

BARON & BUDD

A PROFESSIONAL CORPORATION
ATTORNEYS AND COUNSELORS
SUITE 1100

3102 OAK LAWN AVENUE
DALLAS, TEXAS 75219-4281
(214) 521-3605
TELECOPIER (214) 520-1181

January 13, 2004

FREDECRICK M. BARON
RUSSELL W. BUDD
BRENT M. ROSENTHAL
LISA A. BLUE, Ph.D.
MARY E. SKELNIK
STEVEN D. WOLENS
MELISSA K. HUTTS
STEVE BAUGHMAN JENSEN
ALLEN M. STEWART
RICHARD I. NEMEROFF
LISA R. KIVETT
LEANNE JACKSON
LAURA BAUGHMAN
LAURIE J. MEGGESIN
LADD R. GIBBE
ALAN B. RICH
ELLEN A. PRESBY
SCOTT SUMMY
MISTY A. FARRIS
KEVIN D. McHARGUE

JAMES D. PIEL
S. ANN SAUCER
LANCE A. POOL
SPECIAL COUNSEL
CARLOS LOPEZ
DIANE M. ANDREW*
SAM T. RICHARD
CHRISTINA E. MANCUSO
SCOTT MORRISON
WESLEY K. YOUNG
STEPHEN C. JOHNSTON
WILLIAM K. TAPSCOTT, JR.
ASHLEY HIGGINS JETER
BEN K. DUBOSE
AMY J. SHAHAN
TAERI IM OH
ANN TUTOKY HARPER
CAREN LOCK HANSON

*LAWRENCE G. GETTYS
ALICIA D. BUTLER
*PATRICK O'NEAL
ANDREA S. BOURNE
VIRGINIA L. ADAMS
JOYCELL M. HOLLINS
MARTY A. MORRIS
LAURA M. CABUTTO
SCOTT R. FRIELING
*THOMAS M. SIMS
JOHN J. SPILLANE
NATALIE F. DUNCAN
MONTY WADE SULLIVAN
AMY M. CARTER
FRANK E. GOODRICH
CARLA M. BURKE
SCOTT L. FROST
TIFFANY NEWLIN
JACQUELINE MONTEJANO
JULIANNE J. MAERSCHEL

BRIAN P. MIN
REY FERNANDEZ
EDMOND L. MARTIN
DONNA J. BLEVINS
STEPHANIE N. BROOKS
DAVID T. RITTER
CHRIS J. PANATIER
J. KAMA DAVIS
RENÉE MELANÇON
*THERESA L. NELSON
D. CARL MONEY
CELESTE A. EVANGELISTI
CHAD R. COTTEN
BRIAN K. PEACOCK
BRIE D. SHERWIN
BRIAN M. BOUFFARD
MONICA WALTERS
SHAWN E. RAVER
*LICENSED IN STATES
OTHER THAN TEXAS

NOTICE OF VIOLATION OF PROPOSITION 65, CALIFORNIA HEALTH & SAFETY CODE SECTION 25249.5.

To: Bill Lockyer, Attorney General for the State of California
Tony Rackauckas, Orange County District Attorney
The Chairman and Chief Executive Officers of Chevron U.S.A. and Chevron Texaco Corporation, their parents, subsidiaries, affiliates, and/or divisions (hereinafter collectively referred to as "Chevron").

RE: **Violations of Proposition 65: Discharge of Listed Chemicals into a Source of Drinking Water in and around CHEVRON'S Operations**

This 60-day Notice alerts you to violations of Proposition 65, the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health & Safety Code Section 25249.5. Members of the noticing party include Communities for a Better Environment ("CBE") and Nicole McAdam, an individual (hereinafter collectively referred to as "noticing party"). CBE is an environmental health and justice 501(c)(3) nonprofit organization. CBE has offices in Huntington Park and Oakland, California. With over 20,000 members statewide, CBE has worked effectively throughout California to prevent and reduce pollution and pledges to cooperate with public prosecutors in this matter to ensure that the violations discussed herein are remedied. CBE and its attorneys have extensive experience in prosecuting violators of Proposition 65.

