

**Basin Well Logging Wireline Services, Inc.**

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**November 9, 2007**

**Governor Richardson  
State Capital, Suite 400  
Santa Fe, N.M. 87501**

**Re: New Pit Rules**

**Dear Governor Richardson,**

**As a lifetime citizen of San Juan County, New Mexico (Farmington) I was raised in the oilfield and I have seen the impact that drilling for natural gas has had on the community and the county. When drilling is very active, the community and the county flourish. When it's not active they struggle. I own a local service company called Basin Well Logging & Perforating, Inc. and employ 18 people, 16 of which have families. If the OCD changes the pit rules to the extent proposed, my business will suffer. I forecast that 30% or more of my employees will be laid off, possibly more and my company is just one of dozens that will be faced with the same harsh reality. I recently went to Santa Fe to sit in on the hearings regarding changing the rules that apply to pits on drilling & production sites in New Mexico and was shocked by how one sided these hearings were. Mark Fesmire the head of NMOCD and his 3 person committee have already made up their minds, that all oil & gas related pits are a danger to the environment and will not listen to scientific evidence to the contrary.**

**People opposed to the changes which include state representatives, oil company attorney's, landowners, independent producers, service company owners and concerned citizens who tried to question the OCD data about location of pits that were shown, dates when samples were taken, or if they were drilling or production pits were met with a deaf ear.**

**I do not understand how the state government of New Mexico can stand by and let the NMOCD make changes that will inevitably cripple the economy in several counties across the state. I believe these changes, the way they are currently being proposed by the OCD will send San Juan County into a recession. Oil & Gas companies will move their dollars to neighboring Colorado, Wyoming & Texas.**

The drilling pits in the northwestern part of the state are not a threat to the environment as we drill with fresh water based mud systems that are all bio-degradable and pose no threat to the environment. We drill through shale's that are the very same shale's we live on, i.e.: the Kirtland, Fruitland, Mancos, etc. This soil is the same soil that we drill through, and are the same cuttings deposited into our drilling pits. Prior to closure the fresh water fluids are removed from the pits and disposed of in certified, state approved disposal facilities leaving only the cuttings, (which are earthen materials and the same rock we live on ) in the pit.

The committee is convinced that all pits are alike no matter where they are located. This is not true. If you as our Governor stand by and allow a 3 person committee that is basing their decisions on exaggerated environmental concerns without taking into account the negative impact on the economy and the workforce in New Mexico we must assume that your bid for President outweighs the future of the state that elected you Governor.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan A. McElh". The signature is fluid and cursive, with a long horizontal stroke at the end.

President & Owner  
Basin Well Logging, Inc.  
Farmington, NM