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OXY - Q3 2011 Occidental Petroleum Corp Earnings Conference Call

Event Date/Time: Oct. 27. 2011 / 3:30PM GMT



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CORPORATE PARTICIPANTS

Christopher Stavros

Occidental Petroleum Corporation - VP of IR

Jim Lienert

Occidental Petroleum Corporation - EVP and CFO

Steve Chazen

Occidental Petroleum Corporation - President and CEO

Bill Albrecht

Occidental Petroleum Corporation - President, Domestic Oil & Gas Operations

Sandy Lowe

Occidental Petroleum Corporation - President, International Oil & Gas Operations

CONFERENCE CALL PARTICIPANTS

Paul Sankey

Deutsche Bank - Analyst

Jessica Chipman

Tudor, Pickering, Holt & Co. Securities - Analyst

Doug Leggate

BofA Merrill Lynch - Analyst

Jason Gammel

Macquarie Research Equities - Analyst

Arjun Murti

Goldman Sachs - Analyst

Doug Terreson

ISI Group - Analyst

Sven Del Pozzo

IHS Herold - Analyst

John Herrlin

Societe Generale - Analyst

Ed Westlake

Credit Suisse - Analyst

Pavel Molchanov

Raymond James & Associates - Analyst

Ann Kohler

CRT Capital Group - Analyst

Jeff Dietert

Simmons & Company International - Analyst

PRESENTATION

Operator

Good morning. My name is Christy and I will be your conference operator today. At this time, I would like to welcome everyone to the Occidental Petroleum third-quarter 2011 earnings release conference call. All lines have been placed on mute to prevent

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any background noise. After the speakers' remarks, there will be a question-and-answer session. (Operator Instructions). Thank you. I would now like to turn the call over to Christopher Stavros. Please go ahead, sir.

Christopher Stavros - Occidental Petroleum Corporation - VP of IR

Thank you, Christy. Good morning, everyone. Welcome to Occidental Petroleum's third-quarter 2011 earnings conference call. Joining us on the call this morning from Los Angeles are Steve Chazen, Oxy's President and Chief Executive Officer; Jim Lienert, Oxy's Chief Financial Officer; Bill Albrecht, President of our Domestic Oil & Gas Operations; and Sandy Lowe, President of our International Oil & Gas business.

In just a moment, I will turn the call over to Jim, our CFO, who will review our financial and operating results for the third quarter and first nine months of 2011.

Steve Chazen will then follow with some comments on Oxy's strategy and outlook for the fourth quarter, and we'll conclude with a brief Q&A session.

Our third-quarter earnings press release investor relations supplemental schedules and the conference call presentation slides, which refer to both Jim and Steve's remarks, can be downloaded off of our website at www.Oxy.com. I'll now turn the call over to Jim Lienert. Jim, please go ahead.

Jim Lienert - Occidental Petroleum Corporation - EVP and CFO

Thank you, Chris. Core income was \$1.8 billion or \$2.18 per diluted share in the third quarter this year, compared to \$1.2 billion or \$1.48 per diluted share in the third quarter of last year. Net income was \$1.8 billion or \$2.17 per diluted share in the third quarter of 2011 compared to \$1.2 billion or \$1.46 per diluted share in the third quarter of 2010. The small difference between net and core income is due to discontinued operations.

Here's a segment breakdown for the third quarter. Oil and gas segment earnings for the third quarter of 2011 were \$2.6 billion, the same as the second quarter of 2011 and compared to \$1.8 billion in the third quarter of 2010. Higher volumes this quarter compared to the second quarter of 2011 resulted in flat quarter-to-quarter income despite lower prices. The improvement in 2011 over the same period in 2010 was driven by higher production and liquids prices. The third-quarter 2011 realized prices increased on a year-over-year basis by 34% for crude oil, 41% for NGLs, and remained about flat for domestic natural gas. Sales volumes, which are different than production volumes due to the timing of liftings, were 743,000 BOE per day compared to 713,000 BOE per day in the third quarter of 2010. Our production was 739,000 BOE per day compared to 706,000 in the third quarter of 2010, which included production from Libya. This represents a greater than 4.5% increase year over year, reflecting our continued focus on production growth. The third-quarter production was also more than 3% higher than the second-quarter 2011 volumes of 715,000 BOE per day.

Domestically, our production was 436,000 BOE per day, representing the highest ever domestic production volumes for the company compared to our guidance of 430,000 to 432,000 BOE per day. Our production in California rose by 6,000 BOE per day compared to the second quarter and contributed a large portion of the sequential increase in our overall domestic production volumes. Latin America volumes were 30,000 BOE per day. Colombia volumes decreased from the second quarter due to pipeline interruptions caused by insurgent activity.

In the Middle East region, we recorded no production in Libya. In Iraq, we produced 4,000 BOE per day. Yemen daily production was 28,000 BOE, slightly ahead of our guidance. In Oman, the third-quarter production was 79,000 BOE per day, an increase of 3,000 BOE per day over the second-quarter volumes.

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In Qatar, the third-quarter production was 73,000 BOE per day, an increase of 5,000 BOE per day over the second-quarter volumes. The increase reflected the results of the development program as well as maintenance issues that affected the second-quarter volumes. In Dolphin and Bahrain combined, production increased 3,000 BOE per day from the second-quarter volumes.

Our third-quarter sales volumes were 743,000 BOE per day compared to our guidance of 725,000 BOE per day. The improvement resulted mainly from the higher domestic production and the timing of liftings.

Third-quarter 2011 realized prices declined for all of our products from the second quarter of the year. Our worldwide crude oil realized price was \$97.24 per barrel, a decrease of 6%. Worldwide NGLs were \$56.06 per barrel, a decline of 3%, and domestic natural gas prices were about flat at \$4.23 per MCF.

Differentials improved in the quarter resulting in realized oil prices representing 108% of the average WTI and 87% of the average Brent price. About 60% of Oxy's oil production tracks world oil prices and 40% is indexed to WTI. For example, in California, our realized price was 114% of WTI and 91% of Brent in the third quarter. In Oman, our average price was 117% of WTI and 93% of Brent.

Price changes at current global prices affect our quarterly earnings before income taxes by \$38 million for a \$1 per barrel change in oil prices and \$7 million for a \$1 per barrel change in NGL prices. A swing of \$0.50 per million BTUs in domestic gas prices affects quarterly pretax earnings by about \$34 million.

Oil and gas cash production costs were \$12.36 a barrel for the first nine months of 2011 compared with last year's 12-month costs of \$10.19 a barrel. The cost increase reflects higher workover and maintenance activity, driven by our program to increase production at these higher levels of oil prices.

