

KERR MCGEE CORP /DE
Form 424B2
September 06, 2001

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Registration No. 333-68136

PROSPECTUS SUPPLEMENT TO PROSPECTUS DATED AUGUST 31, 2001

KERR-MCGEE CORPORATION

DIRECT PURCHASE AND DIVIDEND REINVESTMENT PLAN

Kerr-McGee Corporation (the "Company") hereby offers participation in its Direct Purchase and Dividend Reinvestment Plan (the "Plan"). The Plan is designed to provide investors with a convenient and economical way to purchase shares of the Company's common stock (the "Common Stock") and to reinvest their cash dividends in additional shares of Common Stock. No service fee or brokerage commissions will be charged to participants for transactions made under the Plan.

Participants in the Plan:

- Automatically reinvest cash dividends on all of the shares of Common Stock held in their Plan accounts and as stockholders of record.
- May invest in Common Stock of the Company at current market prices by making optional cash payments in any amount of at least \$10 monthly, but no more than \$3,000 quarterly.

Persons who are not already shareholders may purchase Common Stock and become a participant in the Plan by making an initial minimum investment of \$750 and a maximum investment of \$10,000.

UMB Bank, N.A., is administrator of the Plan and acts as agent for participants ("UMB"). As agent it will use the initial investments, dividends and optional cash payments received from participants to acquire shares of Common Stock for the account of participants. UMB may purchase shares on the open market or may purchase treasury shares from the Company.

This Prospectus Supplement relates to 300,000 authorized shares of the Company's Common Stock offered for purchase under the Plan and should be retained for future reference. The Company's Common Stock is presently traded on the New York Stock Exchange.

In order to comply with the securities laws in certain jurisdictions, shares offered under the Plan are being offered through Lehman Brothers.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE DATE OF THIS PROSPECTUS SUPPLEMENT IS AUGUST 31, 2001
(REVISED TO UPDATE ADMINISTRATIVE INFORMATION)

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NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED OR INCORPORATED BY REFERENCE IN THIS PROSPECTUS, AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY KERR-MCGEE. NEITHER THE DELIVERY OF THIS PROSPECTUS, NOR ANY SALE MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES,

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CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF KERR-MCGEE SINCE THE DATE HEREOF. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER OR SOLICITATION BY ANYONE IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED OR IN WHICH THE PERSON MAKING SUCH OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO OR TO ANYONE TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION.

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THE COMPANY

Kerr-McGee is an energy and inorganic chemical company with worldwide operations. It acquires leases and concessions and explores for, develops, produces and markets crude oil and natural gas onshore in the United States and in the Gulf of Mexico, the U.K. sector of the North Sea, Southeast Asia, and other areas. Kerr-McGee's chemical operations produce and market titanium dioxide pigment and certain other specialty chemicals, heavy minerals and forest products.

Our executive offices are located at Kerr-McGee Center, Oklahoma City, Oklahoma 73125.

References herein to "Kerr-McGee Corporation," "Kerr-McGee" or the "Company" include Kerr-McGee Corporation and its subsidiaries unless the context requires otherwise.

THE PLAN

The following is a question and answer statement of the provisions of the Direct Purchase and Dividend Reinvestment Plan:

PURPOSE AND ADVANTAGES

1. What is the purpose of the Plan?

The purpose of the Plan is to provide to Company shareholders and other investors a convenient and economical way to purchase shares of the Company's Common Stock and to reinvest their cash dividends in additional shares of Common Stock.

2. What are some of the advantages of the Plan?

- Persons who are not already shareholders may purchase the Company's Common Stock and become a participant in the Plan by making an initial investment of at least \$750 but no more than \$10,000.
- Participants in the Plan may purchase additional shares of Common Stock by making Optional Cash Payments in any amount of at least \$10 monthly, but not more than \$3,000 quarterly. Optional Cash Payments may be made by check or money order.
- All shares of Common Stock are purchased under the Plan without any service fees or brokerage commissions.
- Participants may direct UMB to sell or transfer, at any time (but no more than once monthly) and at no cost to the participant, all or a portion of the participant's shares held under the Plan to another person.
- Statements of account are mailed on a monthly basis to participants having activity in the Common Stock.

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ADMINISTRATION

3. Who administers the Plan?

UMB administers the Plan, purchases and holds shares of Common Stock acquired under the Plan, keeps records, sends statements of account activity to participants and performs other duties related to the Plan. All

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Enrollment Forms, Optional Cash Payments, notices of withdrawal and all other matters and communications related to the Plan should be addressed to:

UMB Bank, N.A.
Kerr-McGee Direct Purchase and Dividend Reinvestment Plan
Securities Transfer Division
P.O. Box 410064
Kansas City, MO 64141-0064
Phone: 877-860-5820 (Toll-Free)

PLEASE MENTION KERR-MCGEE CORPORATION IN ALL CORRESPONDENCE.

PARTICIPATION

4. Who is eligible to participate in the Plan?

Any person or entity, whether or not a holder of record of Common Stock, is eligible to join the Plan, provided that (a) such person or entity fulfills the prerequisites for participation described below under "Enrollment Procedures" and (b) in the case of citizens or residents of a country other than the United States, its territories, and possessions, participation would not violate local laws applicable to the Company or the participant.

Participants in the Company's Savings Investment Plan (the "SIP") and/or the Employee Stock Ownership Plan (the "ESOP") are not eligible to participate with respect to shares held for their account in these plans. Such participants who are also shareholders of record or who wish to make an initial investment are, however, eligible to participate in the Plan with respect to shares held outside the SIP and ESOP.

ENROLLMENT PROCEDURES

5. How does a person participate in the Plan?

After being furnished with a copy of this prospectus, a person may participate in the Plan as provided below.

- (a) Shareholders of record -- Record holders of Common Stock may join the Plan by completing and signing an Enrollment Form and returning it to UMB (see Question No. 6).
- (b) Beneficial Owners -- A beneficial owner whose shares are registered in a name other than his or her own (for example, in the name of a broker or bank nominee) may participate by directing his or her broker or bank to transfer the record ownership of all or a portion of the Common Stock beneficially owned into the name of such person. Beneficial owners can also elect to participate by making a new investment as described in the next paragraph (c).
- (c) Persons not presently record owners of shares of Common Stock -- A person not presently owning Common Stock of record (which includes

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beneficial owners as described in the preceding paragraph (b)) may apply for enrollment in the Plan by completing and returning to UMB an Enrollment Form, and making an initial investment in the form of a check or money order in an amount not less than \$750 and not more than \$10,000 (see Question No. 13).

- (d) Participants in the Previous Plan -- The Plan replaces the Direct Purchase and Dividend Reinvestment Plan previously maintained by Kerr-McGee Operating Corporation (formerly Kerr-McGee Corporation) (the "Previous Plan"). The shares of common stock of Kerr-McGee Operating Corporation held in the Previous Plan were converted into shares of Company Common Stock in the merger transaction involving the Company's acquisition of HS Resources, Inc. (now named Kerr-McGee Rocky Mountain Corporation). Without taking any action, participants in the Previous Plan will automatically continue in the new Plan with the shares of Company Common Stock into which their shares held in the Previous Plan were converted. All prior participant instructions will continue forward into the new Plan.

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6. What does the Enrollment Form provide?

The Enrollment Form authorizes UMB to automatically apply all cash dividends on all shares held by the Plan toward the purchase of additional Common Stock.

The Enrollment Form also authorizes UMB to apply all cash dividends on all shares then or subsequently held of record by the participant under the same registration toward the purchase of additional Common Stock, unless the participant directs otherwise.

The Enrollment Form also allows a person who is not a shareholder of record to purchase Common Stock with a minimum \$750 and a maximum \$10,000 payment and thereby become a participant in the Plan. The form contains the required certification as to backup withholding.

Under the Plan, dividends will be reinvested on a cumulative basis (i) on all shares held in the Plan account until a participant withdraws from the Plan altogether, or until the Plan is terminated and (ii) on all shares evidenced by stock certificates registered in the participant's name under the same registration, until a participant specifies otherwise, withdraws from the Plan altogether, or until the Plan is terminated.

7. When may a person join the Plan?

Shareholders of record may join the Plan at any time by completing an Enrollment Form and mailing it to UMB. Non-shareholders may enroll in the Plan at any time by completing an Enrollment Form and making an initial investment of at least \$750 but not more than \$10,000. Once in the Plan, such participant will remain a participant until he or she discontinues participation.

