SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2012

OR

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

For the transition period from ___________ to ___________

Commission file number 1-9210

OCCIDENTAL PETROLEUM CORPORATION

(Exact name of registrant as specified in its charter)

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

(310) 208-8800
(Registrant's telephone number, including area code)

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

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

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

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

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

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

Class	Outstanding at March 31, 2012
Common stock $.20 par value	811,067,420 shares

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PART I FINANCIAL INFORMATION

Item 1. Financial Statements (unaudited)

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS
MARCH 31, 2012 AND DECEMBER 31, 2011
(Amounts in millions)

	2012	2011
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 3,760	$ 3,781
Trade receivables, net	5,712	5,395
Marketing and trading assets and other	874	916
Inventories	1,250	1,069
Prepaid expenses and other	391	381
Total current assets	11,987	11,542
INVESTMENTS IN UNCONSOLIDATED ENTITIES	1,965	2,072
PROPERTY, PLANT AND EQUIPMENT, net of accumulated depreciation, depletion and amortization of $24,743 at March 31, 2012 and $23,687 at December 31, 2011	46,903	45,684
LONG-TERM RECEIVABLES AND OTHER ASSETS, NET	767	746
TOTAL ASSETS	$ 61,622	$ 60,044

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

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS
MARCH 31, 2012 AND DECEMBER 31, 2011
(Amounts in millions)

	2012	2011
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 5,522	$ 5,304
Accrued liabilities	2,328	2,533
Domestic and foreign income taxes	248	110
Total current liabilities	8,098	7,947
LONG-TERM DEBT, NET	5,873	5,871
DEFERRED CREDITS AND OTHER LIABILITIES		
Deferred and other domestic and foreign income taxes	5,203	4,846
Other	3,701	3,760
	8,904	8,606
STOCKHOLDERS' EQUITY		
Common stock, at par value	177	177
Treasury stock	(4,517)	(4,502)
Additional paid-in capital	7,313	7,286
Retained earnings	36,262	35,142
Accumulated other comprehensive loss	(488)	(483)
Total stockholders' equity	38,747	37,620
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 61,622	$ 60,044

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

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2012 AND 2011
(Amounts in millions, except per-share amounts)

	2012	2011
REVENUES AND OTHER INCOME		
Net sales	$ 6,268	$ 5,726
Interest, dividends and other income	14	31
Gains on disposition of assets, net	1	22
	6,283	5,779
COSTS AND OTHER DEDUCTIONS		
Cost of sales	2,950	2,526
Selling, general and administrative and other operating expenses	434	441
Taxes other than on income	174	151
Exploration expense	98	84
Interest and debt expense, net	30	215
	3,686	3,417
Income before income taxes and other items	2,597	2,362
Provision for domestic and foreign income taxes	1,139	1,054
Income from equity investments	(102)	(97)
Income from continuing operations	1,560	1,405
Discontinued operations, net	(1)	144
NET INCOME	$ 1,559	$ 1,549
BASIC EARNINGS PER COMMON SHARE		
Income from continuing operations	$ 1.92	$ 1.72
Discontinued operations, net	—	0.18
BASIC EARNINGS PER COMMON SHARE	$ 1.92	$ 1.90
DILUTED EARNINGS PER COMMON SHARE		
Income from continuing operations	$ 1.92	$ 1.72
Discontinued operations, net	—	0.18
DILUTED EARNINGS PER COMMON SHARE	$ 1.92	$ 1.90
DIVIDENDS PER COMMON SHARE	$ 0.54	$ 0.46

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

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2012 AND 2011
(Amounts in millions)

	2012	2011
Net income	$ 1,559	$ 1,549
Other comprehensive income (loss) items		
Foreign currency translation adjustments	4	6
Pension and postretirement adjustments (a)	5	7
Unrealized gains (losses) on derivatives (b)	14	(25)
Reclassification of realized (gains) losses on derivatives and other (c)	(28)	14
Other comprehensive income (loss), net of tax	(5)	2
Comprehensive income	$ 1,554	$ 1,551

(a) Net of tax of $(3) and $(4) in 2012 and 2011, respectively.

(b) Net of tax of $(8) and $14 in 2012 and 2011, respectively.

(c) Net of tax of $17 and $(8) in 2012 and 2011, respectively.

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2012 AND 2011
(Amounts in millions)

	2012	2011
CASH FLOW FROM OPERATING ACTIVITIES		
Net income	$ 1,559	$ 1,549
Adjustments to reconcile net income to net cash provided by operating activities		
Discontinued operations, net	1	(144)
Depreciation, depletion and amortization of assets	1,085	890
Deferred income tax provision	350	276
Other noncash charges to income	65	115
Gains on disposition of assets, net	(1)	(22)
Undistributed earnings from equity investments	(9)	(48)
Dry hole and impairment expense	82	49
Changes in operating assets and liabilities, net	(317)	(629)
Other operating, net	(42)	183
Operating cash flow from continuing operations	2,773	2,219
Operating cash flow from discontinued operations, net of taxes	(8)	3
Net cash provided by operating activities	2,765	2,222
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditures	(2,412)	(1,325)
Payments for purchases of assets and businesses	(97)	(3,015)
Sales of assets, net	2	44
Other, net	92	(15)
Investing cash flow from continuing operations	(2,415)	(4,311)
Investing cash flow from discontinued operations	—	2,570
Net cash used by investing activities	(2,415)	(1,741)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	—	1,000
Payments of long-term debt	—	(1,523)
Proceeds from issuance of common stock	15	3
Purchases of treasury stock	(15)	(13)
Distributions to noncontrolling interest	—	(121)
Cash dividends paid	(374)	(310)
Other, net	3	5
Net cash used by financing activities	(371)	(959)
Decrease in cash and cash equivalents	(21)	(478)
Cash and cash equivalents—beginning of period	3,781	2,578
Cash and cash equivalents—end of period	$ 3,760	$ 2,100

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

March 31, 2012

1. General

In these unaudited consolidated condensed financial statements, "Occidental" means Occidental Petroleum Corporation, a Delaware corporation (OPC), or OPC and one or more entities in which it owns a controlling interest (subsidiaries). Occidental has made its disclosures in accordance with United States generally accepted accounting principles as they apply to interim reporting, and condensed or omitted, as permitted by the Securities and Exchange Commission's rules and regulations, certain information and disclosures normally included in consolidated financial statements and the notes. The consolidated condensed financial statements should be read in conjunction with the consolidated financial statements and the notes thereto in Occidental's Annual Report on Form 10-K for the year ended December 31, 2011.

In the opinion of Occidental's management, the accompanying consolidated condensed financial statements contain all adjustments (consisting of normal recurring adjustments) necessary to fairly present Occidental's consolidated financial position as of March 31, 2012, and the consolidated statements of income, comprehensive income and cash flows for the three months ended March 31, 2012 and 2011, as applicable. The income and cash flows for the periods ended March 31, 2012 and 2011 are not necessarily indicative of the income or cash flows to be expected for the full year.

Certain financial statements and notes for the prior year have been reclassified to conform to the 2012 presentation.

2. Asset Acquisitions, Dispositions and Other Transactions

No significant acquisitions, dispositions or other transactions occurred during the first quarter of 2012.

3. Accounting and Disclosure Changes

Fair Value Measurements – Beginning in the quarter ended March 31, 2012, Occidental enhanced its fair value measurement application and disclosures as a result of adopting new requirements issued by the Financial Accounting Standards Board in May 2011. The new rules include revisions to the standards for the use of fair value measurements and additional disclosures for: (i) all transfers between Level 1 and Level 2 of the fair value hierarchy; (ii) Level 3 measurements; and (iii) hierarchy classifications used for assets and liabilities whose fair value is disclosed only in the footnotes. The new rules did not have a material impact on Occidental.

4. Supplemental Cash Flow Information

Occidental paid United States federal, state and foreign income taxes for continuing operations of approximately $501 million and $584 million during the three months ended March 31, 2012 and 2011, respectively. Interest paid totaled approximately $72 million and $213 million (including $154 million for early debt extinguishment premium) for the three months ended March 31, 2012 and 2011, respectively.

5. Inventories

A portion of inventories is valued under the LIFO method. The valuation of LIFO inventory for interim periods is based on Occidental's estimates of year-end inventory levels and costs. Inventories as of March 31, 2012 and December 31, 2011 consisted of the following (in millions):

	2012	2011
Raw materials	$ 70	$ 69
Materials and supplies	475	443
Finished goods	803	655
	1,348	1,167
LIFO reserve	(98)	(98)
Total	$ 1,250	$ 1,069

6. Environmental Liabilities and Expenditures

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

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

As of March 31, 2012, Occidental participated in or monitored remedial activities or proceedings at 160 sites. The following table presents Occidental's environmental remediation reserves as of March 31, 2012, the current portion of which is included in accrued liabilities ($79 million) and the remainder in deferred credits and other liabilities – other ($264 million). The reserves are grouped as environmental remediation sites listed or proposed for listing by the United States Environmental Protection Agency on the CERCLA National Priorities List (NPL sites) and three categories of non-NPL sites — third-party sites, Occidental-operated sites and closed or non-operated Occidental sites.

	Number of Sites	Reserve Balance (in millions)
NPL sites	36	$ 58
Third-party sites	73	84
Occidental-operated sites	22	117
Closed or non-operated Occidental sites	29	84
Total	160	$ 343

As of March 31, 2012, Occidental's environmental reserves exceeded $10 million at 10 of the 160 sites described above, and 109 of the sites had reserves from zero to $1 million each. Occidental expects to expend funds corresponding to approximately half of the current environmental reserves over the next four years and the balance over the subsequent 10 or more years. Occidental believes its range of reasonably possible additional losses beyond those liabilities recorded for environmental remediation at the sites described above could be up to $380 million. The status of Occidental's involvement with the sites and related significant assumptions have not changed materially since December 31, 2011. For management's opinion with respect to environmental matters, refer to Note 7.

7. Lawsuits, Claims, Commitments and Other Contingencies

OPC or certain of its subsidiaries are named, in the normal course of business, in lawsuits, claims and other legal proceedings that seek, among other things, compensation for alleged personal injury, breach of contract, property damage or other losses, punitive damages, civil penalties, or injunctive or declaratory relief. OPC or certain of its subsidiaries also have been named in proceedings under CERCLA and similar federal, state, local and foreign environmental laws. These environmental proceedings seek funding or performance of remediation and, in some cases, compensation for alleged property damage, punitive damages, civil penalties and injunctive relief; however, Occidental or such subsidiaries are usually among many companies in these proceedings and have to date been successful in sharing response costs with other financially sound companies. Occidental accrues reserves for currently outstanding lawsuits, claims and proceedings when it is probable that a liability has been incurred and the liability can be reasonably estimated. Occidental has disclosed its reserve balance for environmental matters. Reserve balances for other matters as of March 31, 2012 and December 31, 2011 were not material to Occidental's consolidated balance sheets. Occidental also evaluates the amount of reasonably possible losses that it could incur as a result of the matters mentioned above. Occidental has disclosed its range of reasonably possible additional losses for sites where it is a participant in environmental remediation. Occidental believes that other reasonably possible losses that it could incur in excess of reserves accrued on the balance sheet would not be material to its consolidated financial position or results of operations.