Taxes other than on income, which are directly related to product prices, were \$2.29 per barrel for the first nine months of 2011 compared to \$1.83 per barrel for all of 2010. Total exploration expense was \$39 million in the quarter.

Chemical segment earnings for the third quarter of 2011 were \$245 million compared to \$253 million in the second quarter of 2011 and \$189 million in the third quarter of 2010. The improvement in the third-quarter results on a year-over-year basis reflects higher margins across most product lines. In addition, during the third quarter of 2011, we temporarily idled certain production in our Texas plants and sold power to the grid during the power shortage, resulting in an increase in the quarter's earnings.

Midstream segment earnings for the third quarter of 2011 were \$77 million compared to \$187 million in the second quarter of 2011 and \$163 million in the third quarter of 2010. The decreases from the second-quarter and prior third-quarter earnings were due to losses from our Phibro unit, both for the quarter and year to date, partially offset by higher pipeline income and increased power sales to the grid during the third quarter.

The worldwide effective tax rate was 38% for the third quarter of 2011. Our third-quarter US and foreign tax rates are included in the investor relations supplemental schedule.

Let me now turn to Occidental's performance during the first nine months. Core income was up \$5.2 billion or \$6.37 per diluted share compared with \$3.4 billion or \$4.14 per diluted share in 2010. Net income was \$5.1 billion or \$6.31 per diluted share for the first nine months of 2011 compared with \$3.3 billion or \$4.07 per diluted share in 2010.

Cash flow from operations for the first nine months of 2011 was \$8.6 billion. We used \$5 billion of the company's total cash flow to fund capital expenditures and \$1.5 billion on net acquisitions and divestitures. We used \$1.1 billion to pay dividends and had a net cash inflow from debt activity of \$600 million. These and other net cash flows resulted in a \$4 billion cash balance at September 30.

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Capital spending was \$5 billion for the first nine months, of which \$2 billion was spent in the third quarter. Year-to-date capital expenditures by segment were 83% in oil and gas, 14% in midstream and the remainder in chemicals.

Our net acquisition expenditures for the first nine months were \$1.5 billion, which are net of proceeds from the sale of our Argentine operations. The acquisitions included the South Texas purchase, properties in California and the Permian and a payment in connection with the signing of the Al Hosn Gas project in Abu Dhabi, which is a gas development of the Shah field. This payment was for Occidental's share of developmental expenditures incurred by the project prior to the date the final agreement was signed.

The weighted average basic shares outstanding for the first nine months of 2011 were \$812.6 million and the weighted average diluted shares outstanding were \$813.3 million. Our debt to capitalization ratio was 14%, the same as the end of last year.

During the third quarter of 2011, Oxy issued senior notes of \$1.3 billion due in 2017 and \$900 million due in 2022 at a weighted average interest rate of 2.3%, which brought the company's average effective borrowing rate down to 3.2%.

Our annualized return on equity for the first nine months of the year was 20%. Copies of the press release announcing our third-quarter earnings and the Investor Relations supplemental schedules are available on our website at www.Oxy.com, or through the SEC's EDGAR system.

I will now turn the call over to Steve Chazen to discuss Oxy's strategy to maximize total shareholder return and provide guidance for the fourth quarter.

Steve Chazen - Occidental Petroleum Corporation - President and CEO

Thank you, Jim. This morning, I want to spend a few minutes discussing Occidental's overriding goal to maximize total shareholder return.

We believe this can be achieved through a combination of first, growing our oil and gas production by 5% to 8% a year on average over the long-term. Second, allocating and deploying capital with a focus on achieving well above cost of capital returns. And finally, consistent dividend growth.

I'd like to give you an update of our progress year to date. Oil and gas production, the impact of our capital program and increase in drilling activity has started to have a visible impact on our domestic oil and gas production volumes. Compared to the second quarter, our domestic production increased about 6,000 BOE per day per month, compared to our guidance of 3,000 to 4,000 BOE per day. This increase resulted in domestic production of 436,000 BOE a day for the third quarter compared to 430,000 to 432,000 BOE a day guidance we gave you. Third-quarter 2011 domestic production is the highest US total production in Oxy's history, reflecting the highest-ever volumes for liquids.

Compared to the prior year, total company third-quarter production of 739,000 BOE a day was affected by a 7% decline in our international production. This reduction was a result of disruptions in the Middle East and North Africa and the impact of higher prices on our production sharing contract. On a year-over-year basis, our domestic production volumes increased by 15%.

In our operations, we experienced disruptions affecting our production. Examples of such events in the third quarter of 2011 included the Elk Hills gas plant shutdown due to mechanical issues, mechanical issues with plants, compressors and pipelines in the Permian and Qatar, and insurgent activity in Colombia that caused a significant portion of our production to be shut in for about 10 days.

Without these events, our production would have been 10,000 to 15,000 BOE a day higher, which is more representative of our assets' current theoretical productive capacity. Some of these constraints have been removed and we expect others to be

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removed over time. Others are not within our control and will reoccur. We believe our capital program will yield higher production growth and reliability over time.

Turning to returns, our return on equity, as Jim pointed out, for the first nine months was 20%. Our return on capital employed annualized for the first nine months was 18%. We will continue to manage our capital program and acquisition strategy to yield well above cost of capital returns.

Dividend growth is an important part of our total return to shareholders. Our ability to pay dividends is indicated by our free cash flow generation. Free cash flow after interest, taxes, and capital spending but before dividends, acquisitions and debt activity for the first nine months of the year was \$3.7 billion. Oxy's annual dividend rate is currently \$1.84 per share or about \$1.1 billion for the nine months of 2011. Oxy has increased its dividend 10 times in the last nine years, resulting in a compound annual dividend growth rate of 15.6%.

Keeping with our philosophy to raise the dividend on a consistent basis, the Board of Directors expects to consider a dividend increase at the February meeting.

Turning to a topic which I know is favored among at least some of you, share repurchases -- the policy on possible share repurchase remains essentially unchanged. We do not view share repurchases as an alternative to dividends. We believe that dividends are given directly to the shareholders while the effects of share repurchase on the stock price is at best murky. Therefore, you should not expect a program of regular share repurchases except to offset any shares issued on our employee programs. These share issues tend to be very small. If there is continuing excess cash, it will be used to boost the dividend rate.

We do consider using the shareholders' capital to buy shares when the stock is trading at discount for the results we can expect from our capital or acquisition program.

To assist you in determining this, the analysis we employ is as follows -- the value of the chemical and midstream assets that are not directly related to our production is determined. This is done on a very conservative basis. The debt and cash levels of the company are netted.

