omitted exhibit or schedule to the SEC upon request.

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

November 4, 2019

/s/ Christopher O. Champion

Christopher O. Champion

Vice President, Chief Accounting Officer and
Controller

ANADARKO RETIREMENT RESTORATION PLAN
(As Amended and Restated Effective as of August 8, 2019)

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ANADARKO RETIREMENT RESTORATION PLAN
(As Amended and Restated Effective as of August 8, 2019)

Article I

PURPOSES OF THE PLAN

The purposes of the Plan are (i) to recognize the value to the Company of the past and present services of the Eligible Employees and (ii) to encourage their continued employment service by providing benefits for their future retirement security. The Plan was created because of certain Limitations which are imposed on the Retirement Plan by the Code.

The Plan was originally effective as of January 1, 1995, amended effective as of July 31, 2003, and amended and restated generally effective as of November 7, 2007, and again effective as of January 1, 2017. The Plan as set forth herein constitutes an amendment and restatement of the Plan as in effect immediately prior to the Effective Date in order to modify certain provisions of the Plan related to Plan administration. This amendment and restatement of the Plan shall be effective as of the Effective Date.

With respect to Participants other than Limited 415 Participants, the Plan is intended as an unfunded plan to be maintained primarily for the purpose of providing deferred compensation for a “select group of management or highly compensated employees” within the meaning of such phrase for purposes of Sections 201(2), 301(a)(3) and 401(a)(1) of the Act, and as such it is intended that the Plan be exempt from the participation and vesting, funding, and fiduciary responsibility requirements of Title I of the Act. The Plan is also intended to qualify for simplified reporting under U.S. Department of Labor Regulation Section 2530.104-23, which provides for an alternative method of compliance for plans described in such regulation. With respect to Limited 415 Participants, the portion of the Plan that provides benefits to such Limited 415 Participants solely due to limitations applicable to the Retirement Plan by reason of Code Section 415 is intended to be treated as a separate plan that is an “excess benefit plan” within the meaning of such phrase for purposes of Sections 3(36) and 4(b)(5) of the Act. Moreover, the Plan is intended to comply with the requirements of Code Section 409A for nonqualified deferred compensation plans to the extent applicable. The Plan is not intended to satisfy the tax qualification requirements of Code Section 401(a).

ARTICLE II

DEFINITIONS

2.01 Definitions. Where the following words and phrases appear in this Plan they shall have the respective meanings set forth below, unless their context clearly indicates to the contrary.

(a) Act. The Employee Retirement Income Security Act of 1974, as amended and the regulations and other authority issued thereunder by the appropriate governmental authority.

(b) Actuarial Equivalent. The equivalence of a benefit, as determined by an actuary appointed by the Committee (“Actuary”), in terms of another benefit utilizing such assumptions as in the aggregate represent the Actuary’s best estimate of equivalent value for the purpose for which the determination is being made.

(c) Affiliated Entity. An entity which is affiliated by common ownership or control with the Company.

(d) Beneficiary. Means the beneficiary or beneficiaries designated by the Participant, in accordance with Section 10.03, to receive any amounts distributable under the Plan upon his death.

(e) Code. The Internal Revenue Code of 1986, as amended and the regulations and other authority related thereto.

(f) Committee. “Committee” means the committee appointed by the Board to administer the Plan; provided, however, that if the Board has not appointed a committee, then each reference herein to the “Committee” shall instead refer to the Board.

(g) Company. Anadarko Petroleum Corporation or its successor in interest.

(h) Directors. The Board of Directors of the Company.

(i) Effective Date. August 8, 2019, as to this amendment and restatement of the Plan.

(j) Eligible Employee. An Employee who participates in the Retirement Plan and whose benefits are reduced by Limitations or whose taxable compensation has been reduced as a result of an election by the Employee to defer compensation pursuant to a deferred compensation plan maintained by an Employer.

(k) Employee. An Employee as defined in the Retirement Plan.

(l) Employer. The Company or an Affiliated Entity which has been designated by the Company as a participating employer in the Plan and has adopted the Plan.

(m) Employment. Means that the individual is in employment as an Employee. In this regard, neither the transfer of a Participant from employment by an Employer to employment by an Affiliated Entity nor the transfer of a Participant from employment by an Affiliated Entity to employment by an Employer shall be deemed to be a Separation from Service by the Participant.

(n) Limitations. The aggregate of the limitations imposed under Code Sections 401(a)(17) and 415 plus any amounts deferred as the result of an election by an Employee to defer compensation pursuant to a deferred compensation plan

maintained by an Employer. From and after the Effective Date, the term “Limitations” shall also include any amendment to the Retirement Plan that is adopted on or after the Effective Date and that is expressly identified in connection with its adoption as an amendment that is intended to reduce or limit accruals under the Retirement Plan with respect to an Employee who is a “highly compensated employee” (as defined in Code Section 414(q)) due to the application of the Nondiscrimination Rules. Notwithstanding the preceding provisions of this Section 2.01(n), with respect to a Limited 415 Participant, for all purposes of the Plan the term “Limitations” shall mean solely the limitation imposed by Code Section 415 on the amount of benefits which may be earned or paid under the Retirement Plan.

(o) Limited 415 Participant. Any Employee whose benefit under the Retirement Plan is limited by the limitation imposed by Code Section 415 and who has not otherwise been designated as a Participant in the Plan by the Committee pursuant to the provisions of Article IV hereof.

(p) Nondiscrimination Rules. The nondiscrimination rules set forth in Code Section 401(a)(4), Code Section 410(b) or other provisions of the Code that are applicable to the Retirement Plan and that are intended to prevent discrimination in favor of “highly compensated employees” (as defined in Code Section 414(q)).

(q) Participant. Any Eligible Employee who has been designated by the Committee to participate in the Plan or any other individual who has an accrued benefit under the Plan which has not been fully distributed. The term “Participant” shall include a Limited 415 Participant except where expressly provided otherwise in the Plan.

(r) Plan. The Anadarko Retirement Restoration Plan, as it may be amended from time to time.

(s) Plan Year. The twelve consecutive month period commencing on January 1 of each year.

(t) Retirement Plan. The Anadarko Retirement Plan, as amended from time to time.

(u) Section 16 Officer. An Eligible Employee who is subject to Section 16 of the Securities and Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(v) Separation from Service. The Participant’s separation from service with the Employer and all Affiliated Entities, within the meaning of Code Section 409A.

(w) Specified Employee. Any Participant who is a “Specified Employee” (as defined in Code Section 409A) upon his Separation from Service, as determined by the Company or the Committee.

ARTICLE III

ADMINISTRATION

3.01 Administration by Committee. The Committee shall be the plan administrator with respect to the Plan, except that for all matters (including, without limitation, interpretation of the Plan) directly relating to participation, claims or benefits associated with individuals who are then Section 16 Officers, the Committee shall be the Executive Compensation Committee of the Board of Directors of Occidental Petroleum Corporation.

The members of the Committee shall not receive any special compensation for serving in their capacities as members, but shall be reimbursed by the Company for any reasonable expenses incurred in connection therewith. No bond or other security need be required of the Committee or any member thereof.

3.02 Administration of Plan. The Committee shall operate, administer, interpret, construe and construct the Plan, including correcting any defect, supplying any omission or reconciling any inconsistency. The Committee shall have all powers necessary or appropriate to implement and administer the terms and provisions of the Plan, including the power to make findings of fact. The determination of the Committee as to the proper interpretation, construction, or application of any term or provision of the Plan shall be final, binding, and conclusive with respect to all Participants and other interested persons.

3.03 Action by Committee. A majority of the members of the Committee shall constitute a quorum for the transaction of business, and the vote of a majority of those members present at any meeting at which a quorum is present shall decide any question brought before the meeting and shall be the act of the Committee. In addition, the Committee may take any other action otherwise proper under the Plan by an affirmative vote, taken without a meeting, of a majority of its members.

3.04 Delegation. The Committee may, in its discretion, delegate one or more of its duties to its designated agents or to an Employee, but it may not delegate its authority to make the determinations specified in Section 3.02.

3.05 Reliance Upon Information. No member of the Committee shall be liable for any decision, action, omission, or mistake in judgment, provided that he acted in good faith in connection with the administration of the Plan. Without limiting the generality of the foregoing, any decision or action taken by the Committee (or member thereof) in reasonable reliance upon any information supplied to it by the Directors, any Employee, the Employer's legal counsel, the Employer's independent accountants or the Actuary, shall be deemed to have been taken in good faith.

The Committee (or an individual member thereof) may consult with legal counsel, who may be counsel for the Employer or other counsel, with respect to its obligations or duties hereunder, or with respect to any action, proceeding or question at law, and shall not be liable with respect to any action taken or omitted, in good faith, pursuant to the advice of such counsel.

3.06 Indemnity of Plan Administration Employee. To the full extent permitted by law, the Company shall defend, indemnify and hold harmless each past, present and future member of the Committee and each other Employee who acts in the capacity of an agent, delegate or representative of the Committee under the Plan (hereafter, all such indemnified persons shall be jointly and severally referred to as “Plan Administration Employee”) against, and each Plan Administration Employee shall be entitled without further act on his part to indemnity from the Company for, any and all losses, claims, damages, judgments, settlements, liabilities, expenses and costs (and all actions in respect thereof and any legal or other costs and expenses in giving testimony or furnishing documents in response to a subpoena or otherwise), including the cost of investigating, preparing or defending any pending, threatened or anticipated action, claim, suit or other proceeding, whether or not in connection with litigation in which the Plan Administration Employee is a party (collectively, the “Losses”), as and when incurred, directly or indirectly, relating to, based upon, arising out of, or resulting from his being or having been a Plan Administration Employee; provided, however, that such indemnity shall not include any Losses incurred by such Plan Administration Employee with respect to any matters as to which he is finally adjudged in any such action, suit or proceeding to have been guilty of gross negligence or intentional misconduct in the performance of his duties as a Plan Administration Employee. The foregoing right of indemnification shall be in addition to any liability or obligation that any Employer may otherwise have to the Plan Administration Employee, and shall be in addition to all other rights to which the Plan Administration Employee may be entitled as a matter of law, contract, or otherwise.

The Plan Administration Employee shall have the right to retain counsel of its own choice to represent him, provided that such counsel is acceptable to the Employer (which acceptance shall not be unreasonably withheld). The Company shall pay the fees and expenses of such counsel, and such counsel shall to the full extent consistent with its professional responsibilities cooperate with the Employer and its counsel. The rights of indemnification under this Section 3.06 shall inure to the benefit of the successors and assigns, and the heirs, executors, administrators and personal representatives of each Plan Administration Employee, shall be in addition to any liability or obligation that any Employer may otherwise have to the Plan Administration Employee and shall be in addition to all other rights to which the Plan Administration Employee may be entitled as a matter of law, contract, or otherwise.

ARTICLE IV

ELIGIBILITY

Each Employee who was a Participant in the Plan immediately prior to the Effective Date shall continue as a Participant in the Plan as of the Effective Date.

From and after the Effective Date, before the start of a Plan Year, or at any other time and from time to time, the Committee, in its sole discretion, shall designate the Participants and the effective date and other terms and conditions of participation; provided, however, an Employee may be a Participant only if the Committee determines that such individual is “a member of a select group of management or highly compensated employees” of the Employer within the meaning of Sections 201(2), 301(a)(3) and 401(a)(1) of the Act. Notwithstanding the foregoing, any Employee whose benefit under the Retirement Plan is limited by the limitation imposed by Code Section 415

and who is not otherwise designated by the Committee as a Participant pursuant to the preceding sentence shall automatically participate in the Plan as a Limited 415 Participant.

ARTICLE V

AMOUNT OF BENEFIT

5.01 General Benefits. The benefits payable under this Plan to a Participant (or Beneficiary thereof) shall be paid at the time and in the manner described in Article VI based upon an amount equal to the Actuarial Equivalent of the excess, if any of (a) over (b), where:

(a) is the benefit that would have been payable to such Participant or Beneficiary under the Retirement Plan if the provisions of the Retirement Plan were administered without regard to the Limitations; and

(b) is the benefit, if any, that is in fact payable to such Participant or Beneficiary under the Retirement Plan.

Benefits determined under this Section 5.01 shall be computed by the Actuary in accordance with the foregoing and with the objective that such recipient should receive under the Plan and the Retirement Plan that total aggregate amount which would have been payable to that recipient solely under the Retirement Plan but without regard to imposition of the Limitations. The benefits provided under this Plan shall be subject to the same vesting schedule that applies to the Participant under the Retirement Plan, and he shall thus vest hereunder on the same terms as provided in the Retirement Plan but subject to Schedule A.

5.02 Supplemental Benefits. In the case of a Participant (other than a Limited 415 Participant) who would have been entitled to supplemental benefits under the Retirement Plan but for the fact that his compensation for the calendar year ending December 31, 2002 exceeded the \$200,000 limit under the terms of the Retirement Plan, such Participant shall be entitled to a supplemental benefit under this Plan as determined in accordance with the formula described in this Section 5.02.

If the Employment of a Participant is terminated and (1) such termination is designated by the Employer, in its sole discretion, as being part of a "reduction in force program," (2) the Participant's designated termination date occurs on or after July 31, 2003 and on or before December 31, 2003, and (3) as of the designated termination date, the Participant had attained the age of 45, completed 5 or more years of Vesting Service (as defined in the Retirement Plan) and the sum of the Participant's age and Vesting Service equals or exceeds 60, such Participant will qualify for an early retirement benefit under the Retirement Plan commencing as of his Normal Retirement Date (as defined in the Retirement Plan) or as of the first day of the first month coinciding with or next following the date he attains the age of 55 or the first date of any subsequent month pursuant to the terms of the Retirement Plan, reduced as described under the Retirement Plan. Such Participant's Annuity Starting Date (as defined in the Retirement Plan) shall be as described under the Retirement Plan. A Participant who satisfied the conditions in clauses (1), (2), and (3) of the first sentence of this paragraph shall not be eligible for the supplemental benefit under the Retirement Plan if his

compensation for the calendar year ending December 31, 2002 exceeded the \$200,000 limit under the terms of the Retirement Plan, and thus such Participant shall receive the Actuarial Equivalent of such supplemental benefits under this Plan in the manner, and at the time, as prescribed in Article VI.

5.03 Other Supplemental Benefits. Upon Separation from Service, the Company shall pay or cause to be paid to such Participant (or his Beneficiary) other supplemental benefits as determined by the Directors and contained in any other Employer-provided plan or program or in the Participant's employment contract or other agreement with the Employer; provided that such supplemental benefits for each Participant entitled to such other supplemental benefits are set forth on Schedule A attached and incorporated into this Plan for all purposes (which may be amended or supplemented from time to time), including the amount, type, and terms and conditions of such other supplemental benefits. Other supplemental benefits under this Section 5.03 shall be vested and nonforfeitable to the extent provided in the applicable Employer-paid plan or program, the Participant's employment contract or other agreement with the Employer, or as set forth on Schedule A to the Plan. Notwithstanding the foregoing, this Section 5.03 shall not be construed to provide duplicate other supplemental benefits under the Plan, or under any such applicable Employer-provided plan or program, or the Participant's employment contract or other agreement with the Employer, or as set forth on Schedule A to the Plan, to or on behalf of any Participant or Beneficiary.

ARTICLE VI

PAYMENT OF BENEFIT

6.01 Lump Sum Benefit. Subject to Sections 6.02 and 6.03, the form of the benefits payable under Article V shall be a cash lump sum payment that is made within ninety (90) days after the date of the Participant's Separation from Service.