During the course of its operations, Occidental is subject to audit by tax authorities for varying periods in various federal, state, local and foreign tax jurisdictions. While the audits of corporate tax returns for taxable years through 2009 have concluded for United States federal income tax purposes, subsequent taxable years, including the current year, are under review by the United States Internal Revenue Service pursuant to its Compliance Assurance Program. Taxable years from 2000 through the current year remain subject to examination by foreign and state government tax authorities in certain jurisdictions. In certain of these jurisdictions, tax authorities are in various stages of auditing Occidental's income taxes. During the course of tax audits, disputes have arisen and other disputes may arise as to facts and matters of law. Occidental believes that the resolution of outstanding tax matters would not have a material adverse effect on its consolidated financial position or results of operations.

OPC, its subsidiaries or both have indemnified various parties against specified liabilities that those parties might incur in the future in connection with purchases and other transactions that they have entered into with Occidental. These indemnities usually are contingent upon the other party incurring liabilities that reach specified thresholds. As of March 31, 2012, Occidental is not aware of circumstances that it believes would reasonably be expected to lead to future indemnity claims against it in connection with these transactions that would result in payments materially in excess of reserves.

8. Retirement Plans and Postretirement Benefits

The following table sets forth the components of the net periodic benefit costs for Occidental's defined benefit pension and postretirement benefit plans for the three months ended March 31, 2012 and 2011 (in millions):

	2012		2011	
Net Periodic Benefit Costs	Pension Plans	Postretirement Plans	Pension Plans	Postretirement Plans
Service cost	$ 3	$ 7	$ 5	$ 6
Interest cost	7	11	7	11
Expected return on plan assets	(8)	—	(8)	—
Recognized actuarial loss	5	8	3	8
Total	$ 7	$ 26	$ 7	$ 25

Occidental contributed $1 million and $2 million in the three-month periods ended March 31, 2012 and 2011, respectively, to its defined benefit pension plans.

9. Fair Value Measurements

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

Fair Values – Recurring

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

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

Occidental generally uses an income approach to measure fair value when there is not a market-observable price for an identical or similar asset or liability. This approach utilizes management's assumptions regarding expectations of projected cash flows, and discounts the expected cash flows using a risk-adjusted risk-free discount rate.

The following tables provide fair value measurement information for such assets and liabilities that are measured on a recurring basis as of March 31, 2012 and December 31, 2011 (in millions):

Description	Fair Value Measurements at March 31, 2012 Using				
	Level 1	Level 2	Level 3	Netting and Collateral (a)	Total Fair Value
Assets:					
Commodity derivatives	$ 722	$ 752	$ —	$ (1,234)	$ 240
Liabilities:					
Commodity derivatives	$ 782	$ 738	$ —	$ (1,331)	$ 189

Description	Fair Value Measurements at December 31, 2011 Using				
	Level 1	Level 2	Level 3	Netting and Collateral (a)	Total Fair Value
Assets:					
Commodity derivatives	$ 310	$ 640	$ —	$ (758)	$ 192
Liabilities:					
Commodity derivatives	$ 311	$ 652	$ —	$ (782)	$ 181

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

Fair Values - Nonrecurring

During the three months ended March 31, 2012 and 2011, Occidental did not have any assets or liabilities measured at fair value on a non-recurring basis.

Other Financial Instruments

The carrying amounts of cash and cash equivalents and other on-balance-sheet financial instruments, other than fixed-rate debt, approximate fair value. The cost, if any, to terminate off-balance-sheet financial instruments is not significant. Occidental estimates the fair value of fixed-rate debt based on the quoted market prices for those instruments or on quoted market yields for similarly rated debt instruments, taking into account such similar instruments' maturities. The estimated fair values of Occidental's debt as of March 31, 2012 and December 31, 2011, which were classified as Level 1, were approximately $6.3 billion and $6.4 billion, compared to carrying values of $5.9 billion and $5.9 billion, respectively.

10. Derivatives

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

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

Cash-Flow Hedges

Through December 31, 2011, Occidental held a series of collar agreements for 12,000 barrels of oil per day of its existing domestic production that qualified as cash-flow hedges at a weighted-average strike price that ranged from $32.92 to $46.35.

In 2009, Occidental entered into financial swap agreements related to the sale of a portion of its existing natural gas production from the Rocky Mountain region of the United States that qualified as cash-flow hedges and terminated as of March 31, 2012. These swap agreements hedged the sale of 50 million cubic feet of natural gas per day at an average strike price of $6.07.

Occidental's marketing and trading operations store natural gas purchased from third parties at Occidental's North American leased storage facilities. Derivative instruments are used to fix margins on the future sales of the stored volumes. These agreements continue through March 2013. As of March 31, 2012 and December 31, 2011, Occidental had approximately 13 billion cubic feet and 25 billion cubic feet of natural gas held in storage, respectively. As of March 31, 2012 and December 31, 2011, Occidental had cash-flow hedges for the forecast sale, to be settled by physical delivery, of approximately 16 billion cubic feet and 35 billion cubic feet of this natural gas held in storage, respectively.

The following table presents the pre-tax gains and losses recognized in, and reclassified from, Accumulated Other Comprehensive Income (AOCI) and recognized in income (net sales), including any hedge ineffectiveness, for derivative instruments classified as cash-flow hedges for the three months ended March 31, 2012 and 2011 (in millions):

Commodity Contracts – cash-flow hedges	2012	2011
Unrealized gains (losses) recognized in AOCI	$ 22	$ (40)
(Gains) losses reclassified into income	$ (45)	$ 22
Losses recognized in income – ineffective portion	$ —	$ (1)

The following table summarizes net after-tax derivative activity recorded in AOCI for the three months ended March 31, 2012 and 2011 (in millions):

	2012	2011
Beginning balance – AOCI	$ 1	$ (111)
Unrealized gains (losses) recognized in AOCI	14	(25)
(Gains) losses reclassified to income	(28)	14
Ending balance – AOCI	$ (13)	$ (122)

Occidental expects that during the next twelve months an insignificant amount of net after-tax derivative losses included in AOCI, based on their valuation as of March 31, 2012, will be reclassified into income.

Derivatives Not Designated as Hedging Instruments

Occidental's third-party marketing and trading activities focus on purchasing oil, natural gas liquids (NGLs) and gas for resale from partners, producers and third parties whose oil and gas supply is located near its midstream and marketing assets, such as pipelines, processing plants and storage facilities. These purchases allow Occidental to aggregate volumes to maximize prices received for Occidental's production. The third-party marketing and trading purchase and sales contracts generally approximate each other with respect to aggregate volumes and terms. In addition, Occidental's Phibro trading unit's strategy is to profit from market price changes using derivatives not designated as hedging instruments.

The following table presents gross volumes of Occidental's outstanding commodity derivatives contracts not designated as hedging instruments as of March 31, 2012 and December 31, 2011:

	Volumes	
Commodity	2012	2011
Sales contracts related to Occidental's production		
Oil (million barrels)	12	9
Third-party marketing and trading activities		
Purchase contracts		
Oil (million barrels)	252	109
Natural gas (billion cubic feet)	444	481
Precious metals (million troy ounces)	1	4
Sales contracts		
Oil (million barrels)	251	109
Natural gas (billion cubic feet)	632	723
Precious metals (million troy ounces)	—	1

In addition, Occidental's Phibro trading unit has certain other commodity trading contracts, including agricultural products and other metals, as well as foreign exchange contracts, but these were not material to Occidental as of March 31, 2012 and December 31, 2011.

For third-party marketing and trading activities, a substantial portion of sales contracts are typically fulfilled by purchase contracts with substantially identical terms entered into within a short time. For a substantial portion of the sales commitments not satisfied by such contracts as of March 31, 2012, Occidental entered into offsetting contracts after March 31, 2012. Occidental believes it has the ability to fulfill any remaining portion through its equity production or through additional third-party purchases.

Approximately $51 million and $29 million of gains from derivatives not designated as hedging instruments were recognized in net sales for the three months ended March 31, 2012 and 2011, respectively.

Fair Value of Derivatives

The following table presents the gross fair value of Occidental's outstanding derivatives as of March 31, 2012 and December 31, 2011 (in millions):

March 31, 2012	Asset Derivatives Balance Sheet Location	Fair Value	Liability Derivatives Balance Sheet Location	Fair Value
Cash-flow hedges [a]				
Commodity contracts	Marketing and trading assets and other	$ 6	Accrued liabilities	$ 6
Derivatives not designated as hedging instruments [a]				
Commodity contracts	Marketing and trading assets and other	1,398	Accrued liabilities	1,443
	Long-term receivables and other assets, net	70	Deferred credits and other liabilities	71
		1,468		1,514
Total gross fair value		1,474		1,520
Less: counterparty netting and cash collateral [b]		(1,234)		(1,331)
Total net fair value of derivatives		$ 240		$ 189

December 31, 2011	Asset Derivatives Balance Sheet Location	Fair Value	Liability Derivatives Balance Sheet Location	Fair Value
Cash-flow hedges [a]				
Commodity contracts	Marketing and trading assets and other	$ 41	Accrued liabilities	$ 5
	Long-term receivables and other assets, net	3	Deferred credits and other liabilities	—
		44		5
Derivatives not designated as hedging instruments [a]				
Commodity contracts	Marketing and trading assets and other	835	Accrued liabilities	887
	Long-term receivables and other assets, net	71	Deferred credits and other liabilities	71
		906		958
Total gross fair value		950		963
Less: counterparty netting and cash collateral [c]		(758)		(782)
Total net fair value of derivatives		$ 192		$ 181

(a) Fair values are presented at gross amounts, including when the derivatives are subject to master netting arrangements and qualify for net presentation in the consolidated balance sheet.

(b) As of March 31, 2012, collateral received of $42 million has been netted against derivative assets and collateral paid of $139 million has been netted against derivative liabilities.

(c) As of December 31, 2011, collateral received of $42 million has been netted against derivative assets and collateral paid of $66 million has been netted against derivative liabilities.

See Note 9 for fair value measurement disclosures on derivatives.

Credit Risk

A substantial portion of Occidental's derivative transaction volume is executed through exchange-traded contracts, which are subject to nominal credit risk as a significant portion of these transactions are executed on a daily margin basis. Collateral of $175 million and $173 million deposited by Occidental for such contracts with clearing houses and brokers, which has not been reflected in the derivative fair value tables, is included in the marketing and trading assets and other balance as of March 31, 2012 and December 31, 2011, respectively.

Occidental executes the rest of its derivative transactions in the over-the-counter (OTC) market. Occidental is subject to counterparty credit risk to the extent the counterparty to the derivatives is unable to meet its settlement commitments. Occidental manages this credit risk by selecting counterparties that it believes to be financially strong, by spreading the credit risk among many such counterparties, by entering into master netting arrangements with the counterparties and by requiring collateral, as appropriate. Occidental actively monitors the creditworthiness of each counterparty and records valuation adjustments to reflect counterparty risk, if necessary.

Certain of Occidental's OTC derivative instruments contain credit-risk-contingent features, primarily tied to credit ratings for Occidental or its counterparties, which may affect the amount of collateral that each would need to post. As of March 31, 2012 and December 31, 2011, Occidental had a net liability of $22 million and $58 million, respectively, which are net of collateral posted of $76 million and $27 million, respectively. Occidental believes that if it had received a one-notch reduction in its credit rating, it would not have resulted in a material change in its collateral-posting requirements as of March 31, 2012 and December 31, 2011.

