

MINUTES OF THE
SPECIAL MEETING OF THE
SANTA FE COUNTY COMMISSION

November 15, 2007

Santa Fe, New Mexico

This special meeting of the Board of County Commissioners was conveyed at approximately 7 p.m. by Commissioner Jack Sullivan on the above-cited date in the Eldorado Elementary School, Santa Fe, New Mexico.

A quorum was achieved as follows:

Members Present:

- Jack Sullivan, Commissioner
- Mike Anaya, Commissioner
- Harry Montoya, Commissioner
- Paul Campos, Commissioner
- Virginia Vigil, Commissioner

Member(s) Excused:

None

Also Present:

- Peter Wirth, State Representative
- Rhonda King, State Representation
- Joanna Prukop, Secretary Energy & Minerals
- Mark Fesmire, Director of Oil Conservation Division – State Energy & Minerals

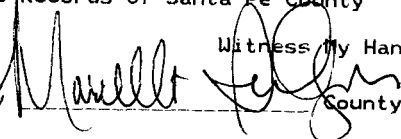
Staff Present:

- Roman Abeyta, County Manager
- Steve Ross, County Attorney
- Jeff Kolkmeier, County Land Use Administrator & Planning Director
- Steve Wust, County Hydrologist
- Shelley Cobau, County Development Review Division Director
- Jennifer Jaramillo, Constituent Liaison
- Steven Ulibarri, Public Information Officer

COUNTY OF SANTA FE)
STATE OF NEW MEXICO) ss

BCC MINUTES
PAGES: 29

I Hereby Certify That This Instrument Was Filed for Record On The 16TH Day Of January, A.D., 2008 at 09:19 And Was Duly Recorded as Instrument # 1512360 Of The Records Of Santa Fe County

Deputy ) ss
Witness My Hand And Seal Of Office
Valerie Espinoza
County Clerk, Santa Fe, NM



I. WELCOME & INTRODUCTIONS
 II. SCHEDULE - DRAFT COUNTY OIL & GAS ORDINANCE

COMMISSIONER SULLIVAN: What we hope to accomplish this evening is to have a brief review and discussion of the State and County regulatory roles regarding oil and gas drilling on private and public lands and then we're also going to move quickly to questions and comments from the public. Those comments will be recorded so those of you don't have written comments that's fine. Those will be recorded and we will have those for the record and be able to refer to them.

Let me first get a few safety issues out of the way. The first and very important is that we cannot have any standing in the aisles. If you have a seat next to you raise your hand please. There we go, I'm counting at least 50 hands up in the air. Thank you very much. Please grab a seat we want everyone to be comfortable. We have a capacity in this gymnasium of about just under 500 people. We also have an overflow room in the multi-purpose room at the other end of the school. If this room fills up we will be able to seat people in the overflow room - that room has audio and it also has video so you can see what's going on in that room. Also, if you just don't like to be in a big crowd you're welcome to move into that room as well.

A couple of other items: we need to keep the doorways clear and we need to keep the halls clear. [Fire exits were located as well as public restrooms.] Those of you who have signs, please exercise some courtesy so that the signs don't block anyone else's view.

Having gotten those ground rules out of the way, let me briefly go to introductions. We have a distinguished head table with us this evening. I really honored to have them all here helping us this evening. I'll simply start down at my right and your left side: Representative Rhonda King, would you stand please. Next to her is Commissioner Harry Montoya. Next to him is Commissioner Mike Anaya. Next to Commissioner Anaya is Representative Peter Wirth who you will hear from. To my left is Secretary Joanna Prukop. Secretary, thank you. To her left is the Director of the Oil Conservation Division Mark Fesmire, thank you, Mark. To his left is County Commissioner Paul Campos and to his left is the County Manager Roman Abeyta. And that takes care of item one on the agenda. [*Exhibit 1: Agenda*] If you do not have an agenda they are available at the back of the room where you came in.

The second item that I want to inform you about is the schedule for the draft County Oil and Gas Ordinance and the public meetings and hearings. We've had a number of people indicate through e-mails and through letters that they are very interested in the public process and participating and knowing what will go into the ordinance and what that ordinance will mean and what it will do and what kind of regulations it will provide. So I want to give you the schedule for that. Let me first start off by saying that at this point the ordinance is still a work in process, however, it will be ready for public distribution and it will come to the County Commission meeting on November 27th. That's what we call "title and general summary." That means that the ordinance will be presented and the County Commission should they approve it for publication it will then be published on the website and in the newspapers and so forth. So that will not be a public hearing - that will be a point in time when this draft ordinance will be ready for the public to take a look at it.

can talk about it in any way you want. I would like you, if at all possible, to be specific in your comments – try to focus on a particular issue that you think is important that we can carry back and deal with in the drafting of this ordinance. Please try not to be repetitive of the speaker before you. We do need to limit the folks to two-minutes. If we don't get everyone in we will take any written comments at any time. Just address those to the County Manager, Santa Fe County.

Also, when we get into the question/answer session we would suggest that and remind you that at this point in time we don't have an application in front of us. We cannot have a due process if the questions are, "Where do you stand on this?" and "Where do you stand on that?" we don't have an application in front of us. If we were to make comments one way or the other on that, it's really possible that we would prejudice the hearings and the application if and when one does come in. I think you can understand our position in that respect and we'd encourage you not to structure your questions in that way but structure them by telling us in the I, in the first tense, what your issues are and what you feel and what you believe. That's what we'd like to hear.

Going on with the schedule – let me tell you more about the schedule so you know what's happening. The draft will go onto the County website and you can take a look at that. It's on your agenda at the bottom: santafecounty.org is the County website – so you'll be able to pick up that draft. Then on December 6th, Representative King and Commissioner Anaya are hosting an additional meeting at the Turquoise Trail Elementary School. That will be 6:30 to 8:30 p.m. At that time the draft ordinance will be out on the street and you'll have had an opportunity to look at it. You'll have an opportunity at that meeting to make any comments that you would like the Commission and Legislature to hear about that.

From the time the ordinance comes out until December 21st the County will take written comments on the ordinance. Again, address those to the County Manager, Santa Fe County. In January, mid-January, we do not have a date yet the County Commission will have a special meeting for a hearing on that ordinance. That will be the only topic at that meeting and that will be a special meeting for that purpose. Then on January 29th at the regular meeting the Commission will consider that ordinance either or adoption or at the Commission's discretion if they feel that it's necessary for addition hearings. That will be at the 29th of January.

There have been as you know two prior meetings that have been organized by the Tecton Company and I just wanted to correct the record in that regard some people have questions why elected officials were not present at that meeting and I can tell you that elected officials were present at both of those meetings. Representative King was there and so was Commissioner Anaya and so was myself at both meetings. So we have had representation and in addition we have representation from the staff at those meetings. We're gathering data as it becomes available and we have not at all forgotten the importance of this issue.

I do want to emphasize that we have received many letters and e-mails from people and all of those are taken seriously and are being catalogued and made available to staff working on this issue. We have not received and do not believe that Oil and Conservation either has not received an application from oil and gas drilling from Tecton or anyone else. So we're not at a stage where we have anything in front of us but nonetheless we felt that it was important to have this meeting and lay out some of the rules and regulatory roles that these public bodies perform.

have this meeting and lay out some of the rules and regulatory roles that these public bodies perform.

Having said that, I've asked and he's kindly consented, Representative Peter Wirth who represents District 47 which this is a part to moderate the meeting this evening and also to give you a brief discussion of what's called The Surface Owners Protection Act which was recently passed by our State Legislature.

Commissioner Sullivan introduced the following Santa Fe County staff members present: Steve Ross, County Attorney; Steven Ulibarri, Public Information Officer; Jack Kolkmeier, Land Use Administrator; Shelley Cobau, Development Review Division Director; Jennifer Jaramillo, Constituent Liaison; and, Steve Wust, Director of Water Resources Department. He thanked Sheriff Solano and the deputies present this evening for addressing safety concerns.

Let me take one second here to make sure I've gone through everything on my checklist - once again, the schedule. The 27th of the Commission meeting we'll publish the ordinance. It'll be on the website. December 6th there will be an additional meeting at the Turquoise Trail Elementary School, December 21st get your written comments into us by then please, mid-January to be announced we'll have the special meeting for a public hearing for additional comment on the ordinance and anything else you want to comment on regarding the oil drilling and January 29th of 2008 will be the regular County Commission meeting at which time the ordinance will be considered for adoption. Now this is the ordinance. I'm not talking about an oil and gas drilling application. We don't have that application yet and we don't know what the timeframe for that will be until we get the application and we begin that review process.

So having said that, let me now turn it over to Representative Peter Wirth and we appreciate his assistance here this evening.

III. STATE REPRESENTATIVE PETER WIRTH - Meeting Moderator Discussion of Surface Owners Protection Act

REPRESENTATIVE PETER WIRTH: Thank you, Commissioner Sullivan, and welcome everyone. Just for the record I was also at the Tecton meeting. I was stuck outside, I got there late and they wouldn't let me through the door. So Commissioner Sullivan and I stood out in the cold and listened in but I think it's important that you all know that we care about this issue. This is an issue that we've been dealing with in the Legislature for three sessions with the Surface Owners Protection Act and I'm going to talk a little about that tonight and they we're going to get into some presentations from some key state officials and then we've got a lot of County folks here and then really open this up to all of you because what Commissioner Sullivan and I wanted to do in having this hearing is really to create a forum where the decision makers at the Legislative and at the regulatory level are here to hear you and to really answer questions and to help educate all of you and quite frankly all of us. This is something that has really come out of nowhere this situation in Santa Fe County and I say that from a legislative perspective because a the Surface Owners Protection Act is something that Representative King and I have lived with for three years. It took three years to pass this bill and so what I'm going to do tonight is talk a little bit about the Surface Owners Protection Act and then turn it over to Secretary Prukop and Mark Fesmire to talk about the State's

in terms of regulatory oversight: who can do what? And really when we talk about the ordinance that's coming what are the roles of these two different bodies.

