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NEW JERSEY DEPARTMENT OF
ENVIRONMENTAL PROTECTION and
THE ADMINISTRATOR OF THE NEW
JERSEY SPILL COMPENSATION FUND,

Plaintiffs

v.

OCCIDENTAL CHEMICAL
CORPORATION, TIERRA SOLUTIONS,
INC., MAXUS ENERGY CORPORATION,
REPSOL YPF, S.A., YPF, S.A., YPF
HOLDINGS, INC. and CLH HOLDINGS,
INC.,

Defendants.

: SUPERIOR COURT OF NEW
: JERSEY
: LAW DIVISION: ESSEX
: COUNTY

: DOCKET NO. L-9868-05 (PASR)

: CIVIL ACTION

: **MCKESSON CORPORATION'S
: FIRST AMENDED INITIAL
: DISCLOSURE**

MAXUS ENERGY CORPORATION and :
TIERRA SOLUTIONS, :
INC., :
Third-Party Plaintiffs, :
vs. :
3M COMPANY, *et al.*, :
Third-Party Defendants. :

Comes now Third-Party Defendant McKesson Corporation¹ (“McKesson”) and for its First Amended Initial Disclosure in accordance with Case Management Order V provides the following specific information:

Reservations

1. McKesson reserves the right to object to the production of any documents or other information on any ground, including relevance and undue burden, premature disclosure of expert witness information, and to assert any applicable privilege, including the attorney-client privilege, the work product doctrine, the common interest doctrine, and any other applicable privilege or protection. These disclosures are not intended to prejudice or waive any privileges or objections McKesson may have with respect to any outstanding or subsequent requests for discovery.

2. McKesson’s investigation in this matter is continuing. Accordingly, it reserves

¹ The McKesson Initial Disclosures are herein amended to provide initial disclosures on behalf of mis-named party Safety-Kleen Systems, Inc., f/k/a Safety-Kleen Corporation (“SKSI”), solely in regard to the property owned by McKesson and described in paragraphs 82 to 85 of Third Party Complaint “D” and paragraph 7 of the McKesson Answer and First Amended Answer, and only until such time as McKesson indemnitee and proper party Safety-Kleen Envirosystems Company (“SKEC”) may be substituted for SKSI.

the right to supplement, clarify, and revise these disclosures to the extent additional information becomes available or is obtained through discovery. Further, McKesson reserves the right to amend these disclosures to the extent the claims brought by or alleged against McKesson in this litigation are amended.

3. The time period covered by the allegations in the Plaintiffs' Second Amended Complaint is quite long and encompasses at least six decades. The geographic scope of the Second Amended Complaint is also quite broad, covering the 'Newark Bay Complex,' which spans the 'lower 17 miles of the Passaic River, Newark Bay, the lower reaches of the Hackensack River, the Arthur Kill, the Kill van Kull, and into adjacent waters and sediments.' Second Amended Complaint, ¶ 1. The scope of inquiry required by Plaintiffs and Third-Party Defendants is accordingly quite broad and potentially burdensome. McKesson is therefore engaged in a continuing investigation and reserves the right to supplement and modify these disclosures.

Initial Disclosures

a. The name, address and telephone number, as may be known of each individual likely to have discoverable information, along with the subjects of that information, that relates to any alleged discharge or release of pollutants, contaminants and/or hazardous substances ("Pollutants") into the Newark Bay Complex (as these terms are defined in the Second Amended Complaint and the Third-Party Complaints) from the site(s) and/or properties with which the disclosing party is associated in the Third-Party Complaint ("Alleged Discharges");

Response

McKesson objects to the form of the question to the extent that it assumes or concludes there was an "alleged discharge or release of pollutants, contaminants and/or hazardous substances" to the Newark Bay Complex from the site with which McKesson is associated in Third Party Complaint D (the "Site"). McKesson's investigation regarding former employees at the Site is ongoing, and McKesson reserves the right to supplement this response as further information becomes available. Based on McKesson's internal investigation and review of relevant files, the individuals listed below are likely to have

discoverable information pertaining to the Site history, former Site operations, and/or Site investigation/remediation:

Name/Address/Phone	Subject
David Ulm, Dawn Penniman, Catherine Geraci ARCADIS 6723 Towpath Road Syracuse, NY 13214-0066 (315) 446-9120	Site investigation/remediation.
Barry Blocker c/o Edgcomb Law Group 115 Sansome Street, Suite 700 San Francisco, CA 94014 (415) 399-2908	Site history, former Site operations.
Harvey Campbell c/o Edgcomb Law Group 115 Sansome Street, Suite 700 San Francisco, CA 94014 (415) 399-2908	Site history, former Site operations.
Harold Thomas Dill c/o Edgcomb Law Group 115 Sansome Street, Suite 700 San Francisco, CA 94014 (415) 399-2908	Site history, former Site operations.
William D. Gabbard c/o Edgcomb Law Group 115 Sansome Street, Suite 700 San Francisco, CA 94014 (415) 399-2908	Site history, former Site operations.
Leonard W. Grish c/o Edgcomb Law Group 115 Sansome Street, Suite 700 San Francisco, CA 94014 (415) 399-2908	Site history, former Site operations.
Ulisse Marini c/o Edgcomb Law Group 115 Sansome Street, Suite 700 San Francisco, CA 94014 (415) 399-2908	Site history, former Site operations.
Jean Mescher c/o Edgcomb Law Group 115 Sansome Street, Suite 700 San Francisco, CA 94014 (415) 399-2908	Former Site operations (limited), Site investigation/remediation.
Emil Merkle c/o Edgcomb Law Group	Site history, former Site operations.

