

EXHIBIT 24

HOLWILL & Company

August 17, 1993

MEMORANDUM TO THE FILES

SUBJECT: CONVERSATION WITH VICE PRESIDENT
ALBERTO DAHIK

York LeCorgne, Rodrigo Perez, Ricardo Reis Veiga -- all of Texaco -- and Richard Holwill met with Vice President Dahik in his office beginning at 10:15 AM on this date. The meeting, which lasted approximately 30 minutes, was extremely productive and cordial.

LeCorgne opened using the talking points developed in meetings on the 16th (see attached) and asked Dahik for his advice on how to proceed. Dahik seemed extremely knowledgeable about the outstanding issues between Texaco and the energy ministry and asked his aide to find a report prepared for him by the ministry that listed an "interminable" list of problems.

The conversation shifted several times between the operational issues and the fiscal issues. On operational issues, LeCorgne responded to Dahik's comment about the length of the list by saying that a resolution need not be difficult to resolve if all issues were viewed as a package with accounts on each side which are balanced against each other to produce a single sum at the end of the day. Dahik agreed that this would be the only possible way to work this out. We also pointed out that the resolution would require settlement of Texaco's claims against Petroecuador and the participation of the *Procurador General*. Dahik volunteered that we should come back to him before we approached the PG and that he would help with that official as well.

Perez added that, in talks at the finance ministry, regular meetings had led to the quick resolution of the problem and a proposal from the government. Dahik volunteered that a similar process should be possible with the new Energy Minister Francisco Acosta. Dahik discovered that our planned meeting with Acosta was set at the same time as a meeting of the *Frente Economico* and quickly arranged a new time so that such a meeting would not be canceled.

On fiscal issues, LeCorgne explained that, when the offer to resolve outstanding tax issues was made, he had taken it to Texaco's top management where it was accepted. He stressed that top management had accepted the offer even though it was not a part of a global settlement and it required a cash outlay without a reduction in the bank guarantee because to do so could contribute to a rapid settlement. LeCorgne stressed that changes or undue delays in the final offer could cause approval of it to be withdrawn.

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Veiga explained the procedural steps needed to implement the decision and that the process had been interrupted when changes took place in the cabinet. Perez added that he had discussed the issue with the new finance minister César Robalino but that the Minister had deferred comment saying that he needed time to familiarize himself with it. Perez added that even the Ministry's auditors were in agreement in that they conceded that if the law were strictly applied Ecuador would owe money to Texaco. We also stressed that the decision to accept this offer, which included a payment outside of the "global settlement," was a sign of good faith and an indication of the company's willingness to proceed on all issues.

Dahik placed a telephone call to the Director of Revenue, René Sanchez to push for the immediate implementation of the solution developed before the change of finance ministers. Dahik stressed that it was in the interest of the Government that this matter be quickly resolved.

(Comment: We felt that it was significant that Dahik by-passed finance minister Robalino and called a third level official instead of Robalino and that Dahik offered his "full support" on a matter of concern to Sanchez. Although we did not hear the other side of the conversation, it seemed clear that Sanchez was telling Dahik that Robalino would be a problem.)

The meeting ended with an agreement that Perez and Holwill would get back to Dahik later in the week to report on the status of subsequent meetings. Dahik stressed again his desire to resolve the matter and to encourage additional investment in Ecuador by Texaco. LeCorgne stressed that resolution of the fiscal issues would permit the company to participate in the Seventh Round of Oil Leases tentatively scheduled for November. Dahik agreed that this was a reasonable deadline for completion of the fiscal issue. (Comment: Dahik seemed as interested in touting Texaco's interest publicly as he was in Texaco actually making new investments.)

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