TABLE 4.—*Net imports of crude oil and refined products as percent of total annual domestic demand*

	Total domestic demand (millions)	Net imports of crude and required products (millions)	Net imports percent of total domestic demand
1958	3,315	520	15.7
1959	3,450	572	16.6
1960	3,536	591	16.7
1961	3,579	637	17.8
1962	3,736	700	18.7
1963	3,851	699	18.2
1964	3,958	753	19.0
1965	4,125	832	20.2
1966—Preliminary	4,409	867	19.7

Source: American Petroleum Institute as compiled by the U.S. Bureau of Mines.

APPENDIX B

U.S. PETROLEUM DRILLING ACTIVITY AND COSTS—SUMMARY

The number of wells drilled increased from 49,279 in 1953 to 58,160 in 1956, the peak drilling year. After 1956, drilling activity has steadily fallen off to a total of 43,653 wells in 1963, and to 36,628 in 1966, the lowest point since World War II. The depth of drilling has steadily increased. (See Table 2.)

In spite of this increase in drilling during the 1953–56 period, only 1.5 billion net barrels were added to the 1956 reserves over 1953, and only 1.1 billion barrels have been added from 1956 to the present. (See Appendix A—Table 2.)

The net result is that the oil industry has been drilling deeper at a higher cost per well and has barely been able to keep ahead of production demands.

During the same time, the average cost of drilling a well has increased. (See Table 1.) Most of this increase in well cost is due to the yearly increase in the average depth of a well. As is well known in the oil industry, the drilling cost of a well per foot drilled increases with the depth of drilling. For example, as illustrated in Table 3, in 1963 the cost of an incremental foot of well at the 2,500 foot level was $10.69 per foot vs. $74.78 per foot at the 12,500 foot level.

TABLE 1.—*Yearly average cost per well and average cost per foot*[1]

	Productive wells		Dry wells		Total wells	
	Average cost	Average cost per foot	Average cost	Average cost per foot	Average cost	Average cost per foot
1955	[2]	$12.94	[2]	$9.21	[2]	[2]
1956	[2]	13.64	[2]	10.26	[2]	[2]
1959	$60,000	14.70	$43,000	10.13	$53,500	$12.90
1960	62,200	14.60	44,000	10.56	54,900	13.01
1961	60,400	14.33	45,200	10.56	54,500	12.85
1962	63,400	14.66	50,800	11.20	58,600	13.31

[1] Source: Compiled by American Petroleum Institute, Independent Petroleum Association of America, and the Mid-Continent Oil & Gas Association.

[2] Not reported.