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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED) MARCH 7

, 2000

OCCIDENTAL PETROLEUM CORPORATION
(Exact name of registrant as specified in its charter)

DELAWARE	1-9210	95-4035997
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

10889 WILSHIRE BOULEVARD LOS ANGELES, CALIFORNIA	90024
(Address of principal executive offices)	(ZIP code)

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

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ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS

As previously reported, on March 7, 2000, Occidental Petroleum Corporation ("Occidental") entered into an agreement to acquire all of the common partnership interest in Altura Energy Ltd. ("Altura"), the largest oil producer in the state of Texas. Altura has proved reserves of approximately 850 million barrels of oil equivalent, which are located in the Permian Basin.

The transaction, valued at approximately $3.6 billion, closed on April 19, 2000. Occidental, through its subsidiaries, paid approximately $1.2 billion to the sellers, affiliates of BP Amoco plc and Shell Oil Company, to acquire the common limited partnership interest and control of the general partner which manages, operates and controls 100 percent of the Altura assets. The partnership borrowed approximately $2.4 billion, which has recourse only to the Altura assets. The partnership also loaned approximately $2.0 billion to affiliates of the sellers, evidenced by two notes, which provide credit support to the partnership. The sellers retained a preferred limited partnership interest of approximately $2.0 billion and are entitled to certain distributions from the partnership. An affiliate of BP Amoco plc also retained a non-controlling interest in the general partner that manages Altura.

As a result of the acquisition, Occidental's worldwide oil production for 2000 will rise to 480,000 barrels of oil equivalent per day, a 13 percent increase above the average for 1999. In addition, Occidental's worldwide proved reserves are expected to increase to approximately 2.2 billion barrels, on an oil-equivalent basis.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

(a) Financial statements of business acquired.

Altura Energy Ltd. Audited Financial Statements for the years ended December 31, 1999 and 1998 and for the period from March 1, 1997 to December 31, 1997 together with the report of Ernst & Young LLP thereon (the "Altura Financial Statements") (attached as Exhibit 99.1 hereto).

(b) Pro forma financial information.

The following unaudited pro forma financial information has been prepared in accordance with the rules and regulations of the Securities and Exchange Commission. This transaction has been reflected as if it had occurred for financial position purposes on December 31, 1999 and for results of operations purposes on January 1, 1999. These pro forma financial statements do not reflect anticipated cost savings, synergies, changes in realized prices or production rates or certain other adjustments that may result from the acquisition of the Altura interest. The historical financial information for Occidental has been derived from Occidental's audited financial statements for the year ended December 31, 1999, incorporated by reference in Occidental's Annual Report on Form 10-K for the year ended December 31, 1999 (the "Form 10-K"). The historical financial information for Altura has been derived from the audited Altura historical financial statements included in this filing. The unaudited pro forma financial information should be read in conjunction with Occidental's historical financial statements incorporated by reference in the Form 10-K, and the Altura historical financial statements. The pro forma information is not necessarily indicative of the results or the financial position that would have been obtained had the transaction actually occurred on the dates specified above. In addition, such pro forma information does not purport to project Occidental's results of operations or financial position as of any future date or for any future period.

A preliminary allocation of the purchase price has been made to major categories of assets and liabilities in the accompanying pro forma financial statements based on available information. The actual allocation of the purchase price and the resulting effect on income from operations may differ from the pro forma amounts included herein. These pro forma adjustments represent Occidental's preliminary determination of purchase accounting adjustments and are based upon available information and certain assumptions that the Company believes to be reasonable. Consequently, the amounts reflected in the pro forma financial statements are subject to change.

1. Unaudited Pro Forma Results of Operations of Occidental for the year ended December 31, 1999, reflecting the acquisition of the Altura interest.

UNAUDITED PRO FORMA RESULTS OF OPERATIONS *
(IN MILLIONS, EXCEPT PER-SHARE DATA)

	Occidental Historical For the Year Ended 12/31/99	Altura Historical For the Year Ended 12/31/99	Pro Forma Adjustments	Occidental* Pro Forma For the Year Ended 12/31/99
Revenues	$ 8,552	$ 845	--	$ 9,397
Costs and other deductions				
Cost of sales	5,059	321	--	5,380
Selling, general and administrative, and exploration expense	720	43	--	763
Write-down of assets	212	--	--	212
Depreciation, depletion and amortization of assets	805	145	$ 69 (1)	1,019
Minority interest	58	--	129 (2)	187
Interest and debt expense, net	499	--	94 (3)	593
	7,353	509	292	8,154
Income(loss) from continuing operations before taxes	1,199	336	(292)	1,243
Provision for domestic and foreign income and other taxes	631	--	5 (4)	636
Income(loss) from continuing operations	568	336	(297)	607
Preferred dividends	(7)			(7)
Effect of repurchase of Trust Preferred Securities	1	--	--	1
Earnings(loss) from continuing operations applicable to common stock	$ 562	$ 336	$ (297)	$ 601
Basic earnings per common share from continuing operations	$ 1.58			$ 1.69
Average shares outstanding (in thousands)	355,400			355,400
Diluted earnings per common share from continuing operations	$ 1.58			$ 1.69
Average shares outstanding (in thousands)	355,500			355,500

(1) Reflects the inclusion of additional depreciation, depletion and amortization expense to be recognized based on a preliminary purchase price allocation for the Altura interest.

