Risk Factors Comparison 2024-02-14 to 2023-02-27 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text Moved Text Section

Risks related to government regulations and the environment ~~Governmental~~ -- **Government** actions and political instability may adversely affect Occidental' s businesses and results of operations. Occidental' s businesses are subject to, and may be adversely affected by, the actions and decisions of many federal, state, local and international governments and political interests. As a result, Occidental faces risks of: ■ New or amended laws and regulations, or new or different applications or interpretations of existing laws and regulations, including those related to drilling, manufacturing or production processes (including flaring and well stimulation techniques such as hydraulic fracturing and acidization), pipelines, labor and employment, taxes, royalty rates, permitted production rates, entitlements, import, export and use of raw materials, equipment or products, use or increased use of land, water and other natural resources, air emissions (including restrictions, taxes or fees on emissions of methane, CO2, or other substances), water recycling and disposal, waste minimization and disposal, public and occupational health and safety, the manufacturing of chemicals, asset integrity management, the marketing or export of commodities, security, environmental protection, and climate change- related and sustainability initiatives, all of which may restrict or prohibit activities of Occidental or its contractors or customers, increase Occidental' s costs or reduce demand for Occidental' s products ~~.~~ **;** ■ Violation of certain ~~governmental~~ laws and regulations, which may result in strict, joint and several liability and the imposition of significant administrative, civil or criminal fines and penalties and may also result in liability for remedial actions or assessments. Litigation, orders or other proceedings asserting strict, joint and several liability under such laws and regulations may seek to impose significant administrative, civil or criminal fines and penalties, damages or remedial actions or to require significant changes to, or even closure of, facilities or operations; ■ Refusal of, or delay in, the extension or grant of exploration, development or production contracts **or leases** ; and ■ Development delays and cost overruns due to approval delays for, or denial of, drilling, construction, environmental and other regulatory approvals, permits and authorizations **. Examples of provisions of recent U. S. federal statutes and regulations that affect key aspects of taxation, land use and production or manufacturing operations and present the foregoing types of risks are described in this risk factor, and examples of those regarding climate change and GHG and other air emissions are described in the next risk factor below. In August 2022, Congress passed and President Biden signed the IRA, which imposed new or reinstated corporate taxes and fees, including those described below, that could have an adverse effect on Occidental' s tax liability. The IRA enacted a new corporate alternative minimum tax (CAMT) that, starting in tax year 2023, imposes a 15 % minimum tax on the adjusted financial statement income (AFSI), net the CAMT foreign tax credit, of corporations with average AFSI exceeding $ 1 billion for three preceding consecutive tax years. In 2023, the IRS issued five notices providing interim guidance on the CAMT and has indicated it will promulgate CAMT regulations in 2024. The IRA also imposed a 1 % excise tax on the aggregate fair market value of corporate share repurchases, net of certain corporate share issuances and other adjustments, by certain corporations during the taxable year. In 2023, the IRS issued two notices containing interim guidance clarifying that corporations are not required to report or pay the excise tax until such time and in such manner dictated by IRS regulations that are expected to be issued in 2024. The IRA also provided significant policy support and incentives, including enhanced tax credits, for DAC, CCUS, hydrogen and other low- carbon projects. Finally, the IRA expanded GHG emissions reporting requirements and imposed a new methane emissions charge on owners or operators of various U. S. oil and gas facilities, as described in the next risk factor on climate change and GHG emissions. For additional discussion of such matters, see Note 10- Income Taxes in the Notes to Consolidated Financial Statements in Part II Item 8 of this Form 10- K.** In November 2021, Congress passed and President Biden signed the Infrastructure Investment and Jobs Act **(IIJA)** . The **IIJA** ~~Infrastructure Investment and Jobs Act~~ reinstated **, effective in July 2022,** the federal Superfund **chemical** excise taxes on various **listed taxable** chemicals that OxyChem manufactures **, produces or imports, such as chlorine, sodium hydroxide and ethylene, subject to certain exceptions such as methane used for fuel and exported chemical products** . These excise taxes could lead to higher costs and impact margins. The **IIJA** ~~Infrastructure Investment and Jobs Act~~ also authorized ~~the U. S. government to award~~ **federal support, including grants, loans and loan guarantees, for low- carbon ventures and infrastructure, including** grants for **DAC and** CCUS research, development and demonstration ~~;~~ **,** carbon transport and storage infrastructure and permitting ~~;~~ **,** carbon utilization and market development ~~;~~ **,** and carbon removal. ~~These~~ **In August 2023, 1PointFive, LLC, a wholly owned subsidiary of Occidental (1PointFive), was selected to receive a** grant ~~programs were~~ **from the U. S. Department of Energy' s Office of Clean Energy Demonstrations for the** ~~developed~~ **development** ~~during 2022 and~~ **of its South Texas DAC Hub. The amount of** the **grant has not been established and it is subject to completion of agreements with the DOE. The** awarding of grants ~~in 2023~~ or ~~future years~~ **other federal support under various statutes** could affect the selection and deployment of competing low- carbon technologies and the financing and market acceptance of proposed projects **of Occidental and its competitors** . In **January 2021, President Biden issued an executive order that, among other things, called for the elimination of fossil fuel subsidies from federal budget requests beginning in 2022 and announced a moratorium on new oil and gas leases on federal lands and offshore waters pending a review of existing leases and permitting practices. The moratorium was subject to legal challenge, and in** August 2022, ~~Congress passed~~ **the U. S. District Court for the Western District of Louisiana permanently enjoined the moratorium as to 13 states that filed a lawsuit against the action. Federal resource agencies have sought to significantly restrict or delay leasing and access to federal lands for oil and gas exploration, production and infrastructure, to increase royalty rates, fees and bonding requirements, to impose 10 OXY 2023 FORM**

10- K RISK FACTORS significant preconditions, restrictions or delays on permitting, and in certain locations, to prohibit or significantly restrict oil and gas activities under various federal laws, including the IRA, Outer Continental Shelf ~~and~~ **Land** ~~President Biden signed the Inflation Reduction~~ Act, **Federal** ~~which expanded policy support and~~ **Land** ~~incentives~~ **Policy and Management Act, Mineral Leasing Act, Mineral Leasing Act** for **Acquired** ~~deployment of DAC, CCUS, hydrogen and~~ **Lands , Federal Onshore Oil and Gas Leasing Reform Act, NEPA, Marine Mammal Protection Act, Migratory Bird Treaty Act and Endangered Species Act (ESA). For example, offshore leasing is important for Occidental to sustain GOM production and reserves over** ~~other~~ -- **the** ~~low~~ **long term. The BOEM sought to cancel recent offshore lease sales in 2022 in response to litigation brought by advocacy groups and because its 2017** - ~~carbon projects, including several enhancements to federal tax credits. The Inflation Reduction Act also established an escalating methane emissions fee that the EPA will impose on certain upstream and midstream oil and gas operations per metric ton of methane emissions above certain thresholds commencing in 2024~~ **2022 Outer Continental Shelf** ~~. The impact of this fee on Occidental will depend on implementing regulations that are expected to be issued in 2023. In November 2021, the U. S. Department of the Interior released its Report on the Federal~~ Oil and Gas Leasing Program **was expiring. After the IRA mandated the reinstatement of those lease sales** , ~~recommending increasing~~ **as well as increased** royalty rates **, rental rates** and ~~rents~~ **minimum bids and additional fees** for ~~drilling~~ **offshore and onshore leasing, the BOEM sought in August 2023 to exclude six million acres from Lease Sale 261 and to impose other conditions restricting vessel activity that BOEM contended would protect habitat of the Rice' s whale, which was listed by the National Marine Fisheries Service (NMFS) as an endangered subspecies of the Bryde' s whale in 2019. After the U. S. District Court for the Western District of Louisiana ordered the BOEM to conduct the sale without the exclusion of acreage and restrictions the BOEM had proposed with respect to the Rice' s whale, and the U. S. Court of Appeals for the Fifth Circuit upheld that order, the BOEM conducted Lease Sale 261 in December 2023. In December 2023, the BOEM also published its Record of Decision and Approval of the 2024- 2029 National Outer Continental Shelf Oil and Gas Leasing** ~~programs~~ - **Program that includes a maximum of three potential GOM oil and gas lease sales during this period. The BOEM noted it is " the fewest oil and gas lease sales in history, " and that it was adopting those sales in response to a provision of the IRA that tied offshore wind leasing to a minimum level of offshore oil and gas leasing until 2032. Regarding onshore federal oil and gas leasing, the BLM in June 2022 resumed lease sales** on ~~federal public~~ **a limited scale that excluded 80 % of the planned acreage following environmental review,** ~~lands~~ -- **and at a higher royalty rate, after the Biden Administration' s pause of leasing through** ~~and~~ - **an** ~~in federal offshore waters~~ **executive order was enjoined. In July 2023** , ~~in addition~~ **the BLM proposed regulations** to **revise its oil and gas leasing process to implement the IRA' s increases in royalty rates, rental rates and minimum bids, but also to** ~~prioritizing~~ **prioritize** leasing in areas with known resource potential and in proximity to existing oil and gas infrastructure and ~~avoiding~~ --- **avoid** leasing in areas with competing uses such as recreation, wildlife habitat, conservation and historical and cultural resources **, increased bonding requirements for leasing, development and production, new reporting and operational requirements for temporarily abandoned wells and potentially change the term of an approved application for permit to drill. The BLM is expected to promulgate final regulations on its leasing process in 2024. In July 2023, the U. S. Department of the Interior announced a proposed rule revising bonding requirements, royalty rates and minimum bids for the onshore federal oil and gas leasing program** . If the **foregoing** ~~U. S. Department of the Interior were to issue~~ regulations **are finalized** ~~implementing these recommendations~~ , Occidental' s subsidiaries could incur increased federal royalties and face restrictions on future potential drilling sites or infrastructure on federal lands. In ~~January 2022, the U. S. District Court for the District of Columbia invalidated the results of the BOEM oil and gas lease sale 257 in the Gulf of Mexico, in which an Occidental subsidiary was the high bidder on 30 additional new blocks located nearby to its existing host platforms, ruling that the BOEM' s environmental analysis of GHG emissions was inadequate under NEPA. The U. S. Department of the Interior, which oversees federal oil and gas development, is currently reviewing the decision. In August 2022, Congress reinstated the lease sale in the IRA, and the Occidental subsidiary received the leases in October 2022. Motions to dismiss are pending in the legal challenge to the lease sale. The BOEM' s authorization to hold lease sales expired in July 2022. The Bureau of Ocean Energy Management has issued a proposed 2023- 2028 Five- Year Program which is subject to environmental review and public comment, and must be approved before future lease sales can occur. In~~ June 2022, advocacy groups filed a petition in the U. S. District Court for the District of Columbia against the BLM seeking to invalidate numerous drilling permits for oil and gas wells on federal lands in New Mexico and Wyoming, and potentially other states, that were approved by the BLM ~~during~~ **under** the Biden Administration, including certain permits obtained by Occidental subsidiaries. The plaintiffs allege that the BLM failed to comply with various statutes, including NEPA, the **ESA** ~~Endangered Species Act~~ and the Federal Land Policy and Management Act, by not adequately addressing GHG emissions ~~10 OXY 2022 FORM 10- K RISK FACTORS~~ and climate change in the environmental documents underlying the approvals. Occidental, other producers and multiple trade associations have intervened ~~and~~ **. In November 2023,** the ~~BLM is preparing~~ **U. S. District Court for the District of Columbia dismissed the case. Plaintiffs have filed** an **appeal** ~~administrative record~~ . Similar cases challenge permits issued to other operators with respect to the BLM' s consideration of GHG and other air emissions under NEPA and other statutes. In January 2023, the White House Council on Environmental Quality ~~issued~~ **(CEQ) released** interim guidance ~~to~~ **directing** federal agencies **to consider climate change- related effects as part of the NEPA review process. In June 2023, the President signed the Fiscal Responsibility Act (FRA), which amended NEPA to streamline the application and documentation process** for ~~evaluating~~ **agency environmental reviews, set time limits on those reviews, and narrow the scope of agency consideration. In July 2023, the CEQ proposed amendments to NEPA' s implementing regulations, which include defining " effects " to include " climate change- related effects. " The CEQ is expected to issue final NEPA regulations to implement the FRA' s amendment and its final NEPA guidance for consideration of** GHG emissions ~~under~~ **and climate change. Litigation over** NEPA ~~that applies to certain~~ **environmental reviews by advocacy groups and**

