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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of Earliest Event Reported): August 12, 2024

OCCIDENTAL PETROLEUM CORPORATION

(Exact Name of Registrant as Specified in its Charter)

Delaware	1-9210	95-4035997
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

5 Greenway Plaza, Suite 110 Houston, Texas	77046
(Address of Principal Executive Offices)	(Zip Code)

Registrant's Telephone Number, Including Area Code: **(713) 215-7000**

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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
Warrants to Purchase Common Stock, $0.20 par value	OXY WS	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR 230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR 240.12b-2).

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. ☐

Introductory Note

As previously disclosed, on August 1, 2024, Occidental Petroleum Corporation (“Occidental”) consummated the previously announced acquisition (the "Acquisition") of 100% of the issued and outstanding partner interests of CrownRock, L.P., a Delaware limited partnership (“CrownRock”), pursuant to the terms of that certain Partnership Interest Purchase Agreement, dated December 10, 2023, by and among Occidental, CrownRock Holdings, L.P., a Delaware limited partnership, CrownRock GP, LLC, a Delaware limited liability company, Coral Holdings LP, LLC, a Delaware limited liability company and a wholly owned indirect subsidiary of Occidental, and Coral Holdings GP, LLC, a Delaware limited liability company and wholly owned indirect subsidiary of Occidental.

On July 19, 2024, Occidental filed a Current Report on Form 8-K containing historical financial information of CrownRock and pro forma financial information to give effect to the Acquisition. Occidental is filing this Current Report on Form 8-K to provide updated financial information of CrownRock as well as updated pro forma financial information through June 30, 2024 to give effect to the Acquisition, as set forth in Item 8.01 below.

Item 8.01 Other Events

Financial Statements

The following unaudited condensed consolidated financial statements of CrownRock as of and for the six months ended June 30, 2024 and the related notes thereto are filed as Exhibit 99.1 to this Current Report on Form 8-K and are incorporated herein by reference:

- Unaudited Condensed Consolidated Statement of Income for the Six Months Ended June 30, 2024;
- Unaudited Condensed Consolidated Balance Sheet at June 30, 2024;
- Unaudited Condensed Consolidated Statement of Partners' Capital for the Six Months Ended June 30, 2024;
- Unaudited Condensed Consolidated Statement of Cash Flows for the Six Months Ended June 30, 2024; and
- Notes to the Unaudited Condensed Consolidated Financial Statements

The following unaudited pro forma condensed combined financial statements combining the historical consolidated financial statements of Occidental and its subsidiaries and CrownRock and its majority-owned subsidiaries to give effect to the Acquisition and the transactions contemplated therewith are filed as Exhibit 99.2 to this Current Report on Form 8-K and are incorporated herein by reference:

- Unaudited Pro Forma Condensed Combined Balance Sheet as of June 30, 2024;
- Unaudited Pro Forma Condensed Statement of Combined Operations for the year ended December 31, 2023 and the six months ended June 30, 2024; and
- Notes to Pro Forma Condensed Combined Financial Statements.

Cautionary Statement Regarding Forward-Looking Statements

This Current Report on Form 8-K (“Current Report”) contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act, including but not limited to statements about Occidental's expectations, beliefs, plans or forecasts. All statements other than statements of historical fact are "forward-looking statements" for purposes of federal and state securities laws, including, but not limited to: any projections of 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," "will," "should," "could," "may," "anticipate," "plan," "intend," "believe," "expect," "target," "commit," "advance," 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 Current Report unless an earlier date is specified. Unless legally required, Occidental does not undertake any obligation to update, modify or withdraw any forward-looking statements as a result of new information, future events or otherwise.

Forward-looking statements involve estimates, expectations, projections, goals, forecasts, assumptions, risks and uncertainties. Actual outcomes or 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: general economic conditions, including slowdowns and recessions, domestically or internationally; Occidental's indebtedness and other payment obligations, including the need to generate sufficient cash flows to fund operations; Occidental's ability to successfully monetize select assets and repay or refinance debt and the impact of changes in Occidental's credit ratings or future increases in interest rates; assumptions about energy markets; global and local commodity and commodity-futures pricing fluctuations and volatility; supply and demand considerations for, and the prices of, Occidental's products and services; actions by the Organization of the Petroleum Exporting Countries ("OPEC") and non-OPEC oil producing countries; results from operations and competitive conditions; future impairments of Occidental's proved and unproved oil and gas properties or equity investments, or write-downs of productive assets, causing charges to earnings; unexpected changes in costs; inflation, its impact on markets and economic activity and related monetary policy actions by governments in response to inflation; availability of capital resources, levels of capital expenditures and contractual obligations; the regulatory approval environment, including Occidental's ability to timely obtain or maintain permits or other government approvals, including those necessary for drilling and/or development projects; Occidental's ability to successfully complete, or any material delay of, field developments, expansion projects, capital expenditures, efficiency projects, acquisitions or divestitures; risks associated with acquisitions, mergers and joint ventures, such as difficulties integrating businesses, uncertainty associated with financial projections, projected synergies, restructuring, increased costs and adverse tax consequences; uncertainties and liabilities associated with acquired and divested properties and businesses; uncertainties about the estimated quantities of oil, natural gas liquids and natural gas reserves; lower-than-expected production from development projects or acquisitions; Occidental's ability to realize the anticipated benefits from prior or future streamlining actions to reduce fixed costs, simplify or improve processes and improve Occidental's competitiveness; exploration, drilling and other operational risks; disruptions to, capacity constraints in, or other limitations on the pipeline systems that deliver Occidental's oil and natural gas and other processing and transportation considerations; volatility in the securities, capital or credit markets, including capital market disruptions and instability of financial institutions; government actions, war (including the Russia-Ukraine war and conflicts in the Middle East) and political conditions and events; health, safety and environmental ("HSE") risks, costs and liability under existing or future federal, regional, state, provincial, tribal, local and international HSE laws, regulations and litigation (including related to climate change or remedial actions or assessments); legislative or regulatory changes, including changes relating to hydraulic fracturing or other oil and natural gas operations, retroactive royalty or production tax regimes, and deep-water and onshore drilling and permitting regulations; Occidental's ability to recognize intended benefits from its business strategies and initiatives, such as Occidental's low-carbon ventures businesses or announced greenhouse gas emissions reduction targets or net-zero goals; potential liability resulting from pending or future litigation, government investigations and other proceedings; disruption or interruption of production or manufacturing or facility damage due to accidents, chemical releases, labor unrest, weather, power outages, natural disasters, cyber-attacks, terrorist acts or insurgent activity; the scope and duration of global or regional health pandemics or epidemics, and actions taken by government authorities and other third parties in connection therewith; the creditworthiness and performance of Occidental's counterparties, including financial institutions, operating partners and other parties; failure of risk management; Occidental’s ability to retain and hire key personnel; supply, transportation, and labor constraints; reorganization or restructuring of Occidental’s operations; changes in state, federal or international tax rates; and actions by third parties that are beyond Occidental’s control.

Additional information concerning these and other factors that may cause Occidental’s results of operations and financial position to differ from expectations 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, 2023, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

Item 9.01 Financial Statements and Exhibits.

(d) *Exhibits*.

99.1	CrownRock, L.P. Unaudited Condensed Consolidated Financial Statements as of June 30, 2024 and for the six months ended June 30, 2024, and accompanying notes thereto.
99.2	Unaudited Pro Forma Condensed Combined Financial Statements.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURE

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

August 12, 2024	**OCCIDENTAL PETROLEUM CORPORATION**	
	By:	/s/ Christopher O. Champion
	Name:	Christopher O. Champion
	Title:	Vice President, Chief Accounting Officer and Controller

Condensed Consolidated Financial Statements of CrownRock, L.P. and Subsidiaries for the Period Ended June 30, 2024

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CROWNROCK, L.P.
CONDENSED CONSOLIDATED BALANCE SHEET
(Unaudited)

		June 30, 2024
		(in thousands)
ASSETS		
Current assets:		
Cash and cash equivalents	$	431,064
Accounts receivable – related party:		
Oil and natural gas		189,855
Other		30,343
Prepaid costs and other current assets		1,559
Total current assets		652,821
Oil and natural gas properties, net, successful efforts method of accounting		4,034,021
Other property and equipment, net		143,010
Deferred loan costs, net		8,377
Total Assets	$	4,838,229
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accrued drilling cost – related party	$	81,863
Other accrued liabilities – related party		15,217
Accrued interest payable		13,307
Asset retirement obligations, current portion		430
Total current liabilities		110,817
Long-term debt, net		1,238,507
Asset retirement obligations		48,232
Total liabilities		1,397,556
Commitments and Contingencies (Note I)		
Partners' Capital		3,440,673
Total Liabilities and Partners' Capital	$	4,838,229

See accompanying notes to these condensed consolidated financial statements.

CROWNROCK, L.P.
CONDENSED CONSOLIDATED STATEMENT OF INCOME
(Unaudited)

	Six months ended June 30, 2024
	(in thousands)
Statement of Income	
Revenues:	
Oil and natural gas sales	$ 1,187,043
Saltwater disposal	40,904
Gathering system rent and transportation fees	26,328
Fresh water supply	7,799
Surface ownership	2,432
Total revenues	1,264,506
Costs and expenses:	
Lease operating expense	215,927
Production and ad valorem taxes	64,743
Depreciation, depletion and amortization	324,165
Accretion of discount on asset retirement obligation	1,075
General and administrative	8,578
Total costs and expenses	614,488
Operating income	650,018
Other income (expense):	
Interest income	6,376
Interest expense	(38,792)
Other income (expense), net	(1,531)
Total other income (expense)	(33,947)
Net income	$ 616,071

See accompanying notes to these condensed consolidated financial statements.

CROWNROCK, L.P.
CONDENSED CONSOLIDATED STATEMENT OF PARTNERS' CAPITAL
(Unaudited)

(in thousands, except units)	Limited Partner Units	Limited Partner Amount	Total CrownRock, LP Partners' Capital	Non-Controlling Interest	Total Partners' Capital
Balance, December 31, 2023	100	$ 3,053,580	$ 3,053,580	$ (155)	$ 3,053,425
Net income	—	616,071	616,071	—	616,071
Distributions to limited partner:					
Tax distribution	—	(197,871)	(197,871)	—	(197,871)
Cash for working capital	—	(5,000)	(5,000)	—	(5,000)
Oil and natural gas properties	—	(12,227)	(12,227)	—	(12,227)
Building and land	—	(14,617)	(14,617)	—	(14,617)
Equity interests in subsidiaries	—	(759)	(759)	155	(604)
Capital contribution - unit based compensation	—	1,496	1,496	—	1,496
Balance, June 30, 2024	100	$ 3,440,673	$ 3,440,673	$ —	$ 3,440,673

See accompanying notes to these condensed consolidated financial statements.