6.02 Payment Under Retirement Plan Before 2009. If a Participant (a) incurs a Separation from Service after December 31, 2004 and (b) receives or commences receipt of any pension benefits payment under the Retirement Plan at any time before January 1, 2009, such Participant (or his Beneficiary) shall receive his benefits under this Plan in a cash lump sum payment that is made within ninety (90) days from the date that benefits are paid, or commence to be paid, under the terms of the Retirement Plan. If a Participant (a) incurs a Separation from Service after December 31, 2004 and (b) does not receive or commence receipt of any pension benefits payment under the Retirement Plan at any time before January 1, 2009, such Participant (or his Beneficiary) shall receive his benefits under this Plan in a cash lump sum payment that is made within ninety (90) days after December 31, 2008. If a Participant incurs a Separation from Service before January 1, 2005, such Participant (or his Beneficiary) shall receive his benefits under this Plan in a cash lump sum payment within ninety (90) days from the date that benefits are paid, or commence to be paid, under the terms of the Retirement Plan, regardless of whether or not such benefits are paid, or commence to be paid, under the Retirement Plan before January 1, 2009.

6.03 Specified Employees. Notwithstanding anything in this Plan to the contrary, if the payment of any benefit under this Article VI would be subject to taxation under Code Section 409A because the timing of such payment is not delayed to the extent required under Code Section 409A for a Specified Employee upon his Separation from Service, then if the Participant is a Specified Employee, any such payment that the Participant would otherwise be entitled to receive during the first six (6) months following his Separation from Service shall be accumulated and paid, within ninety (90) days after the date that is six months following the date of his Separation from Service, or such earlier date upon which such amount can be paid or provided under Code Section 409A without being subject to such additional taxes and interest such as, for example, due to the death of Participant.

ARTICLE VII

PARTICIPANT'S RIGHTS AND NATURE OF PLAN

Benefits payable under the Plan shall be a general, unsecured obligation of the Company to be paid by the Company from its own general assets, and such payments shall not (a) impose any obligation upon the Retirement Plan; (b) be paid by the Retirement Plan; or (c) have any effect whatsoever upon the Retirement Plan or the payment of benefits under the Retirement Plan. No Participant or his Beneficiary shall have any title to or beneficial ownership in any assets which the Company may earmark to pay benefits hereunder.

No amounts in respect of such benefits are required to be set aside or held in trust, and no recipient of any benefits shall have any right to have the benefit paid out of any particular assets of the Company; provided, however, nothing herein shall be construed to prevent a transfer of funds to a grantor trust (pursuant to applicable Code provisions) for the purpose of paying any benefits under this Plan. Any grantor trust established by the Company for benefits under this Plan shall be subject to the claims of the Company's general and unsecured creditors in the event that the Company becomes insolvent. The Company intends that any such grantor trust shall constitute an unfunded arrangement and thus not affect, in any way, the status of this Plan as an unfunded plan that is maintained to provide deferred compensation for a select group of management or highly compensated employees for purposes of Title I of the Act.

ARTICLE VIII

AMENDMENT AND DISCONTINUANCE

The Directors may, in their absolute discretion, from time to time, amend, suspend or terminate in whole or in part, and if terminated, reinstate any or all of the provisions of this Plan, except that no amendment, suspension or termination may apply so as to reduce the payment to any Participant (or Beneficiary) of any benefit under this Plan that was earned and accrued prior to the effective date of such amendment, suspension or termination, unless the particular Participant (or Beneficiary) consents to such reduction in writing.

Notwithstanding the immediately preceding paragraph, the Plan may be amended by the Directors at any time if required to ensure that the Plan satisfies the requirements of the Code for

nonqualified deferred compensation plans including Code Section 409A and (a) with respect to Limited 415 Participants, is characterized as an “excess benefit plan” as described in Sections 3(36) and 4(b)(5) of the Act and (b) with respect to Participants other than Limited 415 Participants, is characterized as a “top-hat plan” of deferred compensation maintained for a select group of management or highly compensated employees as described in Sections 201(2), 301(a)(3), and 401(a)(1) of the Act. No such amendment for this exclusive purpose shall be considered prejudicial to the interest of a Participant or a Beneficiary hereunder.

The Directors may delegate to an officer of the Company or Occidental Petroleum Corporation, the authority to execute an amendment to the Plan that has been approved by the Directors.

Upon termination of the Plan, distribution of benefits shall be made to Participants and Beneficiaries, as applicable, in the manner and at the time described in the Plan, unless one of the following termination events occurs, in which case, all such amounts shall be distributed in a lump sum upon termination, or upon the earliest date allowable under Code Section 409A: (1) the Company’s termination and liquidation of the Plan within twelve (12) months of a corporate dissolution taxed under Code Section 331, or with the approval of a bankruptcy court; (2) the Company’s termination and liquidation of the Plan pursuant to irrevocable action taken by the Company within the thirty (30) days preceding or twelve (12) months following a change in control event (within the meaning of Code Section 409A), provided that all agreements, methods, programs, and other arrangements sponsored by the Company that are aggregated under Code Section 409A are terminated and liquidated with respect to each Participant or Beneficiary who experiences the change in control event; or (3) the Company’s termination and liquidation of the Plan, provided that (a) the termination and liquidation does not occur proximate to a downturn in the financial health of the Company, (b) the Company terminates and liquidates all agreements, methods, programs, and other arrangements sponsored by the Company that would be aggregated under Code Section 409A if the same Participant had deferrals of compensation under all of the agreements, methods, programs, and other arrangements sponsored by the Company that are terminated and liquidated, (c) no payments in liquidation of the Plan are made within twelve (12) months of the date the Company takes all necessary action to irrevocably terminate and liquidate the Plan other than payments that would have been payable absent the termination and liquidation, (d) all payments are made within twenty-four (24) months of the date the Company takes all necessary action to irrevocably terminate and liquidate the Plan and (e) the Company does not adopt a new plan that would be aggregated with any terminated and liquidated plan under Code Section 409A if the same Participant participated in both plans, at any time within three (3) years following the date the Company takes all necessary action to irrevocably terminate and liquidate the Plan.

ARTICLE IX

CLAIMS PROCEDURE

9.01 Filing a Claim. A Participant or his authorized representative may file a claim for benefits under the Plan (hereafter, referred to as a "Claimant"). Any claim must be in writing and submitted to the Committee at such address as may be specified from time to time. Claimants will be notified in writing of approved claims, which will be processed as claimed. A claim is considered approved only if its approval is communicated in writing to the Claimant.

9.02 Denial of Claim. In the case of the denial of a claim respecting benefits paid or payable with respect to a Participant, a written notice will be furnished to the Claimant within 90 days of the date on which the claim is received by the Committee. If special circumstances (such as for a hearing) require a longer period, the Claimant will be notified in writing, prior to the expiration of the 90-day period, of the reasons for an extension of time; provided, however, that no extensions will be permitted beyond 90 days after the expiration of the initial 90-day period.

9.03 Reasons for Denial. A denial or partial denial of a claim will be dated and signed by the Committee and will clearly set forth:

- (a) the specific reason or reasons for the denial;
- (b) specific reference to pertinent Plan provisions on which the denial is based;
- (c) a description of any additional material or information necessary for the Claimant to perfect the claim and an explanation of why such material or information is necessary; and
- (d) an explanation of the procedure for review of the denied or partially denied claim set forth below, including the claimant's right to bring a civil action under Section 502(a) of the Act following an adverse benefit determination on review.

9.04 Review of Denial. Upon denial of a claim, in whole or in part, the Claimant or his duly authorized representative will have the right to submit a written request to the Committee for a full and fair review of the denied claim by filing a written notice of appeal with the Committee within 60 days of the receipt by the Claimant of written notice of the denial of the claim. A Claimant or the Claimant's authorized representative will have, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the Claimant's claim for benefits and may submit issues and comments in writing. The review will take into account all comments, documents, records, and other information submitted by the Claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination.

If the Claimant fails to file a request for review within 60 days of the denial notification, the claim will be deemed abandoned and the Claimant precluded from reasserting it. If the Claimant

does file a request for review, his request must include a description of the issues and evidence he deems relevant. Failure to raise issues or present evidence on review will preclude those issues or evidence from being presented in any subsequent proceeding or judicial review of the claim.

9.05 Decision Upon Review. The Committee will provide a prompt written decision on review to the Claimant. If the claim is denied on review, the decision shall set forth:

- (a) the specific reason or reasons for the adverse determination;
- (b) specific reference to pertinent Plan provisions on which the adverse determination is based;
- (c) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the Claimant's claim for benefits; and
- (d) a statement describing any voluntary appeal procedures offered by the Plan and the Claimant's right to obtain the information about such procedures, as well as a statement of the Claimant's right to bring an action under Section 502(a) of the Act.

A decision will be rendered no more than 60 days after the Committee's receipt of the request for review, except that such period may be extended for an additional 60 days if the Committee determines that special circumstances (such as for a hearing) require such extension. If an extension of time is required, written notice of the extension will be furnished to the Claimant before the end of the initial 60-day period.

To the extent of its responsibility to review the denial of benefit claims, the Committee will have full authority to interpret and apply in its discretion the provisions of the Plan. The decision of the Committee will be final and binding upon any and all Claimants, including, but not limited to, the Participant and any other individual making a claim through him.

9.06 Other Procedures. Notwithstanding the foregoing, the Committee may, in its discretion, adopt different procedures for different claims without being bound by past actions. Any procedures adopted, however, shall be designed to afford a Claimant a full and fair review of his claim and shall comply with applicable regulations under the Act.

9.07 Finality of Determinations; Exhaustion of Remedies. To the extent permitted by law, decisions reached under the claims procedures set forth in this Article IX shall be final and binding on all parties. No legal action for benefits under the Plan shall be brought unless and until the Claimant has exhausted his remedies under this Section. In any such legal action, the Claimant may only present evidence and theories which the Claimant presented during the claims procedure. Any claims which the Claimant does not in good faith pursue through the review stage of the procedure shall be treated as having been irrevocably waived. Judicial review of a Claimant's denied claim shall be limited to a determination of whether the denial was an abuse of discretion based on the evidence and theories the Claimant presented during the claims procedure. Any suit

or legal action initiated by a Claimant under the Plan must be brought by the Claimant no later than one year following a final decision on the claim for benefits by the Committee. The one-year limitation on suits for benefits will apply in any forum where a Claimant initiates such suit or legal action.

9.08 Effect of Committee Action. The Plan shall be interpreted by the Committee in accordance with the terms of the Plan and their intended meanings. However, the Committee shall have the discretion to make any findings of fact needed in the administration of the Plan, and shall have the discretion to interpret or construe ambiguous, unclear or implied (but omitted) terms in any fashion they deem to be appropriate in their sole judgment. The validity of any such finding of fact, interpretation, construction or decision shall not be given de novo review if challenged in court, by arbitration or in any other forum, and shall be upheld unless clearly arbitrary or capricious. To the extent the Committee has been granted discretionary authority under the Plan, the Committee's prior exercise of such authority shall not obligate it to exercise its authority in a like fashion thereafter. If, due to errors in drafting, any Plan provision does not accurately reflect its intended meaning, as demonstrated by consistent interpretations or other evidence of intent, or as determined by the Committee in its sole and exclusive judgment, the provision shall be considered ambiguous and shall be interpreted by the Committee in a fashion consistent with its intent, as determined by the Committee in its sole discretion. The Committee may amend the Plan retroactively to cure any such ambiguity. This Section 9.08 may not be invoked by any person to require the Plan to be interpreted in a manner which is inconsistent with its interpretation by the Committee. All actions taken and all determinations made in good faith by the Committee shall be final and binding upon all persons claiming any interest in or under the Plan.

ARTICLE X

MISCELLANEOUS

10.01 Construction. The Plan is (a) an unfunded plan which is not intended to meet the qualification requirements of Code Section 401(a), and (b) designed to provide benefits to Participants after the Limitations are exceeded. All terms and provisions of the Plan shall be construed and constructed in accordance with such intent.

10.02 Powers of the Company. The existence of outstanding and unpaid benefits under the Plan shall not affect in any way the right or power of the Employer to make or authorize any adjustments, recapitalization, reorganization or other changes in the Employer's capital structure or in its business, or any merger or consolidation of the Employer, or any issue of bonds, debentures, common or preferred stock, or the dissolution or liquidation of the Employer, or any sale or transfer of all or any part of their assets or business, or any other act or corporate proceeding, whether of a similar character or otherwise.

10.03 Beneficiary Designations. The Beneficiary designation for a Participant shall be the same as his Beneficiary designation under the Retirement Plan. If no valid Beneficiary designation exists at the time of the Participant's death under the Retirement Plan, then the designation of a Beneficiary will follow the default provisions of the Retirement Plan if the Participant is a participant in the Retirement Plan at the time of his death.

In the event an Eligible Employee, upon becoming a Participant, is not a participant in the Retirement Plan, he may file with the Committee (or its delegate) a designation of one or more Beneficiaries to whom benefits otherwise payable to the Participant shall be made prior to the complete distribution of his benefits under the Plan. Such a Beneficiary designation shall be on the form prescribed by the Committee and shall be effective when received and accepted by the Committee. A Participant who is not a participant in the Retirement Plan may, from time to time, revoke or change his Beneficiary designation by filing a new designation form with the Committee. The last valid designation received by the Committee shall be controlling; provided, however, that no Beneficiary designation, or change or revocation thereof, shall be effective unless received prior to the Participant's death, and shall not be effective as of a date prior to its receipt or if the Participant is a participant in the Retirement Plan at the time of his death.

If no valid Beneficiary designation exists at the time of the Participant's death under the foregoing provisions of this Section 10.03 or if no designated Beneficiary under this Plan survives the Participant, or if such designation conflicts with applicable law, benefits shall be paid to the Participant's surviving lawful spouse, if any. If there is no surviving spouse, then payment of benefits shall be made to the executor or administrator of the Participant's estate, or if there is no administration on Participant's estate, in accordance with the laws of descent and distribution. If the Committee is in doubt as to the right of any person to receive such amount, it may direct that the amount be paid into any court of competent jurisdiction in an interpleader action, and such payment shall be a full and complete discharge of any liability or obligation under the Plan to the full extent of such payment.

10.04 Limitation of Rights. Nothing in this Plan shall be construed to:

- (a) Except with respect to Limited 415 Participants, give any individual who is an Employee any right to be a Participant unless and until such person has been designated as such by the Committee;
- (b) Give any Participant any rights, other than as an unsecured general creditor of the Employer, with respect to any benefits accrued under the Plan until such amounts are actually distributed to him;
- (c) Limit in any way the right of the Employer to terminate a Participant's Employment with the Employer;
- (d) Give a Participant or any other person any interest in any fund or in any specific asset of the Employer;
- (e) Give a Participant or any other person any interests or rights other than those of an unsecured general creditor of the Employer;
- (f) Be evidence of any agreement or understanding, express or implied, that the Employer will employ a Participant in any particular position, at any particular rate of remuneration, or for any particular time period; or

(g) Create a fiduciary relationship between the Participant and the Directors, Employer and/or Committee.

10.05 Distribution due to Qualified Domestic Relations Order. A distribution may be allowed for a “qualified domestic relations order” (“QDRO”) as described in Code Section 414(p). The Committee shall establish procedures to determine whether any domestic relations order submitted to the Committee is a QDRO and to administer distributions under any valid QDROs. If the Committee, in its discretion, determines a domestic relations order to be a QDRO, the Committee shall direct payment hereunder as it deems necessary to comply with such QDRO.

10.06 Nonalienation of Benefits. No right or benefit under this Plan shall be subject to anticipation, alienation, sale, assignment, pledge, encumbrance, or charge, and any attempt to anticipate, alienate, sell, assign, pledge, encumber, or charge the same will be void and without effect. No right or benefit hereunder shall in any manner be liable for or subject to any debts, contracts, liabilities or torts of the person entitled to such benefits. The previous two sentences shall not preclude (a) the Participant from designating a Beneficiary to receive any benefit payable hereunder upon his death or (b) the executors, administrators, or other legal representatives of the Participant or his estate from assigning any rights hereunder to the person or persons entitled thereto.