The current capital program finding and development costs for each of oil and of gas are estimated. We use only proved reserves in the calculation, not probable or possible reserves, and we don't consider the value of acreage. The result of this analysis is not the value of the company, but rather determination of whether the next dollar should be spent on capital or share repurchases.

Normally, this results in a decision to invest in the business rather than a decision to buy in shares. When we do repurchase shares, we will make only the required public announcements in order to minimize what we pay for the stock, thereby enriching the remaining shareholders and not assisting the exiting ones. This approach eliminates our natural bias to think the stock is always undervalued and makes the calculations pretty straightforward.

We have sufficient authority to purchase a significant number of shares. Form 10-Q filings will show if any shares were purchased, at what price, and how many shares remain authorized. Small repurchases are indicative of employee plan activities. We value the company's financial flexibility especially in times of stress. It would be a disservice to our shareholders to impair that flexibility to achieve some theoretical short-term advantage.

As we look ahead to the fourth quarter of the year, we expect oil and gas production to be as follows -- domestic volumes are expected to increase by about 3,000 to 4,000 BOE per day per month from the current quarterly average level of 436,000 BOE per day. This should result in fourth-quarter production of about 442,000 to 444,000 BOE per day.

This would constitute a year-over-year domestic production growth rate exceeding 10% and about 6% a year production growth rate going forward. In terms of review of our major domestic assets, in California, for the year, we expect to drill and complete

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154 shale wells outside of Elk Hills compared to the 107 wells we had indicated at the beginning of the year. Including Elk Hills we expect to drill 195 shale wells for the year. We expect to drill and complete a total of 42 shale wells during the fourth quarter.

Our experience has been a 30-day initial production rate for these wells, depending on areas, between 300 and 400 barrels of oil equivalent per day. With respect to shale wells outside of Elk Hills, about 80% of the BOE production is a combination of black oil and high-value condensate. The cost of drilling and completing these wells has been running about \$3.5 million per well, and we expect this to continue to decline over time. Our conventional drilling programs are progressing somewhat better than planned.

There has been no significant change in permitting issues in the state from our last call. We expect the current permitting levels to allow us to have our program go forward at these levels and enable us to continue to grow our production volumes in the state. We expect the production rig count to remain at the same 29 rig count, although we're likely to add a 30th rig by the end of the year based on a current outlook.

In the Permian operations, our CO2 flood production is progressing according to plan. We expect our rig count to be about 24 in the fourth quarter. Our non-CO2 operations have stepped up their development program. This will not show significant production growth until next year.

In the Williston, we are pursuing a development program with about 13 rigs expected to be running in the fourth quarter. Our production is growing as a result of the development program and we expect the growth to continue.

Natural gas prices in the United States continue to be -- it says here weak, but I think poor. As a result, we are considering cutting back our pure gas drilling in the Midcontinent and possibly elsewhere.

Internationally, we believe that once the current uncertainties are behind us, including the resolution of the situation in Libya, and achievement of sustained development program in Iraq, we will achieve production growth similar to our domestic operations. We expect that our fourth-quarter international production to be about the same as the third-quarter production, 4% higher than the second quarter of this year, which represents a low point of volumes following the situation in Libya.

Colombia volumes should be modestly higher than the third quarter, assuming no further pipeline attacks.

Middle East region expected to be as follows in the fourth quarter -- at this point, we expect no significant production from Libya. Our joint venture partnerships are currently in the process of resuming production. The production ramp-up will be hampered to the near term by lack of vehicles and personnel to address operational problems from the prolonged shut-in.

In Iraq, we expect production to be similar to the last quarter. Going forward, we are still unable to reliably predict spending levels, which determine production.

In the remainder of the Middle East, we expect production to be comparable to third-quarter volumes. At quarter-end prices, we expect total production to increase to about 745,000 BOE a day as a result of the 3,000 to 4,000 BOE a day per month coming from the domestic production. We expect sales volumes to be around 740,000 a day due to the timing of liftings.

A \$5 change in global oil prices would impact our production sharing contract daily volumes by about 3,000 BOE a day. We expect our total year capital expenditures to be about \$7 billion.

Additionally, we expect exploration expense to be about \$100 million for seismic and drilling for our exploration programs in the fourth quarter. Chemical segment fourth-quarter earnings, which are historically the weakest quarter, are expected to be about \$100 million. This reduction in the third quarter was due to the seasonal slowdowns in many markets as the construction -- consumers' efforts to minimize inventories and a slowdown on exports. We expect our combined worldwide tax rate in the fourth quarter to remain at about 38%.

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So to summarize, our third-quarter income of \$2.18 was about 12% higher than the consensus estimate. Our third-quarter oil and gas earnings of \$2.6 billion were essentially unchanged to the second quarter, despite a \$6 per barrel decline in our average oil realizations.

Our annualized return on equity was 20% for the first nine months of 2011. Our total oil and gas production of 739,000 BOE a day during the third quarter grew at more than 3% compared to the second quarter. Domestic oil and gas volumes grew to \$436,000 a day in the third quarter, 3% increase in the second quarter and above our earlier guidance of 430,000 to 432,000 BOE a day. Domestic volumes are expected to further increase by about 3,000 to 4,000 BOE a day per month in the fourth quarter.

I think we're now ready to take your questions as long as they are brief.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions). Paul Sankey, Deutsche Bank.

Paul Sankey - Deutsche Bank - Analyst

Steve, one on the Bakken actually -- your activity levels there seem very aggressive relative to your acreage. Can you just talk more about how you are seeing that play? Thanks.

Steve Chazen - Occidental Petroleum Corporation - President and CEO

Well, at the end of the year, I think we had 171,000 acres. And we may have picked up some more acreage during the year. The wells are actually doing very well. Some of the small piece we have outside of the stuff we bought at the end of last year has yielded some surprisingly positive results. Costs are a little high up there but they seem to be coming down. So --

Paul Sankey - Deutsche Bank - Analyst

(multiple speakers)

Steve Chazen - Occidental Petroleum Corporation - President and CEO

Pardon me?

Paul Sankey - Deutsche Bank - Analyst

Would you mind putting some numbers around some of those comments?

Steve Chazen - Occidental Petroleum Corporation - President and CEO

Well, the wells vary from where they are, so maybe Bill can answer the question on the cost -- on the well costs.

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Bill Albrecht - Occidental Petroleum Corporation - President, Domestic Oil & Gas Operations

Yes, Paul, as Steve said, the costs are coming down. We are somewhere in the \$8 million to \$8.5 million range drill and complete, but the trend is down.