associated delays in federal **agency** actions **have significantly delayed or increased costs, impacted financing, or led to the cancellation of proposed domestic energy, manufacturing and infrastructure projects, and** such **litigation** ~~as oil~~ and ~~gas~~ **delays could adversely affect such projects in the future, including those involving Occidental or its subsidiaries, joint ventures or customers. Although the foregoing revisions to federal onshore and offshore** leasing **, the CEQ' s** ~~and permitting on federal lands. The~~ interim guidance ~~, which is subject to public comment until March 2023, recommends that agencies quantify a project' s reasonably foreseeable direct~~ and ~~indirect GHG emissions and assign a monetary impact of the GHGs by applying a social cost of carbon selected by the government. Although the foregoing BOEM~~ proposed **NEPA regulations** ~~Five- Year Program for offshore leasing~~ , ~~the White House Council on Environmental Quality guidance~~ and **related** lawsuits ~~do~~ **have** not ~~affect~~ **affected to date** Occidental' s existing production or planned ~~2023~~ **2024** drilling and completions activity, restrictions ~~or~~ **,** uncertainty **, or litigation** regarding federal lease sales and permits and associated royalty and regulatory requirements could impact the future ability to develop resources efficiently on federal lands ~~and~~ **or** in **projects that require** federal ~~waters~~ **actions on private or state lands** . Significant areas of the Permian Basin in West Texas and Southeast New Mexico are subject to current or proposed land use restrictions under the **ESA** ~~Endangered Species Act~~ . ~~In August~~ **On June 30,** ~~2022~~ **2023** ~~, in response to a lawsuit by advocacy groups~~ , the U. S. Fish and Wildlife Service **(FWS) proposed listing** ~~agreed to decide before the end of June 2023 whether to add~~ the Dunes Sagebrush Lizard **as** ~~to the list of threatened and~~ **an** endangered species **under the ESA** . In November 2022, the **FWS** ~~U. S. Fish and Wildlife Service~~ published a final rule listing the Lesser Prairie Chicken as endangered. Although Occidental has entered into voluntary conservation agreements with respect to these and other species and their associated habitat in the Permian Basin, listing of such species may impose significant operational requirements and costs and increase the potential for litigation and enforcement actions. In ~~January~~ **July** ~~2021~~ **2023** , the ~~COGCC~~ **NMFS proposed a critical habitat designation for the Rice' s whale in the GOM, which the NMFS intends to finalize in 2024 pursuant to a settlement agreement with advocacy groups. Under this designation the NMFS may seek to impose OXY 2023 FORM 10- K11 conditions on offshore oil and gas development and vessel activity that supports such development, which could affect Occidental' s exploration, development and operations in the GOM. Certain states where Occidental' s subsidiaries conduct oil and gas operations have** adopted ~~new~~ **or proposed significant land use and permitting laws and** regulations that **would** impose siting requirements or " setbacks " on certain oil and gas drilling locations based on the distance of a proposed well pad to occupied structures ~~. Pursuant to the regulations~~ , **require additional** ~~well pads cannot be located within 500 feet of an occupied structure without the consent of the property owner. As part of the~~ permitting ~~process~~ , **notification and monitoring** ~~the COGCC will consider a series of siting~~ requirements for ~~all~~ **various oil and gas** drilling ~~locations located between 500 feet and 2~~ , ~~000 feet of~~ **completions, hydraulic fracturing** ~~an~~ **and production** ~~occupied structure. Alternatively, the operator~~ **operations** ~~may seek~~ **or various types of wells and facilities, limit leasing or use of state lands or increase royalty rates, rental rates and fees for such use, increase bonding, plugging and abandonment, and reclamation requirements, and impose other operational restrictions. While, as of December 31, 2023, Occidental' s subsidiaries maintained** a ~~waiver from each owner~~ **significant inventory of permits** and ~~tenant within the designated distance. Occidental has a dedicated, multidisciplinary stakeholder relations team that conducts regulatory and community outreach with respect to its~~ permit applications ~~and operations in Colorado. Under these new regulations and through thoughtful surface location planning, Occidental has obtained COGCC approval for five Oil and Gas Development Plans, inclusive of 12 well pad and facility locations and approximately 150 wells. In addition to the approximately 150 wells approved through the Oil and Gas Development Plan process, during the third quarter of 2022, Occidental became the first oil and gas operator in Colorado to obtain COGCC approval for the first Comprehensive Area Plan under the new COGCC rules. This comprehensive plan will support nine well pads and approximately 140 new wells and will provide for substantial future development in a geographically remote area on Colorado' s eastern plains. Oil and Gas Development Plans associated~~ with ~~the Comprehensive Area Plan will be submitted in 2023. While, as of December 31, 2022, Occidental is permitted, or had permit applications submitted to~~ applicable regulatory agencies ~~,~~ for ~~nearly all~~ **a substantial portion of their** planned ~~2023~~ **2024** drilling and completions activity ~~in the DJ Basin~~ , any significant **regulatory** delays could result in changes to ~~our~~ **the Company' s** development program ~~in the DJ Basin~~ and ~~our~~ **its** ability to establish new proved undeveloped locations by meeting the SEC' s " reasonably certain " threshold for adding PUD reserves. Texas and New Mexico have experienced an increase in seismic activity **in recent years** , with events measuring magnitude ~~3~~ **4** or greater in each state. In ~~the fourth quarter of~~ 2021, both states issued ~~new~~ guidelines for operators to prevent or mitigate seismic activity, focused on produced water disposal wells. These guidelines also require operators to implement response plans for activities within agency- designated seismic response areas **(SRAs)** . These states have curtailed water disposal and suspended **disposal** permits in **SRAs** ~~seismic response areas~~ , particularly in deep disposal wells. Occidental does not operate deep disposal wells in the **SRAs** ~~seismic response areas~~ established by the state agencies to date, and its shallow disposal wells have been authorized to operate at agency- approved ~~volume~~ **volumes** ~~limits~~ **, pressures or injection rates** . Occidental also ~~has~~ **utilizes** central water treatment and recycling facilities that reduce the need for disposal of produced water **. Certain contractors that dispose of Occidental' s surplus produced water have been affected by agency actions in SRAs, but to date have found alternatives that enable continued disposal. Actions by agencies and companies to shift produced water disposal to shallower disposal zones is believed to alleviate seismic activity, but can increase the pressure in those shallower zones, which may increase costs of drilling and well construction through those zones or affect the ability to access underlying oil and gas formations** . While Occidental' s ability to drill and complete wells or to dispose of surplus produced water has not been ~~impacted~~ **significantly affected** by these seismic guidelines to date, increased seismicity, or ~~regulatory~~ responses to seismic events **by agencies and companies such as curtailing or relocating disposal** , could impact the location, timing and cost of Occidental' s development program and existing operations in ~~seismic response areas~~ **or near SRAs** . In 2016, the Toxic Substances Control Act (TSCA) was amended to expand the EPA' s authority to evaluate and regulate new and existing chemicals. The EPA is currently evaluating, or developing regulations with respect to, certain chemicals that OxyChem produces or uses in its chemical manufacturing operations. In ~~April~~ 2022, the EPA issued a proposed rule with respect to one chemical used in OxyChem’ s manufacturing operations ~~, but~~ **and several** ~~the~~ **other chemicals that OxyChem produces and sells. The** EPA ~~has not~~ **is expected to** ~~issued~~ - **issue** final regulations under the 2016 TSCA amendments with respect to ~~any of~~ these chemicals **in 2024. The EPA is also soliciting public comment on commencing risk evaluations of additional chemicals that OxyChem manufactures or uses, including vinyl chloride, as well as changes** to **its TSCA procedures for** ~~date~~ **data collection and risk evaluation** . Depending on the scope of any such final regulations, or of future TSCA regulations, OxyChem’ s **and its customers’** ability to use certain chemicals or to manufacture or sell certain of its products could be restricted **or phased out** and ~~its~~ **OxyChem’ s** costs could increase. ~~OXY 2022 FORM 10- K11~~ In addition, Occidental has experienced and may continue to experience adverse consequences, such as risk of loss or production limitations, because certain of its international operations are located in countries **that may be** affected by political instability, nationalizations, corruption, armed conflict, terrorism, insurgency, civil unrest, security problems, labor unrest, OPEC production restrictions, equipment import restrictions and sanctions. Exposure to such risks may increase if a greater percentage of Occidental’ s future oil and gas production or revenue comes from international sources. Climate change and further regulation of GHG and other air emissions may adversely affect Occidental’ s businesses and results of operations. Continuing political, social and industry attention to climate change has resulted in both existing and pending international agreements and national, regional and local legislation and regulatory programs to reduce GHG emissions. The Biden Administration has identified climate change as a priority and has ~~described a variety of avenues~~ **issued executive orders and proposed regulations** to prohibit or restrict oil and gas development activities in certain areas. In addition to the ~~governmental~~ -- **government** actions described above, in February 2021, the Biden Administration established an Interagency Working Group **(IWG)** to assign a price to the impact of each metric ton of GHG emissions **, called the social costs of GHGs (SC- GHG),** that federal agencies could use to assess the benefits of more stringent GHG regulations and policy support for low- carbon projects. The **IWG** ~~Interagency Working Group~~ set an interim value of $ 51 per metric ton of CO_2 emissions **in 2020** at a 3 % discount rate, ~~and is expected~~ **which has been subject** to ~~issue an updated~~ **legal challenge. Challenges to the interim** value **have thus far been rejected** in ~~April~~ **two federal appellate courts. In September** 2023 **, based on recommendations from the IWG, the Biden Administration directed federal agencies to expand the use of SC- GHG estimates to assess the benefits of federal programs and regulations in their budgeting, discretionary