

now with Bonifaz. Sort of same reason I did not terribly mind Kimerling's attempt to intervene in New York – as long as it does not go too far.

**Legal issues at this point in case from legal meeting:** First, peritaje global. First issue is who is the perito. We are down to Reyes. The woman from USF is clearly not up to task. Other ideas: guy from Spain recommended by Esperanza not realistic. Choose from 3 options: do nothing more other than Champs study; full-blown at every site; some sort of partial. When we opened it up, Fausto said don't do anything more – that we have a statistically sig sample. I lean to doing it all for legal and political reasons, to make it easier for us to prove out claims and easier for the judge to find damages across the entire ecosystem. FP is drawing up budget. A Wray said same – no need, but if we did it would help us. Thus two people said no need. Budget will probably be 500 to 700; clear Havoc no longer wants to work with us, so we need to look for foreign lab. Other issue is Alegato.

**Fernando Reyes and global:** I had one-hour interview with him Friday to do a hard vet. I asked how T could attack him, and he pointed out: worked for DINAPA and DNH; worked for Fugro McClellan as fiscalizador for three months; wrote in book that gov shares some of the responsibility. He also worked for Maxus as an environmental auditor in the famous Block 16 which had caused so much controversy. I told him pointblank that if he did this he likely would never work in the oil industry again in Ecuador, at least for an American company, but that he could be a national hero and have a job the rest of his life being involved in the clean-up. There is a certain level of “desconfianza” in him for these past jobs, for our previous arrangement as veeduría, for the tepid draft report he wrote, etc. I asked if he could be comfortable slamming them with a 10b judgment. He answered yes to tall, but I don't know if he has the internal timber to pull it off but at this point I don't see a Plan B. Bottom line is that he is an “insider”. I see using E-tech to give him cover, but he has to totally play ball with us and let us take the lead while projecting the image that he is working for the court. I think he knows how to do this; I worry that he will use it like Camino to try to get as much money out of us as he can. Remember, he asked Alberto for 30,000 to get all those papers out of PetroEcuador when we were starting the case. And he is still bugging me about the 1,000 he claims we owe him for work he never ended up doing as we cut off that veeduría project early. Seems petty-minded when we need a big thinker, like Charles or Russell. Will a big thinker in Ecuador please stand up?

**Alberto Wray:** We also met with him on Friday to get his opinion on the **global**, among other matters, in the conference room of his office overlooking the park with competition at bicycle jump place. I always love seeing Alberto... I can't explain why, but it is soothing. I just feel like his interest and his involvement makes this real. At the beginning of the case I just couldn't get comfortable around him, but as I have acculturated I just feel like we are friends. We had a great dinner on Monday night with Raul at Zasu and talked up a story for 3-4 hours, getting into some personal shit about racism against Latino's at Raul's law firm. Alberto seems vulnerable to me. Maybe because he has suffered tremendous attacks from Paco Velasco, Tandazo, and the anti-arbitration crowd and he doesn't know how to defend himself. He said the purpose of the global was to prove that the present contamination was a function of the “sistema

Drilling well, guy working on platform from 6 am to 8 pm putting tubes in makes 400/month. Bill said flares are very dangerous for health, they are burning all over. Guys venting gas without flares – got nervous when we took pictures. Had picnic at side of waste pit, pig came over. Visited one other remediated site, then went down and saw stream 200 meters away. Visited Pablo in hospital with IV in arm with brother. I explained how that really well-ordered town was a murderfest underneath. Nice stores, gardens, etc.

Came to Gran Hotel de Lago, in room 70, again brought back memories of when case started and how long this is taking. But finally, I feel like our team really has its shit together. What the etech people have to do is help bring the case home – buttress our proof on the liability issue, and figure out the damages issue based on modeling. I really feel like Ann is going to be our key link to bring it home.

Jan. 12 – First day back after five weeks away, found out Laura pregnant and it feels completely different to come here knowing that.

50 k came today – meet on roof to plan payment of GF. Luis has his doubts; I explained we are not paying for time, but for value. Juan came later to collect the plata.

Bill Powers came today. Having him come in and introduce himself made me realize how far we have come. Pablo y Luis called me out at lunch to be sure I was not going to impose another gringo on them – I said they would have to decide. I really like Bill – he wants to do fish assays, but he has to talk less about Peru. He seems to be getting along well with Fausto.

LY told me story about how he was robbed of 110 dollars to buy eyeglasses for his daughter, so now he has to wait another month. I offered to pay it back, he refused, but I am going to give him the money anyway. He also paid out of his own pocket the rent at the Frente house after the money ran out. And our phone was cut off because the money ran out.

LY told about Ermil's problems. First time LY opened up to me about that. I think he is frustrated with E, he is disorganized, in conflict with a lot of people, he has neglected the base communities and the Frente has its convention in May and LY is worried not enough pepes will come, so he and Pablo called a meeting for Monday to deal with Ermil. They always sneak off to tend to the base communities.