Paul Sankey - Deutsche Bank - Analyst

Yes, and the results?

Steve Chazen - Occidental Petroleum Corporation - President and CEO

We started the year I think at 2,500 a day, 3,000. And we are running sort of around 7,000 or 8,000 currently. With a little luck we'll exit closer to 10,000.

Paul Sankey - Deutsche Bank - Analyst

Okay, thanks. And would you be looking to buy more acreage out there, Steve, based on that?

Steve Chazen - Occidental Petroleum Corporation - President and CEO

I think I told you that every day somebody shows up with some acreage to buy, so if we were open on Saturday and Sunday we could have it seven days a week. So there's really plenty to buy and we're sort of picky on where we buy it. So if it's additive to what we have and something we understand, we'd probably pick up some acreage. We're not interested in company acquisitions at all.

Paul Sankey - Deutsche Bank - Analyst

Got you. Steve, you gave away almost all your midstream profitability, but you get it back in marketing and trading. One thing that I observe is that that segment seems to perform very poorly when oil equities have a bad quarter, which I would have thought exacerbates your volatility to the downside as a stock? Can you just talk a little bit about how you are seeing that segment now and whether -- where we go from here? Thanks.

Steve Chazen - Occidental Petroleum Corporation - President and CEO

The segment is fine. There is certainly volatility in Phibro's results. And, it just depends on what day you choose to measure it. If you measured it today, he's probably made up all that he lost for the whole year and maybe then some. So it's pretty volatile. It's more -- it wasn't intended as a hedge. It's really -- he's really long oil and so are we. So I'm not interested in hedging the company's outcome. I'm sort of long-term modestly bullish on oil prices, not as bullish as Phibro, but modestly bullish. So I'm not really bothered by this. It's, I think over time, a pretty decent return business. If it turned out to be not so decent return, it's pretty easy to exit. So I'm really not bothered by the volatility. I know you might be, but being long oil is sort of where we are.

Paul Sankey - Deutsche Bank - Analyst

Yes, what I don't understand though is you say that he's essentially long oil, but it seems to have the worst quarters when it's the oil equities that go down a lot. I think in post Macondo was a bad one, and then it doesn't seem the rates have changed in oil as quite as bad as this result would have suggested unless --

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Steve Chazen - Occidental Petroleum Corporation - President and CEO

He was investing in some equities, and he's not doing that anymore.

Paul Sankey - Deutsche Bank - Analyst

Oh, okay. And so far this quarter, if we stopped here, things are going well in that segment?

Steve Chazen - Occidental Petroleum Corporation - President and CEO

Yes, but again, this is the NBA game problem. No sense of tuning in until the last minute. Or a Michigan State - Wisconsin problem.

Paul Sankey - Deutsche Bank - Analyst

Yes, I get it. I'll leave it to someone else. Thanks, Steve.

Operator

Jessica Chipman, Tudor Pickering.

Jessica Chipman - Tudor, Pickering, Holt & Co. Securities - Analyst

Two quick questions on the California side -- first, just California liquids have grown nicely after bottoming really Q4 of last year. How should we think about splitting growth going forward between conventional and unconventional drilling?

Steve Chazen - Occidental Petroleum Corporation - President and CEO

You know, we cut back on our conventional so we could think about it some more since it requires a little more thought than the shale drilling. And I think that has had a positive effect on our results. I think we're more thoughtful when we're getting better results. So I -- we will do the conventional when we -- it will pick up as we get better results, but the results in the last quarter are -- conventionally were pretty good.

So I don't have an easy answer for you because it just depends on how things go, so -- basically the base growth comes from the shale drilling. And every so often, you will have a successful conventional thing which will boost -- you know an unusually high boost.

Jessica Chipman - Tudor, Pickering, Holt & Co. Securities - Analyst

And you did have some of that this quarter? Just (multiple speakers)?

Steve Chazen - Occidental Petroleum Corporation - President and CEO

It sure looks that way, doesn't it?



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Jessica Chipman - *Tudor, Pickering, Holt & Co. Securities - Analyst*

Okay. The second question, just, you expect to drill I think and complete 154 shale wells outside of Elk Hills.

Steve Chazen - *Occidental Petroleum Corporation - President and CEO*

Right.

Jessica Chipman - *Tudor, Pickering, Holt & Co. Securities - Analyst*

How many of those are actually going to be hooked up and turn to sales?

Steve Chazen - *Occidental Petroleum Corporation - President and CEO*

By the end, virtually all of them probably. The way we count them is -- they don't count until they're actually flowing into the line. Complete includes hooking them up. Otherwise, you get some odd results. We're trying to get the time down between completing and hooking up, so we are only -- for your purpose, all we're doing is counting when they get hooked up.

Jessica Chipman - *Tudor, Pickering, Holt & Co. Securities - Analyst*

Okay, great. Thank you.

Operator

Doug Leggate, Bank of America-Merrill Lynch.

Doug Leggate - *BofA Merrill Lynch - Analyst*

Thanks. Good morning, Steve. I will try a couple if I may. An update on the gas plant for 2012, just the timing of commissioning; and given your comments on how weak I think you said, or poor, gas prices are, how's your appetite for getting that thing done as quickly as perhaps we might (multiple speakers)?

Steve Chazen - *Occidental Petroleum Corporation - President and CEO*

Well the plant is really handled by a contractor. He has a date he's got to deal with it by, so it's going to be on roughly May 1. It doesn't make a difference what I think about gas prices.

Doug Leggate - *BofA Merrill Lynch - Analyst*

Right. And so should we all think about 2012 has been a lumpy year for production, in terms of (multiple speakers)

Steve Chazen - *Occidental Petroleum Corporation - President and CEO*

Every year is lumpy in case you hadn't noticed. So yes, it could be lumpier than normal. I'm still concerned about giving away gas at -- even California gas a little higher, but at \$4, even though the conventional wells have a significant amount of condensate in them, but it seems wasteful to sell gas for \$4.



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Doug Leggate - *BofA Merrill Lynch - Analyst*

Okay, and just a couple on the shale if I may -- why is a growth of 6,000 barrels a day per month that obviously beat your prior guidance, why is it going to slow back to the 3,000 to 4,000?

Steve Chazen - *Occidental Petroleum Corporation - President and CEO*

I think I actually answered it in the last question. The 3,000 to 4,000 is for the whole domestic business.

Doug Leggate - *BofA Merrill Lynch - Analyst*

Sure.

