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Net Cash Expenditures of the Oil and Gas - Exploration, Development  
and Production Industry 1967

Expenditures by the oil and gas industry during 1967 for exploration, development and production purposes amounted to \$1,170,578,000, an increase of 129 million dollars or 12% over the 1966 expenditures. Western Canada accounted for 97.9% of the industry expenditures, with Alberta accounting for 72.0% of the total followed by Saskatchewan (12.5%) and British Columbia (10.4%).

In Western Canada geological and geophysical expenditures increased 55.2% to \$135,924,000 from \$87,600,000, while land acquisition, rentals and retention decreased 6.4% to \$210,055,000 from \$223,495,000 in 1966. Exploratory and development drilling expenditures were almost unchanged - \$233,423,000 in 1967 compared to \$233,778,000 in 1966.

Capital expenditures by the industry in Canada increased about \$18 million, while capital expenditures by gas plants increased \$52 million.

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TABLE 1. Net Cash Expenditures of the Petroleum Industry - 1966

	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon and N.W.T.	Total Western Canada	Ontario	Quebec Atlantic Provinces Offshore areas	Total Canada 1966
in thousands of dollars									
1. Exploration:									
(a) Geological and geophysical expenditures .....	415	6,350	68,047	7,000	5,788	87,600	465	11,809(1)	99,874
(b) Land acquisition, rentals and retention .....	1,708	17,882	170,005	26,100	7,800	223,495	824	-	224,319
(c) Exploratory drilling:									
Dry .....	377	7,476	46,782	12,484	6,826	73,945	1,085	-	75,030
Productive - Oil .....	100	1,755	16,848	1,187	-	19,890	49	-	19,939
Gas/condensate ...	-	109	12,030	3,329	3,700	19,168	97	-	19,265
2. Development drilling:									
Dry .....	92	3,510	13,194	1,591	-	18,387	326	-	18,713
Productive - Oil .....	435	18,753	56,768	4,976	-	80,932	251	-	81,183
Gas/condensate .....	-	615	18,020	2,821	-	21,456	637	-	22,093
3. Capital expenditures:									
(a) Field equipment - Oil .....	181	11,605	24,309	3,256	300	39,651	172	-	39,823
Gas/condensate .....	-	1,198	11,018	1,678	-	13,894	258	-	14,152
(b) Secondary recovery and pressure maintenance .....	407	5,523	10,020	1,501	-	17,451	9	-	17,460
(c) Other .....	285	2,874	10,235	685	-	14,079	96	-	14,175
4. Operation of wells - Including flow line and related facilities .....	2,477	38,400	77,188	6,852	296	125,213	2,513	-	127,726
5. Operations of natural gas plants:									
(a) Capital expenditures .....	-	1,396	44,248	11,207	-	56,851	64	-	56,915
(b) Operating expenditures .....	-	1,523	36,140	2,849	-	40,512	84	-	40,596
6. General:									
(a) Taxes (excluding income tax) ....	255	2,994	8,539	315	-	12,103	253	-	12,356
(b) Royalties .....	1,639	29,025	91,290	7,800	185	129,939	537	-	130,476
(c) All other expenses not allocated above .....	155	2,690	23,127	1,158	253	27,383	115	-	27,498
Totals .....	8,526	153,678	737,808	96,789	25,148	1,021,949	7,835	11,809	1,041,593
Percentage distribution .....	0.8	14.8	70.8	9.3	2.4	98.1	0.8	1.1	100.0

(1) All expenditures for Quebec, Atlantic Provinces and Offshore areas are included.