Let me talk first about the Surface Owners Protection Act. This was passed in the 2008 Legislative Session and it went into effect in July 2007 and we're the tenth state to have this kind of legislation. The reason it's significant is under the common law, the property law, there are two different interests in land: the fee interest and the mineral interest. And under the common law the mineral interest is considered the dominant property interest. So that's what we're dealing with and that's what we're up against as we go through what we're seeing right here in Santa Fe County. What the Surface Owners Protection Act attempts to do is to level the playing field by creating a statute that requires an oil and gas company who has a mineral interest to come and provide notice to the surface owner and then also it's designed to encourage a negotiation process prior to any drilling activity. Before this law was in place there was none of that. There was a common law history and the courts had interpreted some duty to deal with reclamation but quite frankly this bill is a start in the right direction. It is not perfect by any means, but what it does is it requires the oil and gas company to provide a notice that includes among other things the scope of the operation, the location of oil and gas drilling sites and roads. It requires that notice together with an actual offer of compensation before the drilling process begins. The idea is to, again, encourage the surface owner and the oil and the gas operator to come up with an agreement before that drilling begins. Again, I think it's not mandatory on either side and realistically I think we're going to have to see how this works but prior to this bill this discussion - what's happening in many cases and I want to be fair in what I've heard in the testimony that we've heard during this bill going through is that many oil and gas companies were going through this process but some were not and what this done is it actually creates a statutory requirement that the oil and gas operator reclaim all of the surface that is affected by the operator's oil and gas operation. So that is now in law. It also creates a cause of action for the surface owner for damages and it requires that operator to compensate the surface owner under four different scenarios. One is a loss of agricultural production and income. The second is lost land value. The third is lost use of and lost access to the surface owner's land and the fourth is lost value of the improvements caused by oil and gas operations. If an agreement cannot be reached there is a cause of action for surface owners who own the actual fee land, and this is important because this bill as it sits now does not apply to neighbors and that's a real issue and that's something that causes obvious concern and something I think that we're going to need to look at as we continue to go through. So if you're next door to a piece of property with oil and gas this bill is not going to give you a statutory right to come in under this statute with an action for damages.

The other thing that this bill does not do is it does not say that the oil and gas company cannot proceed if an agreement is not reached. In other words, if they can't reach an agreement there are bonding provisions within this statute that allow the oil and gas company to post a bond and then they can go forward and basically you're looking at a litigation situation if an agreement through that process cannot be reached.

This bill was extraordinarily difficult to get passed. The reason for that is, I think quite frankly and Representative King can certainly jump in here, I think that both sides are not happy with this bill. There are things with this bill that the oil and gas folks don't like. There's a lot of things in here that the groups that were fighting for this bill which was a very interesting collaboration of farm and ranch folks, the Cattle Growers Association,

environmental groups, we were all fighting on one side and the oil and gas folks on the other side. The bill came through three sessions before we could get it passed and this is what I would consider a start. It certainly is not the be-all to end-all, and quite frankly we're talking about something here that does not address what I know you all are hear about which is, is there a way to stop this? This is really a legislative solution that's been imposed on what's happening throughout the state except what is happening in other parts of the state are areas that are used to having oil and gas in their farm and ranch communities and all of a sudden it is exploding. That was really the driving force of this legislation. We quite frankly didn't realize that this was going to happen as all of you in our very backyard.

This is a statute that's existed and I think Representative King and I are interested in sharing with all of you, if you have specific questions or ways that we can make this better. I just want to assure everybody that this is the start and what happens in the legislative process is it often takes that you start at one point and then work on something and continue to work on it and we are certainly receptive to doing that.

What I'm particularly interested in and I think what our next two speakers are going to help lay out for us is some of the jurisdictional questions with respect to the State's regulatory authority and then we're going to get into the County's regulatory authority. We have with us two folks tonight and I really appreciate them coming – Secretary Joanna Prukop is the secretary of Energy and Minerals Division for the State of New Mexico and Mark Fesmire is the head of the Oil Conservation Division. These are the folks at the State's regulatory level who I think can help all of us by explaining and hear from the state officials making the decisions of what role the state will pay in terms of what's coming or potentially coming.

I'd like to turn it over to Secretary Prukop for some words and then Mark Fesmire and then what we're going to do – I would appreciate if we could just hold off for question – and once they're done I'd like to leave the bulk of the time for you to ask questions. I'm delighted if we have the December 6th forum as well as a continuation. That's my piece for now.

IV. SECRETARY JOANNA PRUKOP – State Energy & Minerals

SECRETARY JOANNA PRUKOP (State Energy & Mineral Division): Thank you, Representative Wirth and good evening everyone. Mark and I are happy to be here and to share some information with you and I very much appreciate the representative indicating that tonight is about sharing information, providing some education/awareness about what some of the aspects of this issue are because as Mark and I have dealt with this issue across the state whether it is an ecologically sensitive areas like Otero Mesa which is some of the last remnants of the Chihuahuan desert in our state or the Valle Vidal up in the northeastern part of the state which is a very nice recreational and outdoor area, we've dealt with this issue in many ways and it is a complex issue because I am going to underscore some of the things that Representative Wirth outlined for you as to why this is a difficult issue although I'm certain that many of you have figured that out yourself.

Governor Richardson and I must add Lt. Governor Diane Denish are very concerned about what is going on in the Galisteo Basin particularly in Santa Fe County and we certainly do have an attitude of wanting to work with the County and help the County figure out how to cope with this matter in our county – because I live in this County and Mark happens to live down in Bernalillo County.

But I do want to give you some basic information and build in what Representative Wirth said and then ask Mark Fesmire, our director of the Oil Conservation Division, to share more specifics with you about State Oil and Gas Act and the process through which we deal with oil and gas exploration and development and that whole application to drill procedure. You'll become familiar with the acronym APD, an application to drill, and that is what Tecton has yet to submit for a new well in the county.

In addition to underscoring that this is an area for the Governor, I do want to say that we do have a number of safeguards already in place in the County as they apply generally across the State and however those safeguards do not give us the authority to ban or significantly curtail oil and gas development anywhere in the state.

I will go into what we can and can't do. Our Oil Conservation Division is the primary state agency that deals with oil and gas development in our state. If you want to get an APD anywhere in the state you have to get that from the Oil Conservation Division regardless of the land status, meaning that applies on federal lands as well as state trust lands, as well as private property. Oil Conservation District has three primary mandates in the Oil and Gas Act and it started out initially as industry concerns from the standpoint of protecting correlative rights, meaning when more than one entity owns the rights to oil and gas in one area and making certain that our oil and gas resources in this state are not wasted. That's actually what the term "conservation" in Oil Conservation Division means. It doesn't mean necessarily environmental conservation. It means conservation of the oil and gas resource. It means to not be wasted. And that has to do with a technical way that you drill and develop a well field. And then later on in its history, because that act was actually passed back in the 1930s, in the mid-80s it was modified to also include protection of public health and groundwater. So especially during this administration, under Governor Richardson, we take that third mandate very, very seriously. We have been trying to increase environmental enforcement and compliance through Oil Conservation Division. One of the mantras that I ask Mark's division to adopt was "no new environmental contamination from new oil and gas development." And one reason I feel very strongly about that is because across our state, especially in the areas Representative Wirth mention the far northwest where we have a lot of coal bed methane production because New Mexico is number one in coal bed methane production in the nation still. We have about 29,000 wells up there in the Farmington area and we have another 10,000 going in on BLM lands up there so those are significant impacts.

In the southeastern part of the State where most of our traditional natural gas and oil comes from, we have similar impacts - a lot of it on private lands but much of it on BLM land. And so in those areas we are working of course to protect groundwater and public health as well.

I'm going to leave a few things to Mark to explain that are more specific about our statutes and rules but what I need to make clear is something that Representative Wirth did allude to and I briefly mentioned - our statutes and our rules going back to the mid 1930s for this industry indicate that they're written such that if an industry meets our requirements we essentially cannot arbitrarily deny an application to drill. The mineral interest is a dominant or priority interest: they have a right to pursue that private property right. So we cannot arbitrarily deny them because then we're vulnerable to lawsuit and perhaps the effect of having to pay for their loss of use of that property. So we have to be careful about that. But there are a couple of areas in the state that I mentioned already where we have done some I would say

aggressive management under this administration and I'll use Otero Mesa as the example. When we were working with the BLM to minimize impacts to the development on that sensitive desert eco-type we put special rules in place for it and made it mandatory such that any drilling development that went forward there made use of closed-looped system, for instance. A closed-loop system means that they cannot drill, dig a pit in the ground and put their drillings of mud and liquids in the ground, they have to put them in a tank that of which then has to be hauled off. So that minimizes impacts to the surface but also to protect any groundwater from any kind of leaching that might occur from those drilling substances. So that's one example.

We also directed how to put pipelines, electrical lines and that kind of a thing in a single pathway so that we didn't have roads and pipelines and whatnot going in all directions. So there are those kinds of things that we can stipulate. And those are called stipulations. I just give you that as an example and again what we're interested in doing is – and one of the things I have to tell you about that too is that Tecton on the wells that they went back into in the county, they are already doing that. In terms of the way oil and gas companies operate in our state, Tecton has already adopted some of the management practices I would have to say. And one thing we can do in Oil Conservation District, and again Mark can get into more detail, is strive to implement best management practices. We can also work and we are very willing to work in tandem with the County to help the County identify what tools it has within its jurisdiction and authority to add additional things to the process for developing an oil or gas well in this County that include things that we can't regulate. There are things like – some more aspects of how you manage roads, how you manage traffic, how you manage dust or air quality issues, how you manage viewshed issues and that kind of thing. So although we are here tonight to understand what your concerns are and gain information from you as we share information with you, I do need to kind of give you that general overview that I just had of what the sideboards look like in terms of what the state's authority is to actually regulate oil and gas exploration and development across the state actually as well as in Santa Fe County. But, again, we are here because we are concerned about your concern. The Governor specifically asked that I be involved this evening so that we can figure out ways that we can work together. So with that I'll end and I'll thank you very much for such a well-attended event tonight.