Steve Chazen - *Occidental Petroleum Corporation - President and CEO*

It turned out that we got it all in California and the rest of the domestic business sort of equaled it. But, I'm using the shale wells to drive the 3,000 to 4,000. And if I get lucky, the conventional wells are significantly more profitable than the shale wells. In the case of maybe a shale well, it might take you 90 days to get your money back. And a conventional well might take two weeks. So, but it's less predictable.

Doug Leggate - *BofA Merrill Lynch - Analyst*

Got it. (multiple speakers)

Steve Chazen - *Occidental Petroleum Corporation - President and CEO*

So we are giving you the predictable number, and every so often, we will do a little better or if there is some mechanical problem a little worse. But that's really what we're trying to do is give you something you can count on. If we do a little better, we do a little better.

Doug Leggate - *BofA Merrill Lynch - Analyst*

Got it. Last one for me is, I think a few months back, I attended a dinner that you were speaking at, obviously, and you said you're kind of first base target was to drill about 300 wells a year on the California shale. So I'm curious, where do you stand in terms of pushing forward the permit process? And do you think that's still a reasonable first base target? If so, when do you expect to get there? I'll leave it at that. Thank you.

Steve Chazen - *Occidental Petroleum Corporation - President and CEO*

I really think at this point, the program we have is all we can really count on from state permitting. Whatever portion of the 30 rigs that we're going to run in California is related to that. And as the permitting process, we hope, improves, then we will get there.

Predicting what somebody in the state of California might do is way -- it makes predicting oil prices easy, and so I think you got to say that right now this is sort of where we are. I don't know -- I can't really give you a realistic number.

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I think as a practical matter, we could get there if we had the permits.

The permitting process, the difficulty is -- I mean there's two elements of it. First, it makes it really hard to plan because while you got a visible supply of permits, it does depend on getting more and it used to be that you sort of have an infinite supply. The second thing is if you find something, it makes it really hard to follow up because you might not have a permit for the next lease or something. So it makes the program significantly more inefficient than you might like it to be and makes it hard to plan.

The other issue in the permitting, which is probably -- has very little really effect on us currently is the injector wells. A lot of -- most of the production in California is not ours, but generally, is from either steam or something -- some kind of injector program. And the state is studying that more carefully now. So that has a significant impact on people who are mostly steam generators in the state, steam-based oil production. And the state is pretty tight on that.

It has -- the only place it's affected is I mean -- given long enough it might, but is in Long Beach. And it's a small effect and it really just affects the income, the way the contract works, the income of the state, the city and the port of Long Beach. So, I guess by not making the injector wells, they like the lower level of income.

Doug Leggate - *BofA Merrill Lynch - Analyst*

All right. I'll leave it there. Thanks, Steve.

Operator

Jason Gammel, Macquarie.

Jason Gammel - *Macquarie Research Equities - Analyst*

Thank you. Stephen, I just wanted to ask about your Permian operations. And I'm pretty sure you said that you don't expect the development program outside the CO2 operations to show production growth until next year, but I just wanted to ask about the rig count of 24. How many of those rigs are actually being devoted to that development program? And are you primarily drilling Wolfberry and Wolfcamp-type wells with those rigs?

Steve Chazen - *Occidental Petroleum Corporation - President and CEO*

Bill will answer that.

Bill Albrecht - *Occidental Petroleum Corporation - President, Domestic Oil & Gas Operations*

Yes, Jason, we've got -- we're expecting a range of somewhere between 14 and 16 of those rigs working the development side of the Permian. And of those rigs, we're going to probably run 9 to 10 in the Wolfberry.

Steve Chazen - *Occidental Petroleum Corporation - President and CEO*

Again, these are -- remind you that these are our operated, and we have a whole bunch of other activity where somebody else is operating it. So all we're giving you is our operated.



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Jason Gammel - *Macquarie Research Equities - Analyst*

Understood, understood. If I could just shift internationally, the production in Oman continues to show a nice steady uptick. I assume that is just continued effects from the Mukhaizna steam injection program. How much more do you have to go on Mukhaizna, Steve? Is there something that is still multiyear growth or are we starting to near the plateau there?

Steve Chazen - *Occidental Petroleum Corporation - President and CEO*

Well, it's really caused by two elements, and Sandy can cover that, but the old traditional stuff is actually doing very well in the North. And Mukhaizna is doing well, so I'll let Sandy answer your question.

Sandy Lowe - *Occidental Petroleum Corporation - President, International Oil & Gas Operations*

Yes. Mukhaizna today is running 120,000 barrels a day gross. And during 2012, we're adding another 200,000 barrels a day of steam injectability, so that will ramp us up to around 150,000 barrels a day at the end of 2012 or maybe first quarter of 2013.

As Steve said, the northern Oman is running 99,000, 100,000 barrels a day gross, which is the highest it's ever sustained in our 25 years, so both looking good.

Jason Gammel - *Macquarie Research Equities - Analyst*

And Sandy, would there be any further injection phases after that one or is that something you would still be studying now?

Sandy Lowe - *Occidental Petroleum Corporation - President, International Oil & Gas Operations*

We're planning to have 600,000, 625,000 barrels a day of steam. There's a possibility of adding more later, but it's not yet in the plan.

Jason Gammel - *Macquarie Research Equities - Analyst*

Okay. Thanks, guys.

Steve Chazen - *Occidental Petroleum Corporation - President and CEO*

The plans are approved in stages by the government and other people, so this isn't -- you don't give them a 30-year plan. It's sort of a 30-month plan.

Jason Gammel - *Macquarie Research Equities - Analyst*

Got it. Thanks, Steve.

Operator

Arjun Murti, Goldman Sachs.

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Arjun Murti - Goldman Sachs - Analyst

Steve, do you have an update on the non-Shale California exploration program?

Steve Chazen - Occidental Petroleum Corporation - President and CEO

Well, that was the conventional I was referring to. So I think you can see the -- again, the base guidance roughly or maybe if you thought about maybe half of the growth or a little more that we would tell you the 3,000 to 4,000 a month is from the monotonous shale drilling. The rest of it, if you see an odd number, it comes from that program.

Arjun Murti - Goldman Sachs - Analyst

Got it.

Steve Chazen - Occidental Petroleum Corporation - President and CEO

So I think you should view it that way. The other way to view it, just to be honest, when we give you our exploration expense, now it's not worth it to state every quarter, but on a basis cumulative basis or for the year, it's basically done by risking each of the wells, so we say well this is a 15% chance of success, this is a 30%, and we add that up and that's what we give you, as the exploration expense.

When we continually are lower, you should assume we're having more success than we planned. And a lot of that would be in California, some in Colombia and some in Oman.