grants and procurement, and to apply the SC- GHG in calculating penalties in enforcement proceedings and in environmental reviews under NEPA for use in permitting decisions and other regulatory activities. In November 2023, the EPA utilized a range of SC- GHG significantly higher than the IWG’ s interim value to support its final regulation of methane and volatile organic compounds (VOCs) described below. In December 2023, the Administration released a memorandum from the IWG inviting federal agencies to “ use their professional judgment ” to determine which SC- GHG estimates they would apply in a particular 12 OXY 2023 FORM 10- K context. Collectively, these efforts have the potential to significantly increase both the policy support for low- carbon ventures and the scope of regulations that apply to Occidental’ s industry segments and facilities, including those described below** . In June 2021, Congress and President Biden reinstated the methane provisions of **the** EPA’ s 2012 and 2016 regulations, an action that Occidental supported. In November 2021 **and November 2022** , the **EPA respectively proposed for** ~~White House Office of Domestic Climate Policy issued a U. S. Methane Emissions Reduction Action Plan that solicited~~ public comment **a** ~~on the EPA’ s proposed~~ framework ~~to~~ **for** ~~expand~~ **expanded** federal regulation of methane and **VOC** ~~volatile organic compound~~ emissions ~~from~~ **and the proposed regulations to cover** a broader set of new upstream and midstream oil and gas operations, as well as various existing operations. In ~~November~~ **December** ~~2022~~ **2023** , the EPA issued ~~a supplemental proposal~~ **its final new source performance standards (NSPS) to directly regulate methane and VOC emissions from nearly all U. S. onshore oil and gas wells and facilities** that ~~would~~ **were new** , **modified or reconstructed after December 6, 2022, and Emissions Guidelines (EG) that are similar to federal NSPS for states to apply to existing oil and gas wells and facilities** through ~~a combination of direct EPA regulation and~~ state implementation plans ~~,~~ **requiring EPA approval and required to take effect no later than 2029. These regulations** expand leak detection and repair programs, require rapid reporting and correction of larger emission sources **the EPA calls “ super emitters ”** , require **additional** emission controls for new and existing wells and facilities and certain types of activities **, phase out routine flaring** , require replacement or conversion of certain emitting equipment such as **gas- driven** pneumatic controllers **and pumps** , and encourage the use of advanced technologies to detect and measure methane emissions ~~. Provisions applicable to emission sources built or modified after November 2021 would apply upon publication of the final rule, expected in 2023, provisions applicable to existing sources would take effect in 2028, and state plans to implement the rule would be due in 2025. The EPA has also requested public comments on the implementation of the IRA’ s methane fee, and on the future expansion of the methane and volatile organic compound regulations to cover additional potential emission sources from abandoned but unplugged wells and certain pipeline and trucking activities~~ . In November 2022, the BLM also proposed regulations to restrict venting and flaring from oil and gas operations on federal lands ~~which are expected~~ **. A final rule has yet** to be issued ~~in 2023~~ . In June 2022, the EPA proposed to amend its GHG Reporting Rule **with respect to oil and gas operations and several other industry sectors. In August 2022, the IRA also directed the EPA to update its GHG Reporting Rule to require greater use of measurements or empirical data, instead of emissions factors. Accordingly, the EPA proposed regulations in June 2023 to amend Subpart W that applies to most U. S. oil and gas facilities** to incorporate additional oil and gas **equipment and** sources ~~and equipment~~ **, including a category of “ other larger release events ”** , revise existing emissions estimation methodologies and calculations, **including the global warming potential (GWP) of methane and other GHGs,** and increase data collection, particularly for new or modified emissions sources. The EPA ~~has proposed~~ **is expected to promulgate** the ~~amendments~~ **final Subpart W regulations in 2024, and** to apply **the revised GWPs** to ~~2023~~ **2024** emissions **, with the** ~~that must be reported in the~~ **other** ~~first quarter of~~ **changes applicable to emissions starting in** ~~2024~~ **2025** . These proposed amendments could increase Occidental' s reported estimated emissions from certain sources or types of equipment in its U. S. oil and gas operations. ~~The~~ **In April 2023, the** EPA ~~also~~ **released a supplemental** proposed ~~changes to~~ **rule that would revise the GWP and several other subparts of the GHG Reporting Rule, including** the reporting that Occidental submits as a CO_2 supplier and for the injection of CO_2, **and add** ~~as well as~~ a new reporting category for sequestration of CO_2 associated with enhanced oil recovery. The **EPA is expected to promulgate these final GHG regulations in 2024 with the same effective date as expected for the final Subpart W regulations. The** IRA also ~~directed~~ **established an escalating methane emissions charge that** the EPA **will impose, subject** to ~~update its~~ **certain statutory exemptions, on upstream and midstream oil and gas facilities subject to reporting under Subpart W of the** GHG Reporting Rule **per metric** ~~to~~ **ton** ~~require greater use~~ of **methane** ~~measurements or empirical data, instead of~~ emissions ~~factors~~ **above specified intensity thresholds for applicable sectors of the oil and gas industry. The charge starts at \$ 900 per metric ton of methane emitted above applicable thresholds in 2024** , **and increases to \$ 1, 200 per ton in 2025, and \$ 1, 500 per ton in 2026 and thereafter. In January 2024, the EPA proposed for public comment regulations to implement the methane emissions charge and calculate the charge to be paid** by **owners or operators of covered oil and gas facilities. The EPA proposed several** ~~the~~ **other regulations** ~~third quarter~~ of **GHG emissions in 2023 that it is expected to finalize in** 2024 **, including NSPS and EG for electric generating units, multi- pollutant emissions standards for light- and medium- duty vehicles and GHG emissions standards for heavy- duty vehicles. As part of its development of five proposed sequestration hubs, 1PointFive has filed multiple permit applications with the EPA for Class VI CO_2 sequestration wells in Louisiana and Texas. These permits are necessary to construct and operate sequestration hubs. In December 2023, the EPA granted Louisiana primary authority for permitting and oversight of Class VI sequestration wells, and 1PointFive expects that the Louisiana Department of Natural Resources will assume permitting authority over its pending applications in the state in February 2024. Texas has also applied for such authority, a process which is expected to take up to two years, so 1PointFive expects that the EPA will continue to process its pending Class VI permit applications in Texas. Denial of Class VI permits or significant delays in their issuance could adversely affect the cost, timing, financing and competitiveness of 1PointFive' s planned hub development** . Several state governments have also established rules aimed at reducing GHG emissions, some including GHG cap and trade programs and others directly regulating equipment that emits GHGs, including methane, and other compounds. Most of these cap and trade programs work by requiring major sources of emissions, such as electric power plants, or major producers of fuels, including refineries and natural gas processing plants, to acquire and surrender emission allowances. Other U. S. states where Occidental operates, including Colorado, New Mexico and Texas, adopted or proposed new regulations, policies or strategies in **recent years** ~~2021 and 2022~~ that increase inspection, recordkeeping, reporting, enforcement and controls on flaring, venting and equipment that emit methane and other compounds at oil and gas facilities. In certain instances, these states anticipate tying the processing and active status of oil and gas permits, including drilling permits, to air emissions and compliance. For example, Colorado has established GHG intensity targets for DJ Basin operators in 2025, 2027 and 2030, which Occidental currently meets. **In October 2023, California enacted legislation addressing the disclosure of GHG emissions, climate- related risks, certain environmental claims and the use or sale of voluntary carbon offsets. Additionally, in March 2022, the SEC proposed climate disclosure rules that would require public companies to significantly increase disclosure of GHG emissions and strategies, targets, costs and risks associated with climate change and the energy transition, which the SEC is expected to finalize in 2024. The DOE is implementing several environmental and climate- focused initiatives, including funding low- carbon and emissions reduction projects and setting national energy efficiency standards for residential, commercial and industrial appliances and equipment that promote electrification. Global efforts have been made and continue to be made in the international community toward the adoption of international treaties or protocols that would address global climate change issues and impose reductions of hydrocarbon- OXY 2023 FORM 10- K13 based fuels, including plans developed in connection with the Paris climate conference in December 2015, the Katowice climate conference in December 2018 and the United Nations' climate change conferences since 2021. In January 2023, the European Union (EU) enacted the Corporate Sustainability Reporting Directive, which will require sustainability reporting across a broad range of environmental, social, and governance (ESG) topics for both EU and certain non- EU companies. Numerous countries have also begun proposing climate- related frameworks aligned with the standards of the International Sustainability Standards Board.** These and other ~~governmental~~ -- **government** actions relating to GHG and other air emissions are expected to require Occidental to incur increased operating and maintenance costs including higher rates charged by service providers and costs to purchase, operate and maintain emissions control systems, acquire emission allowances, pay taxes or fees for methane or carbon emissions and comply with new regulatory or reporting requirements; and they could prevent Occidental from conducting oil and gas development activities in certain areas. They could also promote the use of alternative sources of energy and thereby decrease demand for oil, NGL ~~and~~ **,** natural gas and other products that Occidental' s businesses produce, and could also materially impact OLCV' s current or future operations and strategy. Any such legislation or regulatory programs could also increase the cost of consuming, and thereby reduce demand for, oil, NGL, natural gas or other products produced by Occidental' s businesses and lower the value of its reserves. Consequently, ~~governmental~~ -- **government** actions designed to reduce GHG emissions **could cause Occidental to make changes with respect to its business plan, operations and assets that may impact its business and financial performance and** could have an adverse effect on **its** ~~Occidental' s~~ businesses, financial condition, results of operations, cash flows and reserves. It is difficult to predict the timing, certainty and scope of such government actions and their ultimate effect on Occidental, which could depend on, among other things, the type and extent of GHG emissions reductions required, the availability and price of emission allowances or credits, the availability and price of alternative fuel sources, the energy sectors covered **.