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First name: M.K.

Last name: Lerma

Organization: Orchard Exploration and Production

Title: Business Development Manager

Comments: Dear Mr. Schwartz:

Our company is a small, startup company employing less than 15 employees . All employees make over \$10/hr and are covered by health care. We used to be Orchard Petroleum, Inc (OPI), employing over 30 people with full health, vision, dental coverage and a 401K savings plan, before we were sold and started up again as Orchard E&P. At OPI all employees, many of whom were not college graduates, made over \$10/hr, most made over \$20/hr. We plan to grow again.

The oil industry is good for California. Not only do we provide above average paying jobs with good benefits, but we bring oil to our country without having to ship it across the ocean. California has an excessive amount of personal autos and a dense population in many cities, as you well know. It takes fuel to run those autos and to run those households. If we have to import it, we run a higher risk of damage to the environment due to oil spills from tankers than we would from producing oil through our established pipeline network.

The industry has been frac'ing wells for over 50 years. It is not new to California. There is no documented evidence that it has ever endangered our water supply . It can give our country the reserves it needs to be energy independent. The State's Division of Oil and Gas has already passed recent legislation to increase its monitoring of frac'ing and injection of water and steam for enhanced oil recovery. Not because of poor industry practices, but because of public pressure.

More regulations mean fewer companies that can operate economically, especially small companies like Orchard. Please don't take our livelihood from us; don't put us in the welfare lines and on the unemployment rolls. Please don't force California to increase its dependence on oil produced outside the country.

Our families live in California. Despite high income tax, property tax, sales tax, gasoline tax, etc, we live here because we love this state. We don't want to destroy this state. But we are not all independently wealthy people. We need jobs. Companies that make a profit, but operate responsibly , should be welcome in California. Please legislate responsibly for all Californians; not just the independently wealthy residents.

Sincerely, M.K (Val) Lerma, Business Development Manager