11. Industry Segments

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

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

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

	Oil and Gas	Chemical	Midstream, Marketing and Other	Corporate and Eliminations	Total
Three months ended March 31, 2012					
Net sales	$ 4,902	$ 1,148	$ 393	$ (175) (a)	$ 6,268
Pretax operating profit (loss)	$ 2,504	$ 184	$ 131	$ (120) (b)	$ 2,699
Income taxes	—	—	—	(1,139) (c)	(1,139)
Discontinued operations, net	—	—	—	(1)	(1)
Net income (loss)	$ 2,504	$ 184	$ 131	$ (1,260)	$ 1,559
Three months ended March 31, 2011					
Net sales	$ 4,367	$ 1,165	$ 412	$ (218) (a)	$ 5,726
Pretax operating profit (loss)	$ 2,468	$ 219	$ 114	$ (342) (b)	$ 2,459
Income taxes	—	—	—	(1,054) (c)	(1,054)
Discontinued operations, net	—	—	—	144 (d)	144
Net income (loss)	$ 2,468	$ 219	$ 114	$ (1,252)	$ 1,549

(a) Intersegment sales eliminate upon consolidation and are generally made at prices approximately equal to those that the selling entity would be able to obtain in third-party transactions.
(b) Includes unallocated net interest expense (including the early debt extinguishment costs of $163 million for the quarter ended March 31, 2011), administration expense, environmental remediation and other pre-tax items.
(c) Includes all foreign and domestic income taxes from continuing operations.
(d) Reflects the after-tax gain from the sale of the Argentine operations.

12. Earnings Per Share

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

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

The following table presents the calculation of basic and diluted EPS for the three months ended March 31, 2012 and 2011:

(in millions, except per-share amounts)	2012	2011
Basic EPS		
Income from continuing operations	$ 1,560	$ 1,405
Discontinued operations, net	(1)	144
Net income	1,559	1,549
Less: Net income allocated to participating securities	(3)	(3)
Net income, net of participating securities	$ 1,556	$ 1,546
Weighted average number of basic shares	810.5	812.6
Basic EPS	$ 1.92	$ 1.90
Diluted EPS		
Net income, net of participating securities	$ 1,556	$ 1,546
Weighted average number of basic shares	810.5	812.6
Dilutive effect of potentially dilutive securities	0.8	0.8
Total diluted weighted average common shares	811.3	813.4
Diluted EPS	$ 1.92	$ 1.90

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

Consolidated Results of Operations

In this report, "Occidental" refers to Occidental Petroleum Corporation (OPC), or OPC and one or more entities in which it owns a controlling interest (subsidiaries). Occidental reported net income of $1.6 billion for the first quarter of 2012 on net sales of $6.3 billion, compared to net income of $1.5 billion on net sales of $5.7 billion for the same period of 2011. Diluted earnings per share (EPS) were $1.92 for the first quarter of 2012, compared to $1.90 for the same period of 2011.

The increase in net income for the three months ended March 31, 2012, compared to the same period of 2011, reflected higher oil prices and higher oil and gas segment volumes domestically. These increases were partially offset by higher oil and gas operating costs, depreciation, depletion and amortization (DD&A) rates and lower international oil volumes and domestic natural gas prices.

Selected Income Statement Items

The increase in net sales for the three months ended March 31, 2012, compared to the same period of 2011, reflected higher oil prices and higher oil and gas segment volumes domestically, partially offset by lower international oil volumes and domestic gas prices.

The increase in cost of sales for the three months ended March 31, 2012, compared to the same period of 2011, reflected higher DD&A expense and higher oil and gas operating costs, including increased well maintenance activity. The decrease in interest and debt expense, net, was mainly due to the $163 million early debt extinguishment charge recorded in the first quarter of 2011.

The increase in provision for domestic and foreign income taxes for the three months ended March 31, 2012, compared to the same period of 2011 was due to higher pre-tax income. The income from discontinued operations, net, for the three months ended March 31, 2011, primarily reflected the $144 million after-tax gain recorded from the sale of the Argentine operations.

Selected Analysis of Financial Position

See "Liquidity and Capital Resources" for discussion about the changes in cash and cash equivalents, as well as long-term debt, net.

The increase in trade receivables, net, reflected higher crude oil sales prices in the first quarter of 2012, compared to the fourth quarter of 2011. The increase in inventories was primarily due to higher volumes of oil held by the oil and gas and midstream and marketing segments at the end of the first quarter of 2012, compared to the fourth quarter of 2011. The decrease in investments in unconsolidated entities was mostly due to dividends received in excess of income earned. The increase in property, plant and equipment, net, reflected capital expenditures of approximately $2.4 billion, partially offset by DD&A.

The increase in domestic and foreign income taxes payable reflected higher pre-tax income in the first quarter of 2012, compared to the fourth quarter of 2011, and the timing of estimated income tax payments. The increase in deferred and other domestic and foreign income taxes was mainly due to the deferred taxes as a result of the first quarter 2012 capital expenditures. The increase in stockholders' equity reflected net income for the first three months of 2012, partially offset by dividend payments.

Segment Operations

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

The following table sets forth the sales and earnings of each operating segment and corporate items for the three months ended March 31, 2012 and 2011 (in millions):

	2012	2011
Net Sales (a)		
Oil and Gas	$ 4,902	$ 4,367
Chemical	1,148	1,165
Midstream, Marketing and Other	393	412
Eliminations	(175)	(218)
	$ 6,268	$ 5,726
Segment Earnings (b)		
Oil and Gas	$ 2,504	$ 2,468
Chemical	184	219
Midstream, Marketing and Other	131	114
	2,819	2,801
Unallocated Corporate Items (b)		
Interest expense, net	(28)	(214)
Income taxes	(1,139)	(1,054)
Other expense, net	(92)	(128)
Income from continuing operations	1,560	1,405
Discontinued operations, net (c)	(1)	144
Net income	$ 1,559	$ 1,549

(a) Intersegment sales eliminate upon consolidation and are generally made at prices approximately equal to those that the selling entity would be able to obtain in third-party transactions.
(b) Refer to "Significant Transactions and Events Affecting Earnings," "Oil and Gas Segment," "Chemical Segment," "Midstream, Marketing and Other Segment" and "Corporate" discussions that follow.
(c) The 2011 amount reflects an after-tax gain from the sale of the Argentine operations.

Significant Transactions and Events Affecting Earnings

The following table sets forth, for the three months ended March 31, 2012 and 2011, significant transactions and events affecting Occidental's earnings that vary widely and unpredictably in nature, timing and amount (in millions):

	2012	2011
Oil & Gas		
Libya exploration write-off	$ —	$ (35)
Gain on sale of Colombian pipeline interest	—	22
Foreign tax	—	(29)
Total Oil and Gas	$ —	$ (42)
Chemical		
No significant items affecting earnings	$ —	$ —
Total Chemical	$ —	$ —
Midstream, Marketing and Other		
No significant items affecting earnings	$ —	$ —
Total Midstream, Marketing and Other	$ —	$ —
Corporate		
Premium on debt extinguishments	$ —	$ (163)
State income tax charge	—	(33)
Tax effect of pre-tax adjustments	—	50
Discontinued operations, net*	(1)	144
Total Corporate	$ (1)	$ (2)
Total	$ (1)	$ (44)

*Amounts shown after tax.

Worldwide Effective Tax Rate

The following table sets forth the calculation of the worldwide effective tax rate for income from continuing operations for the three months ended March 31, 2012 and 2011 (in millions):

	2012	2011
Oil & Gas earnings	$ 2,504	$ 2,468
Chemical earnings	184	219
Midstream, Marketing and Other earnings	131	114
Unallocated corporate items	(120)	(342)
Pre-tax income	2,699	2,459
Income tax expense		
Federal and state	446	365
Foreign	693	689
Total	1,139	1,054
Income from continuing operations	$ 1,560	$ 1,405
Worldwide effective tax rate	42%	43%

Oil and Gas Segment

The following tables set forth the production and sales volumes of oil, NGLs and natural gas per day for the three months ended March 31, 2012 and 2011. The differences between the production and sales volumes per day are due to the timing of shipments at Occidental's international locations where product is loaded onto tankers.

	2012	2011
Production per Day		
Oil (MBBL)		
United States	244	222
Middle East/North Africa	190	212
Latin America (a)	24	31
NGLs (MBBL)		
United States	72	59
Middle East/North Africa	9	11
Natural Gas (MMCF)		
United States	834	734
Middle East/North Africa	449	419
Latin America (a)	14	16
Total production (MBOE) (a,b)	755	730
Sales Volumes per Day		
Oil (MBBL)		
United States	244	222
Middle East/North Africa	180	209
Latin America (a)	24	33
NGLs (MBBL)		
United States	72	59
Middle East/North Africa	9	10
Natural Gas (MMCF)		
United States	834	734
Middle East/North Africa	449	419
Latin America (a)	14	16
Total sales volumes (MBOE) (a,b)	745	728

Note: MBBL represents thousand barrels. MMCF represents million cubic feet. MBOE represents thousand barrels of oil equivalent.

(a) Excludes volumes from the Argentine operations sold in February 2011 and classified as discontinued operations.
(b) Natural gas volumes have been converted to barrels of oil equivalent (BOE) based on energy content of 6,000 cubic feet (one thousand cubic feet is referred to as "Mcf") of gas to one barrel of oil. Barrels of oil equivalence does not necessarily result in price equivalence. The price of natural gas on a barrel of oil equivalent basis is currently substantially lower than the corresponding price for oil and has been similarly lower over the recent past.

Average Sales Prices	Three Months Ended March 31, 2012	2011
Oil ($/BBL)		
United States	$ 103.52	$ 88.04
Middle East/North Africa	$ 114.80	$ 96.44
Latin America	$ 103.31	$ 92.68
Total Worldwide	$ 107.98	$ 92.14
NGLs ($/BBL)		
United States	$ 53.95	$ 55.90
Middle East/North Africa	$ 40.77	$ 33.93
Total Worldwide	$ 52.51	$ 52.64
Natural Gas ($/MCF)		
United States	$ 2.84	$ 4.21
Latin America	$ 11.63	$ 8.23
Total Worldwide	$ 2.22	$ 3.05

Oil and gas segment earnings for each of the three months ended March 31, 2012 and 2011 were $2.5 billion. The oil and gas segment earnings for the three months ended March 31, 2012, compared to the same period of 2011, reflected higher oil prices and higher domestic volumes, partially offset by higher operating costs, increased DD&A rates and lower international oil volumes and domestic natural gas prices.

In the first quarter of 2012, the average daily per barrel West Texas Intermediate (WTI) and Brent market prices were $102.93 and $118.35, respectively, compared to $94.10 per barrel and $104.96 per barrel, respectively for the first quarter of 2011. The average daily New York Mercantile Exchange (NYMEX) domestic natural gas price was $2.83 per million British Thermal Units (BTUs), compared to $4.27 per million BTUs for the first quarter 2011. The average realized worldwide oil price for the first quarter of 2012, $107.98 per barrel, was approximately 105 percent of the average WTI price and 91 percent of the average Brent price for that period. Worldwide NGL prices were $52.51 per barrel in the first quarter of 2012, compared with $52.64 per barrel in the first quarter of 2011. Realized domestic gas prices decreased 33 percent from $4.21 per MCF in the first quarter of 2011 to $2.84 per MCF for the first quarter of 2012. During the first quarter of 2012, realized NGL prices were 51 percent of WTI and realized domestic gas prices were 100 percent of the average NYMEX price. Approximately 60 percent of Occidental’s oil production tracks world oil prices, such as Brent, and 40 percent tracks WTI. Price changes at current global prices and levels of production affect Occidental’s quarterly pre-tax income by $36 million for a $1.00 per barrel change in oil prices and $8 million for a $1.00 per barrel change in NGL prices. A change of $0.50 per million BTUs in domestic gas prices affects quarterly pre-tax earnings by approximately $35 million. If production levels change in the future, the sensitivity of Occidental’s results to oil, NGL and gas prices also would change.

