

Capital investment in the oil and natural gas industry during 1959 was close to \$600,000,000 in all phases: exploration, development, production, transportation, refining and marketing. This brought the total amount invested in the Canadian industry since 1946 to almost \$5,000,000,000.

The rate and scale of development of the petroleum and natural gas industry in Western Canada in recent years is indicated by the following production data.

1.—Crude Oil and Natural Gas Production in Western Canada, 1954-59

Year	Crude Oil				Natural Gas			
	Man.	Sask.	Alta.	B.C.	Man.	Sask.	Alta.	B.C.
	'000 bbl.	'000 bbl.	'000 bbl.	'000 bbl.	'000,000 cu. ft.	'000,000 cu. ft.	'000,000 cu. ft.	'000,000 cu. ft.
1954.....	2,148	5,423	87,714	—	—	3,333	107,174	—
1955.....	4,146	11,317	113,035	—	—	6,707	133,007	—
1956.....	5,787	21,077	143,910	148	—	9,808	146,134	188
1957.....	6,090	36,861	137,492	341	—	13,994	183,141	8,275
1958.....	5,829	44,626	113,278	512	—	18,820	239,050	63,638
1959.....	5,100	48,500	128,700	824	—	34,000	309,000	67,622

The natural gas figures given in Table 1 do not include gas flared in the field, which in 1954 amounted to about 20 p.c. of gross gas production. The quantity of gas flared rose to 27 p.c. of production during 1956 and 1957 and declined in 1958 to 19 p.c. The rising demand for natural gas and the higher prices offered will permit the economic gathering of more and more gas that might otherwise be wasted.

British Columbia.—In British Columbia, exploration primarily directed towards natural gas has extended to the northern limits of the province. Discoveries in 1959 east and north of Fort Nelson and subsequent tests indicate the presence of major gas resources. Exploratory work at the year-end had extended northward across the border into the Northwest Territories. Farther to the south, about 100 miles northwest of Fort St. John, development drilling in natural gas fields was continued at a rate comparable with 1958 to meet the immediate needs of Westcoast Transmission Company which transports natural gas to the Pacific Coast. In all, 41 'wildcat' wells were drilled in British Columbia, 17 of which discovered gas and one of which discovered oil. The success discovery ratio continued to be the highest of any province. At the end of 1959 there were seven oil fields in British Columbia compared with six in 1958. The market for crude in this region was still local in 1959; consequently, production came mainly from the Boundary Lake and Fort St. John fields which are close to the refineries of the Peace River region.

Alberta.—Forty-two of the 350 exploratory wells drilled in Alberta in 1959 found oil and 45 found gas. The most concentrated exploratory drilling was in the Virginia Hills-Swan Hills-Judy Creek region, about 110 miles northwest of Edmonton. Following the initial discovery of crude oil at Virginia Hills in 1957, the Swan Hills field was found in 1958 about 25 miles to the northeast. In 1959 the Judy Creek field, about 14 miles south of Swan Hills, was discovered and, subsequently, about half-way between Judy Creek and Swan Hills, another discovery was made at Sarah Lake. Exploratory drilling has extended all of these areas. More recent discoveries give weight to a theory that the Swan Hills, Judy Creek and Sarah Lake fields may be part of a large single reservoir comparable in size to the huge Pembina field which has recoverable reserves of oil in the order of 1,000,000,000 bbl.

Development drilling continued to constitute the major portion of the drilling within the province, accounting for about 78 p.c. of all wells drilled. The most actively developed field was the Pembina field where 25 p.c. of all development wells were drilled. Second, was the Swan Hills field which accounted for almost 7 p.c., followed by the Keystone, Lobstick and Kaybob oil fields. Of the gas fields, the Medicine Hat, Hussar and Cessford fields were being most rapidly developed.