CROWNROCK, L.P.
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited)

	Six months ended June 30, 2024
Cash flows from operating activities:	(in thousands)
Net income	$ 616,071
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation, depletion and amortization	324,165
Accretion of discount on asset retirement obligation	1,075
Accretion of discount on long-term debt	180
Amortization of deferred loan costs	2,220
Unit-based compensation expense	1,496
Settlements of asset retirement obligations	(358)
Change in assets and liabilities:	
Accounts receivable – related party	30,525
Prepaid costs and other current assets	(253)
Accounts payable - related party	(10)
Other accrued liabilities - related party	4,403
Other liabilities	(203)
Net cash flows provided by operating activities	979,311
Cash flows from investing activities:	
Acquisition of leasehold and oil and natural gas properties	(1,995)
Capital expenditures on oil and natural gas properties	(478,914)
Additions to other property and equipment	(7,918)
Net cash flows used in investing activities	(488,827)
Cash flows from financing activities:	
Distributions of cash to limited partner	(202,871)
Distributions of cash of subsidiaries to limited partner	(592)
Repayments of long-term borrowings under construction loan	(751)
Net cash flows used in financing activities	(204,214)
Net increase in cash and cash equivalents	286,270
Cash and cash equivalents, beginning of period	144,794
Cash and cash equivalents, end of period	$ 431,064
Supplemental disclosure of cash flow information:	
Cash paid for interest	36,388
Non-cash investing and financing activities:	
Change in accrued capital expenditures in accrued drilling cost and accrued liabilities	(2,819)
Additions to asset retirement obligation	1,538
Asset retirement obligation associated with properties exchanged or sold	(147)
Asset retirement obligation associated with properties distributed to limited partner	(734)
Distribution of oil and natural gas properties to limited partner	12,961
Distribution of building and land to limited partner	14,617
Distribution of equity interests in subsidiaries to limited partner	759

See accompanying notes to these condensed consolidated financial statements.

CROWNROCK, L.P.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

A. Organization and Nature of Operations

CrownRock, L.P. (the "Partnership," "we," "us," and "our") is a Delaware limited partnership formed on February 14, 2007 by affiliates of CrownQuest Operating, LLC ("CrownQuest"), an independent oil and natural gas producer which is a wholly-owned subsidiary of one of the members of the Partnership's ultimate general partner, CrownRock Holdings GP, LLC ("Holdings GP"), and Lime Rock Partners, a private equity firm focused on the oil and natural gas industry ("Lime Rock"). The Partnership's principal business is the acquisition, development, exploration and production of oil and natural gas properties primarily located in the Permian Basin of West Texas.

On December 21, 2017, affiliates of CrownQuest's management team and Lime Rock formed CrownRock Holdings, L.P., a Delaware limited partnership ("Holdings"). Effective January 1, 2018, the Partnership merged with a subsidiary of Holdings, and, as a result, Holdings is the sole limited partner of the Partnership and sole owner of the Partnership's general partner, CrownRock GP, LLC ("CrownRock GP"). The Partnership admitted Holdings as its sole limited partner by issuing 100 new limited partnership units and cancelling all its other limited partner interests comprised of Class A, B, C, D and E limited partnership units. Holdings issued equivalent units of equivalent classes to the former limited partners of the Partnership.

On December 10, 2023, Holdings and CrownRock GP entered into a Partnership Interest Purchase Agreement (the "PIPA"), as amended, to sell their limited partner interests and general partner interests in the Partnership, respectively, to subsidiaries of Occidental Petroleum Corporation, a Delaware Corporation ("Occidental"), for total consideration of approximately $12.0 billion including the assumption of the Partnership's existing debt (the "Partnership Sale Transaction"). This transaction closed on August 1, 2024. See Note M – Subsequent Events.

B. Summary of Significant Accounting Policies

Organization and principles of consolidation. On July 7, 2011, CrownRock Finance, Inc. ("CrownRock Finance"), a Delaware corporation and wholly-owned subsidiary of the Partnership, was organized for the sole purpose of serving as co-issuer of senior notes and it is currently a co-issuer of $868 million outstanding aggregate principal amount of 5.625% senior unsecured notes due 2025 (the "2025 Senior Notes") and $376 million outstanding aggregate principal amount of 5.000% senior unsecured notes due 2029 issued at par (the "2029 Senior Notes" and, together with the 2025 Senior Notes, the "Senior Notes"). CrownRock Finance currently has, and will have, no operations, assets or liabilities other than with respect to the Partnership's revolving credit facility, as amended (the "Credit Facility"), the Senior Notes or other debt securities the Partnership may issue in the future. See Note L – Long-term Debt.

On February 28, 2014, Canvasback Properties, LLC ("Canvasback"), a Texas corporation and wholly-owned subsidiary of the Partnership, was organized for the purpose of constructing, owning and managing an office building in Midland, Texas, which is the Partnership's headquarters, and two field operations offices in Martin County, Texas.

On November 15, 2019, CR Royalties Management, LLC ("CR Management"), a Delaware limited liability company, and CR Royalties, L.P. ("CR Royalties"), a Delaware limited partnership, were organized for the purpose of owning oil and gas mineral interests and overriding royalty interests contributed by the Partnership. CR Management is a wholly-owned subsidiary of the Partnership. The Partnership owns 99% of CR Royalties and CR Management owns the remaining 1% of CR Royalties. The Partnership contributed the specified assets effective on January 1, 2020.

Entity restructurings and asset conveyances. The Partnership conducted several transactions effective January 31, 2024 to distribute certain Partnership assets to newly formed entities which are wholly owned by Holdings. These include:

- the Partnership distributed its Eastern Shelf properties in Mitchell County, Texas and associated obligations to Eastern Shelf Holdco, LLC ("Eastern Shelf"), a wholly-owned subsidiary of Holdings; and
- Canvasback distributed the office building and land in Midland, Texas, which is the Partnership's headquarters, to 18 Desta Holdco, LLC ("18 Desta"), a wholly-owned subsidiary of Holdings.

B. Summary of Significant Accounting Policies (Continued)

Additionally, the Partnership conducted the following:

- the Partnership distributed all its interest in Roddy Production Company, LLC ("Roddy") to Holdings;
- the Partnership distributed all its interest in Abajo Gas Transmission Company, LLC ("Abajo") to Holdings. Also, the Partnership resigned as manager of Abajo and assigned such role to Holdings; and
- the Partnership conveyed its ownership in remaining Lea County, New Mexico and San Juan County, Utah assets and associated obligations to Holdings.

Additionally, as a result of these restructuring transactions, the following changes were made relative to existing debt agreements as follows:

- Roddy was released in its capacity as guarantor of the Credit Facility; and
- Roddy, Eastern Shelf and 18 Desta were designated as unrestricted subsidiaries under the indenture governing the 2025 Senior Notes and the indenture governing the 2029 Senior Notes. This resulted in Roddy being released as a guarantor on the 2025 Senior Notes and the 2029 Senior Notes.

The distributions were accounted for as transactions between entities under common control; thus, were accounted for at the net book value.

The condensed consolidated financial statements include the accounts of the Partnership and its majority-owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

Interim financial statements. These condensed consolidated financial statements as of June 30, 2024 and for the six months ended June 30, 2024 are unaudited. In the opinion of management, such financial statements include the adjustments and accruals, all of which are of a normal recurring nature, which are necessary for a fair presentation of the results for the interim periods. These interim results are not necessarily indicative of results for a full year. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted. These unaudited condensed consolidated financial statements should be read in conjunction with the Partnership's annual financial statements for the year ended December 31, 2023.

Cash and cash equivalents. The Partnership considers all highly liquid instruments with original maturities of three months or less to be cash equivalents.

Accounts receivable – related party and allowance for credit losses. CrownQuest operates 99% of the Partnership's total wells and markets most of the Partnership's oil and natural gas to various customers. In conjunction, CrownQuest has oil and natural gas sales receivables and joint interest receivables from third-party working interest owners. Oil and natural gas sales receivables are generally unsecured. CrownQuest monitors exposure to these customers primarily by reviewing credit ratings, financial statements and payment history. CrownQuest extends credit terms based on their evaluation of each customer's creditworthiness. Receivables are considered past due if full payment is not received by the contractual due date. CrownQuest and the Partnership estimate uncollectible amounts based on the length of time that the accounts receivable has been outstanding, historical collection experience and current and future economic and market conditions, if failure to collect is expected to occur. CrownQuest records allowances for credit losses as reductions to the carrying values of the accounts receivables included in its financial statements if failure to collect an estimable portion is determined to be probable. The Partnership's allowance for credit losses related to oil and natural gas sales receivables at June 30, 2024 is zero. CrownQuest bills the Partnership for such allowances related to joint interest receivables which are included in management fees and recorded by the Partnership in general and administrative costs in the condensed consolidated statements of income and comprehensive income. CrownQuest had an allowance for joint interest receivable credit losses of $766 thousand at June 30, 2024. The Partnership does not have any off balance sheet credit exposure related to its customers.

Oil and natural gas properties. The Partnership uses the successful efforts method of accounting for its investments in oil and natural gas properties. Under such method, costs of productive exploratory wells, development dry holes and productive wells and undeveloped leases are capitalized. Oil and natural gas lease acquisition costs are also capitalized.

B. Summary of Significant Accounting Policies (Continued)

Exploration costs, including personnel costs, certain geological and geophysical expenses and delay rentals for oil and natural gas leases, are charged to expense as incurred. Exploratory drilling costs are initially capitalized, but charged to expense if and when the well is determined not to have found reserves in commercial quantities. If the unproved properties are determined to be productive, the related costs are transferred to proved oil and natural gas properties. If proved leasehold costs are determined to no longer be proved as a result of changes in the Partnership's development plan, the related acreage costs are transferred to unproved oil and natural gas properties.

Capitalized costs of producing oil and natural gas properties and support infrastructure, including water-related wells, facilities and equipment, net of estimated salvage values, are depleted and depreciated by the units-of-production method. Acquisition and leasehold costs of proved properties are depleted on the basis of total proved reserves, and capitalized development costs (wells and related equipment and facilities) are depreciated on the basis of proved developed reserves.

On the sale or retirement of a complete unit of a proved property, the cost and related accumulated depreciation, depletion, and amortization are eliminated from the property accounts, and the resulting gain or loss is recognized. On the sale or retirement of a partial unit of proved property, the costs, net of proceeds, are charged to accumulated depreciation, depletion, and amortization, unless doing so significantly affects the unit-of-production amortization rate, in which case a gain or loss is recognized in the statement of income and comprehensive income. Proceeds from sales of partial interests in unproved leases are accounted for as a recovery of costs without recognizing any gain or loss.

On exchanges of oil and natural gas assets with third parties, the Partnership reviews the transactions for certain key aspects that may have a significant impact on its accounting. Exchange transactions that only involve unproved properties are generally measured on recorded values rather than fair values. Thus, no gain or loss is recognized. Conversely, exchange transactions involving proved developed properties must be analyzed for possible business combinations and commercial substance. These aspects, along with others, dictate whether the Partnership records exchanges at recorded values or fair values and whether gains or losses should be recognized.

