SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended September 30, 2007

OR

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

For the transition period from ___________ to ___________

Commission file number 1-9210

OCCIDENTAL PETROLEUM CORPORATION

(Exact name of registrant as specified in its charter)

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

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

Large Accelerated Filer ☑ Accelerated Filer ☐ Non-Accelerated Filer ☐

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

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

Class	Outstanding at September 30, 2007
Common stock $.20 par value	828,596,346 shares

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES

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PART I FINANCIAL INFORMATION

Item 1. Financial Statements (unaudited)

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS
SEPTEMBER 30, 2007 AND DECEMBER 31, 2006
(Amounts in millions)

	2007	2006
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 1,455	$ 1,339
Short-term investments	—	240
Receivables, net	4,180	3,324
Inventories	952	825
Prepaid expenses and other	266	257
Assets of discontinued operations	—	184
Total current assets	6,853	6,169
LONG-TERM RECEIVABLES, net	205	231
INVESTMENTS IN UNCONSOLIDATED ENTITIES	754	1,344
PROPERTY, PLANT AND EQUIPMENT, net of accumulated depreciation, depletion and amortization of $12,863 at September 30, 2007 and $11,342 at December 31, 2006	25,541	24,138
OTHER ASSETS	669	549
	$ 34,022	$ 32,431

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

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS
SEPTEMBER 30, 2007 AND DECEMBER 31, 2006
(Amounts in millions)

	2007	2006
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Current maturities of long-term debt and capital lease liabilities	$ 156	$ 171
Accounts payable	3,068	2,263
Accrued liabilities	1,465	1,720
Domestic and foreign income taxes	154	396
Liabilities of discontinued operations	120	145
Total current liabilities	4,963	4,695
LONG-TERM DEBT, net of current maturities and unamortized discount/premium	1,748	2,619
DEFERRED CREDITS AND OTHER LIABILITIES		
Deferred and other domestic and foreign income taxes	2,308	2,366
Long-term liabilities of discontinued operations	181	195
Other	2,816	2,952
	5,305	5,513
MINORITY INTEREST	105	352
STOCKHOLDERS' EQUITY		
Common stock, at par value	175	174
Treasury stock	(2,391)	(1,481)
Additional paid-in capital	7,043	6,905
Retained earnings	17,574	13,987
Accumulated other comprehensive loss	(500)	(333)
	21,901	19,252
	$ 34,022	$ 32,431

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

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF INCOME
FOR THE THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 2007 AND 2006
(Amounts in millions, except per-share amounts)

	Three months ended September 30 2007	Three months ended September 30 2006	Nine months ended September 30 2007	Nine months ended September 30 2006
REVENUES				
Net sales	$ 4,841	$ 4,402	$ 13,267	$ 13,137
Interest, dividends and other income	57	75	298	203
Gains on disposition of assets, net	157	6	877	25
	5,055	4,483	14,442	13,365
COSTS AND OTHER DEDUCTIONS				
Cost of sales	2,297	2,066	6,553	6,076
Selling, general and administrative and other operating expenses	405	344	1,129	1,026
Environmental remediation	10	8	71	24
Exploration expense	126	74	321	195
Interest and debt expense, net	48	62	297	202
	2,866	2,554	8,371	7,523
Income before taxes and other items	2,169	1,929	6,071	5,842
Provision for domestic and foreign income and other taxes	862	858	2,450	2,583
Minority interest	16	24	44	95
Income from equity investments	(25)	(56)	(53)	(168)
Income from continuing operations	1,316	1,103	3,630	3,332
Discontinued operations, net	8	67	318	(71)
NET INCOME	$ 1,324	$ 1,170	$ 3,948	$ 3,261
BASIC EARNINGS PER COMMON SHARE				
Income from continuing operations	$ 1.58	$ 1.29	$ 4.34	$ 3.90
Discontinued operations, net	0.01	0.08	0.38	(0.08)
Basic earnings per common share	$ 1.59	$ 1.37	$ 4.72	$ 3.82
DILUTED EARNINGS PER COMMON SHARE				
Income from continuing operations	$ 1.57	$ 1.28	$ 4.31	$ 3.86
Discontinued operations, net	0.01	0.08	0.38	(0.08)
Diluted earnings per common share	$ 1.58	$ 1.36	$ 4.69	$ 3.78
DIVIDENDS PER COMMON SHARE	$ 0.25	$ 0.22	$ 0.69	$ 0.58
WEIGHTED AVERAGE BASIC SHARES	833.1	852.8	837.0	854.2
WEIGHTED AVERAGE DILUTED SHARES	837.0	860.3	840.9	863.0

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

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2007 AND 2006
(Amounts in millions)

	2007	2006
CASH FLOW FROM OPERATING ACTIVITIES		
Net income	$ 3,948	$ 3,261
Adjustments to reconcile net income to net cash provided by operating activities:		
Discontinued operations, net	(318)	71
Depreciation, depletion and amortization of assets	1,740	1,446
Deferred income tax benefit	(25)	(16)
Other non-cash charges to income	632	416
Gains on disposition of assets, net	(877)	(25)
Income from equity investments	(53)	(168)
Dry hole and impairment expense	186	66
Changes in operating assets and liabilities	(846)	(495)
Other operating, net	(217)	(151)
Operating cash flow from continuing operations	4,170	4,405
Operating cash flow from discontinued operations	154	403
Net cash provided by operating activities	4,324	4,808
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditures	(2,510)	(1,977)
Purchase of businesses and assets, net	(991)	(2,503)
Sales of businesses and disposal of property, plant, and equipment, net	460	975
Short term investments - purchases	(10)	(152)
Short term investments - sales	250	180
Sales of equity investments and available-for-sale investments	1,157	—
Equity investments and other investing, net	(124)	(69)
Investing cash flow from continuing operations	(1,768)	(3,546)
Investing cash flow from discontinued operations	(9)	(53)
Net cash used by investing activities	(1,777)	(3,599)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long-term debt	97	150
Payments of long-term debt and capital lease liabilities	(1,145)	(761)
Proceeds from issuance of common stock	15	5
Purchases of treasury stock	(910)	(1,288)
Excess tax benefits related to share-based payments	44	126
Cash dividends paid	(557)	(458)
Stock options exercised	25	42
Other financing, net	—	1
Net cash used by financing activities	(2,431)	(2,183)
Increase (decrease) in cash and cash equivalents	116	(974)
Cash and cash equivalents—beginning of period	1,339	2,188
Cash and cash equivalents—end of period	$ 1,455	$ 1,214

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

September 30, 2007

1. General

In these unaudited consolidated condensed financial statements, "Occidental" means Occidental Petroleum Corporation (OPC) and/or one or more entities in which it owns a majority voting interest (subsidiaries). Occidental made its disclosures in accordance with accounting principles generally accepted in the United States of America as they apply to interim reporting, but condensed or omitted certain information and disclosures normally included in notes to consolidated financial statements in accordance with the Securities and Exchange Commission's rules and regulations. 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, 2006.

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 September 30, 2007, and the consolidated statements of income and cash flows for the three and nine months then ended, as applicable. The income and cash flows for the periods ended September 30, 2007 and 2006, are not necessarily indicative of the income or cash flows to be expected for the full year.

2. Asset Acquisitions, Dispositions and Other Transactions

In September 2007, Occidental sold exploration properties in West Africa and recorded a pre-tax gain of $103 million.

In June 2007, Occidental completed a fair value exchange under which BP p.l.c. (BP) acquired Occidental's oil and gas interests in Horn Mountain and cash and Occidental acquired oil and gas interests in the Permian Basin and a gas processing plant in Texas from BP. Occidental also purchased for cash BP's West Texas Pipeline System and, in a separate transaction, Occidental sold its oil and gas interests in Pakistan to BP. As a result of these transactions, both the Horn Mountain and Pakistan operations were classified as discontinued operations for all periods presented. The nine months of 2007 includes after-tax gains of $226 million related to these transactions. Net revenues and pre-tax income for these discontinued operations were $193 million and $140 million, respectively, for the nine months ended September 30, 2007. Net revenues and pre-tax income for these discontinued operations were $120 million and $87 million, respectively, for the three months ended September 30, 2006, and $380 million and $282 million, respectively, for the nine months ended September 30, 2006.

In May 2007, Occidental redeemed all $276 million of the outstanding principal amount of its 8.25-percent Vintage Petroleum, LLC (Vintage) senior notes due 2012. In January 2007, Occidental completed cash tender offers for its 10.125-percent senior debentures due 2009, 9.25-percent senior debentures due 2019, 8.75-percent senior notes due 2023, 7.2-percent senior debentures due 2028 and 8.45-percent senior notes due 2029, resulting in the repurchase of a portion of these debt instruments totaling $659 million in principal amount. The redemption and repurchases resulted in a pre-tax interest expense of $167 million.

In January 2007, Occidental sold its interest in a Russian joint venture to TNK-BP for approximately $485 million and recorded an after-tax gain of $412 million.

3. Accounting Changes

In February 2007, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities.• This Statement provides companies an option to measure certain financial instruments at fair value. SFAS No. 159 is effective for fiscal years beginning after November 15, 2007. Occidental is currently assessing the effect of the adoption of SFAS No. 159 on its financial statements.

In September 2006, the FASB issued FASB Staff Position (FSP) AUG AIR-1, "Accounting for Planned Major Maintenance Activities," which is effective for the first fiscal year beginning after December 15, 2006. This FSP prohibits the use of the accrue-in-advance method of accounting for planned major maintenance activities, which was used by certain operations of Occidental. When Occidental adopted FSP AUG AIR-1 on January 1, 2007, those operations changed to the deferral method of accounting for planned major maintenance activities. The adoption of FSP AUG AIR-1 was retrospectively applied to all periods presented and the impact to the income statements for the three and nine months ended September 30, 2006 was immaterial.