V. MARK FESMIRE – State Energy & Minerals/Director of Oil Conservation Division

MARK FESMIRE (Director of Oil Conservation Division): Good evening. My name is Mark Fesmire. As Secretary Prukop said, I am the Director of the Oil Conservation Division. The Oil Conservation Division in New Mexico is a creature of statute. We were created in the mid 1930s and we at that time had two mandates. The first was to prevent waste. The second was to protect correlative rights. When they talked about waste they meant traditional waste of resources, but they also meant that we had to regulate the way that oil and gas was produced in the state to maximize the value of the resource to the state. We sailed along until the late 60s and early 70s when the New Mexico legislature added another mandate to us and that was to protect human health and the environment. And as Secretary Prukop said that is the area that we are working probably the hardest right now. When you've been doing something for seventy years you get pretty good at it and we've been regulating the production

of the oil and gas industry with respect to preventing waste and protecting correlative rights for seventy years. We're not as good yet at protecting human health and the environment but we are working on it. In the last three years we have passed a significant number of rules that we think are improving the way things are done in the oil industry. They're not perfect and the industry hasn't exactly bought on to some of the things that we're trying to do yet, but I think we're making an improvement.

The Oil Conservation District regulates under basically two acts. The first is the Oil and Gas Act, the one that was passed 1935 and the second is the Water Quality Act. An awful lot of the environmental work we do is based on our responsibilities under the Water Quality Act. I want to tell you some things about oil production in New Mexico to give you an idea of the value of the resource we're talking about. Last year New Mexico produced 60 million barrels of oil. Now you multiply that by the oil price last week which up around between \$94 and \$98 and we're not mostly an oil state, we're mostly a gas state. Last year we produced 1.6 trillion cubic feet of natural gas and that's selling out of New Mexico at between \$5.50 and \$6.50 an MCF or a thousand standard cubic feet. So you multiply 1.6 trillion cubic feet by \$6 per thousand and you realize the extent of the resource and the value of the resource to New Mexico. But that doesn't mean that we have to produce oil and gas in a way that harms our water resources. Our water resources are extremely important to the state. I believe this Administration understands it and we're working hard to protect that. Roughly 50 percent of the oil and gas production in the state and these numbers aren't exact, they're draft figures, they're rough, but 50 percent of the oil and gas produced in New Mexico is produced on federal land. Another 25 percent is produced on state land and about 25 percent is produced on private land. The thing to remember about the Surface Owners Protection Act that Representative Wirth was talking about, is that it doesn't apply to federal or state lands. It just applies to the roughly 25 percent that is produced on private lands because that's where most of the split estates are. An awful lot of the resources that are produced under split estates are federal resources, in fact by far the largest percentage of them are federal minerals produced on private lands.

Representative Wirth asked me to talk a little bit about the process. When a company comes into an area they acquire leases and when they acquire those leases what they acquire is the right to produce the oil and gas under the ground. After they've acquired enough of those leases that it becomes economically viable for them to move in, they come in either to the Oil Conservation District or the Bureau of Land Management and file an application for a permit to drill. That application for a permit to drill sets out the conditions under which they can drill. If it's on federal land the BLM will approve it or deny it in some cases – but most of the time they'll approve it. Then they'll send it on to the State for approval. So we already have one very viable example of multiple jurisdictions regulating some of the same interests and that's probably what I want to talk to you most tonight.

There's been a lot said that the County doesn't have the authority to regulate oil and gas production. I don't think that's an accurate statement. When the multiple jurisdiction event like this occurs the legislature has the ability to make laws and to determine who has what authority and what the courts have rules in New Mexico, and most of this law was developed out of the minimum wage laws that were passed in Santa Fe, is that if the legislature intended that jurisdiction to be exclusive they would say so in the enabling legislation. There's some considerations in that, for instance, if the County were to try to do some of the things that the

Oil Conservation District does, they may or may not have the expertise to do that and they may or may not be able to hire that expertise. But, nonetheless, if the legislature intended that to be exclusive jurisdiction they would indicate that in the legislative that enacted or that provided the regulator the ability to do that regulation.

I am not going to act as your attorney I think that's Mr. Ross's job but I think a careful look at the Oil and Gas Act would indicate that there's some areas that they intended to be exclusively regulated and some that they didn't. When you talk about things that occur on the surface with respect to oil and gas production, the other principle that you probably have to think about is whether or not the regulatory body with the authority to do that regulation as quote "occupied the field" and that's a term of law. Whether they have come in and taken the authority that the legislature gave them. With respect to especially surface management, I think that there's a lot of room that the County has the authority to regulate and we're not treading when you talk about County regulating things like noise and truck traffic and things like that, we're not treading new ground. This kind of regulation has been looked at and in some cases enacted by other cities and counties in New Mexico. There are several city ordinances with respect to oil and gas. There are some cities that are in the process right now of looking at oil and gas ordinances. So this isn't a new field and I think that as long as the County does not violate the statute and does not violate or attempt to regulate areas that were reserved exclusively for the state regulatory body then I think they have the authority to do that regulation. And in those areas where the state regulatory body has not occupied the field and where they have not taken the authority perhaps that they had the option of taking I think that there's room there for the citizens of Santa Fe County to put some conditions on drilling and working in Santa Fe County. *[Applause]*

That having been said, you have to be very careful not to take from these people what the constitution, take from the operators what the constitution has guaranteed them the right to produce. So I think that you can produce oil and gas *[disturbance from the audience]* – I'm sorry I shouldn't have started that, please. I think that there is a way in New Mexico to produce oil and gas and you do it safely and you can do it without contaminating the environment.

There are going to have to be some changes made. Oil Conservation District is in the process of trying to make some of those changes but at the same time you have to remember that we are in a bit of difficult position in New Mexico because this is an important resource to New Mexico. Before I stir up anymore I'm going to turn it back over to Representative Wirth.

VI. QUESTIONS/COMMENTS

REPRESENTATIVE WIRTH: Thank you very much, Mark and Madame Secretary. I think that is tremendously helpful. I think just hearing the framework lays out and sets up for questions which is where we are. It's about quarter to eight and we until nine o'clock in this room. I want to make sure that everybody who wants to ask a question gets a chance to. We're going to ask that you line up over on the side of the wall here and we're going to try and do is limit the question and comment period to two minutes per person so everyone gets a chance that wants to get a chance.

If there are folks that in the overflow room, I'm not sure whether anyone is there or not, but if they want to ask questions – oh, it's full. I'm hearing it's full. Anyone in the

overflow room is welcome to come over as well because we want them to make comments as well. We've got someone who is going to keep track of the time and she may well tell you your time is up and I just would ask that everyone be respectful of the time commitment. We want to have an open discussion here and I'm going to do my best to facilitate it. What we'll do is we'll figure out who the appropriate person is to answer the question and again, I'm not going to try and shut anyone down but again you can see the line here is extremely long and I want to give everybody a shot. So let's jump right in. I'd like you to state your name and also your address. The County is keeping a record and this is recorded. And one thing if there's a question that we can't answer tonight, we're recording this and Representative King and Commissioner Anaya are doing their forum on December 6th and what we will certainly do is figure out an answer to those questions and I think it would be appropriate at that forum to have a period of time to get that information out to everyone.

CRAIG WINGATE: Thank you. Madame Secretary, State representatives, County commissioners, Mr. Fesmire and others I want to start by thanking you for the opportunity to speak. My name is Craig Wingate. I live at 3261 Highway 14, right north of Cerrillos. I'm a Santa Fe County resident, surface property owner, registered voter and tax payer. I'm an appointee of Governor Richardson, currently serving as vice chair of New Mexico TeleHealth and Health Information Technology Commission, and I'm CEO and chairman of New Mexico Bio Tech Inc. With your indulgence, I'd like to read the following prepared statement followed by a question. My statement will run just slightly over two minutes and I apologize but I represent several hundred people and would like to be able to read the full statement if possible.

Today I represent a rapidly growing new group of concerned citizens called Santa Fe Non Oil. The mission of Santa Fe Not Oil is to prevent oil and gas drilling in residential and environmentally sensitive areas. Specifically focused on public health and groundwater. Though oil and gas drilling in Santa Fe County is a highly charged emotional issue for all of us we are determined to speak consistently with facts, legal precedents, pragmatic logic – not emotion. The facts are clear and our goal is simple: We want the political leaders of Santa Fe County to understand that you truly do have the power to determine the manner and the extend to which Santa Fe County residents will have to live with the adverse effects of oil and gas activities as Mr. Fesmire has said.

We want you to know that we fully expect you to use that power to make the right decisions for the citizens, the economy, the environment, and the groundwater of Santa Fe County. Santa Fe Not Oil is in the process of self-organizing into several areas to research and disseminate facts affecting the issue of oil and gas drilling in the County. Tonight our speakers, who can get to the microphone, will focus on legal facts and precedents, economic facts, environmental facts, Galisteo Basin archaeology, medical facts and the impacts on family and community of oil and gas drilling. The legal research includes analyzing the strength and weaknesses of the existing County ordinance, assessing the dynamic around the current effort to revise that ordinance, the decision making authority regarding issuance of new drilling permits and the legal recourses of the citizenry if adequate protections are not put in place or kept in place.

I will drop the next three paragraphs which focus on the economic research and the environmental research and team. The two goals of Santa Fe Not Oil for this meeting are simple: 1) we want to provide legal clarity if possible so the County leaders understand that

I will drop the next three paragraphs which focus on the economic research and the environmental research and team. The two goals of Santa Fe Not Oil for this meeting are simple: 1) we want to provide legal clarity if possible so the County leaders understand that you have the power to make decisions on this issues – you are not preempted by state or other power as long as we’re talking about the health of the citizens and the groundwater. By virtue of your election you are obligated to take this leadership role to protect the health of the citizens, the economy, the groundwater, and the environment of Santa Fe County. *[Applause]* And secondly, we would like to say emphatically, please slow down and do this right. Do not succumb to the pressure of big oil and gas, their lobbyist or their unsubstantiated promises of revenue. We understand their rights but please do not rush to revise the existing ordinance which took three years to right to accommodate the timetable of Houston-based wildcat drillers at the expense of the citizens who elected you. *[Applause breaks out]* Santa Fe Not Oil wants to help empower the County Commissioners to ask the right questions in order to make the right decisions.