Oil and natural gas properties are reviewed for impairment when facts and circumstances indicate that their carrying value may not be recoverable. The Partnership reviews its oil and natural gas properties by amortization base or by individual well for those wells not constituting part of an amortization base. The Partnership assesses impairment of capitalized costs of proved oil and natural gas properties by comparing net capitalized costs to estimated undiscounted future net cash flows using management's expectations of future oil and natural gas prices. If net capitalized costs exceed estimated undiscounted future net cash flows, the measurement of impairment is based on estimated fair value, which would consider estimated future discounted cash flows. Estimating future cash flows involves the use of judgments, including estimation of the proved oil and natural gas reserve quantities, timing of development and production, expected future commodity prices, capital expenditures and production costs. Unproved properties are assessed for impairment at least annually on a property-by-property basis, and any impairment is charged to expense.

The Partnership periodically reviews its proved and unproved oil and natural gas properties that are sensitive to oil and natural gas prices for impairment. Impairment expense is caused primarily due to declines in commodity prices and well performance.

Revenue Recognition. The Partnership recognizes revenues from the sales of oil and natural gas to its customers and aggregates them on the Partnership's consolidated statement of income and comprehensive income. Disaggregated revenue from contracts with customers by product type is as follows:

	Six Months Ended June 30, 2024 (in thousands)
Oil sales	$ 1,069,588
Natural gas sales	(23,146)
Natural gas liquids sales	140,601
Total oil and natural gas sales	$ 1,187,043

B. Summary of Significant Accounting Policies (Continued)

CrownQuest markets the Partnership's oil and natural gas and enters into contracts with customers to sell the Partnership's oil and natural gas production. Revenue from these contracts is recognized by the Partnership in accordance with the five-step revenue recognition model prescribed in Accounting Standards Codification 606, "Revenue from Contracts with Customers" ("ASC 606"). Specifically, revenue is recognized when the Partnership's performance obligations under these contracts are satisfied, which generally occur with the transfer of control of the oil and natural gas to the purchaser. Control is generally considered transferred when the following criteria are met: (i) transfer of physical custody; (ii) transfer of title; (iii) transfer of risk of loss; and (iv) relinquishment of any repurchase rights or other similar rights. Given the nature of the products sold, revenue is recognized at a point in time based on the amount of consideration the Partnership expects to receive in accordance with the price specified in the contract. Consideration under the oil and natural gas marketing contracts is typically received from the purchaser one to two months after production. At June 30, 2024, the Partnership had receivables related to contracts with customers of approximately $189.9 million. At December 31, 2023, the Partnership had receivables related to contracts with customers of approximately $196.5 million.

Oil Contracts. The majority of CrownQuest's oil marketing contracts covering the Partnership's oil production, transfer physical custody and title at or near the wellhead, which is generally when control of the oil has been transferred to the purchaser. The majority of the oil produced is sold under contracts using market-based pricing which is then adjusted for differentials based upon delivery location and oil quality. To the extent differentials are incurred after the transfer of control of the oil, the differentials are included in oil and natural gas sales on the condensed consolidated statements of income and comprehensive income as they represent part of the transaction price of the contract. If the differentials, or other related costs, are incurred prior to the transfer of control of the oil, those costs are included in lease operating expenses on the Partnership's condensed consolidated statements of income and comprehensive income and are accounted for as costs incurred directly and not netted from the transaction price.

Natural Gas Contracts. The majority of the Partnership's natural gas is sold at the lease location, which is generally when control of the natural gas has been transferred to the purchaser. The natural gas is sold under (i) percentage of proceeds processing contracts, (ii) fee-based contracts or (iii) a hybrid of percentage of proceeds and fee-based contracts. Under the majority of CrownQuest's gas marketing contracts covering the Partnership's gas production, the purchaser gathers the natural gas in the field where it is produced and transports it via pipeline to natural gas processing plants where natural gas liquid products are extracted. The natural gas liquid products and remaining residue gas are then sold by the purchaser. Under the percentage of proceeds and hybrid percentage of proceeds and fee-based contracts, the Partnership receives a percentage of the value for the extracted liquids and the residue gas. Under the fee-based contracts, the Partnership receives natural gas liquids and residue gas value, less the fee component. To the extent control of the natural gas transfers upstream of the transportation and processing activities, revenue is recognized at the net amount received from the purchaser. To the extent that control transfers downstream of those activities, revenue is recognized on a gross basis, and the related costs are classified as lease operating expenses on the Partnership's condensed consolidated statements of income and comprehensive income.

The Partnership does not disclose the value of unsatisfied performance obligations under its contracts with customers as it applies the practical exemption in accordance with ASC 606. The exemption, as described in ASC 606-10-50-14A, applies to variable consideration that is recognized as control of the product is transferred to the customer. Since each unit of product represents a separate performance obligation, future volumes are wholly unsatisfied, and disclosure of the transaction price allocated to remaining performance obligations is not required.

Use of estimates. Preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The financial statements are based on a number of significant estimates including oil and natural gas reserve quantities and values, which are the basis for oil and natural gas properties acquired or exchanged, calculation of depreciation, depletion and amortization, asset retirement obligations ("ARO"), and impairment of oil and natural gas properties.

Fair value. Fair value is defined as the price that would be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements are classified and disclosed in one of the following categories:

B. Summary of Significant Accounting Policies (Continued)

Level 1. Measured based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities. The Partnership considers active markets to be those in which transactions for the assets or liabilities occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Items included in this category are short term money market investments.

Level 2. Measured based on quoted prices in markets that are not active, or inputs which are observable, either directly or indirectly, for substantially the full term of the asset or liability. This category includes those derivative instruments that the Partnership values using observable market data. Substantially all of these inputs are observable in the marketplace throughout the full term of the derivative instrument, can be derived from observable data, or supported by observable levels at which transactions are executed in the marketplace. Instruments in this category are non-exchange traded derivatives such as over-the-counter commodity price swaps, collars and options. The Partnership's valuation models are primarily industry-standard models that consider various inputs including: (i) quoted forward prices for commodities, (ii) time value and (iii) current market and contractual prices for the underlying instruments, as well as other relevant economic measures.

Level 3. Measured based on prices or valuation models that require inputs that are both significant to the fair value measurement and less observable from objective sources (i.e. supported by little or no market activity). Items included in this category are AROs, asset impairments and asset acquisitions and exchanges.

Financial assets and liabilities are classified based on the lowest level of input that is significant to the fair value measurement. The Partnership's assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of the fair value of assets and liabilities and their placement within the fair value hierarchy levels.

New accounting pronouncements issued but not yet adopted.

Compensation – Stock Compensation (Topic 718): In March 2024, the FASB issued Accounting Standards Update No. 2024-01 "Compensation – Stock Compensation (Topic 718): Scope - Application of Profits Interest and Similar Awards", with the objective of uniformity in the accounting treatment for profit interests and similar awards. The update is effective for public business entities for annual periods beginning after December 15, 2024, and interim periods within those annual periods. For all other entities, the amendments are effective for annual periods beginning after December 15, 2025, and interim periods within those annual periods. Early application of this ASU is permitted. The Partnership is currently evaluating the impact of ASU No. 2024-01 on its consolidated financial statements.

Subsequent events. The Partnership performed an evaluation of subsequent events through August 9, 2024, which is the date the condensed consolidated financial statements were available to be issued.

C. Oil and Natural Gas Properties

The following table sets forth information concerning the Partnership's oil and natural gas properties as of June 30, 2024:

		June 30, 2024
		(in thousands)
Proved oil and natural gas properties	$	7,212,655
Unproved oil and natural gas properties		310,496
Less accumulated depreciation, depletion, amortization and impairment		(3,489,130)
Net oil and natural gas properties	$	4,034,021

During the six months ended June 30, 2024, the Partnership did not recognize any exploration costs.

C. Oil and Natural Gas Properties (Continued)

Additionally, during the six months ended June 30, 2024, the Partnership did not recognize any non-cash charges against earnings nor a corresponding allowance for expiring acreage.

See Note H – Fair Value for discussion of proved property impairments recorded during the six months ended June 30, 2024.

D. Other Property and Equipment

The following table sets forth the Partnership's other property and equipment as of June 30, 2024:

		June 30, 2024
		(in thousands)
Land	$	23,904
Water rights		11,872
Construction in progress - gathering systems		776
Office buildings		7,988
Equipment		45
Gathering systems		123,317
Compressor stations		18,930
Abajo pipeline and gathering facilities		—
Less accumulated depletion, depreciation and impairment		(43,822)
Net other property and equipment	$	143,010

E. Asset Retirement Obligations

The Partnership records a liability for the present value of all legal obligations associated with the retirement of tangible long-lived assets and capitalizes an equal amount as part of the cost of their related oil and natural gas properties. AROs are initially recorded at fair value and assessed for revisions periodically thereafter. The significant unobservable inputs to this fair value measurement include estimates of plugging, abandonment and remediation costs and well life. The inputs are calculated based on historical data as well as current estimated costs.

The following table summarizes the changes in the Partnership's ARO during the six months ended June 30, 2024:

		Six months ended June 30, 2024
		(in thousands)
Balance, beginning of period	$	47,288
Liabilities incurred during the period		1,538
Liabilities settled during the period		(358)
Liabilities associated with properties exchanged or sold		(147)
Liabilities associated with properties distributed to limited partner		(734)
Accretion expense		1,075
Balance, end of period		48,662
Less current portion		(430)
Non-current portion	$	48,232

AROs for natural gas pipeline facilities generally become firm at the time the facilities are permanently shut down and dismantled. These obligations may include the costs of asset disposal and additional soil remediation. However, these sites have indeterminate lives based on plans for continued operations and as such, the fair value of the conditional legal obligations cannot be measured since it is impossible to estimate the future settlement dates of such obligations.

F. Credit and Counterparty Risk

Cash and cash equivalents are maintained at financial institutions and, at times, balances may exceed federally insured limits. Amounts on deposit at financial institutions at June 30, 2024 were approximately $1.7 million, of which approximately $0.8 million was in excess of federally insured limits. In addition to funds maintained at financial institutions, at June 30, 2024, the Partnership had approximately $429.4 million invested in an institutional fund that invests at least 99.5% of its total assets in cash, U.S. Treasury Bills, notes or other obligations issued or guaranteed as to principal and interest by the U.S. Treasury, and repurchase agreements secured by such obligations or cash. The Partnership classifies investment securities with original maturities of three months or less as cash equivalents.

At June 30, 2024, the Partnership had no commodity derivatives. The Partnership routinely monitors the creditworthiness of its counterparties but does not require collateral or other security to support derivative instruments. However, agreements with the counterparties contain netting provisions such that if a default occurs, the non-defaulting party can offset the amount payable to the defaulting party under derivative contracts with the amount due from the defaulting party under derivative contracts. As a result of the netting provisions, the Partnership's maximum amount of loss due to credit risk is limited to the net amounts due to and from the counterparty under the derivative contracts.

