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NEW JERSEY DEPARTMENT OF	:
ENVIRONMENTAL PROTECTION, THE	: SUPERIOR COURT OF NEW JERSEY
COMMISSIONER OF THE NEW JERSEY	: LAW DIVISION -ESSEX COUNTY
DEPARTMENT OF ENVIRONMENTAL	:
PROTECTION AND THE ADMINISTRATOR	: DOCKET NO. ESX-L-9868-05 (PASR)
OF THE NEW JERSEY SPILL	:
COMPENSATION FUND,	:
	:
Plaintiffs,	: RESPONSES OF DEFENDANTS
	: MAXUS ENERGY CORPORATION
VS.	: AND TIERRA SOLUTIONS, INC.,
	: TO PLAINTIFFS' SECOND SET OF
OCCIDENTAL CHEMICAL CORPORATION,	: INTERROGATORIES
TIERRA SOLUTIONS, INC., MAXUS	:
ENERGY CORPORATION, REPSOL YPF,	:
S.A., YPF, S.A., YPF HOLDINGS, INC., AND	:
CLH HOLDINGS,	:
	:
Defendants.	

TO: John F. Dickinson, Jr., Deputy Attorney General Richard J. Hughes Justice Complex 25 Market Street P.O. Box 093 Trenton, NJ 08625-0093

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Attorneys for Plaintiffs

PLEASE TAKE NOTICE that, Maxus Energy Corporation ("Maxus") and Tierra

Solutions, Inc. ("Tierra") (collectively, "Maxus and Tierra"), by and through their undersigned

counsel, hereby respond to Plaintiffs' ("Plaintiffs") Second Set of Interrogatories pursuant to the

Rules of Court.

Dated: December 8, 2009

#### **DRINKER BIDDLE & REATH LLP**

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## **CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true and correct copy of the foregoing Responses Of Maxus Energy Corporation And Tierra Solutions, Inc., To Plaintiffs' Second Set Of Interrogatories was served electronically on all parties which have consented to such service by posting on www.sfile.com/njdepvocc on December 8, 2009. The following counsel of record was served on the same date by first class, regular mail:

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Churty Jenth

Vincent Gentile, Esq.

Dated: December 8, 2009

## RESPONSES TO PLAINTIFFS' SECOND SET OF INTERROGATORIES TO MAXUS ENERGY CORPORATION AND TIERRA SOLUTIONS, INC.

## **GENERAL OBJECTIONS**

A. Maxus and Tierra object to all instructions, definitions and interrogatories to the extent that they call for Maxus and Tierra to do more than is required under the rules of this Court.

B. Maxus and Tierra further object to the instructions and definitions accompanying Plaintiffs' interrogatories to the extent they are overly broad, not relevant, and not reasonably calculated to lead to the discovery of admissible evidence.

C. Maxus and Tierra object to each interrogatory to the extent that it calls for disclosure or publication of any information, communication, and/or document:

- (i) which is protected by any absolute or qualified privilege, including, but not limited to, the attorney-client privilege, the work product doctrine, the joint defense privilege and/or common interest doctrine, and the identity and work product of non-testifying experts, all of which Maxus and Tierra hereby assert;<sup>1</sup>
- (ii) which is not relevant to the subject matter of this litigation or not reasonably calculated to lead to the discovery of admissible evidence; or
- (iii) which is otherwise not subject to discovery pursuant to the New Jersey Rules of Court.

<sup>&</sup>lt;sup>1</sup> Many of Plaintiffs' interrogatories fall into this category. The fact that Maxus and Tierra provide nonprivileged documents in response to any interrogatory should not be construed as an acknowledgment by Maxus and Tierra that the interrogatory is proper or calls for anything other than privileged documents and information.

D. Maxus and Tierra object to Plaintiffs' instructions, definitions, and interrogatories to the extent the Plaintiffs request Maxus and Tierra to provide responses to subjects beyond the knowledge and information in their possession or control.

E. Maxus and Tierra object to Plaintiffs' definitions of the terms "Affiliate" and "Subsidiary" because, as defined, these terms are overly broad and unduly burdensome to the extent that they seek to capture information about subsidiaries that are plainly irrelevant to the subject matter of this case.

F. Maxus and Tierra object to Plaintiffs' definition of "Environmental Liabilities" to the extent it seeks to include information about liabilities that are not relevant to the subject matter of this case, and because it misleadingly suggests that private contractual obligations relating in some way to an environmental condition (such as the alleged indemnities in this case) are on the same footing as "Environmental Liabilities" arising from direct violation of an environmental statute.

G. Maxus and Tierra object to Plaintiffs' definitions of "Asset," "Asset Transfer," and "Transfers of Value" on the grounds that, as defined, these terms are overly broad and unduly burdensome and, among other problems, lists companies and assets that have never been "transferred" at all and for which there is no allegation of impropriety in Plaintiffs' complaint.

H. Many of Plaintiffs' interrogatories discuss "obligations" and "liabilities" of one or more companies. Nothing in Maxus's and Tierra's Responses is intended to suggest any sort of acknowledgment that any such "obligations" or "liabilities" actually exist.

I. Maxus's and Tierra's investigation in this matter is continuing. Accordingly, Maxus and Tierra reserve the right to supplement, clarify, and revise these responses to the extent additional information becomes available or is obtained through discovery. Further,

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Maxus and Tierra reserve the right to amend these responses to the extent the claims brought by or alleged against Maxus and Tierra in this litigation are amended.

J. Maxus and Tierra expressly asserts the foregoing objections to each and every request made below and specifically incorporates the general objections enumerated above to each and every response made below as though they were stated in full.

## **RESPONSES TO INTERROGATORIES**

**Interrogatory No. 1:** Identify the date and contents of each Tort Claims Act notice You provided to NJDEP and/or NJDOL which raise the allegations set forth in the Maxus and Tierra Counterclaim.

## **RESPONSE:**

Maxus and Tierra object to this interrogatory to the extent it wrongly assumes that providing the described notice was a prerequisite to the assertion of any causes of action by Maxus and Tierra in this lawsuit. Subject to and without waiving or limiting this objection and their General Objections above, Maxus and Tierra respond that they did not provide any "Tort Claims Act notice" to NJDEP and/or NJDOL.

**Interrogatory No. 2:** For each year that products were produced or processed at the Lister Site after 1940 (specifically Including dichlorodiphenyltrichloroethane ("DDT"), 2,4-dichlorophenoxyacetic acid ("2,4-D"), 2,4,5-trichlorophenoxyacetic acid ("2,4,5-T") and Agent Orange), Identify the annual volume of product produced or processed, costs of producing or processing such products, income derived by the sale of such products, and profits realized by each of the Defendants and/or Occidental Chemical Company.

#### **RESPONSE:**

Maxus and Tierra have never produced or processed any products at the Lister Site, and thus have never incurred any costs, or derived or any income or profits, as a result of the production or processing of any products at the Lister Site.

Maxus and Tierra are producing, on a rolling basis, documents responsive to Plaintiffs' Request for Production of Documents, which production will include any historic business records that it may possess or control that contain information concerning the production or processing of products by other entities at 80 Lister Avenue. Upon production of any such records, they will be specifically identified pursuant to Rule 4:17-4(d), and the burden of deriving or ascertaining an answer or partial answer to this interrogatory from those records will be substantially the same for Plaintiffs as for Maxus or Tierra. Otherwise, Maxus and Tierra respond that discovery is ongoing and they will supplement their response to this interrogatory as additional responsive information is located and/or obtained.

**Interrogatory No. 3:** Do you contend that You or any of the other Defendants has been released from liability for any matters alleged in Plaintiffs' Second Amended Complaint? If Your answer is anything other than an unequivocal "No," Identify each settlement agreement, memorandum of agreement or understanding, administrative order on consent, consent order or decree or other Document or agreement which You contend releases any of the Defendants from liability for the Passaic River or Newark Bay Complex or limits the amount of cleanup and removal costs or other damages that can be recovered from any of the Defendants in this Litigation.

