

Gudrid. Again it would be premature to attempt to assess their ultimate importance, but they are classed as potentially of major significance. Valid reserve estimates will only be available after further delineation drilling in 1975 and subsequent seasons.

A gas-condensate discovery was made at Mobil et al Citnalta on the Scotian shelf northeast of Sable Island. Hudson's Bay Oil and Gas Co. Ltd.'s well East Point northeast of Prince Edward Island drilled in 1970, was tested during 1974 and yielded a moderate flow of natural gas.

13.2.3 Production

Oil. Production of Canadian crude oil and equivalent in 1974 declined by 6.4% or an average of 126,000 b/d from the 1973 record production of almost 2 million b/d. Exports of crude oil and equivalent to the United States dropped by 231,600 b/d which was partially offset by an increase in domestic demand.

In Alberta production of conventional crude oil was down by 68,000 b/d, synthetic crude oil by 5,000 b/d and pentanes plus by 7,000 b/d for a total decline of 80,000 b/d or 4.9%. Saskatchewan crude oil production decreased by 15.7% or 37,000 b/d. The severe cutback was mainly experienced in heavy and sour crude production. The US District II refineries, traditional consumers of these Saskatchewan crude types, considered them uncompetitive after the export tax was added to the posted price. British Columbia crude oil and equivalent production was reduced by 6,000 b/d to 55,000 b/d while Manitoba showed a decrease of 3,000 b/d to 11,000 b/d (Table 13.7).

Natural gas. Marketable gas production was 2.4 MMMMcf in 1974, about the same level as 1973. Alberta produced 82.5% of the supply and British Columbia and the territories 14.9%. Production in British Columbia and the Northwest Territories was adversely affected throughout 1974 by reservoir-water breakthrough. Damage caused by this development is expected to curtail production from these fields for the foreseeable future.

13.2.4 Transportation

Oil. Canadian oil moves to market through an intricate network of oil pipelines extending from the producing fields west to Sumas, BC, near Vancouver, and east to the Niagara area of Ontario. This network serves the Canadian refineries in British Columbia, Alberta, Saskatchewan, Manitoba and Ontario and US markets located in the Puget Sound, Mid-West, Chicago and upper New York state areas. In 1973 the mileage of the entire pipeline system was 18,733 miles.

Prime components of this system are the trunk lines of the Interprovincial Pipe Line Company and the Trans Mountain Oil Pipe Line Company. Both pipelines start in Edmonton, Alta. and are fed by a network of gathering lines which transport oil to the main trunk lines. Interprovincial receives oil from the Hardisty fields, 100 miles southeast of Edmonton; from the Lloydminster heavy asphaltic crude field which provides a blend of pentanes plus and crude; and, through the Bow River Pipe Line Ltd., oil from the most southerly fields in the province. At Edson, approximately 100 miles west of Edmonton on the Trans Mountain pipeline, an interconnection with the Peace River pipeline brings oil from fields in northwestern Alberta.

The other prime mover of oil from Alberta, the Aurora pipeline, with a length of only one mile within Canada, receives 100,000 b/d of crude oil and equivalent from the Rangeland gathering system and moves it to Billings, Montana, both for refining and further shipment to points in the US mid-west.

Outside Alberta, the Interprovincial pipeline receives and transports Saskatchewan and Manitoba crude oil production. The main gathering systems deliver a blend of crude oil and pentanes plus from the Lloydminster area to Kerrobert on the Interprovincial system. Southwest Saskatchewan crude oil joins the line at Regina and southeast Saskatchewan crude at Cromer, Man., the junction for delivery of southwestern Manitoba crude oil.

In British Columbia a gathering pipeline system carries crude over a distance of 500 miles from fields near Fort St. John to connect with the Trans Mountain system at Kamloops.

Interprovincial Pipe Line Company's system is Canada's largest oil pipeline. It incorporates a wholly-owned subsidiary in the US, Lakehead Pipe Line Company Incorporated, and in 1974 had a right-of-way of 2,747 miles accommodating 5,350 miles of