The following table shows the effects of adopting FSP AUG AIR-1 on the consolidated balance sheet at January 1, 2007 (in millions):

	Debit/(Credit)
Prepaid expenses and other	$ 1
Property, plant and equipment, net	$ (16)
Other assets	$ 91
Accrued liabilities	$ 43
Deferred and other domestic and foreign income taxes	$ (40)
Minority interest	$ (11)
Retained earnings	$ (68)

4. Comprehensive Income

The following table presents Occidental's comprehensive income items for the three and nine months ended September 30, 2007 and 2006 (in millions):

	Periods Ended September 30			
	Three months		Nine months	
	2007	2006	2007	2006
Net income	$ 1,324	$ 1,170	$ 3,948	$ 3,261
Other comprehensive income items				
Foreign currency translation adjustments	4	(2)	11	3
Derivative mark-to-market adjustments	6	153	(61)	55
Pension and post-retirement adjustments	3	—	7	(3)
Reclassification of realized gains (a)	(26)	—	(217)	—
Unrealized gain on securities	—	49	93	174
Other comprehensive income (loss), net of tax	(13)	200	(167)	229
Comprehensive income	$ 1,311	$ 1,370	$ 3,781	$ 3,490

(a) Amounts include the recognition of the after-tax gains on the sale of approximately 2.4 and 21.0 million shares of Lyondell Chemical Company (Lyondell) stock for the three and nine months ended September 30, 2007, respectively.

5. Supplemental Cash Flow Information

Net cash payments for federal, foreign and state income taxes paid by continuing operations were approximately $1.7 billion for both the nine months ended September 30, 2007 and 2006. Interest paid (net of interest capitalized of $46 million and $38 million, respectively) totaled approximately $250 million and $177 million for the nine months ended September 30, 2007 and 2006, respectively. Net cash payments for federal, foreign and state income taxes paid by discontinued operations for the nine months ended September 30, 2007 and 2006 were approximately $17 million and $81 million, respectively.

6. Inventories

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

Balance at	September 30, 2007	December 31, 2006
Raw materials	$ 93	$ 70
Materials and supplies	358	304
Finished goods	575	525
	1,026	899
LIFO reserve	(74)	(74)
Total	$ 952	$ 825

7. Asset Retirement Obligations

The asset retirement obligations at September 30, 2007 and 2006, were $392 million and $297 million, respectively, of which $379 million and $290 million, respectively, are included in deferred credits and other liabilities-other and the remaining balance is included in accrued liabilities. The following summarizes the activity of the asset retirement obligations for the nine months ended September 30, 2007 and 2006 (in millions):

Nine months ended September 30	2007	2006
Beginning balance	$ 362	$ 222
Liabilities incurred in the period	11	5
Liabilities settled in the period	(12)	(16)
Acquisition and other	14	72
Accretion expense	17	14
Ending balance	$ 392	$ 297

8. Environmental Liabilities and Expenditures

Stringent federal, state, local and foreign laws and regulations relating to improving or maintaining environmental quality govern Occidental's operations. The laws that require or address environmental remediation may apply retroactively to past waste disposal practices and releases of substances to the environment. In many cases, the laws apply regardless of fault, legality of the original activities or current ownership or control of sites. OPC or certain of its subsidiaries currently participate in environmental assessments and cleanups under these laws at third-party sites, currently-owned sites and previously-owned sites.

At September 30, 2007, the current portion of Occidental's environmental remediation reserves ($79 million) is included in accrued liabilities and the remaining amount ($357 million) is included in deferred credits and other liabilities-other. The following table presents the environmental remediation reserves in three categories of sites ($ amounts in millions):

	Number of Sites	Reserve Balance
CERCLA & equivalent sites	104	$ 201
Active facilities	21	156
Closed or sold facilities	42	79
Total	167	$ 436

In determining the environmental remediation reserves and the reasonably possible range of loss, Occidental refers to currently available information, including relevant past experience, available technology, regulations in effect, the timing of remediation and cost-sharing arrangements. Occidental believes it is reasonably possible that it will continue to incur additional liabilities beyond those recorded for environmental remediation at these sites. The range of reasonably possible loss for existing environmental remediation matters could be up to $400 million beyond the amount accrued.

The following table shows additional detail regarding reserves for Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) or CERCLA-equivalent proceedings in which OPC or certain of its subsidiaries were involved at September 30, 2007:

Description	Number of Sites	Reserve Balance (in millions)
Minimal/No Exposure (a)	84	$ 4
Reserves between $1-10 million	14	47
Reserves over $10 million	6	150
Total	104	$ 201

(a) Includes 30 sites for which Maxus Energy Corporation has retained the liability and indemnified Occidental, 6 sites where Occidental has denied liability without challenge, 36 sites where Occidental's reserves are less than $50,000 each, and 12 sites where reserves are between $50,000 and $1 million each.

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

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

Since 2004, Occidental Chemical Corporation (OCC) has been served with eleven lawsuits filed in Nicaragua by approximately 2,600 individual plaintiffs. These individuals allege that they have sustained several billion dollars of personal injury damages as a result of their alleged exposure to a pesticide. OCC is aware of, but has not been served in, 23 additional cases in Nicaragua, which Occidental understands make similar allegations. In the opinion of management, the claims against OCC are without merit because, among other things, OCC believes that none of the pesticide it manufactured was ever sold or used in Nicaragua. Under the applicable Nicaraguan statute, defendants are required to pay pre-trial deposits so large as to effectively prohibit defendants from participating fully in their defense. OCC filed a response to the complaints contesting jurisdiction without posting such pre-trial deposit. In 2004, the judge in one of the cases (Osorio Case) ruled the court had jurisdiction over the defendants, including OCC, and that the plaintiffs had waived the requirement of the pre-trial deposit. In order to preserve its jurisdictional defense, OCC elected not to make a substantive appearance in the Osorio Case. In 2005, the judge in the Osorio Case entered judgment against several defendants, including OCC, for damages totaling approximately $97 million. In December 2006, the court in a second case in Nicaragua (Rios Case) entered a judgment against several defendants, including OCC, for damages totaling approximately $800 million. While preserving its jurisdictional defenses, OCC has appealed the judgments in the Osorio and Rios Cases. In September 2007, the plaintiffs in the Osorio Case filed an action in state court in Florida seeking to enforce the Nicaraguan judgment. That action was removed to and is presently pending in federal court. OCC has no assets in Nicaragua and, in the opinion of management, any judgment rendered under the statute, including in the Osorio and Rios Cases, would be unenforceable in the United States.

Occidental has entered into various guarantees including performance bonds, letters of credit, indemnities, commitments and other forms of guarantees provided by Occidental to third parties, mainly to provide assurance that OPC or its subsidiaries and affiliates will meet their various obligations (guarantees). At September 30, 2007, the notional amount of the guarantees that are subject to the reporting requirements of FIN No. 45, “Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others—an interpretation of FASB Statements No. 5, 57, and 107 and rescission of FASB Interpretation No. 34,” was approximately $250 million, which consists of Occidental’s guarantees of equity investees’ debt, primarily from the Dolphin Project equity investment, and other commitments.

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

In 2007, Occidental resolved certain legal disputes that resulted in an after-tax gain of $112 million.

10. Income Taxes

In June 2006, the FASB issued FASB Interpretation (FIN) No. 48, “Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement No. 109.” This interpretation specifies that benefits from tax positions should be recognized in the financial statements only when it is more-likely-than-not that the tax position will be sustained upon examination by the appropriate taxing authority having full knowledge of all relevant information. A tax position meeting the more-likely-than-not recognition threshold should be measured at the largest amount of benefit for which the likelihood of realization upon ultimate settlement exceeds 50 percent. Occidental adopted FIN No. 48 on January 1, 2007. The following table shows the effect of adopting FIN No. 48 on the consolidated balance sheet at January 1, 2007 (in millions):

	Debit/(Credit)
Domestic and foreign income taxes – Current	$ 140
Deferred and other domestic and foreign income taxes	$ (8)
Deferred credits and other liabilities – Other	$ 100
Minority interest	$ (13)
Retained earnings	$ (219)

As of the January 1, 2007 adoption, Occidental had liabilities for unrecognized tax benefits of approximately $77 million included in deferred credits and other liabilities – other, which included approximately $61 million that, if subsequently recognized, would have affected Occidental’s effective tax rate.

Occidental continues to recognize an estimate of potential interest and penalties related to liabilities for unrecognized tax benefits in the provisions for domestic and foreign income and other taxes. The net interest and penalties incurred were immaterial for the three and nine months ended September 30, 2007 and 2006. Occidental’s accrued interest and penalties were $9 million as of January 1, 2007.

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. Taxable years prior to 2001 are generally closed for U.S. federal and state corporate income tax purposes. Taxable years 2001 through the current year are in various stages of audit by the U.S. Internal Revenue Service. Foreign government tax authorities are in various stages of auditing Occidental, and income taxes for taxable years from 2002 through 2006 remain subject to examination. Disputes may arise during the course of such audits as to facts and matters of law.

It is reasonably possible that Occidental’s existing liabilities for unrecognized tax benefits may increase or decrease within the next twelve months primarily due to the progression of audits in process or the expiration of statutes of limitation. Occidental cannot reasonably estimate a range of potential changes in such benefits due to the unresolved nature of the various audits.