PURCHASES AND PRICE OF SHARES

8. What is the source of Common Stock purchased under the Plan?

Shares of Common Stock will be, at the Company's discretion, purchased either directly from the Company, in which event such shares will be shares held by the Company as treasury stock, or on the open market, or by combination of the foregoing.

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9. When will shares be purchased under the Plan?

Purchases made directly from the Company will be made on the relevant Investment Date (as defined in the next paragraph). Purchases on the open market will begin on the Investment Date and will be completed as soon as practicable, but no later than 30 days from such date except where completion at a later date is necessary or advisable under any applicable federal securities laws. Such purchases may be made on the New York Stock Exchange or on any other securities exchange where such shares are traded, in the over-the-counter market or by negotiated transactions and may be subject to such terms with respect to price, delivery and other terms as UMB may agree. Neither the Company nor any participant shall have any authority or power to direct the time or price at which shares may be purchased, or the selection of the broker or dealer through or from whom purchases are to be made. Participants become owners of shares purchased under the Plan as of the date of purchase.

The Investment Date in any month in which a dividend is paid is the dividend payment date and in any other month will be the first business day of the month. If, however, the Investment Date falls on a date on which either UMB or the New York Stock Exchange are closed, the first succeeding day on which both UMB and the New York Stock Exchange are open will be the Investment Date.

10. What will be the price to the participant of shares purchased under the Plan?

All purchases under the Plan will be made at 100% of the average price. In the case of purchases from the Company of Common Stock, the average price is determined by averaging the high and low sales prices of Common Stock as reported on the New York Stock Exchange-Composite Transactions on the relevant Investment Date. If no trading in Company Common Stock occurs on the New York Stock Exchange on the relevant Investment Date, the purchase price per share will be determined by averaging the high and low sales

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prices per share on the trading day immediately preceding the Investment Date and the trading day immediately following the Investment Date.

In the case of purchases of Common Stock on the open market, the average price will be the weighted average purchase price of shares purchased for the relevant Investment Date.

11. How many shares of Common Stock will be purchased for participants?

The number of shares to be purchased depends on the amount of the participant's dividends, if any, and any Optional Cash Payments or initial investments received by UMB. Each participant's account will be credited with the number of shares, including fractions computed to four decimal places, equal to the total amount invested divided by the purchase price.

OPTIONAL CASH PAYMENTS AND INITIAL INVESTMENTS

12. How does the Optional Cash Payment feature of the Plan work?

All eligible shareholders of record (except for brokers and nominees) who have submitted a signed Enrollment Form are eligible to make Optional Cash Payments at any time. Payments may be made by check or money order. UMB will apply any Optional Cash Payment received from a participant before a particular Investment Date to the purchase of Common Stock for the account of the participant (i) on such Investment Date if such Common Stock is purchased from the Company and (ii) on such Investment Date or as soon as practicable after

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such Investment Date if such Common Stock is purchased on the open market (see Question 9).

13. How are Initial Investments made?

Initial investments must be at least \$750 and no more than \$10,000, in the form of a check or money order made payable to UMB, and must be included with the completed Enrollment Form and returned to UMB at the address listed on the form.

14. When will Optional Cash Payments and initial investments received by UMB be invested?

Optional Cash Payments and initial investments must be received by UMB prior to an Investment Date to be invested beginning on that Investment Date. Otherwise, the Optional Cash Payment or initial investment will be held by UMB and invested beginning on the next Investment Date. See Question 9. No interest will be paid on amounts held by UMB pending investment. Upon a participant's written request received by UMB at least two business days prior to the applicable Investment Date, an Optional Cash Payment or initial investment will be returned to the participant. However, no refund of a check or money order will be made until the funds have been actually received by UMB.

15. How and when may a participant sell all or a portion of the Common Stock held in the Plan in the participant's account?

A participant may sell all or a portion of his or her Common Stock held by the Plan any time (but not more than once monthly). As of the close of business each Monday UMB will accumulate the shares to be sold. On the next business day UMB will sell the accumulated shares on the open market and remit the proceeds within five business days. Any Optional Cash Payment which had been sent to UMB prior to any such notice to sell will be invested unless return of the amount is expressly requested in the notice to sell and such notice to sell is received at least two business days prior to the relevant Investment Date. The sale of the participant's Common Stock will then be processed as promptly as possible on or following the Investment Date. Upon the sale of all of a participant's Common Stock held in the Plan account, a participant's interest in a fractional share will be paid in cash based on the then current market price of Company Common Stock. UMB, at its discretion, may terminate any account which contains less than ten shares by paying the account holder the dollar value of such shares.

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EXPENSES AND COSTS

16. What are the costs to participants in the Plan?

There are no brokers' commissions and no fees or service charges connected with stock purchases or sales. The Company pays these costs, along with any costs for administration of the Plan.

REPORTS TO PARTICIPANTS

17. What reports will be sent to participants in the Plan?

Each participant in the Plan will receive a statement of account after each Investment Date on which there has been a transaction for the account of such participant, showing amounts invested, purchase price, shares purchased and other information for the year to date. Each statement will include instructions with respect to making Optional Cash Payments, or for transferring or selling shares from the Plan. At each year-end, the statement will also include all

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information pertaining to a participant's account for such year and should be retained for income tax purposes. In addition, each participant will receive copies of the same communications sent to every other holder of Common Stock, which at the present time includes Annual Report to Shareholders, and the Notice of Annual Meeting and Proxy Statement. Each participant will receive annually Internal Revenue information on Form 1099 for reporting dividend income received.

STOCK CERTIFICATES

18. What happens to stock certificates purchased under the Plan?

Shares purchased under the Plan will be automatically held in safekeeping by UMB in its name or the name of its nominee. The number of shares (including fractional interests) held for each participant will be shown on each statement of account. Participants may obtain a new certificate for all or some of the whole shares of Common Stock held in their Plan accounts upon written request to UMB (but no more than once monthly). Any remaining shares will continue to be held by UMB.

Dividends on shares delivered by UMB to the shareholder will either be paid in cash to the shareholder, or will be reinvested pursuant to the shareholders instructions to UMB.

TRANSFER OF SHARES

19. May a participant assign or transfer all or a part of his or her shares held under the Plan to another person?

Yes. If a participant wishes to change the ownership of all or part of his or her shares held under the Plan through gift, private sale or otherwise, the participant may effect the transfer by contacting UMB. Transfers of less than all of a participant's shares must be made in whole share amounts. No fraction of a share may be transferred and no more than one transfer per month is permitted. Requests for transfer are subject to the same requirements as for the transfer of Common Stock certificates, including the requirement of a signature guarantee.

20. If Plan shares are transferred to another person, will the Company issue a stock certificate to the transferee?

No. Shares transferred will continue to be held by UMB under the Plan, an account will be opened in the name of the transferee, if he or she is not already a participant, and such transferee will automatically be enrolled in the Plan. All dividends on shares transferred to and held in the transferee's Plan account will be reinvested under the terms of the Plan. See the last paragraph under Question 6.

21. How will a transferee be advised of his stock ownership?

The transferee will receive a statement showing the number of shares transferred to and held in the transferee's Plan account.

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TAX CONSEQUENCES

22. What are the federal income tax consequences of participation in the Plan?

Reinvested Dividends. In the case of reinvested dividends, when UMB acquires shares for a participant's account directly from the Company, the

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participant must include in gross income a dividend equal to the number of shares purchased with the participant's reinvested dividends multiplied by the fair market value of the Common Stock on the relevant dividend payment date. The participant's basis in those shares will also equal the fair market value of the shares on the relevant dividend payment date.

Alternatively, when UMB purchases Common Stock for a participant's account on the open market with reinvested dividends, a participant must include in gross income a dividend equal to the actual purchase price to UMB of the shares plus that portion of any brokerage commissions paid by UMB which are attributable to the purchase of the participant's shares. The participant's basis in Plan shares held for his or her account will be equal to their purchase price plus allocable brokerage commissions.

Optional Cash Payments. In the case of the shares purchased on the open market with Optional Cash Payments, shareholders will be in receipt of additional income to be included in gross income to the extent of any brokerage commissions paid by the Company. The participant's basis in the shares acquired with Optional Cash Payments will be the cost of the shares to UMB plus an allocable share of any brokerage commissions paid by the Company.