G. Related Party Transactions

Related party operator of oil and natural gas properties. Most of the Partnership's properties are operated by CrownQuest. As of June 30, 2024, aggregate related party accounts payable and accrued liabilities owed to CrownQuest in the normal course of the Partnership's oil and natural gas property operations were $97.1 million, related specifically to accrued drilling costs on wells being drilled and completed as of period end, accrued ad valorem taxes and accrued infrastructure costs on facilities being constructed as of period end. Further, with respect to the properties operated by CrownQuest, at June 30, 2024, related party accounts receivable outstanding in the normal course of business related primarily to accrued oil and natural gas sales, fresh water sales and water disposal fees were $220.2 million.

As a result of its ownership of surface acreage, water rights and infrastructure, the Partnership recognizes amounts due from CrownQuest for surface damages, fresh water purchases and water disposal. During the six months ended June 30, 2024, the Partnership recognized receivables from CrownQuest of $27.9 million for these transactions. The unpaid portion of these amounts due are included in the related party accounts receivable listed above.

Management fees paid to related party. Pursuant to an administrative support agreement, the Partnership pays CrownQuest a monthly management fee based upon an annual budget approved by the Partnership. The Partnership is required to reimburse CrownQuest for substantially all costs, which include employee expense, rent expense, license fees, insurance cost, general office expenses, depreciation expense related to capitalized equipment, third party charges incurred for the benefit of the Partnership, and any and all expenses incurred by CrownQuest in providing support to the Partnership net of any amounts received under any operating agreements. During the six months ended June 30, 2024, the Partnership recorded management fees of $6.4 million in general and administrative expenses.

Royalty and other payments to affiliates. CrownQuest, as the operator of the Partnership's properties, periodically makes various types of payments to companies affiliated with CrownQuest and the Partnership in connection with its role as operator of properties in which the Partnership owns a working interest. During the six months ended June 30, 2024 payments of $86.0 million were made by CrownQuest to affiliates for royalty interests, lease bonuses and extensions, surface acquisitions, surface damages, water purchases and water disposal with respect to such properties. Payments during the six months ended June 30, 2024 include amounts paid to a CrownQuest-affiliated royalty partnership formed in July 2018 (the "2018 Royalty Partnership") and a CrownQuest-affiliated royalty partnership formed in March 2016 (the "2016 Royalty Partnership"). These royalty partnerships acquired royalty interests from third parties on properties operated by CrownQuest and in which the Partnership owns working interests. Payments to the 2018 Royalty Partnership during the six months ended June 30, 2024 were $12.5 million, primarily for royalty interests on properties operated by CrownQuest in which the Partnership owns a working interest. Payments to the 2016 Royalty Partnership during the six months ended June 30, 2024 were $69.6 million, primarily for royalty interests on properties operated by CrownQuest.

G. Related Party Transactions (Continued)

Oil and natural gas property lease from an officer of CrownQuest. A family partnership controlled by Mr. Robert W. Floyd, President of CrownQuest and Director of Holdings GP, and his wife has royalty interests in certain properties that the Partnership is developing in the Permian Basin. During the six months ended June 30, 2024, CrownQuest paid $4 thousand for royalty interests on properties operated by CrownQuest.

In a series of transactions beginning in August 2013, the Partnership entered into oil and natural gas property lease agreements with several relatives of Mr. Floyd and a family limited liability company in which Mr. Floyd owns a 33 1/3% interest. The leases are for unproved acreage in the Midland Basin in West Texas. The Partnership is currently developing this acreage. During the six months ended June 30, 2024, CrownQuest paid $26.8 million, primarily for royalty interests on properties operated by CrownQuest, to Mr. Floyd's relatives and the family limited liability company mentioned above.

Related party owner and operator of aircraft used by CrownQuest. Mr. Floyd and EnerQuest Oil & Gas Ltd. ("EOG"), an entity affiliated with the Partnership, own an entity named EnerQuest Aviation Partners, LLC ("Aviation Partners") which owns 60% of an aircraft with the other 40% belonging to a third party individual. The aircraft is managed by Crown Eye Partners, LLC ("Crown Eye") which is owned 60% by Aviation Partners and 40% by the same third party individual. This aircraft is available for use by CrownQuest employees when conducting business on behalf of the Partnership. The Partnership pays CrownQuest's usage of the aircraft under the terms of the administrative support agreement. During the six months ended June 30, 2024, CrownQuest did not use the aircraft.

H. Fair Value

Assets and Liabilities Measured at Fair Value on a Recurring Basis. The following table sets forth by level within the fair value hierarchy the Partnership's financial assets and liabilities that were accounted for at fair value on a recurring basis as of June 30, 2024.

	Fair value measurements using			
Description	**Quoted prices in active markets (Level 1)**	**Other observable inputs (Level 2)**	**Unobservable inputs (Level 3)**	**Fair Value**
		(in thousands)		
Money market funds	$ 429,370	$—	$—	$ 429,370
Total as of June 30, 2024	$ 429,370	$—	$—	$ 429,370

The following table represents the carrying amounts and fair values of the Partnership's financial instruments at June 30, 2024.

	June 30, 2024	
	Carrying Value	**Fair Value**
	(in thousands)	
Assets:		
Money market funds	$ 429,370	$ 429,370

H. Fair Value (Continued)

Credit Facility. The fair value of the revolving Credit Facility borrowings approximate the carrying amounts based upon interest rates currently available to the Partnership for borrowings with similar terms (Level 2).

Senior Notes. The fair value of the Partnership's 2025 Senior Notes was $863.8 million at June 30, 2024. The fair value of the Partnership's 2029 Senior Notes was $372.3 million at June 30, 2024. Such fair value was determined using Level 2 inputs including quoted period end market prices.

Other financial assets and liabilities. The Partnership has other financial instruments consisting primarily of receivables, payables and other current assets and liabilities. The carrying amounts approximate fair value due to the short maturity of these instruments.

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis. Non-recurring fair value measurements include certain nonfinancial assets and liabilities as may be acquired in a business combination or property exchange and thereby measured at fair value; impaired oil and natural gas property assessments; and the initial recognition of AROs for which fair value is used. These estimates are derived from historical costs as well as management's expectation of future cost and commodity price environments. As there is no corroborating market activity to support the assumptions used, the Partnership has designated these estimates as Level 3.

Impairments of long-lived assets. The Partnership reviews its long-lived assets to be held and used, including proved oil and natural gas properties accounted for under the successful efforts method of accounting, whenever events or circumstances indicate that the carrying value of those assets may not be recoverable, for instance when there are declines in commodity prices or well performance. The Partnership performed such a review at June 30, 2024 and determined there was no impairment. During the six months ended June 30, 2024, the Partnership did not recognize a non-cash charge against earnings nor a corresponding allowance for expiring acreage.

I. Commitments and Contingencies

As part of the administrative support agreement between the Partnership and CrownQuest, the Partnership reimburses CrownQuest for rent expense. At June 30, 2024, CrownQuest was party to one operating lease with Canvasback for office space: lease agreement dated August 28, 2023 with Canvasback as lessor on the field operations office and barn in Martin County, Texas and the extension of the field operations office in Martin County, Texas. The lease agreement was effective September 1, 2023 and terminates on August 31, 2024.

During the six months ended June 30, 2024, the Partnership reimbursed CrownQuest for rent expense for office space of $492 thousand, included in the monthly management fee. The rent expense relates to the Canvasback lease which is eliminated in consolidation.

In conjunction with the entity restructurings and asset conveyances – see Note B – Summary of Significant Accounting Policies – and Canvasback's distribution of the Partnership's headquarters building and land to 18 Desta, the operating lease for the headquarters building with CrownQuest, as lessee, was also assigned to 18 Desta.

CrownQuest has entered into contracts to secure the availability of drilling rigs and are subject to payments in accordance with the contracts based on the utilization of the drilling rigs.

From time to time, the Partnership is party to ordinary routine litigation incidental to the business. The Partnership believes that the results of such proceedings will not have a material adverse effect on its condensed consolidated financial statements.

J. Partners' Capital

CrownRock, L.P. is a privately held limited partnership formed in the State of Delaware on February 14, 2007. Holdings GP has the exclusive right to manage the business of the Partnership and has all powers and rights necessary or advisable to effectuate and carry out the purposes and business of the Partnership.

J. Partners' Capital (Continued)

Effective January 1, 2018, the Partnership merged with a subsidiary of Holdings. As a result of this merger, the Partnership and CrownRock GP became wholly-owned subsidiaries of Holdings. The Partnership admitted Holdings as its sole limited partner by issuing 100 new limited partnership units and cancelling all its other limited partner interests comprised of Class A, B, C, D and E limited partnership units. Holdings issued equivalent units of equivalent classes to the former limited partners of the Partnership. The only outstanding units of the Partnership at June 30, 2024 are the 100 limited partnership units held by Holdings. Additionally, effective January 1, 2018, the Partnership executed its Second Amended and Restated Limited Partnership Agreement to provide for sole control and management of the Partnership by CrownRock GP and the simplification of the governance of the Partnership.

Distributions are made solely to Holdings as the Partnership's sole limited partner and in turn, Holdings has made distributions to its limited partners.

The Partnership's Credit Facility (until its termination on August 1, 2024), the indentures governing its 2025 Senior Notes and 2029 Senior Notes have restrictive covenants limiting dividends and distributions (See Note L – Long-term Debt and Note M – Subsequent Events). The Partnership makes distributions to Holdings within the limits of these agreements.

During the six months ended June 30, 2024, the Partnership distributed $197.9 million, to provide Holdings with funds to pay its holders of Class A, B, C, D and E limited partnership units for estimated tax.

Based upon the provisions of the Partnership's more restrictive indenture which governs the 2025 Senior Notes, as of June 30, 2024, the Partnership is allowed to make additional discretionary distributions to Holdings of approximately $1.17 billion (See Note L – Long-term Debt). Discretionary distributions are restricted by the PIPA from January 1, 2024 to the closing date of the Partnership Sale Transaction which was August 1, 2024 (See Note M – Subsequent Events).

K. Incentive Plans

Defined contribution plan. CrownQuest sponsors a 401(k) defined contribution plan for the benefit of substantially all employees. Currently, CrownQuest matches 100% of employee contributions, not to exceed 10% of the employee's annual base salary. The Partnership's contributions to the plan, through its reimbursement to CrownQuest pursuant to the terms of an administrative support agreement, were approximately $1.9 million for the six months ended June 30, 2024.

L. Long-term Debt

The Partnership's debt consists of the following at June 30, 2024:

	June 30, 2024	
	(in thousands)	
5.625% unsecured senior notes due 2025	$	868,132
5.000% unsecured senior notes due 2029		376,084
Unamortized original issue discount		(461)
Unamortized deferred loan costs - senior notes		(5,248)
Total debt		1,238,507

Credit facility. In conjunction with the closing of the Partnership Sale Transaction on August 1, 2024 (See Note M – Subsequent Events), the Partnership's Credit Facility was terminated. Prior to such termination, following were the terms of the Credit Facility.

