

Petroleum Industry Girds For Bitter Fight on Higher Taxes

The petroleum industry is gathering strength for a bitter fight against increased taxation.

Foremost on the agenda is the Treasury Department's recurrent attempt to cut the depletion allowance from 27.5 to 15 per cent.

El Dorado Oil Work Still Feels Weather Siege

El Dorado, Feb. 10—Declining oil development and exploration in the El Dorado district plunged to a new low this week.

Only a few projects continued operations during the siege of snow and rain which froze water and mud lines and made roads to well sites impassable.

Murphy Corporation maintained operations on three deep tests, however, and work on most wells was expected to resume the first of next week.

Curtis Kinard has recompleted his Burns No. 1 in the East Schuler field after a squeeze job. It is in SW NE SW 13-18S-17W and opens a new pool for the field. Production came from the Smackover lime formation around 7,620 feet. Oil gravity was 39 degrees. Gauge was not available.

Murphy Corporation is coring the Cotton Valley formation at 6,333 feet in Miles No. 1, SE NW 32-18S-15W, in the Catesville field, five miles south of El Dorado. This is the only operation in the field and it offsets producers on the east and south, also owned by Murphy.

McAlester Fuel Company and Murphy were drilling at 7,000 feet in McCarthy No. 1 in NW NW 33-18S-18W, Tubal field of Southwest Union County.

This partnership's Jolley No. 1 in NW NE 29-18S-18W, Tubal field, across the line in Columbia County, was drilling at 8,125 feet. Cores were taken from 8,083-98 in the Cotton Valley. Although a slight show of oil was found, the formation was believed too tight to merit a drill-stem test in that section. The level is below the formation's production level in Concanon No. 1 on a 40-acre tract diagonally southeast of the Jolley. The test is scheduled for the Smackover lime at 9,500 feet.

The discovery well at Tubal, the Gregory No. 1 in SE SW 28-18S-18W, completed a year ago this week, produced dually from the Cotton Valley and Smackover lime formations for some months. Recently, operators shut off the upper level after considerable packer trouble due to pressures.

Pipe Set at 2,520 Feet
Production pipe has been set at 2,520 feet on E. G. Bradham's J. E. Dunbar No. 1, NW NE NE 1-18S-15W, on the south edge of the West Nick Springs field. The Dunbar was drilled to 3,720 feet, but no show was found in the Glen Rose at that depth. Completion will be attempted in the Meakin sand from which other wells in the area are producing.

Herbert Herff and Joseph Lewis are waiting on cement to set after running surface pipe at 550 feet on the Louis Werner Saw Mill Company No. 1 in NW SW 9-16S-17W, Bear Creek field of Northwest Union. This is the second test for this partnership in the field and is slated for 6,400 feet.

A shallow wildcat try by Roberts Petroleum, Inc., the Hill No. 1 in SW SW SW 5-18S-13W, East Center, is being drilled.

Attractive five room frame

2:30 P. M. to 5 P. M.

Columbia Oil Activity Back On Schedule

Gazette State News Service
Magnolia, Feb. 10—Limited oil activity in Columbia County, all but halted by severe weather the week before, got back on regular schedule this week.

The County's two wildcats moved ahead. Gulf Refining Company's A. L. Pittman No. 1, two miles north-east of Magnolia, was near 6,400 feet, due for a final depth of 8,000 feet. The speculator three-fourths of a mile northeast of Taylor, Arkansas Fuel Company's Clotilde Glass Estate No. 1, was near 7,300 feet, headed for 10,500 feet.

In Warnock Springs field, Burnett Drilling Company was coring around 7,400 feet in Wilson-Nesbit No. A-1, center of SE corner of SE NW 32-16-19. Proposed depth for this McAlester Fuel Company test is 7,500 feet.

Dorcheat-Macedonia field has five workover jobs completed or in progress.

Apparent Producer
Atlantic Refining Company was preparing to install a pump for Dodson No. 1, 1,320 feet W of SE corner of 20-18-21, apparently getting a producer in the Cotton Valley at 6,818-6,823 feet.

McAlester Fuel Company has three workover jobs in the field. Scott-Bryon No. 1, center of S half of SW quarter of 9-18-22, was recompleted at 6,998-7,005 feet after perforations at different depths. It made 108 barrels of oil daily with gravity of 42.5.

The Company perforated at 7,148-7,156 feet in Hunt-Sayers No. 1, center of N half of SW quarter of 15-18-22, in Cotton Valley sand. The well made 20,000,000 cubic feet of gas daily and six barrels of condensate. It had been shut down, but testing was resumed at mid-week.

Luther Hunt No. 2, center of S half of SE quarter of 15-18-22, was abandoned as dry and plugged after last perforations at 5,518-5,527 feet failed to show oil.

Also in Dorcheat-Macedonia, Phillips Petroleum Company has reworked McWilliams No. 1, center of N half of SE quarter of 13-18-21. Initial production was 626,800 cubic feet of gas and six barrels of distillate daily, gravity 63.2 through 10-64-inch choke. Gas-oil ratio was 104,464 to one. Former depth of the well was 9,018.

In Nevada County's Bodcaw field, Burnett Drilling Company has abandoned as dry the Della Caudle No. 1, 330 feet E 660 feet N of SW corner of SW NE 8-14-22, at 4,252 feet.

In the same field, Placid Oil Company was testing the Lawton May No. 1, 330 feet S, 330 feet E of NW corner of SE SW 9-18-22, near the scheduled depth of 2,700 feet.

Also in Bodcaw field, Sinclair Oil Company has a new location, May-Warmack Unit No. 1, 610 feet E, 280 feet E of SW corner of E half of NE SW 9-14-22, due for a final depth of 2,700 feet.

In Spirit Lake
In Spirit Lake field, Lafayette County, Magnolia is testing the H. L. Lester No. 1, 710 feet W, 330 feet E of SE corner of SW quarter of 15-16-25, after perforating between 4,968-4,968 feet.

In Miller county, Lee and Markham are near 2,000 feet in Price No. 1, 150 feet NE of center of SE NW 18-14-25, a wildcat, due for a depth of 4,250 feet. It was shut down during the severe weather after having drilled to 1,700 feet.

In Falcon field, Nevada county, Sneed Brothers are reported to have completed Mollie Reed No. 2, 862 feet E, 40 feet N of SW corner of NW NW 16-15-22, at 1,197 feet. The well which made 10 barrels of oil and 75 barrels of fresh water a day and a pump was being installed. In Tubal field, Murphy & Co. is below 8,100 feet in Jolley No. 1, 29-19-18, on the Columbia county side. The same company is below 7,000 feet in the McCarthy No. 1, center NW SW 33-19-18, on the Union county side of this two-county field.

In Warnock Springs field, McAlester's Wilson-Nesbit Unit No. A-1, SE corner of SE NW 32-16-19, has been coring and is near total depth of 7,500 feet.

Atkins & Pannell, drill Childs No. C-1, SW NE NE 8-16S-16W, Union County, Smackover, 2,650 feet.

Sinclair Oil and Gas Company, drill May Warnock Unit No. 1, E 1-2 NE SW 9-14S-22W, Nevada County, Bodcaw, 2,750 feet.

C. G. Davis, plug F. A. Hudman No. 1, 33-14S-18W, Ouachita County. Myers & Collins, plug Peace Nos. 1 and 2, 20-12S-27W, Hempstead County.

El Dorado Drilling Company, et al, plug McKinnon Estate No. 1, 22-18S-17W, Union County.

W. M. Coats, plug Moore No. 1, 3-9N-10W, Cleveland County.

merged coastal lands of California and the Gulf area—held December 11 that the secretary of the Interior has authority to halt the oil development there if he wishes.

On the other hand, favorable action seems assured or the proposed line connecting West Texas fields with the refining areas of the Gulf Coast and existing major oil lines running north from that section. Officials have privately expressed the opinion that there is greater need for a line of this type than for a new pipeline to the west coast.

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Oil News

Workovers Spur Activity In Old Area

Dorcheat-Macedonia Cotton Valley Level Has Oil, Distillate

Magnolia—In Dorcheat-Macedonia field, there have been five workover jobs on old wells. Atlantic Refining Co. is preparing to set a pump on the Dodson Unit No. 1, 20-18-21, old depth of which was 8,945 feet. It was recompleted in Cotton Valley after perforating between 6,818-6,823 feet.

McAlester Fuel Co. has reworked three old wells. Scott Byron Unit No. 1, 9-18-22, was recompleted between 6,898-7,805 feet in Cotton Valley and made 109 barrels of oil per day gravity 42.5. The company is reworking the Hunt-Sayers Unit No. 1, 15-18-22, at 7,148-7,156 feet.

McAlester abandoned Luther Hunt No. 2, 15-18-22, after testing salt water between 5,518-5,527.

Phillips reworked McWilliams No. 1, center of half of SE 13-18-22, an old well, total depth of which was 9,018 feet. It was perforated between 7,036-7,042 feet in Cotton Valley, and made six barrels of distillate and 626,800 cubic feet of gas per day. Distillate was 63.2 degrees, gas-oil ratio was 104,464 to one.

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In Spirit Lake field, Lafayette county, Magnolia is testing the H. L. Lester No. 1, 710 feet W, 330 feet E of SE corner of SW quarter of 15-16-25, after perforating between 4,968-4,968 feet.

In Miller county, Lee and Markham are near 2,000 feet in Price No. 1, 150 feet NE of center of SE NW 18-14-25, a wildcat, due for a depth of 4,250 feet. It was shut down during the severe weather after having drilled to 1,700 feet.

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Oil Waste of Smackover Field Put at 600,000,000 Barrels

Four hundred million barrels of oil have been recovered from the Smackover field—give or take a few barrels.

Not even a Rockefeller would call that small potatoes, but the tragedy is that the total recovery might have been as much as 1,000,000,000 barrels.

At least, that is what Representative Walter J. Young of Union County said at a recent meeting of the House Oil and Gas Committee. And O. C. Bailey of El Dorado, chairman of the state Oil and Gas Commission, backed him up.

Devil Goes Begging
"When the Smackover Field was discovered in 1922, the law of capture applied," Young said. He defined this law as: "I get mine and the devil takes the hindmost."

Young went on to explain that the tragic, frantic example of waste served one good purpose: "When the Schuler Field was discovered in Union County in 1938, the Smackover Field was remembered. It was recognized that something was needed to correct waste in the oil industry."

Laws, But Too Late
That led to an appeal to the 1939 General Assembly for conservation law. The Oil and Gas Commission was created, along with a model set of oil and gas statutes.

Young said that if the Commission and statutes had been in effect in 1922, Smackover recovery would have been some 1,000,000,000 barrels.

Bailey echoed:
"We recovered only 17 per cent of the oil under the old drilling methods and ignorance of conservation practices. Today, we get as much as 50 per cent of the oil in the reservoir."

"But before the oil industry learned the value of conservation, the state lost countless millions of dollars that probably never can be recovered."

Those methods of the ignorant pirates are history today. No longer do operators permit oil and natural gas to flow wild and deplete reservoir pressure. Salt water flooding is curbed. Wells are properly plugged on abandonment. Generally, wells are spaced to obtain maximum recovery and production is planned to follow natural laws. Secondary recovery is a progressive science.

Smackover taught a costly lesson.
Bankers' Viewpoint
A group of Texas and Oklahoma bankers held a panel discussion before the Interstate Oil Compact Commission at Dallas back in December. Their subject was, "Viewpoint of the Banking Industry on Conservation."

Two sections of the discussion were devoted to well spacing and unitization—subjects which came before the Arkansas General Assembly this session.

The Assembly already has liberalized Arkansas well-spacing regulations by permitting the Oil and Gas Commission to authorize drilling units of more than 40 acres. A

unitization bill is moving through the legislative processes.

While the oil bankers did not specifically recommend that Arkansas adopt the two measures, their statements were a general recommendation to states and to the oil industry.

Favors Wider Spacing
L. B. Herring, vice president of the Second National Bank of Houston, said:
"The sounder program for banks to follow is the one favoring wider spacing. By this program, mistakes of overspacing can be corrected by drilling additional wells. Should too many wells be drilled initially, there is no opportunity for drilling additional wells."

George L. Nye, vice president of the City National Bank of Houston, said:
"Today, many of our successful condensate cycling and secondary recovery projects, as well as numerous efficient primary operations, could not have been financed without unitization. The oil and gas industry indeed is indebted to the petroleum regulatory bodies of the various states for their progressive actions in furthering unitization."

For the oilmen who want to see a copy of the banking slant on hydrocarbons, copies were mailed by the Interstate Oil Compact Commission to newspapers and libraries in oil-producing states. If this fails, try the Commission, Box 3127, State Capitol, Oklahoma City 5, Okla.

Friday, February 18, 1951—3D

Oil News

Placid Oil Adds Pumper In Bodcaw

Magnolia — A test in Warnock Springs field was perforated at 7,401 feet. It is McAlester Fuel Co.'s Wilson-Nesbit Unit No. A-1, 32-16-19.

Gulf Refining Co.'s wildcat, A. L. Pittman Estate No. 1, 660 feet east, 330 feet south of se corner of 9-17-20, two miles northeast of Magnolia, was drilling at 7,150 when it struck drill stem and is delayed. It is due for a depth of 8,000 feet. Zack Brooks is driller.

Arkansas Fuel Co.'s wildcat, Clotilde Glass Estate No. 1, 655 feet west of se corner of se sw 1-19-23, three-fourths of a mile northeast of Taylor, is drilling below 8,100 feet. Total depth will be 10,500 feet.

In Tubal field, C. H. Murphy Co. is at 8,600 feet in Jolley No. 1, 29-19-18, and near 7,500 feet in McCarthy No. 1, center nw sw 3-19-18.

Three workover jobs are in progress in Dorcheat-Macedonia field. McAlester Fuel Co. is squeezing on the Hunt-Sayers Unit No. 1, 15-16-22, after perforating between 8-148-8-168 feet. Atlantic Refining Co. is testing on pump set for the Dodson No. 1, 20-18-21. The same company is waiting on pump for the Nipper No. 1, 18-18-21, after perforating between 8,256-8,284 feet, with 112 shots in Cotton Valley. It will be tested after pump is installed. All three are old lime wells.

In Bodcaw, Nevada county, Placid Oil Co. completed Lawton-May Unit No. 1, se sw 9-14-22, and it is on pump. Its total depth is 2,700 feet. Burnett Drilling Co. was rigging up for Sinclair's May-Warmack Unit No. 1, 610 feet north, 280 feet east of sw corner of east half of ne sw 9-14-22.

In Spirit Lake field, Magnolia Petroleum Co. abandoned as dry the H. L. Lester No. 1, 710 feet west, 330 feet north of se corner of sw quarter of 15-16-25, following last perforations between 4,454-4,462 feet, after several perforations were made deeper. Shows were recovered between 5,100-5,200 feet.

In Miller county, Lee and Markham's wildcat, Price No. 1, 150 feet center of se nw 18-16-25, was reported near 4,000 feet, with a proposed depth of 4,250 feet. It was said work has been delayed by return of severe weather.

Commission Gives 3 Drilling Permits
Gazette State News Service
El Dorado, Feb. 10—The Arkansas Oil and Gas Commission issued three permits to drill and five permits to plug and abandon last week. The list:

John McDonald, drill Mable Smart No. 1, NE NE NE 14-15S-20W, Columbia County, Stephens, 3,500 feet.

Atkins & Pannell, drill Childs No. C-1, SW NE NE 8-16S-16W, Union County, Smackover, 2,650 feet.

Sinclair Oil and Gas Company, drill May Warnock Unit No. 1, E 1-2 NE SW 9-14S-22W, Nevada County, Bodcaw, 2,750 feet.

C. G. Davis, plug F. A. Hudman No. 1, 33-14S-18W, Ouachita County. Myers & Collins, plug Peace Nos. 1 and 2, 20-12S-27W, Hempstead County.

El Dorado Drilling Company, et al, plug McKinnon Estate No. 1, 22-18S-17W, Union County.

W. M. Coats, plug Moore No. 1, 3-9N-10W, Cleveland County.

merged coastal lands of California and the Gulf area—held December 11 that the secretary of the Interior has authority to halt the oil development there if he wishes.

Law Voiding 40-acre Drilling Limit Will Bring in More Oil

Every Arkansas farmer—whether he carves a living from a rocky Ozark hillside or reaps a rich harvest from a huge plantation in the Delta—has hoped at least once for a day when oil would be discovered on his land.

Act 28 of the 1951 General Assembly, signed recently by Governor McMath, has added substance to the dreams of many Arkansas property owners.

Briefly, Act 28 gives the state Oil and Gas Commission authority to set oil drilling units of more than 40 acres.

Again, briefly, it opens the door for oil companies to spread out into previously untested areas and to develop known pools that were too deep or otherwise limited to permit profitable wells on a 40-acre basis.

Bailey Explains Benefit
O. C. Bailey of El Dorado, Commission chairman, had this to say about Act 28:
"It will aid in the development of new fields over the state by wildcatting. Anything you do to liberalize drilling rules or make them more attractive to oil companies will increase wildcatting."

Act 28 was not designed just to encourage wildcatting, however. Its primary effect will be seen in the Tubal field which straddles the Union-Columbia County line in South Arkansas.