11. Retirement Plans and Postretirement Benefits

The following table sets forth the components of the net periodic benefit costs for Occidental's defined benefit pension and postretirement benefit plans for the three and nine months ended September 30, 2007 and 2006 (in millions):

Three months ended September 30	2007		2006	
Net Periodic Benefit Costs	Pension Benefit	Postretirement Benefit	Pension Benefit	Postretirement Benefit
Service cost	$ 1	$ 3	$ 3	$ 2
Interest cost	6	8	7	9
Expected return on plan assets	(12)	—	(8)	—
Recognized actuarial loss and other	3	6	1	5
Total	$ (2)	$ 17	$ 3	$ 16

Nine months ended September 30	2007		2006	
Net Periodic Benefit Costs	Pension Benefit	Postretirement Benefit	Pension Benefit	Postretirement Benefit
Service cost	$ 7	$ 9	$ 9	$ 7
Interest cost	21	27	20	26
Expected return on plan assets	(28)	—	(24)	—
Amortization of prior service cost	—	—	1	—
Recognized actuarial loss and other	3	12	3	14
Total	$ 3	$ 48	$ 9	$ 47

Occidental contributed $1 million and $3 million to its defined benefit pension plans for the three and nine months ended September 30, 2007, respectively, and does not expect to contribute any more in the remainder of 2007. Occidental contributed $1 million and $3 million to its defined benefit pension plans for the three and nine months ended September 30, 2006, respectively.

12. Investments in Unconsolidated Entities

In 2007, Occidental sold all of its shares of Lyondell common stock (approximately 21 million shares) for a price of approximately $32 per share and recorded an after-tax gain of $208 million.

13. Industry Segments

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

	Oil and Gas	Chemical	Corporate and Other	Total
Nine months ended September 30, 2007				
Net sales	$ 9,597	$ 3,530	$ 140	$ 13,267
Pretax operating profit (loss)	$ 5,719 (c)	$ 507	$ (146)(a)(d)	$ 6,080
Income taxes	—	—	(2,450)(b)	(2,450)
Discontinued operations, net	—	—	318 (e)	318
Net income (loss)	$ 5,719	$ 507	$ (2,278)	$ 3,948
Nine months ended September 30, 2006				
Net sales	$ 9,244	$ 3,779	$ 114	$ 13,137
Pretax operating profit (loss)	$ 5,458	$ 749	$ (292)(a)	$ 5,915
Income taxes	—	—	(2,583)(b)	(2,583)
Discontinued operations, net	—	—	(71)(e)	(71)
Net income (loss)	$ 5,458	$ 749	$ (2,946)	$ 3,261

(a) Includes net interest expense, administration expense, environmental remediation and other pre-tax items.
(b) Includes all foreign and domestic income taxes from continuing operations.
(c) Includes a gain of $412 million from the sale of Occidental's interest in a Russian joint venture, $64 million of gains from the sale of miscellaneous oil and gas interests, net of asset impairments, and a $112 million gain from certain litigation settlements.
(d) Includes a $326 million pre-tax gain from the sale of 21 million shares of Lyondell, a $167 million pre-tax charge for the redemption and partial repurchase of various debt issues and a $47 million pre-tax provision for a plant closure related to environmental remediation.
(e) The 2007 discontinued operations amount includes a $226 million after-tax gain from a series of transactions with BP and the after-tax results of the operations of Pakistan and Horn Mountain. The 2006 discontinued operations amount includes a $415 million after-tax loss for the write-off of assets and the after-tax results of the operations of Pakistan, Horn Mountain, Ecuador Block 15 and the Vintage properties held for sale.

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

Consolidated Results of Operations

Occidental (which means Occidental Petroleum Corporation (OPC) and/or one or more entities in which it owns a majority voting interest) reported net income for the first nine months of 2007 of $3.9 billion, on net sales of $13.3 billion, compared with net income of $3.3 billion, on net sales of $13.1 billion for the same period of 2006. Diluted earnings per common share were $4.69 and $3.78 for the first nine months of 2007 and 2006. Occidental reported net income for the third quarter of 2007 of $1.3 billion, on net sales of $4.8 billion, compared with net income of $1.2 billion, on net sales of $4.4 billion for the same period of 2006. Diluted earnings per common share were $1.58 for the third quarter of 2007, compared with diluted earnings per share of $1.36 for the same period of 2006.

Net income for the three and nine months ended September 30, 2007, included the following after-tax amounts: a $79 million gain from the sale of miscellaneous oil and gas interests, net of oil and gas asset impairments, and a $26 million gain from the sale of 2.4 million shares of Lyondell Chemical Company (Lyondell) common stock. Net income for the first nine months of 2007 also included a $167 million pre-tax interest charge for the redemption and partial repurchase of various debt issues and the following after-tax amounts: a $181 million gain from the sale of 18.6 million shares of Lyondell common stock, a $226 million gain from a series of transactions with BP p.l.c. (BP), a $412 million gain from the sale of Occidental's interest in a Russian joint venture, a $112 million gain from certain litigation settlements, and a $30 million provision for a plant closure related to environmental remediation. Net income for the nine months ended September 30, 2006, included a $415 million after-tax loss for the write-off of assets.

Net income for the three and nine months ended September 30, 2007, compared to the same periods of 2006, also was impacted by increased depreciation, depletion and amortization (DD&A) rates, higher operating expenses and lower margins for polyvinyl chloride resins. For the three and nine months ended September 30, 2007, crude oil and natural gas production were higher compared to the same periods in 2006. The three months ended September 30, 2007, compared to the same period in 2006 reflected higher crude oil prices, while the 2007 nine-month period reflects lower crude oil prices compared to 2006.

Selected Income Statement Items

The increase in net sales of $439 million for the three months ended September 30, 2007, compared with the same period of 2006, reflected higher crude oil prices and higher crude oil and natural gas production, partially offset by lower chemical prices. The increase in interest, dividends and other income of $95 million for the nine months ended September 30, 2007, compared with the same period of 2006, reflected $112 million of after-tax gains from certain litigation settlements in 2007. The gains on disposition of assets for the nine months ended September 30, 2007, included a $326 million pre-tax gain from the sale of 21 million shares of Lyondell and a gain of $412 million from the sale of Occidental's interest in a Russian joint venture. The gains on disposition of assets for the three and nine months ended September 30, 2007, included a pre-tax gain of $103 million from the sale of exploration properties in West Africa.

The increases in cost of sales of $231 million and $477 million for the three and nine months ended September 30, 2007, respectively, compared with the same periods of 2006, reflected higher DD&A rates and higher oil and gas production and maintenance costs. The increases in selling, general and administrative and other operating expenses of $61 million and $103 million for the three and nine months ended September, 30, 2007, respectively, compared to the same periods in 2006, included higher stock-based compensation expense and, for the nine month period only, foreign exchange losses in Colombia. Plant closure charges of $47 million are included in environmental remediation expenses for the nine months ended September 30, 2007. The increase in exploration expense of $52 million for the three months ended September 30, 2007, compared to the same period of 2006, was due to an increase in the Middle East/North Africa exploration program and impairments in California. The increase in exploration expense of $126 million for the nine months ended September 30, 2007, compared to the same period of 2006, was due to increases in the Colombia and Middle East/North Africa exploration programs and impairments in California. Interest and debt expense for the nine months ended September 30, 2007, included a $167 million pre-tax charge for the redemption and partial repurchase of various debt issues. Otherwise, interest and debt expense for the three and nine months ended September 30, 2007, compared to the same periods in 2006, reflected lower debt levels in 2007. Discontinued operations for the nine months ended September 30, 2007, included an after-tax gain of $226 million from a series of transactions with BP, as well as the results of operations of these assets before disposal. Discontinued operations for the nine months ended September 30, 2006, included a $415 million after-tax loss for the write-off of assets and the after-tax results of the operations of Pakistan, Horn Mountain, Ecuador and the Vintage Petroleum, LLC (Vintage) properties held for sale.

Selected Analysis of Financial Position

The decrease in short-term investments of $240 million at September 30, 2007, compared with December 31, 2006, was due to the sale of Occidental's investments in auction rate securities. The increase in receivables, net of $856 million at September 30, 2007, compared with December 31, 2006, was due to higher crude oil and natural gas production and higher crude oil, natural gas, power and NGL volumes in the marketing and trading operations. The increase of $127 million in inventories at September 30, 2007, compared to December 31, 2006, reflects higher materials and supplies in Libya and Colombia and higher purchases from third parties in the marketing and trading operations. The decrease in assets of discontinued operations of $184 million at September 30, 2007, compared with December 31, 2006, was due to the sale of Pakistan operations and an exchange involving the Horn Mountain operations during the second quarter of 2007. The decrease in investments in unconsolidated entities of $590 million at September 30, 2007, compared to December 31, 2006, was due to the sale of 21 million shares of Lyondell common stock and the sale of Occidental's interest in a Russian joint venture. The increase in property, plant and equipment of $1.4 billion at September 30, 2007, compared with December 31, 2006, was due to capital expenditures in 2007 and various oil and gas acquisitions, partially offset by 2007 DD&A. The increase in other assets of $120 million at September 30, 2007, compared with December 31, 2006, reflected additional line-fill acquired from BP as part of the West Texas Pipeline System.

The increase of $805 million in accounts payable at September 30, 2007, compared to December 31, 2006, was mainly due to higher crude oil, natural gas, power and NGL volumes in the marketing and trading operations. The decrease in accrued liabilities of $255 million at September 30, 2007, compared to December 31, 2006, was due to 2007 payments for contingencies related to acquisitions, accrued interest and lower mark-to-market adjustments on derivative instruments. The decrease in domestic and foreign income taxes of $242 million at September 30, 2007, compared to December 31, 2006, was due to the adoption of FIN 48 and 2007 tax payments. The decrease in long-term debt of $871 million at September 30, 2007, compared to December 31, 2006, was due to the January 2007 debt repurchases under the cash tender offers and the May 2007 redemption of the Vintage senior notes due 2012. The decrease in minority interest of $247 million at September 30, 2007, compared with December 31, 2006, was due to the purchase of the minority interest of a chemical operation. The increase in the contra-equity treasury stock account of $910 million at September 30, 2007, compared with December 31, 2006, was due to the repurchase of approximately 17.4 million shares of stock in the nine months ended September 30, 2007.