(2) Reflects the inclusion of preferred minority interest distributions to the affiliates of the sellers.

(3) Reflects the inclusion of (a) $67 million of additional interest expense expected to be incurred by Occidental on long-term debt of approximately $1.2 billion, based on an estimated weighted average interest rate of approximately 5.6 percent, incurred in connection with the Altura transaction and (b) the additional net interest expense of $27 million that Altura will record on the debt of $2.4 billion, based on an estimated weighted average interest rate of approximately 6.33 percent, partially offset by the interest income earned on the $1.968 billion notes from affiliates of the sellers, based on an estimated weighted average interest rate of approximately 6.43.

(4) Reflects the inclusion of additional income tax expense of $15 million calculated by applying the statutory tax rate to Altura's pro forma pretax income offset by a tax credit of approximately $10 million from enhanced oil recovery operations related to the acquisition.

* These pro forma financial statements do not reflect reduction in interest expense resulting from the repayment of pro forma debt using asset sale proceeds including proceeds from the recent disposition of Canadian Occidental Petroleum interests and Peru producing operations. Additionally, these statements do not reflect anticipated cost savings, synergies, changes in realized prices or production rates or certain other adjustments that may result from the acquisition of the Altura interest.

2. Unaudited Pro Forma Statement of Financial Position of Occidental as at December 31, 1999, reflecting the acquisition of the Altura interest.

UNAUDITED PRO FORMA STATEMENT OF FINANCIAL POSITION *
(IN MILLIONS)

	Occidental Historical 12/31/99	Altura Historical 12/31/99	Pro Forma Adjustments	Occidental* Pro Forma 12/31/99
Assets				
Current assets	$ 1,688	$ 183	$ 7 (1)	$ 1,878
Long-term receivables, net	168	--	1,968 (2)	2,136
Equity investments	1,754	--	--	1,754
Property, plant and equipment, net	10,029	2,039	1,612 (3)	13,680
Other assets	486	--	8 (4)	494
	$ 14,125	$ 2,222	$ 3,595	$ 19,942
Liabilities and Equity				
Current maturities of long-term debt	$ 5	--	$ 200 (5)	$ 205
Current liabilities	1,962	$ 142	--	2,104
Long-term debt, net	4,368	--	3,396 (6)	7,764
Deferred and other domestic and foreign income taxes	995	--	--	995
Other deferred credits and other liabilities	2,534	92	(20)(7)	2,606
Minority interest	252	--	2,007 (8)	2,259
Redeemable trust preferred securities	486	--	--	486
Stockholders' equity	3,523	1,988	(1,988)(9)	3,523
	$ 14,125	$ 2,222	$ 3,595	$ 19,942

(1) Reflects the inclusion of (a) proceeds of $2.4 billion from debt incurred by the Altura partnership, (b) a $1.968 billion cash loan to the sellers in exchange for note receivables, (c) capital distributions of $620 million paid to the sellers and (d) approximately $195 million of other preliminary purchase price adjustments.

(2) Reflects the inclusion of notes receivable issued to the Altura partnership by sellers.

(3) Reflects the inclusion of a preliminary purchase price adjustment to record property, plant and equipment at estimated fair market value.

(4) Reflects the inclusion of capitalized loan fees related to the debt incurred by the Altura partnership.

(5) Reflects the inclusion of the current portion of the $2.4 billion of additional debt incurred by the Altura partnership, which is recourse only to the Altura assets.

(6) Reflects the inclusion of (a) the long term portion of the $2.4 billion of additional debt incurred by the Altura partnership, which is recourse only to the Altura assets and (b) approximately $1.2 billion of additional debt incurred by Occidental to fund the cash payment to the sellers.

(7) Reflects the inclusion of additional transition and employee-related liabilities and purchase price adjustments for environmental remediation and abandonment reserves resulting from the transaction.

(8) Reflects the inclusion of the preferred limited partnership minority interest of the sellers.

(9) Reflects the elimination of the historical equity of Altura.

* These pro forma financial statements do not reflect reduction in debt from asset sale proceeds including proceeds from the recent disposition of Canadian Occidental Petroleum interests and Peru producing operations. Additionally, these statements do not reflect anticipated cost savings, synergies, changes in realized prices or production rates or certain other adjustments that may result from the acquisition of the Altura interest.

(c) Exhibits.

