

# **EXHIBIT 12**

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Tierra Solutions, Inc. and Maxus Energy Corporation**

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NEW JERSEY DEPARTMENT OF ENVIRONMENTAL PROTECTION, THE COMMISSIONER OF THE NEW JERSEY DEPARTMENT OF ENVIRONMENTAL PROTECTION AND THE ADMINISTRATOR OF THE NEW JERSEY SPILL COMPENSATION FUND,	:	SUPERIOR COURT OF NEW JERSEY LAW DIVISION -ESSEX COUNTY
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	:	DOCKET NO. ESX-L-9868-05
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Plaintiffs,	:	<b>DEFENDANTS MAXUS ENERGY CORPORATION'S AND TIERRA SOLUTIONS, INC.'S OBJECTIONS AND RESPONSES TO PLAINTIFFS' TRACK III TRIAL INTERROGATORIES</b>
	:	
vs.	:	
	:	
OCCIDENTAL CHEMICAL CORPORATION, TIERRA SOLUTIONS, INC., MAXUS ENERGY CORPORATION, REPSOL YPF, S.A., YPF, S.A., YPF HOLDINGS, INC., AND CLH HOLDINGS,	:	
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Defendants.	:	

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TO: Marc-Phillip Ferzan  
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Attorneys for Plaintiffs

PLEASE TAKE NOTICE that Defendants Maxus Energy Corporation (“Maxus”) and Tierra Solutions, Inc. (“Tierra”) (collectively, “Defendants”), by and through their undersigned counsel, hereby respond to Plaintiffs’ Track III Trial Interrogatories pursuant to the Rules of Court and the Consent Order on Track III Trial Plan.

DRINKER BIDDLE & REATH LLP

Attorneys for Defendants Tierra Solutions, Inc. and  
Maxus Energy Corporation

Dated: November 28, 2011

/s/ Vincent Gentile  
Vincent Gentile

## GENERAL OBJECTIONS

A. Maxus and Tierra object to all instructions, definitions, and requests to the extent that they call for Maxus and Tierra to do more than is required under the rules of this Court. Maxus and Tierra further object to the instructions and definitions accompanying Plaintiffs' Track III Trial Interrogatories to the extent they are overly broad, not relevant, and not reasonably calculated to lead to the discovery of admissible evidence.

B. 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 common interest doctrine, and the identity and work product of non-testifying experts, all of which Maxus and Tierra hereby assert;
- (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.

C. In the event that any information, communication, and/or document that is subject to a claim of privilege or protection is inadvertently produced, upon notice from Maxus and Tierra of the inadvertent disclosure any party receiving the information, communication, and/or document must promptly return or delete the specified information and any copies made thereof as instructed by Maxus and Tierra and may not disclose or use the information. The party shall provide written confirmation of its compliance with Maxus and Tierra's request.

D. Maxus and Tierra object to Plaintiffs' instructions, definitions, and requests to the extent the Plaintiffs are requesting that Maxus and Tierra produce information that is not in the possession or control of Maxus or Tierra.

E. Definitions of Parties and Entities

- (i) Maxus and Tierra object to the definitions of "CLHH", "DSCC", "DS Corporate Co.", "Kolker", "Maxus", "MIEC", "OCC", "Repsol", "Repsol Group", "Tierra", "YPFH", "YPF International", and "YPF" as overly broad, vague, and ambiguous. The foregoing definitions each inappropriately define several separate and distinct legal entities as a single entity.
- (ii) Maxus and Tierra object to Plaintiffs' definitions of the terms "Agent" and "Agents" as overly broad, vague, and ambiguous.
- (iii) Maxus and Tierra object to Plaintiffs' definitions of the terms "Affiliate", "Affiliates", "Parent", "Parents", "Subsidiary" and "Subsidiaries" because, as defined, these terms are overly broad and unduly burdensome to the extent that they seek to capture information about entities that are plainly irrelevant to the subject matter of this case.

F. Definitions of General Terms

- (i) Maxus and Tierra object to all Interrogatories related to "Communications," as defined by the Plaintiffs, that are not somehow reflected in a document, or electronically stored information, or some other tangible thing.
- (ii) Maxus and Tierra object to the definition of "Due Diligence" as overly broad, vague, and ambiguous, and to the extent that it calls for disclosure of privileged or confidential information, and information not relevant to the subject matter of this

litigation or not reasonably calculated to lead to the discovery of admissible evidence.