#### **RESPONSE:**

Although, strictly speaking, it may not be termed a "release," Maxus and Tierra contend that the longstanding history of the Lister Site, the Passaic River and Newark Bay—as well as prior admissions, representations and conduct of all concerned—permit Maxus and Tierra to invoke the doctrines of waiver and estoppel to prevent the Plaintiffs (or Occidental Chemical Corporation ("Occidental")) from contending (roughly a quarter century after the opportunity to make such assertions first arose) either (a) that Maxus, not Occidental, is the "true" successor of any Diamond Alkali/DSC-I/DSCC liabilities associated with the Lister Site, or (b) that Maxus or Tierra are otherwise "dischargers" or persons "in any way responsible" for any alleged discharges from the Lister Site into the Passaic River or any other part of the Newark Bay Complex. Any such assertions are contradicted by the fact that, since 1983 (when the Lister Site first came under scrutiny for dioxin), Occidental is the only entity that has been named by regulators in a series of Administrative Orders on Consent (AOCs) and a Judicial Consent Decree as having direct responsibility for investigating and/or remediating the Lister Site, the Passaic River or Newark Bay, because it has always been understood that Occidental is the successor of the operating company previously known as Diamond Alkali, DSC-I and Diamond

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Shamrock Chemicals Company ("DSCC"), and that the sole role of Maxus and Tierra has been to conduct and/or otherwise facilitate environmental response actions.<sup>2</sup>

Similarly, Maxus and Tierra specifically preserve—for a motion for reconsideration or appeal—their argument that, with the sole exception of claims to recover cleanup and removal costs under the New Jersey Spill Compensation and Control Act, N.J.S.A. 58:10-23.11 *et seq.* (the "Spill Act"), all defendants have functionally been released from any alleged liability on Plaintiffs' other alleged claims because all such claims are time-barred by the applicable statute of limitations or other equitable doctrines.

In addition, Maxus and Tierra specifically preserve—for a motion for reconsideration, for a motion for summary judgment after further discovery and/or better illumination of the contours of Plaintiffs' claims, and/or for appeal—their argument that the Administrative Orders on Consent identified below, and/or other proceedings being conducted by the USEPA and the federal natural resource trustees pursuant to the Comprehensive Environmental Response Compensation and Control Act, 42 U.S.C. § 9601, *et seq.* ("CERCLA"), pre-empt Plaintiffs' claims and, thereby, functionally release all defendants from liability on part or all of Plaintiffs' claims in this Litigation.

1. Administrative Order on Consent, Index No. II-CERCLA-0117 (1994);

2. Agreement with USEPA, CERCLA Docket No. 02-2004-2011 (2004);

3. Administrative Order on Consent for Remedial Investigation and Feasibility Study, Index No. CERCLA-02-2004-2010 (2004);

<sup>&</sup>lt;sup>2</sup> Both Occidental and Tierra signed a 1990 Judicial Consent Decree governing the design and construction of a remedy for the Lister Site itself, but Tierra's sole responsibility under that Decree was to provide Occidental access to the Lister Site properties, to which Tierra held title. Similarly, although Occidental and Tierra are both signatories to a 2008 AOC (pursuant to which 200,000 cubic yards of sediment will be removed from the Passaic River), Tierra's only direct obligation under that Order is also limited to providing access to its property.

4. Administrative Settlement Agreement and Order on Consent for Remedial Investigation/Feasibility Study, CERCLA Docket No. 02-2007-2009 (2007);

5. Administrative Settlement Agreement and Order on Consent for Removal Action, CERCLA Docket No. 02-2008-2020 (2008); and

6. Interim Cooperative Assessment Funding Agreement for the Diamond Alkali Superfund Site, New Jersey (11/2008).

Finally, several of the aforementioned Administrative Orders on Consent and/or

Agreements with the USEPA contain covenants not to sue Occidental for certain matters relating

to the Passaic River and Newark Bay. Given the continuing ambiguity and lack of definition in

the scope of Plaintiffs' claims in this lawsuit, Maxus and Tierra have not ruled out that one or

more of those provisions may bar all or part of the Plaintiffs' claims in this Litigation.

**Interrogatory No. 4:** Please Identify all sources (other than the Lister Site) of dioxins, DDT and polychlorinated biphenyls ("PCBs") to the Newark Bay Complex, Including the location of each source, the company or Person responsible for the source and the circumstances surrounding the discharge of Hazardous Substances from the source.

## **RESPONSE:**

Alternative sources of dioxins, DDT and polychlorinated biphenyls ("PCBs") to the

Newark Bay Complex are potentially great in number. To date, Maxus and Tierra have

identified the following principal alternative sources of dioxin:

Site	Water body	Responsible persons
Givaudan Site	Passaic	Givaudan Fragrances Corporation
125 Delawanna Avenue,		
Clifton		
Bayonne Barrel and Drum	Passaic	Multiple parties. See Third Party
Site 150-154 Raymond		Complaint "B," ¶¶ 3087-3229
Boulevard		
Newark		
Central Steel Drum Site	Newark	Multiple parties. See Third Party
704-738 Doremus Avenue	Bay	Complaint "B," ¶¶ 3288-3400
Newark		
Montrose Site	Passaic	News America, Inc.

Site	Water body	Responsible persons
100 Lister Avenue		News Publishing Australia Ltd.
Newark		
PPG Site	Passaic	Chemical Compounds, Inc.
29 Riverside Avenue		PPG Industries, Inc.
Newark		
Marcal Paper Mills Site	Passaic	Marcal Paper Mills, Inc.
1 Market Street,		_
Elmwood Park		
GAF Chemicals Site	Arthur Kill	G-I Holdings, Inc.
Foot of South Wood Avenue		International Specialty Products, Inc.
(also described as 4000 Grasselli		
Road)		
Linden		
American Ref-Fuel Site	Passaic	Covanta Essex Company
66 Blanchard Street		Port Authority of New York and New
Newark		Jersey

Other sources of dioxin include: the PVSC System (the responsive details of which are recited in *Third Party Complaint A*, ¶¶ 744–825); the Newark Seaport Site (the responsive details of which are recited in *Third Party Complaint A*, ¶¶ 984–1001); the Airwick Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 295-310); the Alliance Chemical, Inc. Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 295-310); the Alliance Chemical, Inc. Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 370-386); the Apex Chemical Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 439-474); the Biocraft Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 644-659); the Chemical Leaman Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 713-729); the Crompton Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 869-901); the Dundee Canal Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 1026-1034); the Hilton Davis Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 1601-1614); the Innospec Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 1601-

**1660-1670**); the Karlshamns Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 1692-1713); the Koppers Seaboard Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 1730-1752); the Merck Rahway Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 1862-1880); the Newark Boxboard Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 1989-2000); the Prentiss Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 2228-2254); the Public Service Electric and Gas Company Front Street Site (the responsive details of which are recited in *Third Party Complaint B*, ¶ 2371-2383); the Reichhold Elizabeth Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 2528-2543); The W.A.S. Terminals Site (the responsive details of which are recited in *Third Party Complaint B*, ¶ 2632-2642); the Universal Oil Products Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 2885-2913); the Whippany Paper Board Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 2971-2994); the Borne Chemical Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 3230-3287); The Newark Terminal (the responsive details of which are in *Third Party Complaint C*, ¶¶ 26–43); and The Warner Plant (the responsive details of which are in *Third Party Complaint C*, ¶¶ 63-80).

Site	Water body	<b>RESPONSIBLE PERSONS</b>
Du Pont Grasselli Site	Arthur Kill	E.I. du Pont de Nemours and Company
216 Paterson Plank,		
Linden		
Montrose Site	Passaic	News America, Inc.
100 Lister Avenue		News Publishing Australia Ltd.
Newark		
Prentiss Site	Pierson's	Prentiss Incorporated
338 Wilson Avenue	Creek/Newark Bay	
Newark		
PPG Site	Passaic	Chemical Compounds, Inc.
29 Riverside Avenue		PPG Industries, Inc.

