

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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CHEVRON CORPORATION,

Plaintiff,

v.

STEVEN DONZIGER, THE LAW OFFICES OF :
STEVEN R. DONZIGER, PABLO FAJARDO :
MENDOZA, LUIS YANZA, FRENTE DE :
DEFENSA DE LA AMAZONIA A/K/A AMAZON :
DEFENSE FRONT, SELVA VIVA SELVIVA :
CIA, LTDA., STRATUS CONSULTING, INC., :
DOUGLAS BELTMAN, ANN MAEST, MARIA :
AGUINDA SALAZAR, CARLOS GREFA :
HUATATOCA, CATALINA ANTONIA :
AGUINDA SALAZAR, LIDIA ALEXANDRA :
AGUINDA AGUINDA, PATRICIO ALBERTO :
CHIMBO YUMBO, CLIDE RAMIRO AGUINDA :
AGUINDA, LUIS ARMANDO CHIMBO :
YUMBO, BEATRIZ MERCEDES GREFA :
TANGUILA, LUCIO ENRIQUE GREFA :
TANGUILA, PATRICIO WILSON AGUINDA :
AGUINDA, CELIA IRENE VIVEROS :
CUSANGUA, FRANCISCO MATIAS :
ALVARADO YUMBO, FRANCISCO :
ALVARADO YUMBO, OLGA GLORIA GREFA :
CERDA, LORENZO JOSÉ ALVARADO :
YUMBO, NARCISA AIDA TANGUILA :
NARVÁEZ, BERTHA ANTONIA YUMBO :
TANGUILA, GLORIA LUCRECIA TANGUILA :
GREFA, FRANCISCO VICTOR TANGUILA :
GREFA, ROSA TERESA CHIMBO TANGUILA, :
JOSÉ GABRIEL REVELO LLORE, MARÍA :
CLELIA REASCOS REVELO, MARÍA :
MAGDALENA RODRÍGUEZ BARCENES, :
HUGO GERARDO CAMACHO NARANJO, JOSÉ :
MIGUEL IPIALES CHICAIZA, HELEODORO :
PATARON GUARACA, LUISA DELIA :
TANGUILA NARVÁEZ, LOURDES BEATRIZ :
CHIMBO TANGUILA, MARÍA HORTENCIA :
VIVEROS CUSANGUA, SEGUNDO ÁNGEL :
AMANTA MILÁN, OCTAVIO ISMAEL :

Case No. 11-CV-0691

**DECLARATION OF REX J.
MITCHELL IN SUPPORT OF
CHEVRON CORPORATION'S
MOTION FOR PRELIMINARY
INJUNCTION**

CÓRDOVA HUANCA, ELIAS ROBERTO :
 PIYAHUAJE PAYAHUAJE, JAVIER PIAGUAJE :
 PAYAGUAJE, DANIEL CARLOS LUSITANDE :
 YAIGUAJE, BENANCIO FREDY CHIMBO :
 GREFA, GUILLERMO VICENTE PAYAGUAJE :
 LUSITANTE, DELFÍN LEONIDAS PAYAGUAJE :
 PAYAGUAJE, ALFREDO DONALDO :
 PAYAGUAJE PAYAGUAJE, TEODORO :
 GONZALO PIAGUAJE PAYAGUAJE, MIGUEL :
 MARIO PAYAGUAJE PAYAGUAJE, FERMIN :
 PIAGUAJE PAYAGUAJE, REINALDO :
 LUSITANDE YAIGUAJE, LUIS AGUSTÍN :
 PAYAGUAJE PIAGUAJE, EMILIO MARTÍN :
 LUSITANDE YAIGUAJE, SIMON LUSITANDE :
 YAIGUAJE, ARMANDO WILFRIDO PIAGUAJE :
 PAYAGUAJE, and ÁNGEL JUSTINO :
 PIAGUAGE LUCITANTE, :
 :
 Defendants. :
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I, Rex J. Mitchell, hereby declare under penalty of perjury pursuant to 28 U.S.C. § 1746, that the following is true and correct:

1. I am the Deputy Comptroller at Chevron Corporation (“Chevron”). I make this declaration, based on personal knowledge, in support of Chevron’s Motion for Preliminary Injunction. If called as a witness, I could and would testify to the same as stated herein.
2. Attached as Exhibit 1 is a true and correct copy of Chevron’s 2009 Annual Report. I am familiar with its contents as part of my regular responsibilities.
3. Attached as Exhibit 2 is a true and correct copy of Chevron’s 2009 Annual Report Supplement. I am familiar with its contents as part of my regular responsibilities.
4. As detailed in Exhibits 1 and 2, Chevron is a global energy company. While Chevron Corporation does business only in the United States of America, its country of domicile, Chevron subsidiaries have significant business activities in the following other countries:

Angola, Argentina, Australia, Azerbaijan, Bangladesh, Brazil, Cambodia, Canada, Chad, China, Colombia, Democratic Republic of the Congo, Denmark, Indonesia, Kazakhstan, Myanmar, the Netherlands, Nigeria, Norway, the Partitioned Zone between Saudi Arabia and Kuwait, the Philippines, Republic of the Congo, Singapore, South Africa, South Korea, Thailand, Trinidad and Tobago, the United Kingdom, Venezuela, and Vietnam.

5. Defendants' "Invictus" memorandum (submitted as Exhibit 341 to the Hendricks Declaration) states that "[i]f and when an enforceable judgment is entered in Ecuador, Plaintiffs' Team expects to be engaged quickly, if not immediately, on multiple enforcement fronts – in the United States and abroad." (p. 12.) Defendants expressly plan to seek "attachment of Chevron's assets prior to successful recognition of the Ecuadorian judgment," which "would undoubtedly compound the pressure already placed on Chevron vis à vis an international enforcement campaign, and force Chevron to focus its resources on the proceedings initiated by the [Lago Agrio] Plaintiffs." (p. 14.)

6. The Invictus memorandum highlights the following countries in a "non-exhaustive list of nations will be of particular interest": Angola, Argentina, Australia, Belgium, Brazil, Canada, Chad, China, Colombia, Indonesia, Kazakhstan, Kuwait, the Netherlands, New Zealand, Nigeria, the Philippines, Russia, Saudi Arabia, Singapore, South Africa, South Korea, Trinidad and Tobago, the United Kingdom, the United States, and Venezuela. (pp. 19-20).

7. The seizure of Chevron assets, such as oil tankers, wells, or pipelines, in any one of these countries, would disrupt Chevron's supply chain and operations; and seizures in multiple jurisdictions would be more disruptive. Because of the unique nature of the global energy business, Chevron relies on its global supply chain to bring transportation fuels and other energy

products to market. Defendants' planned asset seizures would cause Chevron to miss critical deliveries to business partners.

8. Missing product deliveries as a result of Defendants' planned asset seizures would damage Chevron's business reputation as a reliable supplier and harm the valuable customer goodwill Chevron has developed over the past 130 years.

9. While it is unclear from the Invictus memorandum precisely which countries Defendants will seek to target first in their international enforcement campaign, it is clear that they have already identified the jurisdictions in which they believe they can cause Chevron the greatest harm and disruption from their anticipated seizure campaign. In fact, Defendants' Invictus memorandum states that "the uncertainty surrounding the manner in which Plaintiffs will seek to enforce th[e] [Lago Agrio] judgment" will help "create a window of opportunity for settlement." (p. 28.) Defendants intend to publicize their activities and use the threat of these enforcement actions to pressure Chevron and "create the optimal environment for settlement." (p. 4.)

10. Defendants' campaign to seek seizures anywhere around the world and generate the maximum publicity for such acts would cause significant, irreparable damage to Chevron. Unless it is stopped, Defendants' announced plan to cause disruption to Chevron's supply chain is likely to cause irreparable injury to Chevron's business reputation and business relationships that would not be remediable by money damages.

I declare under penalty of perjury that the foregoing is true and correct. Executed on this 15th day of February, 2011 at San Ramon, California.


Rex J. Mitchell