- (iii) 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. Definitions of Specific Terms

- (i) Maxus and Tierra object to Plaintiffs' definitions of the term "Financial and Accounting Records" as overly broad, vague, and ambiguous.
- (ii) Maxus and Tierra object to Plaintiffs' definitions of the term "Lister Plant" as overly broad, vague, and ambiguous.
- (iii) Maxus and Tierra object to Plaintiffs' definitions of the term "Transfers of Value" as overly broad, vague, and ambiguous.
- (iv) Maxus and Tierra object to Plaintiffs' definitions of the term "Valuation Records" as overly broad, vague, and ambiguous.

H. Maxus and Tierra object to the definitions listed under "General Terms" and "Specific Terms" to the extent any definition purports to require production of certain types of electronically stored information including, but not limited to, email, voicemail, analog media, magnetic media, and digital media. The scope of electronically stored information required to be preserved, collected, reviewed, and produced in this litigation is still being discussed and reviewed by the parties, with the assistance of the Special Master.

I. Maxus and Tierra object to Plaintiffs' Interrogatories to the extent they seek information outside the scope of the Court's Consent order on the Track III Trial Plan, Section I.A.2.a through I.A.2.d.

J. Maxus and Tierra object to the Plaintiffs' Interrogatories to the extent they are duplicative or request information already in the possession of Plaintiffs' or their counsel.

K. Maxus 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, 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.

L. Maxus and Tierra expressly assert the foregoing objections to each and every Interrogatory made below and specifically incorporate the general objections enumerated above to each and every response made below as though they were stated in full.

**MAXUS'S AND TIERRA'S OBJECTIONS AND RESPONSES TO  
PLAINTIFFS' TRACK III TRIAL INTERROGATORIES**

**INTERROGATORY NO. 1**

**Identify the employees, officers and directors (by position or title and the dates each position or title was held) for Tierra between March 1986 and December 1994. For employees, officers and directors that also held employee, officer and director positions with Tierra Affiliates, include each position with each Affiliate and the dates of employment or service between March 1986 and December 1994.**

**ANSWER:**

Tierra had no employees between March 1986 and December 1994 because, during that period, Tierra's corporate purpose and functions were very limited, requiring no employees. Pursuant to Rule 4:17-4(d), Maxus and Tierra answer further that the identity of Tierra's officers and directors between March 1986 and December 1994 can be derived or ascertained as readily by the plaintiffs, as by Maxus or Tierra, by reference to the corporate records produced by Maxus and Tierra on November 7, 2011, and bearing Bates Nos. MAXUS3374479-MAXUS3388618.

**INTERROGATORY NO. 2**

**Identify all of Tierra's bank accounts (owned or in the name of Tierra) between March 1986 and December 1994, including account numbers and names of financial institutions, name or names on the account, all authorized signatories for the account, and the date on which each account was opened and/or closed.**

**ANSWER:**

Maxus and Tierra object to this interrogatory on the grounds that that the information requested is irrelevant to the issues to be determined during the Track III Trial, as set forth in the Consent Order on Track III Trial Plan entered by the Court, and is not reasonably calculated to lead to the discovery of admissible evidence, as borne out by the fact that plaintiffs have not previously requested production of this information, despite previously serving hundreds of separately stated document requests upon Maxus and Tierra. Subject to and without limiting this objection, see Maxus and Tierra's response to Plaintiffs' Request for Admission Nos. 2 through 5.

**INTERROGATORY NO. 3**

**Identify the fair market value, fair value and book value of the tangible and intangible (individually or collectively) assets and liabilities held by DSC-1 on August 1, 1983 and fair market value, fair value and book value of the tangible and intangible (individually or collectively) assets and liabilities held by DSC-1 on January 31, 1984.**

**ANSWER:**



Maxus and Tierra object to this interrogatory on the grounds that the information requested is irrelevant to the issues to be determined during the Track III Trial, as set forth in the Consent Order on Track III Trial Plan entered by the Court, and is not reasonably calculated to lead to the discovery of admissible evidence. Maxus and Tierra object further to the extent the interrogatory requests information that may require expert evaluation.