The noticing party intends to bring suit sixty days hereafter to correct these violations, pursuant to Health & Safety Code Section 25249.7(c). The public prosecutors may also do so within the next sixty (60)-days pursuant to Health & Safety Code Section 25249.7(c).

Chemicals Discharged

The specific violations alleged here are past and ongoing discharges or releases of Benzene, CAS Number 71432 and Toluene, CAS Number 108883. Benzene and Toluene are chemicals

known by the State of California to cause cancer or reproductive toxicity. 22 California Code of Regulations Section 12000. Benzene has been listed as a human carcinogen or reproductive toxin under Proposition 65 since February 27, 1987. Likewise, Toluene has been listed as a human carcinogen or reproductive toxin since January 1, 1991.

Identities of Violators

The persons who in the course of doing business have committed the violations alleged herein are the employees, officers and directors of Chevron (“Violator”). Chevron has been sent a copy of this 60-day Notice through Federal Express mail (as noted) and/or certified mail, return receipt requested to the addresses and persons listed at the end of this letter.

Location of Source of Drinking Water

The violator named herein has knowingly discharged or released each of the chemicals listed above into water or onto or into land where each chemical has passed, currently passes, or will probably pass into a source, or potential source, of drinking water under and around the facilities listed in Attachment 1 attached hereto.

The discharging and/or releasing of chemicals include, but are not limited to, the leaching of chemicals listed herein into water or onto or into land where each chemical has passed, currently passes, or will probably pass into a source, or potential source, of drinking water. These discharges and releases have occurred and are occurring through the leaching of chemicals as a result of direct releases from underground storage tanks, and/or gasoline storage, transfer, delivery, and dispensing systems (hereinafter “USTs” or “gasoline systems”) into and onto soil and subsurface groundwater surrounding the above mentioned Chevron facilities. These releases from the USTs and gasoline systems enter into surrounding groundwater and soil and migrate toward actual and potential sources of drinking water. Listed chemical discharges also occur through storm water run-off from the facilities.

A “source of drinking water” means either a present source of drinking water or water that is identified in a water quality control plan as being suitable for domestic or municipal uses. Health & Safety Code Section 25249.11(d).

The groundwater under and around the facilities has been used for domestic and/or municipal purposes and/or has been designated as a potential source of drinking water. The subsurface groundwater into which the violator has and continues to discharge contaminants are potential sources of drinking water, and/or are tributaries to potential sources of drinking water.

Therefore, the violator here named has discharged or released the chemicals here named into water or onto or into land where such chemicals have passed, are passing, and/or will probably pass into a source of drinking water. The violator named herein has violated, is violating, and currently threatens to violate Health & Safety Code Section 25249.5 within the meaning of Section 25249.5 and Section 25249.11(e).

Approximate Time Period of Violations

The violator has discharged the chemicals listed above in the manner described herein continuously since approximately December 1994. Such violations have been ongoing since that time.

Each and every day during which the violator has discharged or released the chemicals named herein into the groundwater and/or surface water under and around the listed Chevron facilities constitutes a separate violation of Health & Safety Code Section 25249.5, and each chemical released or discharged constitutes a separate violation for each day on which each chemical was released or discharged.

Knowing Discharge of Chemicals

The violator named herein has known of its discharges or releases of the chemicals listed above. Therefore, the violations here described have been knowing on the part of the violator.