10.1 Purchase and Sale Agreement dated March 7, 2000, by and among Amoco D. T. Company, Amoco X. T. Company, Amoco Y. T. Company, SWEPI LP, Shell Land & Energy Company, Shell Onshore Ventures Inc., Shell K2 Inc., and Shell Everest, Inc., as Sellers, and Occidental Petroleum Corporation, as Buyer. (filed as Exhibit 10.1 of the Current Report on Form 8-K of Occidental previously filed and also dated March 7, 2000 (Date of earliest event reported), File No. 1-9210, and incorporated herein by this reference).

23.1 Consent of Ernst & Young LLP, Houston, Texas.

99.1 Altura Financial Statements.

SIGNATURE

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

OCCIDENTAL PETROLEUM CORPORATION
(Registrant)

DATE: May 12, 2000

S.P. Dominick, Jr.

S. P. Dominick, Jr., Vice President and Controller
(Chief Accounting and Duly Authorized Officer)

INDEX TO EXHIBITS

EXHIBIT NUMBER	DESCRIPTION
23.1	Consent of Ernst & Young LLP, Houston, Texas.
99.1	Altura Financial Statements.

EXHIBIT 23.1

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in the following Registration Statements previously filed by Occidental Petroleum Corporation of our report dated February 17, 2000, with respect to the financial statements of Altura Energy Ltd. included in this Form 8-K:

Form S-8 (No. 33-5487) 1978 Stock Option
Form S-8 (No. 33-5490) OXY USA Thrift Plan
Form S-8 (No. 33-14662) 1987 Stock Option
Form S-8 (No. 33-23798) Occidental Petroleum Corporation Savings Plan
Form S-3 (No. 33-40054) Dividend Reinvestment
Form S-8 (No. 33-44791) Occidental Chemical Corporation Savings and Investment Plan
Form S-8 (No. 33-47636) 1987 Stock Option additional shares
Form S-3 (No. 33-60492) Registration of Medium Term Notes, Series B
Form S-3 (No. 33-59395) Registration of $750 million of debt securities
Form S-3 (No. 33-63991) Registration of 2,270,290 shares of its common stock
Form S-8 (No. 33-64719) Occidental Petroleum Corporation 1995 Incentive Stock Plan
Form S-8 (No. 333-02901) 1996 Restricted Stock Plan for Non-employee Directors
Form S-3 (No. 333-11725) Registration of 3,493,427 shares of its common stock
Form S-3 (No. 333-11897) Registration of2,018,928 shares of its common stock
Form S-8 (No. 333-17879) Midcon Corp. Savings Plan
Form S-3 (No. 333-21019) Registration 118,275 shares of its common stock
Form S-3 MEF (No. 333-49207) Registration of $150 million of debt securities
Form S-3 (No. 333-52053) Registration of $.8 million of debt securities
Form S-3 MEF (No. 333-67385) Registration of $70 million of debt securities
Form S-3 (No. 333-69303) Registration of $1.4 billion of senior debt securities and subordinated debt securities
Form S-8 (No. 333-72719) Occidental Petroleum Corporation Savings Plan
Form S-8 (No. 333-72721) Occidental Chemical Corporation Savings and Investment Plan
Form S-8 (No. 333-78031) 1995 Incentive Stock Plan
Form S-8 (No. 333-79613) Oxy Vinyls, LP Savings Plan
Form S-3 (No. 333-79541) Registration of $1 billion of senior debt securities, subordinated debt securities, depositary shares and preferred securities

/s/ ERNST & YOUNG

Houston, Texas
May 10, 2000

EXHIBIT 99.1

Audited Financial Statements

Altura Energy Ltd.
(a Texas Limited Partnership)

Years ended December 31, 1999 and
1998 and for the period from March 1, 1997 (initial contribution)
to December 31, 1997
with Report of Independent Auditors

ALTURA ENERGY LTD.

FINANCIAL STATEMENTS

CONTENTS

REPORT OF INDEPENDENT AUDITORS

To the Managers Committee of Altura Energy LLC,
General Partner of Altura Energy Ltd.

We have audited the accompanying balance sheets of Altura Energy Ltd. (the "Partnership") as of December 31, 1999, 1998 and 1997, and the related statements of income, partners' capital and cash flows for the years ended December 31, 1999 and 1998 and for period from March 1, 1997 (initial contribution) to December 31, 1997. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Altura Energy Ltd. as of December 31, 1999 and 1998, and the results of its operations, its partners' capital and its cash flows for the years ended December 31, 1999, 1998 and 1997 and for the period from March 1, 1997 (initial contribution) to December 31, 1997, in conformity with generally accepted accounting principles.

