

Web Site Update: Anchovy Oil Concession  
October 9, 2001

By: Hans Christian Beyer, Counsel to Creditors' Committee

Bill Cuthill, the Chapter 11 Trustee, and the Evergreen Creditors' Committee (the "Committee") have been pursuing three avenues for asset recovery in this case: litigation, settlements with potential litigation targets, and liquidation of existing Evergreen assets. As many of you know, the last beneficial owner of Evergreen Securities, Ltd. was William Zylka who used substantial amounts of Evergreen funds to make a variety of investments, largely in various types of mining operations. The Committee was approached by a representative of the Zylka family in August, 2001, regarding the structuring of a settlement through which these assets would be turned over to the Evergreen Bankruptcy Estate if the creditors were not repaid in full with interest. After initially agreeing to this settlement, the Zylka family has subsequently attempted to back out of the agreement. The Chapter 11 Trustee has decided not to try to enforce that agreement in favor of either a separate settlement or litigation. There are two assets currently beneficially owned by the Zylkas which are of particular interest to the Committee: a Paraguayan hydrocarbon concession known as the "Anchovy" project and a Canadian graphite mining company, Crystal Graphite, of which the Zylkas are the beneficial owners of approximately 52% of the outstanding common shares. The following update has been prepared to provide you with additional information regarding the Anchovy project.

I. Significance of Anchovy

It has been represented to the Committee by Jeff Stanley, a former principal of BJM, and others that the hydrocarbon concessions owned by Morrison Hidrocarburos, S.A. of Asuncion, Paraguay ("Morrison"), commonly referred to as the Anchovy project or concession, could represent the most valuable asset of the bankruptcy estate of Evergreen Security, Ltd. ("Evergreen"). Accordingly, Evergreen's Official Committee of Unsecured Creditors (the "Committee") has been attempting to gather information regarding Anchovy in an attempt to determine (1) the *bona fide* nature of the asset, (2) the amount of time that the governmental concessions underlying the value of Anchovy (if any) will remain in force, and (3) the technical viability and value of the Anchovy concession. Due to Anchovy's location in the Chaco Basin of northwest Paraguay and the questionable records maintained by the Zylka Family pertaining to this concession, it has been difficult both to locate reliable information and to verify the accuracy of such information through independent sources. This update summarizes the information gathered to date by the Committee and, whenever possible, identifies the source of each piece of factual information.

1. Geography

The Anchovy concessions are located within the Chaco Basin which covers approximately 246,725 square kilometers of western Paraguay, or roughly 60% of the Republic of Paraguay. The Chaco Basin, also known as the Chaco-Paraná Basin, is located near the geographic center of South America. It is bordered by Bolivia to the north and west and runs into Argentina to the south and east. The Chaco Basin in Paraguay was formed during the Precambrian and Cambrian periods. Similar geological areas of the Chaco Basin located in Bolivia and northern Argentina have been explored more thoroughly their Paraguayan counterpart and have become substantial producers of oil and natural gas.<sup>1</sup>

2. History

The area covered by the Anchovy concession was explored for hydrocarbon resources by the United States company Pennzoil from 1968 through 1972. During this period, Pennzoil collected reflection seismic data in the Anchovy area. This data was later reprocessed to form the basis for the current estimates of oil reserves in the area (those estimates are discussed below). While the data itself appears to be accurate, the data was not sufficiently dense to support modern analysis techniques. It

remains unclear why Pennzoil abandoned its interest in the Chaco Basin and took no further action with respect to the data which it collected; although Earthview Associates, Inc. hypothesized that Pennzoil's analysts may have reached overly pessimistic conclusions regarding hydrocarbon reserves in the area due to faulty evaluation techniques.<sup>2</sup>