Arjun Murti - Goldman Sachs - Analyst

And I guess a few years ago you announced the larger Kern County discovery; presumably you have not had one of that size or we might have heard about it? Any (multiple speakers)

Steve Chazen - Occidental Petroleum Corporation - President and CEO

You might have.

Arjun Murti - Goldman Sachs - Analyst

We might not have.

Steve Chazen - Occidental Petroleum Corporation - President and CEO

That's right.

Arjun Murti - Goldman Sachs - Analyst

That's fine.

A follow-up on the Bakken -- you've always described that as a science experiment. These slides I think are easily the most positive you've ever been on it by your standards at least.



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Steve Chazen - Occidental Petroleum Corporation - President and CEO

Yes, it's like gas, you know.

Arjun Murti - Goldman Sachs - Analyst

Is it still that you need to do a bigger transactions to step up here? The prices are obviously high. There was a recent big transaction. Do you just patiently wait out the next downturn? Or how do you think about scaling your Bakken, just patience?

Steve Chazen - Occidental Petroleum Corporation - President and CEO

I think I said earlier, this recent price that some national oil company paid for some stuff, is not reflective of what we are paying for acreage with the tax basis. And so I say there's a lot of -- whatever number of acres you want to have, given a year or two, you can get. So I -- we -- somebody is here and not getting -- virtually every day with some deal to buy 7,000 or 8,000 or 12,000 or 15,000 acres, if it fits our business model, we look for it; and if it doesn't, we don't.

But there is no real shortage of opportunity. The leases expire. They roll over. There's really a lot going on. The prices are not -- I don't think that the recent transaction is reflective of the market. I think that was a special deal for national oil companies.

Arjun Murti - Goldman Sachs - Analyst

Right. So the kind of nagging concerns some have that we should be braced for some inevitable big transaction (multiple speakers)

Steve Chazen - Occidental Petroleum Corporation - President and CEO

(multiple speakers) The purpose of an acquisition is to make the company better, not worse. We're not -- we have plenty to do in our current portfolio, so we're looking for ways to make the company better or stronger. We're not looking for ways to dilute the outcome.

Arjun Murti - Goldman Sachs - Analyst

Yes. And just a final quick one, Steve -- any early thoughts on 2012 CapEx?

Steve Chazen - Occidental Petroleum Corporation - President and CEO

I don't really know where I am. We've got a lot of uncertainty about the level in Iraq. The Shah Gas Field, some uncertainty there. We don't know what we're going to have to spend going into Libya, something I presume at least for trucks. So there's a least some expenditure in Libya. The US business has a huge opportunity set of high return -- relatively high return projects in aggregate, probably beyond what I would be willing to commit to next year, so we will push that off a little bit. So I really don't know where I am. We're not going to negative cash flow; that's for sure.

Arjun Murti - Goldman Sachs - Analyst

That's great. Thank you so much.

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Operator

Doug Terreson, ISI.

Doug Terreson - *ISI Group - Analyst*

Congratulations on your results. Steve, I have a couple of questions on Bahrain. First, there seems to be some movement over there on the changes to the natural gas price regime in that country, and also, there seems to be movement on approval for your deep gas exploration plan. So I wanted to see if we could get an update on the status of those two items to the degree possible.

Steve Chazen - *Occidental Petroleum Corporation - President and CEO*

The deep gas -- the government has approved the deep gas drilling.

Doug Terreson - *ISI Group - Analyst*

Okay, good.

Steve Chazen - *Occidental Petroleum Corporation - President and CEO*

So sometime -- if there's a seismic -- (inaudible) for some seismic and assume the wells we drill as soon as we get our -- you know as soon as we can.

Doug Terreson - *ISI Group - Analyst*

Okay, good.

Steve Chazen - *Occidental Petroleum Corporation - President and CEO*

It might be -- probably going to be next year at this point.

I don't know anything about gas. Sandy doesn't know anything either, so I don't know what's going on there.

Doug Terreson - *ISI Group - Analyst*

Okay. That's all I had. Thanks a lot.

Operator

Sven Del Pozzo, IHS Herold.

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Sven Del Pozzo - IHS Herold - Analyst

Late 2010, I think you guys made some comments regarding what point we are in the lifecycle of your CO2 floods in Texas. And then I wonder if we can tie -- if you could make similar comments this time around and perhaps tie it into the 5% to 8% long-term production growth rate?

Steve Chazen - Occidental Petroleum Corporation - President and CEO

The CO2 floods -- normally you have a period of increased gas injection, and then it takes two or three years for the results to show up. So the increased injection began say early this year, maybe middle of this year, so it will -- you will start to see the effects of it a couple years from now.

Sven Del Pozzo - IHS Herold - Analyst

Okay. So similar kind of question on California shales -- no, just sorry, total California production as a whole. In the past, you guys mentioned it would grow to equal that of Texas by 2013 I believe was the year. Correct me if I'm wrong. How does that tie into the 5% to 8% production growth rate long-term?

Steve Chazen - Occidental Petroleum Corporation - President and CEO

I don't know if that -- you know, it obviously does. It's growing -- California -- the domestic production is growing -- if you use the 3,000 to 4,000 a month, it's growing 6% a year. So it's pretty good, I think.

Sven Del Pozzo - IHS Herold - Analyst

So is there a chance it might -- it sounds like things might be getting better. Is there --

Steve Chazen - Occidental Petroleum Corporation - President and CEO

You've got to watch this quarterly stuff. You could have a good quarter and a bad quarter, so maybe they're getting better, but on the ground, it's better, but there's always interruptions and stuff which make one quarter or some other quarter look good or not so good. So I -- right now on the ground, we're doing fine both in the Permian and in California. And we're pretty confident about the growth over time, so I don't think there's much problem with the growth per month that we've said, and it could do better, I suppose. But I mean over time I think it will, but probably not -- it's not that predictable quarter to quarter.

Sven Del Pozzo - IHS Herold - Analyst

Okay. And then in the midstream, I did see pretty big jump year-over-year in terms of midstream CapEx. Is that -- what's that related to? And if so how much --

Steve Chazen - Occidental Petroleum Corporation - President and CEO

Gas plants.

Sven Del Pozzo - IHS Herold - Analyst

-- of that relates to your E&P business?

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Steve Chazen - Occidental Petroleum Corporation - President and CEO

It's gas plants.

Sven Del Pozzo - IHS Herold - Analyst

Gas plants. Okay. Thank you very much.

Operator

John Herrlin, Societe Generale.

John Herrlin - Societe Generale - Analyst

Hi, Steve. When you look at your growth, going forward, you said you were going to do less gas. So should we assume that it's going to be more like two-thirds liquids, crude and liquids versus half-and-half because your current growth has been kind of split -- in the US.