Tubal oil is deep. It costs about \$200,000 to drill down 9,300 feet or deeper to strike pay. There just isn't enough oil under many 40-acre tracts in the Tubal field to pay for the well.

In support of Act 28 at a pre-passage hearing, Bailey said:
"If operators are held to a 40-acre spacing, there is oil under peoples' land that won't be recovered. If the operators can't get enough oil out of a 40-acre tract to pay for the well, they certainly aren't going to

Oil Output Sets New Records As PAD Organizes

By **TEX EASLEY**
Of the Associated Press
Washington, Jan. 27.—While the new Petroleum Administration for Defense is getting organized, the oil industry is setting new production records as if to prove its ability to meet any emergency.

In the week ending January 20, crude production and domestic refinery runs for the first time exceeded 6,000,000 barrels daily. The American Petroleum Institute's figures show a daily average production for the week of 6,051,000 barrels. Refinery runs averaged 6,505,000 barrels daily.

The present estimated refinery capacity of the country is 7,000,000 barrels. Notwithstanding heavy withdrawals, stocks remained about normal.

One of Deputy PAD Chief Bruce Brown's organization problems is reported to be that of finding qualified men. Final plans for the structure of the PAD are not clear, but the agency is expected to operate much like the Petroleum Administration for War did in World War II.

Brown met this week with representatives of refineries, discussing PAD's proposal to cut the octane rating of automobile gasoline. The plan calls for economizing on vital tetraethyl lead by ordering a flat reduction in the octane rating of the different grades of civilian gasoline.

At the conference, spokesmen for some companies urged that the government effect the same savings by simply cutting down the amount of tetraethyl lead allowed the refineries, letting the refiners decide on the octane ratings.

The PAD is expected to come up with the answer shortly.

Steel Allocations Due Soon

The PAD hopes for definite information soon regarding steel allocations, Brown told a news conference yesterday.

In this connection, the American Iron and Steel Institute reports that by the end of 1952 the United States' annual steel capacity will have reached a record of 117,500,000 tons. This will represent a 45 per cent increase, or nearly 36,000,000 tons, over the 1940 capacity.

New Publications

The Interstate Oil Compact Commission has issued from its Oklahoma City headquarters a pamphlet entitled "Summary of Water-flooding Operations in Illinois."

The American Petroleum Institute, from New York headquarters, has put out a revised manual on the cleaning of storage tanks which have contained gasoline. It contains information of value to supervisors and foremen responsible for the safety of men and equipment in the cleaning of storage tanks.

Oil Plans for Italy

Predicting a substantial increase in use of oil in Italy, the Economic Co-operation Administration has announced a \$20,000,000 pipeline and refinery project for that country.

A 97-mile line is to be built from Savona, on the Mediterranean, to Milan in northern Italy, where a refinery will be put up. The crude is to come from the Middle East.

Caltex Oil Products Company of New York, owned by Standard of California and the Texas Company, will put up \$4,000,000 of the cost. The ECA guarantees convertibility of lire into United States dollars to a maximum of \$4,630,000. Bulk of the capital is to come from Italian interests, the ECA says.

2 Wildcat Tests, Three Tries In Columbia County

Gazette State News Service
Magnolia, Jan. 27.—Two wildcat tests, a workover job in an oil field and three tries in proven fields paced oil activity in Columbia County this week.

One wildcatter, Gulf Refining Company's A. L. Pittman, et al, No. 1, two miles northeast of Magnolia, was near 4,500 feet toward a proposed depth of 8,000 feet. It is 669 feet E, 330 feet S of NW corner of 9-17-20.

The other test of the unknown, Arkansas Fuel Oil Company's Clotilde Glass Estate No. 1, has marked off nearly 3,000 feet of the proposed depth of 10,500 feet. It is three-fourths of a mile northeast of Taylor, 667 feet N, 655 feet W of SE corner of SE NW 1-19-23.

In the Magnolia Field, Atlanta Refining Company was testing the Foster No. 2, center SW NE 24-17-20, an old lime well that originally produced around 7,539 feet. In the recompletion, perforations were made deeper, between 7,546 and 7,558 feet, to get a show. Testing was in progress.

In the Warnock Springs Field, Burnett Production Company was near 6,000 feet in Wilson-Nesbit Unit No. A-1, in the center of SE corner of 32-16-19, due to drill to 7,500 feet. The test is by McAlester Fuel Company.

McAlester Below 7,566
In Tubal Field, McAlester was below 7,566 in Jolly No. 1, 664.9 feet E, 660 feet S of NW corner of 29-19-18, in the southeast corner of Columbia County. The test is by C. H. Murphy & Co.

In Stephens Field, a new test is underway by R. E. Claud, et al, on J. W. Smart No. 3, 330 feet S and E of NW corner of SE SE 11-15-20. The test lost a core at 3,330 feet and was delayed for fishing. Proposed depth is 3,500 feet. Two other tests are drilling in the same area.

In Nevada County's Bodcaw Field, Burnett Production Company was near 2,700 feet in Della Caudle No. 1, 330 feet E, 660 feet N of SW corner of SW NE 8-14-22. It is headed for 3,500 feet, deeper than wells in the field.

In the same field, Placid Oil Company was rigging up on the Munn No. 1, center of N half of W half of SE SW 9-14-22, to be drilled by Montgomery Drilling Company.

Three fair producers have been completed recently in Bodcaw Field. They are Carter Oil Company's Maggie Daniels No. 3, in 8-14-22; Placid Oil Company's Taylor-Munn Unit No. 1 and Sinclair Oil Company's May Unit No. 1, both in 9-14-22.

West of Bodcaw, in the Falcon shallow field, Sneed Brothers have two locations last reported near completion. The Mollie Reed No. 2 was bailing oil and salt water at 1,190-1,197 feet. Riggins No. 1 was running Schlumberger survey at 1,200 feet.

In Lafayette County, Magnolia Petroleum Company was testing H. L. Lester No. 1, in 15-16-25, between 4,025-4,030 feet in Kilpatrick formation. The test in Spirit Lake Field was drilled to 6,095 feet and came back for the test.

In the same field, E. D. Markham's Lester Brothers No. 4, in 15-16-25, flowed oil and salt water. A pump has been installed. Gauge was not available.

In Lafayette County, there were incomplete reports that E. G. Bradham was preparing ground for a wildcat to start soon east of McKamie-Patton Field.

Turner Starts Griffin Wildcat

Gazette State News Service
Camden, Feb. 17.—Drilling started on A. B. ("Buck") Turner Dr. Saxon No. 1 in the north quarter of Section 4-16-16, Ur County, near Griffin. This is wildcat well and is Turner's first venture as a trail blazer in the fields of South Arkansas. He brought in the Smart, Gum C and Pace City Fields, now all producers. He helped to extend Wesson Field at Stephens.

Two Producers Completed, Two Tries Fail in Union

Gazette State News Service
El Dorado, Jan. 27.—Two producers were completed in Union County during the past week, while two tries were failures.

Herbert Herff and Joseph Lewis brought in the Mimi Herff (O. C. Smith) No. 1 in SE SW 9-16S-17W, flowing 50 barrels of oil and a small amount of water per day through 14-64th inch choke from perforations at 6,351-56 feet.

It is in the Bear Creek Field of northwest Union County, discovered in 1948. Nine wells in the field yield about 8,000 barrels of crude per month. The new test was the first activity at Bear Creek in more than 18 months and is expected to start other development in the immediate area.

In the West Nick Spring Field, three miles east of El Dorado, Spartan Drilling Company's Dunbar Heirs No. 1 is reported flowing 42 barrels of oil per day through 12-64-inch choke with 600 pound tubing pressure. Location is SW NW SW 31-17S-14W on the southeast edge of the field. Perforations were made at 2493-95 and 2498-2500.

Pan-Am Waiting

On the north edge of this field, Pan-Am Southern Corporation is shut down, waiting for orders, on the Nelson Estate No. 1 in SW SW NE 36-17S-15W. The Nelson was drilled to 3,699 feet and may be taken lower. It offsets this company's C. W. Everett No. 1 in which a new producing level was found for the area. Crews for Pan-Am are installing pumping unit on the Everett which was squeezed to shut off water.

Pan-Am's Union Saw Mill No. 2 in SW NE NW 9-18S-13W, West Urban field, was chalked up as a dry hole and abandoned at 2,648 feet.

The third try in the Trull Field of southwest Union County was a failure. El Dorado Drilling Company, et al, abandoned the McKinnon Estate No. 1 in NW SE 22-18S-17W after drilling to 4,034 feet. The pool opener was a work-over job on a well originally drilled to the Smackover lime. The second well also was dry.

In the nearby East Schuler Field, Curtis Kinard is preparing to squeeze the Burns No. 1 in SW Mill "D" No. 4 in SE SE NW 7-18S-12W, Sandy Bend Field, and will pump from open hole from 2,269-78 feet. This Company is building road to the Union Saw Mill "D" No. 3 in SW SW NE of the same section.

Seven Permits For Drilling Are Issued

Gazette State News Service
El Dorado, Jan. 27.—The Arkansas Oil and Gas Commission issued seven permits to drill and authorized one plug-and-abandon job during the past week. The list:

Lee and Markham Production Company and A. C. Allyn, drill Price No. 1, SE NW 18-16S-25W, Columbia, wildcat, 4,250 feet.

Placid Oil Company, drill Lawton May No. 1, W 1-2 SE SW 9-14S-22W, Nevada, 2,700 feet.

J. C. Schmidt, drill Tom Henry Kelly No. 3, NE NE SE 9-17S-14W, Union, Rainbow, 3,650 feet.

Roberts Petroleum, Inc. drill Hill No. 1, 330 feet north and 330 feet east of SWc 5-18S-13W, Union, 3,000 feet.

Burnett Production Company, drill Della Caudle No. 1, 330 feet east and 660 feet north of SWc SW NE 8-14S-22W, Nevada, 3,500 feet.

W. J. Hatley, trustee, drill C. L. Saxon No. 2, 330 feet north and east of SWc NE SE 5-16S-16W, Union, 2,700 feet.

Caddo Oil Company, drill Union Saw Mill No. D-3, 330 feet north and east of SWc SW NE 7-18S-12W, Union, 2,350 feet.

Magnolia Petroleum Company, plug E. V. Olivet No. 6, 3-16S-26W, Miller.

The annual report of the Company for 1950 with detailed financial and operating results will be completed and distributed in March, according to Martin.

Two Wildcats Hold Interest In Columbia

Gazette State News Service
Magnolia, Jan. 20.—Columbia County oil interest is centered on two deep wildcat tests, one near Magnolia and the other near Taylor.

Field reports had Gulf Refining Company's A. L. Pittman Estate No. 1, 669 feet east, 330 feet south of NE corner of 9-17-20, two miles northeast of Magnolia, near 2,000 feet. Proposed depth is 8,000 feet.

Arkansas Fuel Company's Clotilde Glass Estate No. 1, 667 feet north, 655 feet west of SE corner of SE NW 1-19-23, three-fourths of a mile northeast of Taylor, was near 1,300 feet. Proposed depth is 10,500.

In Warnock Springs Field, Burnett Drilling Company, drilling the Wilson-Nesbit Unit No. A-1 for McAlester Fuel Company in center of SE corner of 32-16-17 of a depth of 7,500 feet, was down about 5,400 feet.

In Tubal Field, McAlester Fuel Company was near 7,200 feet in Jolly No. 1, 664.9 feet east, 650 feet south of NW corner of 29-19-18, in the southwest corner of Columbia County. The test, by C. H. Murphy and Company et al, is to go to 9,300-9,400 feet, depth of other wells in the Columbia-Union County field.

Pump Installed
In Bodcaw Field, Nevada County, Carter Oil Company has installed a pump on Maggie Daniels No. 3, 280 feet south, 330 feet west of NE corner of SW SE 8-14-22, after several attempts to complete. Salt water apparently has been shut off and the company hopes for a producer. Last perforations were between 2,568-2,578.

Placid Oil Company's Taylor-Munn Unit No. 2, 280 feet south, 330 feet west of NE corner of SW 9-14-22, has been completed. Gauge was not available, but it was reported as one of the best wells in the field. Last perforations between 2,598 and 2,692 feet followed high perforations.

In the same field, Sinclair Oil Company has completed the May Unit No. 1, 330 feet from south line, 330 feet from west line of W half of NE corner of 9-14-22, as a good well. It produced 102 barrels of oil a day with no water, from between 2,542-2,548. It was acidized twice with 500 gallons after perforations. Burnett was driller.

Brantley No. 1 Abandoned
West of Bodcaw, about three and one-half miles, Arkoma Oil Company and V. S. Parham have abandoned the Louie Brantley No. 1, 330 feet south and west of NE corner of 24-14-22, after drilling to 3,810 feet, 10 feet below proposed depth.

In shallow Falcon Field in Nevada County, Sneed Brothers have two tests, Mollie Reed No. 2, 862.4 feet east 40 feet north of SW corner of NW NW 16-15-22, and Riggins No. 1, 262 feet south and east of NW corner of 16-15-22. The first was reported WOC at 1,197 feet, and the other drilling at 1,100 feet several days ago. No later report was available. The company recently abandoned as dry the Mollie Reed No. 1 at around 1,200 feet.

In Lafayette County, Magnolia Petroleum Company was reported ready for completion, or near, at around 5,000 feet in H. L. Lester No. 1, 710 feet west, 330 feet north of SE corner of SW quarter of 15-16-25. Good shows have been recovered in Kilpatrick sand at that depth.

In the same field, Lee Markham was reported as completing the Lester Brothers No. 4, 470 feet north, 330 feet west of SE corner of 15-16-25, as a good well in Kilpatrick sand at around 4,154 feet. Gauge was not available.

In Dorcheat-Macedonia Field, McAlester Fuel Company has completed an old lime well, Whitehead No. B-1, center of N half of NE corner of 19-18-21. Original depth was 8,975 feet in lime. It was recompleted in Cotton Valley, between 3,740-6,752 feet, and made 133 barrels of oil a day through a 12-64 inch choke, gravity 41.6, with 300 pounds tubing pressure.

In Dorcheat-Macedonia Field, McAlester Fuel Company has completed an old lime well, Whitehead No. B-1, center of N half of NE corner of 19-18-21. Original depth was 8,975 feet in lime. It was recompleted in Cotton Valley, between 3,740-6,752 feet, and made 133 barrels of oil a day through a 12-64 inch choke, gravity 41.6, with 300 pounds tubing pressure.

The comparative net income for the year 1949 after all charges amounted to \$9,115,161.09 or \$3.89 per share on the 2,340,813 shares outstanding at that time.

The annual report of the Company for 1950 with detailed financial and operating results will be completed and distributed in March, according to Martin.

Outlook Good For Passage Of Tideland Bill

By **TEX EASLEY**
Of the Associated Press

Washington, Jan. 20.—For the first time in years there are prospects that Congress will enact a law pertaining to control of oil lands beneath the marginal seas.

Early reaction, at least, appears favorable to the interim Tideland Bill introduced this week by Senators O'Malley (Dem., Wyo.) and Anderson (Dem., N. M.).

The measure, designed to encourage off-shore oil operations pending final settlement of the federal-versus-state controversy over ownership of the so-called tidelands, would authorize the Interior Department to manage the operations.

The states would receive 37 1-2 per cent of all revenues received from leases on lands within three miles from shore.

The remaining revenues, both the 62 1-2 per cent remaining from the area out to three miles, and the full amount received on leases seaward out to the edge of the continental shelf, would be held by the government in a special account.

Then, in the event congress should pass a bill and it became law, giving the states clear title to the controversial submerged lands, the money could be turned back to them.

Reason for Bright Outlook

The primary reason for the bright outlook for passage of the O'Mahoney-Anderson resolution stems from the critical international situation.

Emphasis is being placed on the need for increasing known oil reserves and potential production.

Opposition to this "emergency authority," as it is called by the two senators, might be interpreted by some as a move to block defense preparations.

Advocates of state ownership and control of the tidelands however, are expected to seek amendments to the resolution.

One proposal already being mentioned frequently on Capitol Hill would be an amendment to give the states 37 1-2 per cent of all revenues, all the way out to the edge of the continental shelf, which extends to between 90 and 120 miles in the Gulf of Mexico.

Texas also can be expected to put up a good fight that their state get 37 1-2 per cent, in any event, out to 10 1-2 miles from the shore. That is the seaward boundary they held on to when joining the union in 1845.

Arkansas City-El Dorado Pipe Line Started

Gazette State News Service

El Dorado, Jan. 27.—Work is under way here on the western terminus of a pipeline that will move petroleum products from El Dorado to Arkansas City, a Mississippi River port east of McGehee.

The terminus is being built for Triangle Pipe Line Company of Shreveport, La., by the Gasoline Plant Construction Company of Houston and Corpus Christi, Tex. D. L. Edmonson of El Dorado is in charge.

The pipe line will have pumping stations at Monticello and Ingalls. The company plans to move gasoline, kerosene and gas oils. The line will have a capacity of about 65,000 barrels a day.

The Arkansas City terminal will be equipped with tank car, truck and barge-loading facilities. Present plans call for completion about July 1.