Principal alternative sources of DDT to the Newark Bay Complex include:

Site	Water body	<b>RESPONSIBLE PERSONS</b>
Newark		
Sherwin Williams Site	Passaic	The Sherwin Williams Company
60 Lister Avenue,		
Newark		
GAF Chemicals Site	Arthur Kill	G-I Holdings, Inc.
Foot of South Wood		International Specialty Products, Inc.
Avenue, also described as		
4000 Grasselli Road,		
Linden		

Other potential sources of DDT include: the State of New Jersey and the New Jersey Department of Agriculture Mosquito and Pest Control Practices (the responsive details of which are recited in *Third Party Complaint A*, ¶¶ 932–947); The Keegan Landfill Site (the responsive details of which are recited in Third Party Complaint A, ¶¶ 1067–1085); The MSLA 1-D Landfill Site (the responsive details of which are recited in *Third Party Complaint A*, ¶ 1086– 1122); the Avenue P Landfill Site (the responsive details of which are recited in *Third Party Complaint A*, ¶¶ 1123-1147)the BASF Kearny Site (the responsive details of which are recited in Third Party Complaint B, ¶¶ 586-605); the Chemical Leaman Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 713-729); the Conrail Elizabeth Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 809-832); the Croda Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 856-868); the Du Pont Grasselli Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 1035-1079); the Exxon Bayonne Site (the responsive details of which are recited in *Third Party Complaint B*, ¶ 1221-1241); the Geigy Site (the responsive details of which are recited in *Third* Party Complaint B, ¶¶ 1337-1355); the Honeywell Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 1554-1571); the Koppers Seaboard Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 1730-1752); the Merck Rahway Site

(the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 1862-1880); the Merck Landfill Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 1881-1888); the Montrose Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 1906-1929); the Pharma Chemical Plant 1 Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 2168-2187); the Prentiss Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 2228-2254); The Sherwin Williams Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 2643-2650); the Troy Chemical Corporation, Inc. Site (the responsive details of which are recited in *Third Party Complaint B*, ¶ 2872-2884); the Universal Oil Products Site (the responsive details of which are recited in *Third Party Complaint B*, ¶ 2885-2913); the Avenue P Landfill Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 3033-3086); The Bayonne Barrel and Drum Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 3087-3229); the Central Steel Drum Site (the responsive details of which are recited in *Third Party Complaint B*, ¶ 3288-3400); the Ottillio Landfill Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 3401-3445); The Newark Terminal (the responsive details of which are in *Third Party Complaint C*, ¶¶ 26–43); The Warner Plant (the responsive details of which are in *Third Party Complaint C*, ¶¶ 63-80); the Keegan Landfill (MSLA 1B) Site (the responsive details of which are recited in *Third Party Complaint D*, ¶¶ 45-55); the MSLA 1D Landfill Site (the responsive details of which are recited in *Third Party Complaint D*, ¶¶ 56-74).

**PCBs** Multiple sites have contributed PCBs to the Newark Bay Complex, including

Site	Water body	<b>RESPONSIBLE PERSONS</b>
BASF Hawthorne Site 150 Wagaraw Road, Hawthorne	Passaic	BASF Corporation

Site	Water body	<b>RESPONSIBLE PERSONS</b>
Hexcel Site	Passaic	Hexcel Corporation
205 Main Street,		Fine Organics Corporation
Lodi		
Bayonne Barrel & Drum	Passaic	Multiple parties. See Third Party
Site		Complaint "B," ¶¶ 3087-3229
150-154 Raymond		
Boulevard		
Newark		
Public Service Electric	Passaic	Public Service Electric and Gas
and Gas Company City		Company
Dock Street Site		
Coal Street		
Central Steel Drum Site	Newark Bay	Multiple parties. See Third Party
704-738 Doremus		Complaint "B," ¶¶ 3288-3400
Avenue		
Newark		
Crompton Site	Passaic/Newark Bay	Chemtura Corporation
52 Amsterdam Street,		
Newark		

Other potential sources of PCBs include: the Jersey City System (the responsive details of which are recited in *Third Party Complaint A*, ¶ 360–420); the Newark System (the responsive details of which are recited in *Third Party Complaint A*, ¶ 433–507); the Joint Meeting System (the responsive details of which are recited in *Third Party Complaint A*, ¶ 522–734); the PVSC System (the responsive details of which are recited in *Third Party Complaint A*, ¶ 522–734); the PVSC System (the responsive details of which are recited in *Third Party Complaint A*, ¶ 744–825); the Newark Airport Site (the responsive details of which are recited in *Third Party Complaint A*, ¶ 953–983); the Newark Seaport Site (the responsive details of which are recited in *Third Party Complaint A*, ¶ 984–1001); The Keegan Landfill Site (the responsive details of which are recited in *Third Party Complaint A*, ¶ 1067–1085); the Allied Signal Site (the responsive details of which are recited in *Third Party Complaint A*, ¶ 495-515); the Automatic Electroplating Site (the responsive details of which are recited in *Third Party Complaint B*, ¶ 495-515); the Automatic Electroplating Site (the responsive details of which are recited in *Third Party Complaint B*, ¶ 495-515); the Automatic Electroplating Site (the responsive details of which are recited in *Third Party Complaint B*, ¶ 528-541; the Campbell Foundry Site Properties (the responsive details of

which are recited in *Third Party Complaint B*, ¶¶ 673-689); the Chemical Learnan Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 713-729): the Conrail Elizabeth Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 809-832); the Crompton Site (the responsive details of which are recited in *Third Party Complaint B*, **[**¶ 869-901); the Crucible Steel Site (the responsive details of which are recited in *Third Party Complaint B*, ¶ 902-939); the Curtiss-Wright Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 948-979); the Drew Chemical Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 1005-1025); the Dundee Canal Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 1026-1034); the Du Pont Grasselli Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 1035-1079); the Electric Boat Company Site (the responsive details of which are recited in *Third Party Complaint B*, [[] 1089-1112): the Engelhard Site (the responsive details of which are recited in Third Party Complaint B, ¶¶ 1174-1205); the Essex Chemical Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 1206-1223); the Exxon Bayonne Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 1224-1241); the Garfield Molding Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 1311-1336); the General Cable Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 1375-1400); the Hartz Mountain Site (the responsive details of which are recited in Third Party Complaint B, ¶¶ 1445-1466); the Hilton Davis Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 1497-1534); the Hoffmann-La Roche Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 1535-1553); the Honeywell Site (the responsive details of which are recited in Third Party Complaint B, ¶¶ 1554-1571); the Industrial Petrochemicals Site (the responsive details of which are recited in *Third* 

Party Complaint B, II 1630-1659); the Karlshamns Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 1692-1713); the Kearny Smelting & Refining Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 1714-1729); the Koppers Seaboard Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 1730-1752); the Lucent Site (the responsive details of which are recited in *Third Party Complaint B*, (1767-1806); the Merck Rahway Site (the responsive details of which are recited in *Third* Party Complaint B, ¶¶ 1862-1880); the Merck Landfill (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 1881-1888); the Monsanto Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 1889-1965); the Purdue Pharma Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 1946-1965); the Naporano Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 1966-1982); the Newark Boxboard Site (the responsive details of which are recited in *Third Party Complaint B*, [[] 1989-2000); the New Jersey Transit Site (the responsive details of which are recited in *Third* Party Complaint B, ¶ 2001-2056); the Norpak Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 2057-2072); the Phelps Dodge Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶2255-2283); the Public Service Electric and Gas Company Coal Street Site (the responsive details of which are recited in *Third Party Complaint* B, [[] 2343-2350); the Public Service Electric and Gas Company West End Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 2458-2476); the Reichhold Albert Avenue Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 2490-2502); the Seton Company Site (the responsive details of which are recited in *Third Party* Complaint B, ¶¶ 2587-2605): the Spectraserv Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 2651-2692); the Singer Site (the responsive details of which are

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recited in *Third Party Complaint B*, ¶¶ 2711-2743); the Sonneborn Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 2744-2771); The Stanley Works Site (the responsive details of which are recited in *Third Party Complaint B*, ¶ 2788-2797); the Sun Chemical Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 2798-2819); the Universal Oil Products Site (the responsive details of which are recited in *Third Party Complaint B*, ¶ 2885-2913); the Van Dyk Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 2914-2934); the Wiggins Plastics Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 2995-3007); the Witco Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 3008-3024); the Borne Chemical Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 3230-3287); the Ottilio Landfill Site (the responsive details of which are recited in *Third Party Complaint B*, ¶¶ 3401-3445); the Newark Terminal (the responsive details of which are recited in *Third Party Complaint C*, ¶¶ 26–43); the Hyatt Harrison Plant (the responsive details of which are recited in *Third Party Complaint C*,  $\P 44-62$ ; the Vulcan Plant (the responsive details of which are in *Third Party Complaint C*, ¶¶ 107–120); the American Cyanamid Site (the responsive details of which are recited in *Third Party Complaint D*, ¶¶ 37-41); the Keegan Landfill (MSLA 1B) Site (the responsive details of which are recited in *Third Party Complaint D*, ¶¶ 50-55); the McKesson Corporation Site (the responsive details of which are recited in *Third Party Complaint D*, ¶¶ 82-85).