Segment Operations

The following table sets forth the sales and earnings of each industry segment and unallocated corporate items (in millions):

	Periods Ended September 30			
	Three Months Ended		Nine Months Ended	
	2007	2006	2007	2006
Net Sales				
Oil and gas	$ 3,536	$ 3,087	$ 9,597	$ 9,244
Chemical	1,241	1,265	3,530	3,779
Other	64	50	140	114
Net Sales	$ 4,841	$ 4,402	$ 13,267	$ 13,137
Segment Earnings				
Oil and gas [(a)]	$ 2,029	$ 1,790	$ 5,719	$ 5,458
Chemical	212	248	507	749
	2,241	2,038	6,226	6,207
Unallocated Corporate Items				
Interest expense, net [(a)]	(11)	(18)	(186)	(80)
Income taxes	(862)	(858)	(2,450)	(2,583)
Other [(a)]	(52)	(59)	40	(212)
Income from Continuing Operations	1,316	1,103	3,630	3,332
Discontinued operations, net of tax [(a)]	8	67	318	(71)
Net Income	$ 1,324	$ 1,170	$ 3,948	$ 3,261

(a) Refer to “Significant Items Affecting Earnings”, “Oil and Gas Segment”, “Chemical Segment” and “Corporate and Other” discussions that follow.

Significant Items Affecting Earnings

The following table sets forth the effects of significant transactions and events affecting Occidental's earnings that vary widely and unpredictably in nature, timing and amount for the three and nine months ended September 30, 2007 and 2006 (in millions):

	Periods Ended September 30			
	Three Months		Nine Months	
	2007	2006	2007	2006
Oil & Gas				
Gain on sale of a Russian joint venture	$ —	$ —	$ 412	$ —
Legal settlements	—	—	112	—
Gain on sale of oil and gas interests	12	—	35	—
Gain on sale of exploration properties	103	—	103	—
Impairments	(74)	—	(74)	—
Total Oil and Gas	$ 41	$ —	$ 588	$ —
Chemical				
No Significant Items Affecting Earnings	$ —	$ —	$ —	$ —
Total Chemical	$ —	$ —	$ —	$ —
Corporate and Other				
Debt purchase expense	$ —	$ —	$ (167)	$ —
Gain on sale of Lyondell shares	42	—	326	—
Facility closure	—	—	(47)	—
Tax effect of pre-tax adjustments	23	—	(11)	—
Discontinued operations, net (1)	8	67	318	(71)
Total Corporate and other	$ 73	$ 67	$ 419	$ (71)
Total	$ 114	$ 67	$ 1,007	$ (71)

(1) Amounts shown net of tax.

Worldwide Effective Tax Rate

The following table sets forth the calculation of the worldwide effective tax rate for income from continuing operations (in millions):

	Periods Ended September 30			
	Three Months		Nine Months	
	2007	2006	2007	2006
Oil & Gas earnings (a)	$ 2,029	$ 1,790	$ 5,719	$ 5,458
Chemicals earnings	212	248	507	749
Unallocated corporate & other items	(63)	(77)	(146)	(292)
Pre-tax income	2,178	1,961	6,080	5,915
Income tax expense				
Federal and state	363	416	1,085	1,251
Foreign (a)	499	442	1,365	1,332
Total	862	858	2,450	2,583
Income from continuing operations	$ 1,316	$ 1,103	$ 3,630	$ 3,332
Worldwide effective tax rate	40%	44%	40%	44%

(a) Revenues and income tax expense include taxes owed by Occidental but paid by governmental entities on its behalf. Oil and gas pre-tax income includes revenue amounts by period (in millions): third quarter 2007—$331 and third quarter 2006—$299, first nine months 2007—$919 and first nine months 2006—$871.

Oil and Gas Segment

Summary of Operating Statistics	Periods Ended September 30 Three Months 2007	2006	Nine Months 2007	2006
Net Production per Day:				
Crude Oil and Natural Gas Liquids (MBBL)				
United States	265	255	259	253
Latin America	73	70	76	68
Middle East/North Africa	109	100	115	111
Natural Gas (MMCF)				
United States	604	592	597	585
Latin America	40	35	41	34
Middle East	103	35	54	32
Barrels of Oil Equivalent (MBOE) per day (a)				
Consolidated subsidiaries	572	535	566	541
Other interests	(2)	(2)	(3)	(2)
Worldwide production – continuing operations	570	533	563	539
Average Sales Price:				
Crude Oil ($/BBL)				
United States	$ 68.83	$ 62.38	$ 59.71	$ 59.74
Latin America	$ 60.77	$ 55.19	$ 53.00	$ 54.58
Middle East/North Africa	$ 71.30	$ 65.84	$ 63.93	$ 62.85
Total consolidated subsidiaries	$ 67.87	$ 61.85	$ 59.52	$ 59.62
Other interests	$ 74.08	$ 64.71	$ 65.30	$ 64.13
Worldwide production – continuing operations	$ 67.81	$ 61.83	$ 59.47	$ 59.61
Natural Gas ($/MCF)				
United States	$ 5.90	$ 5.88	$ 6.45	$ 6.79
Latin America	$ 2.68	$ 2.08	$ 2.31	$ 1.91
Worldwide production – continuing operations	$ 5.05	$ 5.42	$ 5.78	$ 6.25

(a) Natural gas volumes have been converted to equivalent BOE based on energy content of 6,000 cubic feet (one thousand cubic feet is referred to as a "Mcf") of gas to one barrel of oil.

Oil and gas segment earnings for the three and nine months ended September 30, 2007, were $2.0 billion and $5.7 billion, respectively, compared with $1.8 billion and $5.5 billion of segment earnings for the same periods of 2006. Oil and gas segment earnings for the three and nine months ended September 30, 2007, included pre-tax gains of $12 million from the sale of miscellaneous domestic oil and gas interests and $103 million from the sale of exploration properties, partially offset by a $74 million pre-tax charge from the impairment of assets. Oil and gas earnings for the nine months ended September 30, 2007 also included an after-tax gain of $412 million from the sale of Occidental's interest in a Russian joint venture, an after-tax gain of $112 million from certain litigation settlements and an additional $23 million pre-tax gain from the sale of domestic oil and gas interests. The increase in oil and gas segment earnings for the third quarter of 2007, compared to the same period of 2006, reflected higher crude oil prices and production volumes, partially offset by increased DD&A rates and higher exploration and operating expenses. In addition to the matters discussed above, oil and gas segment earnings for the nine months ended September 30, 2007, compared to the same period in 2006, reflected lower crude oil and natural gas prices, increased DD&A rates and higher operating expenses, partially offset by higher crude oil and natural gas production.

In the third quarter of 2007, the average West Texas Intermediate (WTI) price was $75.38 per barrel and the average New York Mercantile Exchange (NYMEX) price for natural gas was $6.69 per million BTUs, compared to $70.53 per barrel and $6.33 per million BTUs, respectively, for the third quarter of 2006. Occidental's realized oil price for the third quarter of 2007 was $67.81 per barrel compared to $61.83 per barrel for the third quarter of 2006. A change of 50 cents per million BTUs in domestic NYMEX gas prices impacts quarterly oil and gas segment earnings by approximately $24 million, while a $1.00 per-barrel change in oil prices has a quarterly pre-tax impact of approximately $35 million before the effect of the Dolphin Project (Dolphin).

The increase in production for the three and nine months ended September 30, 2007, compared to the same periods of 2006, was due to the increase in production from Dolphin and the Middle East/North Africa region, Colombia and the full year effect of the 2006 acquisition of oil and gas assets from Plains Exploration and Production Co. (Plains).

Average production cost for the first nine months of 2007 was $12.56 per BOE compared to the average annual 2006 production cost of $11.70 per BOE. The increase was a result of higher field operating and maintenance costs mainly in the U.S. and Latin America.

In September 2007, Occidental sold its exploration properties in West Africa and recorded a pre-tax gain of $103 million.

In June 2007, Occidental completed a fair value exchange under which BP acquired Occidental's oil and gas interests in Horn Mountain and cash and Occidental acquired oil and gas interests in the Permian Basin and a gas processing plant in Texas from BP. Occidental also purchased for cash BP's West Texas Pipeline System and, in a separate transaction, Occidental sold its oil and gas interests in Pakistan to BP. As a result of these transactions, both the Horn Mountain and Pakistan operations were classified as discontinued operations for all periods presented. The nine months of 2007 includes after-tax gains of $226 million related to these transactions.

In January 2007, Occidental sold its interest in a Russian joint venture to TNK-BP for approximately $485 million and recorded an after-tax gain of $412 million.

Chemical Segment

Chemical segment earnings for the three and nine months ended September 30, 2007, were $212 million and $507 million, respectively, compared with $248 million and $749 million for the same periods of 2006. The decrease in chemical segment earnings for the three and nine months ended September 30, 2007, compared with the same periods of 2006, was due to lower margins on polyvinyl chloride resins.

Corporate and Other

In 2007, Occidental sold all of its shares of Lyondell common stock (approximately 21 million shares) for a price of approximately $32 per share and recorded an after-tax gain of $208 million.