10.07 Facility of Payments. If the Committee determines that any person entitled to payment under the Plan is physically or mentally incompetent to receive such payment, the Committee shall direct the payment to the legal guardian or other personal representative of such person for the use and benefit of such person. If the Committee for any reason is unable to determine with reasonable certainty the proper person to pay pursuant to the immediately preceding sentence, the Committee may direct that any amounts due hereunder be paid into a court of competent jurisdiction in an interpleader proceeding for purposes of being directed by such court as to the proper disposition of such amounts. Any such payment shall be a full and complete discharge of any liability or obligation under the Plan.

10.08 Withholding of Taxes. Participant hereby acknowledges and agrees that, as a result of any (a) deferral under this Plan or (b) payment received under this Plan, the Participant is solely responsible for any and all (i) federal, state and local income taxes and (ii) FICA and Medicare taxes ordinarily paid by Participant as an Employee. The Employer is hereby authorized to withhold from any amount payable hereunder any applicable withholding taxes and to take such other action as may be necessary or desirable, in the opinion of the Employer, to satisfy all obligations for the withholding and payment of such taxes.

10.09 Adoption of Plan by Affiliated Entity. Any Affiliated Entity may adopt the Plan with the consent of the Directors or the Committee, effective as of the date specified therein. Any Employer, other than the Company, which has adopted the Plan shall not be responsible for the administration of the Plan.

10.10 Waiver. No term or condition of this Plan shall be deemed to have been waived, nor shall there be an estoppel against the enforcement of any provision of this Plan, except by written instrument of the party charged with such waiver or estoppel. No such written waiver shall be deemed a continuing waiver unless specifically stated therein, and each such waiver shall operate

only as to the specific term or condition waived and shall not constitute a waiver of such term or condition for the future or as to any act other than that specifically waived.

10.11 Notice. Any notice required or permitted to be given under this Plan shall be sufficient if in writing and delivered via telecopier, messenger, or courier with appropriate proof of receipt, or sent by U.S. registered or certified or registered mail, return receipt requested, to the appropriate person or entity at the address last furnished by such person or entity. Such notice shall be deemed given as of the date of delivery to the recipient or, if delivery is made by U.S. mail, as of the date shown on the receipt for registration or certification.

10.12 Severability. In the event that any provision of the Plan is declared invalid in a final decree or order issued by a court of competent jurisdiction, such declaration shall not affect the validity of the other provisions of the Plan which shall remain in full force and effect.

10.13 Gender, Tense and Headings. Whenever the context requires, words of the masculine gender used herein shall include the feminine and neuter, and words used in the singular shall include the plural. The words "hereof," "hereunder," "herein," and similar compounds of the word "here" shall refer to the entire Plan and not to any particular term or provision of the Plan. Headings of Articles and Sections, as used herein, are inserted solely for convenience and reference and shall not affect the meaning, interpretation or scope of the Plan.

10.14 Governing Law. The Plan shall be subject to and governed by the laws of the State of Texas (other than its laws relating to choice of laws), except to the extent preempted by the Act, the Code or other controlling federal law.

[Signature page follows.]

IN WITNESS WHEREOF, Anadarko Petroleum Corporation has caused this amended and restated Plan to be adopted and executed by its duly authorized officer effective as of the Effective Date.

ANADARKO PETROLEUM CORPORATION

By: /s/ Marcia E. Backus

Name: Marcia E. Backus

Title: Senior Vice President

Anadarko Retirement Restoration Plan Schedule A

This Schedule A forms a part of the Anadarko Retirement Restoration Plan, as amended from time to time (the "Plan"). The provisions of this Schedule A shall apply only to those Participants who are named herewith.

Supplemental Benefits for Robert A. Walker, Jr.

Plan Supplemental Benefit

If Mr. Walker remains employed by the Company at least until February 20, 2012 (attainment of age 55), then the benefit payable, as described in Section 5.01 of the Plan, shall be determined such that his aggregate benefits under the Retirement Plan and the Plan, and any successors thereto (collectively, the "Pension Plans"), are equal to the aggregate benefits to which he would have been entitled under the Pension Plans, if his years of Credited Service (as such term is defined in the Retirement Plan) with the Company (but not his age) were increased by eight ("Retiree Supplemental Benefit"). The Retiree Supplemental Benefit payable under this paragraph shall be paid at the same time or times as Mr. Walker's benefit under the Plan.

Retiree Medical and Dental Supplemental Benefit

If Mr. Walker remains employed by the Company at least until February 20, 2012 (attainment of age 55), then Mr. Walker's benefits under the Company's retiree medical and dental plans shall be determined as if his years of service with the Company were increased by eight ("Medical Supplemental Benefit"). Upon his Separation from Service, he will be entitled to receive a lump sum payment under the Plan with the present value being computed by discounting to Mr. Walker's date of termination, the projected Company paid retiree medical and dental premiums from his date of termination through February 20, 2022 (attainment of age 65) (i.e., the value of the Company subsidized portion of retiree medical and dental benefits) using a discount rate that is equivalent to the interest rate used to determine lump sum distributions under the Plan. For purposes of the aforementioned present value calculation, such calculation shall be performed by an accredited and certified actuarial firm, as designated by the Company. The

Medical Supplemental Benefit payable under this paragraph shall be paid at the same time or times as Mr. Walker's benefit under the Plan.

If, at the time of Mr. Walker's termination of employment, the Company no longer provides subsidized pre-65 retiree medical and dental benefits, then the aforementioned lump sum payment will not be made. If, at the time of Mr. Walker's termination of employment, Mr. Walker is otherwise eligible for subsidized retiree medical and dental benefits, then the aforementioned lump sum payment will not be made.

ANADARKO PETROLEUM CORPORATION

SAVINGS RESTORATION PLAN

(As Amended and Restated Effective August 8, 2019)

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**ANADARKO PETROLEUM CORPORATION
SAVINGS RESTORATION PLAN**

**Article I.
SCOPE OF PLAN**

1.01 Background and Purpose. This “Anadarko Petroleum Corporation Savings Restoration Plan” (the “Plan”) was originally established by Anadarko Petroleum Corporation (the “Company”) effective as of January 1, 1995. The Company amended the Plan effective as of January 29, 1998, to add a change of control provision, and as of January 1, 2005, to reflect certain design changes thereto.

Effective as of August 10, 2006, the Company acquired Kerr-McGee Corporation (“KMG”). KMG had previously sponsored the Kerr-McGee Corporation Benefits Restoration Plan (the “KMG Plan”). The KMG Plan provided benefits that were not payable to eligible employees under its qualified defined contribution plan and its qualified defined benefit pension plan due to benefit limitations under the Internal Revenue Code of 1986, as amended (the “Code”). Effective as of January 1, 2007, the Company, acting pursuant to authority granted under the KMG Plan, spun off and transferred from the KMG Plan the portion of the KMG Plan representing benefits attributable to eligible employees under its qualified defined contribution plan (the “KMG Plan Benefits”) and merged such portion of the KMG Plan with and into the Plan, with the Plan being the survivor.

The Company subsequently amended and restated the Plan generally effective as of January 1, 2007, primarily for the purposes of (i) incorporating changes required by Code Section 409A, effective as of January 1, 2005, (ii) designating certain amounts held under the Plan as being exempt from the requirements of Code Section 409A as effective January 1, 2005, (iii) incorporating provisions to reflect the spin-off and transfer of the KMG Plan Benefits into the Plan effective as of January 1, 2007, and (iv) incorporating certain other design changes into the Plan. The amended and restated Plan referred to in the preceding sentence was subsequently amended to incorporate certain design and administrative changes on July 1, 2010, November 30, 2011, and December 18, 2014. The Company subsequently amended and restated the Plan effective January 1, 2017, to incorporate these amendments and make certain other changes to the Plan.

Effective as of August 8, 2019, the Company became a wholly-owned subsidiary of Occidental Petroleum Corporation through a merger. The Plan as set forth herein constitutes an amendment and restatement of the Plan as in effect immediately prior to August 8, 2019 (the “Effective Date”) in order to modify certain provisions of the Plan related to Plan administration in connection with this merger. This amendment and restatement of the Plan shall be effective as of the Effective Date.

The Company intends that this amendment and restatement does not constitute a “material modification” within the meaning of such term under Code Section 409A with respect to (i) amounts held under the Plan prior to January 1, 2005 that qualify as exempt from Code Section 409A and (ii) all balances transferred to the Plan pursuant to the spin-off and transfer of the KMG

Plan Benefits with and into the Plan effective as of January 1, 2007. To the extent that any amendments incorporated into this amended and restated Plan document are required for compliance with Code Section 409A as generally effective January 1, 2005, such amendments shall be effective as of January 1, 2005 or as of such other date that is required by Code Section 409A as provided herein.

With respect to Participants other than Limited 415 Participants (as such terms are defined in Article II), the Plan is intended as an unfunded plan to be maintained primarily for the purpose of providing deferred compensation for a “select group of management or highly compensated employees” within the meaning of such phrase for purposes of Sections 201(2), 301(a)(3) and 401(a)(1) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and as such it is intended that the Plan be exempt from the participation and vesting, funding, and fiduciary responsibility requirements of Title I of ERISA. The Plan is also intended to qualify for simplified reporting under U.S. Department of Labor Regulation Section 2530.104-23, which provides for an alternative method of compliance for plans described in such regulation. With respect to Limited 415 Participants, the portion of the Plan that provides benefits to such Limited 415 Participants solely due to the limitations applicable to the Savings Plan by reason of Code Section 415 is intended to be treated as a separate plan that is an “excess benefit plan” within the meaning of such phrase for purposes of Sections 3(36) and 4(b)(5) of ERISA. Moreover, the Plan is intended to comply with the requirements of Code Section 409A for nonqualified deferred compensation plans to the extent applicable. The Plan is not intended to satisfy the tax qualification requirements of Code Section 401(a).

1.02 Sources of Payments. Benefits provided by the Plan constitute general obligations of the Company and shall at all times be subject to the claims of the general creditors of the Company, in accordance with the terms hereof. No amounts in respect of such benefits shall be set aside or held in trust, and no recipient of any benefits shall have any right to have the benefit paid out of any particular assets of the Company; provided, however, nothing herein shall be construed to prevent a transfer of funds to a grantor trust for the purpose of paying any benefits under the Plan.

Any grantor trust established by the Company for benefits under the Plan shall be subject to the claims of the Company’s general and unsecured creditors in the event that the Company becomes insolvent. The Company intends that any such grantor trust shall constitute an unfunded arrangement and thus not affect the status of the Plan as an unfunded plan that is maintained to provide deferred compensation for a select group of management or highly compensated employees for purposes of Title I of ERISA.

Benefits payable to Participants and their Beneficiaries under the Plan cannot be anticipated, assigned (either at law or in equity), alienated, pledged or encumbered, or subjected to attachment, levy, execution or other legal or equitable process.

ARTICLE II. DEFINITIONS

The masculine gender when used in the Plan shall be deemed to include the feminine

gender, and the single shall include the plural and vice versa, unless the context clearly indicates to the contrary. Where capitalized words and phrases appear in this Plan, they shall have the respective meanings set forth below.

2.01 Account. “Account” means, with respect to a Participant, the notional, ledger accounts maintained by the Committee under the Plan to reflect such Participant’s proportionate interest in the Plan. The following accounts shall be established for each Participant as applicable:

- (a) Pre-2005 Savings Restoration Plan Account; and
- (b) Post-2004 Savings Restoration Plan Account.

2.02 Affiliate. “Affiliate” means:

- (a) Any corporation other than the Company (i.e., either a subsidiary corporation or an affiliated or associated corporation of the Company), which together with the Company is a member of a “controlled group” of corporations pursuant to Code Section 414(b);
- (b) Any organization with which the Company is under “common control” pursuant to Code Section 414(c);
- (c) Any organization which together with the Company is an “affiliated service group” pursuant to Code Section 414(m); or
- (d) Any foreign affiliate of the Company which is covered by an agreement under Code Section 3121(1) pursuant to Code Section 406(a).

2.03 Beneficiary. “Beneficiary” means the recipients of any benefit payable under the Plan in the event of such Participant’s death. The Participant shall not have the right to designate a beneficiary under the Plan; rather the Participant’s Beneficiary hereunder shall be the same as his designated beneficiary under the Savings Plan.

2.04 Board. “Board” means the then Board of Directors of the Company or any designated committee of the Board that is duly authorized by the Board to act under the Plan.

2.05 Code. “Code” means the Internal Revenue Code of 1986, as amended, and regulations and other authority issued thereunder by the appropriate governmental authority. References to any section of the Code or the regulations thereunder shall include reference to any successor section or provision of the Code or regulations, as applicable.

2.06 Code Limits. “Code Limits” means either a limitation imposed under Code Section 401(a)(17) or under Code Section 415 with respect to the amount of compensation or benefits which may be earned or taken into account, as applicable, under the Savings Plan. Notwithstanding the preceding provisions of this Section 2.06, with respect to a Limited 415 Participant, for all purposes of the Plan the term “Code Limits” shall mean solely the limitation imposed by Code Section 415 on the amount of benefits which may be earned under the Savings Plan.

2.07 Committee. “Committee” means the committee appointed by the Board to administer the Plan; provided, however, that if the Board has not appointed a committee, then each reference herein to the “Committee” shall instead refer to the Board.

2.08 Company. “Company” means Anadarko Petroleum Corporation, or any successor in interest thereto.

2.09 Company Matching Contributions. “Company Matching Contributions” has the meaning assigned to such term in Section 4.01.

2.10 Contribution Rate. “Contribution Rate” means the combined before-tax, after-tax, Roth, catch-up, and Roth catch-up contribution rate that a Participant has elected under the Savings Plan.

2.11 ERISA. “ERISA” means the Employee Retirement Income Security Act of 1974, as amended. References to any section of ERISA or the regulations thereunder shall include reference to any successor section of ERISA or regulations, as applicable.

2.12 Effective Date. “Effective Date” means August 8, 2019, as to this amendment and restatement of the Plan.

2.13 Eligible Employee. “Eligible Employee” means any Employee who is currently participating in the Savings Plan and whose benefits under the Savings Plan are reduced or limited by the Code Limits and/or as a result of deferring compensation pursuant to any deferred compensation plan maintained by an Employer and designated by the Company as a deferred compensation plan for purposes of the Plan. Any Eligible Employee who exceeds the Code Limits due to the application of Code Section 401(a)(17) must be a member of a “select group of management or highly compensated employees” for purposes of Title I of ERISA, as determined by the Board or the Committee.

2.14 Employee. “Employee” means each person who is employed by one or more Employers, is on an Employer’s payroll and classified as a regular employee, and whose wages are subject to FICA tax withholding.

2.15 Employer. “Employer” means the Company and any Affiliate which adopts the Plan in accordance with its applicable provisions. The adopting Employers are listed in the Adopting Employers Appendix which is attached to the Plan, as such Appendix may be updated by the Board or the Committee from time to time without the need for a formal amendment to the Plan.

2.16 Fund. “Fund” means any mutual fund designated by the Committee for the deemed investment of Account balances pursuant to Article V.

2.17 Investment Experience. “Investment Experience” means the hypothetical amounts credited (as earnings, gains or appreciation on any hypothetical investments in Funds or other permitted investment measures) or charged (as losses or depreciation on any such hypothetical investments) to the Participant’s Account balance pursuant to Article V.

2.18 Key Employee. “Key Employee” means an employee of an Employer who is treated as a “Specified Employee” under Code Section 409A(a)(2)(B)(i).

2.19 Limited 415 Participant. “Limited 415 Participant” means any Eligible Employee whose benefit under the Savings Plan is limited by the limitation imposed by Code Section 415 and who has not otherwise been designated as a Participant in the Plan by the Committee pursuant to the provisions of Article III.

2.20 Participant. “Participant” means an Eligible Employee who meets the requirements to participate in the Plan in accordance with Article III. The term “Participant” shall include a Limited 415 Participant except where expressly provided otherwise in the Plan.