We respectfully request that you require the necessary benchmark environmental studies to be performed in order to inform your decisions about any new code that is written and to monitor the future impacts. And, we respectfully request that you strengthen not weaken the protections necessary for Santa Feans’ quality of life, environment and economy, history, and future. We are blessed to live in Santa Fe County. We know how special this place is and we’re sure you know it too. We are counting on you to protect our home. Interested audience members, if you can contribute expertise, effort, money or support to this cause please become involved – preaching to the converted. It doesn’t matter if you join Santa Fe Not Oil, Drilling Santa Fe or other local groups becoming active on this issue. If you’re already a member of a local organization that will be effected by oil and gas drilling which will truly effect all of us here, please take it as your mission to educate your organization about the scope, the risk, and the importance of these issues for the entire County. Get your group involved. For those who are interested in our new grassroots all volunteer organization go to Santa F Not Oil.org and register to participate. Thank you.

My question: In your opinions distinguished panel how do we best become engaged in this process? How can we best use our resources and significant expertise to provide legal, scientific and political support to help Santa Fe County stand strong and do the right thing for its citizens? How do we best help your efforts to defend us? And that is addressed to everyone.

COMMISSIONER SULLIVAN: Thank you and let me as the organizer just try and answer that for all the Commissioners because we have at least 30 or 40 people lined up behind you and we would like to get their input as well.

The best way is the way that we have been telling all the people who have commented to-date to do that, and that is to get your comments to us in writing. You can phone, you can e-mail, that’s fine as well. We are and have been considering all of those comments. And all of those comments are being wrapped into the drafting process. Once the draft is available it is still a living document and it’ll still continue to be massaged. I’ve given you the schedule for doing that and we the County Commission will take as long as is necessary to create an appropriate ordinance that is sustainable, that is defensible as well. That’s truly the best way to get this into the record. Santa Fe cannot create an ordinance by having any local interest groups write them. We have to prepare the ordinances and having done that we then release

I do have one other individual here at the head table that was not here when I made my introductions and that is the Chair of the County Commission, Ms. Virginia Vigil. Next speaker please.

REPRESENTATIVE WIRTH: Let me just say one quick thing from the state perspective, if you've got state questions feel free to e-mail those questions to me and I can forward them to the appropriate folks and use that conduit as well. Again, I think it is important that you feel like you've got a channel to get to the right information and these folks are terrific in responding to our inquiries in your behalf as your representatives. I just certainly on behalf of Representative King, if there's state questions, send them to us.

BILL MANNS: Hi, I'm Bill Manns. I live at 88 Happy Trails in Santa Fe. A friend of ours Betsy Brant couldn't be here because she's away on business, but she was an oil executive with Exxon for 19 years and she taped a statement that we'd like to play for you on the oil development planned by Tecton. I think everyone will find this real interesting. She's a real expert in this field.

REPRESENTATIVE WIRTH: How long is the statement?

MR. MANNS: A couple of minutes.

REPRESENTATIVE WIRTH: Again, I think it's important to recognize - it's a chance to get questions too.

TAPED TESTIMONY OF BETSY BRANT: Good evening Commissioners, my name is Betsy Sawilla Brant and I'm second-generation oil and gas. [Tape is inaudible]

REPRESENTATIVE WIRTH: It's not coming through. Let's submit the tape to the Commission as evidence. [Audience responds negatively] You want to hear it? Okay, we'll hear it. It's up to you guys. I want to remind you that we have to be finished by 9. They're telling us we have to be out of this building by 9:30 with everything cleaned up. I apologize but that's the ground rules that we're under.

I'm happy to use the time however you like.

TAPED TESTIMONY OF BETSY BRANT: Good evening Commissioners, my name is Betsy Sawilla Brant and I'm second generation oil and gas with 19 years of worldwide exploration experience and I do oppose Tecton's program and so do other people in the oil and gas industry.

These are my technical reasons why. Everyone knows that New Mexico shares the Permian basin geologic lottery with Texas. I'm not against exploration and I'm not against Texas but clearly the geologic lottery did not die in Galisteo Basin. The 16 wells that were drilled in this area were frac'ing with already tried did not work. The wells were not productive in the early 80s when the price of oil was also very high and believe me the big players would have shown up for the [inaudible]. Tecton is exploring for an unconventional reservoir in Galisteo Basin. Unconventional reservoirs include shale, oil and gas, coalbed methane, and tight reservoirs. This is a tight reservoir where gas is predominant not oil. If such tight oil exists it is extremely rare.

A question for Tecton is, "Where the look alike tight oil reservoir that they basing their \$100 million barrel assessment on? And what are the reservoir quality parameters of these 16 wells that exist?" It is a well-known fact that fractured tight rock are by the far the riskiest in the business. This is what wildcatters do. They take huge risk. My father, a Permian basin expert, gives a reservoir a 2 to 5 percent chance of success. The high side of 100 million barrels has about a 1 percent chance of success. These tight lots must have two things: both

native porosity and connective fractures for permeability in order to move any oil out. This does not exist in these rocks and that is why the fractures must be manufactured or induced. They must crop open these rocks to create something that is not there to begin with. They use pressurized chemical-laden fluids to crop the rocks open. The pressurized water creates the fracturing and the chemicals help erode the crack to prop them open so that oil can flow towards the wellfield.

The second question from Tecton then is: "What chemicals will they be using to frac and prop the rocks open and could the recipe change over time?" The EPA has lists of toxic frac chemicals. What gets monitored by the EPA are the targeted formations that the fluids are injected into. Unfortunately, it is a known fact that fractures and fracturing fluids can move out of targeted formations uncontrollably. This is a very difficult thing to monitor. Some contamination may not show up for decades because some of the fracturing fluids remain stranded in the target formation. When groundwater tables rise post oil and gas development, the groundwater could easily mobilize these stranded fluids. EPA does not address this issue or the haphazard way that these dangerous fluids can travel. Fractured tight rocks are very unpredictable: The most unpredictable of all reservoirs. Especially with no modern seismic, which is the case for Galisteo Basin. There is no way to predict what the reservoir is doing beyond the wellfield.

The third question for Tecton is, "Where is the proof that casing designs are 100 percent foolproof?" Mr. Dirk states, "We absolutely guarantee protection our of aquifer from contamination with surface casing." I was very surprised to hear him say this. He lost credibility. This is a fallacy for anybody in the industry to say. They can only mitigate the risk of leakage. There are no guarantees.

I would refer you to the Society of Petroleum Engineers website, www.spe.org. There are 101 ways for surface casing to leak and it would be difficult to detect. Also, there is always a learning curb for drillers in new areas. You must understand that drilling wildcats is half science and half art. No one would deny, especially without modern seismic data, mistakes will be made. These are the trickiest reservoirs in the world to drill for. It is unknown how much water will ultimately be need to frac and refrac or what chemicals will ultimately be needed to break the reservoir down. Tecton can only make guesses. Even now, the blackwell number one is not producing. But if the wildcat chance of success of 2 to 5 percent were to occur we need to ask Tecton, "What the surface facing would be to pump out all of the oil?" Tecton has said that they will develop the three zones on 40 acre spacing. On the surface this equates to a very tight 10 to 20 acre spacing for at least 30 years to exploit. Imagine thousands of wells dotting our landscape. Pumping away as you've seen in Hobbs or Farmington.

In summary, the cost of benefit ratio for oil makes no sense in the Galisteo Basin. The downsides are insurmountable. We are calling on you, Commissioners, to protect our drinking water with the strictest and most protective code in the entire west. We cannot allow Tecton and Quantum Energy partners to contaminate our water in this area the way the mining industry has previously done. Thank you so much for listening to this podcast.

LOWELL GORDON: My name is Dr. Lowell Gordon. I'm a physician in Santa Fe and reside at 29 B Old Arroyo Chamiso. I'll be brief because some of my comments were echoed by the podcast.

If you're familiar with the movie Erin Brockovich which was a movie but based on a true story, chromium 6 was believed to be non-toxic either when it went into the water supply, however, everybody seemed to be getting sick and clearly we all know the end of the movie. But if you fast forward to May of this year, the NIH has now come out with a study showing that after two years – a study over two years showing that it is indeed carcinogenic in the water supply and the point is and the question is about transparency. The scientific facts of gravity diffusion almost guarantee that chemicals ingested in the ground will ultimate reach the water supply. People should have the right to know what those chemicals are so they can make informed decisions. I think that to not be able to have access to that information just isn't a reasonable approach to doing business. Thank you.

WOLFGANG BRANDT: Good evening, County officials. My name is Wolfgang Brandt. My wife and I own among other businesses a real estate brokerage in the affected area and I have been asked to speak today on the rapid decline of property value and income.

The market this year started out slow as we all know. My personal real estate business was down about 20 percent. In spite of that the property values in our area have risen. As a matter of fact, my business you know we sold numerous properties that set new records for the area. The reason that I'm mentioning this is the day that Tecton came into town the real estate market died and the property value were destroyed.

Property values are determined by what the market will bear and what a ready-and-able buyer is willing to pay and by nothing else. Right now, nobody is buying the properties. Our real estate business went down to zero and what I mean by this is that our income went down 100 percent. Every real estate broker that I've talked to, every contractor, everybody involved in the real estate business to some extent or another that means mortgage companies, title companies, surveyors, etc., etc. all tells us the same story. The minute it was announced that Tecton would be drilling, the real estate died.

What is the situation that we have here now is that we have effectively destroyed real estate property values and the income of the people selling it and who are connected to real estate like contractors.