** ~~and 12 OXY 2022 FORM 10- K~~ Occidental' s ability to recover the costs incurred through its operating agreements or the pricing of its oil, NGL, natural gas and other products and whether service providers are able to pass increased costs through to Occidental . There also have been efforts in...... costs or otherwise adversely affect our businesses . Compliance costs and liabilities associated with health, safety and environmental laws and regulations could have a material adverse effect on Occidental' s or its subsidiaries' businesses, financial condition and results of operations. Occidental and its subsidiaries and their respective operations are subject to numerous laws and regulations relating to public and occupational health, safety and environmental protection, including those governing **GHG and other** air ~~and GHG~~ emissions, water use and discharges, waste management **, environmental remediation** and protection of wildlife and ecosystems. The requirements of these laws and regulations are becoming increasingly complex, stringent and expensive to implement. Costs of compliance with these laws and regulations are significant and can be unpredictable. These laws sometimes provide for strict liability for events that pose an impact or threat to public health and safety or to the environment, including for funding or performance of remediation and, in some cases, compensation for alleged personal injury, property damage, natural resource damages, punitive damages, civil penalties, injunctive relief and government oversight costs. Strict liability can render Occidental or its subsidiaries liable for damages without regard to their degree of care or fault. Some environmental laws provide for joint and several strict liability for remediation of spills and releases of hazardous substances or materials, and, as a result, Occidental or its subsidiaries could be liable for the actions of others. Occidental and its subsidiaries use and generate hazardous substances or materials in their respective operations. In addition, many of their current and former properties are, or have been, used for industrial purposes. Accordingly, Occidental or its subsidiaries have been, and could become, subject to significant liabilities relating to the investigation, assessment and remediation of potentially contaminated properties and to claims alleging personal injury or property damage as a result of exposures to, or releases of, hazardous substances or materials. ~~As~~ **For example, as** of the date of this filing, Occidental believes its range of reasonably possibly additional losses of its subsidiaries **for environmental remediation** beyond those amounts currently recorded ~~for environmental remediation~~ could be up to $ 2. ~~7~~ **6** billion on a consolidated basis. For additional discussion of **such** ~~some of these~~ matters, see Note 12 – Environmental Liabilities and Expenditures and Note 13- Lawsuits, Claims, Commitments and Contingencies in the Notes to Consolidated Financial Statements in Part II Item 8 of this Form 10- K. In addition, stricter enforcement or changing interpretations of existing laws and regulations, the enactment of new laws and regulations, the discovery of previously unknown contamination or the imposition of new or increased requirements could require Occidental or its subsidiaries to incur costs or become the basis for new or increased liabilities that could have a material adverse effect on their respective businesses, financial condition and results of operations. Occidental' s businesses may experience catastrophic events. The occurrence of severe weather events such as hurricanes, floods, freezes and heat waves, droughts, earthquakes or other acts of nature, pandemics, well blowouts, fires, explosions, pipeline ruptures, chemical releases, oil releases, including maritime releases, releases into navigable waters and groundwater contamination, material or mechanical failure, power outages, industrial accidents, physical or cyber attacks, abnormally pressured or structured formations and other events that cause operations to cease or be curtailed may negatively affect Occidental' s businesses and the communities in which it operates. Coastal operations are particularly susceptible to disruption from severe weather events. **The foregoing events may present acute risks such as specific storms or wildfires or chronic risks such as sea level rise or water scarcity.** Any of these risks could adversely affect Occidental' s ability to conduct operations or result in substantial losses as a result of: **14 OXY 2023 FORM 10- K** ■ Damage to and destruction of property and equipment, including property and equipment owned by third ~~-~~parties which its operations rely upon; ■ **Impacts to Occidental' s workforce and local communities; ■** Damage to natural resources; ■ Pollution and other environmental damage, including spillage or mishandling of recovered chemicals or fluids; ■ Regulatory investigations, fines and penalties; ■ Loss of well location, acreage, expected production and related reserves; ■ Suspension or delay of its operations; ■ Substantial liability claims; and ■ Significant repair and remediation costs that increase its **breakeven** ~~break- even~~ economics. ~~OXY 2022 FORM 10- K13~~ Third- party insurance may not provide adequate coverage or Occidental or its subsidiaries may be self- insured with respect to the related losses. In addition, under certain circumstances, Occidental or its subsidiaries may be liable for environmental conditions on properties that they currently own, lease or operate that were caused by previous owners or operators of those properties. As a result, Occidental or its subsidiaries may incur substantial liabilities to third parties or ~~governmental~~ -- **government** entities for environmental matters for which they do not have insurance coverage, which could reduce or eliminate funds available for exploration, development, acquisitions or other investments in their respective businesses, or cause them to incur losses. ~~The COVID- 19 pandemic and resulting adverse economic conditions have had, and may continue to have, an adverse effect on Occidental' s businesses and operations and financial condition. The COVID- 19 pandemic caused, and any resurgence of the pandemic could again cause, disrupted global supply chains and significant volatility in the financial markets. Current crude oil, NGL and natural gas demand and prices could be negatively impacted by a resurgence of COVID- 19 cases, slow vaccine distribution in certain large international economies or the recurrence or tightening of travel restrictions and stay- at- home orders. If reduced demand for and lower prices of crude oil, NGL and natural gas persist for a prolonged period, Occidental' s operations, financial condition, cash flows, level of expenditures and the quantity of estimated proved reserves that may be attributed to its properties may be materially and adversely affected. Occidental has not experienced any significant disruptions as a result of any new COVID- 19 variants, and it continues to monitor national, state and local government directives where we have operations or offices. The extent to which the COVID- 19 pandemic adversely affects Occidental' s businesses, results of operations and financial condition will depend on future developments, many of which are outside of its control. To the extent the COVID- 19 pandemic may continue to adversely affect Occidental' s businesses, results of operations and financial condition, it may also have the effect of heightening the other risks described herein.~~ Risks related to Occidental' s businesses and operations Volatile global and local commodity pricing strongly affect Occidental' s results of operations. Occidental' s financial results correlate closely to the prices it obtains for its products, particularly oil and, to a lesser extent, NGL, natural gas and its chemical products. Prices for oil, NGL and natural gas fluctuate widely. Historically, the markets for oil, NGL and natural gas have been volatile and may continue to be volatile in the future. If the prices of oil, NGL or natural gas continue to be volatile or decline, Occidental' s operations, financial condition, cash flows, level of expenditures and the quantity of estimated proved reserves that may be attributed to its properties may be materially and adversely affected. Prices are set by global and local market forces which are not in Occidental' s control. These factors include, among others: ■ Worldwide and domestic supplies of, and demand for, oil, NGL, natural gas and refined products; ■ The cost of exploring for, developing, producing, refining and marketing oil, NGL, natural gas and refined products; ■ Operational impacts such as production disruptions, technological advances and regional market conditions, including available transportation capacity and infrastructure constraints in producing areas; ■ Changes in weather patterns and climate; ■ The impacts of the members of OPEC and ~~other~~ non- OPEC member- producing nations that may agree to and maintain production levels; ■ The ongoing global impact of the Russia- Ukraine war **and conflicts in the Middle East** ; ■ The worldwide military and political environment, including uncertainty or instability resulting from an escalation or outbreak of armed hostilities or acts of terrorism in the United States or elsewhere; ■ The price and availability of and demand for alternative and competing fuels and emissions reducing technology; ■ Technological advances affecting energy consumption and supply; ■ Government policies and support and market demand for low- carbon technologies; ■ Domestic and international ~~governmental~~ -- **government** regulations and taxes, including those that restrict the export of hydrocarbons; ■ Shareholder activism or activities by non- governmental organizations to restrict the exploration, development and production of oil, NGL and natural gas; ■ Additional or increased nationalization and expropriation activities by international governments; ■ The impact and uncertainty of world health events, including ~~the COVID- 19 pandemic~~ **pandemics** and **epidemics** ~~the spread of new variants~~ ; ■ The effect of releases from **or replenishment of** the U. S. Strategic Petroleum Reserve; ■ Volatility in commodity markets; ■ The effect of energy conservation efforts; and ■ Global inventory levels and general economic conditions **, including potential economic slowdowns or recessions, domestically or internationally** . **OXY 2023 FORM 10- K15** The long- term effects of these and other conditions on the prices of oil, NGL, natural gas and chemical products are uncertain and there can be no assurance that the demand or pricing for Occidental' s products will follow historic patterns in ~~14 OXY 2022 FORM 10- K~~ the near term. Prolonged or substantial decline, or sustained market uncertainty, in these commodity prices may have the following effects on Occidental' s ~~business~~ **businesses** : ■ Adversely affect Occidental' s financial condition, results of operations, liquidity, ability to reduce debt, access to and cost of capital, and ability to finance planned capital expenditures **or planned acquisitions** , pay dividends and repurchase shares; ■ Reduce the amount of oil, NGL and natural gas that Occidental can produce economically; ■ Cause Occidental to delay or postpone some of its capital projects; ■ Reduce Occidental' s revenues, operating income or cash flows; ■ Reduce the amounts of Occidental' s estimated proved oil, NGL and natural gas reserves; ■ Reduce the carrying value of Occidental' s oil and natural gas properties due to recognizing impairments of proved properties, unproved properties and exploration assets; ■ Reduce the standardized measure of discounted future net cash flows relating to oil, NGL and natural gas reserves; and ■ Adversely affect the ability of Occidental' s partners to fund their working interest capital requirements. Generally, Occidental' s historical practice has been to remain exposed to the market prices of commodities. As of December 31, ~~2022~~ **2023** , there were no active commodity hedges in place. Management may choose to put hedges in place in the future for oil, NGL and natural gas commodities. Commodity price risk management activities may prevent Occidental from fully benefiting from price increases and may expose it to regulatory, counterparty credit and other risks. The prices obtained for Occidental' s chemical products correlate to the strength of the United States and global economies, as well as chemical industry expansion and contraction cycles. Occidental also depends on feedstocks and energy to produce chemicals, which are commodities subject to significant price fluctuations. Occidental may experience delays, cost overruns, losses or other unrealized expectations in development efforts and exploration activities. Oil, NGL and natural gas exploration and production activities are subject to numerous risks beyond Occidental' s control, including the risk that drilling will not result in commercially viable oil, NGL and natural gas production. In its development and exploration activities, Occidental bears the risks of: ■ Equipment failures; ■ Construction delays; ■ Escalating costs ~~or~~ **for ,** competition for **, shortages of or delays in** services, materials, supplies **, equipment** or labor; ■ Increasing prices as a result of broad inflation **;** ■ Property or border disputes; ■ Disappointing drilling results or reservoir performance; ■ Title problems and other associated risks that may affect its ability to profitably grow production, replace reserves and achieve its targeted returns; ■ Actions by third- party operators of its properties; ■ ~~Permit delays~~ **Delays imposed by or resulting from compliance with permits, laws, regulations or litigation** and costs of drilling wells on lands subject to complex development terms and circumstances; and ■ Oil, NGL and natural gas gathering, transportation and processing availability, restrictions