TABLE 2. Net Cash Expenditures of the Petroleum Industry - 1967

	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon and N.W.T.	Total Western Canada	Ontario	Quebec and Atlantic Provinces	Off-Shore	Total Canada 1967
in thousands of dollars										
1. Exploration:										
(a) Geological and geophysical expenditures .....	455	11,254	95,823	17,759	10,633	135,924	347	1,164(1)	15,025(2)	152,460
(b) Land acquisition, rentals and retention .....	1,590	19,500	159,798	24,600	4,567	210,055	1,109	-	-	211,164
(c) Exploratory drilling:										
Dry .....	436	8,200	50,000	12,000	7,886	78,522	1,240	-	-	79,762
Productive - Oil .....	60	2,900	25,139	1,083	-	29,182	39	-	-	29,221
Gas/condensate .....	-	955	13,787	1,653	3,072	19,467	186	-	-	19,653
2. Development drilling:										
Dry .....	148	2,900	12,000	2,505	-	17,553	600	-	-	18,153
Productive - Oil .....	595	12,500	42,377	4,902	-	60,374	60	-	-	60,434
Gas/condensate .....	-	512	21,636	6,177	-	28,325	700	-	-	29,025
3. Capital expenditures:										
(a) Field equipment - Oil .....	427	9,370	30,000	5,294	-	45,091	68	-	-	45,159
Gas/condensate .....	-	1,548	15,488	2,436	-	19,472	259	-	-	19,731
(b) Secondary recovery and pressure maintenance .....	56	3,717	10,173	2,395	-	16,341	125	-	-	16,466
(c) Other .....	34	1,844	18,819	1,052	189	21,938	19	-	-	21,957
4. Operation of wells - Including flow line and related facilities .....	2,546	35,000	81,000	8,684	376	127,606	2,054	-	-	129,660
5. Operations of natural gas plants:										
(a) Capital expenditures .....	-	606	87,289	15,135	-	103,030	236	-	-	103,266
(b) Operating expenditures .....	-	1,019	42,000	3,440	-	46,459	96	-	-	46,555
6. General:										
(a) Taxes (excluding income tax) .....	250	2,757	9,123	450	-	12,580	158	-	-	12,738
(b) Royalties .....	1,654	28,000	106,000	9,600	198	145,452	505	-	-	145,957
(c) All other expenses not allocated above .....	79	3,534	22,172	2,649	622	29,056	161	-	-	29,217
Totals .....	8,330	146,116	842,624	121,814	27,543	1,146,427	7,962	1,164	15,025	1,170,578
Percentage distribution .....	0.7	12.5	72.0	10.4	2.3	97.9	0.7	0.1	1.3	100.0

(1) All expenditures for Quebec and Atlantic Provinces Included.

(2) All East Coast, West Coast and Hudson Bay offshore expenditures included.



TABLE 3. Net Cash Expenditures of the Petroleum Industry - Western Canada 1962-67

	1962(1)	1963(1)	1964(1)	1965	1966 <sup>r</sup>	1967 <sup>P</sup>
in thousands of dollars						
1. Exploration:						
(a) Geological and geophysical expenditures ...	48,800	46,600	50,800	61,554	87,600	135,924
(b) Exploratory drilling:						
Dry .....	53,500	57,800	57,800	70,089	73,945	78,522
Productive - Oil .....	8,500	11,900	17,000	25,026	19,890	29,182
Gas/condensate .....	9,700	9,800	14,700	8,667	19,168	19,467
(c) Land acquisition and rentals .....	112,800	121,900	173,200	252,444	223,495	210,055
(d) Overhead (not included above) .....	22,500	22,400	21,000	(2)	(2)	(2)
2. Development drilling:						
Dry .....	14,200	12,300	15,200	20,262	18,387	17,553
Productive - Oil .....	72,700	82,000	85,400	97,635	80,932	60,374
Gas/condensate .....	21,600	17,100	13,400	18,045	21,456	28,325
Overhead (not included above) .....	7,900	7,800	10,400	(2)	(2)	(2)
3. Capital expenditures:						
(a) Field equipment - Oil .....	24,125	26,100	35,400	54,075	39,651	45,091
Gas/condensate .....	5,025	10,700	12,100	11,068	13,894	19,472
(b) Secondary recovery and pressure maintenance project .....	11,150	18,800	15,500	15,216	17,451	16,341
(c) Other .....	16,300	20,500	17,600	8,356	14,079	21,938
4. Operation of wells - Including flow line and related facilities .....	84,600	101,500	99,600	105,524	125,213	127,606
5. Operations of natural gas plants:						
(a) Capital expenditures .....	20,700	36,700	42,700	35,404	56,851	103,030
(b) Operating expenditures .....	26,100 <sup>r</sup>	27,800 <sup>r</sup>	32,400 <sup>r</sup>	35,412	40,512	46,459
6. General:						
(a) Taxes (excluding income tax) .....	6,800	7,300	9,300	11,231	12,103	12,580
(b) Royalties .....	90,700	101,800	111,100	111,744	129,939	145,452
(c) All other expenses not allocated above ....	23,200	27,100	25,900	34,506	27,383	29,056
Total expenditures - Western Canada .....	680,900	767,900	860,500	976,258	1,021,949	1,146,427

(1) Source: Canadian Petroleum Association. (2) Overhead applied to appropriate categories. <sup>r</sup> Revised figures. <sup>P</sup> Preliminary figures.

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