In further response to this interrogatory, and pursuant to R. 4:17-4(d), Maxus and Tierra refer to the "nexus packages" that have been and will continue to be produced under Case Management Order V, paragraph 8(e) for further information that is responsive to this interrogatory.

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Finally, Maxus and Tierra state that third party discovery has not yet begun in this case.

Maxus and Tierra expressly reserve their right to supplement their response to this interrogatory

with additional information from third party discovery, as well as information that may be

produced by Plaintiffs in discovery.

**Interrogatory No. 5:** For You and each of Your Affiliates involved in each Asset Transfer, Identify the details of each such transaction, Including all officers and directors at the time of the approval and at the time of completion of each Asset Transfer (for each such officer and director, also Identify each Affiliate for which such officer or director also served as a director or officer and the applicable time period for each such position and each Affiliate such officer or director was employed by (in any capacity other than as an officer or director) and the applicable time period for each such position), the specific bank and brokerage accounts involved in each Asset Transfer and which entities or Affiliates owned such accounts, the accounting treatment of each Asset Transfer Including the amount of the recorded gain or loss, and the use of the funds or capital obtained through the transfer Including whether the funds were transferred to an Affiliate via a dividend, loan, distribution, or any other method.

#### **RESPONSE:**

Maxus and Tierra object that the phrase "Asset Transfer" is overly broad and unduly burdensome and, among other problems, lists companies and assets that have never been "transferred" at all and for which there is no allegation of impropriety in Plaintiffs' Second Amended Complaint. Maxus and Tierra also object to the use of the defined term "Identify," which Plaintiffs have defined to refer to persons or documents, as being vague and ambiguous when applied to terms such as the "details of each such transaction." Maxus and Tierra also object to the request for "specific bank and brokerage accounts" as irrelevant and not reasonably calculated to lead to the discovery of admissible evidence. Maxus and Tierra further object to the term "accounting treatment" as vague and ambiguous. Maxus and Tierra also object to the request regarding "the use of the funds or capital obtained through the transfer," as funds and capital are fungible. Subject to and without waiving or limiting these objections and their General Objections above, Maxus and Tierra state that the Bolivian, Venezuelan, Ecuadorian, and Indonesian asset sales (discussed below) were part of a reorganization plan aimed at bringing Maxus—then overburdened with debt and operational inefficiencies—back to profitability. The Bolivian, Venezuelan, Ecuadorian, and Indonesian asset sales were intended, among other things, to eliminate the double taxation of Maxus's international subsidiaries, which facilitated repayment of Maxus's debt.

These asset sales were first proposed by tax and accounting consultants at Arthur Andersen & Co. SC ("Arthur Andersen") in April of 1995. In addition, other professional experts were consulted regarding the strategy behind these asset sales, including financial consultants at Credit Suisse First Boston ("CSFB"), legal advisors at Andrews Kurth, L.L.P. ("Andrews Kurth"), oil and gas consultants at Gaffney, Cline & Associates, Inc. ("GCA"), and foreign legal counsel.

On July 1, 1996, Maxus International Energy Company ("Maxus Int'l") sold the outstanding shares of YPF International, Ltd. ("YPF Int'l") to YPF, S.A. ("YPF"). The sole assets of YPF Int'l were all of the issued and outstanding stock of Maxus Bolivia, Inc. ("Maxus Bolivia"), Maxus Venezuela, Ltd. ("Maxus Venezuela"), and Maxus Venezuela, S.A. (collectively the "Bolivian and Venezuelan Assets"). The assets of Maxus Bolivia consisted, at that time, of all of the assets and operations of Maxus in Bolivia, including the interests of Maxus in the Surubi Field and Secure and Caipipendi Blocks. The assets of Maxus Venezuela and Maxus Venezuela S.A. consisted, at that time, of all of the asset held through Maxus Guarapiche Ltd. ("Maxus Guarapiche").

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The purchase price for YPF Int'l (the Bolivian and Venezuelan Assets) was \$263,100,000, which was based on an independent appraisal performed by CSFB of the fair market value for the assets as of June of 1996. The sale was recorded as a \$266,366,663 "intercompany receivable/payable." The \$266,366,663 consisted of a \$165,366,663 promissory note and \$101,000,000 in cash.

On September 1, 1996, Maxus Int'l sold the stock of Maxus Guarapiche to YPF Int'l for \$26,353,740. Because Maxus Guarapiche's interest in the Guarapiche Block was a recent acquisition, and was the sole material asset of Maxus Guarapiche, no valuation was necessary to determine the fair market value of Maxus Guarapiche. This sale was recorded as an "intercompany receivable/payable" between Maxus Int'l and YPF Int'l.

The sale of YPF Int'l (the Bolivian and Venezuelan Assets) to YPF, and the sale of Maxus Guarapiche to YPF Int'l, were unanimously approved by Maxus' Board of Directors during a Board meeting held June 18, 1996. The directors present at the meeting were Charles Blackburn, George L. Jackson, James R. Lesch, Roberto Monti, Dexter Peacock, Cedric Bridger, Nells Leon, and R. A. Walker. Also present at the invitation of the Board, were Linda Engelbrecht, Mark Miller, David O. Smith, H. R. Smith, Jeff Ventura, and David Wadsworth, all of Maxus. In addition, Carlos Olivieri of YPF, Mike O'Donnell of Arthur Andersen, James M. Prince of Andrews Kurth, and William M. Wicker and Alex Sundich of CSFB were present. After considering a presentation by CSFB regarding the fair market value of the assets, and after a full discussion, the Board determined that the sale of YPF Int'l (the Bolivian and Venezuelan Assets) to YPF, and the sale of Maxus Guarapiche to YPF Int'l, was in the best interests of the corporation and unanimously resolved to approve the transfers. Maxus's independent directors, Charles Blackburn, George L. Jackson, and R. A. Walker were in full agreement.

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On December 31, 1997, Maxus Int'l sold the outstanding shares of YPF Ecuador, Inc. (the "Ecuadorian Assets") to YPF Int'l. The assets of YPF Ecuador, Inc. consisted, at that time, of an undivided thirty-five percent (35%) interest in the Block 16 Production Sharing Contract, the Bogi-Capiron Operating Agreement, and the Contract for Specific Services for the Tivacuno Area, each lying within the Orient Region of the Republic of Ecuador.

The purchase price for the Ecuadorian Assets was \$183,966,089.52, and was based on an independent appraisal performed by GCA of the fair market value of the assets as of December 3, 1997. GCA appraised the fair market value of the Ecuadorian Assets at \$165,000,000 as of December 1, 1997. In addition, CSFB placed the value of the Ecuadorian Assets in the range of \$86 million to \$101 million as of September 30, 1996. For accounting purposes, the sale of the Ecuadorian Assets was recorded at a market value of \$185,246,734.85.

The Boards of Directors of Maxus, Maxus Int'l, and YPF Int'l each separately approved the sale of the Ecuadorian Assets. On December 19, 1997, Maxus' Board of Directors held a special meeting to consider the sale. The directors present at the meeting were George L. Jackson, James R. Lesch, Roberto Monti, Dexter Peacock, Mario B. Rosso, and R. A. Walker. Also present at the invitation of the Board, were Linda E. Englebrecht, David O. Smith, H.R. Smith, and David Wadsworth, all of Maxus. In addition, Fernando Nardini and Francie Fernie of YPF and William B. Cline of GCA were present. After considering GCA's independent written advice regarding the fair value of the Ecuadorian Assets, and after a full discussion, the Board determined that it was in the best interest of the company to sell the Ecuadorian Assets and unanimously resolved to approve the sale.

On December 29, 1997, Maxus Int'l's Board of Directors held a meeting to consider the sale of the Ecuadorian Assets. The directors present at the meeting were K. Delmar Rumph and

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H. L. Todd. Maxus Int'l's secretary, H.R. Smith, was present as well. After considering GCA's independent written advice regarding the fair value of the Ecuadorian Assets, and after a full discussion, the Board determined that it was in the best interest of the company to sell the Ecuadorian Assets and unanimously resolved to approve the sale.