ERNST & YOUNG LLP

February 17, 2000

ALTURA ENERGY LTD.
Balance Sheets
(In Thousands)

	December 31, 1999	1998	1997
ASSETS			
Current assets:			
Cash and cash equivalents	$ 3,772	$ 3,804	$ 4,803
Advances to Limited Partner affiliates (Note 4):			
BP Amoco affiliates	28,025	47,545	140,496
Shell affiliates	16,452	27,472	79,814
Accounts receivable:			
BP Amoco affiliates, net (Note 4)	86,042	11,969	-
Trade	45,287	48,750	59,403
Other	3,917	7,478	29,877
Total current assets	183,495	147,018	314,393
Property and equipment based on the successful efforts method of accounting for oil and gas properties, net (Notes 2 and 3)	2,038,882	2,129,397	2,265,665
Total assets	$ 2,222,377	$ 2,276,415	$ 2,580,058
LIABILITIES AND PARTNERS' CAPITAL			
Current liabilities:			
Accounts payable and accrued expenses	$ 141,780	$ 103,990	$ 174,490
BP Amoco affiliates, net (Note 4)	-	-	46,295
Total current liabilities	141,780	103,990	220,785
Dismantlement, restoration and abandonment (Note 2)	90,885	88,551	93,235
Other noncurrent liabilities	1,517	6,718	3,006
Total liabilities	234,182	199,259	317,026
Commitments and contingencies (Note 6)	-	-	-
Partners' capital	1,988,195	2,077,156	2,263,032
Total liabilities and partners' capital	$ 2,222,377	$ 2,276,415	$ 2,580,058

See accompanying notes to financial statements

ALTURA ENERGY LTD.
Statements of Income
(In Thousands)

	Years ended December 31, 1999	Years ended December 31, 1998	Period from March 1, 1997 (initial contribution) to December 31, 1997
Revenues:			
Oil and gas revenues (Notes 2 and 4)	$ 843,231	$ 681,890	$ 754,411
Other	1,481	23,278	33,466
	844,712	705,168	787,877
Costs and expenses:			
Lease operating	256,404	287,555	178,005
Selling and administrative	42,340	52,125	32,417
Production and other taxes	64,555	67,166	64,820
Exploration	940	874	3,585
Depletion, depreciation and amortization	145,243	159,622	140,635
Interest	317	483	566
	509,799	567,825	420,028
Income to Partners	$ 334,913	$ 137,343	$ 367,849
Income to Limited Partners	$ 328,215	$ 134,596	$ 360,993
Income to General Partner	$ 6,698	$ 2,747	$ 6,856

See accompanying notes to financial statements

ALTURA ENERGY LTD.
Statements of Changes in Partners' Capital
(In Thousands)

	Limited Partners	Altura LLC, General Partner	Total
Balance at March 1, 1997 (Initial Contribution)	$ 2,190,400	$ 46,600	$ 2,237,000
Net Income	360,993	6,856	367,849
Contributions	35,333	4,370	39,703
Distributions	(373,890)	(7,630)	(381,520)
Balance at December 31, 1997	2,212,836	50,196	2,263,032
Net Income	134,596	2,747	137,343
Contributions	7,711	29,871	37,582
Distributions	(353,905)	(6,896)	(360,801)
Balance at December 31, 1998	2,001,238	75,918	2,077,156
Net Income	328,215	6,698	334,913
Contributions	-	29,763	29,763
Distributions	(444,564)	(9,073)	(453,637)
Balance at December 31, 1999	$ 1,884,889	$ 103,306	$ 1,988,195

See accompanying notes to financial statements

ALTURA ENERGY LTD.
Statements of Cash Flows
(In Thousands)

	Years ended December 31, 1999	Years ended December 31, 1998	Period from March 1, 1997 (initial contribution) to December 31, 1997
OPERATING ACTIVITIES			
Net income	$ 334,913	$ 137,343	$ 367,849
Adjustments to reconcile net income to net cash provided by operating activities:			
Depletion, depreciation and amortization	145,243	159,622	140,635
Gain on disposal of assets	-	(13,359)	(24,100)
Noncash carbon dioxide contributions	18,503	22,109	4,370
Noncash selling and administrative in-kind contributions	-	7,711	19,322
Exploration expense	940	874	3,585
Changes in operating assets and liabilities:			
Accounts receivable	(70,610)	(1,316)	(59,403)
Other current assets	3,561	22,399	(29,877)
Accounts payable and other accrued expenses	37,790	(116,795)	220,785
Other noncurrent liabilities	(2,867)	(972)	3,241
Net cash provided by operating activities	467,473	217,616	646,407
INVESTING ACTIVITIES			
Additions to property and equipment	(44,408)	(94,890)	(112,601)
Proceeds from sale of fixed assets	-	91,783	26,815
Net cash used in investing activities	(44,408)	(3,107)	(85,786)
FINANCING ACTIVITIES			
Advances to limited partners	30,540	145,293	(220,310)
Distributions to Partners	(453,637)	(360,801)	(381,519)
Contributions	-	-	46,011
Net cash used in financing activities	(423,097)	(215,508)	(555,818)
(Decrease) increase in cash and cash equivalents	(32)	(999)	4,803
Cash and cash equivalents at beginning of year	3,804	4,803	-
Cash and cash equivalents at end of year	$ 3,772	$ 3,804	$ 4,803
Supplemental disclosure of cash flow information:			
Partner carbon dioxide in-kind contributions	$ 29,763	$ 29,871	$ 4,370
Partner selling and administrative in-kind contributions	$ -	$ 7,711	$ 19,322
Non cash contribution of assets	$ -	$ -	$ 2,207,000