or limitations. Exploration is inherently risky and is subject to delays, misinterpretation of geologic or engineering data, unexpected geologic conditions or finding reserves of disappointing quality or quantity, which may result in significant losses. Claims, litigation, government investigations and other proceedings may adversely affect Occidental' s ~~business~~ **businesses** , consolidated financial position, results of operations and cash flows. Occidental is subject to actual and threatened claims, litigation, reviews, investigations, and other proceedings, including proceedings by governments and regulatory authorities, involving a wide range of issues, including regarding ~~our~~ **its** drilling, manufacturing or production processes, commercial disputes, environmental compliance, public health and safety and taxes. The outcomes of these matters are inherently unpredictable and subject to significant uncertainties. Determining legal reserves or possible losses from such matters involves judgment and may not reflect the full range of uncertainties and unpredictable outcomes. Until the final resolution of such matters, Occidental may be exposed to losses in excess of the amount recorded, and such amounts could be material. Should any of ~~our~~ **its** estimates and assumptions change or prove to have been incorrect, it could have a material adverse effect on Occidental' s ~~business~~ **businesses** , consolidated financial position, results of operations and cash flows. **For additional discussion of some of these matters, see Note 12 – Environmental Liabilities and Expenditures and Note 13- Lawsuits, Claims, Commitments and Contingencies in the Notes to Consolidated Financial Statements in Part II Item 8 of this Form 10- K. 16** OXY ~~2022~~ **2023** FORM 10- ~~K15~~ **K** Disruptions in the political, regulatory, economic, and social environments of the countries in which Occidental operates could adversely affect its reputation, financial condition, results of operations and cash flows. Occidental' s non- ~~US~~ **U. S.** operations accounted for approximately ~~15~~ **16** % of its consolidated revenue in **2023, 15 % in** 2022 ~~,~~ **and** 16 % in 2021 **. Operations** ~~and 19 %~~ in ~~2020~~ **non- U. S. countries with varying degrees of political, legal and economic stability expose Occidental to a wide range of developments that could result in contractual, legal or regulatory changes** . Instability and unforeseen changes in any of the markets in which Occidental operates could result in business disruptions or operational challenges that may adversely affect the demand for Occidental' s products and services, or its reputation, financial condition, results of operations or cash flows. These factors include, but are not limited to, the following: ■ Uncertain or volatile political, social, and economic conditions; ■ Social unrest, acts of terrorism, war, or other armed conflict; ■ Public health crises and other catastrophic events, such as ~~the COVID- 19 pandemic~~ **pandemics** ; ■ Confiscatory taxation or other adverse tax policies; ■ Theft of, or lack of sufficient legal protection for, proprietary technology and other intellectual property; ■ Unexpected changes in legal and regulatory requirements, including changes in interpretation or enforcement of existing laws; ■ Restrictions on the repatriation of income or capital; ■ Currency exchange controls; ■ Inflation; and ■ Currency exchange, rate fluctuations and devaluations. **In addition, the U. S. government has the authority to prevent or restrict Occidental from doing business in foreign jurisdictions or with certain parties. These restrictions and similar restrictions imposed by foreign governments have in the past limited Occidental' s ability to operate in, or gain access to, opportunities in various jurisdictions. Changes in domestic and international policies and regulations may also restrict the Company' s ability to obtain or maintain licenses or permits necessary to operate in foreign jurisdictions, including those necessary for drilling and development of wells. Similarly, the declaration of a " climate emergency " could result in actions to limit exports of Occidental' s products and other restrictions. Any of these actions could adversely affect its businesses or results of operations.** Occidental' s oil and gas business operates in highly competitive environments, which affect, among other things, its ability to source production and replace reserves. **The exploration** ~~Results of operations, reserves replacement~~ and **production** ~~the level~~ of oil **, NGL** and **natural** gas **is a highly competitive business** ~~production depend, in part, on Occidental' s ability to profitably acquire additional reserves~~ . Occidental has many competitors (including national oil companies), some of which: (i) are larger and better funded; (ii) may be willing to accept greater risks; (iii) have greater access to capital; (iv) have substantially larger staffs; or (v) have special competencies **. Results of operations, reserves replacement and the level of oil and gas production depend, in part, on Occidental' s ability to profitably acquire additional reserves** . Competition for access to reserves may make it more difficult to find attractive investment opportunities or require delay of reserve replacement efforts. Further, during periods of low product prices, any cash conservation efforts may delay production growth and reserve replacement efforts. Also, there is substantial competition for capital available for investment in the oil and natural gas industry. Occidental' s failure to acquire properties, potentially grow production, replace reserves and attract and retain qualified personnel could have a material adverse effect on its cash flows and results of operations **. Further, as its competitors use or develop new technologies, Occidental may be placed at a competitive disadvantage, and competitive pressures may force its to implement new technologies at a substantial cost** . In addition, Occidental' s acquisition activities carry risks that it may: (i) not fully realize anticipated benefits due to less- than- expected reserves or production or changed circumstances, such as declines in oil, NGL and natural gas prices; (ii) bear unexpected integration costs or experience other integration difficulties; (iii) experience share price declines based on the market' s evaluation of the activity; or (iv) be subject to liabilities that are greater than anticipated. Occidental' s oil and gas reserves are estimates based on professional judgments and may be subject to revision. Reported oil and gas reserves are an estimate based on periodic review of reservoir characteristics and recoverability, including production decline rates, operating performance and economic feasibility at the prescribed weighted average commodity prices, future operating costs and capital expenditures, workover and remedial costs, assumed effects of regulation by ~~governmental~~ -- **government** agencies, the quantity, quality and interpretation of relevant data, taxes and availability of funds. The procedures and methods for estimating the reserves by Occidental' s internal engineers were reviewed by independent petroleum consultants ~~;~~ **. The process of estimating oil and natural gas reserves,** however, **is complex and requires significant decisions and assumptions in** ~~there~~ -- **the** ~~are~~ **evaluation of available geological, geophysical, engineering and economic data for each reservoir and is therefore** ~~inherent~~ **inherently** ~~uncertainties~~ ---- **uncertain** ~~in estimating reserves~~ . Actual production, revenues, expenditures, oil, NGL and natural gas prices and taxes with respect to Occidental' s reserves may vary from estimates and the variance may be material. Additional regulation around GHG emissions and future costs related to a less carbon- intensive economy could result in a shortened **OXY 2023 FORM 10- K17** oil and gas reservoir reserve life as the underlying reserves become uneconomical. If Occidental were required to make significant negative reserve revisions, its results of operations and stock price could be adversely affected. In addition, the discounted cash flows included in this Form 10- K should not be construed as the fair value of the reserves attributable to Occidental' s properties. The estimated discounted future net cash flows from proved reserves are based on an unweighted arithmetic average of the first- day- of- the- month price for each month within the year in accordance with SEC regulations. Actual future prices and costs may differ materially from SEC regulation- compliant prices and costs used for purposes of estimating future discounted net cash flows from proved reserves. Also, actual future net cash flows may differ from these discounted net cash flows due to the amount and timing of actual production, availability of financing for capital expenditures necessary to develop Occidental' s undeveloped reserves, supply and demand for oil, NGL and natural gas, increases or decreases in consumption of oil, NGL and natural gas and changes in ~~governmental~~ -- **government** regulations or taxation. ~~16 OXY 2022 FORM 10- K~~ Occidental' s future results could be adversely affected if it is unable to execute new business strategies effectively. Occidental' s results of operations depend on the extent to which it can execute new business strategies effectively relative to both the societal transition to a less carbon- intensive economy and laws, regulations and ~~governmental~~ -- **government** and private actions regarding the environment and climate change. Occidental' s strategies seek to advance its goals of achieving net- zero emissions (i) from its operations and energy use before 2040, with an ambition to do so before 2035, and (ii) from its total carbon inventory, including the use of its sold products, with an ambition to do so before 2050. Occidental' s strategies and goals are subject to business, economic and competitive uncertainties and contingencies, many of which are beyond its control. Additionally, Occidental may be forced to develop or implement new technologies at substantial costs to achieve its strategies. Effective execution of these goals may require substantial new capital, which might not be available to Occidental in the amounts or at the times expected. In addition, raising such capital may increase its leverage or overall costs of doing ~~business~~ **businesses** . These uncertainties and costs could cause Occidental to not be able to fully implement or realize the anticipated results and benefits of its business strategies. Certain of Occidental' s emissions goals are dependent upon the successful implementation of new and existing technologies on an industrial scale. These technologies are in various stages of development or implementation and may require more capital, or take longer to develop, than currently expected. Further, these carbon management technologies are in competition with technologies being developed by other companies. The carbon management solutions are not well established and, while Occidental believes it has access to the technologies and the expertise necessary to develop these solutions on an industrial scale, Occidental may not ultimately succeed **in doing so and** in achieving its GHG emissions reduction and net- zero goals. Occidental' s strategy to include carbon management in its product line is also dependent upon demand for carbon sequestration and related CO2 removal credits, offsets or other attributes. If this market does not develop, or if the regulatory environment does not support carbon management activities, Occidental may not be successful in ~~entering~~ this industry. Occidental' s aspirations, goals and initiatives related to carbon management and overall sustainability expose it to numerous risks. Occidental continues to develop new technologies and strategies to position it to meet its emissions reduction and net- zero goals. Occidental' s efforts to research, establish, accomplish and accurately report on ~~our~~ **its** emissions goals, targets and strategies expose it to numerous operational, reputational, financial, legal **, technological, implementation** and other risks. Occidental' s ability to reach ~~our~~ **its** target emissions is subject to a multitude of factors and conditions, many of which are out of its control. Examples of such factors include evolving government regulation and voluntary protocols for reporting or verification of emissions, capture or sequestration **, the potential for jurisdictions in which it operates to enact opposing or incompatible regulations** , the pace of changes in technology, the successful development and deployment of existing or new technologies and business solutions on a commercial scale, the availability, timing and cost of equipment, manufactured goods and services, and the availability of requisite financing and federal and state incentive programs. In addition, historical, current and forward- looking sustainability- related