Nine Tanks Planned

Bulldozers have been at work several months on a 70-acre tract just off Gallion Highway, four miles northeast of El Dorado. Nine steel tanks will be set up, five of 55,000 barrels each and four of 80,000 barrels each, making a total capacity of 595,000 barrels. Chicago Bridge and Iron Company crews will start work on these tanks in March. At the peak of work 200 men will be employed. The permanent staff of the terminus will be 14 persons.

One other pipe line, known as Project Five, has a terminal on Calion Highway just south of the new site. It transports oil products to Helena.

Oil News

2 Small Pumpers Completed In El Dorado Area

Gazette State News Service

El Dorado, Jan. 20.—Two small pumpers, final completion of a deep well and a dry hole highlighted drilling operations in the El Dorado oil district last week. Two new starts were delayed due to bad roads and several projects were awaiting delivery of oil field pipe.

Production from the Lecroy No. 1 in NE SE 32-18S-15W, Catesville field five miles south of El Dorado, was gauged at 90 barrels of oil a day through 10-64 inch choke. C. H. Murphy and Co., owners, completed the well from an open hole around 7,709 feet in the Smackover lime. The Cotton Valley formation was not tested. This is Murphy's eighth producer in the field which has yielded three dry holes on the north edge. Crews are erecting a derrick for a new try, the Miles No. 1 in SE NW of the same section.

Carter Oil Company abandoned as dry the Mayfield No. 1 in NW SW 9-18S-17W, Cairo field, after drilling to 7,921 feet. This is a southwest outcrop well, drilled in exception to field rules to bring the test closer to producing wells. The Cairo field was discovered in July, 1948, and now has 18 producers. The pool opener on the northeast edge of the field was flanked by two dry holes, and dusters on three other sides of the pool apparently have defined the producing area.

Wildcat Awaits Orders
Curtis Kinard's Burns No. 1 in SW NE SW 13-18S-17W, a deep wildcat in the East Schuler field, flowed about 20 per cent salt water in an initial test and has been shut in awaiting orders. The Burns was perforated in the Smackover lime below 7,610 feet.

Two completions were recorded in East Central Union. Dorsett Company and Crow Drilling Company's A. A. Jerry No. 1 in SW SW NW 12-18S-14W, Hillsboro field, is reported making 10 barrels of oil and an equal amount of salt water from 2,273 feet. Caddo Oil Company's Wineman No. 2 in NE NE SW 7-18S-12W, Sandy Bend field, was completed at 2,343 feet for five barrels of oil a day. Caddo's Union Saw Mill "D" No. 4 in SE SE NW of the same section is still a location.

Crews for Herbert Herff and Joseph Lewis are coring at 6,370 feet on the Mimi Herff (O. C. Smith) No. 1 in SE SW 9-16S-17W, Bear Creek field, after making a drillstem test at 6,350-61 feet. The test yielded 115 feet of oil and 90 feet of oil cut mud through one-quarter inch top and bottom chokes. This is the first try in the Bear Creek field in more than a year.

El Dorado Drilling Company, et al, is below 3,500 feet on the McKinnon Estate No. 1 in NW SE 22-18S-17W, Trull field, where one well is producing from around 4,000 and a second try was a failure. C. H. Murphy and Co., and McAlester Fuel Company are drilling below 2,450 feet on the McCarthy No. 1 in NW NW 33-18S-18W, Tubal field of Southwest Union and Southeast Columbia Counties. The McCarthy is a southwest diagonal offset to the field's opener, the Gregory No. 1.

Water Invades Well
Pan-Am Southern Corporation is squeezing the C. W. Everett No. 1 in SE SE NW 36-17S-15W, on the north edge of the new West Nick Springs field. Water invasion necessitated working over the well which on an initial test flowed 44 barrels of oil a day from the Glen Rose sand around 3,312 feet, a new production level for the area.

On the southeast edge of this field, Spartan Drilling Company is testing the Dunbar Heirs No. 1 in SW NW SW 31-17S-14W in the Meakin sand at 2,482 feet.

Muddy roads have delayed start on Curtis Kinard's deep semi-wildcat two miles north of Strong. It is the Clark No. 1 in NW SE 21-18S-12W, scheduled for 6,400 feet. Kinard also has spotted the Betts No. 1 in NE SE NE 22-17S-14W, a little more than a mile from the new Ramsey Creek field.

In the West Urbana field, Pan-Am Southern Corporation is drilling below 1,050 feet on the Union Saw Mill No. 2 in SW NE NW 9-18S-13W. The Gerhig Company of Arkansas is below 2,510 feet on the Meakin No. 1 in NW NE NW 9-16S-16W, Smackover field. R. M. Crabtree has three operations in the Smackover field, all reported waiting on casing to be delivered.

'Under-taxed' Charge Spurs Oil Operators

By **Charles Haslet**
Of the Associated Press

Washington, Feb. 3.—The oil industry was spurred into action today by President Truman's reference to "gross under-taxation" of the oil and mining industries in his tax message to Congress.

Between 10 and 15 representatives of both major and independent oil operators will confer here tomorrow about efforts to retain what the industry considers reasonable depletion allowances in the income tax laws.

The present allowance is 27 1-2 per cent, a figure that has been in effect for 25 years. Some oil association officials here look for the Treasury Department to renew last year's unsuccessful attempt to cut the allowance to 15 per cent.

In his tax message yesterday, Mr. Truman made no specific recommendation. He is leaving that to the Treasury. The president said Congress had left a number of "loopholes" in present tax laws, adding that he previously had called attention "to the gross under-taxation" of the oil and mining industries.

The president referred similarly last year to "loopholes" and the Treasury later asked Congress, without success, to reduce the 27 1-2 per cent allowance to 15.

Russell Brown, general counsel of the Independent Petroleum Association of America, reiterated the industry's position that it cannot take a cut without impairing its search for oil at a time when increased supplies are necessary.

Gas Council to Be Set Up

A national gas council, similar to the National Petroleum Council, an advisory group to the government, is expected to be established within a few days.

Secretary of the Interior Chapman has informed the industry of his willingness (1) to appoint a separate advisory council to represent the natural gas industry and (2) to name an assistant deputy administrator of gas in the petroleum administration for defense.

Gas officials several weeks ago urged that the industry be given a setup, separate from the oil agency, to handle problems of gas transmission and distribution.

The Council is expected to be composed of 30 members at the start.

Steel Allocation Approved

The National Production Authority has approved tentatively the allocation of enough steel to drill about 44,000 new oil tests during 1951, according to the National Petroleum Council.

It was reported NPA had informed the Interior Department of its approval of a request for 1,890,000 tons of steel, but no NPA order has yet been issued.

This is the quantity of steel the PAD and the industry estimate will be needed to maintain an adequate drilling program during 1951.

PAD also was told by NPA that the later agency has approved a proposal for setting aside five per cent of the allocated steel in an emergency pool for use of operators who are unable to get tubular goods for essential drilling operations through regular channels.

Plans are in the making at PAD to put the emergency pool into effect about April 1.

PAD Taking Shape

The PAD appears to be getting organized. Indications are that Deputy Administrator Bruce K. Brown will have at least three assistant deputies—one for foreign industry, one for domestic and one for gas.

The name of C. Stribling Snodgrass, connected with a San Francisco international engineering firm, has been mentioned for the foreign deputy post.

Oil News

Action Due Soon On Pipelines

By EDWARD JAMIESON.
(Democrat Staff Writer.)

Washington—Positive action on what Bruce K. Brown, deputy petroleum administrator for defense, has described as the No. 1 defense problem of his organization at this time—an expansion of oil transportation facilities within the United States—will be taken in the near future.

No new pipelines of the magnitude of the Big and Little Inch lines built during World War II are planned as yet, at least, but several important links between producing fields and major refining areas are expected to get government approval in the near future.

Probably the first large line to be given the green light will be the 26-inch line connecting West Texas with northbound pipelines in East Texas, plans for which were announced this week in Pittsburgh by five major companies.

If approved, and indications are that it will be, the 440-mile line will have a capacity of 300,000 barrels daily and be completed sometime early in 1952. Though the announcement of plans for the line was made by the Gulf Oil Corp., four other companies will participate in its construction and operation. They are the Cities Service Co., Pure Oil Co., Sun Oil Co., and Standard Oil Co. of Ohio.

PAD Approval Seen.
The fact that a line connecting West Texas with refineries on the Gulf Coast of Texas and other pipelines running from there up to mid-west refining centers, was recommended last month by the National Petroleum Council appeared to give it the support it will need for PAD approval. It will have to get clearance from PAD before it is assured the necessary pipe and other materials needed for its construction.

Approval of this line, of course, will be a set-back to the proposed pipeline connecting the West Texas producing fields to the California coast. One of the best arguments for the West Texas-California pipeline has been the absence of necessary transportation for West Texas oil, which has forced a curb on production there.

The other major pipeline link which has been recommended by NPC, but for which no definite plans have been announced as yet, would connect Ohio with New York and Philadelphia refining centers. Additional lines to carry refined products for various distances to serve large consuming areas are also being studied.

No PAD Changes Seen.
The over-all changes in the national defense and mobilization set-up announced last week by President Truman and Mobilization Director Charles E. Wilson will mean no practical changes at this time in the operation of the Petroleum Administration for Defense, which is headed by Secretary of Interior Oscar Chapman.

Although Wilson was given top authority over every defense agency, regardless of where it was originally established, he immediately allocated this authority for a number of the agencies to the men who have headed them up to this time.

Included was the PAD. This allocation of authority, however, could be revoked by Wilson later if he felt that such action was warranted. It is considered unlikely that such action would be taken, however. During World War II, despite the fact that the Petroleum Administration for War, also under the secretary of interior, fused with both the War Production Board and the Office of Price Administration on frequent occasions, it was never taken away from Secretary Ickes.

No Impact Drop Seen.
Imports of crude oil into the United States are not likely to fall off as a result of the change in the import duty on a large amount of imports which took place January 1 when the Mexican reciprocal trade agreement with the United States finally ended.

With the final cancellation of the Mexican agreement, the trade treaty with Venezuela now becomes the operative treaty with respect to import tariffs on oil and refined products. Under this agreement, only 5 per cent of last year's production of crude oil in the United States can be imported at the low duty rate of 10 1/2 cents per barrel. The balance of all imports will have to pay a duty of 21 cents a barrel.

Under normal conditions, this charge in the import tax might have some effect upon imports and discourage the high rate which has prevailed during the past several years. But with the United States moving into an all-out mobilization program and the general chaotic international business situation, it is anticipated that most importers of oil into this country will continue to bring oil in, even though they are forced to pay a higher import tax on a part of it.

Under the proclamation of President Truman, the amount allowed to come in at the lower rate will be divided as follows: Venezuela, 59.4 per cent; Netherlands, 18.7 per cent, and other foreign countries, 21.9 per cent.

Spartan Has Producer

El Dorado—Spartan Drilling Co. completed the T. M. Thompson No. 2 well during the past week. Located in section 31-17-14, it is flowing 73 barrels per day. Total depth is 2,487 feet. It was perforated with 15 shots at 2,482-84. Oil gravity is 21.4.

Roberts Petroleum Co., Inc., is waiting on standard rig at 2,908 feet for the Ramsey No. 1, section 23-17-14, and is installing pumping unit. The same company is waiting on cement for the Lena No. 2, section 25-17-14, at 2,935 feet. They have set pipe and are planning to test today.

Roberts Petroleum Co. is waiting on standard rig for the Summers Wells Nos. 3, 4, 5, and 6, located in section 13-18-14. Also waiting on standard rig is Curtis Kinard's J. D. Gregory No. C-1, section 10-17-14, at 3,637 feet. Carter Oil Co. is drilling the Mayfield No. 1, section 9-18-17, at 7,613 feet. Turner is waiting on standard rig for the R. S. Saxon No. 1, section 4-18-16. Curtis Kinard set 5 1/2-inch casing at 769 feet on the Burn No. 1, section 13-17-17. Total depth is 7,700 feet.

Murphy & Co. abandoned the Owens No. 1, section 13-18-17, as dry at 9,396 feet. Caddo Oil Co., Inc. has shut down the Union Sawmill "E" No. 2, section 7-18-12, and is waiting orders at 3,100 feet.

Sugar is waiting on cement at 2,671 feet for the Goodwin No. 5, section 3-16-15. Roberts Petroleum

Co.'s Lena No. 1, section 26-17-14, is pumping with no gauge taken. Total depth is 3,511 feet, and the well was perforated at 2,900 feet. Murphy is drilling the LeCroy No. 1, section 32-18-15, at 7,725 feet.

Roberts Petroleum, Inc., is preparing to drill plug and is waiting on cement at 2,217 feet for the Union Sawmill No. 101, section 14-18-14. Curtis Kinard is testing the Pumphrey No. C-4, section 12-17-14, at 3,437 feet. R. M. Crabtree is rigging up the C. L. Saxon No. 3, section 5-16-16. R. M. Crabtree has made location for the C. L. Saxon No. 5. C. H. Murphy is building roads to McCarthy No. 1, section 33-19-18. R. M. Crabtree has made location for the C. L. Saxon No. 6, section 4-16-16.

New Wildcat Sites Staked In Columbia

Magnolia—Columbia county has two new wildcat locations, one near Magnolia and the other near Taylor.

The Magnolia location is Gulf Refining Co.'s A. L. Pittman et al No. 1 669 feet e, 330 feet s of nw corner of 9-17-20, on a 1,000-acre farm out from the Chicago Corp., two miles northeast of Magnolia, to be drilled to 8,000 feet. Contract was to have been let this week. Location was being cleared and roads built.

The other is Arkansas Fuel Oil Co.'s Grottilde Glass Estate No. 1, 3 1/2 miles northeast of Taylor, 667 feet n, 655 feet w of se corner of se sw 1-19-23; which is due for a depth of 10,500 feet. It was clearing location and building roads.

The deep wildcat west of Emerson, Lion Oil Co.'s Whaley No. 1, 100 feet n of center of se se 4-19-21, has been abandoned as dry after drilling to 10,002 feet, and testing between 9,912-9,930 feet without promise, it showed 500 feet of salt water. Its proposed depth was 10,500. It showed porous Smackover at 9,902 feet.

Other Fields.
In Warnock Springs field, Burnett Drilling Co., drilling the Wilson-Nesbit Unit No. A-1, center se corner of 32-16-19, for McAlister Fuel Co., was down around 3,100 feet. Proposed depth is 7,500 feet in Smackover.

In Tubal field, C. H. Murphy and Co. have a new location in south-west corner of Union county, the McCarthy No. 1, center of nw nw 33-19-18, which was clearing location and building roads.

In the same field, McAlister Fuel Co. was near 5,000 feet in Jolly No. 1 664.9 feet e, 660 feet s of nw corner of nw ne 29-19-18, another deep test in that two-county field, Columbia county, side.

In same field, McAlister Fuel Co. has abandoned the Owen No. 1, 560 feet s, 660 feet e of nw ne 33-19-18, as dry after it was drilled to 9,396 feet and coring between 8,688-8,676 feet, with only a slight show of oil in sand near top of Smackover.

In Bodcaw field, Nevada county, Spirit Lake.

Oil Circles Question DPA Set-Up

Washington (AP)—Question of the moment in oil circles here is what effect establishment of the Defense Production Administration will have on the Petroleum Administration for Defense.

President Truman last week created the new over-all production agency within the framework of the Office of Defense Mobilization, headed by Charles E. Wilson. William Henry Harrison, now chief of the National Production Authority, will direct the new DPA.

That fresh alphabetical series—DPA, PAD, ODM, NPA—has added to the oil industry's uncertainty over just exactly what to expect in the next few months.

The presidential order setting up the DPA stated that the PAD would be placed under Harrison, but its powers could be delegated back again to the PAD "pending further order."

Most petroleum industry representatives here feel that it's only a paper shifting of titles and that at least for the time being Bruce Brown, deputy petroleum administrator for defense, will continue as top man for the industry in the defense set-up.

Adding to the industry's uncertainty was publication of an order in a recent issue of the federal register—official record of all executive orders—to the effect that Brown would be responsible to Secretary of the Interior Chapman.

Oil men saw in this the possibility that in the absence of Chapman, who holds the title of petroleum administrator, an assistant secretary of interior might be called upon to make a decision in a field with which he was not personally familiar.

An Interior Department attorney said the phraseology was used for administrative efficiency, and that from a practical standpoint there was no basis for concern.

Availability of steel remains the oil industry's big problem in the coming months.

The PAD is considering establishment of a "pool" arrangement similar to that used in World War II for meeting emergency needs. Wildcaters particularly benefitted under the old set-up.

Under the plan, about 5 per cent of steel set aside for the oil industry would be allocated for established producing areas. An operator with an obvious need for steel supplies in a hurry could obtain them without having to handle the matter through Washington.

Defense officials are hopeful that enough pipelines will be in operation in the event of another war to avoid use of tanker ships along the Atlantic coast.

The Big Inch and Little Inch helped, along with railroad tank cars, after Nazi submarines took a heavy toll of tankers in World War II.

The government has already moved for voluntary allocation of tankers for defense needs. A plan drafted by the Maritime Administration and the PAD will be presented the oil industry at a public hearing January 18.