We just have overcome the impact that the mining industry left on our area with the groundwater contamination like Betsy mentioned. What does that leave us with? What does that mean for the County in terms of economic impact? There are three areas where the County will greatly suffer next year. One, property values: coming April 30 the County Assessor will have sent us out a statement saying the notice of value of our property. Problem we're going to have next year is since the property value went down to nothing, hundreds if not thousands of people will protest their property values. This will result in millions of dollars of tax loss to the County.

Second, personal and business income losses: next year when I will file my personal income tax, my business will be down a total of 80 percent for the entire year meaning I will file 80 percent less taxes. So will every other real estate agent, contractors, and hundreds of other people. That will result in millions of dollars of losses for the County in revenue from personal income taxes.

Number three, gross receipt taxes. Every time I sell a piece of property, every time anybody sells anything in New Mexico we are supposed to pay gross receipt taxes. Gross

receipt taxes will go down dramatically resulting again in millions of dollars of losses for the County.

My question for the County is how is the County responding to this and what has the County have in store to respond to this? Is there any kind of rescue plan in place? The County budget will be short millions of dollars – I would like for all of you to respond to that please.

REPRESENTATIVE WIRTH: Steve Ross your name is being mentioned for the response. Do you want to come down and give a response?

STEVE ROSS (County Attorney): I didn't get your name.

MR. BRANDT: Wolfgang Brandt.

MR. ROSS: Grant?

MR. BRANDT: Brandt.

MR. ROSS: I'm sorry, Mr. Brandt, I'm a lawyer so I have a difficulty responding to a purely economic question. We don't have any plans or forecast at this point that indicate that there's going to be, as you described, a huge loss of property tax revenue but we update our projections quarterly and we'll keep an eye on it for sure.

MR. BRANDT: My question is how are you planning to reverse this trend that Tecton has created for our industry and for the economy in Santa Fe County in general?

MR. ROSS: Mr. Brandt, once again we don't have any indication that that's occurred as of this point. We just have what you've just said.

UNIDENTIFIED MALE (speaks from the audience): In – Colorado there was study that showed 22 percent loss in real estate value overall once drilling began.

MR. BRANDT: You know, I want to point something out, this has already happened. I can only imagine what happens when they actually stop drilling.

REPRESENTATIVE WIRTH: Okay, let's –

UNIDENTIFIED MALE: Do any of the Commissioners want to respond to Wolfgang?

COMMISSIONER ANAYA: My name is Mike Anaya. We're going to take that into serious consideration when we look at the ordinance and everything else we're looking into. Right now we're trying to collect information and we can't answer these questions point blank. I think we're going to listen to your questions and the ones that we can answer we will. The ones that we can't we will work to figure out what to do. But we're going to take that into consideration. Thank you.

REPRESENTATIVE WIRTH: Hang on, let's listen to what he said because it was important. There's a meeting December 6th and I think what you heard will – [grumbling in the audience] hang on, I think it's important to respect the process and give folks a chance to give an answer. If the answer is that they don't have an answer, again, I think that's why we'll be doing this again in a couple weeks. Part of the process is that if there are questions – and I said this up front – if there's a question where an answer hasn't been given and is not sufficient I think that there will be an opportunity at that next hearing to do that. I think that's what we're going to as Commissioner Anaya said.

So let's jump ahead.

UNIDENTIFIED MALE: So in two weeks you'll have an answer?

REPRESENTATIVE WIRTH: Again, I'm standing up here saying that what we're going to and what the Commissioners are going to do and certainly what your representatives will do to address your State questions, we're going to write those questions

down and I think it's perfectly legitimate for folks at the next meeting to say, "Okay, that was a question and now what's your answer."

We'll do our best. That's what we're here to do.

STEVE SUGARMAN: My name is Steve Sugarman. I'm a resident of Santa Fe County. I live on the banks of the Galisteo River in an area that is going to be directly affected by the proposed drilling.

I would first like to thank all of the County and State staff for coming here tonight. Obviously we appreciate the fact that you recognize, like we do, the importance of this issue and you care enough to come here and to hear our concerns. Thanks to Peter Wirth and Jack Sullivan for putting this together. [Applause] And many thanks to Mark Fesmire who is going toe-to-toe with big oil right now in the state and – [Applause]

I have a brief comment and then a couple of questions. I'd like to start by talking about something that I didn't expect to talk about but it's in response to something that Mark said and I think it's important that everybody understands why historically the mineral estate has been the dominant estate. It's important that we all recognize, like Mark said, that this is a matter of common law. This is something that judges, it's a rule that judges developed over time. It's not a question of any constitutional rights that developed the minerals and it's not a question of a statutory right.

The mineral company has no more constitutionally protected interest in their mineral estate than a surface owner in his or her land and the home that's on that land. That's what is really exciting about this time that we're here for now. These rules about mineral dominance as common law rules can be changed. [Applause] The rules – well, they have to be changed by judges but they get changed when very valiant and courageous men like Mark Fesmire or like our County Commissioners are about to do, men and women, draft an ordinance that protects the citizen. And that the industry says, "Whoa, you've gone too far..." it's only by pushing the envelope and pushing the industry into its discomfort zone that we're going to find out what rights that we actually have. And it's only by doing that that we are going to be able to stand up eye-to-eye with big oil and say, "Back off." The applicants that are me, the applicants that are Santa Fe, the applicants that are my kids, my animals, my children, my grandchildren, the grass that I'm growing before you do this drilling. Bear in mind that we have had a history for the last 70 or more years of kowtowing to the mineral estate. But those days are changing and they are changing fast. Look at what New Mexico is doing. New Mexico is changing the law. New Mexico for the first time as a state through Secretary Prukop and Mark Fesmire are developing rules that are regulating this industry and for the first time this industry is pissed off and they're fighting back and they are going to give our County Commissioners a hard time and we need to be prepared to support our County Commissioners as they do the right thing. [Applause]

Now, back to my script and this is going to be short. As I was preparing to come to this meeting tonight I pulled out this pamphlet of newspaper articles that was compiled by our friends Ann Murray and Ross Lockridge, they have a fascinating archive of newspaper articles from the *New Mexico* and the *Albuquerque Journal* dealing with all sorts of land use issues that has happened in the County since the mid 1970s. This volume deals with 1990. 1990 was an incredibly [inaudible] mining company that proposed to open up a heap leach mine in the Ortiz Mountains and guess what? The County denied the application. Then the County went on to impose a moratorium on all mining permits in the County and then the County went on to draft the toughest mining ordinance that exists in the State. All of this in 1990.

The mining ordinance took three years to get enacted. From the first draft it was very tough at the first draft and then three years later it was enacted. It was a visionary piece of legislation that has kept the County safe from mining ravages until this day. This process to develop that ordinance took three years. There was extensive public participation. There was collaboration of all stakeholders. There were many, many meetings. This was a process that was so careful because the County Commissioners at that time recognized that only a very careful, very deliberate process was sufficient to take care of an issue that was so significant for the county.

I will let the Commission know that it scares the pants out of me to know that the product of three years of careful and close work by the County with stakeholders is now apparently being dismantled in such a short time that I can't even catch a breath. We've been told tonight that we're going to have 30 days to provide written comments on a draft that comes out on November 27th. Well, 30 days – that's less than 30 days. Our written comments are going to go from November 27th to December 21st. Surely the County knows that this is the holiday season. This is Thanksgiving, this is Christmas. I want all of you to tell the County you need more time. [Applause]

UNIDENTIFIED MALE: Will you please enforce the two-minute rule.

REPRESENTATIVE WIRTH: Yes, please, fair enough.

MR. SUGARMAN: My question is – two very brief questions. Can each of the Commissioners, can each of the Commissioners, provide us with assurances that whatever new ordinance is drafted by the County will be as strong as the existing ordinance that we have right now or stronger?

COMMISSIONER ANAYA: I'll assure you right now. And I think your time is up and I'll assure you that it will be stronger. Can we get the next speaker please.

MR. SUGARMAN: Thank you, County Commissioners and we appreciate your help.

COMMISSIONER ANAYA: Thank you, Steve. And if we could get back to the two minute rule because we've got about 50 people back there that need to speak and I would personally like to hear them. Thank you.

JIM JANIS: Thank you, Commissioner. I am Jim Janis and I live in Commissioner Anaya's district at 88 Vista del Oro just off of County Road 55 and Gold Mine Road. I am speaking tonight for Santa Fe Not Oil. My colleagues from Santa Fe Not Oil have already told you about the goals of the organization and our goals for tonight. We strongly believe that you Commissioners have the power to protect us from the adverse effects of oil and gas drilling in Santa Fe County. We expect you to use that power and we expect to be protected.

I am the president of The Janis Group an environmental consulting firm in Cerrillos. I'm an environmental engineer and have a Bachelor's degree in chemical and petroleum engineering and a Master's in environmental engineering. I am a former a staff member of both the United States Environmental Protection Agency and the Department of Energy. My 35 years of experience has taught me that contrary to what Tecton is saying, there are no foolproof methods of drilling and high pressure fracturing for oil and gas recovery. To continue repeating over and over that there cannot possibly be any groundwater contamination associated with the proposed drilling is simply not true. It is a lie.

The potential for contamination to groundwater from oil and gas drilling is real and is happening here in New Mexico right now and it will very likely happen here in Santa Fe County is the proposed drilling goes ahead.

We do have a set of recommendations for you and they deal with indemnification of the limited liability corporations by parents of those corporations. We also have recommendations for the control of the drilling as it affects groundwater such as a five-mile limit between any drilling and any nearby drinking water well. We'll give you all those recommendations in writing. Thank you all for being here tonight.

LINDA SPEAR: Thank you illustrious panel for being here tonight and listening to our concerns. My name is Linda Spear. I am a lifelong resident of Santa Fe. My family has been here since 1959. I am a member of the citizens group Santa Fe Not Oil. And I've been asked to speak on environmental impacts. Many of the speakers who have gone before me have already spoken on some of the points I was going to speak about so I'll read some of the issues I have directed directly to our Board of County Commissioners.