Additional Information. The holding period for shares purchased under the Plan will begin the day after the date the shares are acquired. Under the current provisions of the Internal Revenue Code of 1986, as amended (the "Code"), the partial dividend exclusion available to individuals has been eliminated and, in general, the corporate dividends-received deduction has been reduced to 70%. Corporate shareholders also should be aware that the Code limits the availability of the dividends-received deduction under the various special rules, including the situation where a holder of stock incurs indebtedness directly attributable to such stock. For further information on a corporate shareholder's eligibility for the dividends-received deduction, participants should consult with their tax advisors.

A participant will not realize any taxable income when he or she receives certificates for whole shares credited to his or her account under the Plan, either upon a request for such certificates or upon withdrawal from or termination of the Plan. However, the participant who receives, upon withdrawal from or termination of the Plan or upon a sale of all or a portion of the participant's shares held in the Plan, a cash payment for the sale of Plan shares held for such participant's account or for a fractional share then held in his or her account will realize gain or loss measured by the difference between the amount of the cash received and the participant's basis in such shares or fractional share. Such gain or loss will be capital in character if such shares or fractional shares are a capital asset in the hands of the participant. The deductibility of any capital losses is subject to certain restrictions. For further information as to the tax consequences to participants in the Plan, participants should consult with their own tax advisors.

Tax Information. Each participant will receive annually Internal Revenue information for reporting dividend information and determining the participant's basis in Plan shares held in his or her account. See Question No. 17.

TERMINATION OF PARTICIPATION

23. How and when may a participant terminate participation in the Plan?

A participant may terminate participation in the Plan any time by notice in writing to UMB. Any Optional Cash Payment which had been sent to UMB prior to the request to terminate will be invested unless return of the amount is expressly requested in the request for termination and such request is received at least two business days prior to the relevant Investment Date. The request for termination will then be processed as promptly as possible following the

Investment Date.

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24. How and when may individual participation be terminated by the Company or UMB?

UMB, at its discretion, may terminate any account which contains less than ten shares by paying the account holder the market value of such shares.

The Plan is intended as a long-term investment service by allowing participants to accumulate shares of the Common Stock on a favorable basis over a long period of time, thereby providing benefits to participants as well as the Company. The Company or UMB, in their sole discretion, may terminate a participant from the Plan if continuing participation by such participant is not considered by either of them to be in the best interest of the Company.

25. What happens upon termination of a participant in the Plan?

As soon as practicable following any termination, UMB will send the participant a certificate for the whole shares in the participant's Plan account. If the participant so requests, UMB will sell all or a portion of such shares. UMB will accumulate the shares to be sold as of the close of business each Monday and then sell the accumulated shares on the open market on the next business day and remit the proceeds five days thereafter. In every case of termination, the participant's interest in a fractional share will be paid in cash based on the then current market price of Company Common Stock.

After termination, dividends will be paid to the shareholder in cash unless and until the shareholder rejoins the Plan, which he or she may do at any time by requesting an Enrollment Form from the Agent.

MISCELLANEOUS

26. What happens when participants sell or transfer shares registered in their names?

When participants sell or transfer shares of Common Stock registered in their names, UMB will continue to invest the dividends on any remaining shares held of record and on the shares credited to their accounts under the Plan in accordance with prior instructions until otherwise notified.

27. What happens if the Company issues a stock dividend or declares a stock split?

Any stock dividend or split shares of Common Stock distributed by the Company on shares credited to the account of a participant under the Plan will be added to the participant's account. Stock dividends or split shares distributed on shares held directly by the participant and registered in the participant's name will be mailed to such participant in the same manner as to shareholders who are not participating in the Plan.

28. How will a participant's shares be voted at shareholders' meetings?

The participant retains full voting authority with respect to shares registered both in his or her name and the shares held in the Plan. If a participant does not direct UMB as to how the shares are to be voted, UMB will not vote the shares. A participant will receive one proxy card showing the total number of whole shares he or she holds, both those registered in the participant's name and those the participant holds through the Plan.

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29. May the Plan be modified or discontinued?

The Company reserves the right to suspend, amend, modify or terminate the Plan at any time. All shareholders, both participants and non-participants in the Plan, will be notified of any suspension, termination or significant amendment or modification of the Plan. If the Plan is terminated, shares held in the participant's account will be distributed as described in Question 25.

30. Who interprets and regulates the Plan?

The Company reserves the right to interpret and regulate the Plan, as deemed desirable or necessary, in connection with its operation.

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31. What are the responsibilities of the Company and UMB under the Plan?

Neither the Company nor UMB will be liable for any good faith act or for any good faith omission to act, including, without limitation, any claim or liability arising out of failure to terminate a participant's account upon such participant's death, the prices at which shares are purchased or sold for a participant's account, the times when purchases or sales are made, or fluctuations in the market value of Common Stock.

32. Does participation in the Plan involve any risk?

The risk to participants is the same as with any other investment in Common Stock of the Company. A participant may lose an advantage otherwise available from being able to select more specifically the timing of investment or sale of shares. Participants must recognize that neither the Company nor UMB can assure a profit or protect against a loss on the shares purchased under the Plan.

USE OF PROCEEDS

The Company does not know the number of shares that will ultimately be purchased from the Company under the Plan nor the prices at which such shares will be sold. Any proceeds are intended to be used for general corporate purposes.

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Subject To Completion, Dated August 31, 2001

PROSPECTUS

[KM LOGO]

\$2,000,000,000

KERR-MCGEE CORPORATION
DEBT SECURITIES, PREFERRED STOCK,
COMMON STOCK, STOCK PURCHASE CONTRACTS,
STOCK PURCHASE UNITS, WARRANTS

KERR-MCGEE OPERATING CORPORATION
GUARANTEES

KERR-MCGEE ROCKY MOUNTAIN CORPORATION
GUARANTEES

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer and sale is not permitted.

By this prospectus, we may offer up to \$2,000,000,000 of debt securities (which may be guaranteed by Kerr-McGee Operating Corporation and/or Kerr-McGee Rocky Mountain Corporation), preferred stock, common stock, stock purchase contracts, stock purchase units and warrants on terms to be determined at the time of sale. We will provide more specific information regarding these securities in supplements to this prospectus.

YOU SHOULD READ THIS PROSPECTUS, PARTICULARLY THE RISK FACTORS BEGINNING ON PAGE 5, AND ANY SUPPLEMENT CAREFULLY BEFORE INVESTING.

THESE SECURITIES HAVE NOT BEEN APPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR BY ANY STATE SECURITIES COMMISSION, NOR HAVE THOSE ORGANIZATIONS DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

August 31, 2001

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ABOUT THIS PROSPECTUS

This prospectus is part of a Registration Statement that Kerr-McGee Corporation (which we refer to as "Kerr-McGee", "the Company", "we" or "us") filed with the Securities and Exchange Commission (which we refer to as the "SEC") utilizing a shelf registration process. Under this shelf process, we may sell the unsecured Debt Securities (which may be guaranteed under Guarantees

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issued by Kerr-McGee Operating Corporation and/or Kerr-McGee Rocky Mountain Corporation), Preferred Stock, Common Stock, Stock Purchase Contracts, Stock Purchase Units and Warrants (which we collectively refer to as the "Offered Securities") described in this prospectus, in one or more offerings up to a total dollar amount of \$2,000,000,000. This prospectus provides you with a general description of the Offered Securities we may offer. Each time we sell Offered Securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus. You should read both this prospectus and any prospectus supplement together with additional information described below under "Where You Can Find Information."

WHERE YOU CAN FIND INFORMATION

We file annual, quarterly and special reports, proxy statements and other information with the SEC. You may read and copy any materials on file with the SEC at the SEC's Public Reference Room at 450 Fifth Street, N.W., Judiciary Plaza, Washington, D.C. 20549. Our filings are available to the public over the Internet at the SEC's web site at <http://www.sec.gov>. Please call the SEC at 1-800-SEC-0330 for further information on the Public Reference Room.

The SEC allows us to "incorporate by reference" the information we file with them, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus, and information that we file later with the SEC will automatically update and supersede this information.

We incorporate by reference the documents listed below and any future filings made with the SEC under Sections 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934 until we sell all of the securities:

- Our Proxy Statement-Prospectus included in our registration statement on Form S-4 (declared effective on June 28, 2001).
- Our Current Report on Form 8-K dated August 1, 2001, and our related Current Report on Form 8-K/A filed on August 29, 2001.