2.21 Plan. “Plan” means the Anadarko Petroleum Corporation Savings Restoration Plan, as it may be amended from time to time.

2.22 Plan Year. “Plan Year” means the 12-month calendar year beginning on January 1st and ending on December 31st.

2.23 Post-2004 Savings Restoration Plan Account. “Post-2004 Savings Restoration Plan Account” means the separate account under the Participant’s Account as established pursuant to Section 4.01.

2.24 PRA Plan. “PRA Plan” means the Occidental Petroleum Corporation Retirement Plan.

2.25 Pre-2005 Savings Restoration Plan Account. “Pre-2005 Savings Restoration Plan Account” means the separate account under the Participant’s Account as established pursuant to Section 4.02.

2.26 Savings Plan. “Savings Plan” means the Anadarko Employee Savings Plan, as it may be amended from time to time, which Savings Plan is intended to be a 401(k) plan that is qualified under Code Section 401(a); provided, however, that for the 2019 Plan Year, the “Savings Plan” means (i) prior to the Effective Date, the Anadarko Employee Savings Plan and (ii) on and after the Effective Date, the Occidental Petroleum Corporation Savings Plan and the Occidental Petroleum Corporation Retirement Plan.

2.27 Section 16 Officer. “Section 16 Officer” means an Eligible Employee who is subject to Section 16 of the Securities and Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

2.28 Separation from Service. “Separation from Service” means a “separation from service” within the meaning of Code Section 409A.

2.29 Valuation Date. “Valuation Date” means the date on which a Participant’s Account balance is valued, which date shall be not less often than as of the last day of each calendar quarter during the Plan Year, as well as any interim date as determined by the Committee or Company in its discretion.

ARTICLE III.
ELIGIBILITY AND PARTICIPATION

Each Eligible Employee who was a Participant in the Plan immediately prior to the Effective Date shall continue as a Participant in the Plan as of the Effective Date.

From and after the Effective Date, any Eligible Employee shall be a Participant only if the Committee (a) determines that such Eligible Employee is a member of a select group of management or highly compensated employees of the Company or its Affiliates for purposes of Title I of ERISA and (b) designates such Eligible Employee as a Participant. Notwithstanding the foregoing, any Eligible Employee whose benefit under the Savings Plan is limited by the limitation imposed by Code Section 415 and who is not otherwise designated by the Committee as a Participant pursuant to the preceding sentence shall automatically participate in the Plan as a Limited 415 Participant.

ARTICLE IV.
AMOUNT OF BENEFITS

4.01 Post-2004 Savings Restoration Plan Account. Effective as of January 1, 2005, the Company established, or shall establish, a separate account under the Account for each affected Participant, entitled the "Post-2004 Savings Restoration Plan Account." The Participant's Post-2004 Savings Restoration Plan Account shall be credited with any amount of the Participant's "Restoration Account" balance held under the Plan as of December 31, 2004 that was not vested as of December 31, 2004, as well as any contributions made on such Participant's behalf on and after January 1, 2005. Prior to January 1, 2017, the Participant's Post-2004 Savings Restoration Plan Account was also credited with any balance in the Participant's "Post-2004 KMG Plan Benefits Account" (as such term was defined in the Plan immediately prior to January 1, 2017), which latter account was then eliminated.

With respect to each Plan Year beginning on and after January 1, 2005 (or such later Plan Year as an individual becomes a Participant), the Committee shall credit to the Participant's Post-2004 Savings Restoration Plan Account an amount equal to the excess, if any, of (a) over (b), where:

(a) equals the Company Matching Contributions which would have been allocated to such Participant's account under the Savings Plan if the Savings Plan had been administered without regard to (i) the Code Limits and (ii) with respect to a Participant other than a Limited 415 Participant, any elective salary and/or bonus compensation arrangement maintained by an Employer which has been designated by the Company as a deferred compensation plan for purposes of the Plan; and

(b) equals the amount of Company Matching Contributions which were in fact allocated for such Plan Year to the account of such Participant under the Savings Plan (without regard to earnings thereon).

In determining the amount to be credited to a Participant's Post-2004 Savings Restoration Plan Account for any Plan Year, the following rules are applicable:

(w) for purposes of the Plan, including this Section 4.01, the term "Company Matching Contributions" shall include and encompass (i) prior to the Effective Date, any Employer Safe-Harbor Contributions, PWA Contributions and Employer Post-2013 Matching Contributions provided for under the Savings Plan (as such terms are defined in the Anadarko Employee Savings Plan) and (ii) on and after the Effective Date, Matching Contributions (as this term is defined in the Occidental Petroleum Corporation Savings Plan and PWA Employer Contributions (as this term is defined in the Occidental Petroleum Retirement Plan);

(x) except with respect to Company Matching Contributions associated with PWA Contributions or PWA Employer Contributions, the Participant shall only be entitled to allocations to his Post-2004 Savings Restoration Plan Account if he has made the maximum elective deferrals to the Savings Plan under Code Section 402(g) or the maximum elective contributions permitted under the terms of the Savings Plan for such Plan Year;

(y) the Participant's Contribution Rate shall be the rate the Plan utilizes to determine the Participant's benefit under the Plan; and

(z) the Participant's compensation shall be deemed to be (i) prior to the Effective Date, his "Base Compensation" as determined under the Anadarko Petroleum Corporation Employee Savings Plan and (ii) on and after the Effective Date, his "Earnings" as determined under the Occidental Petroleum Corporation Savings Plan, or his "Compensation" as determined under the Occidental Petroleum Corporation Retirement Plan, as applicable; provided, however, that, with respect to a Participant other than a Limited 415 Participant, such determination shall be made without regard to the dollar limit under Code Section 401(a)(17) as in effect for the Plan Year.

4.02 Pre-2005 Savings Restoration Plan Account. Effective as of January 1, 2005, the Company established for each affected Participant a separate account under the Account, entitled the "Pre-2005 Savings Restoration Plan Account". The Company credited to the Pre-2005 Savings Restoration Plan Account the total value of the Participant's account balance held under the Plan as of December 31, 2004, and such Account shall share in allocated Investment Experience after such date. The Participant's Pre-2005 Savings Restoration Plan Account is intended by the Company to be credited only with amounts that are considered to be "earned and vested" not later than December 31, 2004, within the meaning of Code Section 409A, and thus not subject to Section 409A. No additional contributions shall be made to the Participant's Pre-2005 Savings Restoration Plan Account after December 31, 2004; provided, however, that, prior to January 1, 2017, the Participant's Pre-2005 Savings Restoration Plan Account was also credited with any balance in the Participant's "Pre-2005 KMG Plan Benefits Account" (as such term was defined in the Plan immediately prior to January 1, 2017), which latter account was then eliminated.

ARTICLE V. HYPOTHETICAL INVESTMENT OPTIONS

5.01 Investment of Account in Investment Funds. The Committee, in its discretion, may permit all Participants to request that their entire Account balances (vested and unvested) be invested

in any one or a combination of Funds which have been selected and designated by the Committee as being available for hypothetical investments under the Plan. If a Participant does not elect to invest all or any portion of his Account balance in Funds, the portion of such Account balance that is not directed by the Participant for investment shall automatically be deemed to be invested in the default Fund investment option selected by the Committee. All investments hereunder shall be considered assets of the Company, and the Participant shall remain subject to all applicable provisions of the Plan including, without limitation, Section 1.02.

The Investment Experience posted and credited to each Participant's Account shall be based solely on the Investment Experience of the actual Funds in which the Participant's Account balance is deemed to be invested. Investment Experience shall be promptly posted and credited to the Participant's Account by the Company as of each Valuation Date.

As authorized by the Committee, each Participant shall have the right to elect hypothetical investments of his Account balance. The Committee (or its delegate) shall prescribe such procedures as it considers necessary to direct the deemed investment of the Participants' Account balances. Each Participant's Account shall be credited or debited with the increase or decrease in the realizable net asset value of the designated Funds in which such Account balance is deemed to be invested.

Subject to such limitations as may from time to time be required by law, imposed by the Committee or contained elsewhere in the Plan, and subject to such operating rules and procedures as may be imposed from time to time by the Committee, each Participant may communicate requests regarding the deemed investment of his Account balance between and among the designated Funds. Investment directions shall designate the percentage (in any whole percent multiples) of the Participant's Account balance that is requested for investment in such Funds, subject to the following rules:

(a) All amounts credited to the Participant's Account shall be deemed to be invested in accordance with the Participant's then-effective investment direction. As of the effective date of any accepted new investment request, the Participant's Account balance at that date shall be reallocated among the designated Funds according to the percentages specified in the new investment request unless and until a subsequent investment request becomes effective.

(b) If the Committee (or its delegate) receives an initial or revised investment request that it deems to be incomplete, unclear, or improper, the Participant's investment request then in effect shall remain in effect (or, in the case of a deficiency in an initial investment direction, the Participant shall be deemed to have invested in the default Fund investment option selected by the Committee), unless the Committee (or its delegate) permits the application of corrective action prior thereto.

(c) If the Committee (or its delegate) possesses at any time directions as to the deemed investment of less than all of a Participant's Account, the Participant shall be deemed to have requested that the undesignated portion of his Account balance be deemed for investment in the default Fund investment option selected by the Committee.

(d) Each Participant, as a condition to his participation in the Plan, agrees to indemnify and hold harmless the Company and the Committee, and their representatives, delegates and agents, from and against any investment losses or damages of any kind relating to, or arising out of, the deemed investment of the Participant's Account balance under the Plan.

No assurances are provided by any person or entity that any investment results will be favorable and, as with most investments, there is a risk of loss. All investment earnings or losses resulting from the Participant's deemed investments shall be periodically posted to his Account by the Company as allocable Investment Experience.

5.02 No Warranties. The Board, Committee, Employer and its Affiliates and officers of the Employer and its Affiliates do not warrant or represent in any respect that the value of any Participant's Account will increase and not decrease. Each Participant assumes all related investment risk in connection with any change in value.

ARTICLE VI. PAYMENT OF BENEFITS

6.01 Payment of Participant's Account. Payment of any Participant's Account balance shall be made at one time (in the form of a lump-sum payment) within ninety (90) days following the Participant's Separation from Service.

6.02 Six-Month Delay. Notwithstanding any provision herein to the contrary, distributions with respect to the portion of a Key Employee's Post-2004 Savings Restoration Plan Account shall not be made to a Key Employee upon his Separation from Service before the date which is six months after the date of such Separation from Service (or, if earlier, the date of death of the Key Employee).

6.03 Vesting. A Participant shall be 100% vested in his entire Account at all times, except the portion of the Account attributable to PWA Contributions made under the Savings Plan shall vest in accordance with the vesting schedule in the Savings Plan for PWA Contributions. The amount credited to a Participant's Account which is not vested upon the Participant's Separation from Service shall be forfeited. Notwithstanding the preceding provisions of this Section 6.03, (a) each Eligible Employee who becomes a Participant on or after the Effective Date shall be 100% vested in his entire Account (including the portion of his Account attributable to PWA Contributions or made under the Savings Plan) at all times, and (b) each Participant in the Plan as of the Effective Date who is employed by an Employer or any Affiliate on such date shall retroactively become 100% vested in each credit to his Account attributable to PWA Contributions made under the Savings Plan as of the date of such credit and shall be 100% vested in his entire Account (including the portion of his Account attributable to PWA Contributions or made under the Savings Plan) at all times from and after the Effective Date.

ARTICLE VII. ADMINISTRATION

7.01 Administration by Committee. The Committee shall be the plan administrator with respect to the Plan, except that for all matters (including, without limitation, interpretation of the Plan) directly relating to participation, claims or benefits associated with individuals who are then

Section 16 Officers, the Committee shall be the Executive Compensation Committee of the Board of Directors of Occidental Petroleum Corporation.

The members of the Committee shall not receive any special compensation for serving in their capacities as members, but shall be reimbursed by the Company for any reasonable expenses incurred in connection therewith. No bond or other security need be required of the Committee or any member thereof.

7.02 Administration of Plan. The Committee shall operate, administer, interpret, construe and construct the Plan, including correcting any defect, supplying any omission or reconciling any inconsistency. The Committee shall have all powers necessary or appropriate to implement and administer the terms and provisions of the Plan, including the power to make findings of fact. The determination of the Committee as to the proper interpretation, construction, or application of any term or provision of the Plan shall be final, binding, and conclusive with respect to all interested persons.

7.03 Action by Committee. A majority of the members of the Committee shall constitute a quorum for the transaction of business, and the vote of a majority of those members present at any meeting at which a quorum is present shall decide any question brought before the meeting and shall be the act of the Committee. In addition, the Committee may take any other action otherwise proper under the Plan by an affirmative vote, taken without a meeting, of a majority of its members.

7.04 Delegation. The Committee may, in its discretion, delegate one or more of its duties to its designated agents including, without limitation, to Employees.

7.05 Reliance Upon Information. No member of the Committee shall be liable for any decision, action, omission, or mistake in judgment, provided that he acted in good faith in connection with administration of the Plan. Without limiting the generality of the foregoing, any decision or action taken by the Committee in reasonable reliance upon any information supplied to it by the Board, any Employee, the Employer, the Employer's legal counsel, or the Employer's independent accountants, shall be deemed to have been taken in good faith.

The Committee may consult with legal counsel, who may be counsel for the Employer or other counsel, with respect to its obligations or duties hereunder, or with respect to any action, proceeding or question at law, and shall not be liable with respect to any action taken, or omitted, in good faith pursuant to the advice of such counsel.

7.06 Rules of Conduct. The Committee shall adopt such rules for the conduct of its business and the administration of the Plan as it considers desirable, provided they do not conflict with the provisions of the Plan.

7.07 Legal, Accounting, Clerical and Other Services. The Committee may authorize one or more of its members or any agent to act on its behalf, and may contract for legal, accounting, clerical and other services to effectuate its duties under the Plan. The Committee shall keep records reflecting its administration of the Plan, which shall be subject to review or audit by the Company

at any time. The Company shall pay all the expenses of the Committee and the other expenses of administering the Plan.

7.08 Indemnification. The officers and directors of the Company, the members of the Committee, and any Employees who have been assigned duties hereunder regarding administration of the Plan, shall each be indemnified and held harmless by the Company from and against (a) any and all losses, costs, liabilities, or expenses (including reasonable attorney's fees) that may be imposed upon or reasonably incurred by any such person in connection with, or resulting from, any claim, action, suit, or other proceeding to which he is or may be a party, or in which he is or may otherwise be involved, by reason of any action or failure to act under the Plan, and (b) any and all amounts paid by such person in settlement with the Company's written approval, or paid in satisfaction of a judgment in any such action, suit, or other proceeding; provided, however, the foregoing indemnification provisions shall not be applicable to any indemnified person if the loss, cost, liability, or expense is due to such person's fraud, gross negligence or willful misconduct.

7.09 Claims Review Procedures

(a) Filing a Claim. A Participant or his authorized representative hereafter ("Claimant") may file a claim for benefits under the Plan by filing a written claim, identified as a claim for benefits, with the Committee. In addition, the Committee may treat any writing or other communication received by it as a claim for benefits, even if the writing or communication is not identified as a claim for benefits.

(b) Acknowledgement of Receipt of Claim. The Committee will send the Claimant a letter acknowledging the receipt of any communication that it treats as a claim for benefits. If the Claimant fails to receive such an acknowledgement within 60 days after making a claim, the Claimant should contact the Committee to determine whether the claim has been received and identified as a claim for benefits.

(c) Approval of Claim. A claim is considered approved only if its approval is communicated in writing to a Claimant. If a Claimant does not receive a response to a claim for benefits within the applicable time period, the Claimant may proceed with an appeal under the procedures described in Section 7.09(e).

(d) Denial of Claim. If a claim is denied in whole or in part, the Committee will notify the Claimant of its decision by written notice, in a manner calculated to be understood by the Claimant.

