

Is Colorado High?

People in Colorado are probably sick to death of this joke already, but here it goes anyway. Coloradans, are you high? One of the first states to make recreational marijuana legal is now considering making nearly all new oil and natural gas production illegal.

In November, Coloradans will vote on Proposition 112, which would change the setbacks on drilling sites. Currently, rigs need to be positioned no closer than 500 feet from homes and 1,000 feet from high occupancy buildings. Prop 112 would increase those setbacks to 2,500 feet, or nearly half a mile. This change would ban new production on more than 94-percent of non-federal land in the state's top five producing counties and an 85-percent ban statewide. Polling prior to the election indicates this measure does have a chance of passing. To which rational Colorado voters should be asking... Dude, are you wasted?

A study by the Common Sense Policy Roundtable found that if Proposition 112 were enacted into law it would cost the state nearly 150,000 jobs by 2030 and reduce state and local tax revenue by \$7 to \$9 billion, money used for such things as public safety, roads and education. The study estimated the tax hit in the range of a quarter billion dollars in the first year alone. A report commissioned by the Colorado Alliance of Mineral and Royalty Owners found the new setbacks would strand \$180 billion worth of oil and natural gas and cost mineral rights owners as much as \$26 billion. Wow... talk about driving the economy into a ditch... on purpose no less!

Why is this happening? Well, anti-drilling activists have been trying to get similar measures on the ballot for years, failing to do so in 2014 and 2016. The big issue is that the state's population has been booming over the last decade while at the same time oil and natural gas production has also grown dramatically. The two growth rates are linked at the hip, economically and in practical terms. And due to the population increase, often times it is residential construction encroaching on oil and gas development, not the other way around.

All the new drilling in Colorado has generated enormous wealth for the state and a lot of jobs. The reality is those giant benefits do come with some impacts such as noise, dust and large truck traffic, but most of those impacts are temporary. It would be fantastic if economic growth came with no negative impacts, but the real world doesn't work that way.

Will Proposition 112 pass? Who knows. But if it does, the state is going to be dealing with some expensive legal problems. The oil companies will sue and they'll almost certainly win because the ballot measure is unconstitutional. The government isn't allowed to take property, in this case mineral rights, and not compensate those affected. Even democratic Governor Hickenlooper says the ballot measure would constitute a "taking of private property." If Prop 112 were to pass and somehow gets

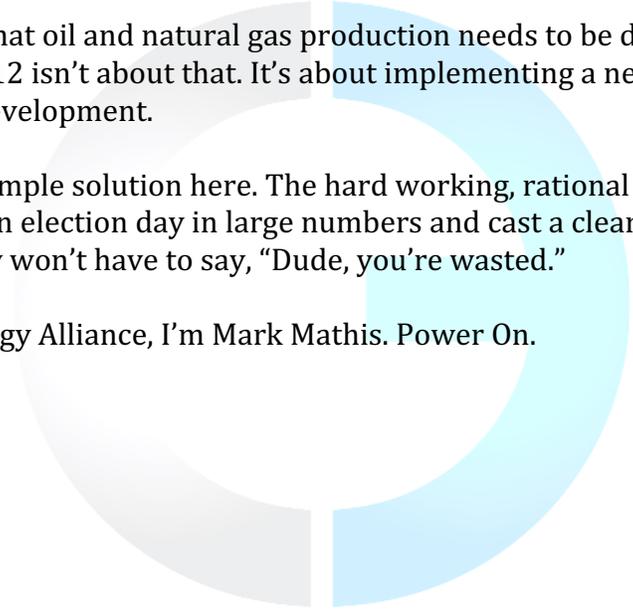
upheld, the people of Colorado would be on the hook for all that unproduced oil and natural gas and other damages.

How could Colorado taxpayers absorb that kind of financial hit while simultaneously losing tens of thousands of jobs? It's inconceivable.

We can all agree that oil and natural gas production needs to be done responsibly, but Proposition 112 isn't about that. It's about implementing a near complete ban on new oil and gas development.

There's a pretty simple solution here. The hard working, rational people of Colorado need to turn out on election day in large numbers and cast a clear-eyed vote so the rest of the country won't have to say, "Dude, you're wasted."

For the Clear Energy Alliance, I'm Mark Mathis. Power On.



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