Oil and gas production in the first quarter of 2012 was 755,000 BOE per day, compared with 730,000 BOE per day for the same period of 2011. The first quarter 2012 production volume increase was a result of 51,000 BOE per day higher domestic volumes, partially offset by 26,000 BOE per day of reduced volumes in the Middle East/North Africa and Colombia. The across-the-board domestic increase reflects the positive impact of Occidental's higher capital programs. The Middle East/North Africa production was lower due to the December expiration of Yemen’s Masila Field contract, field shut-in due to labor disputes that shut down a pipeline in Yemen, a maintenance-related shutdown in Qatar and price impacts on production-sharing contracts, partially offset by higher Libya production, including additional entitlements related to the initial start-up phase of operations after the 2011 civil unrest. Colombia daily volumes decreased due to higher insurgent activity resulting in pipeline interruptions. Due to higher year-over-year average oil prices and other factors affecting production-sharing and similar contracts, the first quarter 2012 production was reduced in the Middle East/North Africa, Colombia, and Long Beach by 10,000 BOE per day compared to the first quarter of 2011**.** Daily sales volumes increased from 728,000 BOE per day in the first quarter of 2011 to 745,000 BOE per day in the first quarter of

2012. Sales volumes differed from production volumes due to the timing of liftings at Occidental's international operations, particularly in Libya and Iraq for the first quarter of 2012. An increase in global oil prices of $5.00 per barrel from the first quarter 2012 levels would result in approximately 3,000 BOE per day lower production due to the impact of higher prices affecting Occidental's production-sharing and similar contracts.

Oil and gas cash average production costs, excluding taxes other than on income, increased from $12.84 per BOE for the total year 2011 to $14.00 per BOE for the three months ended March 31, 2012. The increase for the three months of 2012 reflected higher well maintenance activity. Taxes other than on income, which are directly related to product prices, were $2.49 per BOE for the first quarter of 2012, compared to $2.21 per BOE for the total year 2011.

Chemical Segment

Chemical segment earnings for the three months ended March 31, 2012 and 2011 were $184 million and $219 million, respectively. Results for the first quarter of 2012 reflected lower export volumes and higher raw material costs, in large part caused by a rapid increase in ethylene prices. Calcium chloride sales volumes for de-icing applications were significantly lower due to the mild winter weather.

Midstream, Marketing and Other Segment

Midstream and marketing segment earnings for the three months ended March 31, 2012 and 2011 were $131 million and $114 million, respectively. Earnings for the first quarter of 2012 reflected higher income in the pipeline and gas processing businesses, partially offset by lower power business margins.

Corporate

In the first quarter of 2011, Occidental redeemed all $1.0 billion of its outstanding 7-percent senior notes due 2013 and all $368 million of its outstanding 6.75-percent senior notes due 2012 and recorded a $163 million pre-tax charge related to this redemption.

Liquidity and Capital Resources

At March 31, 2012, Occidental had approximately $3.8 billion in cash on hand. In addition, Occidental currently has available but unused committed bank credit of $2.0 billion. Income and cash flows are largely dependent on oil and gas prices and sales volumes. Occidental believes that cash on hand and cash generated from operations will be sufficient to fund its operating needs and planned capital expenditures, dividends and any debt payments.

Occidental's cash flow from operations for the three months ended March 31, 2012 was approximately $2.8 billion, compared to $2.2 billion for the same period in 2011. The most important sources of the increase in operating cash flow in 2012, compared to 2011, were higher worldwide oil prices and higher domestic oil volumes. In the first three months of 2012, compared to the same period in 2011, Occidental's average realized worldwide price for oil was 17 percent higher, while the average realized natural gas price decreased 33 percent in the United States, where approximately 64 percent of Occidental's natural gas was produced. The oil price increase had a significantly larger impact on cash flows than the gas price decrease. The overall impact of the chemical and midstream and marketing segments' margins on cash flow changes was less significant than the increases in the oil and gas segment cash flows because the chemical and midstream and marketing segments are significantly smaller. Occidental also used approximately $300 million of cash for working capital during the first quarter of 2012.

Occidental's net cash used by investing activities was $2.4 billion for the first three months of 2012, compared to $1.7 billion for the same period of 2011. The 2012 amount included approximately $100 million of distributions received from its Dolphin equity method investment as well as payments that were contractually due and for various small acquisitions of domestic oil and gas interests. The 2011 amount included payments of $3.0 billion for acquisitions of various interests in domestic oil and gas properties and $2.6 billion of cash received from the sale of the Argentine discontinued operations. Capital expenditures for the first three months of 2012 were $2.4 billion, including $2.0 billion in the oil and gas segment. Capital expenditures for the first three months of 2011 were $1.3 billion, including $1.2 billion in the oil and gas segment.

Occidental's net cash used by financing activities was $371 million in the first three months of 2012, compared to $959 million used for the same period of 2011. The 2012 amount included dividend payments of $374 million. The 2011 amount included the early repayment of Occidental's debt of $1.5 billion, short-term borrowings of $1.0 billion, dividend payments of $310 million and $121 million of distributions paid to a noncontrolling interest partner.

As of March 31, 2012, under the most restrictive covenants of its financing agreements, Occidental had substantial capacity for additional unsecured borrowings, the payment of cash dividends and other distributions on, or acquisitions of, Occidental stock. In April 2012, Moody's Investors Service upgraded Occidental's senior unsecured debt rating from A2 to A1.

Occidental's expectation for 2012 capital spending has not changed significantly since the beginning of 2012 and will be focused on increasing oil and gas production and ensuring Occidental's returns remain well above its cost of capital given current oil and gas prices and the cost environment. The capital program will be reviewed around mid-year and will be adjusted as conditions dictate.

Environmental Liabilities and Expenditures

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

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

As of March 31, 2012, Occidental participated in or monitored remedial activities or proceedings at 160 sites. The following table presents Occidental's environmental remediation reserves as of March 31, 2012, the current portion of which is included in accrued liabilities ($79 million) and the remainder in deferred credits and other liabilities — other ($264 million). The reserves are grouped as environmental remediation sites listed or proposed for listing by the United States Environmental Protection Agency on the CERCLA National Priorities List (NPL sites) and three categories of non-NPL sites — third-party sites, Occidental-operated sites and closed or non-operated Occidental sites.

	Number of Sites	Reserve Balance (in millions)
NPL sites	36	$ 58
Third-party sites	73	84
Occidental-operated sites	22	117
Closed or non-operated Occidental sites	29	84
Total	160	$ 343

As of March 31, 2012, Occidental's environmental reserves exceeded $10 million at 10 of the 160 sites described above, and 109 of the sites had reserves from zero to $1 million each. Occidental expects to expend funds corresponding to approximately half of the current environmental reserves over the next four years and the balance over the subsequent 10 or more years. Occidental believes its range of reasonably possible additional losses beyond those liabilities recorded for environmental remediation at the sites described above could be up to $380 million. The status of Occidental's involvement with the sites and related significant assumptions have not changed materially since December 31, 2011.

Refer to the "Environmental Liabilities and Expenditures" section of Management's Discussion and Analysis of Financial Condition and Results of Operations in Occidental's Annual Report on Form 10-K for the year ended December 31, 2011 for additional information regarding Occidental's environmental expenditures.

Lawsuits, Claims, Commitments and Other Contingencies

OPC or certain of its subsidiaries are named, in the normal course of business, in lawsuits, claims and other legal proceedings that seek, among other things, compensation for alleged personal injury, breach of contract, property damage or other losses, punitive damages, civil penalties, or injunctive or declaratory relief. OPC or certain of its subsidiaries also have been named in proceedings under CERCLA and similar federal, state, local and foreign environmental laws. These environmental proceedings seek funding or performance of remediation and, in some cases, compensation for alleged property damage, punitive damages, civil penalties and injunctive relief; however, Occidental or such subsidiaries are usually among many companies in these proceedings and have to date been successful in sharing response costs with other financially sound companies. Occidental accrues reserves for currently outstanding lawsuits, claims and proceedings when it is probable that a liability has been incurred and the liability can be reasonably estimated. Occidental has disclosed its reserve balance for environmental matters. Reserve balances for other matters as of March 31, 2012 and December 31, 2011 were not material to Occidental's consolidated balance sheets. Occidental also evaluates the amount of reasonably possible losses that it could incur as a result of the matters mentioned above. Occidental has disclosed its range of reasonably possible additional losses for sites where it is a participant in environmental remediation. Occidental believes that other reasonably possible losses that it could incur in excess of reserves accrued on the balance sheet would not be material to its consolidated financial position or results of operations.

During the course of its operations, Occidental is subject to audit by tax authorities for varying periods in various federal, state, local and foreign tax jurisdictions. While the audits of corporate tax returns for taxable years through 2009 have concluded for United States federal income tax purposes, subsequent taxable years, including the current year, are under review by the United States Internal Revenue Service pursuant to its Compliance Assurance Program. Taxable years from 2000 through the current year remain subject to examination by foreign and state government tax authorities in certain jurisdictions. In certain of these jurisdictions, tax authorities are in various stages of auditing Occidental's income taxes. During the course of tax audits, disputes have arisen and other disputes may arise as to facts and matters of law. Occidental believes that the resolution of outstanding tax matters would not have a material adverse effect on its consolidated financial position or results of operations.

OPC, its subsidiaries or both have indemnified various parties against specified liabilities that those parties might incur in the future in connection with purchases and other transactions that they have entered into with Occidental. These indemnities usually are contingent upon the other party incurring liabilities that reach specified thresholds. As of March 31, 2012, Occidental is not aware of circumstances that it believes would reasonably be expected to lead to future indemnity claims against it in connection with these transactions that would result in payments materially in excess of reserves.

Recently Adopted Accounting and Disclosure Changes

Fair Value Measurements – Beginning in the quarter ended March 31, 2012, Occidental enhanced its fair value measurement application and disclosures as a result of adopting new requirements issued by the Financial Accounting Standards Board (FASB) in May 2011. The new rules include revisions to the standards for the use of fair value measurements and additional disclosures for: (i) all transfers between Level 1 and Level 2 of the fair value hierarchy; (ii) Level 3 measurements; and (iii) hierarchy classifications used for assets and liabilities whose fair value is disclosed only in the footnotes. The new rules did not have a material impact on Occidental.