(1) Timing of Notice. The notice of denial must be given within 90 days after the claim is received by the Committee. If special circumstances (such as a hearing) require a longer period, the Claimant will be notified in writing, before the expiration of the 90-day period, of the expected decision date and the reasons for an extension of time; provided, however, that no extensions will be permitted beyond 90 days after expiration of the initial 90-day period.

(2) Content of Notice. The notice will set forth:

(A) the specific reasons for the denial of the claim;

(B) a reference to specific provisions of the Plan on which the denial is based;

(C) a description of any additional material or information necessary to perfect the claim and an explanation of why such material or information is necessary; and

(D) an explanation of the procedure for review of the denied or partially denied claim, including the Claimant's right to bring a civil action under ERISA Section 502(a) following an adverse benefit determination on review.

(e) Request for Review of Denial. Upon denial of a claim in whole or in part, a Claimant has the right to submit a written request to the Committee for a full and fair review of the denied claim, and upon request and free of charge, to reasonable access and copies of all documents, records, and other information relevant to the Claimant's claim for benefits and may submit issues and comments in writing.

(1) Scope of Review. The review takes into account all comments, documents, records, and other information submitted by the Claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination.

(2) Timing of Request for Review. A request for review of a claim must be submitted within 60 days of receipt by the Claimant of written notice of the denial of the claim (or, if the Claimant has not received a response to the initial claim, within 150 days of the filing of the initial claim). If the Claimant fails to file a request for review within 60 days of the denial notification (or deemed denial after 150 days), the claim under the Plan is forever abandoned and the Claimant is precluded from reasserting it.

(3) Contents of Request for Review. If the Claimant files a request for review, his request must include a description of the issues and evidence he deems relevant. Failure to raise issues or present evidence on review will preclude those issues or evidence from being presented in any subsequent proceeding or judicial review of the claim.

(f) Denial Upon Review

(1) Timing of Denial Notice. The Committee must render its decision on the review of the claim no more than 60 days after the Committee's receipt of the request for review, except that this period may be extended for an additional 60 days if the Committee determines that special circumstances (such as a hearing) require such extension. If an extension of time is required, written notice of the expected decision date and the reasons for the extension will be furnished to the Claimant before the end of the initial 60-day period.

(2) Contents of Denial. If the Committee issues a negative decision, it shall provide a prompt written decision to the Claimant setting forth:

(A) the specific reason or reasons for the adverse determination;

(B) a reference to specific Plan provisions on which the adverse determination was made;

(C) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the Claimant's claim for benefits; and

(D) a statement describing any voluntary appeal procedures offered by the Plan and the Claimant's right to obtain the information about such procedures and a statement of the Claimant's right to bring an action under ERISA Section 502(a).

(3) Authority of Committee. To the extent of its responsibility to review the denial of benefit claims, the Committee has full authority to interpret and apply in its discretion the provisions of the Plan. The decision of the Committee is final and binding upon any and all Claimants and any person making a claim through or under them.

(g) Limits on Right to Judicial Review. A Claimant must follow the claims procedures described by this Section 7.09 before taking action in any other forum regarding a claim for benefits under the Plan. Any lawsuit or other legal action that is initiated by a Claimant under the Plan must be brought by the Claimant no later than one (1) year following a final decision on the claim for benefits under these claims procedures. The one-year statute of limitations on causes of action for benefits applies in any forum where a Claimant initiates such action. If a civil action is not filed within this period, the Claimant's benefit claim is deemed permanently waived and abandoned.

(h) Other Claims. Any other claims that arise under or in connection with the Plan, even though not claims for benefits, must be filed with the Committee and are considered in accordance with the claims and appeals procedures in this Section 7.09.

7.10 Finality of Determinations; Exhaustion of Remedies. To the extent permitted by law, decisions reached under the claims procedures set forth in Section 7.09 shall be final and binding on all Claimants and other interested persons and entities. No legal action for benefits under the Plan shall be brought unless and until the Claimant has exhausted his remedies under Section 7.09. In any such legal action, the Claimant may only present evidence and theories which the Claimant presented during the claims procedures under Section 7.09. Any claims which the Claimant does not in good faith pursue through the review stage of these procedures shall be treated as having been irrevocably waived. Judicial review of a Claimant's denied claim shall be limited to a determination of whether the denial was an abuse of discretion based only on the evidence and theories that the Claimant presented during the claims procedure.

7.11 Effect of Committee Action. The Plan shall be interpreted by the Committee in accordance with its terms and provisions. The Committee has the reserved discretion under the Plan to make any findings of fact it deems necessary or appropriate in the administration of the Plan, and shall have the discretion to interpret or construe ambiguous, unclear or implied (but omitted) terms in any fashion it deems to be appropriate in its sole judgment. The validity of any such finding of fact, interpretation, construction or decision shall not be given de novo review if challenged in

court, by arbitration or in any other forum, and shall be upheld unless clearly arbitrary or capricious. To the extent the Committee has been granted discretionary authority under the Plan, the Committee's prior exercise of such authority shall not obligate it to exercise its authority in a like fashion thereafter. If, due to errors in drafting, any Plan provision does not accurately reflect its intended meaning, as demonstrated by consistent interpretations or other evidence of intent, or as determined by the Committee in its sole and exclusive judgment, the provision shall be considered ambiguous and shall be interpreted by the Committee in a fashion consistent with its intent, as determined by the Committee in its sole discretion. The Committee, without the need for the Board's approval, may amend the Plan retroactively to cure any such ambiguity as deemed necessary or appropriate by the Committee. This Section 7.11 may not be invoked by any Claimant or other person to require the Plan to be interpreted in a manner which is inconsistent with its interpretation by the Committee. All actions taken and all determinations made in good faith by the Committee shall be final and binding upon all Claimants and other persons claiming any interest in or under the Plan.

7.12 Effect of Mistake. If, in the sole opinion of the Committee, a mistake occurred affecting (a) the eligibility of an Eligible Employee or a Participant or (b) the amount of benefit payments to, or on behalf of, a Participant or Claimant, the Committee shall, to the extent it deems appropriate and practicable, cause an adjustment to be made to correct such mistake.

ARTICLE VIII. GENERAL PROVISIONS

8.01 Plan Amendment, Suspension and/or Termination. The Board may, in its discretion, from time to time, amend, suspend or terminate in whole or in part, and if terminated, reinstate any or all of the provisions of the Plan, except that no amendment, suspension or termination may apply so as to decrease the payment to any Participant (or Beneficiary) of any benefit under this Plan accrued prior to the effective date of such amendment, suspension or termination. The Board may delegate to any officer of the Company or of Occidental Petroleum Corporation, the authority to execute an amendment to the Plan that has been approved by the Board. Further, the Plan may be amended by the Committee as prescribed in Section 7.11.

Upon termination of the Plan, distribution of benefits shall be made to Participants and Beneficiaries in the manner and at the time described in the Plan, unless one of the following termination events occurs, in which case, all such amounts shall be distributed in a lump sum upon termination, or upon the earliest date allowable under Code Section 409A: (1) the Company's termination and liquidation of the Plan within 12 months of a corporate dissolution taxed under Code Section 331, or with the approval of a bankruptcy court; (2) the Company's termination and liquidation of the Plan pursuant to irrevocable action taken by the Company within the 30 days preceding or 12 months following a change in control event (within the meaning of Code Section 409A), provided that all agreements, methods, programs, and other arrangements sponsored by the Company that are aggregated under Code Section 409A are terminated and liquidated with respect to each Participant that experiences the change in control event; or (3) the Company's termination and liquidation of the Plan, provided that (a) the termination and liquidation does not occur proximate to a downturn in the financial health of the Company, (b) the Company terminates and liquidates

all agreements, methods, programs, and other arrangements sponsored by the Company that would be aggregated under Code Section 409A if the same Participant had deferrals of compensation under all of the agreements, methods, programs, and other arrangements sponsored by the Company that are terminated and liquidated, (c) no payments in liquidation of the Plan are made within 12 months of the date the Company takes all necessary action to irrevocably terminate and liquidate the Plan other than payments that would have been payable absent the termination and liquidation, (d) all payments are made within 24 months of the date the Company takes all necessary action to irrevocably terminate and liquidate the Plan, and (e) the Company does not adopt a new plan that would be aggregated with any terminated and liquidated plan under Code Section 409A if the same Participant participated in both plans, at any time within three years following the date the Company takes all necessary action to irrevocably terminate and liquidate the Plan.

8.02 Plan Not an Employment Contract. The Plan is strictly a voluntary undertaking on the part of the Company and does not constitute a contract of employment between the Company or its Affiliates and any Eligible Employee, or consideration for, or an inducement or condition of, the employment of an Eligible Employee. Nothing contained in the Plan shall give any Eligible Employee the right to be retained in the service of the Company or its Affiliates or to interfere with or restrict the right of the Company or its Affiliates, which is hereby expressly reserved, to discharge or retire any Eligible Employee at any time for any reason not prohibited by law, without the Company or its Affiliates being required to show cause for the termination. Participation in the Plan shall not give any Eligible Employee any right or claim to any benefit hereunder except to the extent such right has specifically become fixed under the terms of the Plan. The doctrine of substantial performance shall have no application to Eligible Employees, Participants or Beneficiaries.

8.03 Non-alienation of Benefits. Except as provided in this Section 8.03 and to the extent permitted by law, benefits payable under the Plan shall not, without the Committee's prior consent, be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, garnishment, execution, or levy of any kind, either voluntary or involuntary. An unauthorized attempt to charge or otherwise dispose of any right to benefits hereunder shall be subject to seizure by legal process resulting from any attempt by creditors of, or claimants against, any Participant (or Beneficiary), or any person claiming under or through the foregoing, to attach any Account balance under the Plan. Notwithstanding the foregoing, the anti-alienation restrictions of this Section 8.03 shall not apply to "qualified domestic relations order" ("QDRO") as described in Code Section 414(p). The Committee shall establish procedures to determine whether domestic relations orders submitted to the Committee are QDROs and to administer distributions under any valid QDROs. Nothing in this Section 8.03 shall preclude the Company or its Affiliates from withholding from amounts payable to a Participant or his Beneficiary under the Plan any amount that the Participant owes to the Company or its Affiliates, regardless of whether such amount is related to the Plan.

8.04 Special Payment Situations. The following provisions shall apply to the extent permitted under Code Section 409A.

(a) Missing Participant or Beneficiary. Payment of benefits to the person entitled thereto may be sent by first class mail, address correction requested, to the last known address on file with the Committee. If, within two months from the date of issuance of the payment, the payment

letter cannot be delivered to the person entitled thereto or the payment has not been negotiated, the payment shall be treated as forfeited. However, if the person to whom the benefit became payable subsequently appears and identifies himself to the satisfaction of the Committee, the amount forfeited (without earnings thereon) shall be distributed to the person entitled thereto. The right of any person to restoration of a benefit which was forfeited pursuant to this Section 8.04(a) shall cease upon termination of the Plan.

(b) Private Investigators. If the Committee retains a private investigator or other person or service to assist in locating a missing person, all costs incurred for such services shall be charged against the benefit to which the missing person was believed to be entitled and the benefit shall be reduced by the amount of the costs incurred, except as the Committee may otherwise direct in its discretion.

(c) Delayed Payment. Payments to Participants or Beneficiaries may be postponed by the Committee until any anticipated taxes, expenses, or amounts to be paid under a qualified domestic relations order have been paid in full or until it is determined that such charges will not be imposed. A payment to a Participant or Beneficiary may also be delayed in the event payment might defeat an adverse potential or asserted claim by some other person to the payment. The cost incurred by the Company in dealing with any such adverse claim shall be charged against the benefit to which the claim relates, except as the Committee may otherwise direct in its discretion.

8.05 Spin-offs. If a Participant ceases to be employed by the Company or its Affiliates because of the disposition by the Company or its Affiliates of its interest in a subsidiary, plant, facility or other business unit, or if an entity which employs a Participant ceases to be an Affiliate, such Participant's employment shall be considered terminated for all Plan purposes. To the extent permitted under Code Section 409A, this Section 8.05 shall not apply to the extent it is overridden by any contrary or inconsistent provision in the applicable sales documents (or any related documents), whether adopted before or after the sale, as determined by the Committee in its discretion and, if so determined, any such contrary or inconsistent provision shall instead apply and be incorporated into the Plan by this reference.

8.06 Duty to Provide Data

(a) Data Requests. Every person with an interest in the Plan or claiming benefits under the Plan shall furnish the Committee, on a timely and accurate basis, with such documents, evidence or information as it considers necessary or desirable for the purpose of administering the Plan. The Committee may postpone payment of benefits (without accrual of any interest or other earnings) until such information and such documents have been furnished.

(b) Addresses. Every person claiming a benefit under the Plan shall give written notice to the Committee of his post office address and each change of post office address. Any communication, statement or notice addressed to such a person at his latest post office address as filed with the Committee will, on deposit in the United States mail with postage prepaid, be as binding upon such person for all purposes of the Plan as if it had been received, regardless of whether it is actually received or it is alleged not to have been received. If a person fails to give notice of

his correct address, the Committee, the Company and its Affiliates shall not be obliged to search for, or to ascertain, his whereabouts.

(c) Failure to Comply. If benefits which are otherwise currently payable cannot be paid to the person entitled to the benefits because the individual has failed to comply with this Section 8.06 or any other Plan provision relating to his claim for benefits, any unpaid past due amount shall be forfeited on the individual's death or presumed death.

8.07 Tax Consequences Not Guaranteed. The Company does not warrant that this Plan will have any particular tax consequences for Participants or Beneficiaries and shall not be liable to them if tax consequences they anticipate do not actually occur. The Employer shall have no obligation to indemnify a Participant or Beneficiary for lost tax benefits (or other damage or loss) in the event benefits are cancelled as permitted under Section 8.01, or accelerated due to change in Plan design or funding, e.g., establishment of a "secular trust."

8.08 Tax Withholding. The Company or other payor shall withhold from a benefit payment under the Plan any Federal, state or local taxes required by law to be withheld with respect to such payment, and may withhold such sum as the payor may reasonably estimate as necessary to cover any taxes for which the Employer may be liable or which it determines may be assessed with regard to such payment.

8.09 Incompetency. Any person receiving or claiming benefits under the Plan shall be conclusively presumed to be mentally competent until the date on which the Committee receives a written notice, in an acceptable form and manner, that such person is incompetent and a guardian or other person legally vested with the care of his estate has been appointed. If the Committee finds that any person to whom a benefit is payable under the Plan is unable to care for his affairs because of any disability or infirmity and no legal guardian of such person's estate has been appointed, any payment due may be paid to the spouse, a child, a parent, a sibling, or to any other person or entity deemed by the Committee to have incurred expense for such person otherwise entitled to payment. Any such payment shall be a complete discharge of any liability under the Plan to the full extent of such payment. If a guardian of the estate of any person receiving or claiming benefits under the Plan shall be appointed by a court of competent jurisdiction, then benefit payments may be made to such guardian provided that proper proof of appointment and qualification is furnished in such form and manner as acceptable to the Committee. Any such payment shall be a complete discharge of any liability therefor under the Plan.

8.10 Severability. If any provision of the Plan is held invalid or illegal for any reason, such illegality or invalidity shall not affect the remaining provisions of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision was not contained. The Company shall have the privilege and opportunity to correct and remedy such questions of illegality or invalidity by amendment.

8.11 Governing Law. This Plan is subject to ERISA, but is exempt from most parts of ERISA since it is, in part, an excess benefit plan and the balance of the Plan is an unfunded, deferred compensation plan that is maintained for a select group of management or highly compensated employees for purposes of Title I of ERISA. In no event shall any references to ERISA in the Plan

be construed to mean that the Plan is subject to any particular provisions of ERISA. The Plan shall be governed and construed in accordance with the laws of the State of Texas without regard to its conflicts of law provisions, except to the extent such laws are preempted by ERISA or other applicable federal law.