In May 2007, Occidental redeemed all $276 million of the outstanding principal amount of its 8.25-percent Vintage senior notes due 2012. In January 2007, Occidental completed cash tender offers for its 10.125-percent senior debentures due 2009, 9.25-percent senior debentures due 2019, 8.75-percent senior notes due 2023, 7.2-percent senior debentures due 2028 and 8.45-percent senior notes due 2029, resulting in the repurchase of a portion of these debt instruments totaling $659 million in principal amount. The redemption and repurchases resulted in a pre-tax interest expense of $167 million.

Liquidity and Capital Resources

Occidental's net cash provided by operating activities was $4.3 billion for the first nine months of 2007, compared with $4.8 billion for the same period of 2006. The most important drivers for the decrease in operating cash flow in

2007, compared to 2006, were lower chemical margins and the reduction of operating cash flow from discontinued operations partially offset by increases in cash flow provided by oil and gas continuing operations.

Occidental's net cash used by investing activities was $1.8 billion for the first nine months of 2007, compared with $3.6 billion for the same period of 2006. The 2007 amount included cash proceeds of $672 million from the sale of 21 million shares of Lyondell, $485 million received from the sale of Occidental's interest in a Russian joint venture, $460 million from the sale of other businesses and properties, and $250 million from the sale of auction rate securities. The 2007 amount also included the cash paid for the acquisitions of the West Texas Pipeline System, a gas processing plant in Texas and various other oil and gas and chemical interests totaling $991 million. The 2006 amount included $1.3 billion in cash consideration paid as part of the Vintage acquisition and $859 million paid for the acquisition of certain oil and gas properties from Plains, partially offset by cash proceeds of $944 million from the Vintage assets held for sale. Capital expenditures for the first nine months of 2007 were $2.5 billion, including $2.3 billion for oil and gas. Capital expenditures for the first nine months of 2006 were $2.0 billion, including $1.8 billion for oil and gas.

Occidental's net cash used by financing activities was $2.4 billion in the first nine months of 2007, compared with $2.2 billion for the same period of 2006. The 2007 amount included net debt payments of $1.0 billion which included the repurchase of various debt issues under cash tender offers and the redemption of the Vintage senior notes due 2012. The 2007 amount also included $910 million of cash paid for repurchases of 17.4 million shares of Occidental's common stock at an average price of $52.27 per share through September 30, 2007. The weighted average basic shares for the nine months of 2007 totaled 837.0 million and the weighted average diluted shares totaled 840.9 million. At September 30, 2007, there were 829.7 million basic shares outstanding and 833.7 million shares outstanding on a diluted basis. The share repurchases will continue to be funded solely from available cash from operations. The 2006 amount included $1.3 billion of cash paid for repurchases of Occidental's common stock.

Available but unused lines of committed bank credit totaled approximately $1.5 billion at September 30, 2007, and cash and cash equivalents totaled $1.5 billion on the September 30, 2007 balance sheet.

At September 30, 2007, under the most restrictive covenants of certain financing agreements, Occidental's capacity for additional unsecured borrowing was approximately $52 billion, and the capacity for the payment of cash dividends and other distributions on, and for acquisitions of, Occidental's capital stock was approximately $20 billion, assuming that such dividends, distributions and acquisitions were made without incurring additional borrowing.

Occidental currently expects to spend approximately $3.5 billion on its 2007 capital spending program. Although its income and cash flows are largely dependent on oil and gas prices and production, Occidental believes that cash on hand and cash generated from operations will be sufficient to fund its operating needs, capital expenditure requirements and dividend payments.

In July 2007, Occidental's Board of Directors authorized an increase in the quarterly dividend to $0.25 per share of common stock compared to the previous quarterly rate of $0.22 per share.

Environmental Liabilities and Expenditures

Stringent federal, state, local and foreign laws and regulations relating to improving or maintaining environmental quality govern Occidental's operations. The laws that require or address environmental remediation may apply retroactively to past waste disposal practices and releases of substances to the environment. In many cases, the laws apply regardless of fault, legality of the original activities or current ownership or control of sites. OPC or certain of its subsidiaries currently participate in environmental assessments and cleanups under these laws at third-party sites, currently-owned sites and previously-owned sites.

At September 30, 2007, the current portion of Occidental's environmental remediation reserves ($79 million) is included in accrued liabilities and the remaining amount ($357 million) is included in deferred credits and other liabilities-other. The following table presents the environmental remediation reserves in three categories of sites ($ amounts in millions):

	Number of Sites	Reserve Balance
CERCLA & equivalent sites	104	$ 201
Active facilities	21	156
Closed or sold facilities	42	79
Total	167	$ 436

In determining the environmental remediation reserves and the reasonably possible range of loss, Occidental refers to currently available information, including relevant past experience, available technology, regulations in effect, the timing of remediation and cost-sharing arrangements. Occidental believes it is reasonably possible that it will continue to incur additional liabilities beyond those recorded for environmental remediation at these sites. The range of reasonably possible loss for existing environmental remediation matters could be up to $400 million beyond the amount accrued.

The following table shows additional detail regarding reserves for Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) or CERCLA-equivalent proceedings in which OPC or certain of its subsidiaries were involved at September 30, 2007:

Description	Number of Sites	Reserve Balance (in millions)
Minimal/No Exposure (a)	84	$ 4
Reserves between $1-10 million	14	47
Reserves over $10 million	6	150
Total	104	$ 201

(a) Includes 30 sites for which Maxus Energy Corporation has retained the liability and indemnified Occidental, 6 sites where Occidental has denied liability without challenge, 36 sites where Occidental's reserves are less than $50,000 each, and 12 sites where reserves are between $50,000 and $1 million each.

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, 2006 (2006 Form 10-K) for additional information regarding Occidental's environmental expenditures.

Lawsuits, Claims, Commitments, Contingencies and Related Matters

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

Since 2004, Occidental Chemical Corporation (OCC) has been served with eleven lawsuits filed in Nicaragua by approximately 2,600 individual plaintiffs. These individuals allege that they have sustained several billion dollars of personal injury damages as a result of their alleged exposure to a pesticide. OCC is aware of, but has not been served in, 23 additional cases in Nicaragua, which Occidental understands make similar allegations. In the opinion of management, the claims against OCC are without merit because, among other things, OCC believes that none of the pesticide it manufactured was ever sold or used in Nicaragua. Under the applicable Nicaraguan statute, defendants are required to pay pre-trial deposits so large as to effectively prohibit defendants from participating fully in their defense. OCC filed a response to the complaints contesting jurisdiction without posting such pre-trial deposit. In 2004, the judge in one of the cases (Osorio Case) ruled the court had jurisdiction over the defendants, including OCC, and that the plaintiffs had waived the requirement of the pre-trial deposit. In order to preserve its jurisdictional defense, OCC elected not to make a substantive appearance in the Osorio Case. In 2005, the judge in the Osorio Case entered judgment against several defendants, including OCC, for damages totaling approximately $97 million. In December 2006, the court in a second case in Nicaragua (Rios Case) entered a judgment against several defendants, including OCC, for damages totaling approximately $800 million. While preserving its jurisdictional defenses, OCC has appealed the judgments in the Osorio and Rios Cases. In September 2007, the plaintiffs in the Osorio Case filed an action in state court in Florida seeking to enforce the Nicaraguan judgment. That action was removed to and is presently pending in federal court. OCC has no assets in Nicaragua and, in the opinion of management, any judgment rendered under the statute, including in the Osorio and Rios Cases, would be unenforceable in the United States.

Occidental has entered into various guarantees including performance bonds, letters of credit, indemnities, commitments and other forms of guarantees provided by Occidental to third parties, mainly to provide assurance that OPC or its subsidiaries and affiliates will meet their various obligations (guarantees). At September 30, 2007, the notional amount of the guarantees that are subject to the reporting requirements of FIN No. 45, “Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others—an interpretation of FASB Statements No. 5, 57, and 107 and rescission of FASB Interpretation No. 34,” was approximately $250 million, which mostly consists of Occidental’s guarantees of equity investees’ debt, primarily from the Dolphin Project equity investment, and other commitments.

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

Accounting Changes

In February 2007, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 159, “The Fair Value Option for Financial Assets and Financial Liabilities.” This Statement provides companies an option to measure certain financial instruments at fair value. SFAS No. 159 is effective for fiscal years beginning after November 15, 2007. Occidental is currently assessing the effect of the adoption of SFAS No. 159 on its financial statements.

In September 2006, the FASB issued FASB Staff Position (FSP) AUG AIR-1, "Accounting for Planned Major Maintenance Activities," which is effective for the first fiscal year beginning after December 15, 2006. This FSP prohibits the use of the accrue-in-advance method of accounting for planned major maintenance activities, which was used by certain operations of Occidental. When Occidental adopted FSP AUG AIR-1 on January 1, 2007, those operations changed to the deferral method of accounting for planned major maintenance activities. The adoption of FSP AUG AIR-1 was retrospectively applied to all periods presented and the impact to the income statements for the three and nine months ended September 30, 2006 was immaterial.

The following table shows the effects of adopting FSP AUG AIR-1 on the consolidated balance sheet at January 1, 2007 (in millions):

	Debit/(Credit)
Prepaid expenses and other	$ 1
Property, plant and equipment, net	$ (16)
Other assets	$ 91
Accrued liabilities	$ 43
Deferred and other domestic and foreign income taxes	$ (40)
Minority interest	$ (11)
Retained earnings	$ (68)

In June 2006, the FASB issued FASB Interpretation (FIN) No. 48, "Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement No. 109." This interpretation specifies that benefits from tax positions should be recognized in the financial statements only when it is more-likely-than-not that the tax position will be sustained upon examination by the appropriate taxing authority having full knowledge of all relevant information. A tax position meeting the more-likely-than-not recognition threshold should be measured at the largest amount of benefit for which the likelihood of realization upon ultimate settlement exceeds 50 percent. Occidental adopted FIN No. 48 on January 1, 2007.