Safe Harbor Statement Regarding Outlook and Forward-Looking Information

Portions of this report contain forward-looking statements and involve risks and uncertainties that could materially affect expected results of operations, liquidity, cash flows and business prospects. Factors that could cause results to differ materially include, but are not limited to: global commodity pricing fluctuations; supply and demand considerations for Occidental's products; general domestic political and regulatory approval conditions; international political conditions; not successfully completing, or any material delay of, any development of new fields, expansion projects, capital expenditures, efficiency-improvement projects, acquisitions or dispositions; potential failure to achieve expected production from existing and future oil and gas development projects; exploration risks such as drilling unsuccessful wells; any changes in general economic conditions domestically or internationally; higher-than-expected costs; potential liability for remedial actions under existing or future environmental regulations and litigation; potential liability resulting from pending or future litigation; potential disruption or interruption of Occidental's production or manufacturing or damage to facilities due to accidents, chemical releases, labor unrest, weather, natural disasters, political events or insurgent activity; failure of risk management; changes in law or regulations; or changes in tax rates. Words such as "estimate", "project", "predict", "will", "would", "should", "could", "may", "might", "anticipate", "plan", "intend", "believe", "expect", "aim", "goal", "target", "objective", "likely" or similar expressions that convey the uncertainty of future events or outcomes generally indicate forward-looking statements. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this report. Unless legally required, Occidental does not undertake any obligation to update any forward-looking statements, as a result of new information or future events or otherwise. Material risks that may affect Occidental's results of operations and financial position appear in Part 1, Item 1A "Risk Factors" of the 2011 Form 10-K.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

For the three months ended March 31, 2012, there were no material changes in the information required to be provided under Item 305 of Regulation S-K included under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations (Incorporating Item 7A) – Derivative Activities and Market Risk" in the 2011 Form 10-K.

Item 4. Controls and Procedures

Occidental's President and Chief Executive Officer and its Executive Vice President and Chief Financial Officer supervised and participated in Occidental's evaluation of its disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) as of the end of the period covered by this report. Based upon that evaluation, Occidental's President and Chief Executive Officer and Executive Vice President and Chief Financial Officer concluded that Occidental's disclosure controls and procedures were effective as of March 31, 2012.

There has been no change in Occidental's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934) during the first quarter of 2012 that has materially affected, or is reasonably likely to materially affect, Occidental's internal control over financial reporting.

PART II OTHER INFORMATION

Item 1. Legal Proceedings

For information regarding legal proceedings, see the information in Note 7 to the consolidated condensed financial statements in Part I of this Form 10-Q and Part I, Item 3, "Legal Proceedings" in the Form 10-K for the year ended December 31, 2011.

The New Mexico Environment Department asserted a penalty claim in excess of $100,000 on April 6, 2012 against an Occidental Petroleum Corporation (OPC) subsidiary for alleged notification, permitting and emissions violations of the New Mexico Air Quality Control Act at a facility in Lea County, New Mexico. The subsidiary is evaluating this claim, the resolution of which will not have a material adverse effect on OPC's consolidated financial position or results of operations.

Item 2. Share Repurchase Activities

Occidental's share repurchase activities for the three months ended March 31, 2012 were as follows:

Period	Total Number of Shares Purchased (a)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet be Purchased Under the Plans or Programs
January 1 – 31, 2012	—	$ —	—	
February 1 – 29, 2012	144,542	$ 104.84	—	
March 1 – 31, 2012	—	$ —	—	
Total	144,542	$ 104.84	—	24,485,575

(a) Purchased from the trustee of Occidental's defined contribution savings plan.

Item 4. Mine Safety Disclosures

Not Applicable.

Item 6. Exhibits

10.1	Form of Restricted Stock Award for Non-Employee Directors under Occidental Petroleum Corporation 2005 Long-Term Incentive Plan.
10.2	Form of Restricted Stock Unit Award for Non-Employee Directors under Occidental Petroleum Corporation 2005 Long-Term Incentive Plan.
10.3	Occidental Petroleum Corporation 2005 Long-Term Incentive Plan Restricted Stock Award Terms and Conditions.
12	Statement regarding the computation of total enterprise ratios of earnings to fixed charges for the three months ended March 31, 2012 and 2011 and for each of the five years in the period ended December 31, 2011.
31.1	Certification of CEO Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of CFO Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certifications of CEO and CFO Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document.
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.

SIGNATURES

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

OCCIDENTAL PETROLEUM CORPORATION

DATE: May 2, 2012

/s/ Roy Pineci

Roy Pineci
Vice President, Controller and
Principal Accounting Officer

EXHIBIT INDEX

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10.2	Form of Restricted Stock Unit Award for Non-Employee Directors under Occidental Petroleum Corporation 2005 Long-Term Incentive Plan.
10.3	Occidental Petroleum Corporation 2005 Long-Term Incentive Plan Restricted Stock Award Terms and Conditions.
12	Statement regarding the computation of total enterprise ratios of earnings to fixed charges for the three months ended March 31, 2012 and 2011 and for each of the five years in the period ended December 31, 2011.
31.1	Certification of CEO Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of CFO Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certifications of CEO and CFO Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document.
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.

EXHIBIT 10.1

**OCCIDENTAL PETROLEUM CORPORATION 2005 LONG-TERM INCENTIVE PLAN
RESTRICTED STOCK AWARD
FOR NON-EMPLOYEE DIRECTORS
GRANT AGREEMENT**

Name of Grantee: ______________________

Date of Grant: May 7, 2012

Number of shares of Restricted Stock: ______________________

Agreement (this "Agreement") made as of the Date of Grant between OCCIDENTAL PETROLEUM CORPORATION, a Delaware corporation ("Occidental"), and with its subsidiaries (the "Company"), and the Eligible Person receiving this Award (the "Grantee").

1. **Grant of Restricted Stock**. In accordance with this Agreement and the Occidental Petroleum Corporation 2005 Long-Term Incentive Plan, as amended from time to time (the "Plan"), Occidental hereby grants to the Grantee as of the Date of Grant, the number of shares of Restricted Stock set forth above. The Restricted Stock shall be fully paid and nonassessable and shall be represented by a book-entry account registered in the name of the Grantee with Occidental's registrar and stock transfer agent that will be subject to the restrictions hereinafter set forth until those shares have become transferable in accordance with Section 2.

2. **Restrictions on Transfer of Restricted Stock.** Fifty percent (50%) of the shares of Restricted Stock may not be transferred, sold, pledged, exchanged, assigned or otherwise encumbered or disposed of by the Grantee, except to Occidental, until the third anniversary date of this grant, and the other fifty percent (50%) of such shares shall be subject to such transfer restrictions until the Grantee ceases to serve on the Board for any reason, including as a result of the Grantee's death or Disability (the "Grantee's termination"); provided, however, that (i) the Grantee may designate from time to time any beneficiary or beneficiaries to whom any shares of Restricted Stock and any cash amounts are to be paid in case of the Grantee's death before receipt of such Restricted Stock and cash and (ii) all of the shares of Restricted Stock shall immediately become transferable in the event of a Change of Control or the Grantee's termination. If a written beneficiary designation is not on file with Occidental at the time of the Grantee's death, the Grantee's interest in the Restricted Stock will be transferred by will or the laws of descent and distribution. Any purported transfer, encumbrance or other disposition of the Restricted Stock that is in violation of this Section 2 shall be null and void, and the other party to any such purported transaction shall not obtain any rights to or interest in the Restricted Stock.

3. **Vesting of Restricted Stock**. The Restricted Stock shall be fully vested and nonforfeitable as of the Date of Grant.

4. **Dividend, Voting and Other Rights**. Except as otherwise provided herein, the Grantee shall have all of the rights of a stockholder with respect to the shares of Restricted Stock, including the right to vote such shares and receive any dividends that may be paid thereon;

provided, however, that any additional shares of Common Stock or other securities that the Grantee may become entitled to receive pursuant to a stock dividend, stock split, combination of shares, recapitalization, merger, consolidation, separation or reorganization or any other change in the capital structure of Occidental shall be subject to the same restrictions as the shares of Restricted Stock.

5. **Retention as Director**. Nothing contained in this Agreement shall interfere with or limit in any way the right of the stockholders of Occidental to remove the Grantee from the Board pursuant to the by-laws of Occidental, nor confer upon any Grantee any right to continue in the service of Occidental as a member of the Board.

6. **Taxes and Withholding**. The Grantee is responsible for any federal, state, local or non-U.S. tax, including income tax, social insurance, payroll tax, payment on account or other tax-related withholding with respect to the grant of Restricted Stock (including the grant, the vesting, the receipt of Common Shares, the sale of Common Shares and the receipt of dividends, if any). The Company does not guarantee any particular tax treatment or results in connection with the grant or vesting of the Restricted Stock or the payment of dividends.

7. **Compliance with Law**. The Company will make reasonable efforts to comply with all applicable federal, state and foreign securities laws; however, the Company will not issue any Common Shares or other securities pursuant to this Agreement if their issuance would result in a violation of any such law by the Company.

8. **Adjustments.** The number or kind of shares of stock covered by this Restricted Stock Award shall be adjusted in order to prevent dilution or expansion of the Grantee's rights under this Agreement as a result of events such as stock dividends, stock splits, or other change in the capital structure of Occidental, or any merger, consolidation, spin-off, liquidation or other corporate transaction or event having a similar effect. If any such adjustment occurs, the Company will give the Grantee written notice of the adjustment containing an explanation of the nature of the adjustment.

9. **Amendments.** The Plan may be modified, amended, suspended or terminated by the Company at any time, as provided in the Plan. Any amendment to the Plan will be deemed to be an amendment to this Agreement to the extent it is applicable to this Agreement; however, except to the extent necessary to comply with applicable law, no amendment will adversely affect the rights of the Grantee under this Agreement without the Grantee's consent.

10. **Severability**. If one or more of the provisions of this Agreement is invalidated for any reason by a court of competent jurisdiction, the invalidated provisions shall be deemed to be separable from the other provisions of this Agreement, and the remaining provisions of this Agreement will continue to be valid and fully enforceable.

11. **Relation to Plan; Interpretation.** This Agreement is subject to the terms and conditions of the Plan. In the event of any inconsistent provisions between this Agreement and the Plan, the provisions of the Plan control. Capitalized terms used in this Agreement without definitions have the meanings assigned to them in the Plan. References to Sections are to Sections of this Agreement unless otherwise noted.

12. Successors and Assigns. Subject to Sections 2 and 3, the provisions of this Agreement shall be for the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of the Grantee, and the successors and assigns of the Company.

13. Governing Law. The laws of the State of Delaware govern the interpretation, performance, and enforcement of this Agreement.

14. Notices. Any notice to the Company provided for in this Agreement will be given to its Secretary at 10889 Wilshire Boulevard, Los Angeles, California 90024, and any notice to the Grantee will be addressed to the Grantee at his or her address currently on file with the Company. Any written notice will be deemed to be duly given when received if delivered personally or sent by telecopy, e-mail, or the United States mail, first class registered mail, postage and fees prepaid, and addressed as provided in this paragraph. Any party may change the address to which notices are to be given by written notice to the other party as specified in the preceding sentence.

15. Privacy Rights. By accepting this Award, the Grantee explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Grantee's personal data as described in this Agreement by and among, as applicable, the Company and its affiliates for the exclusive purpose of implementing, administering and managing the Grantee's participation in the Plan. The Company holds or may receive from any agent designated by the Company certain personal information about the Grantee, including, but not limited to, the Grantee's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in Occidental, details of this Restricted Stock Award or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Grantee's favor, for the purpose of implementing, administering and managing the Plan, including complying with applicable tax and securities laws ("Data"). Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan. These recipients may be located in the Grantee's country or elsewhere, and may have different data privacy laws and protections than the Grantee's country. By accepting this Agreement, the Grantee authorizes the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes described above. The Grantee may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting the Administrator in writing. Refusing or withdrawing consent may affect the Grantee's ability to participate in the Plan.

16. Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to this Restricted Stock Award granted under the Plan or future awards that may be granted under the Plan (if any) by electronic means or to request the Grantee's consent to participate in the Plan by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and, if requested, to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

17. Grantee's Representations and Releases. By accepting this Award, the Grantee acknowledges that the Grantee has read this Agreement and understands that the future value of any shares of Common Stock issued pursuant to this Restricted Stock Award cannot be predicted and Occidental does not assume liability in the event such shares of Common Stock have no value in the future; and the Grantee will be solely responsible for the payment or nonpayment of taxes imposed or threatened to be imposed by any authority of any jurisdiction.

In consideration of the grant of this Restricted Stock Award, no claim or entitlement to compensation or damages shall arise from termination of this Restricted Stock Award or diminution in value of this Restricted Stock Award or Common Shares issued pursuant to this Restricted Stock Award resulting from termination of the Grantee's service as a member of the Board and the Grantee irrevocably releases the Company from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by accepting this Agreement, the Grantee shall be deemed irrevocably to have waived his or her entitlement to pursue such claim.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed on its behalf by its duly authorized officer and Grantee has also executed this Agreement in duplicate, as of the day and year first above written.

OCCIDENTAL PETROLEUM CORPORATION

By: /s/ DONALD P. DE BRIER
Donald P. de Brier

The undersigned Grantee hereby (i) acknowledges receipt of an executed original of this Agreement and a copy of the Memorandum, dated May 7, 2012, and (ii) accepts the right to receive the Common Stock or other securities covered hereby, subject to the terms and conditions of the Plan and the terms and conditions hereinabove set forth.

____

Date: ____________________________

EXHIBIT 10.2

**OCCIDENTAL PETROLEUM CORPORATION 2005 LONG-TERM INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD
FOR NON-EMPLOYEE DIRECTORS
GRANT AGREEMENT**

Name of Grantee: ______________________________

Date of Grant: May 7, 2012

Number of Restricted Stock Units: ______________________________

Agreement (this "Agreement") made as of the Date of Grant between OCCIDENTAL PETROLEUM CORPORATION, a Delaware corporation ("Occidental"), and with its subsidiaries (the "Company"), and the Eligible Person receiving this Award (the "Grantee").

1. Grant of Restricted Stock Units. In accordance with this Agreement and the Occidental Petroleum Corporation 2005 Long-Term Incentive Plan, as amended from time to time (the "Plan"), Occidental hereby grants to the Grantee as of the Date of Grant, the number of Restricted Stock Units set forth above. For purposes of this Agreement, a grant of Restricted Stock Units is a bookkeeping entry that represents the right to receive an equivalent number of shares of Occidental common stock, $0.20 par value (the "Common Stock"), on the applicable payment date set forth in Section 4. Restricted Stock Units are not shares of Common Stock and have no voting rights or, except as stated in Section 5, dividend rights.

2. Restrictions on Transfer. Neither this Agreement nor any right to receive shares of Common Stock pursuant to this Agreement may be transferred or assigned by the Grantee other than to a beneficiary designated on a form approved by Occidental (if enforceable under local law), by will or, if the Grantee dies without designating a beneficiary of a valid will, by the laws of descent and distribution. Any purported transfer, encumbrance or other disposition of the Grantee's rights under this Agreement that is in violation of this Section 2 shall be null and void.

3. Vesting of Restricted Stock Units. The Restricted Stock Units shall be fully vested and nonforfeitable as of the Date of Grant.

4. Payment of Awards. Fifty percent (50%) of the Restricted Stock Units shall be payable on the third anniversary of the Date of Grant, and the other fifty percent (50%) of the Restricted Stock Units shall be payable on the date of the Grantee's "separation from service" (as defined under Section 409A of the Code) for any reason, including as a result of the Grantee's ceasing to serve on the Board, death or Disability ("Separation from Service"); provided, however, that all of the Restricted Stock Units shall immediately become payable upon (i) the occurrence of a Change in Control, but only if such Change in Control constitutes a "change in control event" for purposes of Section 409A of the Code, or (ii) the Grantee's Separation from Service. Payment in each case shall be made within 45 days after the applicable payment event stated in the previous sentence. Payment shall be made in the form of shares of Common Stock equal in number to the number of Restricted Stock Units with respect to which payment is being made on that date, plus cash for any fractional share units.

5. **Crediting and Payment of Dividend Equivalents.** With respect to the number of Restricted Stock Units listed above, the Grantee shall be credited on the books and records of Occidental with an amount (the "Dividend Equivalent") equal to the amount per share of any cash dividends declared by the Board on the outstanding Common Stock as and when declared during the period beginning on the Date of Grant and ending on the applicable payment date set forth in Section 4. Occidental will pay in cash to the Grantee an amount equal to the Dividend Equivalents credited to such Grantee in the calendar quarter next following the relevant dividend declaration date.

6. **Retention as Director**. Nothing contained in this Agreement shall interfere with or limit in any way the right of the stockholders of Occidental to remove the Grantee from the Board pursuant to the by-laws of Occidental, nor confer upon any Grantee any right to continue in the service of Occidental as a member of the Board.

7. **Taxes and Withholding**. The Grantee is responsible for any federal, state, local or non-U.S. tax, including income tax, social insurance, payroll tax, payment on account or other tax-related withholding with respect to the grant of Restricted Stock Units (including the grant, the vesting, the receipt of Common Stock, the sale of Common Stock and the receipt of dividend equivalents, if any). The Company does not guarantee any particular tax treatment or results in connection with the grant, vesting or payment of the Restricted Stock Units or the payment of dividend equivalents.

8. **Compliance with Law**. The Company will make reasonable efforts to comply with all applicable federal, state and foreign securities laws; however, the Company will not issue any Common Stock or other securities pursuant to this Agreement if their issuance would result in a violation of any such law by the Company.

9. **Adjustments.** The number or kind of shares of stock covered by this Restricted Stock Unit Award may be adjusted as the Administrator determines pursuant to Section 7.2 of the Plan in order to prevent dilution or expansion of the Grantee's rights under this Agreement as a result of events such as stock dividends, stock splits, or other change in the capital structure of Occidental, or any merger, consolidation, spin-off, liquidation or other corporate transaction or event having a similar effect. If any such adjustment occurs, the Company will give the Grantee written notice of the adjustment containing an explanation of the nature of the adjustment.

10. **Amendments.** The Plan may be modified, amended, suspended or terminated by the Company at any time, as provided in the Plan. Any amendment to the Plan will be deemed to be an amendment to this Agreement to the extent it is applicable to this Agreement; however, except to the extent necessary to comply with applicable law, no amendment will adversely affect the rights of the Grantee under this Agreement without the Grantee's consent.

11. **Severability**. If one or more of the provisions of this Agreement is invalidated for any reason by a court of competent jurisdiction, the invalidated provisions shall be deemed to be separable from the other provisions of this Agreement, and the remaining provisions of this Agreement will continue to be valid and fully enforceable.

12. **Relation to Plan; Interpretation.** This Agreement is subject to the terms and conditions of the Plan. In the event of any inconsistent provisions between this Agreement and the Plan, the provisions of the Plan control. Capitalized terms used in this Agreement without definitions have the meanings assigned to them in the Plan. References to Sections are to Sections of this Agreement unless otherwise noted.

13. Successors and Assigns. Subject to Sections 2 and 3, the provisions of this Agreement shall be for the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of the Grantee, and the successors and assigns of the Company.

14. Governing Law. The laws of the State of Delaware govern the interpretation, performance, and enforcement of this Agreement.

15. Notices. Any notice to the Company provided for in this Agreement will be given to its Secretary at 10889 Wilshire Boulevard, Los Angeles, California 90024, and any notice to the Grantee will be addressed to the Grantee at his or her address currently on file with the Company. Any written notice will be deemed to be duly given when received if delivered personally or sent by telecopy, e-mail, or the United States mail, first class registered mail, postage and fees prepaid, and addressed as provided in this paragraph. Any party may change the address to which notices are to be given by written notice to the other party as specified in the preceding sentence.

16. Privacy Rights. By accepting this Award, the Grantee explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Grantee's personal data as described in this Agreement by and among, as applicable, the Company and its affiliates for the exclusive purpose of implementing, administering and managing the Grantee's participation in the Plan. The Company holds or may receive from any agent designated by the Company certain personal information about the Grantee, including, but not limited to, the Grantee's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in Occidental, details of this Restricted Stock Unit Award or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Grantee's favor, for the purpose of implementing, administering and managing the Plan, including complying with applicable tax and securities laws ("Data"). Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan. These recipients may be located in the Grantee's country or elsewhere, and may have different data privacy laws and protections than the Grantee's country. By accepting this Agreement, the Grantee authorizes the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes described above. The Grantee may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting the Administrator in writing. Refusing or withdrawing consent may affect the Grantee's ability to participate in the Plan.

17. Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to this Restricted Stock Unit Award granted under the Plan or future awards that may be granted under the Plan (if any) by electronic means or to request the Grantee's consent to participate in the Plan by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and, if requested, to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

18. Compliance With Section 409A of the Code. To the extent that the Board determines that the Plan or this Award is subject to Section 409A of the Code, this Agreement shall be interpreted and administered in such a way as to comply with the applicable provisions of Section 409A to the maximum extent possible. In addition, if this Award is subject to Section 409A and the Grantee must be treated as a “specified employee” within the meaning of Section 409A, any payments made on account of the Grantee’s Separation from Service will be made at the time specified above in Section 4 or, if later, on the date that is six (6) months and one (1) day following the date of the Grantee’s Separation from Service. To the extent that the Board determines that the Plan or this Award is subject to Section 409A and fails to comply with the requirements of Section 409A, the Board reserves the right (without any obligation to do so) to amend or terminate the Plan and/or amend, restructure, terminate or replace this Award in order to cause this Award to either not be subject to Section 409A or to comply with the applicable provisions of such section.

19. Grantee’s Representations and Releases. By accepting this Award, the Grantee acknowledges that the Grantee has read this Agreement and understands that the future value of any shares of Common Stock issued pursuant to this Restricted Stock Unit Award cannot be predicted and Occidental does not assume liability in the event such shares of Common Stock have no value in the future; and the Grantee will be solely responsible for the payment or nonpayment of taxes imposed or threatened to be imposed by any authority of any jurisdiction.

In consideration of the grant of this Restricted Stock Unit Award, no claim or entitlement to compensation or damages shall arise from termination of this Restricted Stock Unit Award or diminution in value of this Restricted Stock Unit Award or Common Stock issued pursuant to this Restricted Stock Unit Award resulting from termination of the Grantee’s service as a member of the Board and the Grantee irrevocably releases the Company from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by accepting this Agreement, the Grantee shall be deemed irrevocably to have waived his or her entitlement to pursue such claim.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed on its behalf by its duly authorized officer and Grantee has also executed this Agreement in duplicate, as of the day and year first above written.

OCCIDENTAL PETROLEUM CORPORATION

By: /s/ DONALD P. DE BRIER
Donald P. de Brier

The undersigned Grantee hereby (i) acknowledges receipt of an executed original of this Agreement and a copy of the Memorandum, dated May 7, 2012, and (ii) accepts the right to receive the Common Stock or other securities covered hereby, subject to the terms and conditions of the Plan and the terms and conditions hereinabove set forth.