Everyone in this room needs to educate themselves and to communicate to your neighbors and friends and family that over the next 30 years there could thousands of wells in Santa Fe County. This runs from Cerrillos to Nambe and it includes neighborhoods that we all know and love – Arroyo Hondo, Agua Fria, Las Campanas – all of them could have a well. As Betsy's tape pointed out to us there could be one well on every 10 acres of leased mineral rights land. What does it mean to have a well in your backyard. Our current regulations state that a well has to half-mile away. Tecton opened up a well out in Galisteo Basin right now it was an old well and they opened it up. It has two houses within a quarter mile distance of it.

I have a little scenario for you. Hopefully, the well will stay contained on a one acre drilling site that Tecton has promised the County that they will maintain it on. Keep in mind that the County does not have the manpower now or the know-how or anybody trained to monitor these wells properly. [Applause] There will be heavy earthmoving machinery, drilling rigs, water and oil tanks, 9,000 gallon water trucks – they're going to haul in water folks, they're not taking our drinking water they're just going to pollute it – there will be generators, propane tanks, 18-wheelers bringing in frac'ing fluids, chemical toxic/chemical brews to mix with oil and sand. We haven't even begun to look at the possibilities of electrical lines easements or road infrastructure for this development.

We want the County Commissioners to keep that you are elected by us and that you work for us. You are obligated morally and by the Santa Fe County land development code to protect us and take a leadership role in stopping this.

My question is and I wish I had longer to review the County Code, but we have a very sound ordinance in place that Steve Sugarman mentioned and my question is, why are you working on a new ordinance? Section 5 of the code on 6, it says denial, it says that you the Board has the authority to deny – it says, “no mining land use or mineral exploration activity will be permitted if it is determined by the Board that the use will have a significant adverse affect on health, safety, morals or general welfare of the County or its residents based on finding of facts and conclusions of law.” It is indisputable that frac'ing poisons water and destroys homes and livelihoods and families and property value. Thank you.

MR. ROSS: We're not really working on a new ordinance. The existing mining ordinance governs giant holes in the ground. What we need to add to the ordinance are regulations that pertain to small holes that go way down to water supplies. They're completely different regulatory scenarios and we have looked at ordinances from all over the United States, we've reviewed those ordinances and taken a look at the protections that are afforded and they simply aren't in the hard rock mining ordinance because it pertains to giant holes in the ground. That's why we decided a more specific regulatory basis.

MS. SPEAR: Mr. Ross, thank you. I do recall perhaps my memory is faulty in reading but I do remember that it covers drilling.

COMMISSIONER SULLIVAN: Excuse me, let's try to be respectful of the other people who have things to say. Your organization has had several members speak. You've been advised of your two-minute and I want to say that the two minutes means that the time in which to ask your question not after you give a speech and then ask a question. We really do want to get other people to speak. Would you not agree with me that you've had enough time this evening?

MS. SPEAR: Yes, sir.

COMMISSIONER SULLIVAN: All right, thank you. Could we please get the next speaker. We can get a lot of these issues and address them and I think Mr. Ross did answer the question in as much detail as he can answer it at this point.

Go ahead sir.

BRIAN EGOLF: Thank you. My name is Brian Egolf. I live at 165 Dannel Road. Thanks to the Commission and to State representatives and staff and the secretary for this chance. I wanted to implore the County Commission in moving forward to keep in mind the 30-year time horizon that unborn children coming up in Santa Fe right now are going to be living with the consequences that we make in the next two months as a county and as a government. There are a few issues that I'm going to touch on briefly and I will be submitting more detailed comments in writing. They are food for thought and issues that I think demand urgent attention.

One, is that the Galisteo Basin is 100 percent dependent on groundwater and we have unique circumstances that require a much stricter approach to this issue than you would find in other places because the groundwater that we have in place right now is all we're going to have for our drinking water moving. Contamination of one part can migrate and it is a serious consequence. I would ask the County to look at the issue of vertical fractures developing from the horizontal fracture that is planned that may penetrate the bottom side of the aquifer. I would ask the County Commission to have a requirement in this new ordinance that any plans that are approved have assurances in them that there will not be vertical fracturing that threatens to penetrate the aquifer from below and that the bottom of the aquifer be known before drilling begins. That is a very serious threat. Also, patent applications have been filed and development has begun on perforation equipment that is used to penetrate these well bores and it relies upon the use of depleted uranium to fracture the hardest of the hard rock. I been calling industries throughout the day to determine whether or not they've actually been used and I can't really get a straight answer but the patent applications have been filed and technology developed. This needs to be seriously looked at and I implore the County Commission to consider this issue to determine whether this has been done. The use of depleted uranium to fracture the hardest rock which is what we're dealing with in this situation is very scary because that is something that is going to be around for a long time and if you combine the use of depleted uranium with vertical fracturing penetrating the aquifer we're in trouble.

Lastly, I would just say that years from now I want my grandkids and I hope you all want your grandkids drinking the water that we're pumping out of this aquifer. We want to be able to go to bed years and decades from now assured that we're not going to be killing our future for short-term decisions.

REBECCA PROCTOR: My name is Rebecca Proctor. I live at 21 Astor Way in Eldorado. I want to address two issues very quickly and then close with a comments. First I want to note for the Commission that hydraulic fracturing, the technique that is going to be used

for this, involves the injection of fluids into the ground at high pressure. We've already heard some expert testimony to that effect. I just want to bring to the forefront that all the chemicals that are used for fracturing fluid are toxic. They are known carcinogens and none of them is currently regulated by the EPA when it is used for drilling. These chemicals have been found in the drinking water of at six US states after fracturing took place nearby. That includes the State of New Mexico. No one anywhere can legitimately claim that hydraulic fracturing does not run the risk of introducing toxic chemicals into aquifers. Since water is our most scarce and most at risk resource in New Mexico it would be totally irresponsible not to place the potential contamination of drinking water at the top of any list of consideration effecting whether this kind drilling is an acceptable activity for this community.

Second, I want to make the Commission and my fellow citizens aware that there are extensive federal subsidies currently being injected into the oil industry that are earmarked specifically for exploration activities. The level of funding has risen and fallen over the last few years but the Department of Energy's Oil Technology Research and Development Program is still active and still provides hundreds of millions of dollars per year to various industry activities including exploration. Further, there are tax breaks currently available to companies conducting exploration that allow in some cases a 100 percent write-off of the cost involved in exploratory drilling.

The point I want to make here is that Tecton makes money no matter what. But the dubious and short-term benefits Tecton promises to Santa Fe County may not ever materialize. This is just the tip of the iceberg, information that I can easily gather. I know the Commission can do this. As your constituents we fully expect that you will do everything you can to gather the facts about hydraulic fracturing and government subsidies.

I want to close quickly with a comment that is actually intended for the Tecton Company. They may not be visible here tonight but I know that they're listening. The Galisteo Basin represents literally millions of years of natural and cultural history in a unique and completely irreplaceable setting. If you think the citizens of this community will give that up in order to provide them enough oil and the intended profits for at most a day or week of use by United States, they have gravely underestimated our determination, our dedication, and deep seated love of country. We will not betray our most precious heritage.

CYRIL: My name is Cyril. I'm a concerned citizen of the planet. About 20 years ago I interviewed people with charts of the nuclear weapons program for the world. People who were the chief arms negotiators for the planet. I have also interviewed those people Hopi at the Navajo people who have been taken – who have lost their individual rights. The rights that used to be the rights of total sovereignty. The rights that were the rights of kings. It's stated in the Declaration of Independence that was written by Thomas Jefferson, Benjamin Franklin, listening to the Iroquois and the other native people of the world that they were supposed to listen to nature and nature is god. We have abrogated that on all level. We are now living according to many elders that I have interviewed on five continents the final semester of humanity. I do not know if the children that have been borne in the recent past will have a future because we are living really on borrowed time is what the elders are telling us. We are all living on the fruits of genocide. There is a lie that is being promulgated. There is no reason why any of us should even be discussing this particular issue because we have severed our relationship to origin and creation. It is not a question of double-speak or the red tape, who has rights, sovereign, state or any legal practices. We have completely lost an ontological relationship to existence for which there is no answer. And this is the question that we have to ask ourselves:

Why we are here? We are living on borrowed time and we have lost our relationship to the planet.

This bankruptcy that we are now undergoing has been stated by many writers and poets. There is no answer for putting a price tag on the things that were once priceless which we are losing our hegemony, our individual rights, our sovereign rights that used to belong to the rights of kings. Remember, it used to be nature and nature's god it is in the Declaration of Independence.

DAVID RASCH: Good evening, my name is David Rasch. I'm a resident of the County here in Eldorado. We in this community are part of this community different and there's two things that I believe that we take very much heart. If you fracture Mother Earth you will harm here in a irreparable way. And I don't think any of us wants to harm Mother Earth but also we here in the County Different believe that oil extraction is a 20th Century outdated material and we don't need it anymore. We do not support oil extraction in this county different and we would like to see other options being taken rather than allowing this to go forward.

When we asked the Tecton representative what his plan was in case of an emergency, say there was groundwater problems or other problems, his response was, "We will not have any problems." That is not a plan. So what we need is a plan. We need this plan to show us what the risks are of groundwater contamination or the aquifer the groundwater level sinking because of the fracturing process that we've done to harm our mother.

Also, we need to know also what the seismic potential is if fracturing will cause the Rio Grande to rip which is a significant earthquake fault to have more seismic activity and then finally can the property owners the surface owners learn who the mineral rights owners are. The lessee knows and I think it's the right of the property owners to have the ability to buy that back. Thank you.

SAM KENNARD: My name is Sam Kennard. I'm a cardiologist and my brother is a geologist, petroleum geologist who practices in Denver. I've had discussions with him regarding oil drilling in the Galisteo Basin and I'd like to share with you some of his comments on frac'ing and related to general oil drilling and contamination of water.