statements may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve and assumptions that are subject to change in the future. **As noted earlier,** ~~There~~ **there** are multiple proposed or recently adopted changes to various GHG reporting regulations and protocols, including from the EPA, ~~as noted earlier, as well as~~ the SEC, the GHG Protocol and certain countries and states, as well as for additional controls, fees or taxes on emissions ~~. In March 2022, for example, the SEC proposed climate disclosure rules that would require public companies to significantly increase disclosure of GHG emissions and strategies, targets, costs and risks associated with climate change and the energy transition~~ . While Occidental has reported voluntarily on its net- zero pathway and associated goals and targets, as well as GHG emissions estimates, the **SEC' s** proposed rules would require both significant additional disclosure and integration of such disclosure directly into financial reporting processes. Occidental and numerous other stakeholders submitted comments to the SEC on the proposed rules. The SEC is expected to issue final rules in ~~2023~~ **2024** . Given the potential significance of these changes for estimation, reporting and verification of GHG emissions, establishing and reporting on goals **and** targets, and estimating and disclosing costs of emissions reduction and the energy transition, Occidental may be required or elect to modify or update reported emissions and its current set of GHG goals and targets to reflect such new or changed regulations and protocols, although ~~we~~ **the Company** currently ~~expect~~ **expects** to retain ~~our~~ **its** overarching net- zero goals and to continue to implement emissions reduction plans that ~~we~~ **it** ~~believe~~ **believes** will complement ~~our~~ **its** investments in DAC, CCUS and other low- carbon technologies and infrastructure. **As the nature, scope and complexity of environmental, social and governance (ESG) reporting, calculation methodologies, voluntary reporting 18 OXY 2023 FORM 10- K standards and disclosure requirements expand and change, Occidental may have to undertake additional costs to control, assess and report on ESG metrics, especially to the extent applicable rules and standards are not harmonized or consistent.** Occidental may face increased scrutiny from the investment community, customers, **political advocacy groups,** other stakeholders and the media related to its emissions reduction and net- zero goals and strategies **, and it may be unable to satisfy all stakeholders** . If Occidental' s emissions goals and strategies to achieve them do not meet evolving investor or other stakeholder expectations or standards, Occidental' s reputation, ability to attract and retain employees and attractiveness as an investment, business partner, supplier or acquirer could be negatively impacted. Similarly, Occidental' s failure or perceived failure to fulfill its emissions goals and targets, to comply with ethical, health, safety, environmental, social, governance or other standards, regulations, or expectations, or to satisfy various reporting standards with respect to these matters effectively could have the same negative impacts and further expose Occidental to government enforcement actions and private litigation. Even if Occidental achieves its goals, targets and objectives, it may not realize all of the benefits that it expected at the time the goals were established. ~~OXY 2022 FORM 10~~ **.** There also have been efforts in the investment community,including investment advisers,financial institutions and certain sovereign wealth,pension and endowment funds,as well as political actors and other stakeholders,promoting divestment of fossil fuel equities,reducing access to capital markets and pressuring lenders to limit funding or increase the cost of lending to companies engaged in the extraction of fossil fuel reserves.Additionally,institutional lenders who provide financing to oil and gas companies have become more attentive to sustainable lending practices,and some of them may substantially reduce,or elect not to provide,funding for oil and gas companies ~~.Customers and suppliers also may evaluate Occidental' s sustainability practices or require that it adopt certain sustainability policies as a condition of awarding contracts~~ .Such environmental initiatives aimed at limiting climate change and reducing air emissions could adversely affect Occidental' s business activities,operations and ability to access capital,cause the market value of its securities to decrease or its cost of capital to increase,and adversely affect its reputation.

Finally ~~At the same time~~ , ~~stakeholders and regulators have increasingly~~ -- **increasing** ~~expressed or pursued divergent views,legislation~~ **attention to climate change risks has resulted in** ~~and~~ - **an** ~~investment expectations with~~ **increased possibility of governmental investigations and additional private litigation against Occidental without regard to causation or its contribution to the asserted damage,which could increase its costs or otherwise adversely affect our businesses** - ~~K17~~ **ESG " legislation or policies. Finally, increasing attention to climate change risks has resulted in an increased possibility of government investigations and additional private litigation against Occidental without regard to causation or its contribution to the asserted damage, which could increase its costs or otherwise adversely affect its businesses. For example, governments and private parties are also increasingly filing lawsuits or initiating regulatory action alleging misrepresentation regarding climate change and other ESG- related matters and practices or a failure or lack of diligence to meet publicly stated sustainability or climate- related goals. Such lawsuits present a high degree of uncertainty regarding the extent to which energy companies face an increased risk of liability stemming from climate change or sustainability disclosures and practices.** Occidental has previously recorded impairments of its proved and unproved oil and gas properties and will continue to assess further impairments **for these properties and other assets** in the future. Occidental has recorded impairments of its proved and unproved oil and gas properties resulting from prolonged declines in oil and gas prices and may record such impairments in the future. Past impairments included pre- tax impairment and related charges to both proved and unproved oil and gas properties and a lower of cost or net realizable value adjustment for crude inventory. If there is an adverse downturn of the macroeconomic conditions and if such downturn is expected to or does persist for a prolonged period of time, Occidental' s oil and gas properties may be subject to further testing for impairment, which could result in additional non- cash asset impairments. Such **impairments could be material to the financial statements. Occidental may subject its low- carbon initiatives, including related acquisitions, and investments in unconsolidated subsidiaries, to impairment testing. If Occidental and / or its subsidiaries are not successful in these development- stage initiatives, including DAC, CCUS and other low- carbon projects, investments and ventures, such** impairments could be material to the financial statements. Future costs associated with reducing emissions and carbon impacts, as well as impacts resulting from other risk factors described herein, could lead to impairments in the future, if such costs significantly increase Occidental' s breakeven economics. Occidental uses **water and sand and is required to dispose of produced water. Occidental' s inability to source water and sand, or dispose of produced water, could adversely affect its operations. Water and sand are required for the exploration and production of oil and gas. Occidental' s ability to obtain water and sand for its operations may be affected by the price of water and sand, the availability of transportation and other market conditions. Additionally, some government authorities have restricted the use of water subject to their jurisdiction for hydraulic fracturing. If Occidental is unable to obtain water or sand to use in its operations, Occidental may be unable to economically produce oil and natural gas, which could have a material and adverse effect on its financial condition, results of operations and cash flows. In addition, Occidental must dispose of the surplus fluids produced from oil and gas production operations, including produced water, directly or through the use of third- party vendors. The legal requirements related to the injection of produced water into a non- producing geologic formation are subject to change. Restrictions as a result of more stringent regulations or legal directives, potential litigation or other developments could materially impact Occidental' s ability to dispose of produced water, which could have a material adverse effect on its business, financial condition and results of operations. OXY 2023 FORM 10- K19 Occidental uses** CO_2 for its EOR operations. Occidental' s production from these operations may decline if Occidental is not able to obtain sufficient amounts of CO_2. Occidental' s CO_2 EOR operations are critical to Occidental' s long- term strategy. Oil production from Occidental' s CO_2 EOR projects depends largely on having access to sufficient amounts of naturally occurring or anthropogenic (human- made) CO_2. Occidental' s ability to produce oil from its CO_2 EOR projects would be hindered if the supply of CO_2 ~~was~~ **were** limited due to, among other things, problems with current CO_2 producing wells and facilities, including compression equipment, catastrophic pipeline failure or the ability to economically purchase naturally occurring or anthropogenic CO_2. This could have a material adverse effect on Occidental' s financial condition, results of operations or cash flows. Future oil production from its CO_2 EOR operations is dependent on the timing, volumes and location of CO_2 injection and, in particular, Occidental' s ability to obtain sufficient volumes of CO_2. Market conditions may cause the delay or cancellation of the development of naturally occurring CO_2 sources or construction of plants that produce anthropogenic CO_2 as a byproduct that can be purchased, thus limiting the amount of CO_2 available for use in Occidental' s CO_2 EOR operations. Occidental is exposed to cyber- related risks. The oil and gas industry is increasingly dependent on ~~digital~~ **information technology (IT)** and industrial control ~~technologies~~ **systems (ICS)** to conduct certain exploration, development and production activities. Occidental relies on digital and industrial control systems, related infrastructure, technologies and networks to run its ~~business~~ **businesses** and to control and manage its oil and gas, chemicals, marketing and pipeline operations. Use of the internet, cloud services, mobile communication systems and other public networks exposes Occidental' s ~~business~~ **businesses** and ~~that~~ **those** of ~~other~~ third parties with whom Occidental does business **, and relies on for certain services including related** to **Occidental' s systems and data, to the risk of** cyber attacks **, which** ~~. Cyber attacks on businesses~~ have escalated in recent years. Information and industrial control technology system failures, network disruptions and breaches of data security could disrupt ~~our~~ **Occidental' s** operations by causing delays, impeding processing of transactions and reporting financial results, **or** leading to the unintentional disclosure of company, partner, customer or employee information ~~or~~ **that** could damage ~~our~~ **its** reputation. A cyber attack ~~involving our~~ **on Occidental' s** information or industrial control systems and related infrastructure, or ~~that~~ **those** of ~~our~~ **its** business associates **or third- party service providers** , could negatively impact ~~our~~ **Occidental' s** operations in a variety of ways, including, but not limited to ~~, the following~~ : ■ **Adversely** ~~Unauthorized access to seismic data, reserves information, strategic information or other sensitive or proprietary information could have a negative impact~~ **impacting** ~~on~~ Occidental' s ability to compete for oil and natural gas resources; ■ **Resulting** ~~Data corruption, communication or systems~~

