
EXECUTIVE SUMMARY

Based on the Judicial Inspection field activities conducted on February 16th, 2005, and on review of the reports and documentation related to the remediation activities of the Sacha 18 site, the following conclusions have been made:

1. Texpet fulfilled the remediation requirements for the Sacha 18 area as established by the Remedial Action Plan (RAP):

The documented evidence (Appendices D, E and F) and the analytical results of the soil samples collected within the Pit 2 area remediated by Texpet demonstrate that the Texpet remediation activities fulfilled the requirements for this pit according to the Remedial Action Plan (RAP). Additionally, total petroleum hydrocarbons (TPH) concentrations are below the applicable international criteria (see Tables 2A and 3A). Three subsoil samples were collected from this pit, two of the samples exhibited very low TPH concentrations while the third sample exceeded the international criteria. Nevertheless, the representative value of the pit (i.e., the average of the three samples) is significantly below international criteria.

Pit 1 required "No Further Action" (NFA) for cleanup under the conditions of the RAP as it was closed before Texpet began remediation activities in 1995. Evidence to support the closure of Pit 1 includes,:

- Pit 1 was still open as of 1990 as shown in an aerial photograph (see Figure 3.3 at the northwest of well pad).
- Governmental Act No. 11 (provided in Appendix F) indicates that Pit 1 was accepted as NFA by the government at that time.
- Statements made by Mrs. Gloria Matango, a local resident of Sacha 18, registered in the Act of the Judicial Inspection of the Sacha 18 Well indicate that Pit 1 "was covered" with earth without remediation by Petroecuador at some point between 1990 and 1995.

The TPH concentrations in the subsoil of Pit 1, reportedly "covered with earth" by Petroecuador exceed the applicable international criteria.

2. There are no environmental impacts related to the TEXPET activities in the area adjacent to the Sacha 18 well:

During the Judicial Inspection activities conducted at the Sacha 18 site, no environmental impacts were observed that were related to the former activities of TEXPET at this site.

3. There are no risks to the public health or the environment due to the pits that were addressed by the Remedial Action Plan or due to the weathered crude present at the site for other reasons:

The results of the risk analysis for the TPH concentrations in the subsoil of Pit 2 which was remediated by Texpet, and of the degraded petroleum present in Pit 1 which was "covered with earth" by Petroecuador indicate that:

- The degraded oil in the subsoil is not mobile (see Appendix H).
- All areas containing degraded oil in the subsoil are covered with soil without any traces of hydrocarbon present (see Figure 10).
- Chemical substances in the crude oil, (e.g., polycyclic aromatic hydrocarbons (PAHs) and mono nuclear aromatic compounds (benzene, toluene, ethylbenzene and xylenes, BTEX)), that have the potential to impact the environment or human health have been significantly degraded. The soil concentrations of these substances are not detectable or are below the international criteria and therefore, do not pose a risk to the health of area residents or the environment (see Appendices P and Z, and Figures 12 and 14).
- The metals content of the Sacha crude oil is so low that it could not have changed the natural background concentrations of metals in the Sacha 18 soils. In addition, metals concentrations in the soil samples are well below the values corresponding to the applicable international criteria, and therefore do not pose any risk to human health or the environment

4. The environmental impacts in the surrounding area of the well Sacha 18 are to the result of the dramatic change in land use:

The land use in the surrounding area of the Sacha 18 well site has changed drastically from the time the well was constructed until the present. The original Amazon forest was completely destroyed in a 200 m radius around the well. This area has since been seized by human settlement accompanied by agricultural and rudimentary industrial activities which have overtaken the former pit areas.

5. Drinking water and groundwater samples collected around Sacha 18 indicate that there is no risk associated with petroleum constituents.

PAHs and BTEX were not detected in groundwater samples obtained from drinking water wells located at two houses, and were not detected in four groundwater samples collected within 25 m of Pit 2. Analysis of these samples using the most sensitive instrumental methods available show PAHs and BTEX concentrations are below the applicable international criteria (see Figure 15 and Tables 4A and 4B).

6. The presence of coliform microorganisms in the drinking water poses a potential risk to public health:

Coliform bacteria, an indicator of microbiological contamination, was detected in all drinking water wells used by the local residents of Sacha 18. This includes the water provided by pipes, as well as the water present in three of the four samples collected from temporary wells installed during the Judicial Inspection.