See accompanying notes to financial statements

(IN THOUSANDS)

NOTE 1 - ORGANIZATION AND BASIS OF PRESENTATION

Altura Energy Ltd. (the "Partnership") is a Texas limited partnership formed pursuant to the Agreement of the Limited Partnership of Altura Energy LLC, a Delaware limited liability company, as General Partner, and Amoco X.T. Company, Amoco Y.T. Company, Shell Land & Energy Company, Shell Western E&P LP, Shell Onshore Ventures, Inc., Shell K2, Inc., and Shell Everest, Inc., each as a Limited Partner. The term of the Partnership expires on February 28, 2007. Herein the Amoco entities are referred to collectively as "BP Amoco" and the Shell entities are referred to as "Shell." The Partnership was formed to effect the combination of oil and gas exploration and production activities in the Permian Basin area of west Texas and southeast New Mexico of BP Amoco and Shell. The ownership interests and profit interests of the partners in the Partnership are as follows:

Altura Energy LLC	General Partner	2.0000%
Amoco X.T. Company	Limited Partner	46.1171%
Amoco Y.T. Company	Limited Partner	16.5196%
Shell Land & Energy Company	Limited Partner	.4650%
Shell Onshore Ventures, Inc.	Limited Partner	1.2527%
Shell K2, Inc.	Limited Partner	15.7959%
Shell Everest, Inc.	Limited Partner	14.1895%
Shell Western E&P LP	Limited Partner	3.6602%
		100.0000%

The General Partner, Altura Energy LLC, is a Delaware limited liability company. The ownership interests, voting interests, and profits interests of its members are as follows:

Amoco D.T. Company	63.9150%
Shell Western E&P LP	36.0850%

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

Preparation of the accompanying financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash Equivalents

The Partnership considers cash equivalents to consist of highly liquid investments which are readily convertible to cash and have original maturities of three months or less.

FASB Statement No. 133 ("SFAS 133"), Accounting for Derivative Instruments and Hedging Activities, as amended by FASB Statement No. 137, establishes accounting and reporting standards for derivative instruments and hedging activities. Effective January 1, 2001, it will require the Partnership to recognize all derivatives as either assets or liabilities and to measure those instruments at fair value in its balance sheet. A derivative meeting certain conditions may be designated as a hedge of a specific exposure. Accounting for changes in a derivative's fair value will depend on the intended use of the derivative and the resulting designation. Any transition adjustments resulting from adopting this statement will be reported in net income or other comprehensive income, as appropriate, as the cumulative effect of a change in accounting principle. The Partnership has not yet determined the effect that SFAS 133 will have on its future financial statements or the amount of the cumulative adjustment, if any, that will be made upon adopting this new standard. The Partnership does not anticipate the early adoption of SFAS 133.

Oil and Gas Properties

The Partnership follows the successful efforts method of accounting for oil and gas exploration, development, and producing activities. Costs of property acquisitions, successful exploratory wells, all development costs, and support equipment and facilities are capitalized. Unsuccessful exploratory wells are expensed when determined to be nonproductive. Production costs, overhead and all exploration costs other than successful exploratory drilling are charged against income as incurred.

Generally, depreciation of plant and equipment, other than oil and gas facilities, is computed on a straight-line basis over the estimated economic lives of the facilities, which for gas plants approximate 20 years. Depletion of the cost of producing oil and gas properties, amortization of related intangible drilling and development costs, including capitalized carbon dioxide, and depreciation of tangible lease and well equipment are recognized using the units-of-production method.

The Partnership accrues estimated future costs to plug and abandon wells under the units-of-production method. The charge is reflected in the accompanying statements of income as part of depreciation, depletion and amortization expense, while the liability is reflected in the accompanying balance sheets in dismantlement, restoration and abandonment.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of Long Lived Assets

In accordance with Statement of Financial Accounting Standards No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of ("SFAS 121"), the Partnership reviews its long-lived assets to be held and used, including oil and gas properties accounted for under the successful efforts method of accounting, whenever events or circumstances indicate that the carrying value of those assets may not be recoverable. An impairment loss is indicated if the sum of the expected future cash flows is less than the carrying amount of the assets. In this circumstance, the Partnership recognizes an impairment loss for the amount by which the carrying amount of the asset exceeds the estimated fair value of the asset.

