

THE FUTURE OF DOMESTIC EXPLORATION

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ABSTRACT

No attempt to predict the actual results of future exploration is made, but the economic and military significance of domestic petroleum reserves and producing capacity is pointed out, and the important role of the geologist in fostering an accelerated rate of exploration and an improved ratio of developed recoverable reserves per dollar expended is stressed.

For the next two decades at least, the increasing energy requirements of this nation will need to be predominantly supplied by petroleum and during this period petroleum will remain of crucial importance to our military security. Recent developments have demonstrated the complete unreliability of foreign sources of supply. The nation fortunately possesses a substantial reserve producing capacity at present which could minimize, if not offset, the effect of interruption of foreign supplies. However, the currently declining rate of discovery of new reserves will result in lessened future producing capacity at the very time that total demand will be substantially increasing. If existing trends continue, the present sizable, but not entirely adequate, margin of reserve producing capacity will be progressively reduced and national security further impaired.

To accomplish the increased discovery rates needed for security, the domestic industry must be protected from actual and threatened

excessive imports. Such action would furnish greater confidence in the future and some of the additional funds needed for exploration would be made available by the increased rates of production which would then be possible. Additional funds could probably be obtained from hoped-for future economies in development programs. Promising new recovery techniques, if widely utilized, may substantially increase ultimate recovery from present fields and may make possible the development of reserves uneconomic at present. The high cost of these new techniques can only be justified if future markets are secure. However, it is hoped that the geologist and reservoir engineer, by working together, may develop more efficient and less expensive structural and density spacing programs which will be made possible by the improved recovery techniques and will offset their increased cost.

The geologist will have an important role in determining the future of domestic exploration. He must be constantly alert to develop and adopt ingenious new techniques for seeking out the still available, but ever more difficult to find, new reserves this nation will so urgently need. In this effort he deserves the support of the industry and the public generally. Particularly should state and federal regulatory officials offer every possible encouragement and incentive for exploration.

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