



**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ **See attached**

Blank lined area for listing applicable Internal Revenue Code sections and subsections.

18 Can any resulting loss be recognized? ▶ **See attached**

Blank lined area for answering question 18 regarding resulting loss recognition.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ **See attached**

Blank lined area for providing other information necessary to implement the adjustment.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶

*Michael S. Stutts*

Date ▶

*Apr. 4, 2016*

Print your name ▶ **Michael S. Stutts**

Title ▶ **Vice President - Tax**

**Paid Preparer Use Only**

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no.	

## **Attachment to Form 8937**

### **Report of Organizational Actions Affecting Basis of Securities**

**Occidental Petroleum Corporation**

**EIN: 95-4035997**

#### **Part II**

**Item 14: Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action.**

Effective March 24, 2016, Occidental Petroleum (OXY) completed its spin-off of California Resources Corporation (CRC) by making a pro rata distribution of 71,500,000 CRC shares to holders of OXY common stock as of the February 29, 2016 record date. The March 24, 2016 distribution was preceded by OXY's initial distribution on November 30, 2014 of approximately 80.1 percent of CRC's outstanding common stock to holders of OXY common stock as of the November 17, 2014 record date. This Form 8937 addresses certain basis consequences of the March 24, 2016 distribution. The basis consequences of the November 30, 2014 distribution are set forth in a separate Form 8937. In regard to the March 24, 2016 distribution, each OXY stockholder received 0.093618 shares of CRC common stock for each share of OXY common stock held by such stockholder on the February 29, 2016 record date. The distribution of the CRC shares was made in book-entry form, which means that no physical share certificates were issued. No fractional shares of CRC common stock were issued. OXY shareholders who otherwise would have been entitled to a fractional share of CRC stock instead received the net cash proceeds of the sale of such fractional share.

**Item 15: Describe the quantitative effect of the organizational action on the basis of the security in the hands of the U.S. taxpayer as an adjustment per share or as a percentage of old basis.**

For U.S. tax purposes, the allocation of tax basis between shares of OXY common stock and CRC common stock is based on their relative fair market values (FMV) at the time of the distribution. There are several possible methods to determine the FMV of OXY and CRC common stock. Shareholders should consult with their tax advisors. One approach is to use the unadjusted averages of the high and low trading prices of OXY and CRC common stock on the New York Stock Exchange (NYSE) on the first day of regular trading after the distribution of CRC common stock. Because the NYSE was closed on March 25, 2016, the first day of regular trading after the March 24, 2016 distribution was March 28, 2016.

Shareholders who held their OXY shares on the record dates for both the November 30, 2014 distribution and the March 24, 2016 distribution should have received CRC shares in both distributions. In such case, there may be different acceptable methods for allocating a portion of the OXY shareholder's tax basis in their OXY common stock to the CRC shares received in each of the distributions. One potential method is to make a separate allocation for the CRC shares received in each distribution by reference to the shares' respective fair market values on December 1, 2014 and on March 28, 2016. Thus, in such case an OXY shareholder's pre-distribution basis in their OXY common stock that is available for allocation to the CRC shares received pursuant to the March 24, 2016 distribution should reflect the prior allocation of a portion of the tax basis in OXY common stock to the



CRC shares received pursuant to the November 30, 2014 distribution. See the separate IRS Form 8937 that describes the potential basis consequences of the November 30, 2014 distribution. Shareholders who held their OXY shares on the record dates for both the November 30, 2014 distribution and the March 24, 2016 distribution should consult their tax advisors regarding the allocation of basis to their CRC shares.

**Item 16: Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates.**

The following is an example of the previously-described approach to basis allocation.

The unadjusted averages of the high and low trading prices of OXY and CRC common stock on the New York Stock Exchange on March 28, 2016 were \$68.24 for OXY and \$1.21 for CRC. If this method is used, the pre-distribution tax basis in OXY shares would be allocated 99.8343% to OXY shares and 0.1657% to the CRC shares received in the March 24, 2016 distribution. If the shareholder also held their OXY shares on the November 17, 2014 record date for the November 30, 2014 distribution, the shareholder's pre-distribution tax basis in their OXY shares should reflect the prior allocation of a portion of the basis in their OXY shares to the CRC shares received pursuant to the November 30, 2014 distribution. The example below assumes that an OXY shareholder has a pre-distribution tax basis (after any allocation in connection with the November 30, 2014 distribution) of \$75 per share in 99 shares of OXY common stock:

	Number of Shares Received/Held After the March 24, 2016 Distribution	Average NYSE Trading Price on 3/28/16	Total FMV at 3/28/16	Percentage of Total FMV at 3/28/16	Allocated Tax Basis
OXY Common Stock	99	\$68.24	\$6,755.76	99.8343%	\$7,412.69 (99.8343% of \$7,425)
CRC Common Stock Received in the March 24, 2016 Distribution	9	\$1.21	\$10.89	0.1609%	\$11.95 (0.1609% of \$7,425)
CRC Common Fractional Shares Received in the March 24, 2016 Distribution	0.268182	\$1.21	\$0.32	0.0048%	\$0.36 (0.0048% of \$7,425)
Total			\$6,766.97	100.00%	\$7,425.00

You are not bound by the approach used in this example, and there may be other reasonable approaches for determining the fair market values for allocating your basis between OXY and CRC common stock. The example provided above is illustrative and is being provided pursuant to Section 6045B of the Code and as a convenience to stockholders and their tax advisors.

**Item 17: List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based.**

Sections 355(a), 358(a)-(c), 368(a)(1)(D), 1001(a), 1221, 1222, and 1223(1).

**Item 18: Can any resulting loss be recognized?**

Loss may be recognized for U.S. federal income tax purposes only with respect to cash received in lieu of fractional shares of CRC common stock.

**Item 19: Provide any other information necessary to implement the adjustment, such as the reportable tax year.**

The second distribution took place on March 24, 2016. Therefore, for calendar year taxpayers, the reportable tax year would be 2016.