

## Crude Oil and Natural Gas Resource Development

**Note. Crude Oil and Natural Gas Exploratory and Development Wells.** Three well types are considered in the *Monthly Energy Review (MER)* drilling statistics: “completed for crude oil,” “completed for natural gas,” and “dry hole.” Wells that productively encounter both crude oil and natural gas are categorized as “completed for crude oil.” Both development wells and exploratory wells (new field wildcats, new pool tests, and extension tests) are included in the statistics. All other classes of wells drilled in connection with the search for producible hydrocarbons are excluded. If a lateral is drilled at the same time as the original hole it is not counted separately, but its footage is included.

Prior to the March 1985 *MER*, drilling statistics consisted of

completion data for the above types and classes of wells as reported to the American Petroleum Institute (API) during a given month. Due to time lags between the date of well completion and the date of completion reporting to the API, as-reported well completions proved to be an inaccurate indicator of drilling activity. During 1982, for example, as-reported well completions rose, while the number of actual completions fell. Consequently, the drilling statistics published since the March 1985 *MER* are Energy Information Administration (EIA) estimates produced by statistically imputing well counts and footage based on the partial data available from the API. These estimates are subject to continuous revision as new data, some of which pertain to earlier months and years, become available. Additional information about the EIA estimation methodology may be found in “Estimating Well Completions,” a feature article published in the March 1985 *MER*.