The way an oil way operates is that first there's a hole drilled and in this hole goes mud. Mud is not really just mud. Mud contains many caustic toxic materials which spreads out into the layer which contains oil but also goes back up the outside of the pipe and collected and either put in pits, and of course we've discussed the problems of contamination of surface and subsurface water table by the pits. After this the only way that they can keep this material out of the water is by putting a larger pipe over the first pipe and allowing this only to go through between the two pipes. If this extends below the water table then it works fine but it has to go a far amount below the water table, problems can occur here. Then concrete is pumped down into the well and goes back up the side of the operating pipe and then it goes to a level that is determined by the State as I understand depending on the porosity of the soil so that it will not come back and contaminate the water there.

The third method is the fracture of course and this is a problem with vertical fractures because vertical fracture particularly if you're drilling horizontally can result in contamination of the water by going upward. So I would just like to urge you to do all you can to protect our water and our environment.

KIM SORVIG: My name is Kim Sorvig. I'm one of the many who lives where Tecton wants to drill and I'll try and see if I can be the first person to break two-minutes here on the right side.

I am an expert in green building. I am internationally recognized in that if I do say so myself. As many of you have mentioned protecting the public safety, health and welfare is one of the foundational principles of American government at all levels. Regulating or even forbidding incompatible law uses is one of the primary tools used for doing that. This is my area of expertise. It's a method that has stood up in court many, many times over the years despite industry onslaughts against it.

My question is very simple, How is possible in a country where people are supposed to be free and equal that we accept the idea that dominant ownership gives people the right to be exempt from the laws that govern the protection of public safety, health and welfare? That is what [applause] the mining industry and the oil industry in particular are asking us to accept. That is what with all due respect we are apparently accepting as a given and we just not do that. Please. If I propose some controversial land use you know I have to accept limitation. If I own the land outright, surface and subsurface, you can still tell me I can't build a four-story building. That's trivial damage to the community compared to what mining might do. When we ask you to assert the authority to regulate these, the mining industry likes to portray us as hysterical and self-serving but we're not asking for anything different or specific. We're asking you to apply the same limits on land use to them as to applied to our own rights to use the land.

Please do so fearlessly. Lawsuits be damned – they happen. Thank you.

TOBY HILLYER: I'm Toby Hillyer. I'm a resident of Eldorado. My mom lives in Galisteo on 160 acres.

COMMISSIONER SULLIVAN: Excuse me, Toby, just a moment. I want to let folks know that we have about 20 minutes left so if you can shorten up your comments that would be good. I think in summary we've heard a great number of comments about fracturing. We've heard comments about split estates. We've heard comments about water quality, protection of the aquifer and all of these that are extremely important to all the County Commissioners who are here this evening, all of whom are here this evening. And so, if you have concerns, as I mentioned earlier, that it would be the most useful to use the remaining portion of the time if you could express other concerns you have.

MR. HILLYER: With all due respect to the Commissioners and the audience here tonight I would like you to take under consideration the possibility that Tecton is actually here for a gas play and not for oil.

When you see the amount of acreage that they've leased here in Santa Fe County over another 50,000 down in Bernalillo. They are now leasing up around the Rio Puerco. This in the industry looks like a gas play.

I have a document here that shows from Quantum Energy that states that Tecton Energy "...that the undersigner has made an equity investment to Tecton Energy LLC, which will engage in the exploration and exploitation of unconventional resource gas plane in the Rocky Mountain trough of the western United States and Canada." They didn't give them money to look for oil. The footprint for oil, the development of oil and the footprint for the development of gas are completely different. But under the current regulations once you're permitted to look for oil you're permitted to also find gas and develop the gas.

I'm going to be real quick – I show that in April at the State lease sale, Tecton – a number of leases were bought by a company called Galisteo Green Energy Alliance. I have a document here showing that those leases were transferred to Tecton. I have here for anybody who would like to see it – I did have have [inaudible] frac report that when they fraced the well and it's well, it's out of that roughly 60,000 gallons, one-third of it was proprietary information

called Clear Frac FX. The zone that they are going to drill, that they frac, is called the Code del Nile Barra Zone. It's roughly between – it's found in between 2,600 feet and 2,800 feet where they frac. When you put that into your Google search machine you will come up and see [inaudible] Mobil Gas fields up in Colorado have huge it's up to 2,000 wells.

What happens to Santa Fe we will see the lights of the gas field and not the lights of Albuquerque. I would ask that the men who make the business decisions do the economics and when these big numbers are promoted to you by the companies and their geologists, that when you divide it between four or five counties and take that in and then subtract the loss of tourism, the restaurant, hotels, movie industry and real estate we come out [applause over testimony]

REPRESENTATIVE WIRTH: Please, can you submit your testimony. I'd be interested in having that so that we have a copy of that. Thanks.

FRED MILDER: I want to thank everybody on the panel for organizing this and being here tonight. This is obviously very important. My name is Fred Milder. I live at 52 West Basin Ridge, I'm approximately across the street from where they will be drilling off of County Road 42.

Clearly Tecton took a lease of the State land because there is nobody to complain if they ruin the aquifer under the State land. Just because the State legislation doesn't protect the neighbors doesn't mean that the County ordinance can't protect the neighbors. If they penetrate and contaminate an aquifer – I have a well approximately a quarter of a mile from where they're going to be drilling – they will ruin everybody's well on that aquifer. Not just the well of the particular land that they happen to be drilling through. There is no reason why the County ordinance can't protect everybody on the aquifer.

The second comment – and by the way, I echo everything that everybody said, there is no reason to say all of that again. My second comment is that when Tecton was asked what they had to do to protect in the case there was a catastrophe at the well that they fractured up in the Ortiz, they said that they had to put up a \$60,000 bond. The reaction was exactly like we have here. If something bad happens, it's going to take tens of millions of dollars to repair and to compensate everybody who will be affected. There is no reason, again, that the County ordinance can't require a bond that is commensurate with the potential damage that they – [applause over speaker]

My third comment is just a little bit of a story. When I was in graduate school I went to a seminar given by General Electric on nuclear reactors. The vice president at that time told us that there was about as probability of a meltdown as there was of the sun not coming up in the morning. That was before Three-Mile Island.

JAMES SNEAD: My name is James Snead. I'm an archaeologist who has conducted research in the Galisteo Basin for about the last decade. I'm here tonight as a representative of the Galisteo Basin Archaeological Site Protection Act Coordinating Committee and we are currently in the process of developing or directing the preservation, protection and interpretation of nationally significant archaeological and historical resources in the Galisteo Basin as defined by public law 108-208 that was passed by Congress in 2004.

We pursue this mission through collaboration and partnership with public, private and tribal stakeholders. The preservation of sites and the research and knowledge produced through this partnership will provide an enduring legacy for present and future generations. The Bureau of Land Management has withdrawn archaeological and historical sites named in the Act in the Galisteo Basin for mineral entry and other state and county agencies have done the same.

It's important to consider that the historic and largely natural landscape of the Galisteo Basin is one of the most scenic and undisturbed in our state. It epitomizes New Mexico. In view of this we encourage all land management agencies and private landowners to exercise the utmost caution and deliberation in any leasing of mineral rights in the basin and to conclude I should point out particularly to the audience because maybe some of you aren't aware of this, but Santa Fe County in particular and many of the commissioners currently representing the County have been remarkably progressive over the years acquiring open space in the Galisteo Basin for the heritage of our children and we are encouraged all of us to encourage the County Commission to maintain this commitment that they have demonstrated in the past and to think of cultural and historic resources when they are making these decisions for these regulations.

DENNIS MARKER: My name is Dennis Marker. First regarding Tecton, they assured us that there is absolutely no possibility that their drilling will damage or contaminate our aquifer. So they should have no trouble when you require them in writing to accept criminal liability if they are wrong. Fifteen years in jail for all executives if, in fact, they contaminate the aquifer.

Now to our County officials, I would like to say this: I see your job as to make Santa Fe the most business unfriendly, unreasonable environment for oil exploration in the history of the United States. [Applause] You need to write and enforce County ordinances and regulations that make certain that no one wants to drill for oil here. We need unreasonable noise limits, unreasonable weight limits, unreasonable dust limits, water treatment limits – I say we no spitting ordinances for well drillers. Anything you can think of, anything we can think, you put in that regulation and make sure that they don't want to be here.

What's our job? Our job is to give them all the reasons why the oil companies don't want to be here. Our job is to continue to educate our neighbors and our friends. Let me just say, our City is known as the City Different, our County of Santa Fe Different. If we let this drilling continue our slogan will become, "Santa Fe Stupid." It's our job to make sure that doesn't happen.

REPRESENTATIVE WIRTH: Let me just jump in here. We've got about 10 minutes left and realistically I'm thinking probably about five more folks. I know there's a huge line here. So let me just suggest we're going to do five more and at the end of the five for those folks that didn't get a chance to present, I would ask that at the December 6th forum the people that have had a chance to speak allow people who have not yet had a chance to get up in front so they can speak. Let's take five more.

ALAN PEARLMAN: My name is Alan Pearlman. I'm a county resident. As a physician I would like to raise a health issue that we are all very much aware of but hasn't I think been brought up this evening.

The greatest threat to our health and welfare of all of us over the next 30 or 40 years is global warming. From that point of view I think that it is incumbent upon our County and State representatives to do everything in their power to block any new sources of carbon. Thank you.

GLENN BOWDEN: Good evening, Commissioners. My name is Glenn Bowden. I live on 129 Camino los Abuelos.

I'd like to talk about the split-estate and taxation. You know, it's been the surface property owners here that have paid property taxes that have built schools, paid for the police, built the roads, and the fire departments. Now we have mineral right holders who come in and say they have a dominant right to our infrastructure that they did not contribute to. They claim that their rights are dominant and ours are secondary.

If the mineral right holders claim to have \$8 billion in assets in the County and that they have a dominant right to those assets why have they not been taxed year after year upon that \$8 billion at the going mil rate. [Applause] Another way to look at it is this: if the mineral right holders can legally bulldoze our fences, put in roads, take five acres of our property for a drill pad then why aren't they paying one-half of all of our property taxes.