115 Sansome Street, Suite 700 San Francisco, CA 94014 (415) 399-2908	
Alan M. Pearce c/o Edgcomb Law Group 115 Sansome Street, Suite 700 San Francisco, CA 94014 (415) 399-2908	Former Site operations (limited).
Robert D. Ritchie c/o Edgcomb Law Group 115 Sansome Street, Suite 700 San Francisco, CA 94014 (415) 399-2908	Former Site operations (limited), Site investigation/remediation.
Michael Rosenberg c/o Edgcomb Law Group 115 Sansome Street, Suite 700 San Francisco, CA 94014	Former Site operations (limited), Site investigation/remediation.
David J. Schoonmaker c/o Edgcomb Law Group 115 Sansome Street, Suite 700 San Francisco, CA 94014	Site history, former Site operations.
William J. Shortreed (unable to locate) c/o Edgcomb Law Group 115 Sansome Street, Suite 700 San Francisco, CA 94014	Site history, former Site operations.
Thomas K. Skinker c/o Edgcomb Law Group 115 Sansome Street, Suite 700 San Francisco, CA 94014	Site history, former Site operations.
Edward F. Venne c/o Edgcomb Law Group 115 Sansome Street, Suite 700 San Francisco, CA 94014	Site history, former Site operations.
Dana C. Venne c/o Edgcomb Law Group 115 Sansome Street, Suite 700 San Francisco, CA 94014	Site history, former Site operations.
Anticipated expert witnesses c/o Edgcomb Law Group 115 Sansome Street, Suite 700 San Francisco, CA 94014 (415) 399-2908	Former Site operations, Site investigation/remediation.

b. The name, address and telephone number, as may be known, of each individual likely to have discoverable information that the disclosing party may use to support its claims or defenses (unless the use would be solely for impeachment);

Response

Name	Address	Phone Number
David Ulm, Dawn Penniman, Catherine Geraci	ARCADIS 6723 Towpath Road Syracuse, NY 13214-0066	(315) 446-9120
Undisclosed anticipated expert witnesses	c/o Edgcomb Law Group 115 Sansome Street, Suite 700 San Francisco, CA 94014	(415) 399-2908

c. The name, address and telephone number, as may be known, of any and all past or present owners, lessees or operators at the site(s) and/or properties with which it is associated in the Third-Party Complaint and the dates of such ownership, lease or operation, as may be known;

Response

Name/Address/Phone	Site Address	Dates at Site: Ownership/Operator/Lease
Balbach Smelting and Refining Company	504-508 Doremus Avenue, Newark, New Jersey	Upon information and belief: Owner/operator from the mid 1800's to the mid-1930s.
Kolker Chemical	504-508 Doremus Avenue, Newark, New Jersey	Upon information and belief: Owner/operator from approximately 1951 to approximately 1963
Vulcan Materials Company	504-508 Doremus Avenue, Newark, New Jersey	Upon information and belief: Owner/operator from approximately 1963 to May 1974
Inland Chemical Corporation	504-508 Doremus Avenue, Newark, New Jersey	Upon information and belief: Owner/operator from May 1974 to December 1981.
McKesson Envirosystems Company	504-508 Doremus Avenue, Newark, New Jersey	Upon information and belief: Owner/operator from December 1981 to March 1987 by acquisition. In December 1981,

		McKesson Corporation purchased Inland Chemical Corporation and merged it into a wholly-owned subsidiary named McKesson Envirosystems Company ("MEC").
McKesson Corporation	504-508 Doremus Avenue, Newark, New Jersey	Owner of property from March 1987 to present.
Safety-Kleen Envirosystems Company	504-508 Doremus Avenue, Newark, New Jersey	Upon information and belief: In March 1987, through a stock sale, MEC was purchased and became Safety-Kleen Envirosystems Company ("SKEC"). SKEC never owned or operated the 504-508 Doremus Avenue, Newark, New Jersey property or facility. Title to the property was transferred to McKesson Corporation at that time (see above). McKesson Corporation has certain indemnity obligations to SKEC regarding the Site.

d. With respect to any individual identified pursuant to paragraph (a), (b) or (c) above, (or any other individual known to have material knowledge of an alleged discharge or release of a Pollutant at or from a site and/or property, or into the Newark Bay Complex), any known inability to testify due to age, infirmity, or incompetency within 12 months following the date of the Initial Disclosure;

Response

Thomas K. Skinker has Alzheimer’s disease and is unable to testify; Dana C. Venne has cancer and is unable to testify.

e. A description by category and location (or copy at the discretion of the Third-Party Defendant) of all documents or electronically stored information that the disclosing party has in its possession, custody, or control with respect to Alleged Discharges including disclosure of the extent to which such documents or electronically stored information may fall within the Excepted Information.