Environmental Liabilities

The Partnership is subject to extensive federal, state and local environmental laws and regulations. These laws, which are constantly changing, regulate the discharge of materials into the environment and may require the Partnership to remove or mitigate the environmental effects of the disposal or release of petroleum or chemical substances at various sites. Relative to its producing assets, the Partnership accrues environmental liabilities on a units-of-production method over the life of the producing asset. As of December 31, 1999, 1998 and 1997, the Partnership had accrued $28 million, $27 million, and $26 million, respectively, in connection with these environmental obligations. The related expenditures will be incurred following abandonment of the property.

Under the terms of the Assumption and Indemnification Agreement, the limited partners have indemnified the Partnership for the environmental remediation obligation of specifically identified sites, as well as environmental conditions existing at generic sites such as gas plants, field locations, and offsite disposal sites. Partnership management believes that substantially all environmental remediation obligations, that may arise relative to the contributed properties, are subject to the Assumption and Indemnification Agreement. For any environmental remediation obligations that are not indemnified, liabilities are recorded when environmental assessment and/or remediation is probable and the costs can be reasonably estimated. Such liabilities are generally undiscounted unless the timing of cash payments for the liability are fixed or reliably determinable. The Partnership believes that the costs for compliance with current environmental laws and regulations have not had and will not have a material effect on the Partnership's financial position or results of operations.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Concentrations of Credit Risk

Financial instruments which subject the Partnership to concentrations of credit risk consist principally of trade receivables. A significant portion of the Partnership's trade receivables relate to customers in the oil and gas industry, and, as such, the Partnership is directly affected by the economy of that industry. However, the credit risk associated with trade receivables is minimized since the Partnership's primary customers are its Partners and related affiliates. The Partnership has established ongoing procedures to monitor the creditworthiness of customers but generally requires no collateral. Historically, the Partnership has not experienced significant losses on trade receivables.

Revenue Recognition

The Partnership uses the sales method of accounting for crude oil and natural gas revenues. Under this method, revenue is recorded on the basis of oil and gas actually sold by the Partnership. The Partnership records revenue for its share of gas sold by other owners that cannot be balanced in the future due to insufficient remaining reserves. The Partnership also reduces revenue for gas sold by the Partnership that cannot be balanced in the future due to insufficient remaining reserves.

Income Taxes

The financial statements reflect no provision for U.S. federal and state income taxes since such taxes are the liabilities of the Partners.

NOTE 3 - PROPERTY AND EQUIPMENT

Major property classifications as of December 31, 1999 and 1998 are as follows (in thousands):

	1999	1998	1997
Proved properties	$ 6,255,722	$ 6,190,951	$ 6,213,370
Unproved properties	24,105	21,137	20,626
Support equipment and facilities	66,771	52,132	44,671
	6,346,598	6,264,220	6,278,667
Less accumulated depletion, depreciation and amortization	(4,307,716)	(4,134,823)	(4,013,002)
	$ 2,038,882	$ 2,129,397	$ 2,265,665

NOTE 4 - RELATED PARTY TRANSACTIONS

In the ordinary course of business, the Partnership has entered into various agreements with its Partners and related affiliates to sell crude oil, natural gas and related products, as well as to purchase carbon dioxide (see Note 6 - Commitments and Contingencies).

The Partnership sells substantially all crude oil production to an affiliate of BP Amoco at posted prices under an agreement with an initial term expiring March 2007.

The Partnership advances cash to Limited Partner affiliates prior to remitting the funds via a formal cash distribution each quarter as provided by the Revolving Credit and Cash Management Agreement executed with Shell and BP Amoco, respectively. These advances are included in advances to Partners and bear interest at the rate of LIBOR less one-half of one percent (.50%).

The General Partner contributions represent in-kind contributions of carbon dioxide at a price estimated to be the fair value by Partnership management.

The Limited Partner contributed accounting and administrative services to the Partnership in 1998 and 1997 that were valued based on the actual costs incurred.

Following is a list of significant related party amounts that are not separately identified in the financial statements (in thousands):

	BP Amoco	Shell
Year 1999		
Oil and gas revenues	$ 718,650	$ 23,402
Accounting services	$ 12,000	$ -
Year 1998		
Oil and gas revenues	$ 643,643	$ -
Accounting services	$ 11,700	$ -
Year 1997		
Oil and gas revenues	$ 660,810	$ -

NOTE 5 - BENEFIT PLANS

The Partnership provides pension and post employment healthcare benefits to all eligible employees and retirees. Pension benefits are based on a partnership contributed percentage of employee compensation and a stipulated interest rate. In addition, certain employees who were previously employed by affiliates of BP Amoco and Shell qualify for a pension transition benefit based on years of service and compensation during the last years of employment. Contributions to the pension plan are not less than the minimum funding standards set forth in the Employees Retirement Income Security Act of 1974, as amended. The portion of the funded plan's assets held in fixed-income and short-term securities and equity securities was each approximately 50% as of December 31, 1999 and 1998. The Partnership does not currently pre-fund healthcare benefit costs.