Identity of Noticing Party

The name, address, and telephone number of the noticing party is as follows:

Scott R. Summy, Esq.
Laura Baughman, Esq
Renée Melançon, Esq.
Baron & Budd, P.C.
3102 Oak Lawn Avenue, Suite 1100
Dallas, TX 75219
(214) 521-3605 & (800) 222-2766

Other responsible individuals representing CBE and Nicole McAdam are:

Scott Kuhn, Esq.
Communities for a Better Environment
5610 Pacific Boulevard, Suite 203
Huntington Park, CA 90255
(323) 826-9771

Edward L. Masry, Esq.
Nancy Eichler, Esq.
Law Offices of Masry & Vititoe
5707 Corsa Avenue, 2nd Floor
Westlake Village, CA 91362

Notice of Intent to Sue Chevron
for Violations of Proposition 65
Page 4

Walter P. Lack, Esq.
Brian Leinbach, Esq.
Engstrom, Lipscomb & Lack, P.C.
10100 Santa Monica Blvd., 16th Floor
Los Angeles, CA 90067

The noticing party would appreciate receiving prompt notification from you as to whether you will pursue action under Health & Safety code Section 25249.7(c) so that we may make our decisions under Health & Safety Code Section 25249.7(d). We pledge to cooperate with you in this matter and look forward to hearing from you in the near future. If you have any questions or desire any further information, please contact one of the attorneys listed above at Baron & Budd, P.C., (214) 521-3605 or (800) 222-2766.

With this letter, noticing party gives notice of the alleged violations by your facilities to the Attorney General of California, to the District Attorney for the County of Orange, and to The Chairman and Chief Executive Officers of Chevron U.S.A., Inc. and ChevronTexaco Corporation, their parents, subsidiaries, affiliates, and/or divisions, via service of their attorneys of record. This notice covers all violations of the Act that are known to Plaintiffs from public records now available to us. When filed, this suit may also address such other violations as may occur or become apparent after service of this notice letter.

Sincerely,

Notice of Intent to Sue Chevron
for Violations of Proposition 65
Page 5

Enclosures: Appendix A: *The Safe Drinking Water and Toxic Enforcement Act of 1986*
(*Proposition 65*): A Summary.

Attachment 1: List of sites noticed for violation of Proposition 65

cc: (Via First Class Certified Mail, Return Receipt Requested and First Class Mail as noted)

Bill Lockyer, Esq. (Via First Class Certified Mail, Return Receipt Requested)
California Attorney General
Prop 65 Coordinator
1515 Clay Street
Oakland, CA 94612

Tony Rackauckas (Via First Class Certified Mail, Return Receipt Requested)
Orange County District Attorney
401 Civic Center Drive, W.
Santa Ana, CA 92701

Richard C. Coffin, Esq. (Via First Class Certified Mail, Return Receipt Requested)
Barg Coffin Lewis & Trapp, LLP
One Market, Steuart Tower, Suite 2700
San Francisco, California 94105-1475

William K. Dial, Esq. (Via First Class Certified Mail, Return Receipt Requested)
Law Department
6001 Bollinger Canyon Road, T4264
San Ramon, California 94583-2398

Edward L. Masry, Esq. (via First Class Mail)
Nancy Eichler, Esq.
Law Offices of Masry & Vititoe
5707 Corsa Avenue, 2nd Floor
Westlake Village, CA 91362

Walter P. Lack, Esq. (via First Class Mail)
Brian Leinbach, Esq.
Engstrom, Lipscomb & Lack, P.C.
10100 Santa Monica Blvd., 16th Floor
Los Angeles, CA 90067

Scott Kuhn, Esq. (via First Class Mail)
Communities for a Better Environment
5610 Pacific Boulevard, Suite 203
Huntington Park, CA 90255

