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July 20, 2006

By E-mail

Mr. John Gilmour
Connelly Baker Maston Wotring Jackson LLP
700 Louisiana, Suite 1850
Houston, Texas 77002-2778

Re: Civil Action No. 2:06-00401-JCL-MF, *New Jersey Department of Environmental Protection, et al. v. Occidental Chemical Corporation, et al.*; in the United States District Court for the District of New Jersey, Newark Division

Dear John:

I thought yesterday's meeting was very productive.

Aside from the privilege log issues (which are being addressed in a separate letter to you), I believe that only the following matters remain unresolved:

- (1) The scope of the requests for e-mails and logistics involved in retrieving same; and
- (2) The scope of the time period to apply to the discovery requests.

We will be sending you authority that supports our view that the relevant inquiry for jurisdictional purposes is the time period in which the lawsuit was filed and, in no event, more than a reasonable time before then.

Additionally, we have agreed to determine whether, for the last several years, any Tierra or Maxus employees have also been employed by either Repsol YPF, or YPF, S.A. I have already begun that investigation this morning.

In an effort to see if we can reach agreement regarding the e-mail dispute, we plan to brainstorm with our client(s) to see if a more narrowly crafted request could be handled. As we stated in our meeting, we are open to any suggestions that Plaintiffs may have in this regard.

With respect to the redacted documents, you will advise us whether, after conferring with Bill and Mike, Plaintiffs determine an ongoing need for them. At that point, we would agree to produce

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them pursuant to a confidentiality agreement that severely restricts access to this confidential and proprietary information, which involves asset valuation of Maxus's oil and gas properties in the Gulf of Mexico.

It is my understanding that Plaintiffs will reserve their objections to the non-production of income tax returns until they have had an opportunity to review the Form 20Fs, and audited financial statements that accompany them, that have already been produced

I believe that we have identified all public filings/annual statements/web page information, etc. referenced in the non-resident Defendants' responses to Plaintiffs' document requests. We are investigating the ability to access historical 20Fs and will advise you accordingly.

Since neither Plaintiffs' discovery nor the non-resident Defendants' responses thereto are actually filed with the court, I am hopeful that you will accept this letter and the following in lieu of serving Plaintiffs with formal supplementations. If the following is not acceptable to you, please let me know.

The supplemental response to Interrogatory 9 is: Mr. Marc J. Gross, Mr. Jeff Sirot, Greenbaum, Rowe, Smith & Davis LLP, 6 Becker Farm Road, Roseland, New Jersey 07058-1735; phone number (973) 535-1600, local counsel for the non-resident Defendants, are their only agents, consultants, or third parties acting on their behalf in New Jersey.

Repsol's response to Plaintiffs' personal jurisdictional Request for Production of Documents No. 6 is hereby supplemented as follows: "Without waiving these objections, there are no financial transactions between Repsol and YPF, Maxus, Tierra, OCC, YPFH, or CLHH concerning New Jersey."

Repsol's response to Plaintiffs' personal jurisdictional Request for Production of Documents No. 8 is hereby supplemented as follows:

"After an extensive search, Repsol has no documents communicating with any representative in the New Jersey legislature and/or his/her staff."

Repsol withdraws its objection to the term "representative."

Repsol's response to Plaintiffs' personal jurisdictional Request for Production of Documents No. 9 is hereby supplemented as follows: "Subject to these objections, after an extensive search, Repsol

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does not have any documents specifically discussing whether any assets or liabilities of any of its indirect subsidiaries have an effect in New Jersey except as disclosed in the Form 20Fs."

CLHH and YPFH supplement their responses to Request for Production No. 9 as follows: "There are none."

If I have missed any of the issues that we discussed yesterday, please let me know.

Finally, we are investigating whether Mr. Locutura would be willing to submit a revised declaration with the language you have requested.

Please do not hesitate to call with any questions you may have concerning this letter.

Very truly yours,

Bracewell & Giuliani LLP



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IMB/lt



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cc: Mr. Bill Jackson
Mr. Michael Connelly
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