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## What Factors are Influencing Colorado's Future Role in the U.S. Energy Sector?

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It is no secret that Colorado is, and has been in recent years, a hot state in the domestic energy sector.

One of the reasons that the state has been a hotbed for development is due to the *potential* that the state has for oil and natural gas production. According to the U.S. Energy Information Administration ("EIA") profile on Colorado, which can be found [here](#):

- Crude oil production has quadrupled in Colorado since 2010
- Colorado hold about 4% of total domestic crude reserves
- Colorado is the 5<sup>th</sup> largest natural gas producing state
- 11 of the country's 100 biggest natural gas fields are located in Colorado

### **Colorado has serious *potential* for future oil and gas production.**

As we discussed in our post, [Proposition 112 Was Defeated, But That is Not the End](#), Colorado recently rejected a measure that could have had significant negative impacts on the members of Colorado communities. However, as we discussed, Proposition 112 is not the end to the challenges facing the industry...as highlighted below.

Predicting the future is obviously difficult. We do not have a crystal ball or some special insight that gives us all of the answers. **Predicting is, just that - *estimating things based upon the data and information we know and taking into account the numerous factors that we cannot anticipate and do not know, but that may make a significant impact.***

That being said, despite these difficulties, many are trying to predict what the future of the energy sector in Colorado will look like. For example, these are some recent headlines in Colorado:

- The Gazette, Colorado Springs, Colorado: [Bill to Reshape Colorado Oil, Gas Regulations Coming Soon, Democrats Say.](#)
- Denver Business Journal: [Why Colorado Oil Companies are Planning Slower Growth in 2019.](#)

In addition to potential future regulations, the state has the *Wildgrass* case looming - *Wildgrass Oil and Gas Committee v. State of Colorado et al.*, case number 1:19-cv-00190, currently pending in the U.S. District Court for the District of Colorado was filed January 23, 2019. What is at issue is the statutory pooling of nonconsenting mineral owners in the form of a challenge to the constitutionality of C.R.S. § 34-60-116, the statutory/involuntary pooling statute.

Needless to say, **these matters will certainly have an impact on Colorado's future role in the domestic energy sector**, the operations of operators in the state and also the interests of mineral interest owners.



Article By [Steptoe & Johnson PLLC](#)  
[Melissa J. Lyon](#)  
[Rocky Mountain Energy Essentials](#)

[Administrative & Regulatory](#)  
[Environmental, Energy & Resources](#)  
[Colorado](#)

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