

June 2, 2006

By E-Mail and First Class Mail

Ralph J. Lancaster, Jr., Esq.
Pierce Atwood
One Monument Square
Portland, Maine 04101

Re: *New Jersey v. Delaware*, No. 134 Original: Delaware's Fourth Progress Report

Dear Mr. Lancaster,

Pursuant to the Case Management Plan as amended, we respectfully submit Delaware's fourth progress report on the status of the case.

1. Delaware's discovery efforts. During the past month Delaware has continued its search of regional archives and libraries for historical and legal documents that shed light on the meaning of the Compact of 1905 and the States' course of conduct thereunder. On May 31, 2006, Delaware served its First Set of Interrogatories Directed to New Jersey and its First Set of Requests for Production of Documents Directed to New Jersey. On the same date, Delaware served a subpoena upon E.I. Dupont de Nemours and Company.

2. Unresolved disputes. On March 20, 2006, New Jersey filed a Motion to Strike Delaware's Issues of Fact No. 1, 2, 6, 8, and 9 and to Preclude Discovery on these Issues and its opening brief in support thereof. Delaware filed its answering brief on May 5, 2006, and New Jersey filed its reply on May 22, 2006. New Jersey's Motion to Strike is scheduled for oral argument on June 7, 2006.

On May 17, 2006, Delaware filed a Motion to Strike BP's Designation of its Privilege Log and Supporting Declarations as Confidential and its opening brief in support thereof. BP will file its answering brief on June 5, 2006, and Delaware will file its reply on June 12, 2006.

On May 17, 2006, BP filed a Motion to Quash, in Part, Subpoenas Served by the State of Delaware or, in the Alternative, for a Protective Order and its opening brief in support thereof. On the same date, New Jersey filed a letter and two declarations in support of BP's Motion to

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Quash. Delaware will file its answering brief on June 5, 2006, and BP will file its reply on June 12, 2006.

3. Further discovery anticipated during the current month. Delaware will continue to search for historical and legal documents and await responses to its outstanding discovery requests.

4. General status of the matter. In our view the case continues to move forward efficiently.

Respectfully,

David C. Frederick

cc: Rachel J. Horowitz, Esq.
Barbara Conklin, Esq.
Collins J. Seitz, Jr., Esq.