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Governor Richardson:

I am writing to express my concern about arbitrary regulations that have been proposed by the Oil Conservation Division (OCD). Not only are these regulations lacking in science based evidence, they provide no real additional environmental benefits.

According to the OCD, more than 90,000 oil and gas wells have been drilled over the century and about 55,000 are currently producing. The proposed rule changes are estimated to cost the oil and gas industry an additional \$150,000 - \$300,000 per site. This will most likely drive operators to neighboring oil and gas producing states such as Texas and Colorado.

In budget year ending June 30, 2007, oil and gas production provided about \$1 billion directly and another \$400 million indirectly into the state's coffers. That means that about one in ever four dollars in the state's genral fund last year was attributable to oil and gas.

As New Mexico's finances are heavily dependent on oil and gas, I request your support of the New Mexico Oil and Gas Association's position to revise the proposed pit regulations, allowing for flexibility in the design, operation, and closure of pits and tanks

Sincerely,

Hector Ramirez
Lea County Commissioner