

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED) OCTOBER 6, 1997

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

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

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

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

ITEM 5. OTHER EVENTS.

On October 6, 1997, the Registrant (hereinafter, the "Company" or "Occidental") announced the following developments:

1. ACQUISITION OF ELK HILLS FIELD. The Company has signed an agreement with the Department of Energy to acquire the U.S. Government's 78 percent interest in the Elk Hills Field. Occidental's bid was \$3.65 billion.

The Elk Hills acquisition will be funded using anticipated proceeds from the divestiture of MidCon Corp. (described in paragraph 2 below) and an additional amount that Occidental expects to raise from the sale of other non-strategic assets that earn a lower rate of return than Elk Hills. In the interim, the acquisition will be funded with short-term debt.

The acquisition of the Elk Hills Field is effective October 1, 1997, with closing, subject to congressional review, expected in February 1998.

The Elk Hills Field is 15 miles west of Bakersfield, California, and is approximately 15 miles long and 5 miles wide. The field produces an average 31 degree API gravity oil.

2. MIDCON DIVESTITURE. Occidental plans to divest MidCon Corp., its natural gas pipeline subsidiary. The divestiture is expected to be completed early next year. The Company expects to raise at least \$3 billion from the divestiture of MidCon which will be used to fund an initial Occidental Common Stock Repurchase Program (described in paragraph 3 below), and to partially fund the Elk Hills Field acquisition (described in paragraph 1 above).

MidCon engages in interstate and intrastate natural gas transmission and marketing and electric power marketing.

MidCon's subsidiaries purchase, transport, store and process gas and sell gas to utilities, municipalities and industrial and commercial users.

3. OPC COMMON STOCK REPURCHASE PROGRAM. The Company will commence immediately a Common Stock Repurchase Program, in which up to 40 million shares could be purchased. The repurchase program will be funded initially by the issuance of short-term debt, and subsequently with a portion of the proceeds from the MidCon divestiture (described in paragraph 2 above).

The repurchases will be made in the open market or in privately negotiated transactions at the discretion of Occidental's management, depending upon financial and market conditions or as otherwise provided by the Securities and Exchange Commission and New York Stock Exchange rules and regulations.

4. AMENDMENTS TO EMPLOYMENT AGREEMENTS OF CHIEF EXECUTIVE OFFICER AND SENIOR OPERATING OFFICER. The Board of Directors of Occidental authorized amendments to the Employment Agreements of Dr. Ray R. Irani, Chairman and Chief Executive Officer, and Dr. Dale R. Laurance, President and Senior Operating Officer, which have been implemented. The Board's objectives were to implement new performance based compensation, significantly reduce or eliminate Company financial obligations and continue to retain the Company's most senior executives.

Dr. Irani's employment arrangements prior to this amendment were specified in his 1991 Employment Agreement, which was approved by the Board at that time, when the Board determined that it was critical to the Company to retain Dr. Irani as the new Chief Executive Officer. The 1991 Agreement was based in part on his 1983 Employment Agreement, when he moved from Olin Corporation in Connecticut to Occidental. The following provisions of his 1991 Employment Agreement were eliminated by this amendment:

- (i) a seven-year automatic term "evergreen" arrangement, entitling him to an annual salary of at least \$1.9 million;
- (ii) an annual bonus of at least 60 percent of his salary;
- (iii) an annual restricted stock grant of at least 101 percent of his salary;
- (iv) guaranteed annual stock option grants;
- (v) a supplemental retirement benefit entitling him to at least \$2.6 million annually, adjusted for changes in the Consumer Price Index;
- (vi) a special surviving spouse benefit;
- (vii) state/local income tax reimbursement, grossed up;
- (viii) lump sum payment upon death equal to seven times his annual aggregate compensation;
- (ix) seven-year salary plus bonus payments in the event of termination by the Company, adjusted for changes in the Consumer Price Index; and
- (x) change-in-control provisions.

The Employment Agreement of Dr. Laurance was approved by the Board in 1993. The following provisions of Dr. Laurance's Employment Agreement were eliminated by these amendments:

- (i) a two-year automatic term "evergreen" arrangement, entitling him to no decrease in salary;
- (ii) a special supplemental retirement benefit; and
- (iii) a special surviving spouse benefit, adjusted for changes in the Consumer Price Index.

The Compensation Committee of the Board of Directors decided that both Employment Agreements should be reassessed at this time. The Committee retained actuarial and compensation consultants and independent legal counsel to assist and advise the Committee in analyzing the Employment Agreements and to provide advice and counsel to the Committee and to the Board on settling the obligations created by the foregoing provisions and implementing new, more progressive employment agreements.

The Committee recommended, and the outside directors of the Board agreed, to settle the obligations of the existing agreements and enter into amended and restated employment agreements with the two senior executives. Payments were made for the actuarially determined discounted value of their retirement benefits and for the other eliminated obligations. The settlement payments for these obligations amounted to \$95 million for Dr. Irani and \$17 million for Dr. Laurance. The Company expects to take an after-tax charge of approximately \$0.16 per share in the third quarter of 1997 for the settlement of these contracts. After this charge, Occidental expects to report net income of approximately \$0.40 per share for the third quarter of 1997.

As a result of the foregoing settlements and amendments, Dr. Irani now has an Amended and Restated Employment Agreement for a fixed five-year term, with a reduced base salary of \$1.2 million. His annual bonus and long-term stock-based incentive compensation will be determined at the discretion of the Compensation Committee of the Board of Directors and will be dependent upon the Company's performance. The contractual rights from his 1991 Agreement noted above have all been eliminated. Similarly, Dr. Laurance now has an Amended and Restated Employment Agreement for a five-year fixed term at his previous compensation. The contractual rights from his 1993 Employment Agreement noted above have all been eliminated.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

(c) Exhibits

- 10.1 Employment Agreement, dated as of September 11, 1997, between Occidental Petroleum Corporation and Dr. Ray R. Irani.
- 10.2 Receipt and Acknowledgment, dated September 11, 1997, of Dr. Ray R. Irani and Ghada Irani.
- 10.3 Employment Agreement, dated as of September 11, 1997, between Occidental Petroleum Corporation and Dr. Dale R. Laurance.
- 10.4 Receipt and Acknowledgment, dated September 11, 1997, of Dr. Dale R. Laurance and Lynda E. Laurance.