NOTE 5 - BENEFIT PLANS (CONTINUED)

The following pension credits and funded status are based on information provided by the Partnership's actuary:

	1999		1998		1997	
	Pension Benefits	Other Benefits	Pension Benefits	Other Benefits	Pension Benefits	Other Benefits
CHANGE IN BENEFIT OBLIGATION						
Benefit obligation at beginning of the year	$ 37,503	$ 5,919	$ 22,953	$ 5,476	$ 18,579	$ 4,747
Service cost	4,577	326	4,224	341	2,534	253
Interest cost	2,446	398	1,716	411	1,302	297
Actuarial loss/(gain)	(4,728)	(992)	8,680	(306)	538	179
Benefits paid	(2,511)	(27)	(70)	(3)	--	--
Benefit obligation at end of year	37,287	5,624	37,503	5,919	22,953	5,476
CHANGE IN PLAN ASSETS						
Fair value of plan assets at beginning of year	9,376	--	4,530	--	--	--
Actual return on plan assets	574	--	815	--	92	--
Employer contributions	4,826	--	4,101	--	4,438	--
Benefits paid	(2,511)	--	(70)	--	--	--
Fair value of plan assets at end of year	12,265	--	9,376	--	4,530	--
Funded status	(25,022)	(5,624)	(28,127)	(5,919)	(18,423)	(5,476)
Unrecognized actuarial loss/(gain)	1,762	(1,206)	6,339	(214)	(2,217)	180
Unrecognized prior service cost	15,078	3,387	16,491	3,734	20,119	4,433
Net amount recognized	(8,182)	(3,443)	(5,297)	(2,399)	(521)	(863)
Weighted average assumptions as of December 31:						
Discount rate	8.00%	8.00%	6.75%	6.75%	7.50%	7.30%
Expected return on plan assets	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
Rate of compensation increase	5.00%	--	5.00%	--	5.00%	--
COMPONENTS OF NET PERIODIC BENEFIT COST						
Service cost	4,577	326	4,224	341	2,534	253
Interest cost	2,446	399	1,716	411	1,302	297
Expected return on plan assets	(929)	--	(480)	--	(200)	--
Amortization of prior service cost	1,413	346	1,588	376	1,323	314
Recognized actuarial loss	203	--	--	--	--	--
Recognized curtailment loss	--	--	1,830	410	--	--
Net periodic benefit cost	7,710	1,071	8,878	1,538	4,959	864

NOTE 5 - BENEFIT PLANS (CONTINUED)

Assumed health care cost trend rates have a significant effect on the amounts reported for the healthcare plan. A one-percentage-point change in assumed healthcare cost trend rates would have the following effects (in thousands):

	1-Percentage-Point Increase	1-Percentage-Point Decrease
Effect on total of services and interest cost components	$ 119	$ (101)
Effect on the postretirement benefit obligation	$ 882	$ (754)

NOTE 6 - COMMITMENTS AND CONTINGENCIES

Leases

The Partnership has various long-term operating leases extending through the year 2007. Future payments under the non-cancelable lease are as follows (in thousands):

2000	$ 3,176
2001	2,823
2002	2,765
2003	2,602
2004	1,189
Total	$ 12,555

Rent expense for the years ended December 31, 1999, 1998 and the 10 months ended December 31, 1997 totaled approximately $1.5 million, $1.5 million and $1.25 million, respectively.

NOTE 6 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

Long-Term Carbon Dioxide Purchase Agreements

The Partnership is obligated under several long-term carbon dioxide purchase agreements with affiliates of its Limited Partners. These agreements commit the Partnership to the purchase of approximately 215 billion cubic feet (BCF) of carbon dioxide, at index prices ranging approximately between $.50 per thousand cubic feet (MCF) and $.90 per MCF. Subject to price fluctuations, total payments under these obligations are estimated to be approximately $130 million to $180 million for January 1, 2000 through December 31, 2004. Following are the Partnership's carbon dioxide purchases from affiliates of its Limited Partners:

	BP Amoco	Shell
Carbon dioxide purchases:		
1999	$ 15,290	$ 24,766
1998	$ 21,600	$ 20,725
1997	$ 34,477	$ 11,537

Contingencies

The Partnership has certain contingent liabilities resulting from litigation and claims incident to the ordinary course of business. Management believes that there are meritorious defenses against these contingencies and that the probable resolution of such contingencies will not have a material adverse effect on the financial position or results of operations of the Partnership.

NOTE 7 - ALTURA ENERGY LTD. SUPPLEMENTAL OIL AND NATURAL GAS INFORMATION (UNAUDITED)

The following information is being provided as supplemental information in accordance with certain provisions of SFAS No. 69, Disclosures about Oil and Gas Producing Activities.