Got angry about lousy press kit Lupita and Ben gave me today. Have to redo.

Raul, Mike Levine, SEC ltr, LY no vacation, Alejandro in Argentina

Talked to AW on conference all. Moving on SEC ltr, ad, number of fronts. Leila said she talked to LY, and he was actually scared. Maybe she is hearing something I am not, or maybe he is telling her something that he is not telling me.

Nov. 18 – Luis came back yesterday afternoon from Lago looking harried, unshaven, and stressed out. Ink stain on shirt. It was his daughter's birthday and what should have been a joyous day, a rare day off for him to take her to a mariscos lunch in Lato, was a tragedy. Handed a human rights complaint about attempted kidnapping of daughter two days before – the phone call at St. Elmo. Given the hesitation in filing official complaints two weeks ago for the human rights petition, it surprised me how quickly this complaint was filed with the local human rights group. One's child – this is a whole other level. There are just too many coincidences now for this not to be orchestrated. They caught the woman, who is not talking; the man escaped. AP said he started to think of his kids, should he tell his Dad. The courage is amazing, it just increases the resolve. AP did note security guards outside talking to the military guys across the street. We all assume the house is bugged, the phones are bugged. These guys would let anybody in to place a bug, yet if we do not have them, how can we get any level of physical protection?

We can no longer talk about sensitive info in the office. How did T suddenly hire a botanist, who showed up in the first inspection where our botanist was. How did Perez Pallares know to cancel the foro at the San Fran on Wed? Is this just coincidence, or are we all crazy. This is what Gato meant by sicotizar.

Press release mocking Perez Pallares for not wanting to debate in public. I predicted he would quit within three months if we kept up the pressure.

Letter to Rep. Thomas. Lehane all over it. Re-wrote Daria letter.

Meet with Gaby father, Fabian Jaramillo. Must interview him. Explanation of social history of Ecuador. What we are paying peritos is way too much.

**Deal with Gustavo Pinto – feel like I have gone over to the dark side. First meeting like that I was not eaten alive. Made modest offer, plus bonus. Agreed to keep it between us, no written agreement. Independent monitoring.**

Flying home on LAN. Pins and Needles with Sand hearing tomorrow and then meeting with Cullen on Wednesday. Went over Texaco document with William in the airport restaurant. That shit makes me sick. However, I still think we have problems with our lab and that concerns me.

Flew down to Lago on Friday after a terrible night's sleep. We were in Guay last Thursday, and calling out the terrible threesome made me nervous throughout the night. I realize I had been holding back re: Ortiz, perhaps because of Carmen, perhaps because of my initial meeting with him at the first inspection, but I have been holding back too long.

Key legal issue on Friday: who will be the perito? According to Pablo, 22 people could be it. Judge eliminated 15 from both sides; that leaves 7. Eliminate the first 5 of the seven (the corrupt freaks), and that leaves Echeverria and Richard. Richard served in the last inspection, and he was found by Fernando Reyes, who has turned out to be a good friend of the case. Richard showed some surprising independence, telling the judge quietly that Texaco's sampling was bullshit. The question is, do we push for Reyes himself or Richard? At first, I thought the idea Reyes would not be the perito was a case killer. I simply am loathe to spend much more money on the case not knowing if we can get a damage claim before the court, which essentially would prevent us from winning the case before a decision can even be made. I trust Reyes; I don't know Richard, even though he looks promising. So I met Richard with Reyes on Sat afternoon in the Hotel Quito, one of my endless series of meetings. He was a humble man, not very sophisticated, but he seemed smart and under-stated – maybe the perfect foil for Chevron, but there is no way to know for sure so there is risk. Reyes things we should go with Richard, and he can help him. The problem is that Wray made some dumb-fuck agreement with Callejas at the first inspection where they agreed the perito for the GP would come from somebody who had actuado en the trial. I have no idea what the reason was for this limitation, perhaps it just seemed logical at the time before we knew how useless the peritos and the dirimenes would be. To get out of this agreement the judge would have to impugn all peritos from both sides plus the 7 dirimenes. Actually, the only two dirimenes who have not been impugned at the final two. So we would have to impugn them to have any chance of getting Reyes, which might help anyway. The entire process is so ass-backwards.

Still big issue on social component. Two issues: Padre who knows Pablo (we write or he writes), and the Spanish guy. I am so not on top of this. Talking about enuesta of 1,000 homes. I am not keen on this, but Esperanza is pushing it.

Pablo: 8 asasinis in 15 days in Sushi; William says he is being prosecuted for terrorism; LY did not even know about it, we are so busy and it so much a part of the bullshit culture. We must talk to Petroecuador about it. His brother has a death threat. Relates to Pablo's work about PetroEcuador laying tubes and getting people to stand up for their rights. Caller ID in Shushu h.r. office was from inteligencia military. Pablo did some sort of denuncia.

We talked about upcoming settlement discussion...decided purpose of meeting to see if it would be worth to have a real meeting. Must have reps in real meeting.