The Partnership's Credit Facility has a maturity date of March 7, 2028. In conjunction with its regular semi-annual borrowing base redetermination done in conjunction with its amendment and syndication, effective May 23, 2024, the Partnership's lenders reaffirmed the borrowing base at $2.0 billion. The Partnership also elected to maintain its elected commitment amount of $1.0 billion. Commitments from the Partnership's bank group total $3.5 billion. As of June 30, 2024, the Partnership had no advances outstanding against the Credit Facility.

L. Long-term Debt (Continued)

Between scheduled semi-annual borrowing base redeterminations in May and November, the Partnership and lenders, if requested by 66 2/3% of the lenders, may each request one special redetermination.

Advances on the Credit Facility bear interest, at the Partnership's option, based on (i) Secured Overnight Financing Rate ("SOFR") or (ii) the prime rate as quoted by *The Wall Street Journal* ("Prime Rate") (8.50% at June 30, 2024). The Credit Facility's interest rates on SOFR rate advances and Prime Rate advances vary, with interest margins ranging from 175 to 275 basis points and 75 to 175 basis points, respectively, per annum depending on the debt balance outstanding. Additionally, SOFR rate advances include a 10 basis points credit spread adjustment. The Partnership pays commitment fees on the unused portion of the available commitment of 50 basis points per annum. Total interest expense on the Credit Facility, including commitment fees paid on the unused portion, was \$2.6 million for the six months ended June 30, 2024. The weighted average cash interest rate on the Credit Facility, including commitment fees, for the six months ended June 30, 2024 was 0.51%.

The Partnership's obligations under the Credit Facility are secured by a first lien on substantially all of its oil and natural gas properties. In addition, all of the Partnership's subsidiaries (excluding Roddy and Abajo) are guarantors, and the equity interests in such subsidiaries have been pledged to secure borrowings under the Credit Facility.

If the outstanding principal balance under the Credit Facility exceeds the aggregate available commitment amount at any time, the Partnership must make a lump sum payment curing the deficiency within three business days. If the outstanding principal balance of the loans under the Credit Facility exceeds the borrowing base at any time, the Partnership has the option to take any of the following actions, either individually or in combination: (1) make a lump sum payment curing the deficiency within 30 days; (2) pledge additional collateral sufficient in the lenders' opinion to increase the borrowing base and cure the deficiency; or (3) begin making equal monthly principal payments that will cure the deficiency within the ensuing six-month period.

The Credit Facility contains various restrictive covenants and compliance requirements, which include:

- maintenance of certain financial ratios, including:
    - (i) maintenance of a quarterly ratio of current assets to current liabilities to be not less than 1.0 to 1.0, excluding noncash assets and liabilities related to financial derivatives and AROs and including all letter of credit obligations as liabilities but excluding current maturities of indebtedness, and including any unused availability under the Credit Facility as a current asset, and
    - (ii) maintenance of a quarterly ratio of total funded indebtedness, net of unrestricted cash up to \$125 million, to 12-month consolidated earnings before interest expense, income taxes, depletion, depreciation, and amortization, exploration expense and noncash income and expenses to be no greater than 3.5 to 1.0.
- delivery to the lender and maintenance of satisfactory title opinions covering not less than 80% and 85% of the present value of proved oil and natural gas reserves and proved developed producing oil and natural gas reserves, respectively;
- limits on the incurrence of additional indebtedness and certain types of liens;
- restrictions as to investments, mergers, acquisitions and dispositions of assets;
- restrictions on hedging contracts and transactions with affiliates; and
- limits on dividends and distributions. The agreement allows permitted tax distributions. It also allows periodic cash distributions if the unused availability on the Credit Facility, plus unrestricted cash, is greater than or equal to 20% of the elected commitment amount, and the Partnership's funded indebtedness to 12-month consolidated earnings before interest expense, income taxes, depletion, depreciation and amortization, exploration expense and non-cash income and expenses is no more than 3.00 to 1.00 calculated on a pro forma basis after giving effect to such cash payment. Discretionary distributions were restricted by the PIPA from January 1, 2024 to the closing date of the Partnership Sale Transaction which was August 1, 2024 (See Note M – Subsequent Events).

L. Long-term Debt (Continued)

At June 30, 2024, the Partnership was in compliance with all of the covenants under the Credit Facility.

5.625% Senior Notes due 2025. On October 11, 2017, the Partnership and CrownRock Finance issued $1.0 billion aggregate principal amount of the 2025 Senior Notes at par. On May 22, 2018, the Partnership and CrownRock Finance issued an additional $185 million aggregate principal amount of 2025 Senior Notes at 98.26% of par. These additional notes were fungible with the original notes and are governed by the same indenture and thus contain the same terms and conditions.

The 2025 Senior Notes mature on October 15, 2025, and interest is paid in arrears semi-annually on April 15 and October 15. The 2025 Senior Notes are fully and unconditionally guaranteed on a senior unsecured basis by Canvasback, CR Management and CR Royalties.

On July 15, 2024, the Partnership issued a Redemption Notice to redeem the 2025 Senior Notes at the redemption price of 100.00% which is scheduled to close August 14, 2024.

The 2025 Senior Notes are general, unsecured senior obligations and are subordinated to all existing and future secured indebtedness, including the Credit Facility. The indenture to the 2025 Senior Notes dated as of October 11, 2017, as supplemented ("2025 Senior Note Indenture") contains various restrictive covenants which include:

- limits on the incurrence of additional indebtedness and certain types of liens;
- restrictions as to mergers and disposition of assets;
- limits on transactions with affiliates; and
- limits on dividends and distributions. The 2025 Senior Note Indenture allows permitted tax distributions. The 2025 Senior Notes Indenture also allows periodic cash distributions up to $150 million plus 50% of consolidated net income as adjusted for certain non-cash items from July 1, 2017 to the end of the Partnership's most recently ended fiscal quarter. Based on this provision, as of June 30, 2024, the Partnership is allowed to make discretionary distributions of approximately $1.17 billion. Discretionary distributions were restricted by the PIPA from January 1, 2024 to the closing date of the Partnership Sale Transaction which was August 1, 2024. (See Note M – Subsequent Events).

At June 30, 2024, the Partnership was in compliance with all of the covenants under the 2025 Senior Note Indenture.

5.000% Senior Notes due 2029. On April 20, 2021, the Partnership and CrownRock Finance issued $400.0 million aggregate principal amount of the 2029 Senior Notes at par. The Partnership issued the 2029 Senior Notes to fund distributions to Holdings. Holdings utilized the net proceeds in the amount of $396 million to redeem a portion of its Series A Preferred Units. The 2029 Senior Notes mature on May 1, 2029, and interest is paid in arrears semi-annually on May 1 and November 1. The 2029 Senior Notes are fully and unconditionally guaranteed on a senior unsecured basis by Canvasback, CR Management and CR Royalties. The 2029 Senior Notes may be redeemed on or after the following dates and at the following redemption prices, expressed as a percentage of principal amount plus accrued and unpaid interest if any, during the twelve-month periods beginning on the dates indicated: May 1, 2024, 102.500%; May 1, 2025, 101.667%; May 1, 2026, 100.833%; May 1, 2027 and thereafter, 100.00%.

The 2029 Senior Notes are general, unsecured senior obligations and are subordinated to all existing and future secured indebtedness, including the Credit Facility. The indenture to the 2029 Senior Notes dated as of April 20, 2021 ("2029 Senior Note Indenture") contains various restrictive covenants which include:

- limits on the incurrence of additional indebtedness and certain types of liens;
- restrictions as to mergers and disposition of assets;
- limits on transactions with affiliates; and
- limits on dividends and distributions. The 2029 Senior Note Indenture allows permitted tax distributions. The 2029 Senior Note Indenture also allows periodic cash distributions up to 50% of consolidated net income as adjusted for certain non-cash items from July 1, 2017 to the end of the Partnership's most recently ended fiscal quarter. Based on this provision, as of June 30, 2024, the Partnership is allowed to make discretionary distributions of approximately $1.26 billion. Notwithstanding this limit based on consolidated net income, the 2029 Senior Note Indenture provides for unlimited periodic cash discretionary distributions if the Partnership's leverage ratio, as defined, is less than 1.5 to 1.0, determined on a pro forma

L. Long-term Debt (Continued)

- basis giving effect to any such distribution payments. Discretionary distributions are restricted by the PIPA from January 1, 2024 to the closing date of the Partnership Sale Transaction which was August 1, 2024 (See Note M – Subsequent Events).

At June 30, 2024, the Partnership was in compliance with all of the covenants under the 2029 Senior Note Indenture.

Construction loan - Canvasback office building. On June 19, 2014, Canvasback entered into a construction loan agreement with a bank (the "Construction Loan") to partially finance the cost of the construction of an office building in Midland, Texas that became the Partnership's headquarters. Advances were made during the period of February 2015 through December 2015 when the final advance was made, and the balance outstanding was at its maximum amount available of $12.0 million. Construction was completed and the certain conditions of the loan agreement were satisfied in December 2015 to effect the extension of the loan to June 30, 2026. Payments of principal and interest are due on the first of each month in an amount necessary to fully amortize the loan over its remaining term. Advances on the Construction Loan bear interest at a fixed rate equal to the Wall Street Journal published Prime Rate in effect on July 1st of each year plus 100 basis points, but in no event shall the interest rate be less than 4.25% nor more than 4.75%.

On July 6, 2023, Canvasback and the bank modified the Construction Loan amortization schedule and maturity date to facilitate the full amortization of the loan on June 1, 2024. In conjunction with this modification, Canvasback made a principal prepayment on June 30, 2023 in the amount of $1.0 million. The interest rate for the period of July 1, 2023 through June 1, 2024 was determined at 4.75%.

On January 19, 2024, Canvasback fully prepaid the remaining principal balance and accrued interest on the Construction Loan. As a result of this repayment, the bank released all security instruments including the mortgage and the Partnership's guaranty which had been part of the original loan documents.

Effective January 31, 2024, Canvasback distributed the office building to 18 Desta, a wholly-owned subsidiary of Holdings.

Principal maturities of debt. The Credit Facility expires in 2028. The 2025 Senior Notes are due in 2025. The 2029 Senior Notes are due in 2029.

Interest expense. The following amounts have been incurred and charged to interest expense for the six months ended June 30, 2024:

	Six months ended June 30, 2024	
	(in thousands)	
Cash payments for interest	$	36,388
Amortization of original issue discount		180
Amortization of deferred loan costs		2,220
Net changes in accrued interest expense		4
Total interest expense	$	38,792

M. Subsequent Events

Completion of Occidental's Acquisition of the Partnership Interests of the Partnership

The Partnership Sale Transaction closed on August 1, 2024. As a result, the general partner and limited partner interests formerly owned by CrownRock GP and Holdings, respectively, are now owned by subsidiaries of Occidental. Future activities of the Partnership will be reported by Occidental.