SIGNATURE

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

OCCIDENTAL PETROLEUM CORPORATION
(Registrant)

DATE: October 6, 1997

S. P. Dominick, Jr.

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

EXHIBIT INDEX

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- 10.4 Receipt and Acknowledgment, dated September 11, 1997, of Dr. Dale R. Laurance and Lynda E. Laurance.

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT is entered into as of the 11th day of September, 1997, by and between OCCIDENTAL PETROLEUM CORPORATION, a Delaware Corporation ("COMPANY"), and DR. RAY R. IRANI ("EMPLOYEE").

W I T N E S S E T H:

WHEREAS, EMPLOYEE, since June 16, 1983, has served as an officer of COMPANY, most recently as COMPANY's Chairman and Chief Executive Officer pursuant to an agreement between EMPLOYEE and COMPANY dated November 16, 1991 (the "Prior Agreement"); and

WHEREAS, COMPANY desires to obtain the benefit of continued services by EMPLOYEE as Chairman and Chief Executive Officer, and EMPLOYEE desires to continue to render services to COMPANY; and

WHEREAS, the Board of Directors of COMPANY (the "Board") has determined that it is in COMPANY's best interest and that of its stockholders to recognize the substantial contribution that EMPLOYEE has made and is expected to continue to make to COMPANY's business and to retain his services in the future; and

WHEREAS, COMPANY and EMPLOYEE desire to set forth in this Agreement the terms and conditions of EMPLOYEE's continued employment with COMPANY which Agreement represents and constitutes an amendment and restatement of the Prior Agreement;

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, the parties hereto agree as follows:

1. Term. This Agreement shall be in effect for a period of time (the "Term") commencing on September 11, 1997 (the "Effective Date") and expiring on the fifth anniversary of the Effective Date, unless earlier terminated in accordance with the provisions hereof. COMPANY shall employ EMPLOYEE, and EMPLOYEE shall serve COMPANY, in accordance with the provisions hereof, throughout the Term, unless such employment is earlier terminated in accordance with the provisions hereof.

2. Specific Position; Duties and Responsibilities. Subject to the provisions of this Agreement, COMPANY shall employ EMPLOYEE as Chairman and Chief Executive Officer, and EMPLOYEE shall serve COMPANY as Chairman and Chief Executive Officer and as a member of the Board. EMPLOYEE's principal business address shall during such period be at COMPANY's principal executive offices in Southern California or with EMPLOYEE's consent in such other place as such offices are relocated. EMPLOYEE's duties

hereunder shall be the usual and customary duties of the offices in which he shall serve. EMPLOYEE shall have such executive power and authority as shall reasonably be required to enable him to discharge his duties in the offices which he may hold.

3. Services and Exclusivity of Services. During the term of this Agreement, EMPLOYEE, except as otherwise expressly provided in this Section 3, shall devote his full business time and energy to the business affairs and interests of COMPANY and its subsidiaries, and shall use his best efforts and abilities to promote COMPANY's and its subsidiaries' interests.

EMPLOYEE may serve as a director or in any other capacity of any business enterprise, including an enterprise whose activities may involve or relate to the business of COMPANY, provided that such service is expressly approved by the Board. EMPLOYEE may make and manage personal business investments of his choice and serve in any capacity with any civic, educational or charitable organization, or any governmental entity or trade association, without seeking or obtaining approval by the Board, provided such activities and services do not materially interfere or conflict with the performance of his duties hereunder.

4. Salary. Commencing as of the Effective Date of this Agreement, COMPANY shall pay EMPLOYEE an annual salary at

the minimum rate of \$1,200,000, which shall be payable in semimonthly installments in conformity with COMPANY's policy relating to salaried employees. EMPLOYEE's salary shall be subject to annual increase (and, as part of across the board reductions for other officers of COMPANY, decrease) at the reasonable discretion of the Board and its Compensation Committee.

5. Bonus. EMPLOYEE shall be entitled to an annual cash bonus in an amount to be determined at the reasonable discretion of the Board and its Compensation Committee.

6. Deferred Compensation. In advance of the annual period for which it is earned, EMPLOYEE shall have the right to defer all or any portion of his salary and all or any portion of his bonus to a specified date or to a specified event. Any such deferred compensation shall not be forfeitable and shall bear interest at a rate no less favorable than the highest rate then made available to any other senior officer who is provided with the right to defer compensation under the COMPANY's 1988 Deferred Compensation Plan.

Any election to defer compensation shall not be taken into account in the calculation of those of EMPLOYEE's rights and benefits under this Agreement that are based upon EMPLOYEE's salary or bonus or the sum thereof.

7. Employee Benefits. EMPLOYEE shall be entitled during his employment hereunder, to all rights and benefits for which he is otherwise eligible under any group life insurance, medical care (including coverage for EMPLOYEE's spouse and children), disability, retirement, personal savings account, and other plans or benefits which COMPANY or its subsidiaries may provide for him (collectively, "Employee Benefits").

If EMPLOYEE's employment is terminated hereunder, pursuant to Section 11(b), 11(c), or 11(d) hereof, and EMPLOYEE is entitled to but is no longer eligible for Employee Benefits because of such termination, EMPLOYEE shall be entitled to and COMPANY shall provide, to the extent provided in this Agreement, benefits substantially equivalent to the Employee Benefits to which EMPLOYEE was entitled immediately prior to such termination and shall do so for the period during which he remains entitled to receive such Employee Benefits as provided in this Agreement. With respect to the continuation of such benefits, EMPLOYEE shall also be paid by COMPANY an amount which, after taxes on such amount, shall reimburse EMPLOYEE for any additional tax liabilities incurred by EMPLOYEE by reason of the receipt of such benefits after the termination of, rather than during the term of, this Agreement, upon the assumption that the amount to which EMPLOYEE shall be so entitled shall be subject to the maximum

combined Federal and state tax rate applicable to individuals in respect of such payments.

8. Supplemental Benefits.

(a) Retirement. COMPANY shall cause EMPLOYEE to be an eligible participant in COMPANY's qualified and nonqualified retirement and deferred compensation plans applicable to employees of COMPANY as of the effective date of this Agreement.

(b) Life Insurance. During the period prior to his retirement, COMPANY shall provide EMPLOYEE with life insurance which, when added to the coverage provided as part of his Employee Benefits, shall provide coverage at a minimum level equal to three (3) times his highest career annual salary at any time during his employment by COMPANY.

