

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported):
August 22, 2024

CALIFORNIA RESOURCES CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-36478
(Commission
File Number)

46-5670947
(IRS Employer
Identification No.)

1 World Trade Center, Suite 1500
Long Beach, California
(Address of principal executive offices)

90831
(Zip code)

Registrant's telephone number, including area code: (888) 848-4754

(Former name or former address, if changed since last report): Not applicable

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	CRC	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 1.01 Entry into a Material Definitive Agreement.

On August 22, 2024, California Resources Corporation (the “Company”) completed its previously announced private offering of \$300.0 million aggregate principal amount of its 8.250% senior notes due 2029 (the “Notes”). The terms of the Notes are governed by the Indenture, dated as of June 5, 2024 (the “Original Indenture”), by and among the Company, the guarantors party thereto (the “Guarantors”) and Wilmington Trust, National Association, as trustee (the “Trustee”), as supplemented by that certain supplemental indenture, dated as of July 1, 2024 (the “First Supplemental Indenture”), and the Second Supplemental Indenture, dated as of August 22, 2024 (the “Second Supplemental Indenture” and, the Original Indenture, as supplemented by the First Supplemental Indenture and the Second Supplemental Indenture, the “Indenture”). The Notes will mature on June 15, 2029. Interest will accrue from June 5, 2024 and will be payable semi-annually on June 15 and December 15 of each year, commencing December 15, 2024.

The Notes were offered as additional notes under the Indenture, pursuant to which the Company previously issued \$600.0 million aggregate principal amount of 8.250% senior notes due 2029 (the “Existing 2029 Notes”). The Notes have substantially identical terms, other than the issue date and issue price, as the Existing 2029 Notes, and the Notes and the Existing 2029 Notes are treated as a single series of securities under the Indenture and vote together as a single class. Except with respect to Notes offered pursuant to Regulation S under the Securities Act of 1933, as amended, the Notes have the same CUSIP and ISIN numbers as, and are fungible with, the Existing 2029 Notes immediately upon issuance.

The Notes are guaranteed on a senior unsecured basis by all of the Company’s existing subsidiaries that guarantee its obligations under its revolving credit facility and its existing 7.125% Senior Notes due 2026, and the Notes will be guaranteed by certain of the Company’s future subsidiaries. The Notes and the guarantees thereof are unsecured, rank equally in right of payment with all senior unsecured debt of the Company and the Guarantors and rank senior to all of the existing and future subordinated debt of the Company and the Guarantors.

The Company may, at its option, redeem some or all of the Notes at any time on or after June 15, 2026 at the redemption prices specified in the Indenture. Prior to such time, the Company may, at its option, redeem up to 35% of the aggregate principal amount of the Notes with an amount of cash not greater than the net cash proceeds from certain equity offerings at the redemption price specified in the Indenture. In addition, before June 15, 2026, the Company may redeem some or all of the Notes at a redemption price equal to 100% of the aggregate principal amount of the Notes redeemed, plus the applicable premium as specified in the Indenture and accrued and unpaid interest, if any, to, but excluding, the redemption date. If the Company experiences certain kinds of change of control trigger events, the Company will be required to offer to repurchase the Notes at 101% of the aggregate principal amount of the Notes repurchased, plus accrued and unpaid interest, if any, on the Notes repurchased to, but excluding, the date of purchase. The Indenture contains other customary terms, events of default and covenants.

The above description of the Indenture is not complete and is qualified in its entirety by reference to the full text of the Original Indenture, the First Supplemental Indenture and the Second Supplemental Indenture, which are included in Exhibits 4.1, 4.2 and 4.3 hereto, respectively, and incorporated by reference herein.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement.

The information provided under Item 1.01 in this Current Report on Form 8-K regarding the Notes, the Indenture and the related guarantees is incorporated by reference into this Item 2.03.

Item 8.01 Other Events.

On August 8, 2024, the Company issued a press release announcing the pricing of its upsized private offering of \$300.0 million in aggregate principal amount of its 8.250% senior notes due 2029 at 101% of par. A copy of the press release is included as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
4.1	<u>Indenture, dated June 5, 2024, by and among the Company, the Guarantors and the Trustee (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed on June 5, 2024, and incorporated herein by reference).</u>
4.2	<u>Supplemental Indenture to the Indenture, dated as of July 1, 2024, by and among the Company, the Guarantors and the Trustee (filed as Exhibit 10.7 to the Company's Current Report on Form 8-K filed on July 1, 2024, and incorporated herein by reference).</u>
4.3	<u>Second Supplemental Indenture to the Indenture, dated August 22, 2024, by and among the Company, the Guarantors and the Trustee.</u>
99.1	<u>Press Release, dated August 8, 2024.</u>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

California Resources Corporation

By: /s/ Michael L. Preston

Michael L. Preston

Executive Vice President, Chief Strategy Officer and
General Counsel

DATED: August 22, 2024

SUPPLEMENTAL INDENTURE

SECOND SUPPLEMENTAL INDENTURE (this "Second Supplemental Indenture"), dated as of August 22, 2024, by and among California Resources Corporation, a Delaware corporation (the "Issuer"), each of the parties identified on Annex A hereto (the "Guarantors") and Wilmington Trust, National Association, as trustee (the "Trustee").