Long-term Debt. In conjunction with the closing of the Partnership Sale Transaction on August 1, 2024, the Partnership's Credit Facility was terminated.

Additionally, on July 15, 2024, the Partnership issued a Redemption Notice to redeem the 2025 Senior Notes at the redemption price of 100.00% which is scheduled to close on August 14, 2024.

Exhibit 99.2

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

On August 1, 2024, Occidental Petroleum Corporation ("Occidental") consummated the purchase of CrownRock, L.P. ("CrownRock") for total consideration of approximately $12.4 billion ("the acquisition") consisting of approximately $9.4 billion of cash consideration (inclusive of and subject to certain working capital and other customary purchase price adjustments), approximately 29.6 million shares of common stock of Occidental, and the assumption of $1.2 billion of existing debt of CrownRock and its subsidiaries. Concurrent with the acquisition closing, Occidental issued approximately $9.7 billion aggregate principal amount of new debt.

The unaudited pro forma condensed combined financial statements (the "pro forma financial statements") presented below have been prepared from the respective historical consolidated financial statements of Occidental and CrownRock and have been adjusted to reflect (i) the completion of the acquisition, (ii) Occidental's incurrence of approximately $9.7 billion aggregate principal amount of new indebtedness, (iii) the issuance of approximately 29.6 million shares of Occidental's common stock and (iv) the redemption of CrownRock's unsecured senior notes due in 2025 (the "CrownRock 2025 notes"). The unaudited pro forma condensed combined balance sheet (the "pro forma balance sheet") is presented as if the transactions had been completed on June 30, 2024. The unaudited pro forma combined statements of operations (the "pro forma statements of operations") for the year ended December 31, 2023, and for the six months ended June 30, 2024, are presented as if the transactions had been completed on January 1, 2023. The amounts related to discontinued operations in Occidental's Quarterly Report on Form 10-Q for the period ended June 30, 2024 have been excluded from the pro forma statements of operations.

The pro forma financial statements have been prepared from, and should be read in conjunction with, (i) the unaudited consolidated financial statements of Occidental contained in its Quarterly Report on Form 10-Q for the period ended June 30, 2024, (ii) the unaudited condensed consolidated financial statements of CrownRock for the six months ended June 30, 2024 included as Exhibit 99.1 to the Current Report on Form 8-K which these pro forma financial statements are filed with as Exhibit 99.2, (iii) the audited consolidated financial statements of Occidental contained in its Annual Report on Form 10-K for the year ended December 31, 2023 and (iv) the audited consolidated financial statements of CrownRock for the year ended December 31, 2023, included as Exhibit 99.1 to Occidental's Current Report on Form 8-K filed on July 19, 2024. Certain of CrownRock's historical amounts have been reclassified to conform to Occidental's financial statement presentation.

The pro forma financial statements have been prepared to reflect adjustments to Occidental's historical consolidated financial information that are (i) directly attributable to the acquisition, (ii) factually supportable and (iii) with respect to the pro forma statements of operations only, expected to have a continuing impact on Occidental's results.

The pro forma financial statements reflect the following pro forma adjustments, based on available information and certain assumptions that Occidental believes are reasonable:

- the acquisition of CrownRock under the acquisition method of accounting;
- the assumption of liabilities for expenses related to the transactions;
- the incurrence by Occidental of $9.7 billion of new indebtedness, consisting of (i) $2.0 billion in term loans with a maturity of 364 days and $2.7 billion in term loans with a maturity of two years borrowed under a term loan agreement with Bank of America, N.A., as administrative agent, and certain financial institutions party thereto, as lenders, and (ii) $5.0 billion in senior unsecured long-term debt issued in lieu of borrowings pursuant to, and termination of, a 364-day senior unsecured bridge loan facility;
- the redemption of the CrownRock 2025 notes, totaling approximately $868 million; and
- the issuance of approximately 29.6 million shares of Occidental's common stock

The pro forma financial statements do not include the realization of cost savings from operating efficiencies, revenue synergies or other integration costs expected to result from the acquisition.

The pro forma financial statements have been prepared using the acquisition method of accounting using the accounting guidance in Accounting Standards Codification 805, Business Combinations ("ASC 805"), with Occidental treated as the acquirer. The acquisition method of accounting is dependent upon certain valuations and other studies that, as of the date of these pro forma financial statements, have yet to commence or progress to a stage where there is sufficient information for a definitive measure. As indicated in the pro forma financial statements and under "—Purchase Price and Allocation" below, Occidental has performed a preliminary valuation analysis of the fair value of CrownRock's assets acquired and liabilities assumed and has made certain adjustments to the historical book values of the assets and liabilities of CrownRock to reflect preliminary estimates of the fair values necessary to prepare the pro forma financial statements. Occidental is performing a detailed review of CrownRock's accounting policies. Accordingly, the pro forma financial statements and pro forma adjustments are preliminary and have been made solely for the purpose of preparing the pro forma financial statements. Amounts used in these pro forma financial statements will differ from ultimate amounts once Occidental has completed the valuation studies necessary to finalize the required purchase price allocation and identified any necessary conforming accounting policy changes for CrownRock. Differences between these preliminary estimates and the final acquisition accounting may have a material impact on the pro forma financial statements and the combined company's future results of operations and financial position.

The pro forma financial statements are provided for illustrative purposes only and do not purport to represent what the actual consolidated results of operations or consolidated financial position of Occidental would have been had the transactions occurred on the dates assumed, nor are they necessarily indicative of future consolidated results of operations or consolidated financial position.

The pro forma financial statements and related notes should be read in conjunction with the separate historical consolidated financial statements and related notes of Occidental included in its Annual Report on Form 10-K for the year ended December 31, 2023 and Quarterly Report on Form 10-Q for the period ended June 30, 2024, and CrownRock included as Exhibit 99.1 to Occidental's Current Report on Form 8-K filed on July 19, 2024 and Exhibit 99.1 to the Current Report on Form 8-K which these pro forma financial statements are filed with as Exhibit 99.2.

Purchase Price and Allocation

The aggregate value of the purchase price is approximately $11.1 billion based on the closing price of Occidental common stock of $59.38 on August 1, 2024.

Purchase Price

The following table summarizes the cash and common stock components of the approximate purchase price:

in millions, except per-share amounts		**Total**
Cash portion of purchase price	$	9,100
Closing Adjustments		
Net Working Capital and Other Purchase Price Adjustments		257
Pre-closing dividends declared by Occidental	$	13
Total Cash Purchase Price	**$**	**9,370**
Total shares of Occidental common stock issued		29.6
Share price of Occidental common stock	$	59.38
Stock portion of purchase price	**$**	**1,755**
Total preliminary purchase price	**$**	**11,125**

Occidental has incurred approximately $9.7 billion aggregate principal amount of new indebtedness and has used or will use, as applicable, available cash to finance the cash purchase price of the acquisition, redeem the CrownRock 2025 notes and pay related fees and expenses.

Preliminary Purchase Price Allocation

The preliminary allocation of the approximate purchase price to the fair values of assets acquired and liabilities assumed includes pro forma adjustments for the fair value of CrownRock's assets and liabilities. The final allocation will be determined once Occidental has completed the necessary detailed valuation analysis and calculations. The final allocation could differ materially from the preliminary allocation used in these pro forma financial statements and related pro forma adjustments.

Occidental has performed a preliminary valuation analysis of the fair market value of the CrownRock assets acquired and liabilities assumed and the related allocations to such items of the approximate purchase price. The following table summarizes the allocation of the preliminary purchase price:

in millions		As of June 30, 2024
Fair value of assets acquired:		
Cash and cash equivalents	$	431
Trade receivables, net		220
Other current assets		2
Property, plant and equipment, net		11,875
Amount attributable to assets acquired	**$**	**12,528**
Fair value of liabilities assumed:		
Accrued liabilities		111
Long-term debt		1,244
Asset retirement obligations		48
Amount attributable to liabilities assumed	**$**	**1,403**
Fair value of net assets acquired:	**$**	**11,125**
Goodwill as of June 30, 2024:	**$**	**—**
Total preliminary purchase price:	**$**	**11,125**

Changes in future commodity prices, reserve estimates, other changes in cost assumptions and other facts and circumstances could result in changes to the fair value of the assets identified above.

OCCIDENTAL PETROLEUM CORPORATION
UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
JUNE 30, 2024

in millions	Occidental Historical	CrownRock Historical (Adjusted)	Debt Issuance		Acquisition Accounting and Related Transactions		Occidental Combined Pro Forma
ASSETS							
Current Assets							
Cash and cash equivalents	1,845	431	9,646	(a)	(9,370)	(a)	1,636
					(48)	(a)	
					(868)	(a)	
Trade receivables	3,896	220	—		—		4,116
Inventories	2,813	—	—		—		2,813
Other current assets	1,538	2	—		—		1,540
Total current assets	10,092	653	9,646		(10,286)		10,105
Investments in Unconsolidated Entities	3,460	—	—		—		3,460
Property, plant and equipment							
Oil and gas	111,881	7,702	—		4,173	(b)	123,756
Chemical	8,520	—	—		—		8,520
Midstream and marketing	8,730	—	—		—		8,730
Corporate	1,091	8	—		(8)	(f)	1,091
Gross property, plant and equipment	130,222	7,710	—		4,165		142,097
Accumulated depreciation, depletion and amortization	(71,352)	(3,533)	—		3,533	(b)	(71,352)
Net property, plant, and equipment	58,870	4,177	—		7,698		70,745
Operating lease assets	1,022	—	—		—		1,022
Other long-term assets	2,772	8	—		(8)	(b)	2,772
TOTAL ASSETS	76,216	4,838	9,646		(2,596)		88,104

See accompanying notes to unaudited pro forma condensed combined financial statements.

OCCIDENTAL PETROLEUM CORPORATION
UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
JUNE 30, 2024

in millions	**Occidental Historical**	**CrownRock Historical (Adjusted)**	**Debt Issuance**	**Acquisition Accounting and Related Transactions**	**Occidental Combined Pro Forma**
LIABILITIES AND EQUITY					
Current Liabilities					
Current maturities of long-term debt	1,347	—	2,000 (c)	—	3,347
Current operating lease liabilities	410	—	—	—	410
Accounts payable	4,282	—	—	—	4,282
Accrued liabilities	3,660	111	—	—	3,771
Total current liabilities	9,699	111	2,000	—	11,810
Long-term debt, net	18,390	1,239	7,646 (c)	5 (b)	26,412
				(868) (a)	
Deferred credits and other liabilities					
Deferred income taxes, net	5,680	—	—	—	5,680
Asset retirement obligations	3,848	48	—	—	3,896
Pension and postretirement obligations	935	—	—	—	935
Environmental remediation liabilities	857	—	—	—	857
Operating lease liabilities	668	—	—	—	668
Other	3,880	—	—	—	3,880
Total deferred credits and other liabilities	15,868	48	—	—	15,916
Equity					
Preferred stock, at par value	8,287	—	—	—	8,287
Common stock, at par value	227	—	—	6 (g)	233
Treasury stock	(15,591)	—	—	—	(15,591)
Additional paid-in capital	17,928	3,440	—	(1,691) (g)	19,677
Retained earnings	20,938	—	—	(48) (a)	20,890
Accumulated other comprehensive income	264	—	—	—	264
Total stockholders' equity	32,053	3,440	—	(1,733)	33,760
Non-controlling interest	206	—		—	206
Total equity	32,259	3,440	—	(1,733)	33,966
TOTAL LIABILITIES AND EQUITY	76,216	4,838	9,646	(2,596)	88,104

See accompanying notes to unaudited pro forma condensed combined financial statements.