On December 23, 1997, YPF Int'l's Board of Directors held a meeting to consider the purchase of the Ecuadorian Assets. The directors present at the meeting were Carlos Olivieri, Carlos Felices, and James R. Lesch. YPF Int'l's secretary, H.R. Smith, was present as well. Also present, at the invitation of the Board, were David O. Smith and David A. Wadsworth of Maxus and Francis Fernie and Fernando Nardini of YPF. After considering GCA's independent written advice regarding the fair value of the Ecuadorian Assets, and after a full discussion, the Board determined that it was in the best interest of the company to purchase the Ecuadorian Assets and unanimously resolved to approve the purchase.

On December 31, 1997, Maxus Indonesia, Inc. ("Maxus Indonesia") sold the issued and outstanding shares of YPF Java Baratlaut, B.V. ("Java") and all of the limited liability interest in Maxus Southeast Sumatra LLC ("Sumatra") (collectively, the "Indonesian Assets") to YPF Int'l. The Java assets consisted, at that time, of an undivided 24.2705% interest in the Northwest Java Production Sharing Contract ("NWJ-PSC"). The Sumatra assets consisted, at that time, of an undivided 45.6753% interest in the Southeast Sumatra Production Sharing Contract ("Ses-PSC") and all shares of YPF Sumatera Tenggara B.V. (which owned an undivided 10% interest in the SES-PSC).

To determine the purchase price for the Indonesian Assets, YPF Int'l conducted a comparison between the Indonesian Assets and the value being offered in a contemporaneous

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third-party transaction for the purchase of certain companies owning interests in the NWJ-PSC and the SES-PSC.

Valuations of the Indonesian Assets were also performed by CSFB and GCA. CSFB valued the Java assets in the range of \$232 million to \$282 million, as of September 30, 1996, and valued the Sumatra assets in the range of \$415 million to \$513 million, as of September 30, 1996. On December 3, 1997, GCA valued the Java assets at \$286 million, and valued the Sumatra assets at \$278 million.

Under the Purchase and Sale Agreement, the purchase price for the Java assets (plus a promissory note between Java and Maxus Int'l) was \$263,975,809.71. The purchase price for the Sumatra assets was \$241,336,869.41. For accounting purposes, the sales proceeds from the transfer of the Indonesian Assets were recorded at a market value of \$224,001,378.37 for the Java Assets, \$41,154,266.29 for the promissory note, and \$246,504,946 for the Sumatra Assets.

The Boards of Directors of Maxus, Maxus Indonesia, and YPF Int'l each separately approved the sale of the Indonesian Assets. On December 19, 1997, Maxus' Board of Directors held a special meeting to consider the sale. The directors present at the meeting were George L. Jackson, James R. Lesch, Roberto Monti, Dexter Peacock, Mario B. Rosso, and R. A. Walker. Also present, at the invitation of the Board, were Linda E. Englebrecht, David O. Smith, H.R. Smith, and David Wadsworth, all of Maxus. In addition, Fernando Nardini and Francie Fernie of YPF and William B. Cline of GCA were present. After a full discussion, the Board determined that it was in the best interest of the company to sell the Indonesian Assets and unanimously resolved to approve the sale.

On December 29, 1997, Maxus Indonesia's Board of Directors held a meeting to consider the sale of the Indonesian Assets. The directors present at the meeting were K. Delmar Rumph

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and H. L. Todd. Maxus Int'I's secretary, H.R. Smith, was also present. After a full discussion, the Board determined that it was in the best interest of the company to sell the Indonesian Assets and unanimously resolved to approve the sale.

On December 23, 1997, YPF Int'I's Board of Directors held a meeting to consider the purchase of the Indonesian Assets. The directors present at the meeting were Carlos Olivieri, Carlos Felices and James R. Lesch. YPF Int'I's secretary, H.R. Smith, was present as well. Also present, at the invitation of the Board, were David O. Smith and David A. Wadsworth of Maxus and Francis Fernie and Fernando Nardini of YPF. After a full discussion, the Board determined that it was in the best interest of the company to purchase the Indonesian Assets and unanimously resolved to approve the purchase.

On June 30, 1998, the SPA relating to the Indonesian Assets was amended to increase the purchase price for the Java assets to \$282,800,569.03 to reflect the fair market value of the Java assets based on a subsequent valuation performed by GCA. The purchase price for the Sumatra assets was also upwardly adjusted, pursuant to the automatic adjustment provisions of the SPA because, subsequent to the execution of the SPA, there had been an arms-length sale of an interest in the SES-PSC, indicating an increase of the fair market value of the Sumatra assets. The Maxus Board of Directors unanimously approved the amendment to the SPA, in a meeting held on August 4, 1998, after a full review of the independent advice provided by GCA and other appropriate information.

Maxus and Tierra are producing, on a rolling basis, documents responsive to Plaintiffs' Request for Production of Documents, which production will include records from which additional information responsive to this interrogatory may be derived or ascertained. Upon production, Maxus and Tierra will specifically identify the records pursuant to Rule 4:17-4(d),

and the burden of deriving or ascertaining such additional information those records will be substantially the same for Plaintiffs as for Maxus or Tierra. Otherwise, Maxus and Tierra respond that discovery is ongoing and they will supplement their response to this interrogatory as additional responsible information is located and/or obtained.

**Interrogatory No. 6:** For the time period 1995 through the present, did You or any of Your Affiliates have any type of obligation or debt renegotiated, amended, altered, guaranteed, satisfied, or otherwise changed associated with or connected to any Asset Transfer? If Your answer is anything other than an unequivocal "No," Identify the applicable Asset Transfer, the obligation or debt renegotiated, amended, altered, guaranteed, satisfied, or otherwise changed, the Persons involved in such change, and the applicable date of such change.

## **RESPONSE:**

Maxus and Tierra object to this interrogatory on the grounds that it is vague and ambiguous and overbroad. The words "any type of obligation or debt," "otherwise changed," and "associated with or connected to and Asset Transfer," are uncertain, undefined and susceptible of more than one meaning.

Subject to and without waiving or limiting this objection and their General Objections above, Maxus states that it used the proceeds from the Bolivian and Venezuelan asset transfers, in part, to redeem 100% of its \$4 Cumulative Convertible Preferred Stock; that the proceeds from the sale of Maxus's Ecuadorian assets were used to pay down a \$200 million intercompany note between YPF Int'1 and Maxus Int'1; and that the proceeds from the transfer of the Java and Sumatra assets were used to pay down intercompany notes between Maxus Indonesia Inc. and YPF Int'1.

Maxus and Tierra are producing, on a rolling basis, documents responsive to Plaintiffs' Request for Production of Documents, which production will include records from which additional information responsive to this interrogatory may be derived or ascertained. Upon production, Maxus and Tierra will specifically identify the records pursuant to Rule 4:17-4(d), and the burden of deriving or ascertaining such additional information those records will be substantially the same for Plaintiffs as for Maxus or Tierra.

**Interrogatory No. 7:** For the time period 1995 through the present, did You or anyone on Your behalf perform Due Diligence, an appraisal, a valuation, or a fairness opinion Concerning any Asset? If Your answer is anything other than an unequivocal "No," Identify the Asset, the project, the dates the project began and ended, the parties as stated in the applicable contract, and each Person that performed any of the Due Diligence, appraisal, valuation, or fairness opinion.

## **RESPONSE:**

Maxus and Tierra object that this interrogatory is overly broad and unduly burdensome and, among other problems, purports to seek information regarding the valuation of literally every asset owned by Maxus from 1995 to the present, including assets as to which there is no allegation of impropriety in Plaintiffs' Second Amended Complaint. Maxus and Tierra also object to the use of the defined term "Identify," which Plaintiffs have defined to refer to persons or documents, as being vague and ambiguous when applied to terms such as "the Asset, the project," and "the dates the project began and ended."

Subject to and without waiving or limiting this objection and their General Objections above, Maxus and Tierra refer to and incorporate by reference their response to Interrogatory No. 5 insofar as that response identifies appraisals and valuations of assets specifically referenced in Plaintiffs' Second Amended Complaint. Pursuant to Rule 4:17-4(d), additional information regarding appraisals and valuations of Maxus assets can be ascertained or derived as readily by Plaintiffs as by Maxus and Tierra from the documents that will be produced, on a rolling basis, in response to Plaintiffs' Requests for Production of Documents.

**Interrogatory No. 8:** For the time period 1995 through the present, Identify each of Your employees, officers, directors, or Agents, Including any third party entity and its employees, having a role in the evaluation or estimation of Your Environmental Liabilities, Including for each site listed in Exhibit A of the Assumption Agreement (YPF 532-YPF 548), and the relevant dates and each of their respective roles.

