



*Pit Rule -
to OGD ✓*

January 7, 2008

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The Honorable Bill Richardson
Office of the Governor
490 Old Santa Fe Trail, Room 400
Santa Fe, NM 87501

Dear Governor Richardson:

The Association of Commerce and Industry has long been a proponent of fair and equitable regulatory treatment of privately owned businesses in New Mexico. Private employers such as our oil and gas companies make capital investments in our state, provide much needed jobs so that our children can stay and live in New Mexico, demonstrate good corporate citizenship through funding non-profit entities, and provide critical goods and services for our citizens. We understand the need to protect our environment. We also understand the need to balance this protection with the best interests of our state and of our citizens. The proposed Pit Rule is not a balance between the needs of our environment and the needs of our citizens. In fact, the scale has been tipped to consider a rule that is over and beyond any federal regulation, and if enforced will tip the scale to favor other states. Currently, we are experiencing less drilling in our state and watch as operators move to states with a more balanced policy.

The unintended consequence of this will be declining state revenues that we use to fund educational and social programs. Our state has become increasingly dependent on oil and gas revenues, revenues we are now sending to our neighboring states. This is even more perplexing in a year where we are discussing universal health care and how to pay for it. Again, a balanced policy is vital in order to provide for all the needs of our citizens.

We hope that you will reconsider this proposed regulation and continue to strive to improve the economy of our state.

Sincerely,

Rick Wadley
Chairman of the Board

Dr. Beverlee J. McClure
President & CEO

cc: Joanna Prukop
Secretary of Energy & Mining