The following documents, which have been filed by Kerr-McGee Operating Corporation (formerly named Kerr-McGee Corporation) with the SEC (SEC file number 001-03939), are also incorporated by reference into this prospectus:

- Kerr-McGee Operating Corporation's Annual Report on Form 10-K for the year ended December 31, 2000.
- Kerr-McGee Operating Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2001.
- Kerr-McGee Operating Corporation's Quarterly Report on Form 10-Q for the quarter ended June 30, 2001.
- Kerr-McGee Operating Corporation's Current Reports on Form 8-K dated January 16, 2001, February 20, 2001, March 19, 2001, March 23, 2001, April 10, 2001, April 15, 2001, May 13, 2001, May 14, 2001, May 21, 2001, June 20, 2001 and July 18, 2001.

The following documents, which have been filed by Kerr-McGee Rocky Mountain Corporation (formerly named HS Resources, Inc.) with the SEC (SEC file number 001-13152), are also incorporated by reference into this prospectus:

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- Kerr-McGee Rocky Mountain Corporation's Annual Report on Form 10-K for the year ended December 31, 2000.
- Kerr-McGee Rocky Mountain Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2001.
- Kerr-McGee Rocky Mountain Corporation's Current Reports on Form 8-K dated February 15, 2001, March 20, 2001, April 25, 2001 and May 13, 2001.

You can get a free copy of any of the documents incorporated by reference by making an oral or written request directed to:

Investor Relations
Kerr-McGee Corporation
P. O. Box 25861
Oklahoma City, Oklahoma 73125
Telephone (405) 270-3125

You should rely only on the information contained or incorporated in this prospectus or any supplement. We have not authorized anyone else to provide you with different information. You should not rely on any other representations. Our affairs may change after this prospectus or any supplement is distributed. You should not assume that the information in this prospectus or any supplement is accurate as of any date other than the date on the front of those documents. You should read all information supplementing this prospectus.

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RISK FACTORS

Prospective purchasers of the Offered Securities should carefully review the information contained elsewhere in this prospectus and should particularly consider the following matters.

VOLATILE PRODUCT PRICES AND MARKETS COULD ADVERSELY AFFECT RESULTS

Our results of operations are highly dependent upon the prices of and demand for oil and gas and our chemical products. Historically, the markets for oil and gas have been volatile and are likely to continue to be volatile in the future. Accordingly, the prices received by us for our oil and gas production are dependent upon numerous factors which are beyond our control. These factors include, but are not limited to, the level of ultimate consumer product demand, governmental regulations and taxes, the price and availability of alternative fuels, the level of imports and exports of oil and gas, actions of the Organization of Petroleum Exporting Countries and the overall economic environment. Any significant decline in prices for oil and gas could have a material adverse effect on our financial condition, results of operations and quantities of reserves recoverable on an economic basis. Demand for titanium dioxide is dependent on the demand for ultimate products utilizing titanium dioxide pigment. This demand is generally dependent on the status of the economy. The profitability of our products is dependent on the price realized for them, the efficiency of our manufacturing costs, and the ability to acquire feedstock at a competitive price. Should the industries in which we operate experience significant price declines or other adverse market conditions, we may not be able to generate sufficient cash flow from operations to meet our obligations and make planned capital expenditures. In order to manage our exposure to price risks in the sale of our oil and gas, we may from time to time enter into commodities futures or option contracts to hedge a portion of our crude oil and natural gas sales volume. Any such hedging activities may prevent us from realizing the benefits of price increases above the levels reflected in such hedges.

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STATE AND LOCAL REGULATION OF OIL AND GAS DEVELOPMENT AND SURFACE DEVELOPMENT CONFLICTS COULD ADVERSELY AFFECT RESULTS

State regulatory authorities have established rules and regulations governing, among other things, permits for drilling and production, operations, performance bonds, reports concerning operations, discharge, disposal and other waste-related permits, well spacing, unitization and pooling of operations, taxation, environmental and conservation matters. In general, these measures and development activities make oil and gas development more difficult and their application to our operations could adversely affect our results of operations.

FAILURE TO FUND CONTINUED CAPITAL EXPENDITURES COULD ADVERSELY AFFECT RESULTS

If our revenues substantially decrease as a result of lower oil and gas prices or otherwise, we may have a limited ability to expend the capital necessary to replace our reserves or to maintain production at current levels, resulting in a decrease in production over time. We expect that we will continue to make capital expenditures for the acquisition, exploration and development of oil and gas reserves. Historically, we have financed these expenditures primarily with cash flow from operations and proceeds from debt and equity financings, asset sales and sales of partial interests in foreign concessions. We believe that we will have sufficient cash flow from operations, available drawings under our credit facilities and other debt financings to fund capital expenditures. However, if our cash flow from operations is not sufficient to satisfy our capital expenditure requirements, there can be no assurance that additional debt or equity financing or other sources of capital will be available to meet these requirements. If we are not able to fund our capital expenditures, our interests in some of our properties may be reduced or forfeited and our future cash generation may be materially adversely affected as a result of the failure to find and develop reserves.

COSTS OF LEGAL MATTERS, ENVIRONMENTAL LIABILITIES AND REGULATION COULD EXCEED ESTIMATES

We and/or our subsidiaries are or may become parties to a number of legal and administrative proceedings involving environmental and/or other matters pending in various courts or agencies. These include proceedings associated with facilities currently or previously owned, operated or used by us, our

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subsidiaries and/or our predecessors, and include claims for personal injuries and property damages. Our current and former operations also involve management of regulated materials and are subject to various environmental laws and regulations. These laws and regulations obligate us and/or our subsidiaries to clean up various sites at which petroleum and other hydrocarbons, chemicals, low-level radioactive substances and/or other materials have been disposed of or released. Some of these sites have been designated Superfund sites by the Environmental Protection Agency pursuant to the Comprehensive Environmental Response, Compensation and Liability Act. Similar environmental regulations exist in foreign countries in which we and/or our subsidiaries operate. Of note, environmental regulations in the North Sea are particularly stringent.

It is not possible for us to estimate reliably the amount and timing of all future expenditures related to environmental and legal matters and other contingencies because:

- some sites are in the early stages of investigation, and other sites may be identified in the future;

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- cleanup requirements are difficult to predict at sites where remedial investigations have not been completed or final decisions have not been made regarding cleanup requirements, technologies or other factors that bear on cleanup costs;
- environmental laws frequently impose joint and several liability on all potentially responsible parties, and it can be difficult to determine the number and financial condition of other potentially responsible parties and their share of responsibility for cleanup costs;
- environmental laws and regulations are continually changing, and court proceedings are inherently uncertain; and
- some legal matters are in the early stages of investigation or proceedings, and other legal matters may be identified in the future.

Although our management believes that it has established appropriate reserves for cleanup costs, due to these uncertainties we could be required to make additional reserves in the future.

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CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

We have made certain forward-looking statements in this document and in the documents referred to in this document which are subject to risks and uncertainties. These statements are based on the beliefs and assumptions of our management and on the information currently available to our management. Forward-looking statements include information concerning our possible or assumed future results and may be preceded by, followed by, or otherwise include the words "believes," "expects," "anticipates," "intends," "plans," "estimates" or similar expressions.

Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. The future results and values of our stock and other securities may differ materially from those expressed in these forward-looking statements. Many of the factors that will determine these results and values are beyond our ability to control or predict. Stockholders and holders of other securities of the Company are cautioned not to put undue reliance on any forward-looking statements. Except for our ongoing obligations to disclose material information as required by the federal securities laws, we do not have any intention or obligation to update forward-looking statements after we distribute this document, even if new information, future events or other circumstances have made them incorrect or misleading. For those statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

You should understand that various factors, in addition to those discussed elsewhere in this document and in the documents referred to in this document, could affect our future results and could cause results to differ materially from those expressed in such forward-looking statements, including:

- materially adverse changes in general economic conditions or in the markets served by us, including changes in the prices of oil, natural gas, titanium dioxide pigments and other chemicals;
- the success of our oil and natural gas exploration, development and production programs;
- uncertainties about estimates of reserves;

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- the financial resources of competitors;
- changes in laws and regulations, including environmental laws, or changes in the administration of such laws and regulations;
- the quality of future opportunities that may be presented to or pursued by us;
- the ability to generate cash flows or obtain financing to fund growth and the cost of such financing;
- the ability to respond to challenges in international markets, including changes in currency exchange rates, political or economic conditions, and trade and regulatory matters; and
- the ability to complete and integrate appropriate acquisitions, strategic alliances and joint ventures.