8.12 Headings. The headings of Articles and Sections herein are included solely for convenience of reference, and, if there is any conflict between such headings and the text of the Plan, the text shall control and govern.

[Signature page follows.]

IN WITNESS WHEREOF, Anadarko Petroleum Corporation has caused this amended and restated Plan to be adopted and executed by its duly authorized officer effective as of the Effective Date.

ANADARKO PETROLEUM CORPORATION

By: /s/ Marcia E. Backus

Name: Marcia E. Backus

Title: Senior Vice President

ADOPTING EMPLOYERS APPENDIX

As of the Effective Date, the Company is the only adopting Employer under the Plan.

**TERMINATION AMENDMENT
TO THE
ANADARKO EMPLOYEE SAVINGS PLAN
(As Amended and Restated Effective January 1, 2015)**

WHEREAS, Anadarko Petroleum Corporation (the “**Company**”) has previously adopted the Anadarko Employee Savings Plan (as Amended and Restated Effective January 1, 2015), and as further amended from time to time (the “**Plan**”); and

WHEREAS, pursuant to Section 10.3 of the Plan, the Board of Directors of the Company took all legal actions to terminate the Plan effective as of August 7, 2019 and to cease further purchases in the Plan’s Company Stock Fund effective as of August 8, 2019;

NOW, THEREFORE, the Company hereby amends the Plan, effective as of August 7, 2019, to reflect the Plan termination, as follows:

1. Effective as of August 7, 2019, the following new Section 2.5 shall be added at the end of Article II of the Plan:

“**2.5 Plan Termination:** Effective as of August 7, 2019 (the ‘**Termination Date**’), the Plan is terminated and, notwithstanding any provision hereof to the contrary, on and after the Termination Date: (i) no new Participants shall be allowed to commence (or re-commence) participation in the Plan; (ii) no Participant Contributions or Rollover Contributions will be made to the Plan after the Termination Date; (iii) no new Participant loans will be made from the Plan on or after the Termination Date; (iv) no Employer Contributions will be made to the Plan based on Compensation earned after the Termination Date; and (v) the unvested portion of any Accounts as of the Termination Date shall be fully vested as of the Termination Date.”

2. Effective as of August 8, 2019, the following new sentences shall be added to the end of Section 4.10(a) of the Plan:

“Notwithstanding the foregoing sentence or any other provision of the Plan to the contrary, effective as of August 8, 2019 (“**Freeze Date**”), the Plan Sponsor, in its corporate or settlor capacity, froze the Company Stock Fund and on and after the Freeze Date such fund shall no longer be open to or accept new investment or reinvestment, including from another Plan investment option (including amounts

that were previously invested in the Company Stock Fund), other than the loan repayments, to the extent the loan amount was funded from the Company Stock Fund prior to the Merger Date, and cash dividends paid with respect to shares of Company common stock in the Company Stock Fund. Any amounts transferred from the Company Stock Fund to any other Plan investment options cannot be subsequently reinvested in the Company Stock Fund on or after the Freeze Date. Any cash amounts received by the Plan on behalf of Participants in consideration for the conversion of the common stock of the Company in the Company Stock Fund in connection with the transaction pursuant to that certain Agreement and Plan of Merger, dated as of May 9, 2019, by and among the Company, Occidental Petroleum Corporation and certain other parties shall be reinvested in the then-designated qualified default investment alternative applicable for such Participants invested in the Company Stock Fund.”

IN WITNESS WHEREOF, this Termination Amendment to the Anadarko Employee Savings Plan (as Amended and Restated Effective January 1, 2015) is hereby approved, ratified and executed by an authorized officer of Anadarko Petroleum Corporation on this 28th day of August 2019, to be effective as provided above.

ANADARKO PETROLEUM CORPORATION

By: /s/ Marcia E. Backus
Name: Marcia E. Backus
Title: Senior Vice President

OCCIDENTAL PETROLEUM CORPORATION SAVINGS PLAN
(As Amended and Restated Effective January 1, 2018)

First Amendment

WHEREAS, Occidental Petroleum Corporation (the “Company”) has previously adopted and maintains the Occidental Petroleum Corporation Savings Plan, as amended and restated effective as of January 1, 2018 (the “Plan”), for the benefit of its eligible employees and eligible employees of its affiliates that have adopted the Plan; and

WHEREAS, the Occidental Petroleum Corporation Pension and Retirement Plan Administrative Committee (the “Committee”) has the right under Section 13.1 of the Plan to amend the Plan at any time and from time to time on behalf of the Company; and

WHEREAS, the Committee desires to amend the Plan to clarify that certain Anadarko Petroleum Corporation employees who are “Third Country Nationals” are excluded from participation in the Plan.

NOW, THEREFORE, the Committee hereby amends the definition of “Eligible Employee” in Section 2.1(z) of the Plan to add a new subsection (5), effective as of August 8, 2019, to read as follows:

- “(5) Any Employee of Anadarko Petroleum Corporation who is not a citizen or legal resident of the United States and is not regularly employed at a worksite of Employer within the United States shall not be eligible to participate in the Plan.”

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused these presents to be executed by its duly authorized officer, effective as of the date set forth herein.

OCCIDENTAL PETROLEUM CORPORATION

By: /s/ Darin S. Moss
Name: Darin S. Moss
Title: VP – Human Resources

KERR-McGEE CORPORATION
BENEFITS RESTORATION PLAN

(Amended and Restated Effective August 8, 2019)

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KERR-McGEE CORPORATION
BENEFITS RESTORATION PLAN

ARTICLE I

PURPOSE

The purpose of the Plan is to provide benefits which are not payable to an Eligible Employee under the Defined Benefit Plan because of benefit limitations under the Code. The Plan as set forth herein constitutes an amendment and restatement of the Plan as in effect immediately prior to the Effective Date in order to modify certain provisions of the Plan related to Plan administration. This amendment and restatement of the Plan shall be effective as of the Effective Date.

With respect to Participants other than Limited 415 Participants, the Plan is intended as an unfunded plan to be maintained primarily for the purpose of providing deferred compensation for a “select group of management or highly compensated employees” within the meaning of such phrase for purposes of Sections 201(2), 301(a)(3) and 401(a)(1) of ERISA, and as such it is intended that the Plan be exempt from the participation and vesting, funding, and fiduciary responsibility requirements of Title I of ERISA. The Plan is also intended to qualify for simplified reporting under U.S. Department of Labor Regulation Section 2530.104-23, which provides for an alternative method of compliance for plans described in such regulation. With respect to Limited 415 Participants, the portion of the Plan that provides benefits to such Limited 415 Participants solely due to limitations applicable to the Defined Benefit Plan by reason of Code Section 415 is intended to be treated as a separate plan that is an “excess benefit plan” within the meaning of such phrase for purposes of Sections 3(36) and 4(b)(5) of ERISA. Moreover, the Plan is intended to comply with the requirements of Code Section 409A for nonqualified deferred compensation plans to the extent applicable. The Plan is not intended to satisfy the tax qualification requirements of Code Section 401(a).

ARTICLE II

DEFINITIONS

The masculine gender, where appearing in the Plan, shall be deemed to include the feminine gender, the single may include the plural, and vice versa, unless the context clearly indicates to the contrary. Where capitalized words and phrases appear in the Plan, they shall have the respective meanings set forth below.

2.01 Accrued Benefit. The term “Accrued Benefit” shall have the meaning assigned to such term under the Defined Benefit Plan.

2.02 Affiliate.

(a) Any corporation other than the Company (i.e., either a subsidiary corporation or an affiliated or associated corporation of the Company), which together with the Company is a member of a “controlled group” of corporations;

(b) Any organization with which the Company is under “common control”;

(c) Any organization which together with the Company is an “affiliated service group”;

(d) A limited liability company wholly owned by the Company; or

(e) Any foreign affiliate of the Company which is covered by an agreement under Section 3121(1) of the Code; as those terms are used in Code Sections 414(b), 414(c), 414(m), and 406(a), respectively.

2.03 Basic Defined Benefit Plan Benefit. The amount payable to the Participant under the Defined Benefit Plan after reduction to comply with the Limits of the Code.

2.04 Beneficiary. The beneficiary or beneficiaries designated by the Participant, in accordance with Section 8.10, to receive any amounts distributable under the Plan upon death.

2.05 Board of Directors. The Board of Directors of the Company.

2.06 Code. The Internal Revenue Code of 1986, as amended from time to time and related IRS notices, rules and regulations.

2.07 Committee. The committee appointed by the Board to administer the Plan; provided, however, that if the Board has not appointed a committee, then each reference herein to the “Committee” shall instead refer to the Board.

- 2.08 Company. Anadarko Petroleum Corporation, as the successor to Kerr-McGee Corporation, or its successor in interest.
- 2.09 Defined Benefit Plan. Kerr-McGee Corporation Retirement Plan or its successor plan.
- 2.10 ERISA. The Employee Retirement Income Security Act of 1974, as amended.
- 2.11 Effective Date. August 8, 2019, as to this amendment and restatement of the Plan.
- 2.12 Eligible Employee. Any employee of the Company or an Affiliate whose benefit under the Defined Benefit Plan is limited by the Limits of the Code.
- 2.13 KMG Change of Control. The acquisition prior to the Effective Date of Kerr-McGee Corporation by the Company as its wholly-owned subsidiary.
- 2.14 Limited 415 Participant. Any employee of the Company or an Affiliate whose benefit under the Defined Benefit Plan is limited by the limitation imposed by Code Section 415 and who has not otherwise been designated as a Participant in the Plan by the Committee pursuant to the provisions of Article III hereof.
- 2.15 Limits of the Code. The limitations imposed under the Code, which shall include by example but not by limitation Code Sections 401(a)(17) and/or 415, on the amount of benefits which may be earned or paid under the Defined Benefit Plan, including limitations that vary based upon the form of retirement income elected under the Defined Benefit Plan. From and after the Effective Date, the term “Limits of the Code” shall also include any amendment to the Defined Benefit Plan that is adopted on or after the Effective Date and that is expressly identified in connection with its adoption as an amendment that is intended to reduce or limit accruals under the Defined Benefit Plan with respect to a participant therein who is a “highly compensated employee” (as defined in Code Section 414(q)) due to the application of the Nondiscrimination Rules. Notwithstanding the preceding provisions of this Section 2.15, with respect to a Limited 415 Participant, for all purposes of the Plan (other than for the purpose of computing the Basic Defined Benefit Plan Benefit for such Limited 415 Participant), the term “Limits of the Code” shall mean solely the limitation imposed by Code Section 415 on the amount of benefits which may be earned or paid under the Defined Benefit Plan.
- 2.16 Nondiscrimination Rules. The nondiscrimination rules set forth in Code Section 401(a)(4), Code Section 410(b) or other provisions of the Code that are applicable to the Defined Benefit Plan and that are intended to prevent discrimination in favor of “highly compensated employees” (as defined in Code Section 414(q)).
- 2.17 Participant. An Eligible Employee of the Company or an Affiliate who meets the requirements to participate in the Plan in accordance with the provisions of Article III hereof. The term “Participant” shall include a Limited 415 Participant except where expressly provided otherwise in the Plan.
- 2.18 Personal Wealth Account. The term “Personal Wealth Account” shall have the meaning assigned to such term under the Twenty-Eighth Supplement to the Defined Benefit Plan.
- 2.19 Plan. Kerr-McGee Corporation Benefits Restoration Plan, as amended from time to time.
- 2.20 Restored Defined Benefit Plan Benefit. A Participant’s benefit, if any, provided under Section 5.01 hereof attributable to the reduction in the Participant’s Defined Benefit Plan benefit in compliance with the Limits of the Code.
- 2.21 Retirement Choice Accrued Benefit. The term “Retirement Choice Accrued Benefit” shall have the meaning assigned to such term under the Defined Benefit Plan.
- 2.22 Section 16 Officers. A Participant who is subject to Section 16 of the Securities and Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.
- 2.23 Senior Executive Group. Participants designated by the Chairman of the Board of Directors of Kerr-McGee Corporation prior to the KMG Change of Control to be a member of the Senior Executive Group.
- 2.24 Senior Executive Group Member. A participant in the Senior Executive Group.
- 2.25 Separation from Service. The Participant’s separation from service with the Company and all Affiliated Entities within the meaning of Code Section 409A.

ARTICLE III

ELIGIBILITY AND PARTICIPATION

Each employee of the Company or an Affiliate who was a Participant in the Plan immediately prior to the Effective Date shall continue as a Participant in the Plan as of the Effective Date.

From and after the Effective Date, any Eligible Employee shall be a Participant only if the Committee (a) determines that such Eligible Employee is a member of a select group of management or highly compensated employees of the Company or its Affiliates for purposes of Title I of ERISA and (b) designates such Eligible Employee as a Participant. Notwithstanding the foregoing, any employee of the Company or an Affiliate whose benefit under the Defined Benefit Plan is limited by the limitation imposed by Code Section 415 and who is not otherwise designated by the Committee as a Participant pursuant to the preceding sentence shall automatically participate in the Plan as a Limited 415 Participant.

In addition, any employee who, prior to the KMG Change of Control, was (a) a participant in the Defined Benefit Plan and (b) a Senior Executive Group Member, was deemed to have been eligible to participate in the Plan on the day prior to the KMG Change of Control, whether or not benefits under the Defined Benefit Plan were limited by the Code.

ARTICLE IV

PROVISIONS FOR BENEFITS

Benefits provided by the Plan shall constitute general obligations of the Company and its Affiliates and shall at all times be subject to the claims of the general creditors of the Company and its Affiliates if any such Affiliate is also the employer of the Participant, in accordance with the terms hereof. No amounts in respect of such benefits shall be set aside or held in trust and no recipient of any benefit shall have any right to have the benefit paid out of any particular assets of the Company and its Affiliates; provided, however, that nothing herein shall be construed to prevent a transfer of funds to a grantor trust for the purpose of paying benefits or any part thereof as directed by the Committee under the Plan. The amount payable shall not be in addition to any benefit payable under any supplement to the Plan.

ARTICLE V

AMOUNT OF BENEFITS

5.01 Restored Defined Benefit Plan Benefits. If the amount payable to the Participant from the Defined Benefit Plan is subject to the Limits of the Code, and any subsequent modifications thereto, the amount by which such benefit is so limited shall be provided for such Participant under the Plan. The amount payable shall not be in addition to any benefit payable under any supplement to the Plan. In calculating the amounts payable under the Plan, such calculation shall be made under the terms of the Defined Benefit Plan without the Limits of the Code; provided, however, that the Restored Defined Benefit Plan Benefits of a Participant who has a Personal Wealth Account shall be based upon such Participant's Retirement Choice Accrued Benefit (if any, and only to the extent such Participant has not previously received a benefit under the Plan that relates to such Participant's Retirement Choice Accrued Benefit) and such Participant's Accrued Benefit under the Twenty-Eighth Supplement to the Defined Benefit Plan. Further, the Restored Defined Benefit Plan Benefits based upon the Participant's Accrued Benefit under the Twenty-Eighth Supplement to the Defined Benefit Plan shall be calculated as the difference between the balance that would have been in the Participant's Personal Wealth Account determined without reduction to comply with the Limits of the Code and his Accrued Benefit under the Twenty-Eighth Supplement to the Defined Benefit Plan. However, for the purposes of the Plan, amounts deferred by the Participant under the Kerr-McGee Corporation Executive Deferred Compensation Plan that would have been included in "covered compensation" under the Defined Benefit Plan had such amounts been paid to the Participant will be includable in compensation in calculations to determine Restored Defined Benefit Plan Benefits. Notwithstanding any provision in the Plan to the contrary, if a Participant has received a payment under the Plan with respect to a Restored Defined Benefit Plan Benefit and such Participant subsequently accrues an additional Restored Defined Benefit Plan Benefit, then such additional Restored Defined Benefit Plan Benefit shall be reduced to the extent necessary to eliminate any duplication of benefits with respect to the payment such Participant previously received under the Plan.