### **RESPONSE:**

Maxus and Tierra object to this interrogatory to the extent the phrase "Environmental Liabilities" is intended to encompass obligations allegedly arising from contracts in which the State has absolutely no interest, including the 1986 SPA (between Maxus and Occidental alone) and the Contribution and Assumption Agreements (between Maxus, Tierra and certain of their affiliates alone). Maxus and Tierra further object to the interrogatory as overbroad to the extent it seeks information relating time periods that post-date the filing of this lawsuit.

Subject to and without waiving or limiting these objections and their General Objections above, Maxus and Tierra state that they have no "environmental liability" for the Passaic River or any other part of the Newark Bay Complex, but identify the following persons as having had a role in evaluating or estimating Maxus's potential contractual liability in connection with environmental matters associated with the Lister Site, the Passaic River and Newark Bay: Merton M. Skaggs (General Manager of Health and Environmental Affairs for Maxus in 1995; President of Tierra from 1996 to Aug. 31, 1999); and David Rabbe (President of Tierra from 1999), assisted by counsel.

# **Interrogatory No. 9:** Identify each of Your income producing assets on December of each year from 1995 through 2006.

## **RESPONSE:**

Maxus and Tierra object to this interrogatory to the extent it seeks information that is irrelevant to the subject matter of this action (including, but not limited to, information relating time periods that post-date the filing of this lawsuit) and is unduly burdensome to produce.

Subject to and without waiving or limiting these objections and their General Objections above, Maxus and Tierra respond that, since 1996, Tierra has generated income through its rights under the Contribution Agreement. With respect to Maxus's income-generating assets, Maxus is producing documents, on a rolling basis, which production will include records from which an answer to this interrogatory may be derived or ascertained. Upon production, Maxus and Tierra will specifically identify the records pursuant to Rule 4:17-4(d), and the burden of deriving or ascertaining an answer to this interrogatory from those records will be substantially the same for Plaintiffs as for Maxus or Tierra. Maxus and Tierra reserve the right to supplement their response to this interrogatory as additional responsible information is located and/or obtained.

## **Interrogatory No. 10:** Identify and explain the business purpose, rationale, and justification behind the creation and implementation of the Assumption Agreement.

#### **RESPONSE:**

Maxus and Tierra object that the terms "business purpose, rationale, and justification" are vague, ambiguous, and subject to varying interpretations. Maxus and Tierra will respond to this interrogatory using their understanding of those terms. Maxus and Tierra also object to the use of the defined term "Identify," which Plaintiffs have defined to refer to persons or documents, as being vague and ambiguous when applied to terms such as "business purpose, rationale, and justification."

Subject to and without waiving or limiting these objections and their General Objections above, Maxus and Tierra state that the Assumption Agreement, along with the companion Contribution Agreement, was created to facilitate aspects of a corporate restructuring plan implemented in 1996. Under that restructuring, Tierra, then known as Chemical Land Holdings, Inc. ("CLH"), agreed to assume certain potential obligations of Maxus. On the same date (i.e., August 14, 1996), Maxus transferred the stock of CLH, a Maxus subsidiary at the time, to CLHH, an indirect subsidiary of YPF; and YPF, YPFH, CLHH, and YPF Int'l, executed the Contribution Agreement, agreeing to make cash contributions to CLH's equity capital, thereby giving CLH funding to perform the new obligations to Maxus under the Assumption Agreement.

Taken together, the creation and implementation of the Contribution and Assumption Agreements improved operating efficiency at Maxus by shifting frontline responsibility for performing certain obligations—obligations that had nothing to do with Maxus's core business, but rather were a vestige of the historical operations of a company whose stock Maxus had long since sold to Occidental—to a discrete company, where they would receive specialized management by personnel with single-minded dedication to the performance of a specific and highly technical set of environmental-oriented contractual obligations. By the same token, Maxus personnel were freed to train their focus and energies on Maxus's core oil and gas business.

In addition, from a financial standpoint, the post-restructuring accounting statements more transparently revealed Maxus's improved financial posture in its core businesses (i.e., oil and gas), which improved Maxus's financial position to third parties, the capital markets, and others in the financial community.

The companion Contribution Agreement, moreover, also provided Maxus with an additional benefit. Specifically, Maxus received promises from YPF, YPFH, CLHH and YPF Int'l that they—rather than Maxus alone—would share the burden of funding the alleged or potential obligations that Tierra would henceforth perform under the Assumption Agreement.

Importantly, nothing in the Assumption Agreement eliminated, reduced, limited or impaired the fulfillment of any alleged liabilities or obligations to any third party. Certainly, the Assumption Agreement certainly had no impact whatsoever on any of the Plaintiffs, because Maxus never owed the Plaintiffs any obligation in the first place. **Interrogatory No. 11:** Do you contend that You have had adequate assets since 1995, independent of any Affiliate, to satisfy Your Environmental Liabilities, whether direct or assumed? Provide the factual basis for Your answer, Including Identifying the relevant time periods.

#### **RESPONSE:**

Maxus and Tierra object to this interrogatory to the extent the phrase "Environmental Liabilities" is intended to encompass obligations allegedly arising from contracts in which the State has absolutely no interest, including the 1986 SPA (between Maxus and Occidental alone) and the Contribution and Assumption Agreements (between Maxus, Tierra and certain of their affiliates alone). Maxus and Tierra further object to the interrogatory as overbroad to the extent it seeks information relating to time periods that post-date the filing of this lawsuit.

Subject to and without waiving or limiting these objections and their General Objections above, Maxus believes that the value of its assets, independent of any affiliated company, has always exceeded the amount of its alleged contractual obligations for environmental matters. Pursuant to Rule 4:17-4(d), the factual basis for this response can be ascertained or derived as readily by Plaintiffs as by Maxus and Tierra from the documents that Maxus will be producing, on a rolling basis, in response to Plaintiffs' Request for Production of Documents. In recent years, Maxus has obtained financial assistance from affiliates to assist in meeting its ongoing obligations, and some of its recent audited financial statements have raised doubt about Maxus's ability to continue as a going concern without support from its parent companies. That said, Maxus believes (although it has not conducted a formal or expert inquiry into the matter) that the total value of all of its assets has always exceeded the amount of its alleged contractual obligations for environmental matters alone.

To perform its obligations to Maxus under the Assumption Agreement, Tierra has relied on funding from Maxus and other affiliates, whether provided under the Contribution Agreement or otherwise.

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**Interrogatory No. 12:** Have You, or Your Affiliates or Agents on Your behalf, evaluated Your solvency, including the possibility of filing for bankruptcy, between 1995 and the present? If Your answer is anything other than an unequivocal "No," Identify each Person involved in each such analysis, the date of such analysis, who requested such analysis, to whom such analysis was distributed, and the conclusion of such analysis.

## **RESPONSE:**

Neither Maxus nor Tierra has undertaken any "analysis" to evaluate its solvency or the

possibility of filing for bankruptcy, nor have they engaged any affiliate or agent to undertake

such an analysis on their behalf.

**Interrogatory No. 13:** Identify the basis for the \$108,400,000 figure contained in the Contribution Agreement (YPF 521-YPF 527) and the portion of that figure attributable to the Lister Plant and/or the Lister Site, and to each site listed in Exhibit A of the Assumption Agreement (YPF 532-YPF 548)?

### **RESPONSE:**

Maxus and Tierra object to the use of the defined term "Identify" (which Plaintiffs have defined to refer to persons or documents) because it is as being vague and ambiguous when applied to terms such as "basis." Maxus and Tierra also object that the phrase "basis for" is vague, ambiguous, and subject to varying interpretations. Maxus and Tierra will respond to this interrogatory using their understanding of that term. Maxus and Tierra further object that the request for information concerning any estimated reserve for, and estimate of alleged potential liabilities attributable to, the Lister Site and/or the Lister Plant seeks privileged information that is protected from disclosure.

Subject to and without waiving or limiting these objections and their General Objections above, Maxus and Tierra state that the \$108,400,000 figure represents the amount of the aggregate commitment by YPF, YPF Int'l, YPFH and CLHH to contribute capital to Tierra (f/k/a CLH) pursuant to the terms of the Contribution Agreement (the "Assumed Liability Accrued Amount," as defined in the Contribution Agreement). The \$108,400,000 Assumed Liability Accrued Amount was based on Maxus's estimated environmental liability reserve as of June 30, 1996.