The basic idea America was founded on was opposition to taxation without representation. The split-estate is representation without taxation. The split-estate is basically un-American. Thank you.

HERB SCHON: Good evening, thank you. My name is Herb Schon. I live at 4 Balsa Place here at Eldorado. Most of the comments I was going to make have been addressed ten fold but I think that one thing I can say is that we have a bottom line here. In recent months and years our elected officials haven't seem to be listening to what we say when we vote. I hope that our County Commissioners, whom we voted in and we are your constituents, I hope that you will address what we request and make that a firm commitment. Thank you.

MARIANNA HATTEN: Hello State Representative, County Commissioners, County staff, State staff, thank you so much for having us here tonight. My name is Marianna Hatten. I live at 29 High Feather Ranch Way and enjoy a very quiet existence just up the road from black trail number one. I have a thriving successful bed and breakfast that I built by myself and opened six years ago. I'm busier than I need to be. I have guests from all over the world who come to enjoy where I live.

I want you to know that some of my neighbors and I got upset about this prospect of oil in our county and we were in downtown Santa Fe one fine October, Saturday, for the better part of an afternoon and we talked to over 1,100 people. We probably handed out information to another 300 to 400 people who were too busy to stop because we were already talking to some one else. Of the 1,100 people that we faithfully stroke-tallied in our opinion poll, 98 percent of them were opposed to this type of oil and gas development in Santa Fe and Santa Fe County. The 2 percent that were in favor of it, frankly, they acknowledged they were married to oil and gas men or they were oil and gas men themselves.

So this turnout, I'm glad to see this many people here. Mike and Rhonda, please let's try and find a bigger place for December 6th we're going to need it.

DIANE STRAUSS: My name is Diane Strauss. I'm a Santa Fe County resident. My real concern is just the viability of what Tecton is proposing for our county. My real concern as a resident of Santa Fe County is just the viability of the entire proposal by Tecton. We live here. We plan on living here. I have great faith in our County Commissioners to do what's right – I do because we're going to make sure you will. And with Mike and Joanna, I know you will instrument to help Peter to write new legislation that's going to be the best role model for the American West that the rest of the country can follow suit with. I have faith in all of you to do the right because we'll make sure you do.

Secondly, I'd like to second what Toby Hillyer discussed. I love when people come into your backyard when they don't even own it like Tecton. They don't own those rights to those mineral rights. They are leasing them. The amount of money made in the Galisteo Basin such as the B&Bs and people who own homes, people who come from all over the world as tourist love that gateway, love the gateway coming up I-25 by La Bajara Hill. That's where our money comes from. That's why we have a special place. So I have faith in all of you to do the right thing. I know you will. I know Peter is going to write new legislation that kicks and that's all I

have to say. I think your money is where your people are in Galisteo. Our resources are here and I have great faith in County Commissioners and they won't be bought off.

REPRESENTATIVE WIRTH: Here's what we're going to do. We're going to hear one more and then I'm sorry but we're going to have to cut this off. But here's what we're going to do – I want all you folks to do is put your names down on a list here and what we'll do at the December 6th meeting it seems to me that it's only fair that you get to present based on where you are in the line. You can start and Carolyn you would be number two on the December 6th.

UNIDENTIFIED MALE: Forgive me.

REPRESENTATIVE WIRTH: Yes.

UNIDENTIFIED MALE: For those of us who aren't being allowed to talk tonight. You said, they said we had to stop at 9; who said?

REPRESENTATIVE WIRTH: Good question. The school has said – we've been told that we have to have everything cleared out of here by 9 by the school who has very graciously allowed us. Let's go and take one more here than talk about the next step.

UNIDENTIFIED MALE: Number one I am disappointed in all of you elected officials who prepared this meeting and didn't allow for what you know before – what happened with the past meeting – didn't allow for everybody to have a voice. We all have a voice here and we all should be heard. That's your responsibility as a politician. When we elected you I stopped what I was doing and went down to the polls and voted for you. Now it's my turn for you to do something for me and my fellow neighbors. Our grounds are going to be poisoned by Tecton. I want it stopped.

We all know what happens – cement will not stop water. Water will seep through cement. I can show you thousands of concrete boats that sank because they thought they could hold the water back with cement. And that's a recorded history and any maritime museum will tell you the same thing that I'm telling you. Concrete, the water goes right through, it's a porous material. I don't care what you put on it, it's not going to prevent the water from coming through.

What I'm disappointed in is that you didn't plan better and it's not like you didn't know what the last meeting was and what happened at the last meeting. You should have been better prepared. You should have had this at 2 o'clock in the afternoon and let it run until 9 o'clock at night that way everybody would have had an opportunity and they wouldn't feel rushed and then forget what they wanted to say or not say what they wanted to say because they were rushed and then walk away saying, "Gee, I should have said." This has happened to everybody up here.

So I expect my County officials to respect me and prepare for my needs. I also expect my County officials to do something about a law that was enacted 70 years ago and nothing has been done in 70 years to keep pace with the changing times. I think residential communities, your responsibility is to protect them. We shouldn't be threatened by big oil coming in here to take our water. And there is no way they're going to drill through that aquifer without a leak. If they go through that aquifer, sell your houses people because it's going to be polluted and you're not going to be able to drink the water. And the gentleman spoke about a bond, a \$10 million bond, that's peanuts. We've got to talk about \$500 or \$600 million bond to protect everybody that's going to be affected by these people. This is a fact: it's going to leak. There is no way you're going to prevent it from leaking. I guarantee it. If Tecton wins this fight, we will have polluted water here and Tecton has got big bucks they will not be responsible. They will walk away with the money and a few people will make a few extra bucks. That's my concern of what's happening.

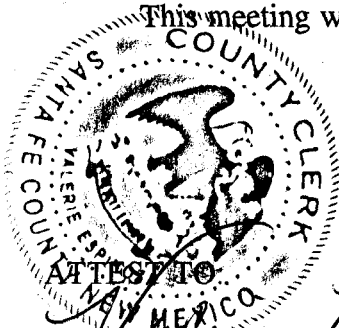
We have an opportunity here but you politicians have an opportunity to go down in forgotten history as a local politician or you can go down in history and Governor Richardson has a chance to get into the White House more than he ever has before, to stand up for the people of this County and this State and I expect my politician to be courageous and step up to the bat to do the job they were elected to do. I don't want anybody telling me we can't do this, we can't do that. I'm not interested in can't. I'm interested in can dos.

REPRESENTATIVE WIRTH: Hang on, hang on, Carolyn. Here's what we're going, let me just say something about the process here in fairness because you know – hang on, Commissioner Sullivan and I have done this before, several years ago when the railrunner was coming through we had a forum and Secretary Faught came with her staff and we were in a small room. We were both outside at the Tecton and we knew that this was going to be a problem. We have an overflow room with a television monitor that we are paying for. I'm actually using campaign money, this is how crazy the State system is, but that's what we're doing because we wanted to make this as accessible as possible. There were 60 people that didn't get in and that's wrong but let me just tell you what we're doing. Representative King and Commissioner Anaya have agreed to do this hearing on December 6th and I think that what we're going to do is give all these folks who haven't had a chance to speak and let everybody else come. I wouldn't be surprised if we have 1,000 people at that hearing and we're going to have to figure out how that's going to work.

Let me thank all of you for coming but I want to thank in particular the Secretary who came tonight and presented, Mark Fesmire – these are all people on the front line. And, folks, you have the whole Santa Fe County Commission here and that's important. They're listening and we're hearing you. We understand the frustration level here. Again, I think what we're going to do is we will do this event on December 6th and I want to thank you all very much for coming.

ADJOURNMENT

This meeting was declared adjourned at approximately 9:15 p.m.



Valerie Espinoza
 VALERIE ESPINOZA
 SANTA FE COUNTY CLERK

Approved by:

Jack Sullivan
 Board of County Commissioners
 Virginia Vigil, Chair
Jack Sullivan
 1/8/08

Respectfully submitted:

Karen Farrell
 Karen Farrell, Wordswork
 227 E. Palace Avenue
 Santa Fe, NM 87501



OIL AND GAS DRILLING ELDORADO ELEMENTARY SCHOOL

NOVEMBER 15, 2007

7:00 PM - 9:00 PM

MEETING AGENDA

- I. Welcome & Introductions - Santa Fe County
Commissioner Jack Sullivan
- II. Schedule for Draft County Oil & Gas Ordinance and
Public Meetings and Hearings - Santa Fe County
Commissioner Jack Sullivan
- III. State Representative Peter Wirth - Meeting Moderator
Discussion of Surface Owners Protection Act
- IV. Secretary Joanna Prukop - State Energy & Minerals
- V. Mark Fesmire - State Energy and Minerals/Director of Oil
Conservation Division
- VI. Questions/Comments from the Public, facilitated by
Representative Wirth - 2 minutes maximum per speaker
please. State your name and address. Groups, please
select a spokesperson to represent you.
- VII. Adjournment 9:00pm

County/State Officials Present: State Representative Peter Wirth, State Representative Rhonda King, State Representative Jim Trujillo, Commissioner Harry Montoya - Santa Fe County Commissioner, District 1, Commissioner Virginia Vigil - Santa Fe County Commissioner, District 2, Commissioner Mike Anaya - Santa Fe County Commissioner, District 3, Commissioner Paul Campos - Santa Fe County Commissioner, District 4, Commissioner Jack Sullivan - Santa Fe County Commissioner, District 5, Joanna Prukop - Cabinet Secretary Energy and Minerals, Mark Fesmire - Energy and Minerals, Director of State Oil Conservation Division, Roman Abeyta - Santa Fe County Manager, Stephen Ross - Santa Fe County Attorney, Stephen Ulibarri - Santa Fe County Public Information Officer, Jack Kolkmeier - Santa Fe County Land Use Administrator, Shelly Cobau - Santa Fe County Land Use, and Jennifer Jaramillo - Santa Fe County Constituent Services Liaison

This meeting will be recorded and aired on Government TV, Comcast station 28. This broadcast will also be made available on the county website: santafecounty.org.

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