

CAMRO

Colorado Alliance of Mineral and Royalty Owners

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Economic Impact of Proposition 112's Passage Estimated at \$470 Billion, According to PetroValues Study

Mineral Owners to Lose \$56.4 Billion across Colorado

Denver, Colorado – If Proposition 112 – an effective ban on mineral development in Colorado – passes this November, PetroValues estimates that the long-term economic loss across Colorado from the passage would be \$470 billion. PetroValues calculated the loss over the time period that it would take to develop known resources of hydrocarbons, instead of the next few years as other studies have done.

“This study shows that it’s not big oil companies that will lose the most should Proposition 112 pass, it’s our communities,” said Don Phend, a CAMRO director and Colorado CPA whose practice is focused on oil and gas issues. “Currently, 82% of all natural gas and oil revenue goes to local communities where production occurs and provides much-needed funding for our schools, hospitals, housing, first responders, and other public services. Proposition 112 would decrease this funding and devastate local communities.”

To put the \$470 billion into perspective, Colorado’s GDP in 2017 was just over \$342 billion.

Of the \$470 billion, the loss breaks down as follows, according to the study:

- 42% is a direct loss of investment made to drill and operate wells, thereby decreasing jobs and tax revenues
- 25% is loss of tax revenue
- 21% is a loss to investors
- 12% is a loss to mineral owners

Of the five counties that the study highlighted, Weld County would be the biggest loser with an estimated loss of \$319 billion. Of that, \$126 billion is investments in Weld County jobs and economy, \$82 billion is in tax revenue, \$72 billion of the loss is to investors, and \$40 billion is to mineral owners.

PetroValues is a team of industry professionals, based in Denver with decades of experience valuing oil and gas assets. Its employees consist of experienced industry engineers,

development planners, geologists, landmen, and systems developers. The organization digitizes the process of valuing oil and gas mineral rights.

About CAMRO

The Colorado Alliance of Mineral and Royalty Owners represents the interests of over 600,000 mineral owners across the state of Colorado. The organization encourages and promotes exploration and production of minerals throughout the state. CAMRO works to preserve, protect, and advance the interests and rights of mineral and royalty owners through education, advocacy, and assistance to its members. Learn more about CAMRO at <https://camro.us/>.

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