During any period following EMPLOYEE's retirement or termination from employment with COMPANY, COMPANY shall provide EMPLOYEE with life insurance at a minimum level equal to two (2) times his rate of highest career annual salary at any time during his employment by COMPANY.

(c) Post-Retirement Benefits.

(i) During any period following EMPLOYEE's retirement or termination from employment with COMPANY, EMPLOYEE shall be entitled to medical benefits of a kind and to an extent no less favorable than the medical benefits provided by COMPANY to EMPLOYEE prior to his retirement or termination.

(ii) During any period following EMPLOYEE's retirement or termination from employment with COMPANY, EMPLOYEE shall be entitled to continue to receive personal tax and financial planning services (currently provided by Arthur Andersen & Co.).

(d) Spousal Benefits. EMPLOYEE's surviving spouse shall also be entitled to continuation of medical benefits included within the Employee Benefits for the remainder of her life.

(e) Legal Fees. COMPANY shall provide to or for EMPLOYEE all legal fees for services and costs excepting only for matters of a purely personal nature. COMPANY's obligation pursuant to this Section 8(e) shall survive the Term of this Agreement.

9. Perquisites and Vacation. During his employment hereunder, EMPLOYEE shall continue to be entitled to the minimum

perquisites to which he was entitled in accordance with the practice immediately prior to the Effective Date.

EMPLOYEE shall continue to be entitled to six (6) weeks paid vacation during each calendar year of employment, prorated for any period which is less than one (1) calendar year. Vacation time shall accrue during each calendar year, and, upon termination of this Agreement for any reason and in addition to any other rights granted to EMPLOYEE by this Agreement, EMPLOYEE shall be entitled to be paid an amount based upon his salary at the rate applicable immediately prior to such termination for any accrued but unused vacation time.

10. Long-Term Incentives.

(a) Restricted Stock. During his employment hereunder, EMPLOYEE shall be entitled to participate in COMPANY's long term incentive compensation program, with any award to be related to the performance of COMPANY and determined at the discretion of the Board or its Compensation Committee.

(b) Stock Options. During his employment hereunder, EMPLOYEE shall be considered annually for the grant of stock options under then existing COMPANY stock option plans.

(c) Performance Plans. If, during EMPLOYEE's employment hereunder, COMPANY adopts any other long-term

incentive plans, EMPLOYEE shall be treated under each of those plans in a manner no less favorable than the treatment afforded other key executives of COMPANY.

11. Termination.

(a) Death. This Agreement shall terminate upon EMPLOYEE's death. EMPLOYEE's estate or other designated beneficiary, if any, shall be entitled to the rights and benefits as prescribed by applicable COMPANY plans and as prescribed by Section 8(b) hereof. The rights and benefits to which EMPLOYEE's estate or other designated beneficiary shall be entitled upon his death shall be payable to such person or persons as EMPLOYEE shall have directed in writing or, in the absence of a designation, to his estate.

(b) Disability. In the event that EMPLOYEE shall be unable, because of illness, injury or similar incapacity ("disability"), to perform his duties hereunder for an aggregate of six (6) months within any one eighteen (18) month period, EMPLOYEE's employment hereunder may be terminated by written notice of termination from COMPANY to EMPLOYEE. In the event of a termination pursuant to this Section 11(b), EMPLOYEE shall be entitled to receive payments described in Section 11(c) hereof offset by the amount of any disability benefits to which EMPLOYEE shall become entitled under any COMPANY sponsored disability

plan. In the event of a termination pursuant to this Section 11(b), EMPLOYEE shall also be entitled, until his death, to the medical and welfare benefits included within the Employee Benefits and to the life insurance benefits enumerated in the first paragraph of Section 8(b) hereof.

(c) Termination by COMPANY. The Board shall have the right, at its election to be made in writing and delivered to EMPLOYEE not less than sixty (60) days prior to the effective date thereof, to terminate EMPLOYEE's employment under this Agreement for any reason. In the event of a termination pursuant to this Section 11(c) on or prior to September 11, 2000, EMPLOYEE shall be entitled to three (3) times EMPLOYEE's highest annual salary and bonus paid to EMPLOYEE at any time in respect of a single calendar year during the Term of this Agreement, subject to the last two sentences of this paragraph, such amount payable in equal monthly installments over three (3) years. In the event of a termination pursuant to this Section 11(c) after September 11, 2000, but on or before September 11, 2002, EMPLOYEE shall be entitled to two (2) times EMPLOYEE's highest annual salary and bonus paid to EMPLOYEE at any time in respect of any single calendar year during the Term of this Agreement, subject to the last two sentences of this paragraph, such amount payable in equal monthly installments over (2) years. Should EMPLOYEE be terminated prior to a date on which any bonus has been paid

subsequent to September 11, 1997, for purposes of this Section 11(c) only, EMPLOYEE shall be deemed to have been paid a bonus of \$900,000 for the purpose of calculating the amount due under this Section 11(c). Once a bonus is paid to the EMPLOYEE in the normal bonus cycle (other than the \$900,000 deemed bonus), that bonus and all subsequent bonuses shall be used for the required calculations under this Section 11(c).

EMPLOYEE shall also be entitled to the following:

(i) Medical and welfare benefits included within the Employee Benefits where permissible under applicable plans, and the provision of comparable supplemental benefits where continuation of such benefits is impermissible under applicable plans;

(ii) The life insurance benefits provided in Section 8(b) hereof;

(iii) Existing perquisites; and

(iv) Full and immediate vesting of restricted stock, stock options and any other then provided long-term incentive benefits; provided, EMPLOYEE shall be able to exercise any outstanding options or stock appreciation rights as if he had retired on the date of termination.

In the event of a termination pursuant to this Section 11(c), EMPLOYEE shall have no duty to mitigate COMPANY's obligations by seeking other employment or by becoming self-employed, and COMPANY shall have no right to offset against its obligations any consideration received by EMPLOYEE from any subsequent employment or subsequent self-employment.

(d) Constructive Termination. EMPLOYEE shall have the right, at his election to be made in writing and delivered to COMPANY within sixty (60) days after such event, to terminate his employment under this Agreement if a material breach of this Agreement by COMPANY occurs which COMPANY fails to cure within fifteen (15) days after receipt of notice of such breach. In the event of a termination under this Section 11(d), EMPLOYEE shall be entitled to treat such termination as though it were a termination pursuant to Section 11(c) hereof.