Subject to and without limiting this objection, Maxus and Tierra state that, on August 30, 1983, the stockholders of Diamond Shamrock Corporation (“DSC-1”) approved a corporate reorganization whereby the various operating divisions of DSC-1 – namely, Chemicals, Exploration and Production (of crude oil and natural gas), Refining and Marketing (of petroleum products), and Coal – would become subsidiaries of a newly formed stockholding company. Implementing this plan included the following core steps:

- DSC-1 was renamed Diamond Shamrock Chemicals Company (“DSCC”).
- The Exploration and Production, Refining and Marketing, and Coal divisions—along with a “corporate” division to perform financial, legal, certain environmental and other business administration functions—were established as newly created subsidiaries of DSCC. These subsidiaries were named Diamond Shamrock Exploration Company, Diamond Shamrock Refining and Marketing Company, Diamond Shamrock Coal Company, and Diamond Shamrock Corporate Company.
- Through a series of Assignment and Assumption Agreements and related documents, DSCC assigned to each newly formed subsidiary, as a contribution of capital, the assets associated with its particular line of business or function, in consideration of which each subsidiary agreed to assume and indemnify DSCC for the liabilities associated the assigned assets.
- A new corporation, which would adopt the name Diamond Shamrock Corporation (“DSC-2”), was established to become the parent of DSCC and of the newly formed subsidiaries.
- DSCC then transferred ownership of the stock of the newly formed subsidiaries to DSC-2. Concurrently, DSC-2 was assigned and agreed to assume liability for substantially all of DSCC’s then outstanding domestic long-term debt, which at the time had an outstanding principal balance of approximately \$289 million, as well as numerous other obligations, all as outlined on Schedule II at Maxus0219191.

The corporate reorganization summarized above was approved by DSC-1’s stockholders and implemented during the time period that is the subject of this interrogatory. As a result of the reorganization, DSCC’s assets and liabilities on August 1, 1983, were different from DSCC’s assets and liabilities on January 31, 1984. By the latter date, DSCC no longer possessed ownership of the assets associated with the non-chemicals business units. By the same token, DSCC received, among other things, agreements by the newly formed affiliates to assume on DSCC’s behalf and indemnify DSCC for all liabilities associated with the assets conveyed.

Pursuant to Rule 4:17-4(d), additional information responsive to this interrogatory may be derived as readily by the plaintiffs, as by Maxus or Tierra, by reference to documents that Maxus and Tierra have produced, including, but not limited to, documents regarding the 1983-1984 reorganization, the 1983-1984 Assignment and Assumption Agreements, related promissory notes, annual reports and 10K submissions for 1983 and 1984, and other financial records previously produced containing information regarding the assets and liabilities of DSC-1.

#### **INTERROGATORY NO. 4**

**Identify the fair market value, fair value and book value of the assets and liabilities transferred from DSC-1 to Diamond Shamrock Exploration Company, Diamond Shamrock Refining and Marketing Company, Diamond Shamrock Coal Company, and Diamond Shamrock Corporate Company.**

#### **ANSWER:**

Maxus and Tierra object to this interrogatory on the grounds that the information requested is irrelevant to the issues to be determined during the Track III Trial, as set forth in the Consent Order on Track III Trial Plan entered by the Court, and is not reasonably calculated to lead to the discovery of admissible evidence. Maxus and Tierra object further to the extent the interrogatory requests information that may require expert evaluation.

Subject to and without limiting this objection, Maxus and Tierra refer to and incorporate by reference their response to Interrogatory No. 3, above. In addition, pursuant to Rule 4:17-4(d), Maxus and Tierra state that information responsive to this interrogatory may be derived as readily by the plaintiffs, as by Maxus or Tierra, by reference to documents that Maxus and Tierra have produced, including, but not limited to, documents regarding the 1983-1984 reorganization, the 1983-1984 Assignment and Assumption Agreements, annual reports and 10K submissions for 1983 and 1984, and other financial records previously produced containing information regarding the assets and liabilities of DSC-1.

#### **INTERROGATORY NO. 5**

**Describe in detail all reasons or bases for structuring the sale of DSCC to OCC as a sale of stock and not a sale of assets or other structure, including all business reasons and tax reasons, if any.**

#### **ANSWER:**

Maxus and Tierra object to this interrogatory on the grounds that the information requested is irrelevant to the issues to be determined during the Track III Trial, as set forth in the Consent Order on Track III Trial Plan entered by the Court, and is not reasonably calculated to lead to the discovery of admissible evidence. Asking why OCC and Maxus agreed in 1986 that OCC would buy DSCC's stock, rather than agree that OCC would purchase DSCC's assets alone, or to craft some hypothetical "other structure," has no bearing on the Track III issues of whether or not

- Maxus is a “successor” of DSC-1 “based on corporate transactions that [actually] *took place* in the period of approximately 1983-1986,” *Consent Order on Track III Trial Plan*, § I.A.2.a (emphasis added);
- Maxus is the “alter ego” of Tierra, “based on the relationship of Maxus and Tierra, and their relationship to the Lister Site, between the time Tierra was incorporated in 1986 and 1995,” *id.*, § I.A.2.b;
- any of the Plaintiffs “are ‘third-party beneficiaries’ of certain provisions of the 1986 Stock Purchase Agreement” that Maxus and OCC actually executed, *id.*, § I.A.2.c; or
- Maxus is “in any way responsible” for hazardous substances discharged from the Lister Site “based on the same alleged facts” as are germane to “one or more of the theories outlined . . . above.” *Id.*, § I.A.2.d.