~~interruption or other operational disruption during drilling activities could result~~ in delays and failure to reach the intended target or cause a drilling incident; ■ **Resulting** ~~Data corruption, communication or systems interruption or operational disruptions of production- related infrastructure could result~~ in a loss of production or accidental discharge; ■ **Resulting** ~~A cyber attack on OxyChem' s operations could result~~ in a disruption of the manufacturing and marketing of its products or a potential HSE hazard; ■ **Resulting** ~~A cyber attack on a vendor or service provider could result~~ in supply chain disruptions, which could delay or halt ~~our~~ **Occidental' s** construction and development projects; ■ **Delaying** ~~A cyber attack on third- party gathering, pipeline, processing, terminal~~ or ~~other infrastructure systems could delay or prevent~~ **preventing** Occidental from producing, transporting, processing and marketing its production; ■ **Slowing** ~~A cyber attack involving commodities exchanges~~ or **halting** ~~financial institutions could slow or halt~~ commodities trading, thus preventing Occidental from marketing its production or engaging in hedging activities; ■ **Adversely** ~~A cyber attack that halts activities at a power generation facility or refinery using natural gas as feedstock could have a significant impact~~ **impacting** ~~on~~ the natural gas market; ■ **Causing** ~~A cyber attack on a communications network or power grid could cause~~ operational disruption; ■ **Causing** ~~A cyber attack on Occidental' s automated and surveillance systems could cause~~ a loss in production ~~and~~ **or a** potential HSE ~~hazards~~ - **hazard** ; ■ **Resulting** ~~A deliberate corruption of Occidental' s financial or operating data could result~~ in events of non- compliance which could then lead to regulatory fines or **other** penalties **and legal liability** ; and ■ ~~A cyber attack resulting in the loss or disclosure of, or damage to, Occidental' s or any of its customer' s or supplier' s data or confidential information could harm its business by damaging~~ **Damaging** ~~its~~ **Occidental' s** reputation, subjecting ~~Occidental~~ **it** to ~~18 OXY 2022 FORM 10- K~~ potential financial or legal liability **, regulatory fines and penalties** and requiring it to incur significant costs, including **compliance costs,** costs to repair or restore its systems and data or to take other remedial steps **. There can be no assurance that Occidental' s cybersecurity measures, or the efforts of its partners, will be sufficient to prevent or identify cybersecurity incidents** . Although Occidental has implemented controls and multiple layers of security that it believes are reasonable to mitigate the risks of a ~~cyber attack~~ **cybersecurity incident** , there can be no assurance that ~~such cyber security measures~~ **Occidental' s response** will be ~~sufficient to prevent security breaches~~ **successful or effectively address an incident on a timely basis. As a result** of **any of the foregoing, Occidental could suffer interruptions in** its **ability to manage its operations, which may adversely affect its business and financial results. In addition, Occidental may incur large expenditures to investigate or remediate, to recover data, to repair or replace networks or information** systems ~~from occurring,~~ **or to protect against similar future events. Disruption to Occidental' s operations** and ~~if~~ **damage to its reputation could materially adversely affect its financial position, results of operations or cash flows. Moreover, laws and regulations governing cybersecurity and data privacy and the unauthorized disclosure of confidential or protected information pose increasingly complex compliance challenges and potential costs, and any failure to comply with these data privacy requirements or other applicable laws and regulations in this area could lead to** a **loss of sensitive information** ~~breach occurs, it may remain undetected for an~~ **and result in significant regulatory or** ~~extended period of time. Further, Occidental has no control over the~~ **other** ~~comparable systems of the third parties~~ **penalties and legal liability** ~~with whom it does business~~ . While Occidental has experienced cyber attacks in the past, ~~Occidental~~ **it** has not suffered any material losses. However, if in the future Occidental' s ~~cyber security~~ **cybersecurity** measures are compromised or prove insufficient, the potential consequences to Occidental' s businesses and the communities in which it operates could be significant. As cyber attacks continue to evolve in magnitude and sophistication, Occidental may be required to expend additional resources in order to continue to enhance **20 OXY 2023 FORM 10- K** its ~~cyber security~~ **cybersecurity** measures and to investigate and remediate any digital and operational systems, related infrastructure, technologies and network security vulnerabilities, which would increase its costs **. Occidental also may incur large expenditures to recover data, to repair or replace networks or information systems or to protect against similar future events** . A system failure or data security breach, or a series of such failures or breaches, could have a material adverse effect on Occidental' s **ability to manage its operations, which may adversely affect its businesses,** financial condition, results of operations or cash flows. Occidental' s oil and gas reserve additions may not continue at the same rate and a failure to replace reserves may negatively affect Occidental' s ~~business~~ **businesses** . Producing oil and natural gas reservoirs generally are characterized by declining production rates that vary depending upon reservoir characteristics and other factors. Unless Occidental conducts successful exploration or development activities, acquires properties containing proved reserves, or both, proved reserves will generally decline and negatively impact ~~our~~ **Occidental' s** ~~business~~ **businesses . Occidental may not be successful in finding, developing or acquiring additional reserves, and its efforts may not be economic. Its ability to make the necessary capital investment to maintain or expand its asset base of oil and gas reserves would be limited to the extent cash flow from operations is reduced and external sources of capital become limited or unavailable** . The value of Occidental' s securities and its ability to raise capital will be adversely impacted if it is not able to replace reserves that are depleted by production or replace ~~our~~ **its** declining production with new production by successfully allocating annual capital to maintain ~~our~~ **its** reserves and production base. Occidental expects infill development projects, extensions, discoveries and improved recovery to continue as main sources for reserve additions but factors such as geology, government regulations and permits, the effectiveness of development plans and the ability to make the necessary capital investments or acquire capital are partially or fully outside management' s control and could cause results to differ materially from expectations. Occidental' s operations and financial results could be significantly negatively impacted by its offshore operations. Occidental is vulnerable to risks associated with offshore operations that could negatively impact its operations and financial results. Certain Occidental subsidiaries conduct offshore operations primarily in the Gulf of Mexico and their operations and financial results are vulnerable to certain unique risks associated with operating offshore, including conditions relating to the following: ■ Hurricanes and other adverse weather conditions; ■ Geological complexities and water depths associated with such operations; ■ Limited number of partners available to participate in projects; ■ Oilfield service costs and availability; ■ Compliance with HSE and other laws and regulations; ■ Terrorist attacks or piracy; ■ Remediation and other costs and regulatory changes resulting from oil spills, emissions or releases of hazardous substances or materials; ■ Failure of equipment or facilities; and ■ Response capabilities for personnel, equipment or environmental incidents. In addition, certain Occidental subsidiaries conduct some of their exploration in deep waters (greater than 1, 000 feet) where operations, support services and decommissioning activities are more difficult and costly than in shallower waters. The deep waters in the Gulf of Mexico, as well as international deep- water locations, lack the physical and oilfield service infrastructure present in shallower waters. As a result, deep- water operations may require significant time between a discovery and the time that Occidental can market its production, thereby increasing the risk involved with these operations. Anadarko' s Tronox settlement may not be deductible for income tax purposes; Occidental may be required to repay the tax refund Anadarko received in 2016 related to the deduction of the Tronox settlement payment, which may have a material adverse effect on Occidental' s results of operations, liquidity and financial condition. In April 2014, Anadarko and Kerr- McGee entered into a settlement agreement for $ 5. 2 billion, resolving, among other things, all claims that were or could have been asserted in connection with the May 2009 lawsuit filed by Tronox against Anadarko and Kerr- McGee in the U. S. Bankruptcy Court for the Southern District of New York. After the settlement became effective in January 2015, Anadarko paid $ 5. 2 billion and deducted this payment on its 2015 federal income tax return. Due ~~OXY 2022 FORM 10- K19~~ to the deduction, Anadarko had a net operating loss carryback for 2015, which resulted in a tentative tax refund of $ 881 million in 2016. The IRS audited Anadarko' s tax position regarding the deductibility of the payment and in September 2018 issued a statutory notice of deficiency rejecting Anadarko' s refund claim. Anadarko disagreed and filed a petition with the U. S. Tax Court to dispute the disallowance in November 2018. ~~In December~~ **Trial was held in May** ~~2022~~ **2023** ~~, the parties filed competing motions for partial summary judgment~~ . ~~The motions~~ **Post- trial briefing is ongoing. Closing arguments** are ~~not fully briefed. Trial is~~ set for May ~~2023~~ **2024** . Occidental expects to continue pursuing resolution. In accordance with Accounting Standards Codification (ASC) Topic 740' s guidance on the accounting for uncertain tax positions, as of December 31, ~~2022~~ **2023** , Occidental had recorded no tax benefit on the tentative cash tax refund. If the payment is ultimately determined not to be deductible, Occidental would be required to repay the tentative refund received plus interest totaling approximately $ ~~1~~ **2** . ~~8~~ **0** billion as of December 31, ~~2022~~ **2023** , which could have a material adverse effect on ~~our~~ **its** liquidity and consolidated balance sheets. **OXY 2023 FORM 10- K21** Occidental' s Consolidated Financial Statements include an uncertain tax position for the approximate repayment of $ 1. 4 billion **in** ~~($ 1. 4 billion~~ federal ~~and $ 28 million in state~~ taxes ~~)~~ plus accrued interest of approximately $ ~~415~~ **574** million. This amount is not covered by insurance. For additional information on income taxes, see Note 10- Income Taxes in the Notes to Consolidated Financial Statements in Part II Item 8 of this Form 10- K. Occidental' s indebtedness may make it more vulnerable to economic downturns and adverse developments in its businesses. Downgrades in Occidental' s credit ratings or future increases in interest rates may negatively impact Occidental' s cost of capital ~~,~~ and ability to access capital markets. Occidental' s level of indebtedness could increase its vulnerability to adverse changes in general economic and industry conditions, economic downturns and adverse developments in its businesses or limit Occidental' s flexibility in planning for or reacting to changes in its ~~business~~ **businesses** and the industries in which it operates. From time to time, Occidental has relied on access to capital markets for funding. Occidental' s ability to obtain additional financing or refinancing will be subject to a number of factors, including general economic and market conditions **such as rising interest rates, inflation or unstable or illiquid market conditions** , Occidental' s performance, investor sentiment and ~~its~~ **Occidental' s** ability to meet existing debt compliance requirements **. Occidental' s ability to access credit and capital markets may be restricted at a time when it would like, or need, to access to those markets, which could constrain its flexibility to react to changing economic and business conditions** . If Occidental is unable to generate sufficient funds from its operations to satisfy its capital requirements, including its existing debt obligations, or to raise additional capital on acceptable terms, Occidental' s ~~business~~ **businesses** could be adversely affected. As of the date of this filing, Occidental' s long- term debt was rated ~~BB~~ **BBB -** by Fitch Ratings, ~~Ba1~~ **Baa3** by Moody' s Investors Service and BB by Standard and Poor' s. One of Occidental' s subsidiaries acts as the general partner of WES, a publicly traded master limited partnership, which may involve potential legal liability. One of Occidental' s subsidiaries acts as the general partner of WES, a publicly traded master limited partnership. Its general partner interest in WES may increase the possibility