Part I  Reporting Issuer

2  Issuer's employer identification number (EIN)
   CALIFORNIA RESOURCES CORPORATION
   46-5670947

3  Name of contact for additional information
   NOELLE M. REPETTI

4  Telephone No. of contact
   (818) 661-6023

5  Email address of contact
   NOELLE.REPETTI@CRC.COM

6  Number and street (or P.O. box if mail is not delivered to street address) of contact
   9200 OAKDALE AVENUE
   LOS ANGELES, CA 91311

8  Date of action
   NOVEMBER 17, 2017

9  Classification and description
   REVOLVING CREDIT AGREEMENT

10 CUSIP number
    RC:13057LAB4

11 Serial number(s)

12 Ticker symbol

13 Account number(s)

Part II  Organizational Action

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action. ➤ SEE ATTACHED

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

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates. ➤ SEE ATTACHED
Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► 
SEE ATTACHED

18 Can any resulting loss be recognized? ► 
SEE ATTACHED

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► 

Sign Here

Signature ► [Signature] Date ► 12/22/2017

Print your name ► NOELLE M. REPETTI

Paid Preparer Use Only

Print/Type preparer's name Preparer's signature Date Check □ if self-employed PTIN

Firm's name ► 
Firm's address ► 
Firm's EIN ► 
Phone no. ► 

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

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054
California Resources Corporation  
FEIN 46-5670947  
Attachment to Form 8937

Debt Instrument: Revolving Loan  
Report of Organizational Actions Affecting Basis of Securities

Form 8937, Part II, Line 14
On September 24, 2014, California Resources Corporation (the “Issuer”) and certain lenders (the “Lenders”) entered into a credit agreement (the “Credit Agreement”), that provided for a term loan with a principal amount of $1 billion and a revolving loan with commitments up to $2.0 billion (the “Old Revolving Loan”). On November 17, 2017, the Issuer and the Lenders entered into the Seventh Amendment to the Credit Agreement (the “Amendment”). The Amendment, inter alia, effectively increased the margin on the Old Revolving Loan by 25 basis points. As a result of the Amendment, for U.S. federal income tax purposes, the Old Revolving Loan was deemed to be retired and reissued for a new revolving loan (the “New Revolving Loan”). The Issuer paid a $3.75 million consent fee in connection with the Amendment.

At the time of the Amendment, the Old Revolving Loan had an outstanding balance of $220 million.

Form 8937, Part II, Line 15
To the extent that the Old Revolving Loan and the New Revolving Loan constitute “securities” for purposes of the rules providing for tax-free recapitalizations (“Tax Securities”), the Amendment likely qualifies as a tax-free recapitalization. To the extent that either the Old Revolving Loan or the New Revolving Loan are not Tax Securities, the Amendment does not qualify as a tax-free recapitalization.

To the extent the Amendment is a tax-free recapitalization, each Lender’s aggregate tax basis in the New Revolving Loan will generally equal such Lender’s aggregate adjusted tax basis in the Old Revolving Loan immediately prior to the deemed exchange, less the cash delivered to the Lenders, and increased by any gain recognized.

To the extent the Amendment is not a tax-free recapitalization, each Lender will recognize gain or loss upon the deemed receipt of the New Revolving Loan and cash. In that event, each Lender’s tax basis in its Old Revolving Loan will be extinguished and the Lender’s tax basis in the New Revolving Loan will equal the fair market value thereof. In such case, each Lender’s tax basis in its New Revolving Loan would equal the issue price (which serves as fair market value for this purpose) of the respective New Revolving Loan.

Lenders should consult their tax advisors to determine the tax consequences of the Amendment to them.

Form 8937, Part II, Line 16
To the extent that the Amendment is a tax-free recapitalization, Lender’s aggregate tax basis in the New Revolving Loan will generally equal such Lender’s aggregate tax basis in the Old Revolving Loan that
were deemed to be surrendered, less the cash delivered to the Lender, and increased by any gain recognized. Each Lender’s aggregate tax basis in the Old Revolving Loan depends on circumstances specific to such Lender.

To the extent that the Amendment is not a tax-free recapitalization, a Lender’s tax basis in the New Revolving Loan deemed to be received as a result of the Amendment will equal the fair market value thereof. In such case, each Lender’s tax basis in its New Revolving Loan would equal the issue price (which serves as fair market value for this purpose) of the respective New Revolving Loan.

Lenders should consult their tax advisors to determine the tax consequences of the Amendment to them.

**Form 8937, Part II, Line 17**
Sections 354, 356, 358, 1001 and 1012.

**Form 8937, Part II, Line 18**
The Amendment generally should not result in a loss to Lenders to the extent the Amendment is a tax-free recapitalization. To the extent the Amendment is not a tax-free recapitalization, the Amendment may result in a loss to a Lender to the extent such Lender’s tax basis in the Old Revolving Loan exceeds the fair market value of the New Revolving Loan and cash received.