Notwithstanding the foregoing, COMPANY shall not be in material breach if EMPLOYEE's duties and responsibilities are reduced solely by virtue of the fact that COMPANY is (or substantially all of its assets are) sold to, or combined with, another entity provided that EMPLOYEE shall continue to have substantially the same executive duties with respect to COMPANY's business as of the Effective Date and EMPLOYEE shall report directly to the board of directors of any entity (or individual) that acquires COMPANY or its assets.

12. Change in Control.

COMPANY shall hold EMPLOYEE harmless against and shall insulate EMPLOYEE from all of the effects of any excise or other tax payable by EMPLOYEE under or as a result of Sections 280G and 4999 of the Internal Revenue Code of 1986 or comparable state law, or any successor thereto, by reason of a change in control. COMPANY's obligation in this regard shall include a gross-up obligation, to hold EMPLOYEE harmless from and to insulate EMPLOYEE from all of the effects of any income and excise tax liability.

13. Miscellaneous.

(a) Working Facilities. During his employment hereunder, EMPLOYEE shall continue to be furnished with office facilities and services at least substantially equivalent to those which have been provided him immediately prior to the Effective Date.

(b) Waiver of Breach. If COMPANY breaches any provision of this Agreement, EMPLOYEE shall not be deemed under any circumstances to have waived any of his rights attributable to such breach unless he has specifically consented to such waiver in writing. Any such waiver by EMPLOYEE of a breach of

any provision of this Agreement by COMPANY shall not operate or be construed as a waiver of any subsequent breach by COMPANY.

If EMPLOYEE breaches any provision of this Agreement, COMPANY shall not be deemed under any circumstances to have waived any of its rights attributable to such breach unless it has specifically consented to such waiver in writing. Any such waiver by COMPANY of a breach of any provision of this Agreement by EMPLOYEE shall not operate or be construed as a waiver of any subsequent breach by EMPLOYEE.

(c) Notices. Any notice required or permitted to be given under this Agreement shall be sufficient if in writing and if sent by registered or certified mail (return receipt requested) to the following addresses: If to COMPANY, at 10889 Wilshire Boulevard, Los Angeles, California 90024, Attention: General Counsel, with a copy to the Chairman of the Compensation Committee of the Board at the same address, or to such other address as COMPANY, may from time to time in writing designate, and if to EMPLOYEE, at such address as he may from time to time in writing designate (or his business address of record in the absence of such designation). All notices shall be deemed to have been given two (2) business days after they have been deposited in the United States mail.

(d) Amendments. Any provision contained in this Agreement or in any renewal or extension hereof upon the same or different terms and conditions may be amended at any time or from time to time by mutual agreement of EMPLOYEE and COMPANY without the consent of any other person named or described in this Agreement as a beneficiary of any of its provisions.

(e) Assignment. During the Term, COMPANY shall not merge, consolidate or otherwise combine with any other entity unless COMPANY shall be the surviving corporation or the surviving corporation shall have assumed all COMPANY's obligations under this Agreement. The obligations of COMPANY under this Agreement shall be binding upon the surviving corporation upon the merger, consolidation or combination of COMPANY with such corporation. This Agreement shall inure to the benefit of COMPANY and its successors and assigns and of EMPLOYEE and his heirs and personal representatives.

(f) Entire Agreement. This Agreement constitutes the entire agreement between COMPANY and EMPLOYEE with respect to the subject matter hereof, amends and supersedes the Prior Agreement and specifically does not affect those certain agreements identified on Exhibit A hereto, and may not be changed orally but only by an instrument in writing signed by the party

against whom enforcement of any waiver, change, modification, extension or discharge is sought.

(g) Severability. The invalidity of any term of this Agreement shall not invalidate or otherwise affect any other term of this Agreement.

(h) Applicable Law.

(i) Subject to Section 13 (j), this Agreement shall be governed by and construed under and in accordance with the laws of the State of Delaware applicable to contracts made and to be wholly performed within the State of Delaware, without regard to principles of conflicts of laws; and the laws of that state shall govern all of the rights, remedies, liabilities, powers and duties of the parties under this Agreement and of any arbitrator or arbitrators to whom any matter hereunder may be submitted for resolution by the parties hereto, as contemplated by and pursuant to Title 6, Section 2708 of the Delaware Code.

(ii) Subject to Section 13 (j), any legal action or proceeding with respect to this Agreement shall be brought exclusively in the federal or state courts of the State of Delaware, and by execution and delivery of this Agreement, EMPLOYEE and COMPANY irrevocably consent to the jurisdiction of those courts. EMPLOYEE and COMPANY irrevocably waive any

objection, including any objection to the laying of venue or based on the grounds of forum non conveniens, which either may now or hereafter have to the bringing of any action or proceeding in such jurisdiction in respect of this Agreement or any transaction related hereto. EMPLOYEE and COMPANY acknowledge and agree that any service of legal process by mail in the manner provided for notices under this Agreement constitutes proper legal service of process under applicable law in any action or proceeding under or in respect of this Agreement.

(i) Administration. The Board, or such committee of the Board as it may by resolution specifically designate, shall administer this Agreement on behalf of COMPANY and take any action and exercise any discretion required or permitted to be taken or exercised by COMPANY pursuant to the provisions hereof.

(j) Arbitration. Any controversy or claim arising out of or relating to this Agreement shall be settled by binding arbitration in Delaware, in accordance with the commercial arbitration rules of the American Arbitration Association. The demand for arbitration must be made within one year after the controversy or claim arises; failure to do so shall constitute an absolute bar to the institution of any such proceeding and shall forever constitute a waiver respecting any such controversy or claim. Any award pursuant to such

arbitration shall be included in a written decision which shall state the legal and factual reasons upon which the award was based, including all the elements involved in the calculation of any award of damages. Any such award shall be deemed final and binding and may be entered and enforced in any state or federal court of competent jurisdiction. The arbitrator(s) shall interpret the Agreement in accordance with the laws of Delaware. The arbitrator(s) shall be authorized to award reasonable attorneys' fees and other arbitration-related costs to the prevailing party.