Morrison was formed in January, 2001, as a Paraguayan successor to the Uruguayan-based Morrison Mining Company. The concessions and grants held by the Morrison Mining Company relating to the Anchovy Project were subsequently obtained by Morrison.<sup>3</sup> Morrison Mining Company entered into a transaction with KAK Investments, Inc. ("KAK") to transfer (or reapply for) these concessions to Morrison. At that time, Don DeMarino was the president of KAK.<sup>4</sup>

On May 2, 2001, all of the shares of Morrison were purportedly transferred from KAK to Entropy Industries, Inc. ("Entropy"), a Delaware corporation owned by Kristyn Zylka. William Zylka, her father and the latest owner of Evergreen, was subsequently appointed as chairman of Entropy and as president of Morrison.<sup>5</sup>

EarthView Associates, Inc. of Houston, Texas, prepared its "*Anchovy*" *Concession Area Phase I Final Report* on or about April 28, 2001 (the "Report"). The Report is based upon geochemical analyses, new seismic reprocessing of the data gathered by Pennzoil, and re-evaluation of data collected from wells previously drilled on the Anchovy concession.<sup>6</sup>

On April 30, 2001, Morrison was granted Ministerial Resolution number 229/01 (the "Resolution"). The Resolution permitted Morrison to prospect over the 23,899 square kilometer block in the Carandaity Sub-Basin on the Bolivian border of western Paraguay. Morrison also applied for a concession covering the Boquerón prospecting block over which Morrison now has a first preference. No exploration concession, required for large-scale drilling, has apparently been obtained for either region.

In late September, 2001, Kristin Zylka engaged Seth Grundy to provide valuation services with respect to the Anchovy concession.

According to Dan Morrison, (1) 13 concessions have recently been granted around the Anchovy area and (2) two companies have recently approached him to purchase Morrison.

Earlier today, Dr. Fernando Wiens stated that he believes that there is a ninety percent probability that Morrison will lose its concession since no field work has commenced, the company has no money to fund the necessary field work (or pay its debts) and the technical report due on October 30, 2001 (and described in greater detail below) cannot be produced. He also confirmed that the 1.5% royalty offer (also described in greater detail below) remains on the table to either the Zylkas or the Evergreen creditors, as appropriate. Krysten Zylka has reportedly responded to this offer by stating that she will not respond to threats.<sup>7</sup>

3. Committee Settlement Proposal

The Committee's settlement proposal was contained in the letter agreement with exhibits which Kristyn Zylka and the Committee signed in August, 2001. This agreement included pledges of the stock in both Entropy and KAK. Accordingly, irrespective of which of these entities nominally owns Morrison, Morrison, and thus the Anchovy concession, would have been covered by the security documents. At the request of the Chapter 11 Trustee, the Committee has taken no action to either enforce its rights under this agreement or to obtain court approval of the agreement to allow the Chapter 11 Trustee to either negotiate a better settlement or to proceed with litigation. Kristyn Zylka has attempted to withdraw her acceptance of the terms of this agreement arguing that she was compelled to sign the agreement under duress.

Under the terms of the Committee's settlement agreement, the Zylkas and certain related parties were to take various actions including the following:

Encumbering all corporate assets and the interests of the Zylka family members in various companies including KAK Investment, Inc. and Entropy Industries, Inc.;

Disclosing all of their assets and liabilities and all entities in which they had any interest, whether direct, indirect, or beneficial;

Agreeing to a moratorium on all asset transfers which were not pre-approved in writing;

Contributing certain assets to a liquidating trust;

Providing cooperation with the asset recovery activities of a liquidating trustee;

Repaying the unsecured creditors of Evergreen 100% of their respective claims plus interest at 12%; and

Waiving certain defenses pertaining to statutes of limitation and the conduct of certain entities including the Committee in connection with asset recovery.

4. Chapter 11 Trustee's Settlement Proposal

At the request of the Committee, I left detailed voice mail messages for the Chapter 11 Trustee and his counsel on September 28, 2001, informing them of the Committee's continuing concerns regarding the rumor that the remaining directors of Morrison would be resigning on October 5, 2001. These concerns were addressed in the October 2, 2001, letter from Shuker to counsel for Kristyn Zylka, Barton Nachamie of the law firm Todtman, Nachamie, Spizz & Johns, P.C. in New York City.