Response

McKesson objects to the form of the question to the extent that it assumes or concludes there was an “alleged discharge or release of pollutants, contaminants and/or hazardous substances” to the Newark Bay Complex from the Site. As discovery is ongoing, McKesson reserves the right to supplement the information below should additional information responsive to Initial Disclosure “e.” become available. One or more of the Exception Codes listed below may apply to some or all of the documents or electronically stored information marked with an asterisk:

Documents by Category	Location	Applicable Exception²
Facility operating records,	McKesson Corporation	

² Applicable Exception Codes are as follows:

a. Information, (“Information”), including, but not limited to, environmental, chemical and/or biological testing of groundwater, surface water, soil or sediment (hereinafter “Sampling Information”) contained in the nexus packages produced pursuant to paragraph 8 (e) of CMO V;

b. Information previously produced to any branch, department, agency or instrumentality of the State of New Jersey including to the New Jersey Department of Environmental Protection (“NJDEP”) or Information produced to any other governmental agency or entity whose responsibility it is to oversee environmental compliance in the Newark Bay Complex Area, including, but not limited to, the United States Environmental Protection Agency and the United States Army Corps of Engineers (hereinafter “Governmental Recipients”);

c. Information produced to any Licensed Site Remediation Professional (hereinafter “LSRP”) who is duly licensed by the State of New Jersey at the time of receipt of such Information where such disclosure of Information is intended to be used in connection with any remedial investigation or remedial action having an assigned case number in the NJDEP’s NJEMS data system;

d. Sampling Information compiled with the expectation of being produced to a Governmental Recipient or an LSRP under Paragraphs 4(b) or 4(c) but which Sampling Information has not yet undergone quality assurance/ quality control or similar analysis;

e. Information produced by a third-party defendant to any third-party plaintiff pursuant to the New Jersey Open Public Records Act or other freedom of information law or regulation;

f. Information previously produced to Defendants and

g. Information that falls within the attorney-client privilege and/or the attorney work product privilege.

site schematics, customer invoices, internal company memoranda*	One Post Street San Francisco, CA 94104 Edgcomb Law Group ³ 115 Sansome Street, Suite 700 San Francisco, CA 94014	
Government agency records (including NJDEP Administrative Consent Order), permit applications and permits, agency correspondence*	New Jersey Department of Environmental Protection 401 E. State Street P.O. Box 402 Trenton, NJ 08625-0402 EPA Region 2 290 Broadway New York, NY 10007-1866	
Enforcement Files, Administrative Record, and agency correspondence related to the Lower Passaic River Study Area*	EPA Region 2 290 Broadway New York, NY 10007-1866	
Environmental reports, sampling data, and related documents*	ARCADIS 6723 Towpath Road Syracuse, NY 13214-0066 McKesson Corporation One Post Street San Francisco, CA 94104 Edgcomb Law Group 115 Sansome Street, Suite 700 San Francisco, CA 94014	
Correspondence with prior Site owners, operators and/or customers regarding Site operations and Site remedial activity.*	McKesson Corporation One Post Street San Francisco, CA 94104 Edgcomb Law Group 115 Sansome Street, Suite 700 San Francisco, CA 94014	


³ Records related to site operations may exist in multiple locations, but may be obtained through Arcadis, McKesson, and/or counsel for McKesson where noted.

McKesson's First Amended Initial Disclosure is made without prejudice to its right to change or supplement its responses, its right to assert privileges or objections with respect to any subsequent requests for discovery, and its right to introduce at trial additional evidence and documents as warranted by the development of the facts underlying this litigation.

Dated: March 4, 2010

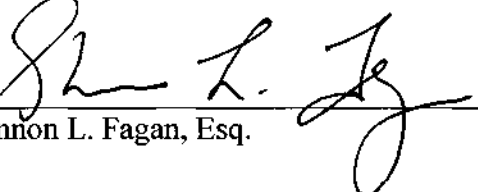
Respectfully submitted,

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Attorney for Third-Party Defendants
McKesson Corporation, McKesson
EnviroSystems Company, McKesson
Corporation on behalf of Safety-Kleen
EnviroSystems Company, and McKesson
Corporation on behalf of mis-named party
Safety-Kleen Systems, Inc., f/k/a/ Safety-Kleen
Corporation



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