WITNESSETH:

WHEREAS, the Issuer, the Guarantors, and the Trustee are party to an indenture, dated as of June 5, 2024 (as supplemented by that certain supplemental indenture, dated as of July 1, 2024, the "Base Indenture" and, the Base Indenture as supplemented by this Second Supplemental Indenture, the "Indenture"), providing for the issuance by the Issuer of its 8.250% Senior Notes due 2029;

WHEREAS, pursuant to and on the date of the Base Indenture, the Issuer initially issued \$600,000,000 aggregate principal amount of its 8.250% Senior Notes due 2029 (the "Existing Notes");

WHEREAS, Section 2.13 of the Base Indenture provides that, without the consent of any Holder of the Notes, the Issuer may amend the Base Indenture to facilitate the issuance of Additional Notes (as defined in the Base Indenture) under the Base Indenture;

WHEREAS, the Issuer wishes to issue an additional \$300,000,000 aggregate principal amount of its 8.250% Senior Notes due 2029 as Additional Notes (the "New Notes");

WHEREAS, Section 9.01(g) of the Base Indenture provides that, without the consent of any Holder of the Notes, the Issuer, the Guarantors and the Trustee may amend or supplement the Base Indenture to provide for the issuance of Additional Notes in accordance with the limitations set forth the Base Indenture;

WHEREAS, Section 9.01(d) of the Base Indenture provides that, without the consent of any Holder of the Notes, the Issuer, the Guarantors and the Trustee may amend or supplement the Base Indenture to make any change that does not adversely affect the legal rights under the Indenture of any Holder of the Notes;

WHEREAS, the Issuer and the Guarantors are authorized to execute and deliver this Second Supplemental Indenture;

WHEREAS, the Issuer has requested that the Trustee execute and deliver this Second Supplemental Indenture; and

WHEREAS, all conditions and requirements necessary to the execution and delivery of this Second Supplemental Indenture have been done and performed, and the execution and delivery hereof has been in all respects authorized.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged the Issuer, the Guarantors and the Trustee mutually covenant and agree as follows:

1. Defined Terms. Capitalized terms used herein without definition shall have the meanings assigned to them in the Base Indenture. The words "herein," "hereof" and "hereby" and other words of similar import used in this Second Supplemental Indenture refer to this Second Supplemental Indenture as a whole and not to any particular section hereof.

2. Amount of New Notes. The aggregate principal amount of New Notes to be authenticated and delivered under this Second Supplemental Indenture on August 22, 2024 is \$300,000,000.

3. Terms of New Notes. The New Notes are to be issued as Additional Notes under the Indenture and shall:

- a. be issued as part of the existing series of Existing Notes under the Indenture, and the New Notes and the Existing Notes shall be a single class for all purposes under the Indenture, including, without limitation, with respect to waivers, amendments, redemptions and offers to purchase;
- b. be issued on August 22, 2024 at a purchase price of 101.000% of the principal amount plus accrued and unpaid interest from June 5, 2024;
- c. be issuable in whole in the form of one or more Global Notes to be held by DTC and in the form, including appropriate transfer restriction legends, provided in Exhibit A to the Base Indenture;
- d. be subject to the restrictions on transfer set forth in Section 2.06 of the Base Indenture relating to Restricted Global Notes and Restricted Definitive Notes;
- e. initially bear, in the case of New Notes sold under Regulation S of the Securities Act, the CUSIP number of U1303A AG1 and ISIN of USU1303AAG14; and
- f. bear, in the case of New Notes sold under Rule 144A of the Securities Act, the same CUSIP number and ISIN as the Existing Notes that are Rule 144A Notes.

4. Ratification of Base Indenture; Second Supplemental Indenture; Part of Indenture. The Base Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Second Supplemental Indenture shall form a part of the Base Indenture for all purposes, and every Holder of a Note or New Note heretofore or hereafter authenticated and delivered shall be bound hereby.

5. GOVERNING LAW. THIS SECOND SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING, WITHOUT LIMITATION, SECTION 5-1401 OF THE NEW YORK OBLIGATIONS LAW.