____

Date: __________________________

EXHIBIT 10.3

OCCIDENTAL PETROLEUM CORPORATION
2005 LONG-TERM INCENTIVE PLAN
RESTRICTED STOCK AWARD TERMS AND CONDITIONS

DATE OF GRANT:	**April 18, 2012**
SHARES OF RESTRICTED STOCK:	**See Morgan Stanley Smith Barney Benefit Access "Other Awards/My Awards/Awarded"**
VESTING SCHEDULE:	**1/3 of Shares of Restricted Stock on April 17, 2013** **1/3 of Shares of Restricted Stock on April 17, 2014** **1/3 of Shares of Restricted Stock on April 17, 2015**

The following **Terms and Conditions** (these "Terms and Conditions") are set forth as of the Date of Grant between OCCIDENTAL PETROLEUM CORPORATION, a Delaware corporation ("Occidental" and, with its subsidiaries, the "Company"), and the Eligible Employee receiving this award (the "Grantee").

1. **GRANT OF RESTRICTED STOCK AWARD.** In accordance with these Terms and Conditions and the Occidental Petroleum Corporation 2005 Long-Term Incentive Plan, as the same may be amended from time to time (the "Plan"), Occidental grants to the Grantee as of the Date of Grant, the number of shares of Restricted Stock set forth above. The Restricted Stock shall be fully paid and nonassessable and shall be represented by a book-entry account registered in the name of the Grantee with Occidental's registrar and stock transfer agent that will be subject to the restrictions hereinafter set forth until those shares have become transferable in accordance with Section 3.

2. **RESTRICTIONS ON TRANSFER.** (a) Until vesting has occurred as provided in Section 3, the shares of Restricted Stock may not be transferred, assigned, sold, pledged, exchanged, or otherwise encumbered or disposed of by the Grantee, except to Occidental or pursuant to a domestic relations order, if applicable, (if approved or ratified by the Committee); provided that the Grantee may designate from time to time a beneficiary or beneficiaries on a form approved by the Company (if enforceable under local law). If the Grantee dies without a beneficiary designation on file with Occidental at the time of death, the Grantee's interest in the Restricted Stock will be transferred by will or by the laws of descent and distribution.

(b) Further, if the Grantee was a Named Executive Officer during the last completed fiscal year prior to vesting, then such Grantee shall retain Beneficial Ownership of Shares equal to not less than 50% of the net after-tax Shares received under these Terms and Conditions until the third anniversary date of the vesting of the Restricted Stock under this Award (the "Beneficial Ownership Period"). Compliance with the foregoing requirement shall be determined by reference to the reports filed by the Grantee on Forms 3, 4, and 5, as applicable, pursuant to Section 16(a) of the Securities Exchange Act of 1934 (the "Exchange Act") and the aggregate number of Shares reported as Beneficially Owned during the Beneficial Ownership Period shall be not less than the sum of the number of Shares then required to be so owned pursuant to these

Terms and Conditions and the terms and conditions of any other grant containing this or a similar requirement. For purposes of these Terms and Conditions, “Beneficial Ownership” has the meaning ascribed in Rule 16a-1(2) under the Exchange Act, and “Named Executive Officer” has the meaning ascribed thereto pursuant to Item 402 of Regulation S-K under the Exchange Act.

3. **Vesting and Forfeiture of Restricted Stock Award.** (a) If the Grantee fails to accept this award prior to the next record date for the payment of dividends on the Common Stock subsequent to the Date of Grant, then, notwithstanding any other provision of this award, the Grantee shall forfeit the shares of Restricted Stock and all rights under this award and this award will become null and void. For purposes of this section, acceptance of the award shall occur on the date the Grantee accepts this Restricted Stock Award through Morgan Stanley Smith Barney Benefit Access or any replacement on-line system designated by the Company.

(b) Subject to Sections 3(c) and (d), on each anniversary of the Date of Grant the amount of Restricted Stock indicated above in the Vesting Schedule for such anniversary will vest and become nonforfeitable if the Grantee remains in the continuous employ of the Company through such date. The projected Vesting Schedule with the number of shares of Restricted Stock vesting on each anniversary may be viewed on Morgan Stanley Smith Barney Benefit Access “Other Awards/Vesting Summary”. The continuous employment of the Grantee will not be deemed to have been interrupted by reason of the transfer of the Grantee’s employment among the Company and its affiliates or an approved leave of absence.

(c) If prior to the end of the Vesting Schedule, the Grantee dies, becomes permanently disabled while in the employ of the Company and terminates employment as a result thereof, retires with the consent of the Company, or terminates employment for the convenience of the Company (each of the foregoing, a “Vesting Event”), then the number of shares of Restricted Stock that had not vested prior to such date will be reduced on a pro rata basis based upon the number of days remaining from the date of the Vesting Event until the end of the Vesting Schedule. The number of shares of Restricted Stock remaining after giving effect to such reduction will become fully vested and non forfeitable as of the date of the Vesting Event. If the Grantee terminates employment voluntarily or is terminated for cause before the end of the Vesting Schedule, then these Terms and Conditions will terminate automatically on the date of the Grantee’s termination and the Grantee shall forfeit any unvested Restricted Stock.

(d) If a Change in Control event occurs prior to the end of the Vesting Schedule, then the number of shares of Restricted Stock that had not vested prior to such event will be reduced on a pro rata basis based upon the number of days remaining until the end of the Vesting Schedule following the date of the Change in Control. The number of shares of Restricted Stock remaining after giving effect to such reduction will become fully vested and nonforfeitable as of the date of the Change in

Control event unless, prior to the occurrence of the Change in Control event, the Committee, as provided in Section 7.1 of the Plan, determines that such event will not accelerate vesting of any of the Restricted Stock. Any such determination by the Committee is binding on the Grantee.

4. **Dividend, Voting and Other Rights.** Except as otherwise provided herein, the Grantee shall have all of the rights of a stockholder with respect to the shares of Restricted Stock, including the right to vote such shares and receive any dividends that may be paid thereon; provided, however, that any additional shares of Common Stock or other securities that the Grantee may become entitled to receive pursuant to a stock dividend, stock split, combination of shares, recapitalization, merger, consolidation, separation or reorganization or any other change in the capital structure of Occidental shall be subject to the same restrictions as the shares of Restricted Stock.

5. **No Employment Contract.** Nothing in these Terms and Conditions confers upon the Grantee any right with respect to continued employment by the Company, nor limits in any manner the right of the Company to terminate the employment or adjust the compensation of the Grantee. Unless otherwise agreed in a writing signed by the Grantee and an authorized representative of the Company, the Grantee's employment with the Company is at will and may be terminated at any time by the Grantee or the Company.

6. **Taxes and Withholding.** Regardless of any action the Company takes with respect to any or all income tax (including U.S. federal, state and local tax and non-U.S. tax), social insurance, payroll tax, payment on account or other tax-related items related to the Grantee's participation in the Plan and legally applicable to the Grantee ("Tax-Related Items"), the Grantee acknowledges that the ultimate liability for all Tax-Related Items is and remains the Grantee's responsibility and may exceed the amount actually withheld by the Company. The Grantee further acknowledges that the Company (i) makes no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of this Restricted Stock Award, including the grant or vesting of the Restricted Stock Award and the receipt of dividends; and (ii) does not commit to and is under no obligation to structure the terms of the grant or any aspect of the Restricted Stock Award to reduce or eliminate the Grantee's liability for Tax-Related Items or achieve any particular tax result. Further, if the Grantee has become subject to tax in more than one jurisdiction between the Date of Grant and the date of any relevant taxable event, the Grantee acknowledges that the Company may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to the relevant taxable event, the Grantee shall pay or make adequate arrangements satisfactory to the Company to satisfy all Tax-Related Items. In this regard, the Grantee authorizes the Company to withhold all applicable Tax-Related Items legally payable by the Grantee first from the shares pursuant to this Restricted Stock Award and, if not sufficient, from the Grantee's wages or other cash compensation. The Grantee shall pay to the Company any amount of Tax-Related Items that the Company may be required to withhold as a result of the Grantees receipt of this Restricted Stock Award that cannot be satisfied by the means previously described.

Notwithstanding its availability, the Grantee expressly agrees not to make an election pursuant to Section 83(b) of the U.S. Internal Revenue Code with respect to the shares of Restricted Stock granted pursuant to these Terms and Conditions.

7. **Compliance with Law.** The Company will make reasonable efforts to comply with all federal, state and non-U.S. laws applicable to awards of this type. However, if it is not feasible for the Company to comply with these laws with respect to the grant or settlement of these awards, then the awards may be cancelled without any compensation or additional benefits provided to Grantee as a result of the cancellation.

8. **Relation to Other Benefits.** The benefits received by the Grantee under these Terms and Conditions will not be taken into account in determining any benefits to which the Grantee may be entitled under any profit sharing, retirement or other benefit or compensation plan maintained by the Company, including the amount of any life insurance coverage available to any beneficiary of the Grantee under any life insurance plan covering employees of the Company. Additionally, this Restricted Stock Award is not part of normal or expected compensation or salary for any purposes, including, but not limited to calculation of any severance, resignation, termination, redundancy, end of service payments, bonuses or long service awards. The grant of this Restricted Stock Award does not create any contractual or other right to receive future grants of Restricted Stock Awards or benefits in lieu of Restricted Stock Awards, even if Grantee has a history of receiving Restricted Stock Awards or other cash or stock awards.

9. **Amendments.** The Plan may be modified, amended, suspended or terminated by the Board at any time, as provided in the Plan. Any amendment to the Plan will be deemed to be an amendment to these Terms and Conditions to the extent it is applicable to these Terms and Conditions; however, no amendment will adversely affect the rights of the Grantee under these Terms and Conditions without the Grantee's consent.

10. **Severability.** If one or more of the provisions of these Terms and Conditions is invalidated for any reason by a court of competent jurisdiction, the invalidated provisions shall be deemed to be separable from the other provisions of these Terms and Conditions, and the remaining provisions of these Terms and Conditions will continue to be valid and fully enforceable.

11. **Entire Agreement; Relation to Plan; Interpretation.** Except as specifically provided in this Section, these Terms and Conditions and the Attachments incorporated in these Terms and Conditions constitute the entire agreement between the Company and the Grantee with respect to this Restricted Stock Award. These Terms and Conditions are subject to the terms and conditions of the Plan. In the event of any inconsistent provisions between these Terms and Conditions and the Plan, the provisions of the Plan control. Capitalized terms used in these Terms and Conditions

without definitions have the meanings assigned to them in the Plan. References to Sections and Attachments are to Sections of, and Attachments incorporated in, these Terms and Conditions unless otherwise noted.

12. **Successors and Assigns.** Subject to Sections 2 and 3, the provisions of these Terms and Conditions shall be for the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of the Grantee, and the successors and assigns of the Company.

13. **Governing Law.** The laws of the State of Delaware govern the interpretation, performance, and enforcement of these Terms and Conditions.