that it could be subject to claims of breach of duties owed to WES, including claims of conflict of interest. Any such claims could increase Occidental' s costs and any liability resulting from such claims could have a material adverse effect on Occidental' s financial condition, operating results or cash flows. **Risks related to the CrownRock Acquisition Occidental may not complete the CrownRock Acquisition within the anticipated timeframe or at all. The completion of the CrownRock Acquisition is subject to a number of conditions, including the receipt of regulatory approvals. The failure to satisfy all of the required conditions could delay the completion of the CrownRock Acquisition for a significant period of time or prevent it from occurring at all. In addition, the terms and conditions of the required regulatory authorizations and consents for the CrownRock Acquisition that are granted, if any, may impose requirements, limitations or costs or place restrictions on the conduct of Occidental' s business after the transaction or materially delay the completion of the acquisition. A delay in completing the CrownRock Acquisition could cause Occidental to realize some or all of the benefits later than it otherwise expects to realize them if the CrownRock Acquisition were successfully completed within the anticipated timeframe, which could result in additional transaction costs or in other negative effects associated with uncertainty around completion of the acquisition. In addition, Occidental has incurred, and will incur, transaction- related costs in connection with the CrownRock Acquisition, including legal, accounting, and other fees and costs relating to the CrownRock Acquisition. If Occidental is unable to complete the CrownRock Acquisition, Occidental will still incur, and will remain liable for, various transaction costs, which may be significant, without realizing the expected benefits of the CrownRock Acquisition. Occidental may not achieve the intended benefits of the CrownRock Acquisition, and the CrownRock Acquisition may disrupt Occidental' s existing plans or operations. There can be no guarantee that Occidental will be able to successfully integrate CrownRock or otherwise realize the expected benefits of the potential transaction, including being accretive to free cash flow.**

Difficulties in integrating CrownRock into Occidental may result in operational and other challenges, including the diversion of management' s attention from ongoing business concerns; the diversion of resources to integration processes; the retention of key CrownRock management and other employees; the retention of existing business and operational relationships, including customers, suppliers and other counterparties; the attraction of new business and operational relationships; the possibility of faulty assumptions underlying expectations regarding integration processes and associated expenses; the elimination of duplicative corporate or operational processes; potential limitations placed on Occidental' s business by regulatory authorities; the possibility that a failure to successfully integrate CrownRock into Occidental' s internal control over financial reporting could compromise the integrity of Occidental' s financial reporting; as well as unanticipated issues in integrating certain systems. An inability to realize the full extent of the intended benefits of the CrownRock Acquisition, and any delays encountered in the integration process, could have an adverse effect on Occidental' s revenues and its level of expenses and results of operations, which may adversely affect the value of Occidental' s common stock. In addition, the integration may result in additional or unforeseen expenses. Although Occidental expects the strategic benefits and additional free cash flow to offset incremental transaction-related costs over time, if Occidental is not able to adequately and effectively address 22 OXY 2023 FORM 10- K integration challenges, it may be unable to successfully integrate operations or realize anticipated benefits of the integration of CrownRock. Notwithstanding the due diligence investigation that Occidental performed in connection with its entry into the Purchase Agreement, CrownRock may have liabilities, losses, or other exposures for which Occidental does not have adequate insurance coverage or other protection. While Occidental performed due diligence on CrownRock prior to Occidental' s entry into the Purchase Agreement, Occidental is dependent on the accuracy and completeness of statements and disclosures made or actions taken by CrownRock and its representatives when conducting due diligence and evaluating the results of such due diligence. Occidental does not control and may be unaware of activities of CrownRock prior to the completion of the CrownRock Acquisition, including intellectual property and other litigation, claims or disputes, information security vulnerabilities, violations of laws, policies, rules and regulations, commercial disputes, tax liabilities and other known and unknown liabilities. If the CrownRock Acquisition is consummated, the liabilities of CrownRock, including contingent liabilities, will be consolidated with Occidental' s liabilities for purposes of financial reporting. If CrownRock' s liabilities are greater than expected, or if there are obligations of CrownRock of which Occidental is not aware, Occidental' s business could be materially and adversely affected. While the Cash Purchase Price is subject to a negative adjustment for title and environmental defects identified by Occidental prior to the consummation of the CrownRock Acquisition (subject, in each case, to certain customary exceptions, thresholds and deductibles and offset by any title benefits identified by Occidental), Occidental does not have indemnification rights from the current owners of CrownRock and instead will rely on a limited representation and warranty insurance policy, which Occidental has obtained. Such insurance is subject to exclusions, policy limits and certain other customary terms and conditions. CrownRock may also have other unknown liabilities, which Occidental will be responsible for after consummation of the CrownRock Acquisition. If Occidental is responsible for liabilities not covered by representation and warranty insurance, Occidental could suffer consequences that could have a material adverse effect on its financial condition and results of operations. Occidental will incur a substantial amount of indebtedness in connection with the financing of the CrownRock Acquisition. Occidental expects to fund the cash portion of the consideration by incurring up to $ 9. 1 billion of third- party indebtedness. In addition, Occidental expects to assume approximately $ 1. 2 billion of CrownRock' s outstanding long- term debt in the CrownRock Acquisition. Occidental cannot guarantee that it will be able to generate sufficient cash flow to service and repay this indebtedness, or that it will be able to refinance such indebtedness on favorable terms, or at all. The failure to repay or refinance such indebtedness as expected could have a material adverse effect on Occidental' s business, financial condition, results of operation, cash flows and / or stock price. If Occidental is unable to service such indebtedness and fund its operations, Occidental may be forced to reduce or delay capital expenditures, seek additional capital, sell assets or refinance Occidental' s indebtedness. Any such action may not be successful and Occidental may be unable to service such indebtedness and its operations, which could have a material adverse effect on Occidental' s business, financial condition, results of operation, cash flows and / or stock price. In addition, the terms of such indebtedness may restrict certain actions by Occidental and its subsidiaries. The exact terms of such restrictions, if any, will be subject to negotiations prior to consummation of the applicable financing transaction. Such restrictive covenants may limit the ability of Occidental and its subsidiaries. A breach of any of these restrictive covenants, if applicable, could result in default under the applicable debt instrument. Further, Occidental and its subsidiaries may be prevented from taking advantage of business opportunities that arise because of the limitations imposed on them by any restrictive covenants and financial covenants contained in such debt instruments. The requirement that Occidental and its subsidiaries comply with these provisions may materially adversely affect Occidental' s and its subsidiaries' ability to react to changes in market conditions, take advantage of business opportunities that Occidental believes to be desirable, obtain future financing, fund needed capital expenditures or withstand a downturn in Occidental' s business. Occidental may not be able to obtain its preferred form of debt financing in connection with the CrownRock Acquisition on anticipated terms or at all. Occidental expects to fund a portion of the cash consideration for the CrownRock Acquisition and the payment of fees and expenses related to the CrownRock Acquisition using the proceeds of long- term debt financing, which Occidental expects to include the issuance of debt securities through a public offering or in a private placement, in addition to borrowings under a new term loan facility. There is a risk, however, that market conditions will not be conducive to Occidental executing this financing plan with respect to the long- term financing, or that such long- term financing will not be available on favorable terms, or at all. As a result, Occidental may need to pursue other options,

including borrowings under OXY 2023 FORM 10- K23 the bridge facility, which may result in less favorable financing terms that could increase costs and / or adversely impact the operations of Occidental. Occidental may not be able to complete its planned divestitures of certain assets on favorable terms or at all. Although Occidental intends to complete $ 4. 5 to $ 6. 0 billion of divestitures of certain assets within 18 months after completion of the CrownRock Acquisition, Occidental may not be able to complete its planned divestitures on favorable terms, in a timely manner or at all. Additionally, the completion of any future divestitures will be subject to customary closing conditions, including, if applicable, the receipt of required government and regulatory approvals. Any difficulties with respect to the completion of the planned divestitures could have a material adverse effect on Occidental' s businesses, financial condition, results of operations, cash flows and / or stock price. The CrownRock Acquisition is subject to certain government approvals, and if such approvals are not granted or are granted with conditions that become applicable to the parties, completion of the CrownRock Acquisition may be jeopardized or prevented or the anticipated benefits of the transactions could be reduced. Completion of the CrownRock Acquisition is conditioned upon the expiration or termination of the waiting period relating to the CrownRock Acquisition under the Hart- Scott- Rodino Act, as amended (the HSR Act). On December 20, 2023, each of Occidental and the Sellers filed their respective premerger notification and report in connection with the CrownRock Acquisition with the DOJ and the FTC under the HSR Act. On January 19, 2024, Occidental and CrownRock each received a Second Request for additional information and documentary material from the FTC in connection with the FTC' s review of the CrownRock Acquisition. Issuance of the Second Request extends the waiting period under the HSR Act until 30 days after both Occidental and the Sellers have substantially complied with the Second Request, unless the waiting period is terminated earlier by the FTC or the parties otherwise commit not to close the CrownRock Acquisition for some additional period of time. Occidental and the Sellers are cooperating with the FTC in its review of the CrownRock Acquisition and are working diligently to satisfy the closing condition as soon as possible. Under the terms of the Purchase Agreement, Occidental and the Sellers have agreed to use reasonable best efforts to obtain the required government approvals and complete the CrownRock Acquisition as promptly as practicable, subject to certain exceptions, including that Occidental will not be required to take or authorize any action that would reasonably be expected to have a material adverse effect on the financial condition, business, assets or results of operations of Occidental, CrownRock and their respective subsidiaries and affiliates (provided that, for purposes of such determination, Occidental, CrownRock and their respective subsidiaries and affiliates, taken as a whole, will be deemed a consolidated group of entities of the size and scale of a hypothetical company that is 100 % of the size CrownRock and its subsidiaries as of the date of the Purchase Agreement). The FTC may be affected by government shutdowns, which could result in delays regarding any potential approvals or other actions.