5.02 Restored Benefits. Regardless whether a Participant's Basic Defined Benefit Plan Benefit is subject to Limits of the Code, such Participant shall still be entitled to receive the excess of the Basic Defined Benefit Plan Benefit as provided under Section 8.04 over the amount, if any, payable under the Defined Benefit Plan. Notwithstanding anything to the contrary, benefits payable under this Section shall be deemed to constitute Restored Defined Benefit Plan Benefits.

5.03 Payment to Beneficiary. In the event any benefit payable upon a Participant's death to a Beneficiary under the Defined Benefit Plan prior to commencement of the Basic Defined Benefit Plan Benefit thereunder is subject to the Limits of the Code, the amount by which such benefit is so limited shall be payable to the Participant's Beneficiary pursuant to the terms and conditions of Section 6.01 herein.

5.04 Supplement to the Plan. The Supplement which is attached hereto shall be a part of the Plan for all purposes, and, unless specifically stated to the contrary in the Supplement, the terms of the Plan shall control and provide the basis for administration of the Supplement.

ARTICLE VI

PAYMENT OF BENEFITS

6.01 Payment of Restored Defined Benefit Plan Benefit. Subject to Sections 6.02 and 6.03, the form of the benefit payable under Article V shall be a cash lump sum payment that is made within 90 days after the date of the Participant's Separation from Service. The lump sum payment described in the preceding sentence shall be defined as the sum of the following amounts to the extent applicable to the Participant: (a) the Tax-Equalized Lump Sum (as defined below); and (b) the lump sum payment amount of the Restored Defined Benefit Plan Benefits with respect to the Participant's Accrued Benefit under the Twenty-Eighth Supplement to the Defined Benefit Plan. The Tax-Equalized Lump Sum shall be equal to "A" divided by "B", where:

"A" equals a single lump sum amount that is the actuarial equivalent (determined using (i) the 30-year Treasury Rate for the September preceding the first day of the calendar year in which the lump sum amount under this Section 6.01 is paid and (ii) the mortality table specified in IRS Revenue Ruling 2001-62) of a monthly annuity for the life of the Participant equal to (A) the Net Restoration Benefit, multiplied by (B) the Tax Factor, divided by (C) the Adjustment Factor (all as defined below); and

"B" equals the product of (i) 100% minus the maximum marginal federal income tax rate for married individuals filing joint returns for the calendar year during which the lump sum amount under this Section 6.01 is paid and (ii) 100% minus the maximum marginal state income tax rate, if any, for married individuals filing joint returns in the state of the Participant's residence for the calendar year during which the lump sum amount under this Section 6.01 is paid.

For purposes of "A" above, the following terms shall have the following meanings:

"Adjustment Factor" means the sum of (i) the percentage of each monthly payment of the Net Restoration Benefit multiplied by the Tax Factor that would not be taxable as a return of principal determined based on the tax exclusion ratio rules promulgated by the Internal Revenue Service (the "Tax Exclusion Ratio") and (ii) the product of (A) 100% minus the Tax Exclusion Ratio and (B) the Tax Factor;

"Net Restoration Benefit" means the Participant's Restored Defined Benefit Plan Benefits with respect to the Participant's Accrued Benefit under the Defined Benefit Plan (other than the Twenty-Eighth Supplement to the Defined Benefit Plan) determined on a monthly basis for the life of the Participant; and

"Tax Factor" means the product of (i) 100% minus the second highest marginal federal income tax rate for married individuals filing joint returns for the calendar year during which the lump sum amount under this Section 6.01 is paid and (ii) 100% minus the maximum marginal state income tax rate, if any, for married individuals filing joint returns in the state of the Participant's residence for the calendar year during which the lump sum amount under this Section 6.01 is paid.

Except as specifically provided otherwise herein, any actuarial adjustment to a Restored Defined Benefit Plan Benefit hereunder shall be computed using the same actuarial assumptions used on the corresponding Basic Defined Benefit Plan Benefit.

6.02 Payment Under Defined Benefit Plan Before 2009. If a Participant (a) incurred a Separation from Service after December 31, 2004 and (b) received or commenced receipt of any pension benefits payment under the Defined Benefit Plan at any time before January 1, 2009, such Participant (or his Beneficiary) received his benefits under the Plan in a cash lump sum payment that was made within 90 days after the date that benefits were paid, or commenced to be paid, under the terms of the Defined Benefit Plan. If a Participant (a) incurred a Separation from Service after December 31, 2004 and (b) did not receive or commence receipt of any pension benefits payment under the Defined Benefit Plan at any time before January 1, 2009, such Participant (or his Beneficiary) received his benefits under the Plan in a cash lump sum payment that was made within 90 days after December 31, 2008. If a Participant incurred a Separation from Service before January 1, 2005, such Participant (or his Beneficiary) shall receive his benefits under the Plan in a cash lump sum payment within 90 days after the date that benefits are paid, or commence to be paid, under the terms of the Defined Benefit Plan, regardless of whether or not such benefits are paid, or commence to be paid, under the Defined Benefit Plan before January 1, 2009.

6.03 Specified Employees. Notwithstanding anything in the Plan to the contrary, if the payment of any benefit under this Article VI would be subject to taxation under Code Section 409A because the timing of such payment is not delayed to the extent required under Code Section 409A for a Specified Employee upon his Separation from Service, then if the Participant is a Specified Employee, any such payment that the Participant would otherwise be entitled to receive during the first six months following his Separation from Service shall be accumulated and paid, within 90 days after the date that is six months following the date of his Separation from Service, or such earlier date upon which such amount can be paid or provided under Code Section 409A without being subject to such additional taxes and interest such as, for example, due to the death of Participant.

ARTICLE VII

ADMINISTRATION

7.01 Administration by Committee. The Committee shall be the plan administrator, except that for all matters (including, without limitation, interpretation of the Plan) directly relating to participation, claims or benefits associated with individuals who are then Section 16 Officers, the Committee shall be the Executive Compensation Committee of the Occidental Petroleum Corporation.

7.02 Rules of Conduct. The Committee shall adopt such rules for the conduct of its business and the administration of the Plan as it considers desirable, provided they do not conflict with the provisions of the Plan.

7.03 Legal, Accounting, Clerical and Other Services. The Committee may authorize one or more of its members or any agent to act on its behalf and may contract for legal, accounting, clerical and other services to carry out the Plan. The Company shall pay all expenses of the Committee.

7.04 Records of Administration. The Committee shall keep records reflecting the administration of the Plan which shall be subject to audit by the Company.

7.05 Expenses. The expenses of administering the Plan shall be borne by the Company.

7.06 Indemnification. The officers and directors of the Company, members of the Committee, and any employees of the Company who administer the Plan (including in-house counsel who interprets the Plan) shall be indemnified and held harmless by the Company against and from any and all loss, cost, liability, or expense that may be imposed upon or reasonably incurred by them in connection with or resulting from any claim, action, suit, or proceeding to which they may be a party or in which they may be involved by reason of any action taken or failure to act under the Plan and against and from any and all amounts paid by them in settlement with the Company's written approval or paid by them in satisfaction of a judgment in any such action, suit, or proceeding. The foregoing provision shall not be applicable to any person if the loss, cost, liability, or expense is due to such person's fraud or willful misconduct.

7.07 Liability. No member of the Board of Directors or of the Committee shall be liable for any act or action, whether of commission or omission, taken by any other member, or by any officer, agent, or employee of the Company or of any such body, nor, except in circumstances involving his bad faith, for anything done or omitted to be done by himself.

7.08 Claims Review Procedures.

(a)Filing a Claim. A Participant or his authorized representative may file a claim for benefits under the Plan (hereafter, referred to as a "Claimant"). Any claim must be in writing and submitted to the Committee at such address as may be specified from time to time. Claimants will be notified in writing of approved claims, which will be processed as claimed. A claim is considered approved only if its approval is communicated in writing to the Claimant.

(b)Denial of Claim. In the case of the denial of a claim respecting benefits paid or payable with respect to a Participant, a written notice will be furnished to the Claimant within 90 days of the date on which the claim is received by the Committee. If special circumstances (such as for a hearing) require a longer period, the Claimant will be notified in writing, prior to the expiration of the 90-day period, of the reasons for an extension of time; provided, however, that no extensions will be permitted beyond 90 days after the expiration of the initial 90-day period.

(c)Reasons for Denial. A denial or partial denial of a claim will be dated and signed by the Committee and will clearly set forth:

- (1) the specific reason or reasons for the denial;
- (2) specific reference to pertinent Plan provisions on which the denial is based;
- (3) a description of any additional material or information necessary for the Claimant to perfect the claim and an explanation of why such material or information is necessary; and
- (4) an explanation of the procedure for review of the denied or partially denied claim set forth below, including the claimant's right to bring a civil action under ERISA Section 502(a) following an adverse benefit determination on review.

(d)Review of Denial. Upon denial of a claim, in whole or in part, the Claimant or his duly authorized representative will have the right to submit a written request to the Committee for a full and fair review of the denied claim by filing a written notice of appeal with the Committee within 60 days of the receipt by the Claimant of written notice of the denial of the claim. A Claimant or the Claimant's authorized representative will have, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other

information relevant to the Claimant's claim for benefits and may submit issues and comments in writing. The review will take into account all comments, documents, records, and other information submitted by the Claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination.

If the Claimant fails to file a request for review within 60 days of the denial notification, the claim will be deemed abandoned and the Claimant precluded from reasserting it. If the Claimant does file a request for review, his request must include a description of the issues and evidence he deems relevant. Failure to raise issues or present evidence on review will preclude those issues or evidence from being presented in any subsequent proceeding or judicial review of the claim.

(e)Decision Upon Review. The Committee will provide a prompt written decision on review to the Claimant. If the claim is denied on review, the decision shall set forth:

- (1) the specific reason or reasons for the adverse determination;
- (2) specific reference to pertinent Plan provisions on which the adverse determination is based;
- (3) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the Claimant's claim for benefits; and
- (4) a statement describing any voluntary appeal procedures offered by the Plan and the Claimant's right to obtain the information about such procedures, as well as a statement of the Claimant's right to bring an action under ERISA Section 502(a).

A decision will be rendered no more than 60 days after the Committee's receipt of the request for review, except that such period may be extended for an additional 60 days if the Committee determines that special circumstances (such as for a hearing) require such extension. If an extension of time is required, written notice of the extension will be furnished to the Claimant before the end of the initial 60-day period.

To the extent of its responsibility to review the denial of benefit claims, the Committee will have full authority to interpret and apply in its discretion the provisions of the Plan. The decision of the Committee will be final and binding upon any and all Claimants, including, but not limited to, the Participant and any other individual making a claim through him.

(f)Other Procedures. Notwithstanding the foregoing, the Committee, in its discretion, may adopt different procedures for different claims

without being bound by past actions. Any procedures adopted, however, shall be designed to afford a Claimant a full and fair review of his claim and shall comply with applicable regulations under ERISA.

(g)Finality of Determinations: Exhaustion of Remedies. To the extent permitted by law, decisions reached under the claims procedures set forth in this Section 7.08 shall be final and binding on all parties. No legal action for benefits under the Plan shall be brought unless and until the Claimant has exhausted his remedies under this Section. In any such legal action, the Claimant may only present evidence and theories which the Claimant presented during the claims procedure. Any claims which the Claimant does not in good faith pursue through the review stage of the procedure shall be treated as having been irrevocably waived. Judicial review of a Claimant's denied claim shall be limited to a determination of whether the denial was an abuse of discretion based on the evidence and theories the Claimant presented during the claims procedure. Any suit or legal action initiated by a Claimant under the Plan must be brought by the Claimant no later than one year following a final decision on the claim for benefits by the Committee. The one-year limitation on suits for benefits will apply in any forum where a Claimant initiates such suit or legal action.

(h)Effect of Committee Action. The Plan shall be interpreted by the Committee in accordance with the terms of the Plan and their intended meanings. However, the Committee shall have the discretion to make any findings of fact needed in the administration of the Plan, and shall have the discretion to interpret or construe ambiguous, unclear or implied (but omitted) terms in any fashion they deem to be appropriate in their sole judgment. The validity of any such finding of fact, interpretation, construction or decision shall not be given *de novo* review if challenged in court, by arbitration or in any other forum, and shall be upheld unless clearly arbitrary or capricious. To the extent the Committee has been granted discretionary authority under the Plan, the Committee's prior exercise of such authority shall not obligate it to exercise its authority in a like fashion thereafter. If, due to errors in drafting, any Plan provision does not accurately reflect its intended meaning, as demonstrated by consistent interpretations or other evidence of intent, or as determined by the Committee in its sole and exclusive judgment, the provision shall be considered ambiguous and shall be interpreted by the Committee in a fashion consistent with its intent, as determined by the Committee in its sole discretion. The Committee may amend the Plan retroactively to cure any such ambiguity. This Section 7.08(h) may not be invoked by any

person to require the Plan to be interpreted in a manner which is inconsistent with its interpretation by the Committee. All actions taken and all determinations made in good faith by the Committee shall be final and binding upon all persons claiming any interest in or under the Plan.

ARTICLE VIII

GENERAL PROVISIONS

8.01 Plan Amendment, Suspension and/or Termination. The Board of Directors may, by resolution, in its absolute discretion, from time to time, amend, suspend or terminate in whole or in part, and if terminated, reinstate any or all of the provisions of the Plan, except that no amendment, suspension or termination may apply so as to decrease the payment to any Participant (or Beneficiary) of any benefit under the Plan accrued prior to the effective date of such amendment, suspension or termination. Upon termination of the Plan, distribution of benefits shall be made to Participants and Beneficiaries in the manner and at the time described in the Plan, unless one of the following termination events occurs, in which case, all such amounts shall be distributed in a lump sum upon termination, or upon the earliest date allowable under Code Section 409A: (1) the Company's termination and liquidation of the Plan within 12 months of a corporate dissolution taxed under Code Section 331, or with the approval of a bankruptcy court; (2) the Company's termination and liquidation of the Plan pursuant to irrevocable action taken by the Company within the 30 days preceding or 12 months following a change in control event (within the meaning of Code Section 409A), provided that all agreements, methods, programs, and other arrangements sponsored by the Company that are aggregated under Code Section 409A are terminated and liquidated with respect to each Participant that experiences the change in control event; or (3) the Company's termination and liquidation of the Plan, provided that (a) the termination and liquidation does not occur proximate to a downturn in the financial health of the Company, (b) the Company terminates and liquidates all agreements, methods, programs, and other arrangements sponsored by the Company that would be aggregated under Code Section 409A if the same Participant had deferrals of compensation under all of the agreements, methods, programs, and other arrangements sponsored by the Company that are terminated and liquidated, (c) no payments in liquidation of the Plan are made within 12 months of the date the Company takes all necessary action to irrevocably terminate and liquidate the Plan other than payments that would have been payable absent the termination and liquidation, (d) all payments are made within 24 months after the date the Company takes all necessary action to irrevocably terminate and liquidate the Plan and (e) the Company does not adopt a new plan that would be aggregated with any terminated and liquidated plan under Code Section 409A if the same Participant participated in both plans, at any time within three years following the date the Company takes all necessary action to irrevocably terminate and liquidate the Plan.

The Board of Directors may delegate to an officer of the Company or Occidental Petroleum Corporation, the authority to execute an amendment to the Plan that has been approved by the Board of Directors.

8.02 Plan Not an Employment Contract. The Plan is strictly a voluntary undertaking on the part of the Company and shall not constitute a contract between the Company or its Affiliates and any Eligible Employee, or consideration for, or an inducement or condition of, the employment of an Eligible Employee. Nothing contained in the Plan shall give any Eligible Employee the right to be retained in the service of the Company or its Affiliates or to interfere with or restrict the right of the Company or its Affiliates, which is hereby expressly reserved, to discharge or retire any Eligible Employee at any time for any reason not prohibited by statute, without the Company or its Affiliates being required to show cause for the termination. Inclusion under the Plan will not give any Eligible Employee any right or claim to any benefit hereunder except to the extent such right has specifically become fixed under the terms of the Plan. The doctrine of substantial performance shall have no application to Eligible Employees, Participants or Beneficiaries. Each condition and provision, including numerical items, has been carefully considered and constitutes the minimum limit on performance which will give rise to the applicable right.