(k) Indemnity and Insurance. In any situation where under applicable law the COMPANY has the power to indemnify EMPLOYEE in respect of any judgments, fines, settlements, loss, cost or expense (including attorneys' fees) of any nature related to or arising out of EMPLOYEE's activities as an agent, employee, officer or director of COMPANY or in any other capacity on behalf of or at the request of COMPANY, COMPANY agrees that it will indemnify EMPLOYEE to the fullest extent permitted by applicable law, including but not limited to making such findings and determinations and taking any and all such actions as COMPANY may, under applicable law, be permitted to have the discretion to take so as to effectuate such indemnification. COMPANY further agrees to furnish EMPLOYEE for the remainder of his life with Directors' and Officers' liability insurance insuring EMPLOYEE,

against occurrences which occur during the term of this Agreement, such insurance to have policy limits aggregating not less than \$100 million, and otherwise to be in substantially the same form and to contain substantially the same terms, conditions and exceptions as the liability insurance policies provided for officers and directors of COMPANY in force from time to time. COMPANY's obligation pursuant to this Section 13(k) shall survive the Term of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

OCCIDENTAL PETROLEUM CORPORATION

By: Richard W. Hallock

Title: Executive Vice President

EMPLOYEE:

R. R. Irani

Dr. Ray R. Irani

LT972510.064/12+

Dr. Ray Irani

List of Special Agreements (Exhibit A)

- * Indemnification Agreement between EMPLOYEE and COMPANY or any affiliates.
- * Split-Dollar Life Insurance Agreement, dated October 31, 1994.

Other Agreements:

- * Restricted Stock Agreement Letters for grants made under the 1977 Executive Long-Term Stock Purchase Plan and the 1995 Incentive Stock Plan.
- * Stock Option Agreement Letters for grants made under the 1987 Stock Option Plan and 1995 Incentive Stock Plan.
- * Performance Stock Option Agreement Letter for award made July 2, 1997 under the 1995 Incentive Stock Plan.
- * Enrollment Agreement under Senior Executive Deferred Compensation Plan, dated January 1, 1986.
- * Insurance Agreement under Senior Executive Survivor Benefit Plan, dated January 1, 1986.

EXHIBIT A

Receipt and Acknowledgment

September 11, 1997

The undersigned, Dr. Ray R. Irani ("Dr. Irani"),
Chairman and Chief Executive Officer of Occidental Petroleum
Corporation ("OPC"),

(a) hereby acknowledges receipt of a payment (the
"Payment") from OPC in the amount of Ninety-Five Million
Dollars (\$95,000,000); and

(b) in consideration of the Payment, hereby agrees that
effective as of the date hereof:

(i) that certain Employment Agreement entered into
as of November 16, 1991 by and between OPC and Dr. Irani (the
"1991 Employment Agreement"), has been amended and, as
amended, restated by that certain Employment Agreement
entered into as of September 11, 1997 by and between OPC and
Dr. Irani (the "1997 Amended Employment Agreement"); and

(ii) his rights and entitlements respecting his
employment are defined by and pursuant to the 1997 Amended
Employment Agreement.

Dr. Irani shall take all action necessary to that
certain separate grantor ("Rabbi") trust maintained by OPC
and administered by Wells Fargo Bank, known as the
"Occidental Petroleum Grantor Trust 4 - Irani," to be

terminated and the assets of the separate trust for Ray R.
Irani to be returned to OPC.

Dr. Irani and OPC hereby expressly agree that nothing in
this Receipt and Acknowledgment is intended to or does impair
any term or condition of the 1997 Amended Employment
Agreement including without limitation any rights of
Dr. Irani or his estate or his wife defined by or pursuant to
the 1997 Amended Employment Agreement.

R. R. Irani

Dr. Ray R. Irani

In consideration of the Payment to Dr. Irani, the
receipt and sufficiency of which are hereby acknowledged,
Ghada Irani does hereby join in, accept and consent to
the foregoing provisions. Ghada Irani also hereby
acknowledges that she has the right to separate legal counsel
and hereby waives that right.

Ghada Irani

Ghada Irani

LA972530.060/4

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT is entered into as of the 11th day of September, 1997, by and between OCCIDENTAL PETROLEUM CORPORATION, a Delaware Corporation ("COMPANY"), and DR. DALE R. LAURANCE ("EMPLOYEE").

W I T N E S S E T H:

WHEREAS, EMPLOYEE, since September 1, 1984, has served as an officer of COMPANY, most recently as COMPANY's President and Senior Operating Officer pursuant to an agreement between EMPLOYEE and COMPANY dated September 16, 1993 (the "Prior Agreement"); and

WHEREAS, COMPANY desires to obtain the benefit of continued services by EMPLOYEE as President and Senior Operating Officer, and EMPLOYEE desires to continue to render services to COMPANY; and

WHEREAS, the Board of Directors of COMPANY (the "Board") has determined that it is in COMPANY's best interest and that of its stockholders to recognize the substantial contribution that EMPLOYEE has made and is expected to continue to make to COMPANY's business and to retain his services in the future; and

WHEREAS, COMPANY and EMPLOYEE desire to set forth in this Agreement the terms and conditions of EMPLOYEE's continued employment with COMPANY which Agreement represents and constitutes an amendment and restatement of the Prior Agreement;

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, the parties hereto agree as follows:

1. Term. This Agreement shall be in effect for a period of time (the "Term") commencing on September 11, 1997 (the "Effective Date") and expiring on the fifth anniversary of the Effective Date, unless earlier terminated in accordance with the provisions hereof. COMPANY shall employ EMPLOYEE, and EMPLOYEE shall serve COMPANY, in accordance with the provisions hereof, throughout the Term, unless such employment is earlier terminated in accordance with the provisions hereof.

2. Specific Position; Duties and Responsibilities. Subject to the provisions of this Agreement, COMPANY shall employ EMPLOYEE as President and Senior Operating Officer, and EMPLOYEE shall serve COMPANY as President and Senior Operating Officer and as a member of the Board. EMPLOYEE's principal business address shall during such period be at COMPANY's principal executive offices in Southern California or with EMPLOYEE's consent in such other place as such offices are relocated. EMPLOYEE's duties

hereunder shall be the usual and customary duties of the offices in which he shall serve. EMPLOYEE shall have such executive power and authority as shall reasonably be required to enable him to discharge his duties in the offices which he may hold.

3. Services and Exclusivity of Services. During the term of this Agreement, EMPLOYEE, except as otherwise expressly provided in this Section 3, shall devote his full business time and energy to the business affairs and interests of COMPANY and its subsidiaries, and shall use his best efforts and abilities to promote COMPANY's and its subsidiaries' interests.

EMPLOYEE may serve as a director or in any other capacity of any business enterprise, including an enterprise whose activities may involve or relate to the business of COMPANY, provided that such service is expressly approved by the Board. EMPLOYEE may make and manage personal business investments of his choice and serve in any capacity with any civic, educational or charitable organization, or any governmental entity or trade association, without seeking or obtaining approval by the Board, provided such activities and services do not materially interfere or conflict with the performance of his duties hereunder.