Costs Incurred

Development costs include the costs of drilling and equipping development wells, capitalized carbon dioxide, and certain other injected materials for enhanced recovery projects and facilities to extract, treat, gather and store oil and gas. Development costs include administrative expenses and depreciation applicable to support equipment associated with these activities. Costs incurred in development activities were $65,627, $52,418 and $170,856 in 1999, 1998 and 1997, respectively.

NOTE 7 - ALTURA ENERGY LTD. SUPPLEMENTAL OIL AND NATURAL GAS INFORMATION (UNAUDITED) (CONTINUED)

Proved Reserves

The following table sets forth the net proved reserves of the Partnership as of December 31, 1999, 1998 and 1997, respectively, and the changes therein for the years then ended. The reserve information was provided by the Partnership's engineers. All of the Partnership's oil and natural gas producing activities are located in the United States.

	Oil (MBBLS)	Gas (MMCF)
Balance at December 31, 1996	991,924(1)	494,405
Production	(44,400)	(30,600)
Revisions	(11,072)	(8,843)
Improved recovery	2,943	2,104
Purchases (sales) - net	(1,195)	(10,566)
Balance at December 31, 1997	938,200(1)	446,500
Production	(44,500)	(52,300)
Revisions	(138,103)	2,532
Improved recovery	45,434	(3,994)
Purchases (sales) - net	(21,982)	(66,484)
Balance at December 31, 1998	779,049(1)	326,254
Production	(44,017)	(35,792)
Revisions	51,886	138,251
Improved recovery	70,557	14,745
Purchases (sales) - net	3,551	(4,074)
Balance at December 31, 1999	861,026(1)	439,384
Proved Developed 12/31/99	719,720	363,957
Proved Developed 12/31/98	693,100	296,800
Proved Developed 12/31/97	796,851	365,318

(1) Excludes non-leasehold natural gas liquids production attributable to processing plants owned by the Partnership.

Standardized Measure of Discounted Future Net Cash Flows Relating to Proved Oil and Gas Reserves

The information that follows has been developed pursuant to procedures prescribed by SFAS No. 69 and utilizes reserve and production data estimated by the Partnership's petroleum engineers. Reserve estimates are inherently imprecise and estimates of new discoveries are more imprecise than those of producing oil and natural gas properties. Accordingly, these estimates are expected to change as future information becomes available.

NOTE 7 - ALTURA ENERGY LTD. SUPPLEMENTAL OIL AND NATURAL GAS INFORMATION (UNAUDITED) (CONTINUED)

The estimated discounted future net cash flows from estimated proved reserves are based on prices and costs as of the date of the estimate unless such prices or costs are contractually determined at such date. Oil and gas production revenues reflect the market prices of net production sold or transferred, with appropriate adjustments for royalties and other contractual provisions. Production costs are lifting costs incurred to operate and maintain productive wells and related equipment, including such costs as operating labor, repairs and maintenance, materials, supplies and fuel consumed. Also included in production costs are operating costs of field natural gas liquids plants. Production costs include related administrative expenses and depreciation applicable to support equipment associated with production activities. Actual future prices and costs may be materially higher or lower. Actual future net revenues also will be affected by factors such as actual production, supply and demand for oil and natural gas, curtailments or increases in consumption by natural gas purchasers, changes in governmental regulations, and the impact of inflation on costs.

	(In Thousands) December 31, 1999	1998
Future cash flows	$ 21,154,000	$ 7,735,000
Future production costs	5,710,000	5,039,000
Future development costs	655,000	734,000
Future net cash flows	14,789,000	1,962,000
Discount to present value at 10% per annum	8,742,000	1,302,000
Standardized measure of discounted future net cash flows	$ 6,047,000	$ 660,000

NOTE 7 - ALTURA ENERGY LTD. SUPPLEMENTAL OIL AND NATURAL GAS INFORMATION (UNAUDITED) (CONTINUED)

Changes in Standardized Measure of Discounted Future Net Cash Flows

The following table sets forth the principal changes in standardized measure of discounted future net cash flows for the year ended December 31 are as follows (in thousands):

	1999	1998	1997
Balance at the beginning of the year	$ 660,000	$ 2,331,000	$ 5,773,000
Sales of oil and gas, net of production costs	(522,000)	(405,000)	(528,000)
Changes in prices and production costs	5,127,000	(1,237,000)	(2,308,000)
Revision of previous quantity estimates	(275,000)	11,000	(408,000)
Current year discoveries, extension and improved recovery	545,000	(300,000)	12,000
Development costs incurred during the period	52,000	52,000	171,000
Accretion of discount	66,000	233,000	577,000
Other	394,000	(25,000)	(958,000)
Net change	5,387,000	(1,671,000)	(3,442,000)
Balance at December 31, 1999	$ 6,047,000	$ 660,000	$ 2,331,000