OCCIDENTAL PETROLEUM CORPORATION
UNAUDITED PRO FORMA STATEMENT OF COMBINED OPERATIONS
SIX MONTHS ENDED JUNE 30, 2024

in millions except per-share amounts	Occidental Historical	CrownRock Historical (Adjusted)	Debt Issuance	Acquisition Accounting and Related Transactions	Occidental Combined Pro Forma
Revenues and other income					
Net sales	12,792	1,265	—	—	14,057
Interest, dividends and other income	70	6	—	—	76
Gains (losses) on sales of assets and other, net	27	—	—	—	27
Total	12,889	1,271	—	—	14,160
Costs and other deductions					
Oil and gas lease operating expense	2,340	216	—	—	2,556
Transportation and gathering expense	758	—	—	—	758
Chemical and midstream cost of sales	1,563	—	—	—	1,563
Purchased commodities	175	—	—	—	175
Selling, general and administrative expenses	518	9	—	—	527
Other operating and non-operating expense	754	—	—	—	754
Taxes other than on income	500	65	—	—	565
Depreciation, depletion and amortization	3,468	325	—	110 (d)	3,903
Acquisition-related costs	26	—	—	—	26
Exploration expense	149	—	—	—	149
Interest and debt expense, net	536	39	306 (c)	(24) (c)	857
Total	10,787	654	306	86	11,833
Income (loss) before income taxes and other items	2,102	617	(306)	(86)	2,327
Other items					
Income from equity investments and other	543	(2)	—	—	541
Total	543	(2)	—	—	541
Income (loss) before income taxes	2,645	615	(306)	(86)	2,868
Income tax expense	(769)	—	67 (e)	(117) (e)	(819)
Income (loss) from continuing operations	1,876	615	(239)	(203)	2,049
Less: Net income attributable to noncontrolling interests	(8)	—	—	—	(8)
Less: Preferred stock dividends	(340)	—	—	—	(340)
Income (loss) from continuing operations attributable to Common Stockholders	1,528	615	(239)	(203)	1,701
Net income from continuing operations attributable to common stockholders—basic	$ 1.71				$ 1.84
Net income from continuing operations attributable to common stockholders—diluted	$ 1.59				$ 1.72
Weighted-average number of basic shares	889.2			29.6 (i)	918.8
Diluted weighted-average common shares	954.1			29.6 (i)	983.7

See accompanying notes to unaudited pro forma condensed combined financial statements.

OCCIDENTAL PETROLEUM CORPORATION
UNAUDITED PRO FORMA STATEMENT OF COMBINED OPERATIONS
YEAR ENDED DECEMBER 31, 2023

in millions except per-share amounts		Occidental Historical	CrownRock Historical (Adjusted)	Debt Issuance		Acquisition Accounting and Related Transactions			Occidental Combined Pro Forma
Revenues and other income									
Net sales		28,257	2,521	—		(1)	(f)		30,777
Interest, dividends and other income		139	5	—		(1)	(f)		143
Gains (losses) on sales of assets and other, net		522	2	—		(24)	(f)		500
Total		28,918	2,528	—		(26)			31,420
Costs and other deductions									
Oil and gas lease operating expense		4,677	386	—		(2)	(f)		5,061
Transportation and gathering expense		1,481	—	—		—			1,481
Chemical and midstream cost of sales		3,116	—	—		—			3,116
Purchased commodities		2,009	—	—		—			2,009
Selling, general and administrative expenses		1,083	24	—		(1)	(f)		1,106
Other operating and non-operating expense		1,084	—	—		—			1,084
Taxes other than on income		1,087	139	—		—			1,226
Depreciation, depletion and amortization		6,865	635	—		187	(d) (f)		7,687
Asset impairments and other charges		209	—	—		—			209
Acquisition-related costs		26	—	—		—			26
Exploration expense		441	6	—		(5)	(f)		442
Interest and debt expense, net		945	82	613	(c)	(49)	(c)		1,591
Total		23,023	1,272	613		130			25,038
Income (loss) before income taxes and other items		5,895	1,256	(613)		(156)			6,382
Other items									
Income from equity investments and other		534	23	—		—			557
Total		534	23	—		—			557
Income (loss) from continuing operations before income taxes		6,429	1,279	(613)		(156)			6,939
Income tax expense		(1,733)	—	135	(e)	(247)	(e)		(1,845)
Income (loss) from continuing operations		4,696	1,279	(478)		(403)			5,094
Less: Preferred stock dividends and redemption premiums		(923)	—	—		—			(923)
Income (loss) from continuing operations attributable to Common Stockholders		3,773	1,279	(478)		(403)			4,171
Net income attributable to common stockholders—basic	$	4.22						$	4.52
Net income attributable to common stockholders—diluted	$	3.90						$	4.19
Weighted-average number of basic shares		889.2				29.6	(i)		918.8
Diluted weighted-average common shares		960.9				29.6	(i)		990.5

See accompanying notes to unaudited pro forma condensed combined financial statements.

NOTES TO PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

a) Reflects sources of/(uses of) cash upon the completion of the acquisition as follows:

millions		**As of June 30, 2024**
Issuance of indebtedness	$	9,700
Issuance costs		(54)
Net cash from issuance of indebtedness	**$**	**9,646**
Cash portion of preliminary purchase price	$	9,100
Net working capital and other purchase price adjustments		257
Pre-closing dividends declared by Occidental		13
Total cash purchase price	**$**	**9,370**
Acquisition-related transaction costs[1]	$	(48)
Redemption of CrownRock 2025 notes	$	(868)

[1] Represents an estimate of acquisition-related transaction costs, including fees related to advisory, legal, investment banking and other professional services, all of which are directly attributable to the acquisition. These are non-recurring charges and have been excluded from the unaudited pro forma statements of operations.

b) Reflects the fair value adjustments to CrownRock's assets and liabilities, including property, plant, and equipment and debt. See "Purchase Price and Allocation" above.

c) Represents pro forma adjustments to current and long-term debt, which includes the incurrence of $9.7 billion aggregate principal amount of new indebtedness, with a weighted average annual interest rate of 6.22%, yielding net proceeds of $2.0 billion and $7.6 billion in current and long-term debt, respectively. Proceeds are net of $54 million in debt issuance costs. Interest rates are based on underlying U.S. Treasury rates adjusted for Occidental's anticipated credit spreads across a range of maturities.

in millions, except for interest rates		**Principal Amount**	**Interest Rate (1)**		**Estimated interest expense for the six months ended June 30, 2024**		**Estimated interest expense for the year ended December 31, 2023**
Notes		5,000	5.47 %	$	137	$	273
Term loan (364 day)		2,000	6.94 %		69		139
Term loan (2 year)		2,700	7.07 %		95		191
Total debt assumed issued	$	9,700	6.22 %	$	301	$	603
Amortization of term loan debt issuance costs					2		4
Amortization of notes debt issuance costs					3		6
Total interest expense				$	306	$	613

[1] The interest rates for the term loans are the July 30, 2024 SOFR of 5.342% plus the applicable margin as specified in the respective debt agreements. The rate for the notes is the pro-forma weighted average interest rate as issued.

Occidental has elected to redeem approximately $868 million of the $1.2 billion of assumed debt of CrownRock after the closing of the acquisition, which is reflected above in Note (a). The redemption of the CrownRock 2025 notes results in a decrease in CrownRock's interest expense of $24 million and $49 million for the six months ended June 30, 2024 and the year ended December 31, 2023, respectively.

A 1/8 of a percent change in the interest rate of the $4.7 billion in term loans would increase or decrease the interest expense by $3 million for the six months ended June 30, 2024 and $6 million for the year ended December 31, 2023.

d) Reflects adjustments to historical depreciation, depletion and amortization ("DD&A") expense related to the step up of property, plant and equipment to estimated fair value. Pro forma DD&A expense related to the assets acquired through the acquisition is $110 million for the six months ended June 30, 2024 and $189 million for the year ended December 31, 2023.

e) Reflects the income tax effects of the pro forma adjustments included in the pro forma statements of operations for the six months ended June 30, 2024 and for the year ended December 31, 2023, including an adjustment for income taxes for historical CrownRock that would have been recorded as a result of the acquisition. The effective tax rate of the combined company could be significantly different from what is presented in these pro forma financial statements for a variety of reasons, including post-merger activities.

f) Reflects adjustments to eliminate CrownRock's historical revenue and expense related to certain subsidiaries retained by CrownQuest Operating, LLC ("CrownQuest"), the parent company of CrownRock, per the purchase agreement. Revenue and expenses related to such subsidiaries totaled $26 million and $10 million, respectively, for the year ended December 31, 2023. These subsidiaries were distributed to CrownQuest as of January 31, 2024. Revenue and expenses related to these subsidiaries for the month of January are immaterial.

g) Reflects elimination of CrownRock Partners' Capital and issuance of 29.6 million shares of Occidental common stock, totaling approximately $1.8 billion in common stock based on the August 1, 2024 share price of $59.38:

in millions		As of June 30, 2024
Stock portion of purchase price:		
Common stock, $0.20 per share par value, issued in the acquisition	$	6
Pro forma adjustment to paid-in capital in excess of par value for common stock issued in the acquisition		1,749
Stock portion of purchase price	$	1,755
Acquisition adjustment to paid-in capital in excess of par value for common stock:		
Pro forma adjustment to paid-in capital in excess of par value for common stock issued in the acquisition	$	1,749
Elimination of CrownRock Partners' Capital		(3,440)
Acquisition adjustment to paid-in capital in excess of par value for common stock		(1,691)

h) The following reclassifications were made to conform CrownRock's historical financial results to Occidental's presentation on the pro forma financial statements:

Balance Sheet *in millions*	**As of June 30, 2024**	
	Reclassification from CrownRock Historical	**Reclassification to CrownRock Historical (Adjusted)**
Assets		
Trade receivables	$	$ 220.2
Other current assets		1.6
Property, plant and equipment		
Oil and gas		7,702.0
Corporate		8.0
Accumulated depreciation, depletion and amortization		(3,533.0)
Other long-term assets		8.4
Accounts receivable - related party		
Oil and natural gas	189.9	
Other	30.3	
Prepaid costs and other current assets	1.6	
Oil and natural gas properties, net, successful efforts method of accounting	4,034.0	
Other property and equipment, net	143.0	
Deferred loan costs, net	8.4	
Liabilities		
Accrued liabilities		110.8
Accrued drilling cost – related party	81.9	
Other accrued liabilities – related party	15.2	
Accrued interest payable	13.3	
Asset retirement obligations, current portion	0.4	
Equity		
Additional paid-in capital		3,440.0
CrownRock, L.P. Partners' Capital	3,440.0	
Total	$ 7,958	$ 7,958