In addition to addressing the Committee's concerns with Mr. Nachamie in the penultimate paragraph of the letter, counsel for the Chapter 11 Trustee also outlined a settlement proposal with respect to Anchovy which remains confidential at this time.

5. Dan Morrison's Settlement Proposal

During conversations with myself and others, Dan Morrison, the former president of the Morrison Mining Company and allegedly a current director of Morrison, has made the following offer with respect to Anchovy. In exchange for a promise to pay the transferor (Kristyn Zylka or the bankruptcy estate or KAK or Entropy, as appropriate) or its assigns 1.5% of the royalties (this term was never defined) generated by the Anchovy project on an ongoing basis, the transferor would transfer all rights to the

concession to Dan Morrison and Dan Morrison would personally repay the \$656,000 which William Zylka owes to Morrison for operating expenses and would obtain funding for the remainder of the seismic testing necessary to maintain the concession. Dan Morrison indicated that he has two parties ready to invest in the concession immediately but that they are not willing to do so while the Zylka family remains involved in the deal or while the concession is under the cloud of a U.S. bankruptcy proceeding.<sup>8</sup>

## II. The EarthView Associates Geological Report

As previously noted, the Report was produced by EarthView Associates, Inc. of Houston, Texas, for Morrison. It appears that the Report was revised and updated in late April, 2001 and again on or about May 14, 2001. The report was apparently produced to assist Morrison in determining whether to proceed with exploration efforts in the Anchovy area.

The Report evaluated the potential petroleum reserves in the Anchovy concession based on the following five geologic criteria: source, reservoir, seal, timing, and migration. The authors of the Report reached the following conclusions regarding these criteria; since some members of the Committee have experience in hydrocarbon-related fields, these conclusions are reproduced in full.

**SOURCE:** Devonian and Silurian shales are sources proven with geochemical information from 2 wells in the center of the concession. Analysis of Samples from both the Don Quixote and Parapty #2 wells reveal the nature of the shale sources.

**RESERVOIRS** in the Carboniferous and conglomerates containing 22-27% porosity. This type of rock has been produced successfully for more than 70 years around the world.

**RESERVOIRS** in the Devonian are laminated (alternating thin-bedded) sands, siltstones, and shales. The sands have porosities around 20%. This type of reservoir has been produced since 1980 very successfully in offshore settings, and since the 1950's in the Permian Basin of West Texas.

**SEAL:** The Cretaceous freshwater artesian aquifer is a known pressure seal that extends basin-wide throughout the western Paraguayan Chaco and beyond. Because it is artesian, the aquifer's hydrostatic head resists vertical transportation and leaking of hydrocarbons.

**TIMING:** The question of when petroleum generation started is only marginally important. Petroleum generation is happening in large areas of the concession now. Geochemical reports in 2 wells in the center of the concession establish that the top of the oil window is now around 2500 feet measured depth. The top of the dry gas generation zone zone is around 7000 feet measured depth.

**MIGRATION:** Because the Devonian is producing oil and gas today, it can be argued that no migration is even needed. Short-distance expulsion of hydrocarbons from interbedded shales can travel into immediately adjacent thin-bedded sandstone stringers.

**MIGRATION:** Long-distance lateral migration in these Devonian sandstone beds could result in very large fields trapped in low-angle unconformities under the Cretaceous or Carboniferous. Vertical migration from the Devonian Silurian could fill carboniferous conglomerates. Lateral migration in the Carboniferous could result in gravity segregation of hydrocarbon reservoirs.

Report, p. 1.