The proposal calls for a mathematical prorata distribution of the shipping burden among the 460 U. S. flag tankers and any foreign vessels that might be included among those of tanker owners and charterers participating in the plan.

And, on the pipeline front, Bruce Brown said his PAD will make a complete transportation study to determine what proposed pipeline construction projects are the most essential from the standpoint of steel requirements.

Carter Oil Co. was still testing and finally squeezed off salt water and was hoping to release the oil which has shown that some kind of a well is in prospect, for Maggio Daniels No. 3, 330 feet s, 330 feet w of ne corner of sw se 8-14-22.

In same field, Burnett Drilling Co. was near 1,900 feet in the Taylor-Munn Unit No. 1, 200 feet S, 300 feet w of ne corner of sw sw 9-14-22, for Placid Oil Co.

In same field, Burnett, having drilled the May Unit No. 1, in west half ne sw 9-14-22, for Sin Clair Oil Co., was waiting on pump. It shows for a good well for that shallow field. Last perforations were between 2,542-2,548 feet. It tested 12 barrels of oil per hour, after 500 gallons of acid was used.

In Spirit Lake field, Lee Markham has finally completed and announced gauge for the Lester Brothers No. 3, 430 feet n, 660 feet w of se corner of 15-16-25, as making 155 barrels of oil daily with no salt water, through a 12-64-inch choke, with small amount of gas. Several attempts have been made previously for completion.

In same field, Magnolia Petroleum Co.'s H. L. Lester No. 1, 610 feet w 330 feet e of se corner of sw 15-16-25, was completing final steps near proposed depth of 5,500 feet. Markham was drilling near 3,000 feet in Lester Brothers No. 4, 470 feet n, 330 feet w of se corner of 15-16-25, due for same depth as above.

In same field, Crow Drilling Co. has abandoned as dry the C. B. Moore No. P-2, 330 feet E of sw corner of sw se 13-16-25, which was given a proposed depth of 4,000 feet.

In Little River county, E. H. Sabens has abandoned as dry the S. D. Matteson No. 1, 330 feet n & w of se corner of se sw 12-13-33, near Forman, somewhere near 3,200-3,500 feet.

Two wildcats in Hempstead county have been abandoned before reaching 300 feet. These are Myers and Collins' Peace No. 1 and No. 2. First is in 20-12-27, and No. 1, in 20-17-27.

Commission Issues Five Drill Permits

El Dorado—The Arkansas Oil & Gas Commission issued five permits to drill new wells during the past week. They went to:

W. M. Coats, J. L. Moore No. 1, section 3-9-10, Cleveland county, five miles northeast of Rison, to be drilled to 4,200 feet.

Doiset Co. & Crow Drilling Co., Inc. A. A. Jerry No. 1, section 12-18-14, Union county, Hillsboro field, seven miles east of El Dorado. Proposed depth is 2,300 feet.

Caddo Oil Co., Wineman No. 2, section 7-18-12, Union county, Hibank field, four miles northwest of Strong, to 2,350 feet.

Arkanar Oil Co., Inc., U. S. Parham et al. Louis Brantley No. 1, section 24-14-23, Nevada county wildcat, 11 miles northwest of Buckner, to 3,800 feet.

Arkansas Western Gas Co., Davis No. 1, section 18-10-26, Franklin county, White Oak field, three miles north of Ozark. Cable tools will be used to drill to 4,000 feet.

3 Wells Completed In Union

El Dorado—Three wells in Union county were completed during the past week. Curtis Kinard's Burn No. 1, section 15-18-17 is pumping 150 barrels of oil per day and is still testing. Total depth is 7,700 feet.

W. Hatley jr. completed the C. L. Saxon No. 2, section 5-16-16 at a total depth of 2,648 feet. The well is pumping 16 barrels of oil and six barrels of salt water. Also completed was the Caddo Oil Co., Inc., Union Sawmill "D" No. 2, section 7-18-12 at 2,397 feet. The well is pumping five barrels of oil.

Roberts Petroleum Co. is waiting on standard rig for the Summers No. 6 at 2,575 feet. Turner is drilling the R. S. Saxon No. 1, section 4-18-16 at 200 feet. Sugar is waiting on cement at 2,671 feet for the Goodwin No. 5, section 3-16-15. Caddo Oil Co., Inc. has shut down the Union Sawmill No. "E" 3, section 7-18-12 at 2,100 feet.

H. Murphy is drilling the McCarthy No. 1, section 33-19-18 at 7,335 feet. Roberts Petroleum Co. is preparing to perforate the Hill No. 1, section 5-18-13. Murphy Corp. is drilling the Miles No. 1, section 32-18-15 at 6,640 feet. J. C. Schmidt has abandoned the Tom Henry Kelley No. 3, section 9-17-14 at 3,650 feet.

Herff & Lewis are drilling the Lewis Werner Co. No. 1 at 3,080 feet. E. G. Bradham is waiting on cement for the J. E. Dunbar No. 1, section 1-18-15. Atkins and Pannell are running casing on the Childs No. C-1, section 8-16-16 at 2,638 feet.

State Oil Drilling Hit New High As 1950 Closed, Report Reveals

Gazette State News Service

El Dorado, Jan. 20.—Drilling for oil in Arkansas hit a new high during the closing weeks of 1950, the latest statistical report of the Arkansas Oil and Gas Commission shows.

During December, 45 wells were completed in the state, the largest number for any month in more than a year. Of the total, 27 were oil or condensate producers, 18 dry holes. Even the "batting average" of the drillers, 60 per cent successful completions, was above par.

The Commission issued permits during December for 25 new wells to be drilled, as compared with 36 during November. Plug and abandon jobs totaled 33 in December, 24 in November.

Production and processing of crude oil showed a slight decline during November, the latest statistics reveal. The 87 oil pools in Arkansas yielded a daily average of 82,852 barrels, as compared with 85,105 daily in October. The six refineries in Arkansas processed a

daily average of 57,250 barrels of crude, a decrease from the all-time high of 58,488 barrels daily in October.

Gas production in South Arkansas averaged 165 million cubic feet daily in November, 170 million feet daily in October. The 27 gas fields of North Central Arkansas yielded 25.6 million cubic feet during November, nearly double the October figure of 13.4 million cubic feet daily.

South Arkansas's 10 gasoline processing plants ran a daily average of 196 million cubic feet of gas daily in November, 178 million cubic feet daily in October. These plants turned out 3,296 barrels of gasoline daily in November, 2,810 barrels of butane and propane and 623 barrels of condensate.

Effort To Jump Oil Tax Fades

Washington (AP)—Any immediate effort to reduce the tax depletion allowance for the oil and gas industry is considered unlikely. But this controversial issue seems fairly certain to get congressional attention later in the year.

The treasury has recommended, as it did last year, that the allowance be cut from the present 27 1/2 per cent to 15 per cent. President Truman, in his tax message to Congress, described the allowance as one of the "loopholes" in the tax laws.

One member of the House Ways and Means Committee and an official of an oil organization told a reporter they doubted that any change in the depletion percentage would be considered in drafting the first tax bill proposed by the administration. The goal of this bill is \$10 billion in new revenue.

Because of the administrator's call for speed on this bill, they expressed belief that the controversy would be left for a second tax bill, possibly within a few weeks after passage of the first one.

(Opposition has been expressed in some congressional quarters to two separate tax bills.)

"As things stand now and in view of the treasury's recommendation that emphasis not be placed at this time on controversial items, I don't anticipate that there will be any immediate change in the depletion allowance," the Ways and Means Committee member said.

Meanwhile a group of oil operators met here to discuss the industry's plans for combating the treasury's proposal when and if it comes before congressional committees.

The industry maintains that the 27 1/2 per cent allowance is fair and that it is vitally needed if a full-scale drilling program for new wells is to be carried on.

The operators contend that the allowance has been an important factor in enabling the industry to increase the oil supply to meet present defense and civilian demands.

Spot shortages of liquid petroleum gas and other oil fuels have appeared in some parts of the country because of interruption of railroad service and severe winter weather.

"Full Loads."
Bruce K. Brown, deputy director of the Petroleum Administration for Defense, has telegraphed governors of Michigan, Illinois, Indiana, and Wisconsin a request that they take steps to permit tank trucks to operate over their highways with full loads, regardless of state weight limits, during the fuel emergency.

And distributors and co-operatives have been requested to load and unload tank cars 24 hours a day, seven days a week at least until normal rail service is restored and probably for the rest of the winter.

This is designed to make more use of the allowable tank cars.

February 8, 1951 House Is Asked To Double Oil Severance Tax

The House was asked yesterday to double the severance tax on oil to bring in upwards of \$3,000,000 more in state revenue.

Representative James J. Edwards of Mississippi County made that a part of his bill (HB 317) amending parts of the present severance tax laws.

Edwards said that \$3,050,000 was taken in by the state last year at the present severance tax rate on oil of four per cent of the market value at the point of severance.

Edwards' measure would increase the tax on oil (and diamonds, muscle shells, fullers earth, ochre, natural asphalt, native sulphur, salt, iron, pearls and other precious stones) to eight per cent, and double the revenue intake.

In addition, the bill would increase the severance tax on natural gas from three-twentieths of one cent to three-tenths of one cent per 1,000 cubic feet. Edwards estimated the natural gas severance increase would double last year's \$76,798 take from this source.

"Arkansas's severance tax on these items is low as compared to adjoining states," said Edwards. "It should be brought up to the average of our neighbor states."

Seventy-five per cent of the revenue from the severance increase would go into the General Revenue Fund, in which most state agencies and institutions share, and 25 per cent would be for turnback aid to local governments.

Timber Severance Tax

Representative A. J. Moble of Montgomery County introduced a bill (HB 321) requiring timber producers to finish their products in the county in which the timber is cut or pay an extra 10 cents per 1,000 board feet severance tax to the state.

A bill (HB 320) to exempt livestock and poultry feed, the fertilizers used to raise this feed, and baby chicks from the provisions of the state sales tax was introduced by Representative Clifton Wade of Washington County.

Wade also introduced a bill (HB 322) granting to any municipality owning parking meters, through its city council, the right to use the net revenue from the meters to purchase rights of way or improve streets.

The Jefferson County delegation submitted a bill (HB324) granting authority to the ordinance-making body of any city or town having an organized fire department to permit the fire department to fight

Increased Gas Flow Is Boon to North Arkansas

By J. J. OWENS.
(Democrat Correspondent.)

Ozark—A leasing, drilling and production boom is underway in Franklin county, with hundreds of acres under lease and three companies competing for the sweet, dry gas produced in this area. They are Arkansas Western Gas Co., Arkansas-Oklahoma Gas Co., and Arkansas-Louisiana Gas Co.

In recent months three wells have been brought in, in the Cecil area in south Franklin county, 13 miles south of here. These wells are on the farms of Paul and Ralph Barton and J. R. Casey. Drilling is continuing and new wells will soon be completed. Gas from this field is being taken by the Arkansas-Louisiana and Arkansas-Oklahoma firms.

On December 16, a well producing 13,000,000 cubic feet of gas in the first 24 hours, as officially gauged, was brought in, in the White Oak area of Franklin county, from a depth of 3,419 feet. It is Sherrod and Apperson J. Ben Evans No. 1, 300 feet north, 100 feet west, southeast corner, SW NW, section 36-10N-28W. Evans has a farm about six miles west of Ozark. The operators have been drilling wells in this area for some time, the gas going to Arkansas Western, a concern which has been operating in north Franklin county about 10 years and now controls distribution from more than 12 wells. Headquarters of this concern are in Fayetteville, while Arkansas-Louisiana operates out of Shreveport, La., being a large concern engaged in producing gas and oil for Cities Service. The production con-

Four Tests Drill Away Despite Ice But Most Activity In South Arkansas Fields Is Weather-Bound

Magnolia—Two wildcats in Columbia county and two tests in proven fields are drilling on down toward finals, despite the extreme weather.

Gulf Refining Co.'s test, near Magnolia, A. L. Pittman Estate et al No. 1, 669 feet E, 330 feet S of NE corner of 9-17-20, two miles northeast of Magnolia, drilling by Zack Brooks Drilling Co., was near 6,100 feet, toward a depth of 8,000 feet.

Arkansas Fuel Co., was near 5,500 feet in the wildcat, Clotilde Glass Estate No. 1, 667 feet N, 655 feet W of SE corner of SE NW 1-18-23, three-fourths of a mile northeast of Taylor, with a proposed depth of 10,500 feet.

In Warnock Springs field, McAlister Fuel Co.'s Wilson-Nesbit Unit No. A-1, center of SE corner of 32-16-19, due for a final depth of 7,500 feet, was down near 6,800 feet. Burnett Drilling Co. is drilling the test.

In Tubal field, McAlister Fuel Co. was near 8,000 feet in Jolly No. 1 664.9 feet S of NW corner of the field, and the same company of 29-19-18, Columbia county side was near 6,300 feet in McCarthy No. 1, center of NW SW 33-19-18, on the Union county side of the two-county field. Both tests, as others in the field, are C. H. Murphy and Co.'s.

Lafayette County.
East of McKamie-Paton field, Lafayette county, E. G. Bradham has cleared location and was building roads to a new wildcat location, not officially announced at this time, but has shut down because of extreme cold, sleet, snow and sub-freezing weather.

In Bodcaw field, Nevada county, Burnett Drilling Co. was drilling below 3,950 feet in Della Caudle No. 1, 330 feet E, 660 feet N of SW NE 8-14-22. The proposed depth was 3,500 feet. In the same field, Placid Oil Co. was near final proposed depth of 2,700 feet in Lawton May No. 1, (formerly announced as Munn No. 1) 330 feet S, 330 feet E of NW corner of SE SW 9-14-22, and should be completed within a brief time.

Gage Announced.
In the same field, Placid has announced gauge for the Taylor-Munn Unit No. 1, at 96 barrels of oil and 90 barrels of basic sediment and water daily from between 2,563-2,578 feet.

Carter Oil Co.'s Maggie Daniels No. 3, in 8-14-22, which made 81 barrels daily after setting pump, has fallen in production and it is not as encouraging as for awhile. It is in 8-14-22.

In Spirit Lake field, Lafayette county, Magnolia Petroleum Co. was reported still testing the H. L. Lester No. 1, in 15-16-25, after perforations between 4,968-4,970 feet.

In some field, E. D. Markham, operator, announced a gauge of 65 barrels of oil daily and 20 barrels of BSW from perforations between 4,154-4,163 in Lester Bros. No. 4, in 15-16-25.

Miller county has a wildcat location already rigged up and surface pipe set, the Lee and Markham's Price No. 1, 150 feet NE of Center of SE NW 18-16-25, which has a scheduled depth of 4,250 feet.

Arkansas Democrat, 2- Oil News

Four Tests Drill Away Despite Ice

But Most Activity In South Arkansas Fields Is Weather-Bound

Magnolia—Two wildcats in Columbia county and two tests in proven fields are drilling on down toward finals, despite the extreme weather.

Gulf Refining Co.'s test, near Magnolia, A. L. Pittman Estate et al No. 1, 669 feet E, 330 feet S of NE corner of 9-17-20, two miles northeast of Magnolia, drilling by Zack Brooks Drilling Co., was near 6,100 feet, toward a depth of 8,000 feet.

Arkansas Fuel Co., was near 5,500 feet in the wildcat, Clotilde Glass Estate No. 1, 667 feet N, 655 feet W of SE corner of SE NW 1-18-23, three-fourths of a mile northeast of Taylor, with a proposed depth of 10,500 feet.

In Warnock Springs field, McAlister Fuel Co.'s Wilson-Nesbit Unit No. A-1, center of SE corner

Gas Distributors Set Record-Breaking Year

At the end of 1950 Arkansas' gas utility men could look back with satisfaction at the past 12 months, having broken all previous records during the period by furnishing billions of cubic feet of natural gas into thousands of Arkansas homes and business establishments.

The largest company involved in this important role, the Arkansas Louisiana Gas Co., reported it had spent a considerable amount of the \$10 million earmarked for 1950 expansion affecting Arkansas for exploration and developing new gas fields.

"Our reserve picture," said A. H. Couch, industrial representative of the company's pipe line department, "is far better now than at any time in the history of the company. At the end of 1949 and the beginning of 1950 we had an estimated reserve of two and a half trillion cubic feet. We now have 2.7 trillion feet in our reserve reflecting an increase in 1950 of 200 billion cubic feet, even though our sales during 1950 reached an all time peak."

In 1950, Arkansas Louisiana sold 90 billion cubic feet of gas to 125,000 customers in Arkansas. This, said Couch, was an increase of 25 billion cubic feet of gas and 9,000 customers over 1949.

"Right now, we feel we're in a position to serve any defense or industrial plant that might be built in this area," Couch continued. The company expects to add at least 10,000 Arkansas customers this year. And based on normal growth figures, plus inquiries already received from defense industries, the company plans to spend in 1951 about \$12,500,000 expanding facilities in or affecting Arkansas.

Part of the \$10 million expansion figure for 1950 went into a 163-mile, 20-inch transmission line from Northeast Texas to Central Arkansas. The line was started in 1949 and completed in 1950 at a cost of about \$13 million.

