Oil Reserves: Keeping Track of the Changes

Oil Production

- British Columbia's oil production for the 2007 calendar year was 1.52 10^6m^3 (8.6 MMSTB), 6.8% less than the production volume for the previous year. This marked the eighth year in a row of flat or decreasing annual production.

- Forty-one oil wells were drilled during 2007, a 29% decrease from the fifty-three wells drilled last year.

- Despite a decrease in the number of oil wells being drilled, the remaining oil reserves at December 31, 2007 increased to 19.7 10^6m^3 (124.0 MMSTB) from 18.2 10^6m^3 (114.6 MMSTB) in 2006.

Reserves to Production Ratio (R/P ratio)

- Because oil production has decreased and remaining reserves have increased, the *remaining reserves to production ratio* (R/P ratio) increased from 11.2 years in 2006 to 12.9 years in 2007.

- The net reserve changes to oil increased by 3.1 10^6m^3. The largest revision resulted from a performance review of the large Bluesky oil pool in Hay River, which had a reserves to production ratio of less than one. This revision accounted for 2.8 10^6m^3, or about 96%, of the total revisions in 2007.

Adding to our Reserves

- Drilling activity aimed at the discovery of new oil pools added minimal reserves (IR = 266.0 10^3m^3), up slightly from the previous year's bookings of 222.0 10^3m^3. Because of drilling activity, 21 new pools were discovered. These are all single well pools with small in-place oil reserves. The focus of drilling remained on Triassic sediments in the Fort St. John area.

- This year's further increase in reserve additions compared with 2006 gives a reserves-added-per-well-drilled value of 69.0 10^3m^3. This value is up from 2006. Although this represents the highest value since 1991,

  caution should be exercised when interpreting this information. The majority of reserve additions were a result of the large revision to the Hay River Bluesky pool and are not reflective of recent historical trends.

- British Columbia's oil fields continue to be dominated by secondary recovery schemes. Waterflood pools account for approximately 49% of remaining oil reserves; Hay River and Boundary Lake areas are the main contributors.

- Gas injection is currently occurring in three pools. This contributes about one per cent to the remaining provincial reserves.