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THE PETROLEUM INDUSTRY IN CANADA

In a survey published by the Department of Mines and Technical Surveys it is pointed out that in 1956 the Canadian petroleum industry continued the rapid growth which was initiated by the Leduc, Alberta discovery of February 1947.

Prior to the drilling of the Imperial Leduc No. 1 well, oil production in Canada was only 19,000 bbl. a day from about 400 wells, and oil reserves had just reached the 72 million bbl. mark. At the end of 1956 there were 10,587 wells in Western Canada; the year's average daily production amounted to 469,959 bbl.; and liquid hydrocarbon reserves had grown to 3,129 million bbl. The size of the industry in 1956 could also be measured by such statistics as annual production - 172,005,206 bbl., oil pipeline mileage - 5,807 miles, petroleum refinery capacity - 700,050 bbl. per day, and domestic demand for all oils - 719,697 bbl. a day.

The increasingly large supplies of Western Canada crude oil have enabled Canada to improve its oil self-sufficiency position during the past ten years from less than 10 per cent to over 65 per cent, in spite of a three-fold increase in domestic demand for petroleum fuels.

The Province of Alberta continues as the major crude oil producer. In 1956, Alberta's output constituted 83.7 per cent of the Canada total compared with 87.3 and 91.3 per cent in 1955 and 1954, respectively. Saskatchewan's increase in production gave this province a 12.2 per cent share of total Canadian produc-

tion, compared with 8.8 per cent and 5.6 per cent in 1955 and 1954, respectively. Manitoba, at 3.4 per cent, showed little change from the levels of 3 per cent and 2.2 per cent reached in 1955 and 1954. The other established crude oil producing provinces - Ontario, Northwest Territories and New Brunswick - continued to account for less than 1 per cent of total Canadian crude oil production. A small output for British Columbia was recorded in its first year as an oil producing province.

Value of production, at the well-head, was \$408,367,230 in 1956 compared with \$305,640,057 in 1955 and \$19,575,682 in 1947. Crude petroleum retained first place in value among mineral commodities, its value being \$110 million higher than that of copper which was in second place in Canada's mineral industry in 1956.

A number of important oil discoveries were made, but the year's increase in liquid hydrocarbon reserves of 372,685,000 bbl., after allowing for 1956 production, was due in considerable part to further growth of the Pembina field of Alberta and the enlargement of new fields in southeastern Saskatchewan. Drilling activity reached an all-time high of 3,359 holes in 1956, 70 per cent of these being completed successfully as oil wells.

MARKET EXPANSION

Market expansion in 1956 consisted of a 13 per cent growth in domestic demand and a three-fold increase in crude oil exports. The gain in crude oil exports, from 14.8 million

(Over)

CONTENTS

The Petroleum Industry In Canada	1	1957 Apple Crop	4
New Cadet Corps	2	Fisheries Commissioners	4
Air Safety	2	New Minister Named	4
More Scallops	3	Breakfast Foods	4
Heavy Cargoes	3	Outstanding Securities Sales	5
Festival Figures	3	Zoo Popular	5
Mont-Tremblant Meeting	3	NWT Council Members	6
Iron Ore Reserves	4		