

Texas Production Up 23 Per Cent to Fill War Needs; New Wells Decline

The impact of war upon the oil industry of Texas is indicated by the fact that this state produced 23 per cent more oil during the first three years of the war than it did in the three years immediately before the war, but it was not able to achieve a corresponding increase in drilling, the Texas Mid-Continent Oil and Gas Association pointed out Saturday.

"To meet the demands for oil for the war effort, Texas increased its production by drawing on reserves built up before the war," the association said. "Texas produced 1,825,562,000 barrels during the first three years of war, an increase of 23 per cent over the 1,483,308,000 barrels produced in the three-year period before war broke out.

"By contrast, new oil wells

brought in since war started total 8,940 against 20,573 new wells brought in during 1939 to 1941. This is a drop of 56.5 per cent. The 8,940 new wells represent 60 per cent of the total of 14,838 holes drilled during the war period, whereas the three-year prewar record of 20,573 wells represents 73 per cent of the 28,246 holes drilled.

"Instead of increasing its drilling in proportion to the increase in production, Texas cut its drilling nearly half as a contribution to the war's need for manpower and steel.

"In response to the government's request to the petroleum industry to make extraordinary efforts to find new reservoirs of oil, 40 per cent of the wartime drilling was exploratory holes compared with 25.7 per cent before the war. Of all the holes drilled since the out-

break of war, 36 per cent were dry contrasted with 24 per cent in the three years before war broke out.

"The drilling cost per well jumped 34 per cent. This increase was occasioned chiefly by higher wages, greater costs for materials, wartime delays and expenses incurred by complying with government regulations. Today the cost is up nearly 50 per cent.

"The extraordinary production of 23 per cent more oil to supply war needs, plus the 56 per cent cutback in new oil wells are adverse factors which have thrown the oil industry of Texas out of balance. It will require considerable time and favorable economic conditions to overcome the strain put on the reserves of oil during the period when there was no corresponding expansion of drilling to replace those reserves."