

Mr. Ernest L. Martinez
Land Use Administrator
Santa Fe County
P.O. Box 276, Santa Fe, NM.

Feb. 14, 1986.

Dear Mr. Martinez,

The San Marcos Association (SMA) considers that the precedent proposed to be set by the designation of a new 3000 acre "Mining Zone" in central Santa Fe County has far reaching implications. Both the perceived and actual impact of such a designation has not been fully assessed. The unqualified designation of the entire 3000 acre area is not required by the applicant to accomplish his purpose of extracting oil and gas from one existing well and future anticipated producing wells.

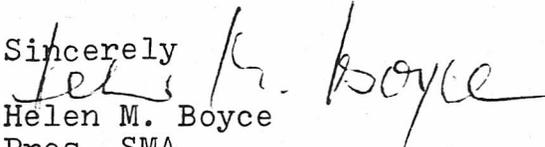
In view of the decision made by the County Commission to study the impact of such a move and to table any decision with regard to redesignation of the 3000 acre parcel, the SMA would like to clarify and reiterate its original recommendation to the CDRC.

The SMA believes that the designation of large blocks of land into "Mining Zones" would have a depressing effect on the value of surface properties in Santa Fe County and may have profound effects on the rural, residential life style currently enjoyed by the residents of the San Marcos area.

Therefore it is our opinion that "Mining Zones" for oil and gas extraction be limited to a reasonable area of between 100' and 200' surrounding each well. This is sufficient area for any well related tanks, engines, pumps, ponds and ditches necessary for the production of oil and gas. We believe that any additional requirement of an oil and gas production company such as tank farms, pipelines, rail spurs, offices etc. can be considered under the normal commercial zoning provisions of the Land Use Code.

Additionally, because of the ambiguities in the existing Land Use Code concerning oil and gas extraction, we recommend that the code be changed to specifically address oil and gas extraction outside the current "Mining Zone" requirements.

cc: SMA board
Black Oil Inc.
Steve Finger, major
land holder of Cash Ranch,
County commission.

Sincerely

Helen M. Boyce
Pres. SMA