**Interrogatory No. 14:** Identify each Person involved in any manner in the drafting, execution, implementation, oversight, and/or management of the Assumption Agreement and/or the Contribution Agreement, and any obligations stated within those agreements, Including the relevant dates and each such Person's role.

#### **RESPONSE:**

Maxus objects to this interrogatory on the grounds that it is overbroad to the extent it asks Maxus and Tierra to identify implementation, oversight, and/or management of the Assumption Agreement and Contribution Agreement. Numerous persons have been involved in Tierra's implementation of the responsibilities it assumed under the Assumption Agreement over the course of the 13 years since that agreement was executed. Similarly, numerous persons (including, for example, anyone who might have made a bookkeeping entry) may have played some role in "implementing" the Contribution Agreement.

Subject to and without waiving or limiting these objections and their General Objections above, Maxus and Tierra state that Carlos Olivieri for YPF, Linda Engelbrecht for YPF Int'l, David Wadsworth (for YPFH), Mel Skaggs (for Tierra then CLH and CLHH), and W. Mark Miller (for Maxus) participated in creating, evaluating, assessing, reviewing and signing the Contribution and Assumption Agreements. Affiliations and contact information for these persons may be ascertained from Maxus's and Tierra's Amended Initial Disclosures, served on February 17, 2009, which are incorporated herein by reference.

Present or former Tierra personnel with primary responsibility for implementing the responsibilities Tierra assumed under the Assumption agreement, insofar as they relate to the Lister Site, the Passaic River and Newark Bay, are the following:

- 1. Merton R. Skaggs
- 2. David Rabbe

- 3. Richard McNutt
- 4. Mark Harris
- 5. Alex Pittignano
- 6. Scott Burton
- 7. Paul Brzozowski
- 8. Paul Bluestein
- 9. Carlie Thompson

Affiliations and contact information for these persons may be ascertained from Maxus's and Tierra's Amended Initial Disclosures, served on February 17, 2009, which are incorporated herein by reference.

As a practical matter, "oversight and management" of Tierra's implementation of the responsibilities it undertook under the Assumption agreement, insofar as they related to the Lister Site, the Passaic River and Newark Bay, was provided by USEPA personnel, and principally the following:

- 1. Alan Steinberg
- 2. George Pavlou
- 3. Ray Basso
- 4. Susan Bodine

Affiliations and contact information for these persons may be ascertained from Maxus's and Tierra's Amended Initial Disclosures, served on February 17, 2009, which are incorporated herein by reference.

The following persons were primarily responsible for, or were otherwise involved in, providing funds to Tierra to enable its performance under the Assumption Agreement:

- 1. Rick Hartline
- 2. Carolyn Kalterman

Affiliations and contact information for these persons may be ascertained from Maxus's and Tierra's Amended Initial Disclosures, served on February 17, 2009, which are incorporated herein by reference.

The identity of additional persons involved in the subject matter addressed in this interrogatory can be derived by reference to Maxus's and Tierra's Amended Initial Disclosures, served on February 17, 2009, which are incorporated herein by reference.

**Interrogatory No. 15:** For the time period 1995 to the present, Identify and explain in detail all procedures for any funding from any of Your Affiliates, Including pursuant to any obligations provided in the Assumption Agreement and the Contribution Agreement. This Interrogatory contemplates monthly forecasts, 6-month forecasts, annual cash flow forecasts, and any funding associated with any Environmental Liabilities, Including those Persons that receive the request at any stage, the position and name of each Person with each Defendant and/or Affiliate, and the bank and brokerage accounts used for same.

## **RESPONSE:**

Maxus and Tierra object that this interrogatory is overly broad and unduly burdensome insofar as it asks Maxus and Tierra to "identify and explain" "in detail" "all procedures" over a 15-year period. Maxus and Tierra also object to the use of the defined term "Identify," which Plaintiffs have defined to refer to persons or documents, as being vague and ambiguous when applied to terms such as "procedures." Maxus and Tierra further object that the interrogatory is vague and ambiguous in that "procedures" is not defined, and the interrogatory is entirely unclear as to what it is requesting with respect to the various types of "forecasts" it "contemplates." Maxus and Tierra also object to the request for "bank and brokerage accounts" as irrelevant and not reasonably calculated to lead to the discovery of admissible evidence. Moreover, Maxus and Tierra object to the phrase "Environmental Liabilities" as misleading and improper. Maxus and Tierra deny that Maxus or Tierra have any environmental liabilities as that term is commonly understood. Moreover, nothing in Maxus's and Tierra's responses shall be interpreted to admit or imply that they have any environmental liabilities. Maxus and Tierra also object to the phrase "Environmental Liabilities" as overly broad to the extent that it seeks information about sites or issues other than the ones at issue in this suit.

Subject to and without waiving or limiting these objections and their General Objections above, Maxus and Tierra state that they are producing, on a rolling basis, documents responsive to Plaintiffs' Request for Production of Documents, which will include records from which information responsive to this interrogatory may be derived or ascertained, including procedures and mechanisms (such as cash needs forecasts) used for providing funding to Tierra pursuant to the Contribution Agreement or otherwise to allow it to perform its obligations under the Assumption Agreement, the persons involved in the funding process and any accounts used in connection with the funding. Upon production, Maxus and Tierra will specifically identify the records pursuant to Rule 4:17-4(d), and the burden of deriving or ascertaining such additional information those records will be substantially the same for Plaintiffs as for Maxus or Tierra.

Maxus and Tierra reserve the right to will supplement their response to this interrogatory as additional responsible information is located and/or obtained.

<u>Interrogatory No. 16</u>: Identify and describe in detail the transaction in which the SDS Biotech joint venture was formed, including a description of any assets conveyed to and liabilities assumed by SDS Biotech from DSCC as described in Diamond Shamrock Corporation's 1983 10-K at page 12, produced as OCCNJ 2513.

#### **RESPONSE:**

Maxus and Tierra object to this interrogatory on the grounds that it seeks information that is irrelevant to the subject matter of this action and it not reasonably calculated to lead to the discovery of admissible evidence. The formation of the SDS Biotech joint venture did not involve the Lister plant or its operations, or any assets or liabilities ever associated with the Lister plant or the Lister Site. Subject to and without waiving or limiting those objections and their General Objections, Maxus and Tierra state, pursuant to R. 4:17-4(d), that the answer to this interrogatory may be derived as readily by the Plaintiffs as by Maxus and Tierra from documents relating to SDS Biotech, which were previously produced by Maxus, on November 9, 2009, in MAXUS 004, which describe the "transaction in which the SDS Biotech joint venture was formed," and which identify "any assets conveyed to and liabilities assumed by SDS Biotech from DSCC."

Interrogatory No. 17: Do You contend that any of the Environmental Liabilities associated with the operations at the Lister Plant or the Lister Site were transferred to or assumed by SDS Biotech in the July 1983 transaction described on page 12 of Diamond Shamrock Corporation's 1983 10-K at page 12, produced as OCCNJ 2513? If Your answer is anything other than an unequivocal "No," Identify the Environmental Liabilities You contend were transferred or assumed, the manner by which such Environmental Liabilities were transferred or assumed, and any and all Documents Concerning same.

## **RESPONSE:**

Maxus and Tierra do not contend that any liabilities -"environmental" or otherwise-

associated with the operations at the Lister Plant or the Lister Site were transferred to or assumed

by SDS Biotech.

**Interrogatory No. 18:** Do you contend that any of the Environmental Liabilities associated with the operations of the Lister Plant or the Lister Site were transferred to or assumed by Diamond Shamrock Corporate Company by means of the Assignment and Assumption Agreement between Diamond Shamrock Corporate Company and Diamond Shamrock Chemicals Company produced as MAXUS 22032-22037? If Your answer is anything other than an unequivocal "No," Identify the Environmental Liabilities transferred or assumed, the manner by which such Environmental Liabilities were transferred or assumed, and any and all Documents Concerning same.

## **RESPONSE:**

Maxus and Tierra do not contend that any liabilities -"environmental" or otherwise-

associated with the operations at the Lister Plant or the Lister Site were transferred to or assumed

by Diamond Shamrock Corporate Company, whether by means of the above-referenced

Assignment and Assumption Agreement or otherwise.