4. Salary. Commencing as of the Effective Date of this Agreement, COMPANY shall pay EMPLOYEE an annual salary at

the minimum rate of \$950,000, which shall be payable in semimonthly installments in conformity with COMPANY's policy relating to salaried employees. EMPLOYEE's salary shall be subject to annual increase (and, as part of across the board reductions for other officers of COMPANY, decrease) at the reasonable discretion of the Board and its Compensation Committee.

5. Bonus. EMPLOYEE shall be entitled to an annual cash bonus in an amount to be determined at the reasonable discretion of the Board and its Compensation Committee.

6. Deferred Compensation. In advance of the annual period for which it is earned, EMPLOYEE shall have the right to defer all or any portion of his salary and all or any portion of his bonus to a specified date or to a specified event. Any such deferred compensation shall not be forfeitable and shall bear interest at a rate no less favorable than the highest rate then made available to any other senior officer who is provided with the right to defer compensation under the COMPANY's 1988 Deferred Compensation Plan.

Any election to defer compensation shall not be taken into account in the calculation of those of EMPLOYEE's rights and benefits under this Agreement that are based upon EMPLOYEE's salary or bonus or the sum thereof.

7. Employee Benefits. EMPLOYEE shall be entitled during his employment hereunder, to all rights and benefits for which he is otherwise eligible under any group life insurance, medical care (including coverage for EMPLOYEE's spouse and children), disability, retirement, personal savings account, and other plans or benefits which COMPANY or its subsidiaries may provide for him (collectively, "Employee Benefits").

If EMPLOYEE's employment is terminated hereunder, pursuant to Section 11(b), 11(c), or 11(d) hereof, and EMPLOYEE is entitled to but is no longer eligible for Employee Benefits because of such termination, EMPLOYEE shall be entitled to and COMPANY shall provide, to the extent provided in this Agreement, benefits substantially equivalent to the Employee Benefits to which EMPLOYEE was entitled immediately prior to such termination and shall do so for the period during which he remains entitled to receive such Employee Benefits as provided in this Agreement. With respect to the continuation of such benefits, EMPLOYEE shall also be paid by COMPANY an amount which, after taxes on such amount, shall reimburse EMPLOYEE for any additional tax liabilities incurred by EMPLOYEE by reason of the receipt of such benefits after the termination of, rather than during the term of, this Agreement, upon the assumption that the amount to which EMPLOYEE shall be so entitled shall be subject to the maximum

combined Federal and state tax rate applicable to individuals in respect of such payments.

8. Supplemental Benefits.

(a) Retirement. COMPANY shall cause EMPLOYEE to be an eligible participant in COMPANY's qualified and nonqualified retirement and deferred compensation plans applicable to employees of COMPANY as of the effective date of this Agreement.

(b) Life Insurance. During the period prior to his retirement, COMPANY shall provide EMPLOYEE with life insurance which, when added to the coverage provided as part of his Employee Benefits, shall provide coverage at a minimum level equal to three (3) times his highest career annual salary at any time during his employment by COMPANY.

During any period following EMPLOYEE's retirement or termination from employment with COMPANY, COMPANY shall provide EMPLOYEE with life insurance at a minimum level equal to two (2) times his rate of highest career annual salary at any time during his employment by COMPANY.

(c) Post-Retirement Benefits.

(i) During any period following EMPLOYEE's retirement or termination from employment with COMPANY, EMPLOYEE shall be entitled to medical benefits of a kind and to an extent no less favorable than the medical benefits provided by COMPANY to EMPLOYEE prior to his retirement or termination.

(ii) During any period following EMPLOYEE's retirement or termination from employment with COMPANY, EMPLOYEE shall be entitled to continue to receive personal tax and financial planning services (currently provided by Arthur Andersen & Co.).

(d) Spousal Benefits. EMPLOYEE's surviving spouse shall also be entitled to continuation of medical benefits included within the Employee Benefits for the remainder of her life.

(e) Legal Fees. COMPANY shall provide to or for EMPLOYEE all legal fees for services and costs excepting only for matters of a purely personal nature. COMPANY's obligation pursuant to this Section 8(e) shall survive the Term of this Agreement.

9. Perquisites and Vacation. During his employment hereunder, EMPLOYEE shall continue to be entitled to the minimum

perquisites to which he was entitled in accordance with the practice immediately prior to the Effective Date.

10. Long-Term Incentives.

(a) Restricted Stock. During his employment hereunder, EMPLOYEE shall be entitled to participate in COMPANY's long term incentive compensation program, with any award to be related to the performance of COMPANY and determined at the discretion of the Board or its Compensation Committee.

(b) Stock Options. During his employment hereunder, EMPLOYEE shall be considered annually for the grant of stock options under then existing COMPANY stock option plans.

(c) Performance Plans. If, during EMPLOYEE's employment hereunder, COMPANY adopts any other long-term incentive plans, EMPLOYEE shall be treated under each of those plans in a manner no less favorable than the treatment afforded other key executives of COMPANY.

11. Termination.

(a) Death. This Agreement shall terminate upon EMPLOYEE's death. EMPLOYEE's estate or other designated beneficiary, if any, shall be entitled to the rights and benefits as prescribed by applicable COMPANY plans and as prescribed by

Section 8(b) hereof. The rights and benefits to which EMPLOYEE's estate or other designated beneficiary shall be entitled upon his death shall be payable to such person or persons as EMPLOYEE shall have directed in writing or, in the absence of a designation, to his estate.

(b) Disability. In the event that EMPLOYEE shall be unable, because of illness, injury or similar incapacity ("disability"), to perform his duties hereunder for an aggregate of six (6) months within any one eighteen (18) month period, EMPLOYEE's employment hereunder may be terminated by written notice of termination from COMPANY to EMPLOYEE. In the event of a termination pursuant to this Section 11(b), EMPLOYEE shall be entitled to receive payments described in Section 11(c) hereof offset by the amount of any disability benefits to which EMPLOYEE shall become entitled under any COMPANY sponsored disability plan. In the event of a termination pursuant to this Section 11(b), EMPLOYEE shall also be entitled, until his death, to the medical and welfare benefits included within the Employee Benefits and to the life insurance benefits enumerated in the first paragraph of Section 8(b) hereof.