In Northern Louisiana, on the new transmission line, Arkansas Louisiana Gas Co. constructed a compressor station designed for 7,000 horsepower, Couch said. "We have put 44,000 horsepower into operation on that line as a result of the compressor station and another 28,000 horsepower will be added in 1951, if materials are available. The new line gives considerable added capacity for serving Arkansas. But that was what it was built for," Couch pointed out.

From Mid-South Co. This year, depending on the availability of steel, the Mid-South Gas Co., which purchased much of the Arkansas Power & Light Co.'s gas holdings in East Arkansas in 1950, plans to build about 240 miles of pipeline and 22 new distribution systems.

Estimates are that the company's expansion will cost about \$6,500,000 this year. Mid-South has had very little transmission line. The company has been supplying its 17,000 customers with natural gas from the lines of Mississippi River Fuel Co.

For the 28,000 customers the company expects to be serving by the end of this year, Mid-South will require four billion 912 million cubic feet of natural gas—one billion 800 million cubic feet more than Mid-South's customers consumed in 1950. New Firm to Sell.

Scheduled to go into the natural gas business for the first time this year is the Arkansas Missouri Power Co. The company will serve the same general northeast Arkansas and southeast Missouri area where it sells electricity. It has franchises to supply gas to Blytheville, Monette, Leachville, Dell, Manila, Luxora, Osceola, Piggott and Wilson in Arkansas.

Arkansas Missouri plans to spend around \$3,500,000 this year to install more than 100 miles of transmission lines and new distribution systems. Two sources of the gas are being considered. It will come either from Texas-Eastern Co.'s transmission lines in Campbell, Mo., or from Mississippi River Fuel's lines in Paragould.

Arkansas Western Gas Expands. Arkansas Western Gas Co., which has invested nearly \$5 million in new facilities in the past six years, expects to expand another \$700,000 worth in 1951, according to the firm's president, L. L. Baxter, Fayetteville.

The company has a network of 375 miles of transmission lines extending into 40 northwest Arkansas cities and communities in nine counties. Arkansas Western intends to increase its transmission lines to 400 miles and its customers from 23,000 to 25,400, if construction materials are available this year.

S. R. Walker, president of the Ft. Smith Gas Corp., which serves 18,536 customers in Ft. Smith, Van Buren and Alma in west Arkansas, and 825 customers in Pochontas and Corning in east Arkansas, said the company hopes to add another 1,500 customers this year. It will probably spend \$150,000 making general improvements in its distribution system, while adding little to its 359 miles of lines.

Ft. Smith Gas buys natural gas for its two east Arkansas distribut-

Drilling Off During Week

Magnolia—Drilling continues in Columbia, Nevada and Lafayette counties, but slightly down from last week. However, two wildcats are drilling in this county, three tests are going down in proven fields, and one re-completion is in progress.

Gulf Refining Co. is near 4,500 feet in A. L. Pittman's Estate No. 1, 669 feet E, 330 feet S of NW corner of 9-17-20, with a proposed depth of 8,000 feet. It is two miles northeast of Magnolia.

Three-fourths of a mile northeast of Taylor, Arkansas Fuel Co., is near 2,400 feet in Clotilde Glass Estate No. 1, 667 feet N, 655 feet W of SE corner of SE NW 19-23. It is due to drill to 10,500 feet.

In Warnock Springs field, Burnett Drilling Co. is near 6,000 feet in Wilson-Nesbit Unit No. A-1, SE corner of 32-16-19, drilling for McAlester Fuel Co. Proposed depth is 7,500 feet.

In Magnolia field, Atlantic Refining Co., is re-completing the Foster No. 2, center of SW NE 24-17-20, an old lime well, which originally produced at 7,539 feet. Perforations have been made slightly lower, between 7,546-7,558 feet, with a show of oil for production in lime again. It is testing.

Tubal Wells Drill.

In Tubal field, McAlester Fuel Co. is down near 7,500 feet in Jolley No. 1, 664.9 feet E, 660 feet S of NW corner of 29-19-18, and is near 4,950 feet in McCarthy No. 1, center SW NW 33-19-18, Jolley No. 1 is in Columbia and McCarthy No. 1 is in Union and both are owned by C. H. Murphy & Co. and due for depths of 9,200-9,400 feet.

In Stephens field, a new location now drilling ahead, is R. E. Cloud et al's J. W. Smart No. 3, 330 feet S & E of NE corner of SE SE 11-15-20, which is due for a depth of 3,500 feet. It is reported to have lost a core at 3,384, and fishing followed.

In Bodcaw field, Nevada county, Burnett Drilling Co. is below 2,700 feet in Della Caudle No. 1, with a proposed depth of 3,500 feet. It is a newly-announced location. It is 330 feet E, 680 feet N of SW corner of NW NE 8-14-22.

Placid Oil Co. is rigging up in Munn No. 1, center of N half of W half of SE SW 9-14-22, and it is to be drilled by Montgomery Drilling Co.

Three Bodcaw Wells. Three wells have just recently been completed in the field. They are Carter Oil Co.'s Maggie Daniels No. 3, in section 8-14-22; and Sinclair Oil Co.'s May Unit No. 1, and Placid Oil Co.'s Taylor-Munn Unit No. 1, both in section 9-14-22, all fairly good wells.

West of the same field, same county, in the shallow Falcon field, Sneed Brothers have two tests. Mollie Reed No. 2 was bailing out oil and salt water at between 1,190-1,197 feet, and Riggins No. 1 was running a Schlumberger survey at 1,200 feet. Both are in 16-15-22.

In Lafayette county, Spirit Lake field, Magnolia Petroleum Co. is testing H. L. Lester No. 1, in 15-16-25, between 4,025-4,030 feet, after having drilled to 6,095 feet.

In the same field, E. D. Markham is installing pump on the Lester Brothers No. 4, after oil of 36-gravity showed up from between 4,154-4,163 feet. It also is in 15-16-25.

Reports say that E. G. Bradham is preparing to start a wildcat east of McKemie-Patterson field, Lafayette county.

Stephens—The long dormant Smart oil field has promise of a new producer from the Travis Peak sand. Fitzwater and Cloud have set casing at the 3,400-foot level in their J. W. Smart No. 3 in the sw se of section 11-15-20 Columbia county, five miles northwest of here.

Drilling tests indicate that a good pumper will result when the well is completed early next week. Most

wells in that field produce from the Travis Peak sand found in various zones ranging from 3,300 to 3,800 feet. However there are a number of wells pumping from the Tokio and other formations that are picked up at shallower levels than the Travis Peak.

The new test is within a fourth mile of the first producer for that area drilled by Fitzwater and McClerkin in 1941.

By TEX EASLEY. (AP Special Washington Service.)

Washington (AP)—While the new Petroleum Administration for Defense is getting organized, the oil industry is setting new production records as if to prove its ability to meet any emergency.

In the week ending January 20, crude production and domestic refinery runs for the first time exceeded 6 million barrels daily. The American Petroleum Institute's figures show a daily average production for the week of 6,051,000 barrels and refinery runs averaged 6,505,000 barrels daily.

The present estimated refinery capacity of the country is 7 million barrels. Notwithstanding heavy withdrawals, stocks remained about normal.

One permit to plug and abandon went to Pan-Am Southern Corp., Nelson Estate No. 1, section 36-17-15, Nick Springs field, Union county, dry.

One of Deputy Pad Chief Brown's organization problems is reported to be that of finding qualified men. Final plans for the structure of the PAD are not clear, but the agency is expected to operate much like the Petroleum Administration for War did in World War II.

Brown met last week with representatives of refineries, discussing the proposal to cut the octane rating of automobile gasoline.

Calls for Economy.

The PAD's proposal calls for economizing on vital tetraethyl lead by ordering a flat reduction in the octane rating of the different grades of civilian gasoline.

At the conference, spokesmen for some companies urged that the government effect the same savings by simply cutting down the amount of tetraethyl lead allowed the refineries, letting the refiners decide on the octane ratings.

The PAD is expected to come up with the answer shortly.

The PAD hopes for definite information soon regarding steel allocations. Brown told a news conference Friday. In this connection the American Iron and Steel Institute reports that by the end of 1952 the U. S. annual steel capacity will have reached a record high of 117,500,000 tons. This will represent a 45 percent increase, or nearly 36,000,000 tons, over the 1940 capacity.

5 New Wells Get Permits

El Dorado—The Arkansas Oil & Gas Commission issued five permits to drill new wells during the past week. Miller county drew a wildcat try in the Lee & Markham Production Co. and A. C. Allyn's Price No. 1, section 18-16-25, southwest of Garland City, to be drilled to 4,250. Placid Oil Co. was issued a permit to drill the Lawton May No. 1, section 9-14-22, Nevada county, Bod-

caw field, two miles northwest of Bodcaw, to 2,700 feet.

Other permits are: J. C. Schmidt, Tom Henry Kelly No. 3, section 9-17-14, Union county, Rainbow field, 10 miles northeast of El Dorado to 3,650 feet; Caddo Oil Co., Inc., Union Sawmill "D" No. 2, section 7-16-12, Union county, Sandy Bend field, 3 1-2 miles northwest of Strong to 2,350 feet; and Herbert Herff & Joseph Lewis, Lewis Werner Co. No. 1, 10 miles southwest of Smackover in Bear Creek field, to 6,400 feet.

The Commission issued three permits to plug and abandon wells to: M. Rosenbroom, M. L. Summers No. B-2, section 24-18-14, Union county, Hillsboro field dry; Carter Oil Co., Fred Mayfield No. 1, section 9-18-17, Union county, Cairo field, dry; and Pan-Am Southern Corp., Union Sawmill No. 2, section 9-18-13, Union county, Urbana field, dry.

be drilled by Montgomery Drilling Co.

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Oil Fields Establish New Record

By TEX EASLEY. (AP Special Washington Service.)

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Oil News 2 Columbia Wildcats Spudded In

Old Dorcheat Well Flows 41.4 Oil In Cotton Valley

Magnolia—One Columbia county wildcat is drilling near 1,800 feet and the other is near 1,200 feet. The first of these is Gulf Refining Co.'s A. L. Pittman et al No. 1, 669 feet E, 330 feet S of NE corner of 9-17-20, two miles northeast of Magnolia, which is due for a depth of 8,000 feet.

The other is Arkansas Fuel Co.'s Clotilde Glass Estate No. 1, 667 feet N, 655 feet W of SE corner of SE NW 19-23, three-fourths of a mile northeast of Taylor, drilling near 1,200 feet, due for a depth of 10,500, where Smackover is deep.

In Dorcheat-Macedonia field, McAlester Fuel Co. re-completed an old lime producer, Whitehead B-1, in 19-18-21, drilled to 8,975 originally. It was re-completed in Cotton Valley at 6,740-6,752 feet and flowed 133 barrels of oil per day through a 12-64 inch choke, with tubing pressure at 300 pounds. Gravity is 41.4.

In Warnock Springs field, McAlester Fuel Co.'s Wilson-Nesbit Unit No. A-1, being drilled by Burnett Drilling Co., in SE corner of 32-16-17, is below 5,400 feet.

In southeast corner of Columbia county, Tubal field, McAlester Fuel Co. is drilling near 7,200 feet in Jolley No. 1, section 29-19-18. In southwest corner of Union, same field, the company is near 2,600 feet in McCarthy No. 1, center of NW NW 33-19-18. These C. H. Murphy & Co. tests are to go down to depth of other wells in the field, 9,300 to 9,400 feet.

Salt Bothers Bodcaw. In Bodcaw field, Nevada county, Carter Oil Co. installed pump on Maggie Daniels No. 3, SW SE 8-14-22, after having corrected salt water trouble, and it is believed the test will make a well. In same field, Placid Oil Co. has completed the Taylor-Munn Unit No. 1, 9-14-22, as a good well, said to be one of the best in the field. It is producing from between 2,598-2,602 feet.

Elcid has another test in the field, Munn No. 1, SE SW 9-14-22, ready to spud this week. Burnett is driller. In same field, Sinclair Oil Co.'s May Unit No. 1, drilled by Burnett Drilling Co., 9-14-22, was completed as a producer, making 102 barrels of oil daily, no salt water. Last perforations were between 2,542-2,548 feet. It was acidized.

Also in Nevada county, Arkoma Oil Co. and V. S. Parham abandoned as dry the Louis Brantley No. 1, 330 feet S & W of NE corner of 24-14-23, west of Bodcaw field, at 3,810 feet. Proposed depth was 3,800 feet.

In the same county, in the Falcon shallow field Sneed Brothers have two tests. Mollie Reed No. 2, NW NW 16-15-22, which is WOC at 1-197 feet, and Riggins No. 1, 242 feet, S & E of NW corner 16-15-22, drilling at 1,100 feet, last report. The company recently abandoned Mollie Reed No. 1, in the same field around 1,200 feet.

Spirit Lake Well. In Lafayette county, Spirit Lake field, Lee Markham has completed Lester Brothers No. 4, 15-16-25, as a good producer in Kilpatrick sand at 4,156 feet. Kilpatrick was topped at 4,154 feet. Total depth is 4,163 feet, last reports said.

In the same field, Magnolia Petroleum Co. is below 6,200 feet, after having had shows between 5,100-5,200 feet in H. L. Lester No. 1, SW quarter 15-15-25. It was expected to set pipe at somewhere near 5,000 feet.

A test location has been announced by E. G. Bradham, in section 2-17-23 Columbia county, east of McKemie field.

Deep Wildcat Will Be Sunk Near El Dorado

Gazette State News Service
El Dorado, Feb. 17.—A deep wildcat to be drilled six miles west of El Dorado was the big oil talk in Union County this week, but four small producers were completed and two tries were abandoned as dry.

Langham and Martin are building a board road to the Reynolds-Gammill Lumber Company No. 1 in SW NW 5-18S-16W. Materials for a Smackover lime test will be moved in on completion of the road.

The location is about two miles from Curtis Kinard's Burns No. 1 in 13-18S-17W, recently completed in the lime formation for 150 barrels daily.

The Sandy Bend Field of East Central Union County, yielded two producers, both drilled by Caddo Oil Company, Inc., in 7-18S-12W. The Union Saw Mill Company No. D-2 in SE SW NE is making five barrels daily through open hole at 2,326-97 feet, and the Saw Mill No. D-3 is pumping seven barrels per day from 2,279 feet. This Company is rigging up on the J. A. Simmons No. 4 in SW NE NE 13-18S-13W, scheduled for 2,350 feet.

25-Barrel Well In
In the Union County section of the Smackover Field, the Gerbig Company of Arkansas brought in the Meakin No. 1 in NW NE NW 9-16S-16W. It showed 25 barrels of oil per day and a trace of salt water from perforations at 2,636-54 feet. This Company is preparing to spud in the Meakin No. 2 in SW NE NW of the same section.

The C. L. Saxon No. 2 in SW NE SE 5-16S-16W, Smackover Field, drilled by W. J. Hatley, trustee, was reported pumping 16 barrels of oil and six barrels of salt water daily from perforations at 1,889-1,900 feet. Atkins & Pannell are drilling below 100 feet in the Childs No. C-1 in SW NE NE 8-16S-16W, Delafield & Scroggins have spotted the Henshaw No. 2 in NE SE 17-16S-15W, Smackover. Several other wells in the field are shut in due to road conditions.

The failures were Curtis Kinard's Betts No. 1 in NE SE NE 22-17S-14W, abandoned as dry at 3,510 feet in wildcat territory, and the Tom Henry Kelly No. 3 in NE NE SE 9-17S-14W, Rainbow Field, drilled by J. C. Schmidt to 3,650 feet.

Kinard is rigging up on the Clark No. 1 in NW SE 21-18S-12W, a wildcat to be drilled to 6,400 feet. Location is two miles north of Strong.

Murphy Corp. has staked location for the Burgess No. 2 in N 1-2 NE NE 33-17S-12W, North New London Field in East Central Union County, and will move in materials upon completion of a board road. This will be a Cotton Valley test at 5,100 feet. Marine Oil Company opened this pool about six months ago with the Trigg No. 1, west of the new location. The Trigg is making about 50 barrels of oil per day. A south offset drilled by Marine was a duster.

The Murphy Corp. lone operation in the Catesville Field five miles south of El Dorado, the Miles No. 1 in SE NW 32-18S-15W, gave indication of possible production in the Cotton Valley formation but crews are continuing to drill to the Smackover lime around 8,000 feet. A drillstem test at 6,633-43 feet yielded 600 feet of oil and 450 feet of salt water. Another test from 6,693-99 feet showed only a small amount of oil and salt water.

In the Bear Creek Field of Northwest Union County, Herbert Herff and Joseph Lewis are below 3,100 feet on the Louis Werner Saw Mill Company No. 1 in NW SW 9-16S-17W.

Rains Delay Testing
Continued rains and impassable roads have delayed testing of the E. Dunbar No. 1 in NW NE NE 1-18S-15W, drilled by E. G. Bradham in the West Nick Springs Field.

Murphy Corp. and McAlester Fuel Company are drilling below 7,400 feet on the McCarthy No. 1 in NW NW 33-19S-18W, Tubal Field, Thier Jolly No. 1 in NW NE 29-19S-18W, Columbia, is below 8,588 feet and will be drilled to 9,500 feet. No indications of production were found in the Cotton Valley formation.