The following table shows the effect of adopting FIN No. 48 on the consolidated balance sheet at January 1, 2007 (in millions):

	Debit/(Credit)
Domestic and foreign income taxes – Current	$ 140
Deferred and other domestic and foreign income taxes	$ (8)
Deferred credits and other liabilities – Other	$ 100
Minority interest	$ (13)
Retained earnings	$ (219)

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: exploration risks such as drilling unsuccessful wells; global commodity pricing fluctuations; higher-than-expected costs; potential liability for remedial actions under existing or future environmental regulations and litigation; potential liability resulting from pending or future litigation; general domestic and international political conditions; potential disruption or interruption of Occidental's production or manufacturing facilities due to accidents, political events or insurgent activity; potential failure to achieve expected production from existing and future oil and gas development projects; the supply/demand considerations for Occidental's products; any general economic recession or slowdown domestically or internationally; regulatory uncertainties; changes in tax rates; and not successfully completing, or any material delay of, any development of new fields, expansion, capital expenditure, efficiency-improvement project, acquisition or disposition. Words such as "estimate", "project", "predict", "could", "will", "anticipate", "plan", "intend", "believe", "expect" or similar expressions that convey the uncertainty of future events or outcomes generally indicate forward-looking statements. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this report. Unless legally required, Occidental does not undertake any obligation to update any forward-looking statements, as a result of new information, future events or otherwise. Certain risks that may affect Occidental's results of operations and financial position appear in Part 1, Item 1A "Risk Factors" of the 2006 Form 10-K.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

For the three and nine months ended September 30, 2007, 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 2006 Form 10-K.

Item 4. Controls and Procedures

Occidental's Chief Executive Officer and Chief Financial Officer supervised and participated in Occidental's evaluation of its disclosure controls and procedures as of the end of the period covered by this report. Disclosure controls and procedures are controls and procedures designed to ensure that information required to be disclosed in Occidental's periodic reports filed or submitted under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. Based upon that evaluation, Occidental's Chief Executive Officer and Chief Financial Officer concluded that Occidental's disclosure controls and procedures were effective as of September 30, 2007.

There has been no change in Occidental's internal control over financial reporting during the third quarter of 2007 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

This item incorporates by reference the information regarding lawsuits, claims, commitments, contingencies and related matters in Note 9 to the consolidated condensed financial statements in Part I of this Form 10-Q.

An OPC subsidiary is engaged in discussions with the Office of the District Attorney ("ODA") for Ventura County, California, acting on behalf of the California Department of Fish and Game ("Department"), to resolve alleged statutory violations arising from past releases of petroleum and production waters from operations in Ventura County acquired by the subsidiary in early 2006. The ODA seeks civil penalties in excess of $200,000, as well as less than $100,000 for alleged damages to natural resources, injunctive relief in the form of specified corrective measures, and costs of investigation and response incurred by the Department.

Item 2. Share Repurchase Activities

Occidental's share repurchase activities as of September 30, 2007, were as follows:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (a)	Maximum Number of Shares that May Yet be Purchased Under the Plans or Programs (a)
First Quarter 2007	6,991,271	$45.89	6,989,956	
Second Quarter 2007	4,188,481	$56.42	3,716,500	
July 1 – 31, 2007	1,602,039 (b)	$58.23	1,449,900	
August 1 – 31, 2007	3,590,200	$54.74	3,590,200	
September 1 – 30, 2007	1,044,428 (b), (c)	$60.69	836,400	
Third Quarter 2007	6,236,667	$56.63	5,876,500	
Total 2007	17,416,419	$52.27	16,582,956	9,093,244 (a)

(a) In February 2007, Occidental increased the number of shares authorized for its share repurchase program previously announced in 2005, from 40 million to 55 million.

(b) Occidental purchased 152,139 shares and 206,483 shares in July and September of 2007, respectively, from its defined contribution savings plan.

(c) Amount includes employee stock-for-stock exercises of 1,545 in September of 2007.

Item 6. Exhibits

10.1	1996 Restricted Stock Plan for Non-Employee Directors, as amended October 11, 2007
10.2	Amendment to Form of Restricted Stock Agreement under Occidental Petroleum Corporation 1996 Restricted Stock Plan for Non-Employee Directors
10.3	Amendment to Form of Restricted Stock Award for Non-Employee Directors under Occidental Petroleum Corporation 2005 Long-Term Incentive Plan
10.4	Form of Restricted Stock Award for Non-Employee Directors under Occidental Petroleum Corporation 2005 Long-Term Incentive Plan (2007 version)
11	Statement regarding the computation of earnings per share for the three and nine months ended September 30, 2007 and 2006
12	Statement regarding the computation of total enterprise ratios of earnings to fixed charges for the nine months ended September 30, 2007 and 2006 and for each of the five years in the period ended December 31, 2006
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

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: October 31, 2007

/s/ Jim A. Leonard

Jim A. Leonard, Vice President and Controller
(Principal Accounting and Duly Authorized Officer)

EXHIBIT INDEX

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OCCIDENTAL PETROLEUM CORPORATION
1996 RESTRICTED STOCK PLAN FOR NON-EMPLOYEE DIRECTORS
(AS AMENDED OCTOBER 11, 2007)

1. **Purpose.** The purpose of the Occidental Petroleum Corporation 1996 Restricted Stock Plan for Non-Employee Directors (the "Plan") is to provide ownership of Occidental Petroleum Corporation's ("Occidental") Common Stock to Non-Employee Directors in order to more closely align director and stockholder interests, to provide a competitive compensation program for directors and to enhance Occidental's ability to attract and retain top-quality directors.

2. **Administration of the Plan.**

(a) Members of the Committee. The Plan shall be administered by the Compensation Committee of the Board (the "Committee"). Members of the Committee shall be appointed from time to time by the Board and shall serve at the pleasure of the Board. Any Committee member may resign at any time upon written notice to the Board.

(b) Authority of the Committee. The Committee shall adopt such rules as it may deem appropriate in order to carry out the purpose of the Plan. All questions of interpretation, administration, and application of the Plan shall be determined by a majority of the members of the Committee then in office, except that the Committee may authorize any one or more of its members, or any officer of Occidental, to execute and deliver documents on behalf of the Committee. The determination of such majority shall be final and binding in all matters relating to the Plan. Determinations made with respect to any individual Non-Employee Director shall be made without participation by such Non-Employee Director in such determination. No member of the Committee shall be liable for any act done or omitted to be done by such member or by any other member of the Committee in connection with the Plan, except for such member's own willful misconduct or as expressly provided by statute.

3. **Stock Reserved for the Plan.** The number of shares of Common Stock authorized for issuance under the Plan is 250,000, subject to adjustment pursuant to Section 8 hereof. Shares of Common Stock delivered hereunder may be Common Stock of original issuance or Common Stock held in treasury, or a combination thereof.

4. **Awards of Restricted Stock.**

(a) Annual Awards. On the first business day following each annual meeting commencing with the 1999 Annual Meeting, each Non-Employee Director who is then a member of the Board shall be awarded two thousand five hundred (2,500) whole shares of Restricted Stock.

(b) Special Awards. On the first business day following each annual meeting, each Non-Employee Director who is then serving as a Chairman of one or more committees of the Board or as Lead Independent Director shall be awarded three hundred (300) whole shares of Restricted Stock with respect to each such position, in addition to any Award he or she may be granted pursuant to Section 4(a) above.

(c) Interim Awards. If a Non-Employee Director is elected other than at an annual meeting, then on the first business day following his or her election as a member of the Board, such newly elected Non-Employee Director shall be awarded the number of shares (rounded to the nearest whole share) of Restricted Stock equal to two thousand five hundred (2,500) multiplied by a fraction, the numerator of which is the number of regularly scheduled Board meetings remaining between the date of his or her election and the next annual meeting and the denominator of which is the number of regularly scheduled Board meetings between the most recent annual meeting and the next annual meeting.

(d) Effectiveness of Awards. Notwithstanding anything in this Plan to the contrary, no Award made pursuant to the Plan or any amendment to the Plan shall be effective prior to the requisite approval of the Plan or such amendment by the stockholders of Occidental. In the event requisite stockholder approval is not obtained, the Plan, and any Award thereunder, shall be null and void.

5. **Terms and Conditions of Awards.** Restricted Stock awarded to a Non-Employee Director under the Plan shall be subject to the following restrictions:

(a) Until the earlier of the sixth anniversary of the date of grant, or the date the Non-Employee Director who received the grant ceases to serve on the Board for any reason, including as a result of death or Disability, (the "Restriction Period"), any shares of Common Stock awarded under the Plan shall not be sold, assigned, pledged, hypothecated or otherwise transferred or encumbered. During the Restriction Period, the certificate representing such shares of Common Stock shall contain a statement referring to the restrictions contained in this Section 5(a) and such certificate shall be held by the Company. Except as provided in Section 9, as soon as practicable after the lapse of restrictions applicable to Restricted Stock, all shares of Restricted Stock held by the Company for the benefit of a Non-Employee Director shall be given to such Non-Employee Director, free and clear of any restrictions applicable thereto during the Restriction Period.

(b) Whenever cash dividends are paid by Occidental on outstanding Common Stock, each Non-Employee Director will receive in cash all dividends paid on the Restricted Stock then held by the Company for the benefit of such Non-Employee Director on the record date for the dividend. Common Stock distributed in connection with a stock split or stock dividend, and other property distributed as a dividend, shall be subject to restrictions to the same extent as the Restricted Stock with respect to which such Common Stock or other property has been distributed.

