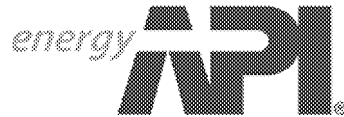


From: API Press [Press@api.org]
Sent: 4/24/2018 3:58:30 PM
To: API Press [Press@api.org]
Subject: Colorado Petroleum Council applauds Senate for supporting new mineral and royalty owner protections

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Colorado Petroleum Council applauds Senate for supporting new mineral and royalty owner protections

DENVER, April 24, 2018 – Today API applauded the Colorado Senate’s passage of Senate Bill 18-230, legislation that will modify Colorado’s regulations to strengthen protections for mineral and royalty owners.

“The Senate’s action strengthens our shared commitment to work with communities and regulators to make modifications that benefit all stakeholders,” said Tracee Bentley, executive director of Colorado Petroleum Council. “We understand the complexity of pooling procedures and believe that these new measures will create a system that is more understandable and fair for all involved.”

A few of the key components of SB18-230 include:

- This bill requires that an offer must be provided to mineral owners at least 60 days prior to the hearing on the pooling order.
- Increasing the minimum royalty rate from 12.5 percent to 15 percent.
- Changing the penalty recovery rate for an operator from 200 percent to 300 percent for wells deeper than 5,000 feet.
- Requiring that every offer letter sent to mineral owners includes clear and concise language, provided through a link or brochure created by the Colorado Oil and Gas Conservation Commission, of the pooling procedures and the mineral owner’s options pursuant to those procedures.
- Clarifying that nonconsenting mineral owners are immune from any liability costs that are related to releases, damage or injury resulting from oil and gas development on that drilling unit.

Statutory pooling, which has been in existence since 1951, is a process to bring together for all mineral and royalty owners for joint decisions and to ensure division of products and profits evenly.

Natural gas and oil development in Colorado has added \$31 billion to the state’s economy and supports 232,900 jobs. School districts in Colorado received nearly \$202 million from oil and gas production property taxes in 2012 alone. Improving the pooling statute will ensure increased protection for mineral and royalty owners that will leverage safe and environmentally responsible production.

The Colorado Petroleum Council is a division of API, which represents all segments of America’s oil and natural gas industry. Its more than 625 members produce, process, and distribute most of the nation’s energy. The industry supports 10.3 million U.S. jobs and is backed by a growing grassroots movement of more than 40 million Americans.

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