

**McVAY DRILLING COMPANY**

P.O. Box 2450  
Hobbs, New Mexico 88241  
(575) 397-3311  
FAX: 39-DRILL

*Pit  
Rule*

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November 29, 2007

Mark Fesmire  
NMOCD

McVay Drilling Company has been operating in New Mexico for the last 65 years. My brother and I are 3rd generation owners and with our 2 sons we are now a 4<sup>th</sup> generation company. We have drilled in Lea and Eddy County almost exclusively for this entire period.

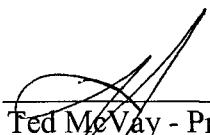
We are concerned about your proposed pit rules. We and the companies we contract for have always been good stewards of the lands of the State of New Mexico. We are entirely aware of the decline in wells that will be drilled in the state due to your stringent regulations. We are seriously considering moving our operations out of the state into Texas. At this time our drilling rigs are presently working mainly due to a good reputation and fair price. I'm sure you are aware of the decline of the rig count in our area. The main thing responsible for that is the fact that oil companies are worried about what your requirements will be. In our opinion, if the recent spike in oil prices and natural gas prices wouldn't have been present, we would already be in Texas with our rigs.

Please don't think that our goal is to contaminate the environment at all cost. We simply want you to understand the severity of your actions. We feel our opinion represents our customers which include:

Lynx Petroleum  
Oxy Permian  
Devon Energy  
Samson Resources  
Chi Operating

Respectfully submitted.

  
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Michael McVay - Vice President

  
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Ted McVay - President