



7 Incredible Numbers From Alberta's Oil and Gas Industry

Description

Alberta's energy industry is celebrating a special milestone this week.

On May 14, 1914, William Herron struck oil on his 960-acre farm in Okotoks. At the time it was dubbed by the *Calgary Herald* as "the greatest discovery in the world's history".

While that headline may have been a bit of an exaggeration, there's no doubt that the energy sector has transformed the province's fortunes and reshaped the entire nation. So to celebrate 100 years of oil and gas drilling in Alberta, here are seven incredible numbers from the province's energy industry.

1. 1.92 trillion barrels

Alberta's energy reserves are considered to be the largest on Earth containing some 1.92 trillion barrels of oil in place. Of that total, an estimated 335 billion barrels are recoverable at today's prices with current technology. That represents over half of the world's recoverable reserves opened to private investment.

2. 2.3 million barrels per day

In 2012, Alberta's combined conventional oil and oil sands bitumen production totalled 2.3 million barrels per day. According to estimates from the Canadian Association of Petroleum Producers, this figure is projected to hit 5.8 million barrels per day by 2030.

3. 415,200 kilometres of pipeline

Alberta has built one of the largest petroleum pipeline networks in the world. At the end of 2012, the Alberta Energy Regulator tallied 415,200 kilometres of pipelines criss-crossing the province. In order to accommodate the provinces surging production, Alberta's top midstream companies such as **TransCanada** ([TSX: TRP](#))([NYSE: TRP](#)) and **Enbridge** ([TSX: ENB](#))([NYSE: ENB](#)) plan to add 3.1 million barrels per day of shipping capacity over the next decade — nearly double current volumes.

4. 10% of Canada's crude production

Unfortunately, pipelines may not be enough to keep up with surging production. This has created enormous growth opportunities for the nation's railroad operators such as **Canadian Pacific** ([TSX: CP](#))([NYSE: CP](#)) and **Canadian National** ([TSX: CNR](#))([NYSE: CNI](#)).

According to estimates by Peters & Co., rail capacity in the Western Canadian sedimentary basin is projected to nearly triple from 550,000 barrels per day to 1.5 million barrels per day by 2015. That represents just over 10% of Canada's crude oil production shipped by rail, up from almost nothing a few years ago.

5. 50-year reserve life

Suncor's ([TSX: SU](#))([NYSE: SU](#)) Fort Hills oil sand mining project — one of the largest oil sand projects under construction — has an estimated reserve life of 50 years. This explains why the world's oil majors are so keen to develop this asset. Production at conventional wells drops off rapidly with a few years and must be constantly replaced. Oil sand assets, in contrast, produce a steady stream of cash flow for decades.

6. \$103 billion in taxes

In fiscal 2012/13, Alberta's oil and gas industry paid \$7.7 billion in taxes to the provincial government, accounting for 20% of the government's total revenues. Over the past decade, the industry has contributed \$103 billion to government coffers.

7. 420,000 jobs

According to estimates by the Canadian Association of Petroleum Producers, 420,000 people are employed directly or indirectly in Alberta by the oil and gas industry. A report published this week from the Conference Board of Canada ranks the province's economic performance at the top in the country based on a variety of metrics including per capita income, economic growth, unemployment, and productivity.

Here's to another profitable century

As impressive as these statistics are, Alberta's energy bounty may have much more to give. According to a study conducted by the Alberta Energy Resources Conservation Board, the province's shale formations — including the Duvernay, Montney and Muskwa — could contain 3,324 trillion cubic feet of natural gas and 424 billion barrels of oil. New drilling technologies such as horizontal drilling and hydraulic fracturing could [usher in another energy boom](#).

The facts are clear: Alberta's energy industry has been a game-changer for the country's economy over the past 100 years. Here's to another century of profitable drilling in Canada's Sunshine province.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:CNR (Canadian National Railway Company)
2. TSX:CP (Canadian Pacific Railway)
3. TSX:ENB (Enbridge Inc.)
4. TSX:SU (Suncor Energy Inc.)
5. TSX:TRP (TC Energy Corporation)

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