

News Release

IPAMS

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Colorado energy companies boost job market, local coffers

(DENVER) – Energy development in Colorado continues at a robust pace, and evidence of the overall benefits to local communities abounds, including significant increases in annual sales tax revenue and unemployment rates for energy-rich counties that are well-below state and national averages.

Compared to the state (4.0%) and national unemployment averages (4.5%), Colorado counties with high levels of oil and gas development have significantly lower unemployment rates, with an average of just 2.9% of their workforce listed as unemployed.

On the Western Slope, a vigorous energy sector created hundreds of jobs and invested millions of dollars last year alone. As a result, counties that have traditionally depended on ranching and tourism are now able to strengthen and diversify their economies with quality, high-paying jobs. According to a recent Colorado Geological Survey report, annual production in La Plata, Garfield and Weld Counties is estimated to have exceeded \$1 billion in 2005.

A recent Grand Junction *Daily Sentinel* article indicated that 1,400 people were added to energy-related payrolls in 2006 on the Western Slope, or nearly 75 percent of all jobs

created by business expansion in the period. “With energy companies adding jobs all over the state, it’s no surprise that local communities are seeing direct economic benefits.” said Marc Smith, Executive Director of the Independent Petroleum Association of Mountain States (IPAMS).

Rio Blanco County, which produced 5,152,185 barrels of oil and 38,474,879 MCF of natural gas in 2006, enjoys an unemployment rate of just 2.2%, the lowest in Colorado. “Compare that to counties like Saguache County (6.0%) and Chaffee County (4.0%), where little or no energy development occurs, and it’s easy to see why so many rural counties hope that they can take advantage of the economic benefit that comes with energy development,” said Kathy Hall of the Colorado Oil and Gas Association.

Directly and indirectly, the oil and natural gas industry in Colorado employs more than 15,000 people. Oil and natural gas industry employees, including full-time employees and sub-contractors, earn an average of \$85,134, more than twice the state’s average earnings of \$40,813.

Strong individual earnings in counties where energy development occurs translates to more buying power for local residents. This has led to a surge in local sales tax growth, especially on the Western Slope. According to the city’s finance department, sales tax receipts in Grand Junction grew by 16 percent to \$40.26 million in 2006 from \$34.6 million in 2005.

Laramie Energy is currently developing tight sand gas in Mesa and Garfield Counties. President of Laramie Energy and IPAMS Vice President Jim Schroeder is delighted that local energy development has contributed to a fast-moving economy. “Economic stability in the region ensures that local communities remain intact and that local citizens aren’t forced to move to urban areas to find work,” said Schroeder.

Energy production is an 80-year tradition in Colorado. The state produces enough oil to fuel almost 700,000 cars and heat 300,000 homes a day and enough natural gas to heat 13 million homes.

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IPAMS, founded in 1974, is a non-profit trade association representing more than 400 independent oil and gas producers, service and supply companies, banking and financial institutions and industry consultants committed to environmentally responsible oil and gas development in the Intermountain West. More information on IPAMS and its members is available at www.ipams.org.