(c) Each Non-Employee Director hereunder may designate from time to time any beneficiary or beneficiaries (who may be designated concurrently, contingently or successively) to whom any shares of Restricted Stock and any cash amounts are to be paid in case of the Non-Employee Director’s death before receipt of any part or all of such Restricted Stock and cash. Each designation will revoke all prior designations by the Non-Employee Director, shall be in a form prescribed by the Committee, and will be effective only when filed by the Non-Employee Director, in writing, with the Secretary of Occidental. Reference in the Plan to a Non-Employee Director’s "beneficiary" at any date shall include such persons designated as concurrent beneficiaries on the Non-Employee Director’s beneficiary designation form then in effect. In the absence of any such designation, any shares of Restricted Stock being held by the Company for the benefit of such Non-Employee Director at the time of his or her death may, in the sole discretion of the Committee, be paid to such Non-Employee Director’s estate in a cash lump sum.

6. **Foreign Participants.** In order to facilitate the making of an Award, the Board may provide for such special terms for Awards to Non-Employee Directors who are foreign nationals, as the Board may consider necessary or appropriate to accommodate differences in local law, tax policy or custom. Moreover, the Board may approve such supplements to, or amendments, restatements or alternative versions of, the Plan as it may consider necessary or appropriate for such purposes without thereby affecting the terms of the Plan as in effect for any other purpose, and the Secretary or other appropriate officer of Occidental may certify any such document as having been approved and adopted in the same manner as the Plan; provided that, no such supplements, amendments, restatements or alternative versions shall include any provisions that are inconsistent with the terms

of the Plan, as then in effect, unless the Plan could have been amended to eliminate the inconsistency without further approval by the stockholders of Occidental.

7. Change in Control. Upon the occurrence of a Change in Control, all restrictions affecting Restricted Shares shall lapse and such shares shall be delivered to each Non-Employee Director as soon as practicable thereafter; provided that, the Committee may, in its sole discretion authorize the payment of cash, in lieu of the issuance of such shares.

8. Adjustments. The Board may make or provide for such adjustments in the number of shares of Restricted Stock awarded under the Plan, as the Board may in good faith determine to be required in order to prevent dilution or expansion of the rights of Non-Employee Directors that otherwise would result from (i) any stock dividend, stock split, combination of shares recapitalization or other change in the capital structure of the Company or (ii) any merger, consolidation, spin-off, spin-out, split-off, split-up, reorganization, partial or complete liquidation or other distribution of assets, issuance of warrants or other rights to purchase securities or any other corporate transaction or event having an effect similar to any of the foregoing. In the event of any such transaction or event, the Board may provide in substitution for any or all outstanding Restricted Stock Awards under the Plan such alternative consideration as it may in good faith determine to be appropriate under the circumstances and may require the surrender of all Awards so replaced. Moreover, the Board may, on or after the date of any Award, provide in the agreement evidencing such Award that the Non-Employee Director may elect to receive an equivalent Award in respect of securities of the surviving entity of any merger, consolidation or other transaction or event having similar effect, or the Board may provide that the Non-Employee Director will automatically be entitled to receive such an equivalent Award. The Board may also provide for such adjustments in the maximum number of shares of Common Stock specified in Section 3 as the Board, in good faith, determines to be appropriate in order to reflect any transaction or event described in this Section 8.

9. Withholding. Occidental shall defer making payments or deliveries under the Plan until satisfactory arrangements have been made for the payment of any federal, state, local or foreign taxes (whether or not required to be withheld) with respect to such payment or delivery. At the discretion of the Committee, any such arrangements may without limitation include relinquishment of a portion of any such payment or benefit or the surrender of outstanding Common Stock, and any agreement pertaining to an Award may make such relinquishment the mandatory form of satisfying such taxes. The Committee may also make similar arrangements with respect to the payment of any taxes with respect to which withholding is not required.

10. Rights of Non-Employee Directors.

(a) Retention as Non-Employee Director. Nothing contained in the Plan or with respect to any Award shall interfere with or limit in any way the right of the stockholders of Occidental to remove any Non-Employee Director from the Board, nor confer upon any Non-Employee Director any right to continue in the service of Occidental as a Non-Employee Director.

(b) Nontransferability. No right or interest of any Non-Employee Director in any Award shall be assignable or transferable during the Restriction Period, either voluntarily or involuntarily, or subjected to any lien, directly or indirectly, by operation of law, or otherwise, including execution, levy, garnishment, attachment, pledge or bankruptcy. In the event of a Non-Employee Director's death, a Non-Employee Director's rights and interests in his or her Award shall be transferable by testamentary will or the laws of descent and distribution. If in the opinion of the Committee a person entitled to payments or to exercise rights with respect to the Plan is disabled from caring for his or her affairs because of mental condition, physical condition or age, payment due such person may be made to, and such rights shall be exercised by, such person's guardian, conservator or other legal personal representative upon furnishing the Committee with evidence satisfactory to the Committee of such status.

(c) Except to the extent restricted under the terms of an agreement evidencing a grant of Restricted Stock, a Non-Employee Director awarded such stock shall have all of the rights of a stockholder, including, without limitation, the right to vote Restricted Stock and the right to receive dividends thereon.

11. **Amendment; Termination.** The Board may at any time and from time to time alter, amend, suspend or terminate the Plan in whole or in part; provided that, no amendment which requires stockholder approval shall be effective unless the same shall be approved by the stockholders of Occidental entitled to vote thereon. Stockholder approval shall be required for any amendment to the Plan that would (a) materially increase the benefits accruing to participants under the Plan, (b) materially increase the number of securities which may be issued under the Plan, or (c) materially modify the requirements as to eligibility for participation in the Plan. Notwithstanding the foregoing, no amendment shall affect adversely any of the rights of any Non-Employee Director, without such Non-Employee Director's consent."

12. **General Restrictions.**

(a) Regulations and Offer Approvals. The obligation of Occidental to deliver Common Stock with respect to any Award under the Plan shall be subject to all applicable laws, rules and regulations, including all applicable federal and state securities laws, and the obtaining of all such approvals by governmental agencies as may be deemed necessary or appropriate by the Committee.

(b) Each Award granted under the Plan is subject to the requirement that, if at any time the Committee determines, in its absolute discretion, that the listing, registration or qualification of Common Stock issuable pursuant to the Plan is required by any securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory body is necessary or desirable as a condition of, or in connection with, such Award or the issuance of Common Stock, no such Award or payment shall be made or Common Stock issued, in whole or in part, unless listing, registration, qualification, consent or approval has been effected or obtained free of any conditions not acceptable to the Committee. Nothing herein shall be deemed to require Occidental to apply for or to obtain such listing, registration or qualification.

(c) In the event that the disposition of Common Stock acquired pursuant to the Plan is not covered by a then current registration statement under the Securities Act and is not otherwise exempt from such registration, such Common Stock shall be restricted against transfer to the extent required by the Securities Act or regulations thereunder, and Occidental may require any Non-Employee Director to whom Common Stock is granted, as a condition of receiving such Common Stock, to give written assurances in substance and form satisfactory to Occidental and its counsel to the effect that such person is acquiring the Common Stock for his or her own account and not with any present intention of selling or otherwise distributing the same, and to such other effects as Occidental deems necessary or appropriate in order to comply with federal and applicable state securities laws.

13. **Governing Law.** The Plan and all rights hereunder shall be construed in accordance with and governed by the laws of the State of Delaware.

14. **Plan Interpretation.** The Plan is intended to comply with Rule 16b-3 and shall be construed to so comply.

15. **Headings.** The headings of sections and subsections herein are included solely for convenience of reference and shall not affect the meaning of any of the provisions of the Plan.

16. Term of Plan. This Plan shall become effective on the Effective Date, and shall remain in effect for ten (10) years from such date, unless sooner terminated by the Board.

17. Definitions. For purposes of the Plan, the following terms shall have the following meanings:

(a) "Award" means any award of Restricted Stock under the Plan.

(b) "Board" means the Board of Directors of Occidental.

(c) "Change in Control" means a change in control of Occidental, which shall be deemed to have occurred if:

(i) any "person," as such term is used in Sections 13(d) and 14(d) of the Exchange Act (other than the Company, any trustee or other fiduciary holding securities under an employee benefit plan of Occidental or any company owned, directly or indirectly, by the stockholders of Occidental in substantially the same proportions as their ownership of the Common Stock of Occidental), is or becomes, after the Effective Date of the Plan, the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of Occidental (not including in the securities beneficially owned by such person any securities acquired directly from Occidental or its affiliates) representing 50 percent (50%) or more of the combined voting power of Occidental's then-outstanding securities; or

(ii) during any period of two consecutive years (not including any period prior to the Effective Date), individuals who at the beginning of such period constitute the Board, and any new director (other than a director designated by a person who has entered into an agreement with Occidental to effect a transaction described in clause (i), (iii), or (iv) of this definition) whose election by the Board or nomination for election by Occidental's stockholders was approved by a vote of at least two thirds (2/3) of the directors then still in office who either were directors at the beginning of such period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the Board; or

(iii) the stockholders of Occidental approve a merger or consolidation of Occidental with any other corporation, other than (A) a merger or consolidation which would result in the voting securities of Occidental outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity), in combination with the ownership of any trustee or other fiduciary holding securities under any employee benefit plan of Occidental, at least 50 percent of the combined voting power of the voting securities of Occidental or such surviving entity outstanding immediately after such merger or consolidation or (B) a merger or consolidation effected to implement a recapitalization of Occidental (or similar transaction) in which no person acquires more than 50 percent (50%) of the combined voting power of Occidental's then-outstanding securities; or

(iv) the stockholders of Occidental approve a plan of complete liquidation of Occidental or an agreement for the sale or disposition of all or substantially all of Occidental's assets; provided that, prior to the occurrence of any of the events described in clauses (i) through (iii) above, the Board may determine that such an event shall not constitute a Change of Control for purposes of the Plan.