**Interrogatory No. 19:** Please provide the corporate history of Diamond Shamrock Corporate Company from its inception to present, including the relationship of Diamond Shamrock Corporate Company to the entities "Old Diamond Shamrock" and "DSC-II" as referred to in the Maxus and Tierra Cross claim.

#### **RESPONSE:**

Diamond Shamrock Corporate Company ("Corporate Company") was created as a subsidiary of DSCC in November 1983 and subsequently became a subsidiary of DSC-II. Corporate Company's name was changed to Maxus Corporate Company in March 1988. Corporate Company was merged into Maxus in December 1998.

**Interrogatory No. 20:** Identify the bases, Including relevant Persons and/or Documents, for the allegations contained in Paragraphs 14, 20 and 33 of the Maxus and Tierra Crossclaim.

## **RESPONSE:**

The basis for the allegations made in Paragraph 20 of the Maxus and Tierra Cross-Claim are the documents previously produced in MAXUS 002, and more specifically, MAXUS016771 and MAXUS016772. Those documents identify relevant Persons regarding those allegations.

The basis for the allegations in Paragraph 33 of the Maxus and Tierra Cross-Claim include the documents mentioned above (insofar as they support an independent basis of liability for Occidental), as well as the following documents (insofar as they support the allegation in Paragraph 33 that the State has renounced any cause of action based on Tierra's or Maxus's activities in conducting environmental response actions): *Plaintiffs' Brief Opposing Maxus and Tierra Motion to Dismiss* at 17; *Plaintiffs' Brief Opposing Occidental's Motion to Dismiss* at 3, 45.

The following individuals may have knowledge regarding the allegations contained in paragraph 14 and 20 of Maxus's and Tierra's Cross-Claim:

Charles F. Shepard Francis R. ("Mike") Kennedy Frederick Gordon Steward George William Mitchell Hadley Bedbury John J. Brennan John J. Burton Marc J. Kennedy Robert L. Chonoles Wayne Kincannon William Leckie

Affiliations and contact information for these persons may be ascertained from Maxus's and Tierra's Amended Initial Disclosures, served on February 17, 2009, which are incorporated herein by reference.

Other documents relevant to the allegations made in Paragraph 14, 20 and 33 of the Maxus and Tierra Cross-Claim will be produced, on a rolling basis, in response to Plaintiffs' and/or Occidental's requests for production of documents. Persons with knowledge relevant to the allegations in Paragraph 14, 20 and 33 of the Maxus and Tierra Cross-Claim will be ascertainable from reviewing those documents. Upon production of any such records, they will be specifically identified pursuant to Rule 4:17-4(d), and the burden of deriving or ascertaining information responsive to this interrogatory from those records will be substantially the same for Plaintiffs as for Maxus or Tierra.

**Interrogatory No. 21:** Do You contend that at any time during the course of this lawsuit that Maxus and Tierra were engaged in a joint defense with OCC such that You could assert that communications between Maxus and Tierra on the one hand and OCC on the other hand on the subject matter of this lawsuit were privileged or covered by the work product doctrine? If Your answer is anything other than an unequivocal "No," explain in detail, Including Identifying such joint defense agreement, the scope of such joint defense and when that joint defense terminated.

#### **RESPONSE:**

Maxus and Tierra object to this request to the extent it seeks information which is privileged and is irrelevant to the subject matter of this lawsuit, and because the interrogatory is not reasonably calculated to lead to the discovery of admissible evidence.

Subject to and without waiving or limiting these objections and their General Objections above, Maxus and Tierra state that they have been engaged in a joint defense with all Defendants, including Occidental, since the commencement of this lawsuit, such that Maxus, Tierra and Occidental could assert that communications between Maxus and Tierra on the one hand and OCC on the other hand are protected by the common interest doctrine under Rule 4:10-2(e) as privileged and/or covered by the work product doctrine. The basis for such a joint defense privilege is their common interest with respect to most of Plaintiffs' allegations. The joint defense has not terminated.

**Interrogatory No. 22:** What amount of money do You contend OCC owes Maxus based upon contractual indemnification, as alleged in paragraphs 49-52 of the Maxus and Tierra Crossclaim? Please provide details regarding the individual amounts expended, the date of the expenditure, and the recipient of the expended funds.

#### **RESPONSE:**

Maxus and Tierra object that this interrogatory is irrelevant to any claim asserted by Plaintiffs in this action. Case Management Order VII does not entitle Plaintiffs to serve upon Defendants discovery requests that would be relevant, if at all, only to cross claims asserted between or among the Defendants.

Subject to and without waiving or limiting these objections and their General Objections above, Maxus and Tierra state that, in due course, they will make available to Plaintiffs any of Maxus' and Tierra's responses to discovery served by Occidental that is responsive to this interrogatory. In any event, this interrogatory is unanswerable at present since the amount of money that Occidental owes Maxus and Tierra depends in part on the amount, scope and type of damages which Plaintiffs are seeking from Maxus and Tierra, which remains largely undefined, as well as the amount of any judgment Plaintiffs might obtain, which has not happened, and may well never happen. Nor have Maxus and Tierra yet determined what portion of any cleanup and removal costs (whether the State's or those incurred by Maxus and Tierra) are reasonably attributable to Occidental's control and operation of the Lister plant in the 1970s. *See Maxus and Tierra's Objections and Responses to Plaintiffs' First Set of Interrogatories on Damages* (served March 16, 2009), Response to Int. No. 13 at 17.

**Interrogatory No. 23:** Identify all principals, employees, officers, directors, and Agents of Chemicaland who previously have been principals, employees, officers, directors or Agents of DSCC.

## **RESPONSE:**

John J. Brennan and John J. Burton are the only individuals that Maxus and Tierra currently understand were employees of Chemicaland who had previously been employees of DSC-I. Affiliations and contact information for these persons may be ascertained from Maxus's and Tierra's Amended Initial Disclosures, served on February 17, 2009, which are incorporated herein by reference.

**Interrogatory No. 24:** Identify all Persons that have participated in or have personal knowledge of, and any Documents Concerning, the operations at the Lister Plant and/or the Lister Site from 1969 through 1980.

## **RESPONSE:**

Maxus and Tierra object to this request to the extent the terms "Lister Plant" and "Lister Site" are intended to include 120 Lister Avenue. Subject to and without waiving or limiting these objections and their General Objections above, Maxus and Tierra state that the following individuals may have knowledge regarding the operations at 80 Lister Avenue from 1969 to 1980: Charles F. Shepard Francis R. ("Mike") Kennedy Frederick Gordon Steward George William Mitchell Hadley Bedbury John J. Brennan John J. Brennan Marc J. Kennedy Robert L. Chonoles Wayne Kincannon William Leckie

Affiliations and contact information for these persons may be ascertained from Maxus's and Tierra's Amended Initial Disclosures, served on February 17, 2009, which are incorporated herein by reference.

Documents containing information responsive to this interrogatory will be produced, on a rolling basis, in response to Plaintiffs' and/or Occidental's requests for production of documents. Upon production of any such documents, they will be specifically identified pursuant to Rule 4:17-4(d), and the burden of deriving or ascertaining information responsive to this interrogatory from those records will be substantially the same for Plaintiffs as for Maxus or Tierra.

**Interrogatory No. 25:** Please Identify each and every Person assisting in answering these interrogatories and for each such Person Identify the interrogatory for which such Person provided assistance.

## **RESPONSE:**

Sara Galley, Environmental Counsel for Maxus, and David Rabbe, President of Tierra, assisted counsel in preparing the answers to these interrogatories.

#### CERTIFICATION

I hereby certify that, to the best of my knowledge or belief, the foregoing Objections and Responses of Defendant Tierra Solutions, Inc. to Plaintiffs' Second Set of Interrogatories are true. I am aware that, if any of the foregoing statements made by me are willfully false, I am subject to punishment.

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David E. Rabbe On Behalf of Tierra Solutions, Inc.

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#### CERTIFICATION

I hereby certify that, to the best of my knowledge or belief, the foregoing Objections and Responses of Defendant Maxus Energy Corporation to Plaintiffs' Second Set of Interrogatories are true. I am aware that, if any of the foregoing statements made by me are willfully false, I am subject to punishment.

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Sally Ann Roberts Galley On Behalf of Maxus Energy Corporation