The key conclusions reached in the body of the Report are summarized below:

The depth range for extracting hydrocarbon within the concession area is from approximately 2,500 feet to at least 9,000 feet.<sup>9</sup>

Concentrations of organic carbon in the shale exceed 1%.<sup>10</sup>

Oil and gas continue to be produced throughout the concession at the present time.<sup>11</sup>

The portion of the Chaco Basin in Bolivia has already produced 4.1 Billion Barrels Oil Equivalent ("B-BOE").<sup>12</sup>

There is a 50% probability that the Chaco Basin will ultimately produce 16 B-BOE and a 10% probability that it will produce over 25 B-BOE. No specific projection was made with respect to the amount of this oil which may be found in the Anchovy concession.<sup>13</sup>

The Chaco Basin will be among the best onshore opportunities for hydrocarbon recovery available in the world over the next 50 years.<sup>14</sup>

Technological innovations since Pennzoil's early exploration of the concession area in the early 1970's make the Anchovy area attractive for two reasons. First, improved testing methodologies will make it easier to locate the hydrocarbon. Second, improved trends in hydrocarbon analysis indicate that the most likely zones for truly large oil accumulations within the concession were never targeted by Pennzoil. This led the authors of the report to conclude that "All these changes in concepts and technology lead us to believe that producible oil and gas has already been found in the 'Anchovy' concession."<sup>15</sup>

### III. Corporate Organization

Morrison was formed in January, 2001, as a Paraguayan successor to the Uruguayan-based Morrison Mining Company. The concessions and grants held by the Morrison Mining Company relating to the Anchovy Project were subsequently obtained by Morrison.<sup>16</sup> Until recently, the directors of Morrison appear to have been Dr. Fernando Wiens (the company's expert on hydrocarbon extraction) and Dr. Guillermo F. Peroni (also the company's legal counsel in Paraguay). William Zylka was apparently the company's president. William Zylka's signature was required to be on all documents obligating the company. The company's trustee is Dr. Carlos Rufinelli and its alternate trustee is Dr. Esteben Burt.<sup>17</sup> It may be noteworthy that Dan Morrison also claims to be a director of Morrison although his name was not mentioned in correspondence on this subject from Dr. Peroni.<sup>18</sup>

Under Paraguayan law, Morrison's trustee is responsible for taking the following actions:

supervising the administration and management of the company;

participating without a vote in the annual shareholder and board of directors meetings of the company;

examining the company's corporate books and records whenever he deems it advisable but no less than quarterly;

calling special shareholder meetings when necessary;

calling ordinary shareholder meetings should the company's board of directors fail to do so; and

ensuring that the company complies with all obligation under the law and with the decisions reached and approved at shareholder and board of directors meetings.

Under Paraguayan law, a company only needs to have one director although it may designate a higher minimum number in its by-laws. Only Paraguayan citizens or legal residents of Paraguay may act as directors of Paraguayan companies.

Based on a letter drafted by Morrison's legal counsel and director, Guillermo F. Peroni, Entropy is the owner of all of the outstanding shares of Morrison.<sup>19</sup> It is noteworthy, however, that all of the share certificates of Morrison have been issued as bearer shares and are thus nominally the property of whoever has physical possession of the share certificates.<sup>20</sup>

#### IV. Potential Problems

There are a variety of problems surrounding the Anchovy concession affecting both its viability and potential profitability. A few of the most serious are summarized below.

1. Morrison is currently in an extremely difficult regulatory situation. According to Dan Morrison and Dr. Ferdinand Wiens, the concession which Morrison received on April 30, 2001, from the government of Paraguay to explore the Anchovy area includes certain time-sensitive requirements. One of these is that actual exploration must begin within 6 months of the granting of the concession. Another is that technical reports be filed quarterly with the Peruvian Government documenting the exploration completed to date and the plan for moving forward. The next report is due on October 30, 2001, and both Dan Morrison and Dr. Wiens believe that Morrison will probably lose its concession. Even if funding were located immediately, they believe that it would be difficult to show sufficient progress (or even to locate the mechanical and human resources required) in time to file the technical report. However, Dr. Wiens stated that it was possible that he might prevail upon the government not to terminate the concession if he could at least show that funding was in place and that an appropriate plan had been devised to utilize that funding for exploration when Paraguay's rainy season lifts in Spring.<sup>21</sup> A company in eastern Paraguay recently had its concession terminated for non-action.<sup>22</sup>