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THE COMPANY

As a result of the August 1, 2001 merger involving Kerr-McGee Operating Corporation (formerly named Kerr-McGee Corporation) and Kerr-McGee Rocky Mountain Corporation (formerly named HS Resources, Inc.), we are a holding company with two wholly owned subsidiaries, Kerr-McGee Operating Corporation and Kerr-McGee Rocky Mountain Corporation. We are the fourth largest independent, nonintegrated oil and gas exploration, development and production company based in the United States in terms of proved oil and gas reserves on a pro forma basis as of December 31, 2000. Proved reserves as of December 31, 2000 on a pro forma basis totaled 1.3 billion barrels of oil equivalent with 84% of these located in our core operating areas of the United States and the North Sea. We also conduct offshore oil and gas exploration and/or production activities in Algeria, Australia, Benin, Brazil, China, Gabon, the Gulf of Mexico, Morocco, North Sea and Thailand. We conduct onshore exploration and/or production operations in the United States, Ecuador, Indonesia, the United Kingdom, Kazakhstan and Yemen.

Our operations originated in 1929 with the formation of Anderson & Kerr Drilling Company. With oil and gas exploration, development and production as our base, we have expanded into titanium dioxide pigment manufacturing and marketing and into the mining and marketing of minerals. We own a large inventory of natural resources that includes oil and gas reserves and mineral deposits.

Our primary chemical product is titanium dioxide pigment, which is produced at six titanium dioxide plants located in Australia, Belgium, Germany, the Netherlands and the United States. In addition, our chemical operations produce and market inorganic industrial and specialty chemicals, heavy minerals and forest products. We produce and market other industrial chemicals including synthetic rutile, manganese products and sodium chlorate and specialty chemicals including boron trichloride and elemental boron. We produce the heavy minerals ilmenite, synthetic and natural rutile, zircon and leucosene. Our forest products operations treat railroad crossties and other hardwood products and provide wood treating services.

Our executive offices are located at Kerr-McGee Center, Oklahoma City, Oklahoma 73125.

USE OF PROCEEDS

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We will use the proceeds we receive from selling these Offered Securities for acquisitions or for other general corporate purposes. General corporate purposes may include capital expenditures, payment of debt, or any other purposes that may be stated in the supplements. The proceeds may be invested temporarily until they are used for their stated purpose.

RATIO OF EARNINGS TO FIXED CHARGES AND RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDEND REQUIREMENTS

The ratio of earnings to fixed charges for each of the periods indicated is as follows:

YEARS ENDED DECEMBER 31, (1)					SIX MONTHS ENDED JUNE 30, (1)	
1996	1997	1998	1999	2000	2000	2001
4.1	3.9	N/A(2)	2.2	6.8	4.8	9.2

(1) At no time during the periods indicated has Kerr-McGee Operating Corporation had any preferred stock outstanding. Therefore, unless otherwise indicated, ratio of earnings to combined fixed charges and preferred dividend requirements will be the same.

(2) Earnings were inadequate to cover fixed charges by \$548 million for the year ended December 31, 1998.

For purposes of computing the ratios, the earnings calculation is: income from continuing operations + income taxes + fixed charges - capitalized interest. Fixed charges calculation is: all interest + interest factor of rental expense.

DESCRIPTION OF DEBT SECURITIES

The following description of the terms of the Debt Securities summarizes certain general terms that will apply to the Debt Securities. The description is not complete, and we refer you to the Indenture, a copy of which is an exhibit to the Registration Statement of which this prospectus is a part. For your reference, in several cases below we have noted the section in the Indenture that the paragraph summarizes. Capitalized items have the meanings assigned to them in the Indenture. The referenced sections of the Indenture and the definitions of capitalized terms are incorporated by reference in the following summary.

We may issue Debt Securities either separately, or together with, upon conversion of or in exchange for other securities. The Debt Securities will be issued under an Indenture between Kerr-McGee and Citibank, N.A., as Trustee. This summary of the Indenture is qualified by reference to the Indenture. You should refer to the Indenture in addition to reading this summary. The summary is not complete and is subject to the specific terms of the Indenture.

GENERAL

Under the Indenture, we can issue an unlimited amount of Debt Securities.

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Each time that we issue a new series of Debt Securities, the supplement to the prospectus relating to that new series will specify the terms of those Debt Securities, including:

- Designation, amount and denominations;
- Percentage of principal amount at which Debt Securities will be issued;
- Maturity date;
- Interest rate and payment dates;
- Terms and conditions of exchanging or converting Debt Securities for other securities;
- Currency of issue;
- Redemption terms; and
- Whether the Debt Securities and/or any Guarantees will be senior, senior subordinated or subordinated.

Payments relating to the Debt Securities generally will be paid at Citibank's corporate trust office. However, we may elect to pay interest by mailing checks directly to the registered holders of the Debt Securities. You can transfer your Debt Securities at Citibank's corporate trust office.

RANKING

Unless otherwise described in the prospectus supplement for any series, the Debt Securities will be unsecured and will rank on a parity with all of our other unsecured and unsubordinated indebtedness.

We are a holding company and conduct substantially all of our operations through subsidiaries. Our right to participate as a shareholder in any distribution of assets of any subsidiary (and thus the ability of holders of the Debt Securities to benefit as creditors of the Company from such distribution) is junior to creditors of that subsidiary. As a result, claims of holders of the Debt Securities will generally have a junior position to claims of creditors of our subsidiaries, except to the extent that we may be recognized as a creditor of those subsidiaries or those subsidiaries guarantee the Debt Securities. Claims of creditors of our subsidiaries include substantial amounts of long-term debt.

We will issue the Debt Securities in registered form without coupons, which Debt Securities may be in the form of a global security (see Description of Debt Securities -- Global Securities). You can transfer or exchange your Debt Securities without a service charge, but we may require advance payment of any tax or other governmental transfer or exchange charge.

REOPENING OF ISSUE

We may, from time to time, reopen an issue of Debt Securities without the consent of the holders of the Debt Securities and issue additional Debt Securities with the same terms (including maturity and interest payment terms) as Debt Securities issued on an earlier date. After such additional Debt Securities are issued they will be fungible with the previously issued Debt Securities to the extent specified in the applicable prospectus supplement.

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DEBT GUARANTEES

Kerr-McGee Operating Corporation and/or Kerr-McGee Rocky Mountain Corporation may guarantee the payment of principal, premium, if any, and interest, if any, on the Debt Securities and the payment of mandatory sinking fund payments, if any. (Section 14.01)

DEFINITIONS

The covenants in the Indenture, which we summarize below, use the following terms:

- **Subsidiary:** A corporation of which we own a majority of the voting stock either directly or indirectly. (Section 1.01)
- **Restricted Subsidiary:** Any subsidiary which we designate as a Restricted Subsidiary or which owns or leases any Principal Property (see the next definition). The term does not include a subsidiary if its principal business is leasing assets, financing the sale of products or holding the securities of other subsidiaries. (Section 1.01)
- **Principal Property:** Any U.S. mineral property owned by the Company or any Restricted Subsidiary capable of producing in paying quantities and any manufacturing plant owned by the Company or any Restricted Subsidiary in the U.S. (including the land and fixtures), unless our board of directors determines that the property or plant is not material to our total business. The term does not include any facility acquired to control or abate air, water, noise, odor, or other pollution, or facilities financed through industrial revenue bonds or similar financing. (Section 1.01)
- **Consolidated Net Tangible Assets:** The total amount of assets on our consolidated balance sheet and the balance sheets of our Restricted Subsidiaries, less any reserves and after deducting: (1) current liabilities and (2) goodwill, trade names, trademarks, patents, unamortized debt discount and expense and other like intangibles. (Section 1.01)
- **Funded Debt:** Money borrowed or debt evidenced by bonds or debentures, or similar instruments or agreements having a maturity of more than one year (or less than one year but which is renewable after that year at the borrower's option). (Section 1.01)
- **Debt:** Notes, bonds, debentures or other similar evidences of indebtedness. (Section 10.08)
- **Mortgage:** A pledge, mortgage or other lien securing a debt. (Section 10.08)

CERTAIN COVENANTS

The Indenture includes the following covenants. These covenants use certain terms that are defined above. The covenants for a series of Debt Securities may differ from those described below. If they do, this will be described in the supplement to this prospectus relating to that series.