(c) Termination by COMPANY. The Board shall have the right, at its election to be made in writing and delivered to EMPLOYEE not less than sixty (60) days prior to the effective

date thereof, to terminate EMPLOYEE's employment under this Agreement for any reason. In the event of a termination pursuant to this Section 11(c) on or prior to September 11, 2000, EMPLOYEE shall be entitled to three (3) times EMPLOYEE's highest annual salary and bonus paid to EMPLOYEE at any time in respect of any single calendar year during the Term of this Agreement, subject to the last two sentences of this paragraph, such amount payable in equal monthly installments over three (3) years. In the event of a termination pursuant to this Section 11(c) after September 11, 2000, but on or before September 11, 2002, EMPLOYEE shall be entitled to two (2) times EMPLOYEE's highest annual salary and bonus paid to EMPLOYEE at any time in respect of any single calendar year during the Term of this Agreement, subject to the last two sentences of this paragraph, such amount payable in equal monthly installments over two (2) years. Should EMPLOYEE be terminated prior to a date on which any bonus has been paid subsequent to September 11, 1997, for purposes of this Section 11(c) only, EMPLOYEE shall be deemed to have been paid a bonus of \$700,000 for the purpose of calculating the amount due under this Section 11(c). Once a bonus is paid to the EMPLOYEE in the normal bonus cycle (other than the \$700,000 deemed bonus), that bonus and all subsequent bonuses shall be used for the required calculations under this Section 11(c).

EMPLOYEE shall also be entitled to the following:

(i) Medical and welfare benefits included within the Employee Benefits where permissible under applicable plans, and the provision of comparable supplemental benefits where continuation of such benefits is impermissible under applicable plans;

(ii) The life insurance benefits provided in Section 8(b) hereof; and

(iii) Full and immediate vesting of restricted stock, stock options and any other then provided long-term incentive benefits; provided, EMPLOYEE shall be able to exercise any outstanding options or stock appreciation rights as if he were eligible to retire and did retire on the date of termination.

In the event of a termination pursuant to this Section 11(c), EMPLOYEE shall have no duty to mitigate COMPANY's obligations by seeking other employment or by becoming self-employed, and COMPANY shall have no right to offset against its obligations any consideration received by EMPLOYEE from any subsequent employment or subsequent self-employment.

(d) Constructive Termination. EMPLOYEE shall have the right, at his election to be made in writing and

delivered to COMPANY within sixty (60) days after such event, to terminate his employment under this Agreement if a material breach of this Agreement by COMPANY occurs which COMPANY fails to cure within fifteen (15) days after receipt of notice of such breach. In the event of a termination under this Section 11(d), EMPLOYEE shall be entitled to treat such termination as though it were a termination pursuant to Section 11(c) hereof. Notwithstanding the foregoing, COMPANY shall not be in material breach if EMPLOYEE's duties and responsibilities are reduced solely by virtue of the fact that COMPANY is (or substantially all of its assets are) sold to, or combined with, another entity provided that EMPLOYEE shall continue to have substantially the same executive duties with respect to COMPANY's business as of the Effective Date and EMPLOYEE shall report directly to the chief executive officer, to Dr. Ray R. Irani, and/or to the board of directors of any entity (or individual) that acquires COMPANY or its assets.

12. Change in Control.

COMPANY shall hold EMPLOYEE harmless against and shall insulate EMPLOYEE from all of the effects of any excise or other tax payable by EMPLOYEE under or as a result of Sections 280G and 4999 of the Internal Revenue Code of 1986 or comparable state law, or any successor thereto, by reason of a change in control. COMPANY's obligation in this regard shall include a gross-up obligation, to hold EMPLOYEE harmless from and to insulate EMPLOYEE from all of the effects of any income and excise tax liability.

13. Miscellaneous.

(a) Working Facilities. During his employment hereunder, EMPLOYEE shall continue to be furnished with office facilities and services at least substantially equivalent to those which have been provided him immediately prior to the Effective Date.

(b) Waiver of Breach. If COMPANY breaches any provision of this Agreement, EMPLOYEE shall not be deemed under any circumstances to have waived any of his rights attributable to such breach unless he has specifically consented to such waiver in writing. Any such waiver by EMPLOYEE of a breach of

any provision of this Agreement by COMPANY shall not operate or be construed as a waiver of any subsequent breach by COMPANY.

If EMPLOYEE breaches any provision of this Agreement, COMPANY shall not be deemed under any circumstances to have waived any of its rights attributable to such breach unless it has specifically consented to such waiver in writing. Any such waiver by COMPANY of a breach of any provision of this Agreement by EMPLOYEE shall not operate or be construed as a waiver of any subsequent breach by EMPLOYEE.

(c) Notices. Any notice required or permitted to be given under this Agreement shall be sufficient if in writing and if sent by registered or certified mail (return receipt requested) to the following addresses: If to COMPANY, at 10889 Wilshire Boulevard, Los Angeles, California 90024, Attention: General Counsel, with a copy to the Chairman of the Compensation Committee of the Board at the same address, or to such other address as COMPANY, may from time to time in writing designate, and if to EMPLOYEE, at such address as he may from time to time in writing designate (or his business address of record in the absence of such designation). All notices shall be deemed to have been given two (2) business days after they have been deposited in the United States mail.

(d) Amendments. Any provision contained in this Agreement or in any renewal or extension hereof upon the same or different terms and conditions may be amended at any time or from time to time by mutual agreement of EMPLOYEE and COMPANY without the consent of any other person named or described in this Agreement as a beneficiary of any of its provisions.

(e) Assignment. During the Term, COMPANY shall not merge, consolidate or otherwise combine with any other entity unless COMPANY shall be the surviving corporation or the surviving corporation shall have assumed all COMPANY's obligations under this Agreement. The obligations of COMPANY under this Agreement shall be binding upon the surviving corporation upon the merger, consolidation or combination of COMPANY with such corporation. This Agreement shall inure to the benefit of COMPANY and its successors and assigns and of EMPLOYEE and his heirs and personal representatives.

(f) Entire Agreement. This Agreement constitutes the entire agreement between COMPANY and EMPLOYEE with respect to the subject matter hereof, amends and supersedes the Prior Agreement and specifically does not affect those certain agreements identified on Exhibit A hereto, and may not be changed orally but only by an instrument in writing signed by the party

against whom enforcement of any waiver, change, modification, extension or discharge is sought.