2. Morrison is also facing substantial economic problems. William Zylka failed to meet any of his financial commitments to Morrison when they became due. This resulted in the inability of Morrison to move forward with the exploration required to maintain its concession. Morrison currently owes \$215,000 to Paraguayan creditors and an additional \$441,000 to foreign creditors – mostly to Reservoir Definitions, Inc. and other seismic testing and consulting companies. According to Dan Morrison and Dr. Ferdinand Wiens, these expenses must be paid before any further exploration costs can be incurred. Thereafter, an additional \$1 million will be required to begin line clearance in the field (and that process may not be feasible until the end of the rainy season). In addition, \$2 to \$4 million will be required to complete 250 kilometers of seismic testing. According to Dan Morrison and Dr. Wiens, if this seismic testing is not initiated by April 30, 2002, Morrison will lose the Anchovy concession.<sup>23</sup>

3. The Committee continues to encounter difficulty in obtaining reliable information regarding the Anchovy concession and the Anchovy project from independent sources.

4. As previously noted, Morrison's shareholder certificates are in bearer, rather than registered, form. Accordingly, anyone having physical possession of those shares could argue that they own the company. The shares are apparently being held by Attorney Peroni in his offices for safe keeping. Attorney Peroni has informed Jeff Stanley, Dan Morrison, and Dr. Fernando Wiens that he will not release the share certificates to anyone (including Kristyn Zylka) until he has been provided with sufficient documentation to clearly show who has legal title to these shares.<sup>24</sup> This may make it difficult for anyone to seize control of the company and take necessary actions to preserve the concession. During a

meeting with the Committee's chairman and myself, the Chapter 11 Trustee requested that the Committee take no further action with respect to the settlement executed by Kristyn Zylka which would have created a security interest in the bearer shares.

5. Don DeMarino, William Zylka's former business partner and the lead witness against William Zylka in connection with his New York criminal proceedings, may be working with Hunt Oil to undermine the Morrison Anchovy concession and obtain the concession for Hunt Oil or its designee.<sup>25</sup>

6. As a result of a publicity campaign launched by William Zylka against the advice of Morrison's directors, there is currently a great deal of interest in obtaining concessions in the Anchovy area. 13 new concessions have been applied for in that area in the last six weeks. In addition, influential Paraguayan businessmen, including an ex-president of Paraguay, have expressed an interest in obtaining the Anchovy concession.<sup>26</sup> The popularity of the concession may adversely impact Morrison's ability to retain the concession if it is not in complete compliance with governmental regulations (and it is difficult to see how the company can be brought into compliance prior to the October 30, 2001 deadline).

7. Attorney Guillermo F. Peroni, the company's legal counsel, may have effectively resigned under Paraguayan law when he sent a letter to Barton Nachamie, counsel to the Zylka Family, indicating that he would resign.<sup>27</sup> This would leave Dr. Fernando Wiens as the company's last director and would repose in him a great deal of power to affect the future of the company.

8. The corporate by-laws of Morrison provide that when the company's president is unavailable a new board of directors must be elected. Dan Morrison and Fernando Wiens maintain that since William Zylka is currently incarcerated in the State of New York he is unavailable and a new board of directors should be elected.<sup>28</sup> Dan Morrison and Fernando Wiens also argued, in the alternative, that although Mr. Zylka was nominated as president of Morrison, he never properly accepted the nomination and thus never became the company's president. This contention seems to be convincingly contradicted by Dr. Peroni's letter dated May 3, 2001, which specifically identifies the company's officers and directors. In either case, the only people who would be permitted to vote in such an election would be Mr. Rufinelli as the company's trustee and Dr. Fernando Wiens as the company's sole remaining director (assuming that Dr. Peroni has, as a matter of Paraguayan law, resigned as a director of Morrison).