Restrictions on Secured Debt

After the date of the Indenture, if we or any of our Restricted Subsidiaries incur or guarantee a debt secured by either a mortgage on any of our Principal Property or on a Restricted Subsidiary's stock or debt, we will secure the Debt Securities on the same basis, unless the amount of the new debt plus the value of all sale

and leaseback transactions involving Principal Properties would not exceed 5% of Consolidated Net Tangible Assets. The restrictions do not apply to debt secured by the following:

- Mortgages on our property or the property of a Restricted Subsidiary, which existed on the date of the Indenture.
- Mortgages on the property, stock or debt of a corporation that existed when the corporation became a Restricted Subsidiary.
- Mortgages on the property of a Restricted Subsidiary, which only secures indebtedness owed by the Subsidiary to another Restricted Subsidiary or us.
- Mortgages in favor of governmental bodies to secure progress, advance or other payments.
- Mortgages on acquired property, stock or debt which existed at the time of the acquisition (including acquisition through merger or consolidation) and certain purchase money and construction mortgages.
- Mortgages on our property or the property of a Restricted Subsidiary to secure payment of the costs of operations, increase the production and disposition of minerals from the property or indebtedness incurred to provide funds for such purposes.
- Any extension, renewal or refunding of the foregoing.

The debt listed above will be excluded when computing our secured debt.

The restrictions will not apply to sale and leaseback transactions if the proceeds are applied to the retirement of Funded Debt. Secured debt will not be deemed to be created by the transfer of an interest in property in the form commonly referred to as a "production payment". (Sections 10.08 and 10.09)

Restrictions on Sales and Leasebacks

We may not enter into any sale and leaseback transaction involving any Principal Property after the date of the Indenture unless:

- The sale or transfer occurs within 120 days after construction is complete and the Principal Property is fully operational.
- We could mortgage the property under Section 10.08 of the Indenture for an amount equal to the proceeds of the sale and leaseback transaction without securing the Debt Securities on the same basis.
- We use an amount equal to the market value of the Principal Property being leased to retire Funded Debt within 120 days. This restriction will not apply to any sale and leaseback transaction between us (or a Restricted Subsidiary) and a Restricted Subsidiary, or involving the taking back of a lease for a period of less than three years. (Section 10.09)

Merger and Consolidation

The Indenture generally permits a consolidation or merger between Kerr-McGee and another corporation. It also permits the sale by Kerr-McGee of

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all or substantially all of our property and assets. If this happens, the resulting or acquiring corporation will assume all of our responsibilities and liabilities under the Indenture. If the resulting or acquiring corporation has outstanding Debt secured by a Mortgage on any Principal Property, or shares of stock of a Restricted Subsidiary, the Debt Securities will be equally and ratably secured with (or prior to) the Debt secured by such Mortgage. This restriction will not apply if the Mortgage could be created pursuant to Section 10.08 of the Indenture (see "Restrictions on Secured Debt" above) without equally and ratably securing the Debt Securities. (Section 8.03)

MODIFICATION

Generally, our rights and obligations and the holders' rights may be modified if the holders of a majority of the outstanding Debt Securities consent. However, no modification or amendment may occur without the

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consent of the affected holder of the Debt Security if that modification or amendment would do any of the following:

- Change the stated maturity date of the principal of, or any installment of interest on, any of the holder's Debt Security.
- Reduce the principal amount of, or the interest (or premium, if any) on, the Debt Security (including in the case of a discounted Debt Security, the amount payable upon acceleration of maturity or provable in bankruptcy).
- Change the currency of payment of the Debt Security.
- Impair the right to institute suit for the enforcement of any payment on the Debt Security or adversely affect the right of repayment, if any, at the option of the holder.
- Reduce the percentage of holders of Debt Securities necessary to modify or amend the Indenture.

A modification which changes a covenant or provision expressly included solely for the benefit of holders of one or more particular series will not affect the rights of holders of Debt Securities of any other series. (Section 9.02)

Kerr-McGee or Citibank may make modifications without the consent of the Debt Securities holders in order to do the following: (Section 9.01)

- Evidence that another corporation has succeeded to Kerr-McGee and assumed our obligations.
- Convey security for the Debt Securities to Citibank.
- Add covenants, restrictions or conditions for the protection of the Debt Security holders.
- Provide for the issuance of Debt Securities in coupon or fully registered form.
- Establish the form or terms of Debt Securities of any series.
- Cure any ambiguity or correct any defect in the Indenture which does not adversely affect the interests of a holder.

- Evidence the appointment of a successor trustee or more than one trustee.

EVENTS OF DEFAULT

In the Indenture, an Event of Default means any one of the following:

- Failure to pay interest on a Debt Security for 30 days;
- Failure to pay principal and premium, if any, when due;
- Failure to pay sinking fund installment when due;
- Failure by us or by a guarantor of the Debt Securities to perform any other covenant in the Indenture that continues for 60 days after receipt of notice;
- Certain events in bankruptcy, insolvency or reorganization; or
- A Guarantee ceasing to be in effect in accordance with its terms, or the denial by a guarantor of its obligations under a Guarantee.

An Event of Default relating to one series of Debt Securities does not necessarily constitute an Event of Default with respect to any other series issued under the Indenture. If an Event of Default exists with respect to a series of Debt Securities, Citibank or the holders of at least 25% of the outstanding Debt Securities of that series (or of all the outstanding Debt Securities in the case of defaults due to failure to perform a covenant in the Indenture or certain events in bankruptcy, insolvency, or reorganization) may declare the principal of that series (or of all outstanding Debt Securities, as the case may be) due and payable.

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Any Event of Default with respect to a particular series of Debt Securities may be waived by the holders of a majority of the outstanding Debt Securities of that series (or of all the outstanding Debt Securities as the case may be), except for a failure to pay principal, premium or interest on the Debt Security. (Sections 5.01, 5.02 and 5.08)

Citibank may withhold notice to the holders of the Debt Securities of any default (except in payment of principal, premium, interest or sinking fund payment) if Citibank thinks it is in the interest of the holders. (Section 6.02)

Subject to the specific duties that arise under the Indenture if an Event of Default exists, Citibank is not obligated to exercise any of its rights or powers under the Indenture at the request of the holders of the Debt Securities, unless they provide reasonable indemnity satisfactory to it (Sections 6.01 and 6.03). Generally, the holders of a majority of the outstanding Debt Securities can direct the proceeding for a remedy available to Citibank or for exercising any power conferred on Citibank as the trustee. (Section 5.08)

TRUSTEE'S RELATIONSHIP

Citibank has loaned us substantial amounts of money in the past and may continue to do so. Citibank serves as a depository for us and performs other services for us in the normal course of business. The Indenture provides that we will indemnify Citibank against any loss, liability or expense incurred that arises from the trust created by the Indenture unless the loss, liability or expense results from Citibank's negligence or willful misconduct. (Section 6.07)

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GLOBAL SECURITIES

We may issue some of the Debt Securities as Global Securities that will be deposited with a depository identified in a prospectus supplement. Global Securities may be issued in either registered or bearer form and may be either temporary or permanent. A prospectus supplement will contain additional information about depository arrangements.

Registered Global Securities will be registered in the depository's name or in the name of its nominee. When we issue a Global Security, the depository will credit that amount of Debt Securities to the investors that have accounts with the depository or its nominee. The underwriters or the Debt Security holders' agent will designate the accounts to be credited, unless the Debt Securities are offered and sold directly by Kerr-McGee, in which case, we will designate the appropriate account to be credited.

Investors who have accounts with a depository, and people who have an interest in those institutions, are the beneficial owners of Global Securities held by that particular depository.

Kerr-McGee will not maintain records regarding ownership or the transfer of Global Securities held by a depository or to nominee. If you are the beneficial owner of Global Securities held by a depository, you must get information directly from the depository.

As long as a depository is the registered owner of a Global Security, that depository will be considered the sole owner of the Debt Securities represented by that Global Security. Except as set forth below, beneficial owners of Global Securities held by a depository will not be entitled to:

- Register the represented Debt Securities in their names;
- Receive physical delivery of the Debt Securities; or
- Be considered the owners or holders of the Global Security under the Indenture.