14. **Privacy Rights.** By accepting this Restricted Stock Award, the Grantee explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Grantee's personal data as described in these Terms and Conditions by and among, as applicable, the Company and its affiliates for the exclusive purpose of implementing, administering and managing the Grantee's participation in the Plan. The Grantee understands that the Company holds, or may receive from any agent designated by the Company, certain personal information about the Grantee, including, but not limited to, the Grantee's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of this Restricted Stock Award or any other entitlement to cash or shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Grantee's favor, for the purpose of implementing, administering and managing the Plan, including complying with applicable tax and securities laws ("Data"). Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan. These recipients may be located in the Grantee's country or elsewhere, and may have different data privacy laws and protections than the Grantee's country. By accepting these Terms and Conditions, the Grantee authorizes the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes described above. The Grantee may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting the Committee in writing. Refusing or withdrawing consent may affect the Grantee's ability to participate in the Plan.

15. **Electronic Delivery and Acceptance.** The Company may, in its sole discretion, decide to deliver any documents related to this Restricted Stock Award granted under the Plan or future awards that may be granted under the Plan (if any) by electronic means or to request the Grantee's consent to participate in the Plan by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and, if requested, to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

16. **Grantee's Representations and Releases.** By accepting this Restricted Stock Award, the Grantee acknowledges that the Grantee has read these Terms and Conditions and understands that (i) the grant of this Restricted Stock Award is made voluntarily by Occidental in its discretion with no liability on the part of any of its direct or indirect subsidiaries and that, if the Grantee is not an employee of Occidental, the Grantee is not, and will not be considered, an employee of Occidental but the Grantee is a third party (employee of a subsidiary) to whom this Restricted Stock Award is granted; (ii) all decisions with respect to future awards, if any, will be at the sole discretion of Occidental; (iii) the Grantee's participation in the Plan is voluntary; (iv) this Restricted Stock Award is an extraordinary item that does not constitute a regular and recurring item of base compensation; (v) the future value of any Shares issued pursuant to this Restricted Stock Award cannot be predicted and Occidental does not assume liability in the event this Restricted Stock Award has no value in the future; (vi) subject to the terms of any tax equalization agreement between the Grantee and the entity employing the Grantee, the Grantee will be solely responsible for the payment or nonpayment of taxes imposed or threatened to be imposed by any authority of any jurisdiction; and (vii) Occidental is not providing any tax, legal or financial advice with respect to this Restricted Stock Award or the Grantee's participation in the Plan.

In consideration of the grant of this Restricted Stock Award, no claim or entitlement to compensation or damages shall arise from termination of this Restricted Stock Award or diminution in value of this Restricted Stock Award resulting from termination of the Grantee's employment by the Company (for any reason whatsoever) and, to the extent permitted by law, the Grantee irrevocably releases the Company from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by accepting this Restricted Stock Award, the Grantee shall be deemed irrevocably to have waived his or her entitlement to pursue such claim.

By accepting this Restricted Stock Award, the Grantee agrees, to the extent not contrary to applicable law, to the General Terms of Employment set out on Attachment 1 and the Arbitration Provisions set out on Attachment 2, which, in each case, are incorporated in these Terms and Conditions by reference.

17. **Imposition of Other Requirements.** Occidental reserves the right to impose other requirements on the Grantee's participation in the Plan and on the Restricted Stock Award, to the extent Occidental determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require the Grantee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

18. **Compliance with Section 409A of the Code.** This award is intended to be exempt from Section 409A of the U.S. Internal Revenue Code ("Section 409A") under Treas. Reg. § 1.409A-1(b)(6) (or any successor provision). Notwithstanding the foregoing, to the extent that the Board determines that the Plan or this award is subject to Section 409A, these Terms and Conditions shall be interpreted and administered in such a way as to comply with the applicable provisions of Section 409A to the maximum

extent possible. To the extent that the Board determines that the Plan or this award is subject to Section 409A and fails to comply with the requirements of Section 409A, the Board reserves the right (without any obligation to do so) to amend or terminate the Plan and/or amend, restructure, terminate or replace this award in order to cause this award to either not be subject to Section 409A or to comply with the applicable provisions of such section.

Attachment 1

General Terms of Employment

A. Except as otherwise required by law or legal process, the Grantee will not publish or divulge to any person, firm, corporation or institution and will not use to the detriment of Occidental, or any of its subsidiaries or other affiliates, or any of their respective officers, directors, employees or stockholders (collectively, "Occidental Parties"), at any time during or after the Grantee's employment by any of them, any trade secrets or confidential information of any of them (whether generated by them or as a result of any of their business relationships), including such information as described in Occidental's Code of Business Conduct and other corporate policies, without first obtaining the written permission of an officer of the Company.

B. At the time of leaving employment with the Company, the Grantee will deliver to the Company, and not keep or deliver to anyone else, any and all credit cards, drawings, blueprints, specifications, devices, notes, notebooks, memoranda, reports, studies, correspondence and other documents, and, in general, any and all materials relating to the Occidental Parties (whether generated by them or as a result of their business relationships), including any copies (whether in paper or electronic form), that the Grantee has in the Grantee's possession or control.

C. The Grantee will, during the Grantee's employment by the Company, comply with the provisions of Occidental's Code of Business Conduct.

D. Except as otherwise required by the Grantee's job or permitted by law, the Grantee will not make statements about any Occidental Parties (1) to the press, electronic media, to any part of the investment community, to the public, or to any person connected with, employed by or having a relationship with any of them without permission of an officer of the Company or (2) that are derogatory, defamatory or negative. Nothing herein, however, shall prevent Grantee from making a good faith report or complaint to appropriate governmental authorities. To the fullest extent permitted by law, Grantee will not interfere with or disrupt any of the Company's operations or otherwise take actions intended directly to harm any of the Occidental Parties.

E. All inventions, developments, designs, improvements, discoveries and ideas that the Grantee makes or conceives in the course of employment by the Company, whether or not during regular working hours, relating to any design, article of manufacture, machine, apparatus, process, method, composition of matter, product or any improvement or component thereof, that are manufactured, sold, leased, used or under development by, or pertain to the present or possible future business of the Company shall be a work-for-hire and become and remain the property of Occidental, its successors and assigns.

The provisions of this Section do not apply to an invention that qualifies fully under the provisions of Section 2870 of the California Labor Code, which provides in substance that provisions in an employment agreement providing that an employee shall assign or offer to assign rights in an invention to his or her employer do not apply to an invention for which no equipment, supplies, facilities, or trade secret information of the employer was used and which was developed entirely on the employee's own time, except for those inventions that either (a) relate, at the time of conception or reduction to practice of the invention, (1) to the business of the employer or (2) to the employer's actual or demonstrably anticipated research or development, or (b) result from any work performed by the employee for the employer.

F. The foregoing General Terms of Employment are not intended to be an exclusive list of the employment terms and conditions that apply to the Grantee. The Company, in its sole discretion, may at any time amend or supplement the foregoing terms. The Grantee's breach of the foregoing General Terms of Employment will entitle the Company to take appropriate disciplinary action, including, without limitation, reduction of the Restricted Stock Award granted pursuant to these Terms and Conditions and termination of employment.

Attachment 2

Arbitration Provisions

Any dispute arising out of or in any way related to the Grantee's employment with the Company, or the termination of that employment, will be decided exclusively by final and binding arbitration pursuant to any procedures required by applicable law. To the extent not inconsistent with applicable law, any arbitration will be submitted to American Arbitration Association ("AAA") and subject to AAA Employment Arbitration Rules and Mediation Procedures in effect at the time of filing of the demand for arbitration. Only the following claims are excluded from these Terms and Conditions: (1) claims for workers' compensation, unemployment compensation, or state disability benefits, and claims based upon any pension or welfare benefit plan the terms of which contain an arbitration or other non-judicial dispute resolution procedure, (2) to the extent permitted by applicable law, claims for provisional remedies to maintain the status quo pending the outcome of arbitration, (3) claims based on compensation award agreements and incentive plans and (4) claims which are not permitted by applicable law to be subject to a binding pre-dispute arbitration agreement.

Any controversy regarding whether a particular dispute is subject to arbitration under this Section shall be decided by the arbitrator.

To the extent required under applicable law, the Grantee's responsibility for payment of the neutral arbitrator's fees and expenses shall be limited to an amount equal to the filing fee that would be required for a state trial court action and the Company shall pay all remaining fees and expenses of the arbitrator. Unless otherwise required under applicable law, the parties shall each pay their pro rata share of the neutral arbitrator's expenses and fees. Any controversy regarding the payment of fees and expenses under this arbitration provision shall be decided by the arbitrator.

The arbitrator may award any form of remedy or relief (including injunctive relief) that would otherwise be available in court. Any award pursuant to said arbitration shall be accompanied by a written opinion of the arbitrator setting forth the reason for the award. The award rendered by the arbitrator shall be conclusive and binding upon the parties hereto, and judgment upon the award may be entered, and enforcement may be sought in, any court of competent jurisdiction. To the extent not inconsistent with applicable laws, the arbitrator will have the authority to hear and grant motions.

EXHIBIT 12

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

	Three Months Ended March 31		Year Ended December 31				
	2012	2011	2011	2010	2009	2008	2007
Income from continuing operations	$ 1,560	$ 1,405	$ 6,640	$ 4,641	$ 3,202	$ 7,299	$ 5,147
Subtract:							
Net income attributable to noncontrolling interest	—	—	—	(72)	(51)	(116)	(75)
Adjusted income from equity investments[a]	101	(48)	(33)	(60)	(88)	(84)	(28)
	1,661	1,357	6,607	4,509	3,063	7,099	5,044
Add:							
Provision for taxes on income (other than foreign oil and gas taxes)	530	434	1,795	1,099	695	2,213	1,577
Interest and debt expense [b]	30	52	135	116	140	133	344
Portion of lease rentals representative of the interest factor	14	14	60	57	57	58	60
	574	500	1,990	1,272	892	2,404	1,981
Earnings before fixed charges	$ 2,235	$ 1,857	$ 8,597	$ 5,781	$ 3,955	$ 9,503	$ 7,025
Fixed charges:							
Interest and debt expense including capitalized interest [b]	$ 58	$ 69	$ 221	$ 203	$ 218	$ 201	$ 403
Portion of lease rentals representative of the interest factor	14	14	60	57	57	58	60
Total fixed charges	$ 72	$ 83	$ 281	$ 260	$ 275	$ 259	$ 463
Ratio of earnings to fixed charges	31.04	22.37	30.59	22.23	14.38	36.69	15.17

Note: Argentine operations have been reflected as discontinued operations for all periods.

(a) Represents adjustments to arrive at distributed income from equity investees.
(b) The three months ended March 31, 2011 and the year ended December 31, 2011 amounts exclude a pre-tax charge of $163 million for the early redemption of debt.

EXHIBIT 31.1

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

I, Stephen I. Chazen, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: May 2, 2012

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

EXHIBIT 31.2

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

I, James M. Lienert, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: May 2, 2012

/s/ James M. Lienert
James M. Lienert
Executive Vice President and Chief Financial Officer

EXHIBIT 32.1

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

In connection with the Quarterly Report on Form 10-Q of Occidental Petroleum Corporation (the "Company") for the fiscal period ended March 31, 2012, as filed with the Securities and Exchange Commission on May 2, 2012 (the "Report"), Stephen I. Chazen, as Chief Executive Officer of the Company, and James M. Lienert, as Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

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

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

/s/ Stephen I. Chazen

Name: Stephen I. Chazen
Title: President and Chief Executive Officer
Date: May 2, 2012

/s/ James M. Lienert

Name: James M. Lienert
Title: Executive Vice President and Chief Financial Officer
Date: May 2, 2012

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

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