9. It is unclear whether KAK Investments, Inc. or Entropy Industries, Inc. owns (or is supposed to own) the shares of Morrison. Dan Morrison freely admits that at this point he does not know who owns Morrison and thus the Anchovy concession.<sup>29</sup> It appears that the transfer from KAK to Entropy may not have been properly documented. This appears to be a minor problem since (1) the share certificates for Morrison are bearer shares and are reportedly being held by Attorney Peroni and (2) the ultimate owner of both KAK and Entropy is Kristyn Zylka.

## V. Available Options

Based on our current state of knowledge with respect to the Anchovy concession and the approach of the deadlines described above, it appears that the Evergreen Bankruptcy Estate only has four remaining options for proceeding. These options are summarized below.

1. Allow this month to end without taking action. While this strategy minimizes expenditures by the Evergreen Bankruptcy Estate, it may result in the termination of the Anchovy concession which would eliminate any potential benefit the estate might receive from its interest in Morrison.

2. Transfer all rights for 1.5% of royalties. This approach has been advocated by the current, non-Zylka management of Morrison. In exchange for 1.5% of the royalties generated from the concession, the Zylkas (presumably with some assistance and encouragement from the bankruptcy court) would agree to treat the transfer of ownership of Morrison from Morrison Mining Company to KAK / Entropy as

*void ab initio*. In addition to providing the new owners of the company (e.g., Dan Morrison) with a greater share of the company's profits, this approach would avoid the apparently inevitable delays associated with proving to Dr. Peroni who is actually entitled to the company's share certificates after the Zylka fiasco. If successful, this strategy would preserve the concession and provide the Evergreen Bankruptcy Estate with a future flow of funds which could eventually be sold or hypothecated.

3. Retain Centre Square Capital, LLC or another qualified broker to sell the Evergreen interest in the Anchovy concession. Centre Square Capital, LLC is a Pennsylvania-based company which has offered to represent the Evergreen Bankruptcy Estate in the sale of various assets including its interest in Morrison. A copy of the proposed brokerage agreement between Center Square and the estate is annexed for your information. Centre Square claims to have clients which are interested in acquiring the Anchovy concession on favorable terms for the creditors of Evergreen. The identity of the potential purchasers remains confidential at this time. If successful, this strategy would provide for a method to fund the immediate cash flow requirements of Morrison without removing funds from the bankruptcy estate. It would also provide some immediate value to the estate as well as an interest in a future stream of revenue. While this strategy is not dependent upon the retention of Centre Square as opposed to any other qualified business broker, Centre Square has been active in attempting to identify potential purchasers and has conducted some level of independent due diligence on various assets of the Evergreen Bankruptcy Estate.

4. Fund Morrison directly from assets of the Evergreen Bankruptcy Estate. This strategy would require the estate to disburse funds which it has already collected to assist Morrison in the preservation of the Anchovy concession. While this strategy might avoid the immediate termination of the concession (but not its eventual termination absent third-party funding), it is probably not consistent with the fiduciary duty of the Committee toward the unsecured creditor body and it is unlikely to be approved by the bankruptcy court.

## End Notes

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<sup>1</sup> Wiens, F., “Phanerozoic Tectonics and Sedimentation in the Chaco Basin of Paraguay, with Comments on Hydrocarbon Potential,” in A.J. Tankard, R. Suarez S., and .J. Welsink, *Petroleum Basins of South America*, AAPG Memoir 62, pp. 185 – 205.

<sup>2</sup> “*Anchovy*” *Concession Area Phase I Final Report*, dated April 28, 2001, prepared by EarthView Associates, Inc., p. 5.

<sup>3</sup> “*Anchovy*” *Concession Area Phase I Final Report*, dated April 28, 2001, prepared by EarthView Associates, Inc. , supplementary materials.