Steve Chazen - Occidental Petroleum Corporation - President and CEO

Where we're going to cut back easily is in the Midcontinent where the gas is real dry.

John Herrlin - Societe Generale - Analyst

Okay.

Steve Chazen - Occidental Petroleum Corporation - President and CEO

No sense in drilling -- so you might see -- if you could see it, you might see a decline in something like the Hugoton or something like that, where the gas is dry and while the wells are cheap, just drives you nuts to give it away for \$3.50. You may make money at that, but I would rather defer it.

John Herrlin - Societe Generale - Analyst

Okay. With respect to California, your split in terms of sequential volume growth was also 50-50 liquids versus gas.

Steve Chazen - Occidental Petroleum Corporation - President and CEO

This goes back to the conventional. If you have a conventional -- conventional or -- the Kern County-type discovery is a gas condensate reservoir. And if you happen to hit one of those, you're going to get a lot of gas and a lot of condensate. The gas is just gas and the condensate really pays to the whole well.

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John Herrlin - Societe Generale - Analyst

Got it. With respect to your black oil sequential volume growth in California, it was 2,000 barrels sequentially. How much was that from your conventional operations versus the new shale-type plays?

Steve Chazen - Occidental Petroleum Corporation - President and CEO

I don't really know. But, the -- my guess is the conventional added a fair amount to it.

John Herrlin - Societe Generale - Analyst

Okay. Last one for me. You mentioned earlier with exploration expenses that when you miss on the plus side so to speak, it's because you're having more success.

Steve Chazen - Occidental Petroleum Corporation - President and CEO

More success than the risking would have generated.

John Herrlin - Societe Generale - Analyst

Correct. And essentially you were -- you had overestimated by 50% basically.

Steve Chazen - Occidental Petroleum Corporation - President and CEO

And if you go back and do the -- I wouldn't focus on a single quarter because it could be just delays, but if you look at the nine months, I think we're -- if you went back and looked at what we said and what we actually did over the nine months, you will find that we're pretty far below.

John Herrlin - Societe Generale - Analyst

Okay. And then last one for me -- you said of the chemical ops that you opted to sell power. How much net income did you make off that, just asking --

Steve Chazen - Occidental Petroleum Corporation - President and CEO

\$40 million.

John Herrlin - Societe Generale - Analyst

Wow. Okay. Thank you.

Operator

Ed Westlake, Credit Suisse.

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Ed Westlake - Credit Suisse - Analyst

Congrats again on the numbers with all the questions being asked, but just a small one on the shale well costs, the \$3.5 million, does that include hookup? What's the (multiple speakers) total cost?

Steve Chazen - Occidental Petroleum Corporation - President and CEO

Yes, we don't do what the small producers do and just give you -- that includes the site -- let's build out the site, hook up, the completion. It's not just some part of the cost.

Ed Westlake - Credit Suisse - Analyst

Good. Thanks for that. And then, any update on Yemen?

Steve Chazen - Occidental Petroleum Corporation - President and CEO

We really don't know anything, I think it's fair to say. There's -- so I -- it's hard to negotiate with the government there since it's hard to tell what's going on. Sandy, anything?

Sandy Lowe - Occidental Petroleum Corporation - President, International Oil & Gas Operations

The only -- one of our fields is down for a while, another insurgency, but the production is holding well, our shares well up to what we predicted, and we just don't know anything about the Masila block yet.

Steve Chazen - Occidental Petroleum Corporation - President and CEO

Masila is about 8,000 a day, by the way, just so you have a scale for it out of the total.

Ed Westlake - Credit Suisse - Analyst

Good. Thanks. And then on the overall -- what you pick up as you walk around, some people are concerned about CO2 availability and then other people are concerned about competency in shales. These are just things that are -- it would be interesting to hear your thoughts on.

Steve Chazen - Occidental Petroleum Corporation - President and CEO

We don't -- no, a lot of discussion on the CO2 is about small producers who have different issues. Our competency -- well, I think the answer comes from the production. If we make our production that grows, you'll assume we're competent, and if we don't, you'll assume we're incompetent.

Ed Westlake - Credit Suisse - Analyst

I guess the question is linked back to Arjun's question earlier on the Bakken, is that when I talk about shales I'm talking about shales outside your core areas.

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Steve Chazen - Occidental Petroleum Corporation - President and CEO

Oh, Bakken?

Ed Westlake - Credit Suisse - Analyst

Yes. And (multiple speakers)

Steve Chazen - Occidental Petroleum Corporation - President and CEO

I think we have some -- we've undergone some learning clearly in the beginning. This isn't exactly state secret up there. They got all these vendors who are reasonably experienced, so I think we've come up the learning curve nicely. We have some more to learn, for sure. But I don't think there's any -- our productivity because we benchmark ourselves is the same as other people in the same area, sometimes better, but sometimes a little worse, but I think it's pretty much the same. So we don't have a productivity issue. Whether we're competent or not up there, we will know here in the next couple years.

Ed Westlake - Credit Suisse - Analyst

Good. Thanks for those clarifications.

Operator

(Operator Instructions). Pavel Molchanov, Raymond James.

Pavel Molchanov - Raymond James & Associates - Analyst

Thanks for taking my question. Just one quick one if I may. Other than shortage of vehicles and other logistical issues, are there any legal or political hurdles at the moment to you resuming operations in Libya, sanctions or something like that?

Sandy Lowe - Occidental Petroleum Corporation - President, International Oil & Gas Operations

Our operations in the fields where we have interest have slowly started coming back on by the operators themselves. We actually have a management team going in there this weekend to visit with all of the government entities that we normally deal with. And I would say that we don't expect any surprises, but I wouldn't want to really bet on that until after we have some meetings with them. But indications are that they are willing and happy to have us come back in and resume where we left off.

Steve Chazen - Occidental Petroleum Corporation - President and CEO

I don't think there is any US issues, if that's the question.

Pavel Molchanov - Raymond James & Associates - Analyst

Do you expect the fiscal terms to be in line with what they were under the previous government?



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Sandy Lowe - Occidental Petroleum Corporation - President, International Oil & Gas Operations

All indications are that they are going to honor the contracts that are -- that were in existence when this war started.

Pavel Molchanov - Raymond James & Associates - Analyst

Okay. Very good. Thanks.

Operator

Ann Kohler, CRT Capital Group.

