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ELBERT COUNTY
GOVERNMENT

Press Release

Renewed Interest in Energy Exploration Opportunities for Increased Economic Activity in Elbert County

Kiowa, CO, June 29, 2017: Yesterday, the Board of County Commissioners ratified a mineral use agreement with Bison Oil & Gas Partners, LLC that will bring a \$90,000 lease bonus and allow exploration under county owned lands in our northeast corner for the next three years. Additionally, the county will receive a 20% royalty on any oil that may be produced from the lands. Individual land owners in the area are also being contacted and may choose to benefit from this activity.

Bison is searching for oil in the Niobrara shale formation that extends under much of north eastern Colorado. Also hoping to find a proven reserve in this formation is Agave Oil & Gas LLC. Earlier this month Agave completed one of five permitted wells located north east of Kiowa. If successful, this indicates great potential for activity throughout this portion of the county.

Down in the "L", south east of Simla, EASTCO Operating LLC is currently testing the viability of the portion of the Las Animas Arch that extends into Elbert County. A proven geological structure primarily beneath Oklahoma and Kansas, it could add to the growing portfolio of energy production in Elbert County.

This new exploration may add to the 67 wells currently producing oil and gas throughout the county. These existing wells (primarily stripper wells) have produced 329,333 barrels of oil and 1,545,226 MCF of gas over the past 10 years. These wells have produced annual revenues to the county that vary from \$8,000 to over \$20,000 depending on changing oil prices and quantities produced.

This recent Oil & Gas Industry activity follows on heels Xcel Energy's construction start on the Rush Creek Wind Farm that has already produced \$4.2 million in permit fees and is projected to generate nearly \$1.7 million in annual revenues (starting in 2020) to the county, fire protection districts, and libraries in the county and provides a similar amount in lease payments to land owners in the Simla area.

Rounding out the assortment of energy production interest is reports of potential lease requests being received by land owners in the eastern portion of the county to support potential solar energy fields.

"We are committed to encouraging economic activity of all types in Elbert County in a manner that both conserves our natural environment and allows our citizens to benefit.", said Commissioner Grant Thayer, "To that end, we are looking at our current regulations to ensure we are prepared to support this renewed interest. Support of energy production is part of a balanced approach to economic activity and growth that will allow us to address economic issues we face with our roads and perhaps improve the level and variety of services our county can provide."

Elbert County is located approximately 30 miles southeast of Denver and is home to over 26,000 residents. We are a unique mix of suburban bedroom communities and rural agricultural areas. The county provides essential statutory services and supportive infrastructure to our citizens in a professional, respectful, and cost-effective manner while creating a working environment that supports their endeavors, western lifestyle and rights as individuals. We strive to be viewed by our citizens and employees as the best place to live, work, and conduct business in Colorado; led in a responsive, effective, transparent, and professional manner.

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For Immediate Release