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**ATTORNEY FOR THIRD-PARTY DEFENDANT
SCHERING CORPORATION**

NEW JERSEY DEPARTMENT OF	:	SUPERIOR COURT OF NEW JERSEY
ENVIRONMENTAL PROTECTION and	:	LAW DIVISION: ESSEX COUNTY
THE ADMINISTRATOR OF THE NEW	:	
JERSEY SPILL COMPENSATION FUND,	:	DOCKET NO. L-9868-05
	:	
Plaintiffs	:	
v.	:	CIVIL ACTION
	:	
OCCIDENTAL CHEMICAL	:	THIRD-PARTY DEFENDANT
CORPORATION, TIERRA SOLUTIONS,	:	SCHERING CORPORATION'S
INC., MAXUS ENERGY CORPORATION,	:	INITIAL DISCLOSURE
REPSOL YPF, S.A., YPF, S.A., YPF	:	
HOLDINGS, INC. and CLH HOLDINGS,	:	
INC.,	:	
Defendants.	:	
	:	
MAXUS ENERGY CORPORATION and	:	
TIERRA SOLUTIONS,	:	
INC.,	:	
Third-Party Plaintiffs,	:	
	:	
vs.	:	
	:	
3M COMPANY, <i>et al.</i> ,	:	
	:	
Third-Party Defendants.	:	

Third-Party Defendant Schering Corporation (“Schering”), in accordance with applicable Case Management Orders, hereby makes initial disclosures subject to the following Reservations:

Reservations

1. Schering reserves the right to object to the production of any documents or other information on any ground, including relevance and undue burden, 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 Schering may have with respect to any outstanding or subsequent requests for discovery.

2. Due to the recent merger of Schering and Merck & Co., Inc., and the continuing reorganization of personnel and departments arising from same, Schering's investigation in this matter is continuing. Schering reserves the right to supplement, clarify, and revise these disclosures to the extent additional information becomes available or is obtained through discovery. Further, Schering reserves the right to amend these disclosures to the extent the claims brought by or alleged against Schering in this litigation are amended.

3. The time period covered by the allegations in the Plaintiffs' Second Amended Complaint and Third-Party Plaintiff's Complaint "B" (collectively "Complaints") is quite long and encompasses at least six decades. The geographic scope of the Complaints 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 is accordingly quite broad and potentially burdensome. Schering 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:

Schering objects to this request to the extent it concludes that there was a "discharge or release of pollutants, contaminants and/or hazardous substances" into the Newark Bay Complex from the Schering Site. Schering denies that any Pollutants that may have been discharged or released at the Schering Site were transported to or impacted the Newark Bay Complex. Accordingly, Schering does not have knowledge of any individual likely to have discoverable information relating to any alleged discharge of Pollutants into or affecting the Newark Bay Complex.

However, in a good faith effort to comply with applicable Case Management Orders, Schering discloses the following individuals who may have discoverable information relating to the environmental conditions, operational history, site investigation and remediation activities at the Schering Site. This identification is not an admission that such persons have information relating to any Alleged Discharges, and no applicable privileges, doctrines, defenses, or protections should be deemed waived concerning these individuals. Schering reserves the right to amend this list as more specific information regarding the nature and basis of Third Party Plaintiffs' claims becomes available.

Schering requests that notice be provided in writing to undersigned counsel before any of its current or former employees are contacted.

Name	Subject
Gerard Aceti Environmental Manager Schering Corporation	Remediation. Current Remediation Project Manager (2009-2010)
Bruce Sandmaier Former Schering Corporation employee	Remediation. Former Remediation Project Manager (1989-1991; 2002-2009)
Lawrance Adrian Director Reliability, Global Engineering Schering Corporation	Remediation. Former Remediation Project Manager (1997-2002)

Name	Subject
Daniel Caramagno Env. Manager, Global Safety & Environment Schering Corporation	Remediation. Former Remediation Project Manager (1994-1997)
Joseph Nusser Retired	Remediation. Former Director of Schering-Plough Global Environmental (1984-2002)
Saeed Azam Sr. Engineer, Union Site Maintenance Schering Corporation	Operations. Current Manager of Treatment Operations (1995-2010)
George Wittmann Sr. Director, NJ Facility Management Schering Corporation	Operations. Sr. Director New Jersey Facilities (2000- 2010)
William Cokeley Director Global Research Facility Management Schering Corporation	Operations. Former Site Maintenance Manager (1991- 1995)
Stephen Yu Director, Quality & Change Management Schering Corporation	Operations. Former Director Research Pilot Plant (1990-2000)
Ray Werner Retired	Operations. Former Director Research Pilot Plant (1970-1990)
Tom Weaver Retired	Operations. Former Director Union Research Pilot Plant Operations (1975-1995)

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:

Schering is engaged in a continuing investigation and has not determined the identity of witnesses it may use to support its claims or defenses. However, some of the individuals identified in paragraph “a”, above, may be used.