Payments on Debt Securities registered in the name of a depository or its nominee will be made to the depository or its nominee. (Section 2.03)

When a depository receives a payment, it must immediately credit the accounts in amounts proportionate to the account holders' interests in the Global Security. The beneficial owners of a Global Security should, and are expected to, establish standing instructions and customary practices with their investor that has an account

with the depository, so that payments can be made with regard to securities beneficially held for them, much like securities held for the accounts of customers in bearer form or registered in "street name."

A Global Security can only be transferred in whole by the depository to a nominee of such depository, or to another nominee of a depository. If a depository is unwilling or unable to continue as a depository and we do not appoint a successor depository within ninety (90) days, we will issue Debt Securities in exchange for all of the Global Securities held by that depository. In addition, we may eliminate all Global Securities at any time and issue Debt Securities in exchange for them. Further, we may allow a depository to surrender a Global Security in exchange for Debt Securities on any terms that are acceptable to us and the depository. Finally, an interest in the Global Security

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is exchangeable for a definitive Debt Security if an event of default has occurred as described above under "Events of Default". (Section 3.07)

If any of these events occur, we will execute and Citibank will authenticate and deliver to the beneficial owners of the Global Security in question a new registered security in an amount equal to and in exchange for that person's beneficial interest in the exchanged Global Security. The depository will receive a new Global Security in an amount equal to the difference, if any, between the amount of the surrendered Global Security and the amount of Debt Securities delivered to the beneficial owners. Debt Securities issued in exchange for Global Securities will be registered in the same names and in the same denominations as indicated by the depository's records and in accordance with the instructions from its direct and indirect participants. (Section 3.07)

The laws of certain jurisdictions require some people who purchase securities to actually take physical possession of those securities. The limitations imposed by these laws may impair your ability to transfer your beneficial interests in a Global Security.

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DESCRIPTION OF PREFERRED STOCK

GENERAL

Our Certificate of Incorporation authorizes our Board of Directors or a committee of our Board of Directors to cause Preferred Stock to be issued in one or more series, without stockholder action. The Board of Directors is authorized to issue up to 40,000,000 shares of Preferred Stock, \$1 par value per share, and can determine the number of shares of each series, and the rights, preference and limitations of each series. We may amend the Charter to increase the number of authorized shares of preferred stock in a manner permitted by the Charter and the Delaware General Corporation Law.

The particular terms of any series of preferred stock being offered by us under this shelf registration will be described in the prospectus supplement relating to that series of Preferred Stock. Those terms may include:

- The number of shares of the series of Preferred Stock being offered;
- The title and liquidation preference per share of that series of the Preferred Stock;
- The purchase price of the Preferred Stock;
- The dividend rate (or method for determining such rates);
- The dates on which dividends will be paid;
- Whether dividends on that series of Preferred Stock will be cumulative or noncumulative and, if cumulative, the dates from which dividends shall commence to accumulate;
- Any redemption or sinking fund provisions applicable to that series of preferred stock;
- Any conversion or exchange provisions applicable to that series of preferred stock;
- Whether we have elected to offer Depositary Shares with respect to that

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series of preferred stock; and

- Any additional dividend, liquidation, redemption, sinking fund and other rights and restrictions applicable to that series of preferred stock.

If the terms of any series of Preferred Stock being offered differ from the terms set forth herein, those terms will also be disclosed in the prospectus supplement relating to that series of Preferred Stock. The following summary is not complete. You should refer to the Certificate of Designations relating to the series of the Preferred Stock for the complete terms of that Preferred Stock. That Certificate of Designations will be filed with the SEC promptly after the offering of the Preferred Stock.

The Preferred Stock will, when issued, be fully paid and nonassessable. Unless otherwise specified in the prospectus supplement, in the event we liquidate, dissolve or wind-up our business, each series of Preferred Stock will have the same rank as to dividends and distributions as each other series of the Preferred Stock we may issue in the future. The Preferred Stock will have no preemptive rights.

DIVIDEND RIGHTS

Holders of Preferred Stock of each series will be entitled to receive, when, as and if declared by the Board of Directors, cash dividends at the rates and on the dates set forth in the prospectus supplement. Dividend rates may be fixed or variable or both. Different series of Preferred Stock may be entitled to dividends at different dividend rates or based upon different methods of determination. Each dividend will be payable to the holders of record as they appear on our stock books on record dates determined by the Board of Directors. Dividends on any series of the Preferred Stock may be cumulative or noncumulative, as specified in the prospectus supplement. If the Board of Directors fails to declare a dividend on any series of Preferred Stock for which dividends are noncumulative, then the right to receive that dividend will be lost, and we will have no obligation to pay the dividend for that dividend period, whether or not dividends are declared for any future dividend period.

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No full dividends will be declared or paid on any series of Preferred Stock, unless full dividends for the dividend period commencing after the immediately preceding dividend payment date (and cumulative dividends still owing, if any) have been or contemporaneously are declared and paid on all other series of Preferred Stock that have the same rank as, or rank senior to, that Preferred Stock. When those dividends are not paid in full, dividends will be declared pro rata, so that the amount of dividends declared per share on that series of Preferred Stock and on each other series of preferred stock having the same rank as, or ranking senior to, that series of Preferred Stock will in all cases bear to each other the same ratio that accrued dividends per share on that series of Preferred Stock and the other preferred stock bear to each other. In addition, generally, unless full dividends, including cumulative dividends still owing, if any, on all outstanding shares of any series of Preferred Stock have been paid, no dividends will be declared or paid on the Common Stock and generally we may not redeem or purchase any Common Stock. No interest, or sum of money in lieu of interest, will be paid in connection with any dividend payment or payments which may be in arrears.

Unless otherwise described in the prospectus supplement, the amount of dividends payable for each dividend period will be computed by annualizing the applicable dividend rate and dividing by the number of dividend periods in a year, except that the amount of dividends payable for the initial dividend period or any period shorter than a full dividend period shall be computed on

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the basis of a 360-day year consisting of twelve 30-day months and, for any period less than a full month, the actual number of days elapsed in the period.

RIGHTS UPON LIQUIDATION

In the event we liquidate, dissolve or wind-up our affairs, either voluntarily or involuntarily, the holders of each series of Preferred Stock will be entitled to receive liquidating distributions in the amount set forth in the prospectus supplement relating to each series of Preferred Stock, plus an amount equal to accrued and unpaid dividends, if any, before any distribution of assets is made to the holders of Common Stock. If the amounts payable with respect to Preferred Stock of any series and any stock having the same rank as that series of Preferred Stock are not paid in full, the holders of Preferred Stock and of such other stock will share ratably in any such distribution of assets in proportion to the full respective preferential amounts to which they are entitled. After the holders of each series of Preferred Stock and any stock having the same rank as the Preferred Stock are paid in full, they will have no right or claim to any of our remaining assets. Neither the sale of all or substantially all our property or business nor a merger or consolidation by us with any other corporation will be considered a dissolution, liquidation or winding up by us of our business or affairs.

REDEMPTION

Any series of Preferred Stock may be redeemable, in whole or in part, at our option. In addition, any series of Preferred Stock may be subject to mandatory redemption pursuant to a sinking fund. The redemption provisions that may apply to a series of Preferred Stock, including the redemption dates and the redemption prices for that series, will be set forth in the prospectus supplement.

If a series of Preferred Stock is subject to mandatory redemption, the prospectus supplement will specify the year we can begin to redeem shares of the Preferred Stock, the number of shares of the Preferred Stock we can redeem each year, and the redemption price per share. We may pay the redemption price in cash, stock or in cash that we have received specifically from the sale of our capital stock, as specified in the prospectus supplement. If the redemption price is to be paid only from the proceeds of the sale of our capital stock, the terms of the series of Preferred Stock may also provide that, if no such capital stock is sold or if the amount of cash received is insufficient to pay in full the redemption price then due, the series of Preferred Stock will automatically be converted into shares of the applicable capital stock pursuant to conversion provisions specified in the prospectus supplement.

If fewer than all the outstanding shares of any series of Preferred Stock are to be redeemed, whether by mandatory or optional redemption, the Board of Directors will determine the method for selecting the shares to be redeemed, which may be by lot or pro rata or by any other method determined to be equitable. From and after the redemption date, dividends will cease to accrue on the shares of Preferred Stock called for

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redemption and all rights of the holders of those shares (except the right to receive the redemption price) will cease.

