

becoming effective, and five subsequent annual installments of \$35 million plus interest on the unpaid balances at 7.6% per annum, compounded quarterly. In all, the principal payments will be \$275 million, and the interest will total approximately \$41 million. Payments which are more than fifteen days late will accrue interest at the rate of 15.2% per annum. The DOE's Office of Hearings and Appeals will be petitioned to implement Special Refund Procedures for distribution of the settlement funds pursuant to 10 CFR part 205, subpart V.

Upon becoming effective, DOE and Occidental would file appropriate pleadings to withdraw all claims and dismiss with prejudice all proceedings covered by the Consent Order, including the case pending before the OHA.

The agreement does not affect any rights Occidental may have in connection with the funds at issue in a specific refund proceeding pending before the DOE's Office of Hearings and Appeals, *Enron Corp./OXY USA Inc.*, OHA Case No. RF340-00112, or in the exception proceeding originally styled *The 341 Tract Unit of the Citronelle Field/OXY USA Inc.*, OHA Case No. RF345-00021 and now under review in *Amoco Oil Co., et al. v. DOE*, CA No. H-94-2423 (S.D. Tex.) and in *R. H. Stechman, et al. v. DOE*, CA No. 94-0887-A-M (S.D. Ala.).

If the agreement is made final, Occidental will withdraw certain requests and portions of other requests made by its attorneys under the Freedom of Information Act. Occidental and DOE mutually release each other from claims and actions arising under the subject matters covered by the proposed Consent Order. Also, the proposed Order does not affect the right of any other party to take action against Occidental, or of Occidental or the DOE to take action against any other party. Finally, Occidental may withdraw from the agreement if the settlement is not made final by the one hundred twentieth (120th) day following execution.

Submission of Written Comments

The proposed Consent Order cannot be made effective until the conclusion of the public review process, of which this Notice is a part.

All comments received by the thirtieth (30th) day following publication of this Notice in the **Federal Register** will be considered before determining whether to adopt the proposed Consent Order as a final Order. Any modifications of the proposed Consent Order which significantly alter its terms or impact

will be published for additional comments. If, after considering the comments it has received, DOE determines to issue the proposed Consent Order as a final Order, the proposed Order will be made final and effective by publication of a Notice in the **Federal Register**.

Issued in Washington, DC, on June 29, 1995.

Eric J. Fygi,

Deputy General Counsel.

I. Introduction

101. This Consent Order is entered into between Occidental Petroleum Corporation ("Occidental"), including its wholly owned subsidiary OXY USA Inc. ("OXY") (formerly Cities Service Oil and Gas Corporation, successor in interest to Cities Service Company ("Cities Service")), and the United States Department of Energy ("DOE"). Except as otherwise provided herein, this Consent Order settles and finally resolves all civil and administrative claims and disputes, whether or not heretofore asserted, between the DOE, as hereinafter defined, and Occidental, as hereinafter defined, relating to Occidental's compliance with the federal petroleum price and allocation regulations, as hereinafter defined, during the period October 1, 1979, through January 27, 1981 (all the matters settled and resolved by this Consent Order are referred to hereinafter as "the matters covered by this Consent Order"). This Consent Order does not affect the Consent Order between Cities Service and DOE dated October 31, 1979, which, except as otherwise provided therein, covered the period August 19, 1973, through September 30, 1979.

II. Jurisdiction, Regulatory Authority and Definitions

201. This Consent Order is entered into by the DOE pursuant to the authority conferred upon it by Sections 301 and 503 of the Department of Energy Organization Act ("DOE Act"), 42 U.S.C. 7151 and 7193, Executive Order No. 12009, 42 FR 46267 (1977); Executive Order No. 12038, 43 FR 4957 (1978); and 10 CFR 205.199J.

202. For purposes of this Consent Order, the phrase "federal petroleum price and allocation regulations" means all statutory requirements and administrative regulations and orders regarding the pricing and allocation of crude oil, refined petroleum products, natural gas liquids, and natural gas liquid products, including the entitlements and mandatory oil import programs, administered by the DOE.

The federal petroleum price and allocation regulations include (without limitation) the pricing, allocation, reporting, certification, and recordkeeping requirements imposed by or under the Economic Stabilization Act of 1970, the Emergency Petroleum Allocation Act of 1973, the Federal Energy Administration Act of 1974, the DOE Act, any and all amendments to said acts, Presidential Proclamation 3279, all applicable DOE regulations codified in 6 CFR parts 130 and 150 and 10 CFR parts 205, 210, 211, 212, and 213, and all rules, rulings, guidelines, interpretations, clarifications, manuals, decisions, orders, notices, forms, and subpoenas relating to the pricing and allocation of petroleum products. The provisions of 10 CFR 205.199J and the definitions under the federal petroleum price and allocation regulations shall apply to this Consent Order except to the extent inconsistent herewith. Reference herein to "DOE" includes, besides the Department of Energy, the Cost of Living Council, the Federal Energy Office, the Federal Energy Administration, the Office of Special Counsel, the Economic Regulatory Administration and all agencies succeeding to the DOE's authority to administer or enforce the federal petroleum price and allocation regulations. References in this Consent Order to "Occidental" shall include: (1) Occidental Petroleum Corporation, its subsidiaries and affiliates, and its and their predecessors, including Cities Service Company and Cities Service Oil and Gas Corporation, and their subsidiaries and affiliates, (2) all of Occidental's petroleum-related activities, whether as a refiner, producer, operator, working interest or royalty interest owner, reseller, retailer, natural gas processor, or otherwise, and (3) Occidental's present and former directors, officers and employees.

III. Facts

The stipulated facts upon which this Consent Order is based are as follows:

301. During the period covered by this Consent Order, Occidental was a "refiner", "producer" and "reseller" as those terms are defined in the federal petroleum price and allocation regulations and was subject to the jurisdiction of the DOE.

302. On October 31, 1979, Cities Service and the DOE entered into a Consent Order which settled all claims and disputes against Cities Service by the DOE, except as otherwise provided therein, for the period August 19, 1973, through September 30, 1979, with respect to the statutory and regulatory petroleum programs administered and