

4.7 trillion in 1950. Crude oil has, since 1953, maintained its lead in annual production value for all minerals produced in Canada and natural gas is entering a period of rapid growth.

Canadian crude oil production increased by 32.9 p.c. in 1956 over 1955 and by mid-1957 a somewhat smaller advance was indicated for that year. Alberta accounted for 83.6 p.c. of Canada's crude oil production in 1956. Saskatchewan's share, which is increasing steadily, was 12.3 p.c. Manitoba contributed 3.5 p.c. and Ontario, the Northwest Territories, New Brunswick and British Columbia the remainder. British Columbia's first commercial output of crude petroleum took place in 1956.

The size and rate of recent growth of crude oil production in Western Canada is indicated by the following figures:—

<i>Item and Date</i>	<i>Alberta</i>	<i>Saskatchewan</i>	<i>Manitoba</i>
NUMBER OF OIL WELLS—			
December 1954.....	5,068	1,094	284
December 1955.....	6,138	1,655	554
December 1956.....	7,390	2,414	736
NUMBER OF OIL FIELDS—			
December 1954.....	65	30	6
December 1955.....	74	37	11
December 1956.....	86	46	12

Expenditures in Western Canada on exploration and oil-field development programs exceeded \$600,000,000 in 1956. At the end of the year land holdings by oil companies totalled 314,000 sq. miles and exploration carried out included the drilling of 899 exploratory wells. Geophysical work was widespread and, in terms of geophysical party employment, amounted to 1,484 crew-months of which 70 p.c. was in Alberta, 20 p.c. in Saskatchewan and most of the remainder in British Columbia. Total drilling of all categories amounted to 15,749,949 feet in 3,359 oil wells, gas wells and dry holes. Of the total number of wells drilled, 71 p.c. were classified as oil wells, 5.5 p.c. as gas wells and 23.5 p.c. as dry holes. An average of 222 drilling rigs were in use in Western Canada throughout the year.

Exploration programs are being actively continued in Ontario and Quebec, particularly in the search for natural gas. Drilling in southwestern Ontario is being extended out into Lake Erie, and in Quebec geophysical work and drilling are under way in the region between Montreal and Quebec City. In all, 431 holes were drilled in Ontario in 1956, resulting in 157 gas wells and 57 oil wells. Thirteen exploratory wells were drilled in Quebec.

Details of oil and gas field activities by province during 1956 and the first half of 1957 follow.

British Columbia.—In 1956 and 1957 British Columbia's natural gas resources were under rapid development in preparation for initial operation of the Westcoast Transmission Company gas pipeline from the Peace River area to the Pacific Coast. Gas reserves of four trillion cubic feet have been established and northeastern British Columbia is now considered to be one of the important gas sources of North America. Zones of all ages down to and including those of Devonian age have been indicated as potential gas sources. The Fort St. John gas field, where 23 gas wells were completed in 1956, has the largest reserves in the Province and all other fields are within 50 miles of this field. Exploratory drilling is spreading northward from the Fort St. John area; in 1956 one of the 13 successful exploratory wells was drilled at a location 160 miles north-northwest of Fort St. John. At the end of the year, land holdings by exploration companies totalled 43,000 sq. miles. A large gas-processing and sulphur-recovery plant was under construction in the Peace River area.

British Columbia's first oil field was developed in 1956 and oil exploration carried out in 1957 indicated that the Province would soon move up from seventh to fourth place among the oil-producing regions in Canada.