In the event that full dividends, including accrued but unpaid dividends, if any, have not been paid on any series of Preferred Stock, we may not redeem that series in part and we may not purchase or acquire any shares of that series of Preferred Stock, except by any offer made on the same terms to all holders of that series of Preferred Stock.

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VOTING RIGHTS

Except as indicated in the prospectus supplement, or except as expressly required by applicable law, the holders of Preferred Stock will not be entitled to vote.

DESCRIPTION OF COMMON STOCK

As of the date of this prospectus, we are authorized to issue up to 300,000,000 shares of Common Stock. As of June 30, 2001, we had 95,116,303 shares of Common Stock issued and outstanding.

The following summary is not complete. You should refer to the applicable provisions of the Charter, including the Certificates of Designations pursuant to which any outstanding series of Preferred Stock may be issued, and the Delaware General Corporation Law for a complete statement of the terms and rights of the Common Stock.

Dividends. Holders of Common Stock are entitled to receive dividends when, as and if declared by the Board of Directors, out of funds legally available for their payment (subject to the rights of holders of the preferred stock, if any).

Voting Rights. Each holder of Common Stock is entitled to one vote per share. Subject to the rights, if any, of the holder of any series of preferred stock pursuant to applicable law or the provision of the Certificate of Designations creating that series, all voting rights are vested in the holders of shares of Common Stock.

Rights Upon Liquidation. In the event of our voluntary or involuntary liquidation, dissolution or winding up, the holders of Common Stock will be entitled to share equally in any of our assets available for distribution after the payment in full of all debts and distributions and after the holders of all series of outstanding preferred stock, if any, have received their liquidation preferences in full.

Rights Agreement. We have adopted a Rights Agreement, which provides for the issuance of a right (which we refer to as a Kerr-McGee Right), to the holder of each of our shares of Common Stock. If anyone acquires 15% or more of our outstanding Common Stock (which we refer to as an Acquiring Person), each holder of the Kerr-McGee Right (other than the Acquiring Person) will be entitled to purchase additional shares of Common Stock (or, in certain cases, other of our securities, or cash or other property) having a current market value of two times the exercise price of \$215. Otherwise, prior to an Acquiring Person acquiring 50% or more of the outstanding Common Stock, we may elect to issue a share of Common Stock in exchange for each Kerr-McGee Right (other than Kerr-McGee Rights held by the Acquiring Person). In addition, if we are acquired in a merger or other business combination or 50% or more of our assets or earning power are sold, each holder of a Kerr-McGee Right will be entitled to buy, at the exercise price, common stock of the acquirer having a current market value of two times the exercise price. At any time before there is an Acquiring Person, we can redeem the Kerr-McGee Rights in whole, but not in part, for \$0.01 per each Kerr-McGee Right, or may amend the Rights Agreement in any way without the consent of the holders of the Kerr-McGee Rights.

Miscellaneous. The issued and outstanding shares of Common Stock are fully paid and nonassessable. Holders of shares of Common Stock are not entitled to preemptive rights or cumulative rights. Shares of Common Stock are not convertible into shares of any other class of capital stock.

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DESCRIPTION OF STOCK PURCHASE CONTRACTS AND STOCK PURCHASE UNITS

We may issue Stock Purchase Contracts representing contracts obligating holders to purchase from us and us to sell to the holders a specified number of shares of Common Stock or Preferred Stock at a future date or dates. The price per share of Common Stock or Preferred Stock may be fixed at the time the Stock Purchase Contracts are issued or may be determined by reference to a specific formula set forth in the Stock Purchase Contracts.

The Stock Purchase Contracts may be issued separately or as a part of units, often known as Stock Purchase Units, consisting of a Stock Purchase Contract and either

- Debt Securities, or
- debt obligations of third parties, including U.S. Treasury securities,

securing the holder's obligations to purchase the Common Stock or Preferred Stock under the Stock Purchase Contracts. The Stock Purchase Contracts may require us to make periodic payments to the holders of the Stock Purchase Units or vice versa, and such payments may be unsecured or prefunded on some basis. The Stock Purchase Contracts may require holders to secure their obligations in a specified manner and in certain circumstances we may deliver newly issued prepaid Stock Purchase Contracts, often known as prepaid securities, upon release to a holder of any collateral securing each holder's obligations under the original Stock Purchase Contract.

The applicable prospectus supplement will describe the terms of any Stock Purchase Contracts or Stock Purchase Units and, if applicable, prepaid securities. The description in the prospectus supplement will not contain all of the information that you may find useful. For more information, you should review the Stock Purchase Contracts, the collateral arrangements and depository arrangements, if applicable, relating to such Stock Purchase Contracts or Stock Purchase Units and, if applicable, the prepaid securities and the document pursuant to which the prepaid securities will be issued, which will be filed with the SEC promptly after the offering of such Stock Purchase Contracts or Stock Purchase Units and, if applicable, prepaid securities.

DESCRIPTION OF WARRANTS

We may issue Warrants for the purchase of Debt Securities, Preferred Stock or Common Stock. We may issue Warrants independently or together with other securities. Each series of Warrants will be issued under a separate Warrant Agreement to be entered into between us and a bank or trust company, as warrant agent. You should refer to the Warrant Agreement relating to the specific Warrants being offered for the complete terms of the Warrant Agreement and the Warrants.

Each Warrant will entitle the holder to purchase the principal amount of Debt Securities, or the number of shares of Preferred Stock, or Common Stock at the exercise price set forth in, or calculable as set forth in, the prospectus supplement. The exercise price may be subject to adjustment upon the occurrence of certain events, as set forth in the prospectus supplement. After the close of business on the expiration date of the Warrant, unexercised Warrants will become void. The place or places where, and the manner in which, Warrants may be exercised shall be specified in the prospectus supplement.

PLAN OF DISTRIBUTION

We may sell the Offered Securities through underwriters, dealers or agents, or we may sell directly to one or more purchasers including through a dividend

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reinvestment program. The prospectus supplement names any underwriters, states the purchase price and the proceeds received by us, any underwriting discounts and other items constituting underwriters' compensation, the initial public offering price, any discounts or concessions to dealers, and any securities exchanges on which the Offered Securities may be listed.

If underwriters are used in the sale, the Offered Securities will be acquired by the underwriters for their own account. The underwriters may resell the Offered Securities in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. The

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Offered Securities may be offered through an underwriting syndicate represented by many underwriters. The obligations of the underwriters to purchase the Offered Securities will be subject to certain conditions. The underwriters will be obligated to purchase all the Offered Securities if any are purchased. Any initial public offering price and any discounts or concessions allowed or reallocated or paid to dealers may be changed from time to time.

These Offered Securities may be sold directly by us or through agents. Any agent will be named, and any commissions payable to that agent will be set forth in the prospectus supplement. Unless otherwise indicated in the prospectus supplement, any agent will be acting on a best efforts basis.

We may authorize agents, underwriters or dealers to solicit offers by specified institutions to purchase Offered Securities pursuant to delayed delivery contracts providing for payment and delivery on a specified date in the future. These contracts will be subject only to those conditions set forth in the prospectus supplement. The prospectus supplement will set forth the commission payable for soliciting such contracts.

We may agree to indemnify underwriters, dealers or agents against certain civil liabilities, including liabilities under the Securities Act of 1933, and may also agree to contribute to payments which the underwriters, dealers or agents may be required to make.

LEGAL MATTERS

Simpson Thacher & Bartlett will issue an opinion about the legality of the securities for us. Any underwriters will be advised about issues relating to this offering by their own legal counsel.

EXPERTS

The audited financial statements and schedule of Kerr-McGee Operating Corporation (formerly named Kerr-McGee Corporation) incorporated by reference or included in Kerr-McGee Corporation's Annual Report on Form 10-K for the year ended December 31, 2000 have been incorporated by reference in this prospectus and elsewhere in the registration statement and have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their reports with respect thereto, and are included herein in reliance upon the authority of said firm as experts in giving said reports.

The audited financial statements of Kerr-McGee Rocky Mountain Corporation (formerly named HS Resources, Inc.) included in HS Resources, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2000 have been incorporated by reference in this prospectus and elsewhere in the registration statement and have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their report with respect thereto, and are included herein in reliance upon the authority of said firm as experts in giving said report.

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