

24 February 2005

Mr. Richard Ezeanyim, Chief Engineer
New Mexico Oil Conservation Commission
1220 S St. Francis Drive
Santa Fe, New Mexico 87505

Dear Mr. Ezeanyim:

I am writing this letter to the New Mexico Oil Conservation Commission concerning information I received on 23 February 2005 from Kellahin & Kellahin (Attorney at Law, P. O. Box 2265, Santa Fe, New Mexico 87504) reference an application of Lance Oil and Gas Company, Inc. ("Lance") on proposed gas wells as described by Kellahin & Kellahin is as follows: 1) "NE/4 and the N/2 of Section 17, 29N, R14W to be dedicated to its WF FRPC "17 Well No. 1" in letter of 10 February 2005 and 2) NWE/4 of Section 17, 29N, R 14W to be dedicated to its WF FRPC "17" Well No. 2 in a letter of 9 February 2005. This area is generally within a residential area in the community of Kirtland, San Juan County, New Mexico.

I am opposed to any drilling activities within T 29 N, R 14 W, section 17 until additional details on proposed drilling activities are made available. Unfortunately, information contained in these applications and "correspondence" sent to me by Lance Oil and Gas Company, Inc. (certified letter postmarked 14 January 2005) lack sufficient detail concerning the nature of proposed drilling activities, the precise location of these activities, and critical pieces of information are not included in these in these generally inadequate documents. I am aware that on 1 October 2004 "Lance" became the successor to Richardson Operating Company ("Richardson") which was definitely sufficient evidence for me to be very concerned about potential negative impacts to the overall quality of life near the proposed drilling, as well as potential adverse impacts to wetlands and adjacent riparian habitats of significant ecological importance in the San Juan Valley.

It may be unreasonable to assume "Lance" will operate in a similar manner as "Richardson" did in the past; however, my previous experience with "Richardson" on a proposed gas well near my property and near biologically productive marsh habitats and riparian habitats was disturbing. Even casual observation of previous drilling activities conducted by "Richardson" and presumably now being managed by "Lance" within the San Juan Valley are anything but assuring in terms of maintaining an established quality rural life-style and advocating responsible protection of ecologically important habitats.

I understand the importance of reasonable and responsible exploitation of petroleum resources; however, I strongly oppose these activities in established communities and near areas of significant ecological importance. I am also dissatisfied with the extremely short period of time in which citizens potentially affected by these activities are allowed to express their concerns, particularly given the generally inadequate detail describing proposed gas drilling activities in this particular example.

SA 2/24/05

Mr. Richard Ezeanyim

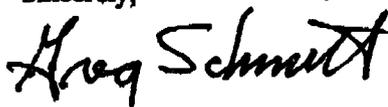
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Additionally, in each application mentioned above (i.e., No. 6, page 2 of 9 February 2005 application; and No. 5, page 2 of 10 February 2005 application), it is implied that a reasonable effort has been made to obtain a written voluntary agreement from persons listed in Exhibit "A". This "effort" is certainly not reasonable by any standard in my experience. Correspondence on proposed gas drilling activities that includes primarily references to relevant statutes, rules, and related policies is probably necessary and/or required; however, omission of descriptive details on proposed drilling activities, exact locations of drilling activities, duration of extraction activities, evaluation of potential impacts, and other relevant information is unacceptable. An important fact to keep in mind is that areas proposed for drilling of gas wells in this example are not remote locations where nobody lives, rather they are in very close proximity to long-established homes and private property. Furthermore, there are many more persons potentially affected by these proposed drilling activities in addition to persons listed exhibit A in each application.

I am hopeful that my concerns will be addressed by the New Mexico Oil Conservation Commission in a reasonable manner. Thank you for your attention to my concerns on this important matter.

Sincerely,



C. Gregory Schmitt
P. O. Box 267
Kirtland, New Mexico 87417

CGS/cgs

cc: Kellahin & Kellahin, Attorney at Law
Lance Oil & Gas Company, Inc.