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:

Subject to the Reservations set forth above, Schering responds as follows:

Name	Site Address	Dates at Site
Schering Corporation	1011 Morris Avenue Union, NJ 07083	1938 to December 1941 ¹
United States Department of Justice, Office of Alien Property Custodian	1011 Morris Avenue Union, NJ 07083	December 1941 through March 1952 ²
Schering Corporation	1011 Morris Avenue Union, NJ 07083	March 1952 to present

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:

None known at this time.

¹ During this time period, Schering Corporation was a wholly owned subsidiary of Schering AG, a German corporation.

² In December 1941, with the declaration of war between Germany and the United States, the United States situs assets of all German nationals were seized by the United States Alien Property Custodian's Office and the United States thereby took complete control of Schering Corporation. The United States, through the Alien Property Custodian and his successor, the Office of Alien Property of the Justice Department, maintained ownership of Schering as the sole shareholder throughout the war and later, until March of 1952. As sole shareholder, the Alien Property Custodian's Office was responsible for appointing management personnel and generally conducting business.

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:

Schering objects to this request to the extent that it concludes there were any "Alleged Discharges" to the Newark Bay Complex from the Schering Site. Schering denies that there were any such discharges. Without waiving this objection, and subject to the Reservations, the following categories of documents are currently known to Schering to be in its possession, custody or control, and may relate to environmental conditions, operational history, remediation activities, environmental permitting and environmental compliance matters respecting the Schering Site. Schering reserves the right to supplement this response in the event additional responsive documents become available. By disclosing the categories of documents identified below, Schering does not waive any applicable privileges attached to any such documents. Moreover, some of the documents listed within the categories below may consist of information that falls within a category of Excepted Information.³

³ Applicable Exception Codes are as follows:

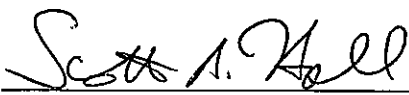
- a. Information, ("Information"), including, but not limited to, environmental, chemical and/or biological testing of groundwater, surface water, soil or sediment (hereinafter "Sampling Information") contained in the nexus packages produced pursuant to paragraph 8 (e) of CMO V;
- b. Information previously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

Documents by Category	Location
Responses to information requests; Environmental compliance; Environmental reports; Sampling data; Correspondence with environmental consultants and governmental agencies; Permits; Internal correspondence, documents and records; e-mail; Maps; Photos; Surveys; Drawings.	Schering Corporation 1011 Morris Avenue Union, NJ 07083 Schering Corporation 2000 Galloping Hill Road Kenilworth, NJ 07033 Merck & Co., Inc. 556 Morris Avenue Summit, NJ 07901-1308 Merck & Co., Inc. 126 E. Lincoln Avenue Rahway, NJ 07065 Certain paper documents are stored/archived with Iron Mountain. Certain documents are stored/archived with Vital Records. Some, but not all documents are maintained in electronic form.

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

Dated: May 6, 2010

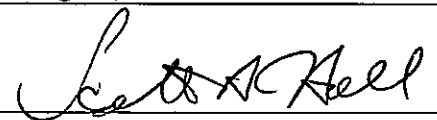
DUGHI & HEWIT, P.C.
Attorneys for Third-Party Defendant,
Schering Corporation

By: 
Scott A. Hall, Esq.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of Third-Party Defendant Schering Corporation's Initial Disclosure was served electronically on all parties which have consented to service by posting on www.sfile.com/njdepvocc on May 6, 2010. The following counsel of record were served on May 6, 2010 via first class, regular mail:

Borough of Hasbrouck Heights	Richard J. Dewland Coffey & Associates 465 South Street Morristown, NJ 07960 973.539.4500 rjd@coffeylaw.com
City of Orange	John P. McGovern Assistant City Attorney City of Orange Township 29 North Day St. Orange, NJ 07050
Passaic Pioneers Properties Company	John A. Daniels Daniels & Daniels LLC 6812 Park Ave. Guttenberg, NJ 07093
Township of Hillside	Christine M. Burgess Township Attorney Hillside Township Municipal Bldg. 1409 Liberty Ave. Hillside, NJ 07205
Township of Irvington	Gustavo Garcia Municipal Attorney Township of Irvington Irvington Municipal Building Civic Square Irvington, NJ 07111


Scott A. Hall, Esq.

Dated: May 6, 2010