6. Trustee's Assumption; Trustee Makes No Representation. The Trustee assumes no duties, responsibilities or liabilities under this Second Supplemental Indenture other than as set forth in the Base Indenture. The Trustee makes no representation as to the validity or sufficiency of this Second Supplemental Indenture. The Trustee shall not be responsible for any statement or recital herein or any statement or recital contained in any document in connection with the issuance or the sale of the New Notes.

7. Counterpart Originals. The parties may sign any number of copies of this Second Supplemental Indenture, and each party hereto may sign any number of separate copies of this Second Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. The exchange of copies of this Second Supplemental Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Second Supplemental Indenture as to the parties hereto and may be used in lieu of the original Second Supplemental Indenture for all purposes. Signatures of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes, other than authentication of the New Notes by the Trustee. The words “execution,” “signed,” “signature,” “delivery,” and words of like import in or relating to this Second Supplemental Indenture, other than the certificate of authentication of the New Notes by the Trustee, or any document to be signed in connection with this Second Supplemental Indenture shall be deemed to include electronic signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, and the parties hereto consent to conduct the transactions contemplated hereunder by electronic means; *provided that*, notwithstanding anything to the contrary set forth herein, the Trustee is under no obligation to agree to accept electronic signatures in any form or format unless expressly agreed to by the Trustee pursuant to procedures approved by the Trustee.

8. Effect of Headings. The Section headings herein are for convenience of reference only, are not to be considered a part of this Second Supplemental Indenture and shall in no way modify or restrict any of the terms or provisions hereof.

[Signature pages follow]

If the foregoing is in accordance with your understanding, please indicate your acceptance of this Agreement by signing in the space provided below.

Very truly yours,

ISSUER:

CALIFORNIA RESOURCES CORPORATION

By: /s/ Manuela Molina

Name: Manuela Molina

Title: Executive Vice President and Chief Financial Officer

[Signature Page to Supplemental Indenture]

GUARANTORS:

CALIFORNIA RESOURCES ELK HILLS, LLC
CALIFORNIA RESOURCES REAL ESTATE VENTURES, LLC
CALIFORNIA RESOURCES ROYALTY HOLDINGS, LLC
CRC CONSTRUCTION SERVICES, LLC
CRC SERVICES, LLC
SOCAL HOLDING, LLC
CALIFORNIA RESOURCES WILMINGTON, LLC
CALIFORNIA HEAVY OIL, INC.
CALIFORNIA RESOURCES PETROLEUM CORPORATION
CALIFORNIA RESOURCES PRODUCTION CORPORATION
CRC MARKETING, INC.
SOUTHERN SAN JOAQUIN PRODUCTION, INC.
CALIFORNIA RESOURCES COLES LEVEE, LLC
EHP TOPCO HOLDING COMPANY, LLC
CALIFORNIA RESOURCES TIDELANDS, INC.
ELK HILLS POWER, LLC
EHP MIDCO HOLDING COMPANY, LLC
AERA ENERGY LLC
AERA ENERGY SERVICES COMPANY
AERA FEDERAL LLC
BELRIDGE FARMS & PACKING LLC
GREEN GATE SAN ARDO LLC
TERRAIN TECHNOLOGY INC.
GREEN GATE INTERMEDIATE LLC
GREEN GATE RESOURCES E LLC
GREEN GATE RESOURCES S LLC
GREEN GATE RESOURCES HOLDINGS LLC
GREEN GATE RESOURCES PARENT LLC
PETRA MERGER SUB S, LLC
each as a Guarantor

By: /s/ Manuela Molina

Name: Manuela Molina

Title: Executive Vice President and Chief Financial Officer

CALIFORNIA RESOURCES COLES LEVEE, L.P.
as a Guarantor

By: CALIFORNIA RESOURCES COLES LEVEE, LLC, as
general partner

By: /s/ Manuela Molina

Name: Manuela Molina

Title: Executive Vice President and Chief Financial Officer

[Signature Page to Supplemental Indenture]

WILMINGTON TRUST, NATIONAL ASSOCIATION, as
Trustee

By: /s/ Barry D. Somrock

Name: Barry D. Somrock

Title: Vice President

[Signature Page to Supplemental Indenture]

Annex A

Aera Energy LLC
Aera Energy Services Company
Aera Federal LLC
Belridge Farms & Packing LLC
California Heavy Oil, Inc.
California Resources Coles Levee, LLC
California Resources Coles Levee, L.P.
California Resources Elk Hills, LLC
California Resources Petroleum Corporation
California Resources Production Corporation
California Resources Real Estate Ventures, LLC
California Resources Royalty Holdings, LLC
California Resources Tidelands, Inc.
California Resources Wilmington, LLC
CRC Construction Services, LLC
CRC Marketing, Inc.
CRC Services, LLC
EHP Midco Holding Company, LLC
EHP Topco Holding Company, LLC
Elk Hills Power, LLC
Green Gate Intermediate LLC
Green Gate Resources E LLC
Green Gate Resources Holdings LLC
Green Gate Resources Parent LLC
Green Gate Resources S LLC
Green Gate San Ardo LLC
Petra Merger Sub S, LLC
Socal Holding, LLC
Southern San Joaquin Production, Inc.
Terrain Technology Inc.