(g) Severability. The invalidity of any term of this Agreement shall not invalidate or otherwise affect any other term of this Agreement.

(h) Applicable Law. (i) Subject to Section 13(j), this agreement shall be governed by and construed under and in accordance with the laws of the State of Delaware applicable to contracts made and to be wholly performed within the State of Delaware, without regard to principles of conflicts of laws; and the laws of that state shall govern all of the rights, remedies, liabilities, powers and duties of the parties under this Agreement and of any arbitrator or arbitrators to whom any matter hereunder may be submitted for resolution by the parties hereto, as contemplated by and pursuant to Title 6, Section 2708 of the Delaware Code.

(ii) Subject to Section 13(j), any legal action of proceeding with respect to this Agreement shall be brought exclusively in the federal or state courts of the State of Delaware, and by execution and delivery of this Agreement, EMPLOYEE and COMPANY irrevocably consent to the jurisdiction of those courts. EMPLOYEE and COMPANY irrevocably waive any objection, including any objection to the laying of venue or

based on the grounds of forum non conveniens, which either may now or hereafter have to bringing of any action or proceeding in such jurisdiction in respect of this Agreement or any transaction related hereto. EMPLOYEE and COMPANY acknowledge and agree that any service of legal process by mail in the manner provided for notices under this Agreement constitutes proper legal service of process under applicable law in any action or proceeding under or in respect of this Agreement.

(i) Administration. The Board, or such committee of the Board as it may by resolution specifically designate, shall administer this Agreement on behalf of COMPANY and take any action and exercise any discretion required or permitted to be taken or exercised by COMPANY pursuant to the provisions hereof.

(j) Arbitration. Any controversy or claim arising out of or relating to this Agreement shall be settled by binding arbitration in Delaware, in accordance with the commercial arbitration rules of the American Arbitration Association. The demand for arbitration must be made within one year after the controversy or claim arises; failure to do so shall constitute an absolute bar to the institution of any such proceeding and shall forever constitute a waiver respecting any such controversy or claim. Any award pursuant to such arbitration shall be included in a written decision which shall

state the legal and factual reasons upon which the award was based, including all the elements involved in the calculation of any award of damages. Any such award shall be deemed final and binding and may be entered and enforced in any state or federal court of competent jurisdiction. The arbitrator(s) shall interpret the Agreement in accordance with the laws of Delaware. The arbitrator(s) shall be authorized to award reasonable attorneys' fees and other arbitration-related costs to the prevailing party.

(k) Indemnity and Insurance. In any situation where under applicable law the COMPANY has the power to indemnify EMPLOYEE in respect of any judgments, fines, settlements, loss, cost or expense (including attorneys' fees) of any nature related to or arising out of EMPLOYEE's activities as an agent, employee, officer or director of COMPANY or in any other capacity on behalf of or at the request of COMPANY, COMPANY agrees that it will indemnify EMPLOYEE to the fullest extent permitted by applicable law, including but not limited to making such findings and determinations and taking any and all such actions as COMPANY may, under applicable law, be permitted to have the discretion to take so as to effectuate such indemnification. COMPANY further agrees to furnish EMPLOYEE for the remainder of his life with Directors' and Officers' liability insurance insuring EMPLOYEE, against occurrences which occur during the term of this

Agreement, such insurance to have policy limits aggregating not less than \$100 million, and otherwise to be in substantially the same form and to contain substantially the same terms, conditions and exceptions as the liability insurance policies provided for officers and directors of COMPANY in force from time to time. COMPANY's obligation pursuant to this Section 13(k) shall survive the Term of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

OCCIDENTAL PETROLEUM CORPORATION

By: Richard W. Hallock

Title:

EMPLOYEE:

Dale R. Laurance

Dr. Dale R. Laurance

LT972510.165/13+

Dr. Dale R. Laurance

List of Special Agreements (Exhibit A)

- * Indemnification Agreement between EMPLOYEE and COMPANY or any affiliates.
- * Split-Dollar Life Insurance Agreement, dated September 6, 1994.

Other Agreements:

- * Restricted Stock Agreement Letters for grants made under the 1977 Executive Long-Term Stock Purchase Plan and the 1995 Incentive Stock Plan.
- * Stock Option Agreement Letters for grants made under the 1987 Stock Option Plan.
- * Performance Stock Agreement Letters for grants made under the 1995 Incentive Stock Plan.
- * Performance Stock Option Agreement letter for award made July 2, 1997 under the 1995 Incentive Stock Plan.
- * Enrollment Agreement under Senior Executive Deferred Compensation Plan.
- * Insurance Agreement under Senior Executive Survivor Benefit Plan.

Exhibit A

Receipt and Acknowledgment

September 11, 1997

The undersigned, Dr. Dale R. Laurance ("Dr. Laurance") President and Chief Operating Officer of Occidental Petroleum Corporation ("OPC"),

(a) hereby acknowledges receipt of a payment (the "Payment") from OPC in the amount of Seventeen Million Dollars (\$17,000,000); and

(b) in consideration of the Payment, hereby agrees that effective as of the date hereof:

(i) that certain Employment Agreement entered into as of September 16, 1993 by and between OPC and Dr. Laurance (the "1993 Employment Agreement"), has been amended and, as amended, restated by that certain Employment Agreement entered into as of September 11, 1997 by and between OPC and Dr. Laurance (the "1997 Amended Employment Agreement"); and

(ii) his rights and entitlements respecting his employment are defined by and pursuant to the 1997 Amended Employment Agreement.

Dr. Laurance shall take all action necessary to cause that certain separate grantor ("Rabbi") trust maintained by OPC and administered by Wells Fargo Bank, known as the "Occidental Petroleum Grantor Trust 4 - Laurance," to be

terminated and the assets of the separate trust for Dale R. Laurance to be returned to OPC.

Dr. Laurance and OPC hereby expressly agree that nothing in this Receipt and Acknowledgment is intended to or does impair any term or condition of the 1997 Amended Employment Agreement including without limitation any rights of Dr. Laurance or his estate or his wife defined by or pursuant to the 1997 Amended Employment Agreement.

Dale R. Laurance

In consideration of the Payment to Dr. Laurance, the receipt and sufficiency of which are hereby acknowledged, Lynda E. Laurance does hereby join in, accept and consent to the foregoing provisions. Lynda E. Laurance also hereby acknowledges that she has the right to separate legal counsel and hereby waives that right.

Lynda E. Laurance

Lynda E. Laurance

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