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History of Oil and Gas Exploration and Production in Colorado

The second oil field to be drilled in the United States was located in Colorado. The discovery of the Florence Oil Field, near Pueblo, Colorado, produced a classic oil boom scenario in the late 1800s, when the small village of Florence grew to 10,000 people, with 25 oil companies and three refineries active. The boom and bust cycle that hit Florence took approximately 60 years, from the discovery well in the 1860 to the last few wells left by 1920. Since that time, more than 55,000 wells have been drilled in the search for oil and gas. Oil or gas is produced in 33 of the state's 63 counties.

Today Colorado is a gas province, part of the southern Rocky Mountains that are estimated to have 388 trillion cubic feet of natural gas resources by the National Petroleum Council. Oil reserves in Colorado have been on a steady downward trend since 1975, while natural gas, and particularly coalbed methane reserves have been trending upward in that same time. In fact, since 1996, more than half of Colorado's gas production is from coalbed methane.

The total value of mineral and mineral fuel production in Colorado in 2000 was estimated at \$3,833 million. Of that approximately 62%, or \$2,350 million was gas, 10%, or \$400 million was oil and 2% (\$80 million) was from carbon dioxide production. Colorado is ranked 7th in the nation in terms of proved dry natural gas reserves and 11th in terms of proved crude oil reserves.