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City of Bloomfield

October 4, 2007

Joanna Prukop
Cabinet Secretary
Energy, Minerals and Natural Resources Department
1220 South St. Francis Dr.
Santa Fe, NM 87505

Re: Comments from the City of Bloomfield to the draft rule regarding oil and gas drilling pits (the "Pit Rule") recently issued by the New Mexico Oil Conservation Division (NMOCD).

Dear Madame Secretary,

The oil and gas industry is the foundation upon which the economic vitality of the City of Bloomfield and the surrounding area has been built and is the source of thousands of high-paying jobs. For that reason, the City of Bloomfield is extremely concerned about the potential impact on the economic well-being of our city, San Juan County and the State of New Mexico resulting from the adoption and implementation of the Pit Rule.

As a general premise, the City of Bloomfield supports the efforts of the NMOCD to regulate the oil and gas industry to mitigate adverse environmental consequences. However, such adverse environmental consequences should be demonstrable pursuant to the application of sound scientific principles as a condition to regulatory intervention. The City of Bloomfield believes that the prerequisite scientific basis has not been developed to support the adoption and implementation of the Pit Rule. In fact, the hard scientific data gathered by the Pit Rule Task Force over the past six (6) months appears to support the contention that the Pit Rule is unwarranted.

If the Pit Rule is adopted and implemented in its current form and content, the oil and gas industry in San Juan County will be saddled with huge incremental operating costs with little or no associated benefit to the environment. The incremental costs, however, may very well result in company decisions to cut back exploration and drilling programs, with a corresponding loss of high-paying jobs that are so essential to a strong economy. Such a result would be unfortunate in the context of national, state, and local interests.

Certainly, the adoption of the Pit Rule will appease those in the environmental community who are advocating a governmental policy of zero-tolerance when it comes to the impacts of oil and gas development. But the decision to adopt and implement the Pit Rule should be founded on sound science – not political considerations.

In closing, the City of Bloomfield urges the NMOCD to consider and act on the Pit Rule in the light of the scientific data that has been presented to it. If that data supports the adoption and implementation of the Pit Rule, then regulation is appropriate. If it does not, then the Pit Rule should be rejected.

Thank you for your consideration of these comments.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Scott Eckstein".

Scott Eckstein
Mayor
City of Bloomfield

Cc: Director Mark E. Fesmire
Ms. Florene Davidson ✓