<sup>4</sup> Telephone conference with Dan Morrison (1-Oct-01 @ 16:24).

<sup>5</sup> “*Anchovy*” *Concession Area Phase I Final Report*, dated April 28, 2001, prepared by EarthView Associates, Inc. , supplementary materials.; telephone conference with Dan Morrison and Ferdinand Wiens (2-Oct-01 @ 13:49); opinion letter from Guillermo F. Peroni, Peroni, Sosa, Tellechea, Burt & Narvaja, dated May 3, 2001.

<sup>6</sup> “*Anchovy*” *Concession Area Phase I Final Report*, dated April 28, 2001, prepared by EarthView Associates, Inc., supplementary materials.

<sup>7</sup> Telephone conference with Dr. Fernando Wiens (8-Oct-01 @ 10:42).

<sup>8</sup> Telephone conference with Dan Morrison and Fernando Wiens (1-Oct-01 @ 16:24) and correspondence from Scott Shuker to Barton Nachamie dated October 2, 2001.

<sup>9</sup> “*Anchovy*” *Concession Area Phase I Final Report*, dated April 28, 2001, prepared by EarthView Associates, Inc., p. 2.

<sup>10</sup> “*Anchovy*” *Concession Area Phase I Final Report*, dated April 28, 2001, prepared by EarthView Associates, Inc., p. 2.

<sup>11</sup> “*Anchovy*” *Concession Area Phase I Final Report*, dated April 28, 2001, prepared by EarthView Associates, Inc., p. 2.

<sup>12</sup> “*Anchovy*” *Concession Area Phase I Final Report*, dated April 28, 2001, prepared by EarthView Associates, Inc., p. 2.

<sup>13</sup> “*Anchovy*” *Concession Area Phase I Final Report*, dated April 28, 2001, prepared by EarthView Associates, Inc., p. 2.

<sup>14</sup> “*Anchovy*” *Concession Area Phase I Final Report*, dated April 28, 2001, prepared by EarthView Associates, Inc., p. 5.

<sup>15</sup> “*Anchovy*” *Concession Area Phase I Final Report*, dated April 28, 2001, prepared by EarthView Associates, Inc., p. 7.

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<sup>16</sup> “Anchovy” *Concession Area Phase I Final Report*, dated April 28, 2001, prepared by EarthView Associates, Inc. , supplementary materials.

<sup>17</sup> Opinion letter from Guillermo F. Peroni, Peroni, Sosa, Tellechea, Burt & Narvaja, dated May 3, 2001.

<sup>18</sup> Telephone conference with Dan Morrison (1-Oct-01 @ 16:24).

<sup>19</sup> Opinion letter from Guillermo F. Peroni, Peroni, Sosa, Tellechea, Burt & Narvaja, dated May 3, 2001.

<sup>20</sup> Meeting with Jeff Stanley (11-Aug-01).

<sup>21</sup> Telephone conference with Dan Morrison and Fernando Wiens (1-Oct-01 @ 16:24).

<sup>22</sup> Telephone conference with Dr. Fernando Wiens (8-Oct-01 @ 10:42).

<sup>23</sup> Telephone conference with Dan Morrison and Fernando Wiens (1-Oct-01 @ 16:24).

<sup>24</sup> Telephone conference with Dan Morrison and Fernando Wiens (1-Oct-01 @ 16:24).

<sup>25</sup> Telephone conference with Jeff Stanley (29-Aug-01 @ 14:15).

<sup>26</sup> Telephone conference with Dan Morrison and Fernando Wiens (2-Oct-01 @ 15:10).

<sup>27</sup> Telephone conference with Dan Morrison and Fernando Wiens (1-Oct-01 @ 16:24).

<sup>28</sup> Telephone conference with Dan Morrison and Fernando Wiens (1-Oct-01 @ 16:24).

<sup>29</sup> Telephone conference with Dan Morrison (1-Oct-01 @ 16:24).