Roberts Petroleum, Inc., is continuing to test the Hill No. 1, wildcat in SW SW SW 5-18S-13W, after several squeeze jobs between 2,500 and 3,000 feet.

Nevada Gets Wildcat Try

El Dorado—The Arkansas Oil & Gas Commission issued five permits to drill new wells during the past week.

Nevada county drew a wildcat try in the Burnett Production Co.'s Della Caudle No. A-1, section 8-14-22, 1 1/2 miles southeast of Bodcaw, to be drilled to 3,500 feet. Columbia county drew the R. E. Cloud et al's J. W. Smart No. 3, section 11-15-20, Stephens field, to be drilled to 3,500 feet.

Union county was issued the remaining three permits. They are: Roberts Petroleum Co.'s Hill No. 1, section 5-18-13, Lawson area to 3,000 feet; W. J. Hatley Tr., C. L. Saxon No. 2, section 5-16-16, Smackover field, 4 miles northwest of Smackover, to 2,700 feet, and Murphy Corp., Miles No. 1, section 32-18-15, Catesville field, 5 miles south of El Dorado, to 8,000 feet.

The commission issued two permits to plug and abandon wells to: C. H. Murphy & Co., Owen No. 1, section 33-19-18, Union county, dry; and Arkoma Oil Co., Inc., Lomie Brantley No. 1, section 24-14-23, Nevada county wildcat, dry.

Garland Anthony Buys Holdings In Locust Bayou Field

Gazette State News Service
Camden, Jan. 27.—Garland Anthony of Bearden, president of the Garland Anthony Oil Company, has purchased the entire holdings of Mitchell & Flatiz, Houston oil operators, in the Locust Bayou Field east of Camden.

The Houston operators obtained their interest from the Houston Oil Company last summer. They drilled one well which is producing 25 barrels of oil a day.

Anthony's purchase includes three producing wells and all equipment and about 1,800 acres of leases on which the fee owners are Helen B. Gaughan, et al. and C. R. ("Sonny") Bradshaw, et al. Anthony plans extensive drilling this spring.

Owners of other leases in this area are Jack Carnes, John W. Newton and S. E. Mix.

Union Gets 4 Of 5 Permits

El Dorado—The Arkansas Oil & Gas Commission issued five permits to drill new wells during the past week. Union county drew four and Lafayette the other one.

E. D. Markham was issued permit to drill the J. W. Velvin No. 4, section 22-16-25, Lafayette county, Spirit Lake field, to be drilled to 4,200 feet.

Those for Union county are: Noel F. Laugham, Reynolds-Gammill Lumber Co., No. 1, section 5-18-16 wildcat, six miles south west of El Dorado; Murphy Corp., Burgess No. 1, section 33-17-12, New London field, six miles north of Strong, to 5,100 feet; Lion Oil Co., Charles No. 1, section 28-18-18, wildcat, 12 miles west of Wesson, to 8,400 feet, and Delafield & Scroggins, Henshaw No. 2, section 17-16-15, Smackover field, to 2,700 feet.

'Wait and See' Is Cabot Attitude On Oil Inquiry Rush

Cabot, Jan. 20.—The oil situation at Cabot reached the "wait and see" stage this week, with inquiries continuing to pour in concerning presence of oil and gas in the city's water supply. Nothing definite has developed.

Dr. John A. Martin, Cabot physician who has blocked out some 5,000 acres in the area for leasing purposes, said he had an inquiry from a Memphis oil man who wanted to buy some leases. He was informed that there are "none for sale." Dr. Martin stated.

Dr. Martin said the leases are being blocked for the protection and benefit of landowners. He stated they will be available only when a bona fide offer is received from a reputable operator who will make a test to prove the area. The physician said every effort would be made to protect the landowners from speculators.

Officials at the Bank of Cabot said they have had no further contacts from the independent operator in the Camden and El Dorado area who called them last week.

Oil News

Democrat - 3-19-51

New Field Located In Miller Co.

Paluxy Well Makes Heavy Oil; Gulf's Wildcat Test Dry

Magnolia—South Arkansas oil news was featured last week by discovery of a new field in Miller county; staking of a new wildcat location in Columbia county and abandonment of a wildcat near Magnolia. Another drilled ahead within 1,000 feet of contract depth.

In Miller county, Lee and Markham Production Co., and A. C. Allyn completed the wildcat, Price No. 1, 150 feet NE of center of SE NW 18-16-25, as a good pumper of heavy, dark oil, by which a new pool has been opened in Paluxy sand between 3,311-3,314 feet. Total depth is 4,368 feet. In the same county, Skelley Oil Co. has a new location, Louis Heilbron No. 1, center of NW 1-4 of NW NE 28-16-28, not yet started.

A new wildcat location by Carter Oil Co., has been announced for south Columbia county, the McMetris School No. 1, in center of NE NE 29-29-20, in the Emerson School district. This location is near the Negro McMetris School, but it has not been started yet.

The wildcat in Columbia county abandoned as dry is Gulf Refining Co.'s A. L. Pittman et al No. 1, 689 feet S of NW corner of 9-17-20, two miles northeast of Magnolia, which was drilled to 8,018 feet, 18 feet below proposed depth. Drill stem tests and cores taken at first showed some saturation, oil and gas odors and hopes were held for producer, but further down salt water in large amounts was recovered.

One other test in a proven field is testing in Cotton Valley after the lime failed. It is C. H. Murphy et al's Jolly No. 1, in Tubal field, NW NE 29-19-18, drilled to 9,305 feet. Tests between 9,290-9,295 feet in lime, showed traces of oil and gas, but no commercial production, and that sector was abandoned and operators plugged back to Cotton Valley and perforated between 8,608-8,620, then plugged to 8,000 feet. As the drill went through Cotton Valley, it was believed the test would

TIME TO SO

Halter's success is attributed to I think I could any year. I did do a good control last year, but since I had a chance to give any control. This made it more expensive and had a chance to give any control. Washed it from the plants before it to apply the insecticides and often Halter said, "I ain't made it difficult the standard of cotton insects." I ever expect to have from. "Last year was one of the most if he had not dusted. The farmer means that it was expensive, but the entire acreage. The farmer

Hinson A-1; 7-18-15, dry; Union, South El Dorado field; dry and abandoned.

E. R. Siben to plug the S. D. Masterson No. 1, in 12-13-33; Little River wildcat; dry.

E. C. Bradham to plug the Dunbar Estate No. 1, 31-17-14; Nick Springs field; Union, dry and abandoned.

Gulf Refining Co. to plug the A. L. Pittman et al No. 1; in 9-17-20, Columbia county wildcat; dry and abandoned.

Union Area Scores Two Completions

El Dorado—Two completions were chalked up during the week in proven fields of El Dorado territory. Roy Frank et al completed the Ellen Childs No. 1, section 8-16-16 at a depth of 2,633 feet. The well is pumping 25 barrels of oil and 50 barrels of salt water.

Also completed was Caddo Oil Co.'s J. A. Simmons No. 1, section 13-18-13. The well is pumping five barrels of oil per day; total depth is 2,230 feet.

High water has stopped activities on Sugar's Goodwin No. 5, section 3-16-15. Caddo Oil Co. has shut down Union Sawmill No. E-3, section 7-17-12, and is waiting orders at 2,100 feet. C. H. Murphy & Co. is drilling the McCarthy No. 1, section 33-19-18, at 8,900 feet. Murphy is testing the Miles No. 1, section 32-18-15, at 7,725 feet.

Herff and Lewis are drilling the Lewis Werner Co. No. 1 at 5,315 feet. E. G. Bradham is waiting on cement for the J. E. Dunbar No. 1, section 1-18-15. Noel F. Langhan is drilling the Reynolds Gammill Lumber Co. No. 1, section 5-18-15, at 4,800 feet. Murphy & Co. is drilling the Burgess No. 1, section 33-17-12, at 3,945 feet.

Lion Oil Co. is drilling the Charles No. 1, section 28-18-18, at 4,059 feet. C. H. Murphy & Co. is drilling the Gottschall No. 1 wildcat, section 3-18-18, at 4,975 feet. C. A. Lee is coring the Ben Prothro A-1, section 2-18-15, at 2,141 feet. Curtis Kinard is drilling the Phenie No. 1, section 1-17-14, at 2,430 feet. Murphy & Co. have made location for the Miles No. 2, section 32-18-15.

Two Drillers Get Permits

El Dorado—The Oil and Gas Commission issued only two permits to drill this week. They are:

Skelly Oil Co. will drill the Louis Heilbron No. 1 in cnw nw ne of 28-16-26, Miller county, Fouke field. Located 7 miles east of Fouke the plunge will be to 4,000 feet Rotary will begin drilling soon.

Caddo Oil Co., Inc. will drill the J. A. Simmons No. 1 in nec ne of 13-18-13, located 5 miles northwest of Strong in Union county. The operators will sink the hole to 2,350 feet. Drilling will begin soon with rotary equipment.

Three plug permits was issued to: Sneed Bros. plug Mattis Reed No. 1; 16-15-22, Falcon field, Lafayette county; dry.

The Carter Oil Co. plug Trinna Harris No. 1; 15-17-19, Village field, Columbia county; depleted.

John C. Schmidt plug Tom Henry Kelly No. 3; 9-17-14; Union county, Rainbow field; dry.

Lion Income Sets Record

March 26, 1951

El Dorado—All-time high records in both gross income and net earnings were reported by Lion Oil Co. in its annual report for 1950 released to Col. T. H. Barton, chairman, and T. M. Martin, president, in a joint message to stockholders, attributed the record figures to "additional crude oil production, together with substantial increases in the volume of refined oil and chemical products sold."

Gross income from sales and operating revenues aggregated \$31,960,327 in 1950 as compared with \$65,605,837 in 1949. Net earnings for 1950, after all charges and taxes, amounted to \$13,988,245, equal to \$5.98 per share on the 2,340,833 shares outstanding. This represented a 53 per cent increase over net earnings of \$3.89 a share in 1949.

Working capital of the company Dec. 31, 1950, increased to \$14,654,736, a gain of \$1,132,591. Cash balances and government securities owned amounted to \$13,051,703. Ratio of current assets to current liabilities at the close of the year was 2.22 to 1, as compared with a ratio of 2.54 to 1 at the end of 1949.

Arkansas Gazette, March 26, 1951

Offset in Union

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WALTHOUR-FL...
402 Louisiana
can be arranged.
They are priced to five acres. These plots are about half mile out of the highway. They are close to town on the Memphis Victory Garden Acres is close to...

Choice Suburban Plot
Acres and Meas
WANTED TO BUY
FOR SALE - NORTH LITTLE ROCK
VARIETY STORE
107 Main St.
Phone 2-6100
J. P. BROCKERT
RES. 90-1298
Good Shopping Center.
CAMPBELL, SPEARMAN, REALTORS
Rooming house or apartment building downtown. PHONE 5-6196.

Lion Oil Says 1950 Production, Income Reached Record Highs

March 26, 1951

Highest gross income totals in Lion Oil Company's 29-year history—topping the previous 1948 record by \$15,315,206—were revealed yesterday in the firm's report for 1950.

Gross income climbed to \$81,960,327 in 1950 from \$65,605,837 in 1949. Net earnings last year climbed 53 per cent over 1949 to \$13,988,245, equal to \$5.98 a share on the 2,340,833 shares outstanding.

Additional crude oil production and sales increases on refined products accounted for the boost in revenues. This statement was included in a joint message to stockholders from Chairman T. H. Barton and President T. M. Martin.

Working capital at the end of the year had increased to \$14,654,736, a gain of \$1,132,591. Cash balances and government securities owned by the Company totaled \$13,051,703.

The ratio of current assets to current liabilities on December 31, 1950, was 2.22 to 1.

The Company will retain and reinvest a major portion of its earnings in additional crude oil and natural gas production and new manufacturing facilities, according to the report.

Expenditures during the year were about \$13,685,000. Cost for de-

Smart Field Expecting 3 Pumpers

Stephens—The Smart oil field is promised three new pumpers in the next few days. One is reported completed and waiting on a pumping unit.

This is John McDonald's Mabel Smart No. 1 in the NE NE NE of section 14-15-20, Columbia county. The well perforated casing and swabbed in from the Travis Peak series near 3,400 feet and is said to be good for about 25 barrels oil daily.

Maritzky and Bibby are in the final stages of completion at their W. L. Smart No. 1 in the SE NE NW of section 14-15-20 from the same Travis Peak level.

On the Ouachita county side Arkansas Fuel Oil Co.'s Henry B. Brown Unit No. 1, 1,659 feet north and 329 feet east of the southwest corner of section 18-15-19 has perforated casing at the 3,400 Travis Peak level and was swabbed. Enough oil has been recovered to assure a fair pumper, but further work is necessary before the test is ready for the pump. Other operators are said to be arranging acreage for drilling in the immediate future in the Smart field.

College Adds Second New Oil Course

Magnolia—A new oil field technical course on the operation and maintenance of oil field pumping engines is scheduled to begin March 26 at Southern State College here.

A 30-hour adult technical course, it will be offered three hours each night for five night of two consecutive weeks. Offered without college credit, the course is designed to give practical experience and instruction to men employed in the petroleum industry.

Thomas D. Bowles, director of the Southern State technical institute, said this will be the second technical course planned for adults by the college. The other course, in oil well electrical logging, is scheduled to begin tomorrow. It will be a 12-hour course, offered without fee.

The University of Texas extension division will send a mobile unit to the college for the machine maintenance course. C. J. Moseley, petroleum training specialist at the University of Texas, will conduct the course. A fee of \$15 will be charged to cover the cost of the textbook

Little Likelihood Depletion Allowance Will Be Slashed

Arkansas Gazette Washington Bureau

2 National Press Building

Washington, March 24.—The 27 1-2 per cent depletion allowance probably won't be touched by the House Ways and Means committee in new tax legislation. Odds are heavily in favor of the oil and gas producers and their income tax deduction.

Informal discussions with several influential members of the tax-writing Committee revealed this day.

Two Committee members flatly predicted there will be no change in the allowance. Another said he would be "greatly surprised" if the Committee lowered the tax deduction percentage. A fourth said it is "better than an even bet" that the allowance won't be touched.

In all cases, Committee members asked that they not be identified as predicting what they may do, since the Committee will not begin writing new tax legislation un-

til Congress returns from its Easter recess.

Treasury Secretary John Snyder has urged the Committee to cut the allowance permitted oil and gas producers for income tax purposes to 15 per cent. He made the same request last year, but the Committee voted against it. The 1950 bill then went through Congress without further serious consideration of a change in the allowance.

This year, too, fate of the tax allowance, in effect since 1928, probably will be determined by Committee action.

Caddo Has New Pumper In Union

El Dorado—One well was completed during the past week in Union county. It is the Caddo Oil Co.'s Union Sawmill E No. 8, section 7-18-12, and is pumping five barrels of oil per day at a depth of 2,423 feet. Curtis Kinard is preparing to squeeze the Phenie No. 1, section 1-17-14 at 3,320 feet.

Four wells are waiting on cement. They are, Sugar's Goodwin No. 5, section 3-16-15, Herff and Lewis Werner Co. No. 1; Marine Oil Co. Win Estate No. 6, section 11-18-13 at 2,643 feet, and Marine Oil Co.'s Ferris, section 6-18-12. Caddo Oil Co. has shut down the Union Sawmill No. E-3, section 7-17-12.

Murphy is testing the Miles No. 1, section 32-18-15. Noel F. Langhan is drilling the Reynolds Gammill Lbr. Co. No. 1, section 3-18-15 at 6,575 feet. Murphy and Co. is drilling the Burgess No. 1, section 33-17-12, at 4,635 feet. Lion Oil Co. is drilling the Charles No. 1, section 28-18-18 at 6,065 feet.

C. H. Murphy and Co. is running drill stem test on the Gottschall No. 1, wildcat at 6,793 feet. Murphy and Co. have made location for the Miles No. 2, section 32-18-15. Caddo Oil Co. is moving in materials for the Union Sawmill E No. 7, section 7-18-12. J. S. Beebe and T. W. Co. are drilling the Cates No. A-1, section 33-18-14, at 2,040 feet. A. and Pannell are drilling the section 7-16-17, at 2,794 feet.

Drill Permits Take Upswing

El Dorado—Union county drew five permits to drill with Columbia and Chicot each getting a wildcat try from the Arkansas Oil and Gas Commission this week.

Union county drills are:
Ray E. McCain drills the West No. 1, NE SE NE, in 22-19-13. A wildcat to be sunk to 3,600 feet by rotary drill.

Caddo Oil Co. drills the Union Sawmill E No. 8, SW SW SW, SW of 7-18-12. Located in Sandy Bend field, four miles northwest of Strong, depth 2,350, by rotary.

Marine Oil Co. drills the Winn Estate No. 10 in center NW SE 11-18-13, of Urbana field, located two miles north of Urbana, to depth of 2,800 feet, by rotary.

Atkins and Pannell drills the W. O. Fagg No. 1, NE center SW SE in 7-16-16 of Smackover field; located three miles SW Smackover. Depth to be 2,700 feet.

Pan-Am Southern Corp. to drill the Union Sawmill No. 3, center SW NW NW, 9-18-13; Urban field; rotary to drill to 2,525 feet.