**NEWS RELEASE****For immediate release****California Resources Corporation Announces Pricing of Upsized Private Offering of \$300 Million of Additional 8.250% Senior Unsecured Notes due 2029**

Long Beach, California, August 8, 2024 – California Resources Corporation (NYSE: CRC) (the “Company”) announced today the pricing of an upsized private offering of \$300 million in aggregate principal amount of its 8.250% senior unsecured notes due 2029 (the “Notes”). The offering size was increased from the previously announced \$200 million aggregate principal amount. The Notes were priced at 101% of par, plus accrued and unpaid interest from June 5, 2024. The Notes will mature on June 15, 2029, pay interest at the rate of 8.250% per year and are payable semi-annually on June 15 and December 15 of each year. The first interest payment will be made on December 15, 2024. The Offering is expected to close on August 22, 2024, subject to customary closing conditions.

The Notes are being offered as additional notes under the indenture dated as of June 5, 2024, as may be supplemented from time to time (the “Indenture”), pursuant to which the Company previously issued \$600 million aggregate principal amount of 8.250% Senior Notes (the “Existing Notes”). The Notes will have substantially identical terms, other than the issue date and issue price, as the Existing Notes, and the Notes and the Existing Notes will be treated as a single series of securities under the Indenture and will vote together as a single class. Except with respect to Notes offered pursuant to Regulation S under the Securities Act of 1933, as amended (the “Securities Act”), the Notes will have the same CUSIP and ISIN numbers as, and will be fungible with, the Existing Notes immediately upon issuance.

Concurrently with this offering, the Company commenced a tender offer (the “Tender Offer”) to purchase for cash up to \$200 million aggregate principal amount of its 7.125% senior notes due 2026 (the “2026 Notes”). In connection with the increase in the size of the offering of Notes, the maximum amount of 2026 Notes to be purchased in the Tender Offer will be increased to \$300 million. The Tender Offer is made only by and pursuant to the terms of the Offer to Purchase, dated August 8, 2024, as supplemented. The Tender Offer is conditioned on the consummation of this offering, but this offering is not conditioned on the completion of the Tender Offer.

The Company intends to use the net proceeds from this offering, together with cash on hand, (i) to fund the Tender Offer for a portion of its 2026 Notes, including all accrued interest, fees and premiums thereon, (ii) for the reduction of outstanding indebtedness, and (iii) for general corporate purposes.

The Notes have not been, and will not be, registered under the Securities Act or any state securities laws and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and the rules promulgated thereunder and applicable state securities laws. The Notes were offered only to persons reasonably believed to be qualified institutional buyers in reliance on Rule 144A under the Securities Act and non-U.S. persons in transactions outside the United States in reliance on Regulation S under the Securities Act.

This press release does not and shall not constitute an offer to sell or the solicitation of an offer to buy any Notes, nor shall there be any offer, solicitation or sale of Notes in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction. Additionally, this press release shall not constitute an offer to purchase or the solicitation of an offer to sell any 2026 Notes in the Tender Offer, nor does it constitute a notice of redemption under the indenture governing the 2026 Notes.

Forward-Looking Statement Disclosure

All statements, except for statements of historical fact, made in this release regarding activities, events or developments the Company expects, believes or anticipates will or may occur in the future, such as statements regarding the proposed offering and the intended use of proceeds, including the Tender Offer, are forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended. All forward-looking statements speak only as of the date of this release. Although the Company believes that the plans, intentions and expectations reflected in or suggested by the forward-looking statements are reasonable, there is no assurance that these plans, intentions or expectations will be achieved. Therefore, actual outcomes and results could materially differ from what is expressed, implied or forecast in such statements. Except as required by law, the Company expressly disclaims any obligation to and does not intend to publicly update or revise any forward-looking statements.

The Company cautions you that these forward-looking statements are subject to all of the risks and uncertainties incident to the Company's business, most of which are difficult to predict and many of which are beyond the Company's control. These risks include, but are not limited to, the risks described under the heading "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2023 and its subsequently filed Quarterly Reports on Form 10-Q.

About California Resources Corporation

California Resources Corporation (CRC) is an independent energy and carbon management company committed to energy transition. CRC is committed to environmental stewardship while safely providing local, responsibly sourced energy. CRC is also focused on maximizing the value of its land, mineral ownership, and energy expertise for decarbonization by developing carbon capture and storage and other emissions-reducing projects.

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Source: California Resources Corporation