Income Statement *in millions*	**For six months ended June 30, 2024**		**For the year ended December 31, 2023**	
	Reclassification from CrownRock Historical	**Reclassification to CrownRock Historical (Adjusted)**	**Reclassification from CrownRock Historical**	**Reclassification to CrownRock Historical (Adjusted)**
Revenues and other income				
Net sales	$	$ 1,264.5	$	$ 2,520.9
Interest, dividends and other income		6.4		4.8
Gains on sales of assets and other, net		—		2.1
Oil and natural gas sales	1,187.0		2,381.9	
Gain on sales and exchanges of oil and natural gas properties	—		2.1	
Saltwater disposal	40.9		66.9	
Gathering system rent and transportation fees	26.3		47.9	
Fresh water supply	7.8		20.0	
Surface ownership	2.4		4.1	
Interest income	6.4		4.8	
Costs and other deductions				
Oil and gas lease operating expense		215.9		385.5
Selling, general and administrative expenses		8.6		24.2
Taxes other than on income		64.7		138.8
Depreciation, depletion and amortization		1.1		2.0
Lease operating expense	215.9		385.5	
Production and ad valorem taxes	64.7		138.8	
Accretion of discount on asset retirement obligation	1.1		2.0	
General and administrative	8.6		24.2	
Other items				
Income from equity investments and other		(1.5)		23.2
Gain (loss) on derivatives not designated as hedges	—		0.2	
Gain on extinguishment of debt	—		1.5	
Other income (expense), net	(1.5)		21.5	
Total	$ 1,560	$ 1,560	$ 3,101	$ 3,101

i) Reflects the issuance of approximately 29.6 million shares of Occidental common stock to the holders of the CrownRock interests as a portion of the consideration for the acquisition. The following table reconciles historical and pro forma basic and diluted earnings per share utilizing the two-class method for the periods indicated:

	For six months ended June 30, 2024		For year ended December 31, 2023	
in millions, except per-share amounts	Occidental Historical	Occidental Combined Pro Forma	Occidental Historical	Occidental Combined Pro Forma
Income from continuing operations attributable to common stock	$ 1,528	$ 1,701	$ 3,773	$ 4,171
Less: Net income allocated to participating securities	(10)	(10)	(21)	(21)
Net income, net of participating securities	$ 1,518	$ 1,691	$ 3,752	$ 4,150
Weighted-average number of basic shares	889.2	918.8	889.2	918.8
Dilutive securities	64.9	64.9	71.7	71.7
Diluted weighted average common shares outstanding	954.1	983.7	960.9	990.5
Basic income from continuing ops per common share	$ 1.71	$ 1.84	$ 4.22	$ 4.52
Diluted income from continuing ops per common share	$ 1.59	$ 1.72	$ 3.90	$ 4.19

Supplemental Pro Forma Crude Oil, Natural Gas Liquids ("NGLs") and Natural Gas Reserves Information

The following tables present the estimated pro forma combined net proved developed and undeveloped crude oil, NGLs and natural gas reserves as of December 31, 2023, along with a summary of changes in quantities of net remaining proved reserves during the year ended December 31, 2023.

The following estimated pro forma reserve information is not necessarily indicative of the results that might have occurred had the transactions been completed on January 1, 2023 and is not intended to be a projection of future results. Future results may vary significantly from the results reflected because of various factors, including those discussed in the section entitled "Risk Factors" in Occidental's Annual Report on Form 10-K for the year ended December 31, 2023.

Oil Reserves *in millions of barrels (MMbbl)* **PROVED DEVELOPED AND UNDEVELOPED RESERVES**	**Occidental Historical**	**CrownRock Historical**	**Occidental Combined Pro Forma**
Balance at December 31, 2022	1,913	249	2,162
Revisions of previous estimates	**168**	**(14)**	**154**
Improved recovery	**18**	**—**	**18**
Extensions and discoveries	**62**	**64**	**126**
Purchases of proved reserves	**14**	**—**	**14**
Sales of proved reserves	**(1)**	**—**	**(1)**
Production	**(234)**	**(27)**	**(261)**
Balance at December 31, 2023	**1,940**	**272**	**2,212**
DOMESTIC PROVED RESERVES	**1,600**	**272**	**1,872**
INTERNATIONAL PROVED RESERVES	**340**	**—**	**340**
PROVED DEVELOPED RESERVES			
December 31, 2023	**1,398**	**122**	**1,520**
PROVED UNDEVELOPED RESERVES			
December 31, 2023	**542**	**150**	**692**

NGL Reserves *in millions of barrels (MMbbl)* **PROVED DEVELOPED AND UNDEVELOPED RESERVES**	**Occidental Historical**	**CrownRock Historical**	**Occidental Combined Pro Forma**
Balance at December 31, 2022	846	181	1,027
Revisions of previous estimates	**185**	**9**	**194**
Improved recovery	**2**	**—**	**2**
Extensions and discoveries	**45**	**41**	**86**
Purchases of proved reserves	**9**	**—**	**9**
Sales of proved reserves	**(1)**	**—**	**(1)**
Production	**(103)**	**(15)**	**(118)**
Balance at December 31, 2023	**983**	**216**	**1,199**
DOMESTIC PROVED RESERVES	**802**	**216**	**1,018**
INTERNATIONAL PROVED RESERVES	**181**	**—**	**181**
PROVED DEVELOPED RESERVES			
December 31, 2023	**639**	**112**	**751**
PROVED UNDEVELOPED RESERVES			
December 31, 2023	**344**	**104**	**448**

Natural Gas Reserves *in billions of cubic feet (Bcf)* **PROVED DEVELOPED AND UNDEVELOPED RESERVES**	**Occidental Historical**	**CrownRock Historical**	**Occidental Combined Pro Forma**
Balance at December 31, 2022	6,350	865	7,215
Revisions of previous estimates	**319**	**80**	**399**
Improved recovery	**18**	**—**	**18**
Extensions and discoveries	**273**	**203**	**476**
Purchases of proved reserves	**50**	**—**	**50**
Sales of proved reserves	**(2)**	**—**	**(2)**
Production	**(656)**	**(73)**	**(729)**
Balance at December 31, 2023	**6,352**	**1,075**	**7,427**
DOMESTIC PROVED RESERVES	**4,235**	**1,075**	**5,310**
INTERNATIONAL PROVED RESERVES	**2,117**	**—**	**2,117**
PROVED DEVELOPED RESERVES			
December 31, 2023	**4,277**	**558**	**4,835**
PROVED UNDEVELOPED RESERVES			
December 31, 2023	**2,075**	**517**	**2,592**

Total Reserves *in millions of BOE (MMBOE)* **PROVED DEVELOPED AND UNDEVELOPED RESERVES**	**Occidental Historical**	**CrownRock Historical**	**Occidental Combined Pro Forma**
Balance at December 31, 2022	3,817	574	4,391
Revisions of previous estimates	**406**	**8**	**414**
Improved recovery	**23**	**—**	**23**
Extensions and discoveries	**153**	**138**	**291**
Purchases of proved reserves	**31**	**—**	**31**
Sales of proved reserves	**(2)**	**—**	**(2)**
Production	**(446)**	**(54)**	**(500)**
Balance at December 31, 2023	**3,982**	**666**	**4,648**
DOMESTIC PROVED RESERVES	**3,108**	**666**	**3,774**
INTERNATIONAL PROVED RESERVES	**874**	**—**	**874**
PROVED DEVELOPED RESERVES			
December 31, 2023	**2,750**	**326**	**3,076**
PROVED UNDEVELOPED RESERVES			
December 31, 2023	**1,232**	**340**	**1,572**

Standardized measure of discounted future net cash flows

The following tables present the estimated pro forma discounted future net cash flows at December 31, 2023. The pro forma standardized measure information set forth below gives effect to the transactions as if the transactions had been completed on January 1, 2023. The disclosures below were determined by referencing the "Standardized Measure of Discounted Future Net Cash Flows" reported in Occidental's Annual Report on Form 10-K for the year ended December 31, 2023 and in the consolidated financial statements and related notes of CrownRock for the year ended December 31, 2023. An explanation of the underlying methodology applied, as required by U.S. Securities and Exchange Commission regulations, can be found within Occidental’s Annual Report on Form 10-K for the year ended December 31, 2023 and CrownRock’s consolidated financial statements and related notes for the year ended December 31, 2023. The calculations assume the continuation of existing economic, operating and contractual conditions at December 31, 2023.

Therefore, the following estimated pro forma standardized measure is not necessarily indicative of the results that might have occurred had the transactions been completed on January 1, 2023 and is not intended to be a projection of future results. Future results may vary significantly from the results reflected because of various factors, including those discussed in the section entitled "Risk Factors" in Occidental’s Annual Report on Form 10-K for the year ended December 31, 2023.

in millions	Occidental Historical	CrownRock Historical	Occidental Combined Pro Forma
AS OF DECEMBER 31, 2023			
Future cash inflows	$ 178,491	$ 25,759	$ 204,250
Future costs			
Production costs and other operating expenses	(69,785)	(7,646)	(77,431)
Development costs	(23,110)	(3,349)	(26,459)
Future income tax expense	(15,336)	—	(15,336)
Future net cash flows	$ 70,260	$ 14,764	$ 85,024
Ten percent discount factor	(29,958)	(6,390)	(36,348)
Standardized measure of discounted future net cash flows	$ 40,302	$ 8,374	$ 48,676

Changes in the standardized measure of discounted future net cash flows from proved reserve quantities

The changes in the pro forma standardized measure of discounted future net cash flows relating to proved crude oil, NGLs and natural gas reserves for the year ended December 31, 2023 are as follows:

in millions	Occidental Historical	CrownRock Historical	Occidental Combined Pro Forma
Beginning of year	$ 58,152	$ 12,263	$ 70,415
Sales and transfers of oil and gas produced, net of production costs and other operating expenses	(14,318)	(1,858)	(16,176)
Net change in prices received per barrel, net of production costs and other operating expenses	(23,774)	(4,255)	(28,029)
Extensions, discoveries and improved recovery, net of future production and development costs	2,910	1,553	4,463
Change in estimated future development costs	(3,430)	965	(2,465)
Revisions of quantity estimates	6,313	(589)	5,724
Previously estimated development costs incurred during the period	2,584	—	2,584
Accretion of discount	6,152	1,226	7,378
Net change in income taxes	5,575	—	5,575
Purchases and sales of reserves in place, net	404	(4)	400
Changes in production rates and other	(266)	(927)	(1,193)
Net change	(17,850)	(3,889)	(21,739)
End of year	$ 40,302	$ 8,374	$ 48,676