The El Dorado Drilling Co. will try a wildcat in Chicot county, eight miles southeast of Lake Village. The company will drill the Cox No. 1 to 5,000 feet. Located in NE NW NW of 3-17-1. The job will be done by rotary.

In Columbia county, Carter Oil Co. will drill the McMertise School No. 1 in the NE corner of 29-19-20. A wildcat try in the Emerson area, located three miles west of Emerson. Rotary will drill to 10,200 feet. The plunge will be to the Smackover sand.

The commission issued four permits to plug:
John Rogers to plug the E. W.

6A • ARKANSAS GAZETTE, Sunday, April 1, 1951.

Recent Failures Reduce Prospect of Development In 2 New Union Oil Pools

GROVER ZINN

State News Service

Further development of two deep oil

County last year was uncertain this

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loyalty and land owners in the area.

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Petroleum Board Job In Dispute

By TEX EASLEY.

Washington (AP)—One of today's questions in Washington is whether the chairman of the National Petroleum Council should come from the oil industry of the government.

Secretary of Interior Chapman and others have been conferring privately about it.

Under study is a letter in which Peyton Ford, assistant U. S. attorney general, interprets the National Defense Production Act of 1950. Ford is reported to hold that a government official must head all such business councils or committees.

Chapman is understood to be supporting the petroleum industry's side, that the existing setup should remain unchanged.

Since the beginning of World War II, the petroleum industry, with the exception of a few months in 1946, has maintained without cost to taxpayers a council which works with the government toward meeting both civilian and military demands for oil and gasoline.

Known as the Petroleum Industry War Council (PIWC) during the war, it was headed by William R. Boyd jr. of Texas, long president of the American Petroleum Institute.

This council was dissolved December 31, 1945, but re-established September 26, 1946, as the National Petroleum Council. Walter S. Hallanan, Charleston, W. Va., president of the Plymouth Oil Co., Pittsburgh, Pa., took over as peace-time chairman.

85-Member Council. The present council is composed of 85 members, with Hallanan serving as chairman on a tentative basis pending settlement of the current controversy.

Another point at issue is the Justice Department's position that the council should be composed only of men engaged personally in the petroleum business.

That would bar 21 present members who are officials of various oil and gas associations.

The next meeting of the council is set for May 2. Such matters as the government's goal of a million barrels a day increase in oil—from domestic and western hemisphere production—will be discussed.

Details of the price stabilization order freezing profits on refined petroleum products at the wholesale level won't be released until printed copies of the regulations can be distributed to regional price stabilization offices.

This is the second such order affecting the petroleum industry. The first applied to refined products at retail levels. Three more orders are expected for the industry, affecting asphalt, crudes and lubricants.

OPS Issues Petroleum Profit Curb

Washington (AP)—Expected regulations freezing profit margins on petroleum products are beginning to roll from the Office of Price Stabilization.

The first of five anticipated orders was issued Thursday. It applies to refined products at the retail level. Gasoline, heating oils, kerosine, liquefied petroleum gas, lube oils and greases are involved. Regulations to govern prices at the wholesale level on refined products, crude oils and natural gas are expected to follow shortly.

Some 400,000 filling stations throughout the country were directed under the first order to post prices based on those prevailing in the period from last December 19 to January 25. If because of a local price war their margin of profit in that period was abnormally low they are permitted a mark-up of 4 cents a gallon on gasoline.

The forthcoming ceilings on natural gas are expected to provide an exemption in all cases in which rates are fixed either by the Federal Power Commission or a state regulatory body. They will apply to both wholesale and retail levels, at the wellhead, casing head plant and on industrial sales.

Legislation similar to the Kerr natural gas bill, which was vetoed last year by President Truman, has been reintroduced by Rep. John E. Lyle (D. Tex.). There seems little chance, however, that the measure will get far under existing conditions. The bill would exempt some independent producers from regulation by the Federal Power Commission.



Third Deep Well Dry In

Washington (AP)—Expected regulations freezing profit margins on petroleum products are beginning to roll from the Office of Price Stabilization.

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Nokorode Sales Reported Rising

Gazette State News Service
El Dorado, March 31.—One of Lion Oil Company's new ventures, the manufacture of rust preventives and protective coatings, is expected to reach an annual sales volume of \$5,000,000 in another year, according to R. D. Cunningham, division manager.

The products, with the trade name of Nokorode, were placed on the market in March, 1949. Cunningham said the sales volume already had reached \$2,000,000 a year. He added that \$150,000 to \$175,000 orders for the coating products will be shipped this month to fill the government specifications.

Petroleum Board Job In Dispute

By TEX EASLEY.
Washington (AP)—One of today's questions in Washington is whether the chairman of the National Petroleum Council should come from the oil industry of the government.

Secretary of Interior Chapman and others have been conferring privately about it. Under study is a letter in which Peyton Ford, assistant U. S. attorney general, interprets the National Defense Production Act of 1950. Ford is reported to hold that such business councils or committees.

Chapman is understood to be supporting the petroleum industry's view, that the existing setup should remain unchanged. Since the beginning of World War II, the petroleum industry, with the exception of a few months in 1946, has maintained without cost with the government toward meeting both civilian and military demands for oil and gasoline.

Known as the Petroleum Industry War Council (PIWC) during the war, it was headed by William R. Boyd Jr., long president of the American Petroleum Institute.

This council was dissolved December 31, 1945, but re-established September 29, 1946, as the National Petroleum Council. Walter S. Hallanan, Charleston, W. Va., president of the Plymouth Oil Co., Pittsburgh, Pa., took over as peace-time chairman.

The present council is composed of 85 members, with Hallanan serving as chairman on a tentative current basis.

Another point at issue is the Justice Department's position that the council should be composed only of men engaged personally in the petroleum business.

That would bar 21 present members who are officials of various oil and gas associations.

The next meeting of the council is set for May 2. Such matters as the government's goal of a million barrels a day increase in oil—from domestic and western hemisphere production—will be discussed.

Details of the price stabilization order freezing profits on refined petroleum products at the wholesale level will be released until printed copies of the regulations can be distributed to regional price stabilization offices.

This is the second such order affecting the petroleum industry. The first applied to refined products at retail levels. Three more orders are expected for the industry, affecting asphalt, crudes and lubricants.

Recent Failures Reduce Prospect of Development In 2 New Union Oil Pools

By GROVER ZINN
Gazette State News Service

El Dorado, March 31—Further development of two deep oil pools discovered in Union County last year was uncertain this week as recent failures caused apprehension among operators and cast a gloomy outlook for royalty and land owners in the area.

In the Tubal Field of Southwest Union County and Southeast Columbia County, where an 80-acre spacing has been followed, three of six wells drilled have been failures.

January figures released by the Arkansas Oil and Gas Commission showed Tubal production averaged about 280 barrels per day for the three producers.

The Gregory No. 1, pool opener, in SE SW 28-18-18, Union, was completed as a dual producer from the Cotton Valley formation at 8,012 feet and the Smackover lime at 9,278 feet. At that time, February, 1950, it was the deepest producer and the first dual producer for Union County. Some months ago production was shut off at the upper level due to difficulties in operation. Two of the failures were southeast and southwest diagonal offsets to the Gregory.

All of the Tubal wells were drilled by McAlester Fuel Company and Murphy Corp., with several other companies holding interests. A meeting was held this week at El Dorado to determine the future development of the field but no statement has been released.

The Concannon No. 1, across the line in Columbia County, is a dual producer, but the Jolley No. 1, a northwest diagonal offset, failed, thus apparently defining the field on three sides. The third successful completion was the Longing, between the other two producers.

Union County produced dual-producing fields was Catesville, five miles south of El Dorado, but now the eight successful completions are each flowing from only one level although three different productive formations were found.

This field also has yielded three failures, the second dual-producer No. 1 in SE NW 22-18-18, on the west edge, drilled by Murphy Corporation to 7,729 feet. Murphy has abandoned the well and turned it over to Sklar Oil Company, which holds an interest.

Production in January from Catesville averaged about 750 barrels of oil per day from the eight wells. Before the Miles was finished, Murphy staked location for the No. 2, a north offset, but may not drill it immediately.

Another successful completion was recorded in the Bear Creek field of Northwest Union County this week when Herbert Herff and Joseph Lewis, in their Louis Werner Saw Mill No. 1, in NW SW 9-16S-17W, the well was perforated at 6,351-59 feet and swabbed. It flowed into the pits but no gauge was available. Crews were erecting tanks and a treater as the oil contains some basic sediment. This is the second successful completion by Herff and Lewis in the field where development had been at a standstill for more than 18 months.

Lion's Second Showing in Union County last week. Lion Oil Company, operator of the Schuler Unit, obtained a second test in the test well being 1-23, drilled in the west Schuler field, at a depth of 3,085-93 feet. In a drillstem test at 3,085-93 feet the Schuler Unit No. 144 in SW 14 to 10,410 NW NW 21-18S-17W yielded 780 value either 210 feet of oil-cut, was made mud. There was no salt water, and crews were drilling below 4,023 feet.

Nearby, Curtis Kinard was building a board road to the site of his Burns No. 2, NE NE SW 13-18S-17W, East Schuler field, a proposed 7,650-foot test.

Lion Oil's Charles No. 1 in SW start soon in SE 28-18S-18W, on the west edge announced by Union County, was drilling at 6,600 feet. This is a wildcat and no shows have been found.

Four miles north of the Charles, Murphy Corp. made a drill stem test at 6,771-79 on the Gottschall No. 1 in NE SE 3-18S-18W and recovered 1,250 feet of oil. They were in sand and shale at 7,000 feet and will go another thousand feet. This is in the Wilks field, where one well produced for several years and was later abandoned.

Noel T. Langham was around 6,600 feet on his Reynolds-Gammill Lumber Company No. 1, SW NW 5-18S-16W, six miles west of El Dorado. This wildcat will go to the Smackover lime.

A shallow wildcat near the Louisiana line in Central Union County was abandoned at 3,250 feet. It was the West No. 1 in NE SE NE 22-19S-13W drilled by C. M. Bagley, contractor, for Ray E. McCain.

Another Producer There was steady development in the many different pools in East Central Union County. Another producer was recorded by Curtis Kinard in the Rainbow field when he tested the Phenie No. 1 in SW SE SW 1-17S-14W. Perforations were made at 3,160-63 feet in the Travis Peak. Gauge was not available.

Marine Oil Company has set production pipe around 2,600 feet in the Meekin on the Winn Estate No. 6, NW SE SW 11-18S-13W, in Falcon field, on the line between Lafayette and Nevada counties, by Sneed Brothers, is showing some production around 1,200 feet in 16-15-22.

Hempstead county has a new location, C. M. Miller No. 1, 968.9 feet w. 400 feet s. of ne corner of se se 33-10-34 with a proposed depth of 2,100 feet, a wildcat.

Meager reports from Johnson county reveal activity there on small scale. The Pure Oil Co. is still drilling on the Low Gap Unit No. 1, in 37-11N-24W.

Little Likelihood Depletion Allowance Will Be Slashed

Gazette Washington Bureau
812 National Press Building
Washington, March 24.—The 27 1-2 per cent depletion allowance probably won't be touched by the House Ways and Means Committee in new tax legislation. Odds are heavily in favor of the oil and gas producers and their income tax deduction.

Informal discussions with several influential members of the tax-writing Committee revealed this today.

Two Committee members flatly predicted there will be no change in the allowance. Another said he would be "greatly surprised" if the Committee lowered the tax deduction percentage. A fourth said it is "better than an even bet" that the allowance won't be touched.

In all cases, Committee members asked that they not be identified as predicting what they may do, since the Committee will not begin writing new tax legislation until Congress returns from its Easter recess.

Treasury Secretary John Snyder has urged the Committee to cut the allowance permitted oil and gas producers for income tax purposes to 15 per cent. He made the same request last year, but the Committee voted against it. The 1950 bill then went through Congress without further serious consideration of a change in the allowance.

This year, too, fate of the tax allowance, in effect since 1926, probably will be determined by Committee action.

Offset in Union Waits on Results Of Deep Testing

Gazette State News Service
El Dorado, March 24.—A Union County deep test in the Catesville Field is expected to tell its story within the next few days. An offset to the test has been staked, with drilling to await testing results from the deep hole.

On the gloomy side, three shallow dusters were recorded in the El Dorado district, but further development of the newly-opened deep level in the East Schuler field was assured to brighten the picture.

Testing in Catesville In the Catesville field, six miles south of El Dorado and at the edge of the original El Dorado shallow South Field, Murphy Corp. was swabbing fifty per cent oil and fifty per cent salt water from the Miles No. 1 in SE NW 32-18S-15W. The Miles was perforated at 6,746-59 feet in the Cotton Valley formation. Crews have been testing this well for about three weeks. A try for production in the deep lime failed, and the deeper formation was plugged off. Murphy has staked location for a north offset, but will await outcome of the No. 1 before starting work on the second.

Three Failures One of the shallow failures was in the Smackover field and the other two were wildcats.

Gerhig Co. of Arkansas plugged and abandoned the C. H. Meekin No. 1 in N 2-SE NW 9-16S-16W, about four miles west of Smackover, after drilling to 2,794 feet.

C. A. Lee abandoned as dry his in Ben Prothro No. A-1 in NE NW history SW 2-18S-15W, wildcat, west of the record West Nick Springs field and a vestige over three miles east of it for El Dorado. Total depth was 3,340 feet.

At the south edge of Nick Springs field, E. G. Bradham abandoned as dry his J. E. Dunbar No. 1 in NW NE 1-18S-15W, at 3,721 feet.

Site Is Cleared Crews for Curtis A. Kinard, El Dorado operator, were clearing site for the Burns No. 2 in NE NE SW 13-18S-17W, East Schuler field, about 12 miles southwest of El Dorado. The Burns No. 2 is a north-east diagonal offset to the Burns No. 1, which opened a new deeper, half-level for this area. Production was found in the Smackover lime at total of 7,610-26 feet, and the No. 1 is now yielding 90 barrels of oil and 10 barrels of salt water daily.

Producer Seen Indications point to another producer for the Bear Creek deep of its lime field of Northwest Union County. Final testing was expected to get under way soon on the Louis Werner Sawmill Company No. 1, drilled by Herbert Herff & Joseph Lewis in NW SW 9-16S-17W. This well yielded 500 feet of oil and 100 feet of oil-cut mud in the hole when a drill stem test was made at 6,353-63 feet. Bottom hole pressure rose to 300 pounds and shut-in pressure was 3,000 pounds.

Schuler Test Shows Oil In the big Schuler field, Lion Oil Company, operator of the Schuler Unit, was putting down a well to check formations above levels where production was found at four zones in the 140 wells now comprising the unit. An oil show was reported at 2-653-56 feet, and crews continued drilling below 2,700 feet.

Maritzky and Bibby are in the final stages of completion at their W. L. Smart No. 1 in the SE NE NW section 14-15-20 from the same Travis Peak level.

On the Ouachita county side Arkansas Fuel Oil Co.'s Henry B. Brown Unit No. 1, 1,659 feet north and 329 feet east of the southwest corner of section 18-15-19 has perforated casing at the 3,400 Travis Peak level and was swabbed. Enough oil has been recovered to assure a fair pumper, but further work is necessary before the test is ready for the pump. Other operators are said to be arranging acreage for drilling in the immediate future in the Smart field.

1950 Production, Highest Record Highs

Development of underground reserves was \$7,750,000. During 1950 new reserves boosted daily production of crude to 101 per cent of the refinery's requirements. Production of crude was only 78 per cent of the refinery's needs in 1949.

Net crude production of 6,908,829 barrels represented an increase of 44 per cent over 1949, and 36 per cent over the previous record of 1948.

The increases in crude oil volumes came mainly from developments in the Diamond M field of Seury County, McFaddin field in Victoria County and the Levelland field of Cochran County, all in Texas. Less important production was developed in Arkansas, Mississippi, Kansas and Louisiana.

Last August Lion acted as operator for many producers in the Diamond M-Sharon Ridge area in constructing a high-pressure gas gathering, cleaning and compressor system. This plant began operation in January. Completion of these facilities is expected this year, and will be capable of delivering 7,000,000 cubic feet of gas daily.

Lion Oil's pro-rata share of construction cost and gathering system of the gasoline plant is \$2,500,000.

Union county drills are: Ray E. McCain drills the West No. 1, NE SE NE, in 22-19-13. A wildcat to be sunk to 3,600 feet by rotary drill.

Caddo Oil Co. drills the Union Sawmill E No. 8, SW SW SW, SW of 7-18-12. Located in Sandy Bend field, four miles northwest of Strong; depth 2,350, by rotary.

Marine Oil Co. drills the Winn Estate No. 10 in center NW SE SW 11-18-13, of Urbana field, located two miles north of Urbana, to depth of 2,800 feet, by rotary.

Atkins and Pannell drills the W. O. Fagg No. 1, NE center SW SE in 7-16-15 of Smackover field; located three miles SW Smackover. Depth to be 2,700 feet.

Pan-Am Southern Corp. to drill the Union Sawmill No. 3, center SW NW NW, 9-18-13; Urban field; rotary to drill to 2,925 feet.