(d) "Code" means the Internal Revenue Code of 1986, as amended from time to time, or any successor thereto.

(e) "Common Stock" means shares of the common stock, par value $.20 per share, of Occidental.

(f) "Company" means Occidental Petroleum Corporation and its subsidiaries, collectively.

(g) “Disability” means permanent and total disability as defined in Section 22(e)(3) of the Code.

(h) "Effective Date" means April 26, 1996 or the date of approval of the Plan by the stockholders of Occidental, whichever comes first.

(i) "Exchange Act" means the Securities Exchange Act of 1934, as now or hereafter construed, interpreted and applied by regulations, rulings and cases.

(j) "Fair Market Value" means the per share fair market value of Common Stock as determined by such methods or procedures as shall be established from time to time by the Committee. Unless otherwise determined by the Committee in good faith, the per share Fair Market Value of Common Stock as of a particular date shall mean (i) the closing sales price per share of Common Stock on the national securities exchange on which the Common Stock is principally traded, for the last preceding date on which there was a sale of such Common Stock on such exchange, or (ii) if the shares of Common Stock are then traded in an over-the-counter market, the average of the closing bid and asked prices for the shares of Common Stock in such over-the-counter market for the last preceding date on which there was a sale of such Common Stock in such market, or (iii) if the shares of Common Stock are not then listed on a national securities exchange or traded in an over-the-counter market, such value as the Committee, in its sole discretion, shall determine.

(k) "Non-Employee Director" means a member of the Board who is neither an officer nor employee of the Company.

(l) "Plan" means this Occidental Petroleum Corporation 1996 Restricted Stock Plan For Non-Employee Directors.

(m) "Restriction Period" means, in respect of Restricted Stock, the period referenced in Section 5(a).

(n) "Restricted Stock" means a grant of shares of Common Stock, which shares are subject to the restrictions on transfer described in Section 5(a).

(o) "Rule 16b-3" means Rule 16b-3, as promulgated and amended from time to time by the Securities and Exchange Commission under the Exchange Act, or any successor rule to the same effect.

AMENDMENT NO. 1 TO
OCCIDENTAL PETROLEUM CORPORATION
1996 RESTRICTED STOCK PLAN FOR NON-EMPLOYEE DIRECTORS
RESTRICTED STOCK AGREEMENT

Amendment No. 1, dated _______, 2007 (this “Amendment”), to the Restricted Stock Agreement, dated____________(the “Agreement”), between OCCIDENTAL PETROLEUM CORPORATION, a Delaware corporation ("Occidental” or the "Company"), and _____________________ (the “Grantee”).

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

> **“2. Restrictions on Transfer of Restricted Stock.** Until the sixth anniversary date of this grant, 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; 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 in the event the Grantee ceases to serve on the Board for any reason, including as a result of the Grantee's death or Disability. 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. ”

2. Section 3 of the Agreement is deleted in its entirety and the following is substituted in its stead:

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

3. Except as provided in this Amendment, all other terms and conditions of the Agreement remain in full force and effect.

4. The laws of the State of Delaware govern the interpretation, performance, and enforcement of this Amendment.

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

OCCIDENTAL PETROLEUM CORPORATION

By: ______________________________

____
Grantee

Date: ______________________________

AMENDMENT NO. 1 TO
OCCIDENTAL PETROLEUM CORPORATION
2005 LONG-TERM INCENTIVE PLAN
RESTRICTED STOCK AWARD
FOR NON-EMPLOYEE DIRECTORS
GRANT AGREEMENT

Amendment No. 1, dated _______, 2007 (this "Amendment"), to the Grant Agreement, dated May _____, 200_ (the "Grant Agreement"), between OCCIDENTAL PETROLEUM CORPORATION, a Delaware corporation ("Occidental" or the "Company"), and _____________________ (the "Grantee").

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

"**2. Restrictions on Transfer of Restricted Stock.** Until the third anniversary date of this grant, 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; 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 in the event the Grantee ceases to serve on the Board for any reason, including as a result of the Grantee's death or Disability. 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. "

2. Except as provided in this Amendment, all other terms and conditions of the Grant Agreement remain in full force and effect.

3. The laws of the State of Delaware govern the interpretation, performance, and enforcement of this Amendment.

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

OCCIDENTAL PETROLEUM CORPORATION

By: ________________________________

Grantee

Date: ______________________________

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

Name of Grantee: ______________________________

Date of Grant: ______________________________

Number of shares of Restricted Stock: ______________________________

Agreement (this "Agreement") made as of the Date of Grant between OCCIDENTAL PETROLEUM CORPORATION, a Delaware corporation ("Occidental" or 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.** Until the third anniversary date of this grant, 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; 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 in the event the Grantee ceases to serve on the Board for any reason, including as a result of the Grantee's death or Disability. 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 foreign 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 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.

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 by courier service 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 Common Shares issued pursuant to this Restricted Stock award cannot be predicted and Occidental does not assume liability in the event such Common Shares 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: ________________________________

The undersigned Grantee hereby (i) acknowledges receipt of an executed original of this Agreement and a copy of the Memorandum, dated ___________, 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.

____
Grantee

Date: ______________________________

EXHIBIT 11

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES

COMPUTATION OF EARNINGS PER SHARE
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2007 AND 2006
(Amounts in millions, except per-share amounts)

	Periods Ended September 30			
	Three Months		Nine Months	
	2007	2006	2007	2006
BASIC EARNINGS PER SHARE				
Earnings applicable to common stock	$ 1,324	$ 1,170	$ 3,948	$ 3,261
Basic shares				
Weighted average common shares outstanding	875.9	867.1	873.1	857.9
Treasury stock	(45.2)	(22.1)	(39.5)	(11.7)
Vested, unissued shares	2.4	7.8	3.4	8.0
Basic shares	833.1	852.8	837.0	854.2
Basic earnings per share				
Income from continuing operations	$ 1.58	$ 1.29	$ 4.34	$ 3.90
Discontinued operations, net	0.01	0.08	0.38	(0.08)
Basic earnings per common share	$ 1.59	$ 1.37	$ 4.72	$ 3.82
DILUTED EARNINGS PER SHARE				
Earnings applicable to common stock	$ 1,324	$ 1,170	$ 3,948	$ 3,261
Diluted shares				
Basic shares	833.1	852.8	837.0	854.2
Dilutive effect of stock options and unvested restricted shares	3.9	7.5	3.9	8.8
Diluted shares	837.0	860.3	840.9	863.0
Diluted earnings per share				
Income from continuing operations	$ 1.57	$ 1.28	$ 4.31	$ 3.86
Discontinued operations, net	0.01	0.08	0.38	(0.08)
Diluted earnings per common share	$ 1.58	$ 1.36	$ 4.69	$ 3.78

OCCIDENTAL PETROLEUM CORPORATION AND SUBSIDIARIES

COMPUTATION OF TOTAL ENTERPRISE RATIOS OF EARNINGS TO FIXED CHARGES

(Amounts in millions, except ratios)

	Nine Months Ended September 30		Year Ended December 31				
	2007	2006	2006	2005	2004	2003	2002
Income from continuing operations	$ 3,630	$ 3,332	$ 4,202	$ 4,838	$ 2,197	$ 1,410	$ 1,131
Add:							
Minority interest(a)	44	95	111	74	76	62	77
Adjusted income from equity investments(b)	(14)	(51)	(52)	(53)	(5)	72	308
	3,660	3,376	4,261	4,859	2,268	1,544	1,516
Add:							
Provision (credit) for taxes on income (other than foreign oil and gas taxes)	1,098	1,286	1,545	632	891	593	(74)
Interest and debt expense(c)	297	207	292	300	266	335	310
Portion of lease rentals representative of the interest factor	25	30	52	47	40	8	6
	1,420	1,523	1,889	979	1,197	936	242
Earnings before fixed charges	$ 5,080	$ 4,899	$ 6,150	$ 5,838	$ 3,465	$ 2,480	$ 1,758
Fixed charges							
Interest and debt expense including capitalized interest(c)	$ 343	$ 245	$ 347	$ 326	$ 281	$ 341	$ 321
Portion of lease rentals representative of the interest factor	25	30	52	47	40	8	6
Total fixed charges	$ 368	$ 275	$ 399	$ 373	$ 321	$ 349	$ 327
Ratio of earnings to fixed charges	13.80	17.81	15.41	15.65	10.79	7.11	5.38

(a) Represents minority interests in net income of majority-owned subsidiaries and partnerships having fixed charges.

(b) Represents income from less-than-50-percent-owned equity investments adjusted to reflect only dividends received.

(c) Includes proportionate share of interest and debt expense of less-than-50-percent-owned equity investments. The nine months ended September 30, 2007 amount includes a pre-tax interest charge of $167 million for the redemption and partial repurchase of various debt issues.

EXHIBIT 31.1

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

I, Ray R. Irani, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: October 31, 2007

/s/ Ray R. Irani
Ray R. Irani
Chairman of the Board of Directors, 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, 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: October 31, 2007

/s/ Stephen I. Chazen
Stephen I. Chazen
Senior 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 September 30, 2007, as filed with the Securities and Exchange Commission on October 31, 2007 (the “Report”), Ray R. Irani, as Chief Executive Officer of the Company, and Stephen I. Chazen, as Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

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

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

/s/ Ray R. Irani
Name: Ray R. Irani
Title: Chairman of the Board of Directors, President and Chief Executive Officer
Date: October 31, 2007

/s/ Stephen I. Chazen
Name: Stephen I. Chazen
Title: Senior Executive Vice President and Chief Financial Officer
Date: October 31, 2007

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.