ORANGE COUNTY				
FACILITY #	ADDRESS	CITY	COUNTY	ZIP
200913	23022 ALISO CREEK RD	ALISO VIEJO	ORANGE	926561540
92069	10972 KATELLA AVENUE	ANAHEIM	ORANGE	928046134
95321	1801 S HARBOR BLVD	ANAHEIM	ORANGE	928023509
209813	3085 EAST LA PALMA AVENUE	ANAHEIM	ORANGE	92806
201029	8000 E SANTA ANA CANYON	ANAHEIM	ORANGE	928081110
202031	6392 BEACH BLVD	BUENA PARK	ORANGE	906212876
94161	2546 E COAST HWY	CORONA DEL MAR	ORANGE	926252031
99915	3000 FAIRVIEW STREET	COSTA MESA	ORANGE	926262715
91660	3048 BRISTOL STREET	COSTA MESA	ORANGE	926263036
94660	3190 HARBOR BLVD	COSTA MESA	ORANGE	926262507
97347	17971 BROOKHURST STREET	FOUNTAIN VALLEY	ORANGE	92708
94360	10020 WARNER AVE	FOUNTAIN VLY	ORANGE	927081620
90590	1001 WEST COMMONWEALTH AVE.	FULLERTON	ORANGE	92833
202025	1730 W ORANGETHORPE AVE	FULLERTON	ORANGE	928334538
96091	2950 NUTWOOD AVE	FULLERTON	ORANGE	928313204
98976	2961 YORBA LINDA BLVD	FULLERTON	ORANGE	928311524
98365	13501 HARBOR BLVD	GARDEN GROVE	ORANGE	928433818
98474	18501 BEACH BOULEVARD	HUNTINGTON BEACH	ORANGE	92648
202425 & 206558	19001 BROOKHURST STREET	HUNTINGTON BEACH	ORANGE	92646
91203	14446 CULVER DRIVE	IRVINE	ORANGE	92604
207139	15425 CULVER DRIVE	IRVINE	ORANGE	926042850
205222	16221 LAKE FOREST DRIVE	IRVINE	ORANGE	926184302
208060	3921 IRVINE BLVD	IRVINE	ORANGE	926022400
201094	5425 ALTON PKWY	IRVINE	ORANGE	926043716
201095	80 CORPORATE PARK	IRVINE	ORANGE	926065105
96496	1950 W IMPERIAL HWY	LA HABRA	ORANGE	906316925
90937	23631 ROCKFIELD BLVD	LAKE FOREST	ORANGE	926301658
202017	27650 SANTA MARGARITA PK	MISSION VIEJO	ORANGE	926916674
90297	27742 CROWN VALLEY PKWY	MISSION VIEJO	ORANGE	926916525
202016	2121 SE BRISTOL ST	NEWPORT BEACH	ORANGE	926601758
208716	105 E. KATELLA	ORANGE	ORANGE	928674801
94400	1702 N TUSTIN ST	ORANGE	ORANGE	928654603
90456	1940 E KATELLA AVE	ORANGE	ORANGE	928675109
90864	2844 N SANTIAGO BLVD	ORANGE	ORANGE	928671725
202588	3301 EAST CHAPMAN AVENUE	ORANGE	ORANGE	92869
99476	1729 S EL CAMINO REAL	SAN CLEMENTE	ORANGE	926723243
99944	515 E AVENIDA PICO	SAN CLEMENTE	ORANGE	926723849
93160	27112 ORTEGA HWY	SAN JUAN	ORANGE	926752702
93417	32001 CAMINO CAPISTRANO	SAN JUAN CAPISTRANO	ORANGE	926753718
98809	1104 SOUTH BRISTOL STREET	SANTA ANA	ORANGE	92704
92830	2120 EAST MCFADDEN AVENUE	SANTA ANA	ORANGE	92705
97601	325 N TUSTIN AVE	SANTA ANA	ORANGE	927053806
210143	702 SOUTH HARBOR BOULEVARD	SANTA ANA	ORANGE	92704
202022	14082 RED HILL AVE	TUSTIN	ORANGE	927805840
93505	17241 17TH ST	TUSTIN	ORANGE	927801926
201233	2740 BRYAN AVE	TUSTIN	ORANGE	927828919
90154	19751 YORBA LINDA BLVD	YORBA LINDA	ORANGE	928862802