Maxus and Tierra object further that the interrogatory improperly asks Maxus to speculate on OCC’s reasons or bases for agreeing to purchase DSCC’s stock, rather than simply buying DSCC’s assets or adopting some “other structure.”

Subject to and without limiting these objections, Maxus and Tierra answer that the reason for structuring a sale of DSCC as a sale of stock, rather than a sale of assets, is that a corporation is sold precisely by selling its stock. Selling a corporation’s assets is not the same as selling the corporation or its business; an asset sale merely conveys the property owned by the corporation. Thus, it would have been impossible to “structure[e] the sale of DSCC to OCC” as a sale solely of DSCC’s assets. The idea was, very simply, to sell the corporation, including all of its then-held assets and liabilities; such a sale is accomplished by selling the corporation’s stock.

#### **INTERROGATORY NO. 6**

**Describe the approach (i.e., income, market, asset/cost approach) and the methodology (capitalization of earning, net book value or other methodology) for calculating the value of all assets owned by DSC-1 as of December 31, 1982, and described in Maxus0238643.**

#### **ANSWER:**

Maxus and Tierra object to this interrogatory on the grounds that the information requested is irrelevant to the issues to be determined during the Track III Trial, as set forth in the Consent Order on Track III Trial Plan entered by the Court, and is not reasonably calculated to lead to the discovery of admissible evidence. Maxus and Tierra object further to the extent the interrogatory requests information that may require expert evaluation. Subject to and without limiting these objections, information regarding the assets of DSC-1 and the method for determining same are contained in the documents previously produced in response to OCC and Plaintiffs’ prior discovery requests, including the consolidated annual reports and SEC Form 10-K Reports for Diamond Shamrock Corporation.

### **INTERROGATORY NO. 7**

**Identify the total balance on the obligations and/or indentures listed in Schedule II at Maxus0219191 as of the date the obligations were transferred to DSC-2.**

**ANSWER:**

Maxus and Tierra object to this interrogatory on the grounds that the information requested is irrelevant to the issues to be determined during the Track III Trial, as set forth in the Consent Order on Track III Trial Plan entered by the Court, and is not reasonably calculated to lead to the discovery of admissible evidence. Subject to and without limiting these objections, the principal remaining balance on the indentures listed in Schedule II was \$289,024,000. Additional information regarding the balance on the indentures is included in the documents previously produced in response to OCC and Plaintiffs' prior discovery requests, including the consolidated annual reports and SEC Form 10-K and 8-K Reports for Diamond Shamrock Corporation. By way of further response and with regard to the additional obligations identified on Schedule II, pursuant to Rule 4:17-4(d), Maxus and Tierra are in the process of attempting to identify for production documents in their possession containing the information sought by this interrogatory, to the extent not produced in response to Plaintiffs' and OCC's prior discovery requests, which information may be ascertained or derived as readily by the plaintiffs, as by Maxus or Tierra, by reference to said documents.

### **INTERROGATORY NO. 8**

**List all persons or entities intended to be benefited by Articles IX, X and XII of the Stock Purchase Agreement at the time the Stock Purchase Agreement was executed.**

**ANSWER:**

Maxus and Tierra object to this interrogatory on the grounds that it seeks a conclusion of law, namely, a legal interpretation of an agreement, and one to which Plaintiffs are not a party.

Subject to and without limiting that objection, Maxus and Tierra answer that Maxus and OCC expressly agreed in the SPA (1) that the following persons or entities are the only ones that may qualify for indemnification under Article IX, and/or to participate in cost-sharing under Article X, and (b) that, except for any persons/entities listed below, third-party beneficiaries are otherwise expressly excluded by the SPA contracting parties in Section 12.06:

1. DSC-2/Maxus
2. DSCC/OCC
3. Occidental Petroleum Corporation
4. Occidental Chemical Holding Corporation
5. Oxy-Diamond Alkali Corporation
6. All "Subsidiaries" identified on Schedule 2.03.B of the 1986 SPA
7. All "Pass-Through Purchasers" within the meaning of Section 9.05(a) of the 1986 SPA
8. All subsidiaries and affiliates of the foregoing
9. All directors, officers, agents and representatives of the foregoing

**INTERROGATORY NO. 9**

**Identify the amounts paid (including interest), and the dates of such payments, by Diamond Shamrock Exploration Company, Diamond Shamrock Coal Company and Diamond Shamrock Refining and Marketing Company on each of the unsecured promissory notes that were assigned to DSC-2 on or about December 15, 1983, as evidenced by Maxus0219187 and Maxus0219190.**

**ANSWER:**

Maxus and Tierra object to this interrogatory on the grounds that the information requested is irrelevant to the issues to be determined during the Track III Trial, as set forth in the Consent Order on Track III Trial Plan entered by the Court, and is not reasonably calculated to lead to the discovery of admissible evidence.