8.03 Non-alienation of Benefits. Except as provided in this Section and to the extent permitted by law, benefits payable under the Plan shall not, without Committee consent, be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, garnishment, execution, or levy of any kind, either voluntary or involuntary. An unauthorized attempt to charge or otherwise dispose of any right to benefits payable shall be subject to seizure by legal process resulting from any attempt by creditors of or claimants against any Participant (or Beneficiary), or any person claiming under or through the foregoing, to attach his interest under the Plan. The anti-alienation restrictions of this Section 8.03 shall not apply to a "qualified domestic relations order" as described in Code Section 414(p). The Committee shall establish procedures to determine whether domestic relations orders are "qualified domestic relation orders" and to administer distributions under such qualified domestic relation orders. From and after the KMG Change of Control, the Company and its Affiliates shall not withhold from amounts payable to a Participant or his Beneficiary under the Plan any amount the Participant may owe the Company or its Affiliates.

8.04 Provisions relating to the KMG Change of Control. Notwithstanding anything to the contrary, following the KMG Change of Control, each Senior Executive Group Member who was entitled prior to the KMG Change of Control to participate in the Plan shall upon termination of employment following the KMG Change of Control have a nonforfeitable right to benefits under the Plan. For purposes of computing such benefits under Article V, each such Senior Executive Group Member shall be credited with five additional years of service. For purposes of computing such Senior Executive Group Member's age for determining when the payment of benefits commences under Article VI of the Plan, each such Senior Executive Group Member's age shall be

determined by adding additional years equal to the lesser of (i) five years or (ii) the number of years necessary to bring such Senior Executive Group Member to age 65.

8.05 Special Payment Situations.

- (a)Missing Participant or Beneficiary. Payment of benefits to the person entitled thereto may be sent by first class mail, address correction requested, to the last known address on file with the Committee. If, within two months from the date of issuance of the payment, the payment letter cannot be delivered to the person entitled thereto or the payment has not been negotiated, the payment shall be treated as forfeited. However, if the person to whom the benefit became payable subsequently appears and identifies himself to the satisfaction of the Committee, the amount forfeited (without earnings thereon) shall be distributed to the person entitled thereto. The right of any person to restoration of a benefit which was forfeited pursuant to this Section shall cease upon termination of the Plan.
- (b)Private Investigators. If the Committee retains a private investigator or other person or service to assist in locating a missing person, all costs incurred for such services shall be charged against the benefit to which the missing person was believed to be entitled and the benefit shall be reduced by the amount of the costs incurred, except as the Committee may otherwise direct.
- (c)Delayed Payment. Payments to Participants or Beneficiaries may be postponed by the Committee until any anticipated taxes, expenses or amounts to be paid under a qualified domestic relations order have been paid in full or until it is determined that such charges will not be imposed. A payment to a Participant or Beneficiary may also be delayed in the event payment might defeat an adverse potential or asserted claim by some other person to the payment. The cost incurred by the Company in dealing with any such adverse claim shall be charged against the benefit to which the claim relates, except as the Committee otherwise directs. No delay may be made under this Section 8.05(c) if such delay would result in taxation to the Participant under Code Section 409A.

8.06 Termination of Employment.

- (a)General Rule. A Participant's employment with the Company or its Affiliates shall terminate upon the first to occur of his resignation from or discharge by the Company or its Affiliates (except as provided in subsection (c) with respect to business dispositions) or his death or retirement. A Participant's employment shall not terminate on account of an authorized leave of absence, disability leave, sick leave, vacation, on account of a military leave described in subsection (b), or transfers between the Company and its Affiliates. However, failure to return to work upon expiration of any leave of absence, sick leave, disability leave, or vacation shall be considered a resignation effective as of the expiration of such leave of absence, sick leave, disability leave, or vacation.
- (b)Military Leaves. Any Participant who leaves the Company or its Affiliates directly to perform service in the Armed Forces of the United States or in the United States Public Health Service under conditions entitling the Participant to reemployment rights, as provided in the laws of the United States, shall be on military leave. A Participant's military leave shall expire if the Participant voluntarily resigns from the Company or its Affiliates during the leave or if he fails to make application for reemployment within the period specified by such law for the preservation of reemployment rights. In such event, the individual's employment shall be deemed to terminate by resignation on the date the military leave expired.
- (c)Spinoffs. Except to the extent otherwise provided by Code Section 409A, if a Participant ceases to be employed by the Company or its Affiliates because of the disposition by the Company or its Affiliates of its interest in a subsidiary, plant, facility or other business unit or if an entity which employs a Participant ceases to be an Affiliate, such Participant's employment shall be considered terminated for all Plan purposes. This Section 8.06(c) shall not apply to the extent it is overridden by any contrary or inconsistent provision in applicable sales documents or any related documents, whether adopted before or after the sale and any such contrary or inconsistent provision shall instead apply and is hereby incorporated in the Plan by this reference.

8.07 Duty to Provide Data.

- (a)Data Requests. Every person with an interest in the Plan or claiming benefits under the Plan shall furnish the Committee on a timely and accurate basis with such documents, evidence or information as it considers necessary or desirable for the purpose of administering the Plan. The Committee may postpone payment of benefits (without accrual of interest) until such information and such documents have been furnished.

(b)Addresses. Every person claiming a benefit under the Plan shall give written notice to the Committee of his post office address and each change of post office address. Any communication, statement or notice addressed to such a person at his latest post office address as filed with the Committee will, on deposit in the United States mail with postage prepaid, be as binding upon such person for all purposes of the Plan as if it had been received, whether actually received or not. If a person fails to give notice of his correct address, the Committee, the Company and its Affiliates and Plan fiduciaries shall not be obliged to search for, or to ascertain, his whereabouts.

(c)Failure to Comply. If benefits which are otherwise currently payable cannot be paid to the person entitled to the benefits because the individual has failed to comply with this Section or other Plan provisions relating to claims for benefits, any unpaid past due amount shall be forfeited on the individual's death or presumed death.

8.08 Tax Consequences Not Guaranteed. The Company does not warrant that the Plan will have any particular tax consequences for Participants or Beneficiaries and shall not be liable to them if tax consequences they anticipate do not actually occur. The Company shall have no obligation to indemnify a Participant or Beneficiary for lost tax benefits (or other damage or loss) in the event benefits are cancelled as permitted under Section 8.01, accelerated, or because of change in Plan design or funding; e.g., establishment of a "secular trust."

8.09 Tax Withholding. The Company or other payor may withhold from a benefit payment under the Plan any Federal, state or local taxes required by law to be withheld with respect to such payment and may withhold such sum as the payor may reasonably estimate as necessary to cover any taxes for which the Company may be liable and which may be assessed with regard to such payment.

8.10 Beneficiary Designations. The Beneficiary designation for a Participant shall be the same as his Beneficiary designation under the Defined Benefit Plan. If no valid Beneficiary designation exists at the time of the Participant's death under the Defined Benefit Plan, then the designation of a Beneficiary will follow the default provisions of the Defined Benefit Plan if the Participant is a participant in the Defined Benefit Plan at the time of his death.

In the event an Eligible Employee, upon becoming a Participant, is not a participant in the Defined Benefit Plan, he may file with the Committee (or its delegate) a designation of one or more Beneficiaries to whom benefits otherwise payable to the Participant shall be made prior to the complete distribution of his benefits under the Plan. Such a Beneficiary designation shall be on the form prescribed by the Committee and shall be effective when received and accepted by the Committee. A Participant who is not a participant in the Defined Benefit Plan may, from time to time, revoke or change his Beneficiary designation by filing a new designation form with the Committee. The last valid designation received by the Committee shall be controlling; provided, however, that no Beneficiary designation, or change or revocation thereof, shall be effective unless received prior to the Participant's death, and shall not be effective as of a date prior to its receipt or if the Participant is a participant in the Defined Benefit Plan at the time of his death.

If no valid Beneficiary designation exists at the time of the Participant's death under the foregoing provisions of this Section 8.10 or if no designated Beneficiary under this Plan survives the Participant, or if such designation conflicts with applicable law, benefits shall be paid to the Participant's surviving lawful spouse, if any. If there is no surviving spouse, then payment of benefits shall be made to the executor or administrator of the Participant's estate, or if there is no administration on Participant's estate, in accordance with the laws of descent and distribution. If the Committee is in doubt as to the right of any person to receive such amount, it may direct that the amount be paid into any court of competent jurisdiction in an interpleader action, and such payment shall be a full and complete discharge of any liability or obligation under the Plan to the full extent of such payment.

8.11 Incompetency. Any person receiving or claiming benefits under the Plan shall be conclusively presumed to be mentally competent until the date on which the Committee receives a written notice, in an acceptable form and manner, that such person is incompetent and a guardian or other person legally vested with the care of his estate has been appointed. If the Committee finds that any person to whom a benefit is payable under the Plan is unable to care for his affairs because of any disability or infirmity and no legal guardian of such person's estate has been appointed, any payment due may be paid to the spouse, a child, a parent, a sibling, or to any person deemed by the Committee to have incurred expense for such person otherwise entitled to payment. Any such payment so made shall be a complete discharge of any liability therefore under the Plan. If a guardian of the estate of any person receiving or claiming benefits under the Plan shall be appointed by a court of competent jurisdiction, benefit payments shall be made to such guardian, provided proper proof of appointment and continuing qualification is furnished in the form and manner acceptable to the Committee. Any such payment so made shall be a complete discharge of any liability therefore under the Plan.

8.12 Severability. If any provision of the Plan is held invalid or illegal for any reason, any illegality or invalidity shall not affect the remaining provisions of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had never been contained therein.

The Company shall have the privilege and opportunity to correct and remedy such questions of illegality or invalidity by amendment.

8.13 Governing Law. The Plan is subject to ERISA, but is exempt from most parts of ERISA since a part of the Plan is an excess benefit plan and the balance of the Plan is an unfunded deferred compensation plan maintained for a select group of management or highly compensated employees. In no event shall any references to ERISA in the Plan be construed to mean that the Plan is subject to any particular provisions of ERISA. The Plan shall be governed and construed in accordance with federal law and the laws of the State of Texas, without regard to its conflicts of law provisions, except to the extent such laws are preempted by ERISA.

[Signature on the following page.]

IN WITNESS WHEREOF, Anadarko Petroleum Corporation has caused the Plan (as amended and restated) to be duly adopted and executed effective as of the Effective Date.

ANADARKO PETROLEUM CORPORATION

By: /s/ Marcia E. Backus

Name: Marcia E. Backus

Title: Senior Vice President

**FIRST SUPPLEMENT TO THE KERR-McGEE CORPORATION BENEFITS
RESTORATION PLAN
AS AMENDED AND RESTATED EFFECTIVE MAY 1, 1999
(As it applies to Participants who were Participants in the
Oryx Energy Company Pension Restoration Plan
As of December 31, 1999)**

(A) Applicability of First Supplement

- (1) This First Supplement to the Kerr-McGee Corporation Benefits Restoration Plan (the “First Supplement”) forms a part of the Kerr-McGee Corporation Benefits Restoration Plan as in effect on and after May 1, 1999 (the “Plan”). The provisions of this First Supplement shall apply only to those Participants who were Participants in the Oryx Energy Company Pension Restoration Plan (the “Oryx Plan”) as of December 31, 1999 (“Former Oryx Participants”) who became Participants in the Plan effective January 1, 2000 (hereinafter referred to as “First Supplement Participants”).
- (2) There shall be no duplication of benefits provided under the Plan and this First Supplement, and the actuarially equivalent benefits payable under one shall be inclusive of the actuarially equivalent benefits payable under the other unless specifically provided otherwise in the provisions of the Plan or this First Supplement.
- (3) All terms used in this First Supplement shall have the meanings assigned to them in the provisions of the Plan, unless a different meaning is plainly required by the context.

(B) Merger of Oryx Plan into the Plan Effective January 1, 2000

- (1) The Oryx Plan had previously been sponsored by Oryx Energy Company (“Oryx”). Oryx was merged with Kerr-McGee Corporation (“KMG”) effective February 26, 1999 (the “Merger”). Due to the Merger, KMG assumed the Oryx Plan and obligations thereunder including those to the Former Oryx Participants.
- (2) KMG believed that it would be in the best interest of the Oryx Plan, the Plan and the Participants therein that the Oryx Plan be merged and continued in the Plan effective January 1, 2000.
- (3) The effective date of the merger of the Oryx Plan into the Plan shall be January 1, 2000.
- (4) Upon merger of the Oryx Plan into the Plan effective January 1, 2000, there shall be no further benefit accruals pursuant to the terms of the Oryx Plan, and benefits for all First Supplement Participants shall accrue thereafter in accordance with the terms of the Plan. Following the merger, all benefits earned under the Oryx Plan prior to January 1, 2000, and benefits earned pursuant to the Plan from and after

such date will be paid in accordance with the terms of the Plan and this First Supplement.

(C) Benefits Applicable to First Supplement Participants

- (1) The term “Defined Benefit Plan” as applicable for a First Supplement Participant means the Kerr-McGee Corporation Retirement Plan or its successor plan or the Oryx Energy Company Retirement Plan prior to its merger with the Kerr-McGee Corporation Retirement Plan on January 1, 2000.
- (2) The Restored Defined Benefit Plan Benefit under the Plan accrued by a First Supplement Participant under Section 7 of the Oryx Plan as of January 1, 2000, immediately prior to the merger of the Oryx Plan with the Plan (hereinafter referred to as the “Oryx Plan Restored Benefit”) will be paid at the same time as the benefits under the Defined Benefit Plan and in the form of a lump sum, subject to offset pursuant to Section 9 of the Oryx Plan, if applicable, regardless of the form of payment of the benefit under the Defined Benefit Plan. The amount of such lump sum will be determined as the actuarial equivalent of the Oryx Plan Restored Benefit. Such actuarial equivalency will be determined in the same manner as and on the same basis as the actuarial assumptions provided in the Defined Benefit Plan. The provisions of Section 6.01 of the Plan are not applicable to the Oryx Plan Restored Benefit of a First Supplement Participant.
- (3) Effective January 1, 2000, that portion, if any, of the Restored Defined Benefit Plan Benefit under the Plan payable to a First Supplement Participant that is in excess of the Participant’s Oryx Plan Restored Benefit will be payable in accordance with Section 6.01 of the Plan.
- (4) Former Oryx Participants who were receiving or who were eligible to receive benefits from the Sun Company, Inc. Pension Restoration Plan and who were transferred to the Oryx Plan as of November 1, 1988, shall continue to receive or be eligible to receive their benefits under the Plan.

(D) Right to Amend or Terminate First Supplement

The provisions of Section 8.01 of the Plan with respect to amendment and termination thereof shall apply with equal force to this First Supplement.

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

I, Vicki Hollub, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Occidental Petroleum Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 4, 2019

/s/ Vicki Hollub

Vicki Hollub

President and Chief Executive Officer

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

I, Cedric W. Burgher, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Occidental Petroleum Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 4, 2019

/s/ Cedric W. Burgher

Cedric W. Burgher

Senior Vice President and Chief Financial Officer

**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 September 30, 2019, as filed with the Securities and Exchange Commission on November 4, 2019 (the "Report"), Vicki Hollub, as Chief Executive Officer of the Company, and Cedric W. Burgher, as Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of her or his knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Vicki Hollub

Name: Vicki Hollub
Title: President and Chief Executive Officer
Date: November 4, 2019

/s/ Cedric W. Burgher

Name: Cedric W. Burgher
Title: Senior Vice President and Chief Financial Officer
Date: November 4, 2019

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.