Ann Kohler - CRT Capital Group - Analyst

Good afternoon, gentlemen. Thank you for taking my call. Just in looking at the Libyan situation, following onto that question, do you think that there are opportunities? It may be too early, but additional opportunities that the new government might like to expedite additional work? Or is it not -- is it too early (multiple speakers)

Steve Chazen - Occidental Petroleum Corporation - President and CEO

I think it's just too early to talk about that. You -- it just depends on how they want to manage their industry. Right now, they have to put up half the capital. Whether they want to do that in the future or not really determines if they want to continue to invest their path to capital. If they don't want to, then there will be other opportunities. Just hard to say because there's -- you don't really know what it will look like a year from now.

Ann Kohler - CRT Capital Group - Analyst

Great. And then just on the acquisition side, if you could just give us sort of an update. A year ago, you indicated that you didn't expect that you would have a lot of action or acquisition, and then you certainly did step things up for the end of the year. But could you just provide us a little update and color on the types of opportunities?

I would assume that I guess the last couple of calls you have indicated that you really weren't interested in necessarily just adding acreage in California, and it sounds as though you would be selective in looking at opportunities within the Bakken?

Steve Chazen - Occidental Petroleum Corporation - President and CEO

I don't know if I would interpret my remarks that way. We always look for stuff in California that fits our business. So I don't think it's like we always add something in California.

As far as the Bakken is concerned, we look at a lot of different fairly small opportunities. I'll repeat what I said before -- we're not interested in a large corporate-type acquisition.

Ann Kohler - CRT Capital Group - Analyst

Great. Thank you.



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Operator

Jeff Dietert, Simmons.

Jeff Dietert - *Simmons & Company International - Analyst*

Sorry to go back on California shale, but I wanted to ask - a pretty substantial increase in the number of shale wells expected to be completed, the 154. Could you talk about how that -- if the pace is accelerating, maybe what that looks like in third quarter and perhaps in fourth quarter as far as number of wells completed?

Steve Chazen - *Occidental Petroleum Corporation - President and CEO*

I think we actually give you the -- I gave you the fourth quarter in my remarks. But, as the well costs come down, that's basically reflecting the activity -- it's reflecting the fact that I'm getting more for my money and therefore I will drill more wells.

If we started at the beginning of the year and we thought the wells were going to cost \$4.5 million, we would have set some number of wells because that's how long it takes, but we're shortening the time. So the costs come down and you drill more wells in the year. So that's what's really going on here, I think, right now. This is pretty much what we had planned as far as the rig count.

Jeff Dietert - *Simmons & Company International - Analyst*

Thank you.

Operator

Doug Leggate, Bank of America-Merrill Lynch.

Doug Leggate - *BofA Merrill Lynch - Analyst*

Steve, I wanted to go back to your prepared remarks. You were not by any chance signaling a change of doing share buybacks with your commentary in that. Could you maybe just give us some clarity as to exactly what you were trying to signal there in terms of where share buybacks rank, given how much cash flow you're throwing off right now? Thanks.

Steve Chazen - *Occidental Petroleum Corporation - President and CEO*

I will read the relevant parts of the other remarks, if you would like -- if that's helpful.

Doug Leggate - *BofA Merrill Lynch - Analyst*

I guess --

Steve Chazen - *Occidental Petroleum Corporation - President and CEO*

I will edit out the irrelevant portions.

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We will not have some kind of regular program in lieu of dividends, which is what some companies do. We think dividends are more effective. We've had this discussion over the last decade. So, that's what we think. What we are saying here is that when the -- I will just make up a number, if we are trading below what I think our F&D is, or what I could acquire assets for, which is roughly the same, then we will shift the money from the capital program or from our free cash or from the acquisition program into share repurchases. And that's actually -- in recent times, that has happened. So, that's what we're staying. So, you shouldn't expect every quarter we're going to spend \$1 zillion no matter what the price is. But if the price -- if our capital program isn't at -- can't add value compared to buying shares, then the shares will be repurchased.

Doug Leggate - *BofA Merrill Lynch - Analyst*

Is there an operational limit on your capital program, though, in other words what you are capable of actually dealing with relative to the cash flow you're throwing off? Does this become a governor for managing your ballot sheet?

Steve Chazen - *Occidental Petroleum Corporation - President and CEO*

From a point of view, I could spend a lot of money on share repurchases. We're sitting on \$4 billion of cash. I don't know if you missed that. And we don't really have a -- I bought it -- I took the cash because it was cheap and provides some insurance for the volatility that's in the market. But, we've got plenty of flexibility to repurchase the shares. If they don't reflect -- if it reflects a essentially below replacement cost of the reserves -- so if I think that the price replacement costs or our finding and development costs, however you want to describe it, is \$2 a barrel and the stock is trading for \$1 a barrel, I will just take all the money we have and dump it into the share repurchase because it gives a better outcome for the shareholders. On the other hand if our finding and development costs is \$2 and the stock is trading for \$12 a barrel, the shareholders are better off us investing in the business because you've got the multiplier. This is a complicated way -- this is exactly what Warren Buffet said, actually, except that he tied it to book value; book value isn't a very useful measure for us, so I'm tying this to replacement cost. So if the stock is cheap enough, the company will repurchase it because that helps the remaining shareholders, but we're also going to do it in a way that doesn't -- trying to reward the remaining shareholders, not assist the exiting ones.

Doug Leggate - *BofA Merrill Lynch - Analyst*

That's very clear. Thanks, Steve.

Operator

John Herrlin, Societe Generale.

John Herrlin - *Societe Generale - Analyst*

One final one for me, Steve. In terms of your production growth this year, how much of it has been in the US acquisition versus accelerated spending?

Steve Chazen - *Occidental Petroleum Corporation - President and CEO*

The only size -- in the US, the Williston started out I think at 2,000 or 3,000 a day, so you can decide for yourself -- we bought the acreage obviously, but we didn't buy a lot of production. South Texas is -- was bought, although there's been some growth. Pretty much -- and we bought 20 million a day of gas in California. 10 million showed up in the last quarter and 10 million more in this quarter because it was only a partial quarter. So there really isn't very much of it that's -- where we bought production.



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Now we bought acreage or opportunity and we drill it up. It just depends on how you want to describe -- if you want to go back long enough, Elk Hills was bought too.

John Herrlin - *Societe Generale - Analyst*

No, not that far. Thanks, Steve.

Operator

There are no further questions. Are there any closing remarks?

Steve Chazen - *Occidental Petroleum Corporation - President and CEO*

No, that's fine. Thank you.

Christopher Stavros - *Occidental Petroleum Corporation - VP of IR*

Thanks. And if there are further questions, call us here in New York. Thanks for listening, everyone.

Operator

Thank you. This does conclude today's conference call. You may now disconnect.

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