Subject to and without limiting these objections, pursuant to Rule 4:17-4(d), the amounts paid pursuant to the promissory notes may be ascertained or derived as readily by the plaintiffs, as by Maxus or Tierra, by reference to the 1983-1984 reorganization and other documents that Maxus and Tierra have produced. Maxus and Tierra do not dispute that the notes were assigned to DSC-2, entitling DSC-2 thereafter to receive the requisite payments.

**INTERROGATORY NO. 10**

**Describe the business purpose for the 1983 Reorganization of DSC-1 (as depicted on Maxus 0055636-0055645) after its acquisition of the Natomas Company, including the creation of and transfer of assets to Diamond Shamrock Exploration Company, Diamond Shamrock Coal Company, Diamond Shamrock Refining and Marketing Company, and Diamond Shamrock Corporate Company and the transfer of the stock in those companies from DSC-1 to DSC-2.**

**ANSWER:**

The 1983 reorganization of DSC-1, as summarized in response to Interrogatory No. 1, above, was a continuation of efforts to transform Diamond Shamrock from a chemicals company to primarily an energy company, with expansion in oil, natural gas and coal production, and a restructuring of the company's refining and marketing and chemicals businesses. It was believed that effective and integrated development of these various lines of business – as well as positioning the company to pursue other major corporate transactions – would be facilitated by separately incorporating the chemicals, exploration and production, refining and marketing and coal businesses that had previously operated as business units within a single corporation.

## **INTERROGATORY NO. 11**

Identify the section or sections of the Internal Revenue Code under which each of the following aspects of the 1983 Reorganization was **reported** on federal income tax forms or returns for DSC-1, DSC-2 or any of their subsidiaries and **describe** the facts that established the eligibility of each filer to report the transaction utilizing that section or sections of the Internal Revenue Code:

- **the transfer of assets of DSC-1 to Diamond Shamrock Exploration Company, Diamond Shamrock Refining and Marketing Company, Diamond Shamrock Coal Company, and Diamond Shamrock Corporate Company;**
- **the assumption of DSC-1's corporate debentures by DSC-2;**
- **the dividend or other method by which DSC-1 transferred the stock of Diamond Shamrock Exploration Company, Diamond Shamrock Refining and Marketing Company, Diamond Shamrock Coal Company, Diamond Shamrock Corporate Company, and any other assets to DSC-2;**
- **the transfer to DSC-2 of the unsecured promissory notes DSC-1 obtained from Diamond Shamrock Exploration Company, Diamond Shamrock Refining and Marketing Company, Diamond Shamrock Coal Company, and Diamond Shamrock Corporate Company in exchange for the assets of DSC-1 transferred to such entities.**

### **ANSWER:**

Maxus and Tierra object to this interrogatory on the grounds that the information requested is irrelevant to the issues to be determined during the Track III Trial, as set forth in the Consent Order on Track III Trial Plan entered by the Court, and is not reasonably calculated to lead to the discovery of admissible evidence.

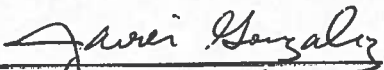
Subject to and without limiting these objections, pursuant to Rule 4:17-4(d), Maxus and Tierra are in the process of attempting to identify for production any documents in their possession containing the information sought by this interrogatory, which information may be ascertained or derived as readily by the plaintiffs, as by Maxus or Tierra, by reference to said documents.

**CERTIFICATION**

I hereby certify that, to the best of my knowledge or belief, the foregoing Responses to Interrogatories are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.


I hereby certify that the copies of any documents annexed hereto are exact copies of the documents identified in the foregoing Responses to Interrogatories; that the existence of other responsive documents, either written or oral, are unknown to me, and if such become later known or available, I shall serve them promptly on the propounding party.

**On behalf of Maxus Energy Corporation**

  
Name: JAVIER GONZALEZ  
Title: Vice President

Dated: November 28, 2011

**On behalf of Tierra Solutions, Inc.**

  
Name: DAVID RABBE  
Title: PRESIDENT

Dated: November 28<sup>TH</sup>, 2011