

Joanna Prukop

The proposed pit rules will shut this industry down. Operators do not have to drill wells and will not with the proposed rules.

As a Presidential Candidate, is it smart letting the whole country know that you are willing to bend to a few (with out proof) than take care of the many. The words of James Strickler sum it up nicely.

Dan Uhl – Concerned Citizen Farmington, New Mexico

“Overregulation hurts everyone. The proposed new Pit Rules would render up to 50 percent of state oil and gas drilling inventories uneconomic, and seriously damage our local economy. This entire fuss is over the disposal of drilling fluids, which in our area are natural or biodegradable. The proposed regulation is tantamount to requiring that a builder put four roofs on every house, when one is sufficient.

San Juan Basin is the largest producing natural gas field in the United States. We supply vital, clean-burning, natural gas as the fuel of choice for America. Area producers already face drilling inflation: The cost of materials, labor, and services has nearly doubled over the past few years. Superfluous regulatory requirements only add insult to injury.

As oil and gas companies lose revenue, they will take investment dollars elsewhere, moving to friendlier states or overseas. The resultant lack of new drilling here will have a domino effect on service companies first, but layoffs in all sectors would be inevitable. Many of us remember the industry layoffs of 1987, 1996 and 2000.

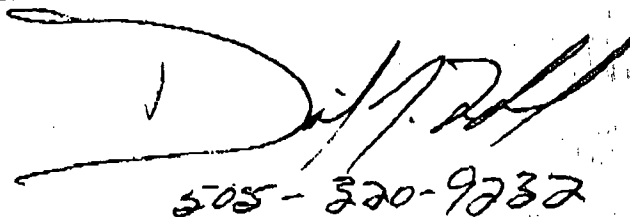
The oil and gas industry provides over \$2.8 billion dollars (FY 2006) to the state's treasury in taxes and royalties. This amounts to 35 percent of our total budget. Education takes up to 60 percent of that budget, so who will suffer? Yet, an economic impact study of the proposed rules has not been conducted. Go figure.

As a freshman legislator, and 30-year veteran in the oil and gas industry, I believe the new Pit Rules are poorly thought out, threatening to our state economy, and of little or no environmental merit. Their implementation will pressure legislators to compensate for lost revenue by raising income, property, and gross receipts taxes. We don't want that, and neither do you. The NMOCD was given authority to adopt reasonable rules, not a license to put a crucial industry out of business.”

JAMES STRICKLER

State Rep., District No. 2

Farmington



505-320-9232