The El Dorado Drilling Co. will try a wildcat in Chicot county, eight miles southeast of Lake Village. The company will drill the Cox No. 1 to 5,000 feet. Located in NE NW NW of 3-17-1. The job will be done by rotary.

In Columbia county, Carter Oil Co. will drill the McMeritte School No. 1 in the NE corner of 29-19-20. A wildcat try in the Emerson area.

A wildcat try in the Emerson area, located three miles west of Emerson. Rotary will drill to 10,200 feet. The plunge will be to the Smackover sand.

The commission issued four permits to plug: John Rogers to plug the E. W.

Hinson A-1; 7-18-15, dry; Union, South El Dorado field; dry and abandoned.
E. R. Siben to plug the S. D. Masterson No. 1, in 12-13-33; Little River field; dry.
E. G. Bradham to plug the Dunbar Estate No. 1, 31-17-14; Nick Springs field; Union, dry and abandoned.
L. Pittman to plug the A. L. Pittman No. 1, in 9-17-20, Columbia county wildcat; dry and abandoned.

Union Area Scores Two Completions

El Dorado—Two completions were chalked up during the week in proven fields of El Dorado territory. Roy Frank et al completed the Ellen Childs No. 1, section 8-16-16 at a depth of 2,633 feet. The well is pumping five barrels of oil per day; total depth is 2,230 feet.

High water has stopped activities on Sugar's Goodwin No. 5, section 3-16-15. Caddo Oil Co. has shut down Union Sawmill No. E-3, section 7-17-12, and is waiting orders at 2,100 feet. C. H. Murphy & Co. is drilling the McCarthy No. 1, section 32-18-13, at 8,900 feet. Murphy is testing the Miles No. 1, section 32-18-15, at 7,725 feet.

Herff and Lewis are drilling the Lewis Werner Co. No. 1 at 5,315 feet. E. G. Bradham is waiting on cement for the J. E. Dunbar No. 1, section 1-18-15. Noel F. Langham is drilling the Reynolds Gammill Lumber Co. No. 1, section 5-18-15, at 4,800 feet. Murphy & Co. is drilling the Burgess No. 1, section 33-17-12, at 3,945 feet.

Lion Oil Co. is drilling the Charles No. 1, section 28-18-18, at 4,059 feet. C. H. Murphy & Co. is drilling the Gottschall No. 1 wildcat, section 3-18-18, at 4,975 feet. C. A. Lee is drilling the Ben Prothro A-1, section 2-18-15, at 2,141 feet. Curtis Kinard is drilling the Phenie No. 1, section 1-17-14, at 2,430 feet. Murphy & Co. have made location for the Miles No. 2, section 32-18-15.

The wildcat in Columbia county abandoned as dry is Gulf Refining Co.'s A. L. Pittman et al No. 1, 669 feet S of NW corner of 9-17-20, two miles northeast of Magnolia, which was drilled to 8,012 feet, 18 feet below proposed depth. Drill stem tests and cores taken at first showed some saturation, oil and gas odors and hopes were held for producer, but further down salt water in large amounts was recovered.

One other test in a proven field is testing in Cotton Valley after the lime failed. It is C. H. Murphy et al's Jolly No. 1, in Tubal field, NW NE 29-19-18, drilled to 9,305 feet. Tests between 9,290-9,285 feet in lime showed traces of oil and gas, but no commercial production, and that sector was abandoned and operators plugged back to Cotton Valley and perforated between 8,608-8,620, then plugged to 8,000 feet. As the drill went through Cotton Valley, it was believed the test would yield oil.

Two Drillers Get Permits

El Dorado—The Oil and Gas Commission issued only two permits to drill this week in proven areas.

Skelly Oil Co. will drill the Louis Heilbron No. 1 in cnw nw ne of 28-16-26, Miller county, Fouke field. Located 7 miles east of Fouke the plunge will be to 4,000 feet. Rotary will begin drilling soon.

Caddo Oil Co., Inc. will drill the J. A. Simmons No. 1 in ne ne ne of 13-18-13, located 5 miles northwest of Strong in Union county. The operators will sink the hole to 2,350 feet. Drilling will begin soon with rotary equipment.

Three plug permits was issued to: Sneed Bros. plug Mattis Reed No. 1, 16-15-22, Falcon field, Lafayette county; dry.

The Carter Oil Co. plug Trinna Harris No. 1, 15-17-19, Village field, Columbia county; depleted.

John C. Schmidt plug Tom Henry Kelly No. 1, 9-14-14; Union county, Rainbow field; dry.

Smart Expect 3 Pump

Stevens—The Smart No. 1 in the next few days, completed and waiting unit.

This is John M. Smart No. 1 in the section 14-15-20, Columbia county. The well perforated casing and swabbed in from the Travis Peak series near 3,400 feet and is said to be good for about 25 barrels oil daily.

Maritzky and Bibby are in the final stages of completion at their W. L. Smart No. 1 in the SE NE NW section 14-15-20 from the same Travis Peak level.

On the Ouachita county side Arkansas Fuel Oil Co.'s Henry B. Brown Unit No. 1, 1,659 feet north and 329 feet east of the southwest corner of section 18-15-19 has perforated casing at the 3,400 Travis Peak level and was swabbed.

Enough oil has been recovered to assure a fair pumper, but further work is necessary before the test is ready for the pump. Other operators are said to be arranging acreage for drilling in the immediate future in the Smart field.

Working capital of the company Dec. 31, 1950, increased to \$14,654,736, a gain of \$1,132,591. Cash balances and government securities owned amounted to \$13,051,703. Ratio of current assets to current liabilities at the close of the year was 2.22 to 1, as compared with a ratio of 2.54 to 1 at the end of 1949.

Net earnings for 1950, after all charges and taxes, amounted to \$13,989,245, equal to \$5.98 per share on the 2,340,833 shares outstanding. This represented a 53 per cent increase over net earnings of \$3.89 a share in 1949.

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Oil News

Democrat - 3-19-51

New Field Located In Miller Co.

Paluxy Well Makes Heavy Oil; Gulf's Wildcat Test Dry

Magnolia—South Arkansas oil news was featured last week by discovery of a new field in Miller county; staking of a new wildcat location in Columbia county and abandonment of a wildcat near Magnolia. Another drilled ahead within 1,000 feet of contract depth.

In Miller county, Lee and Markham Production Co., and A. C. Allyn completed the wildcat, Price No. 1, 150 feet NE of center of SE NW 18-16-25, as a good pumper of heavy, dark oil, by which a new pool has been opened in Paluxy sand between 3,371-3,314 feet. Total depth is 4,388 feet. In the same county, Skelly Oil Co. has a new location, Louis Heilbron No. 1, center of NW 1-4 of NW NE 28-16-28, not yet started.

A new wildcat location by Carter Oil Co., has been announced for a north Columbia county, the McMeritte School No. 1, in center of NE NE 29-29-20, in the Emerson School district. This location is near the Negro McMeritte School, but it has not been started yet.

The wildcat in Columbia county abandoned as dry is Gulf Refining Co.'s A. L. Pittman et al No. 1, 669 feet S of NW corner of 9-17-20, two miles northeast of Magnolia, which was drilled to 8,012 feet, 18 feet below proposed depth. Drill stem tests and cores taken at first showed some saturation, oil and gas odors and hopes were held for producer, but further down salt water in large amounts was recovered.

One other test in a proven field is testing in Cotton Valley after the lime failed. It is C. H. Murphy et al's Jolly No. 1, in Tubal field, NW NE 29-19-18, drilled to 9,305 feet. Tests between 9,290-9,285 feet in lime showed traces of oil and gas, but no commercial production, and that sector was abandoned and operators plugged back to Cotton Valley and perforated between 8,608-8,620, then plugged to 8,000 feet. As the drill went through Cotton Valley, it was believed the test would yield oil.

Lion Income Sets Record

March 26, 1951

El Dorado—All-time high records in both gross income and net earnings were reported by Lion Oil Co. in its annual report for 1950 released to Col. T. M. Barton, chairman, and T. M. Martin, president, in a joint message to stockholders, attributed the record figures to "additional crude oil production, together with substantial increases in the volume of refined oil and chemical products sold."

Gross income from sales and operating revenues aggregated \$31,960,327 in 1950 as compared with \$65,605,837 in 1949. Net earnings for 1950, after all charges and taxes, amounted to \$13,989,245, equal to \$5.98 per share on the 2,340,833 shares outstanding. This represented a 53 per cent increase over net earnings of \$3.89 a share in 1949.

Working capital of the company Dec. 31, 1950, increased to \$14,654,736, a gain of \$1,132,591. Cash balances and government securities owned amounted to \$13,051,703. Ratio of current assets to current liabilities at the close of the year was 2.22 to 1, as compared with a ratio of 2.54 to 1 at the end of 1949.

Nokorode Sales Reported Rising

Gazette State News Service
El Dorado, March 31.—One of Lion Oil Company's new ventures, the manufacture of rust preventives and protective coatings, is expected to reach an annual sales volume of \$5,000,000 in another year, according to R. D. Cunningham, division manager.

The products, with the trade name of Nokorode, were placed on the market in March, 1949. Cunningham said the sales volume already had reached \$2,000,000 a year. He added that \$150,000 to \$175,000 orders for the coating products will be shipped this month to fill the government specifications.

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April 3, 1951

Oklahoma City Area Gets Oil Shower—Old Well Blows Top

Oklahoma City, April 2 (P).—An early day Oklahoma City oil well, which had been pumping steadily along for years, suddenly let out a rumble Sunday and started spewing a spray of oil over the top of the derrick.

The Dinwiddie No. 1 showered oil over homes, garages and lawns in a two-block residential area on Oklahoma City's northeast side.

Champlin Oil Company owns the well, and Pumper Bill Lewis said he was at a loss to explain why Old Dinwiddie acted like a young gusher.

"It has been in steady production the 10 years we have had it," Lewis said. "We had just cleaned it and were ready to run the tubing back."

Fire engines were dispatched to the area in case the oil ignited. Police kept traffic away.

Garnett Rogers, a geologist

with the Champlin Company, said he believed gasses far below the surface had accumulated and forced the oil through the top of the well. He added that workers on the well evidently had not "capped" it when they finished work Saturday.

Crew members quickly capped the well today but not before it had spread its black spray over the area.

Mrs. Orrie L. Hill, a housewife in the area, had a word for the display:

"Somebody is going to have a big job—cleaning this mess up."

5 Permits Given For Drilling, 2 For Wildcat Wells

El Dorado, April 7.—Two wildcat tests are included in five drilling permits issued by the Arkansas Oil and Gas Commission this week. Two plug and abandon jobs were authorized. The list:

Weaver and Johnson, drill Byers No. 1, 750 feet east and 150 feet south of NW 1/4 NE 29-9S-26W, Hempstead County wildcat.

Caddo Oil Company, Inc., drill Union Saw Mill Company No. F-1, 330 feet south and 355 feet west of NE 1/4 SE 12-18S-13W, Union County, Sandy Bend Field, 2,350 feet.

Marine Oil Company, drill Wilson No. 1, C SE SE SW 6-18S-12W, Union County, Sandy Bend Field, 2,400 feet.

Curtis Kinard, drill Crain No. C-1, 470 feet east and 280 feet north of SW 1/4 N 17S-14W, Union County, Rainbow Field, 3,600 feet.

Davis, Passwater & Whaley, drill Lawrence Elliott No. 1, 330 feet north and west of SE 1/4 NE 16-15S-17W, Ouachita County, wildcat, 3,500 feet.

E. G. Bradham, plug R. C. Gunnels No. 1, 14-17S-19W, Columbia County.

Ray E. McCain, plug West No. 1, 22-19S-13W, Union County.

3 Wildcats Get Permits

El Dorado—The Arkansas Oil and Gas Commission issued six permits during the week. Three are for wildcats.

El Dorado Drilling Co. will drill the Cox 2, a wildcat, in Chicot county. Located in 27-16-1, rotary will drill to 5,000 ft.

Ozark Development will drill the Otis Robbins & J. M. Terrell No. 1, a wildcat, to be drilled in center SE NW NE, 33-21-13 Baxter county. Located eight miles north of Mt. Home, the well will be 2,500 feet deep.

J. K. Wadley will drill the J. B. Warnock No. 1 in center NE NE NE of 36-13-22; Nevada county. A wildcat, the well is located three miles NE Bodcaw and will be 4,100 feet deep.

Union county drew three permits, as follows: Marine Oil Co. to drill the Kidd No. 1, NW NW NW, 6-18-12; located in the Sandy Bend field; rotary will drill to the Natcock; J. S. Beebe Oil Co. to drill the J. H. Alphin No. 16; located NW center NE NE in 10-16-15; rotary will drill to 2,750 feet, and Caddo Oil Co. to drill the Union Saw Mill F-2; SE center NE NE; located in 12-18-13; 2,350 feet depth.

Four permits were issued for plug jobs:

Noel T. Langham will abandon as dry the wildcat Reynolds-Gamill Lbr. Co.; located in Union in 5-18-16.

J. S. Beebe to plug the Frost No. 2 in 9-17-13; south El Dorado field as dry.

Carter Oil Co. to abandon as dry the wildcat test T. J. Russell No. 1; N. V. Kinsey to plug the Lillie No. 1; Hempstead county wildcat located in 33-10-24 as dry.

Equipment Arriving For Hempstead Test

Murfreesboro — Machinery has begun to arrive for the new oil test on the Elmer Byers farm three miles east of Nashville. The leased area is three miles long and four miles wide and is in Hempstead county.

6 New Wells Are Authorized

El Dorado—Union county drew three of six permits for new wells issued by the Oil and Gas Commission this week. They are:

Murphy Corp. to drill a deep test in ne nw of 32-18-15. Located in the Gatesville field five miles south of El Dorado, the Miles No. 2 will be driven to 8,000 feet. Rotary rig will begin drilling immediately.

C. A. Lee to drill the Ben Prothro A-1 in ne nw sw of 2-18-15. Located in the West Nick Springs field, the well is four miles SE of El Dorado. Rotary will spike the well to 3,500 feet.

Curtis Kinard will stake another in the Rainbow field. The Phenie No. 1 to be located in se sw of 1-17-14. Located 10 miles ne of El Dorado the bit will grind to 3,600 feet.

Two tries went to Lafayette county. Sneed Bros. will drill the Mollie Reed Nos. 3 and 4 in the Falcon field. Both wells located in 16-15-22, two miles east of Falcon will be drilled to 1,250 feet. The No. 3 placed in ne ne nw with No. 4 in ne center and ne nw.

Arkansas-Western Gas will drill the F. A. Parsley No. 1 in 15-10-28 of Franklin county, Lone Elm field. Located four miles northeast Mulberry the hole is to be worked by cable tools to 3,600 feet.

Permit for one plug was issued to Arkansas-Western Gas to plug the McGehee No. 1 in 17-10-28, Franklin county, Lone Elm Field, dry.

Oil Industry Production Hikes Asked

Houston (P) — Defense officials have asked the oil industry to boost its production inventories rapidly in the next six months.

Crude oil, residual and distilled storage levels the Petroleum Administration for Defense considers desirable by the end of September total approximately 75 million barrels above current levels.

PAD officials, in a series of meetings across the nation last week, advised the industry they expect demand for petroleum products this year to exceed 1950 by 10 per cent.

W. P. Hayes, assistant director of the Petroleum Administration, said stocks of all products except residuals were adequate as of March 31.

He warned, however, sharp increases will be needed prior to the start of the 1951-52 winter season.

Hayes said PAD considers these storage levels desirable:

Crude oil—250 million barrels "as soon as possible," compared to 235 million on March 31 and 242 million a year ago.

Residual and heavy fuel oils—50 million barrels by the end of September, compared to a current 35,500,000 and 40,400,000 a year ago. These stock approximated 42 million on Sept. 30, 1950.

Distillates and light fuel oil—88 million by September 30 and from 95 million to 100 million by the end of November. Current stocks total 42,300,000, compared to 38,200,000 a

Democrat, April 15, 1951

Oil News McKamie Royalty Up

Production passed the 6 million mark the first time in history a month ago and climbed to a record 6,126,000 daily average last week.

PAD anticipates no product shortages but warns that most of the fields which contributed to high debits the first quarter of 1951 are expected to continue throughout the year.

"Our fire losses would be cut in half, if each individual would assume the responsibility of clearing the brush from his own property," said Hayes.

"If each individual would assume the responsibility of clearing the brush from his own property, the current fire loss of Arkansas would be kept clear of the woods, also."

Hayes said the nation's crude oil production this year must average 6,065,000 barrels a day, in order to keep pace with needs. This means, he said, average daily output the last six months of the year will have to approximate 6,160,000 barrels.

Keep Arkansas Green Association, Inc., is in charge of the project. The first drilling, about 400 feet away, was started last summer and later abandoned.

Oil Hearing Set April 20

El Dorado (P)—A hearing by the state Oil and Gas Commission to decide whether oil or natural gas has been wasted in Arkansas has been set for April 20 in El Dorado.

Fields and oil pools in nine south Arkansas counties are common sources of supply of crude oil and natural gas. The counties are Nevada, Lafayette, Columbia, Union, Miller, Ashley, Calhoun, Ouachita and Franklin.

The commission said the hearing also would determine the optimum equitable daily rate of production of oil and gas from each and all of the pools and fields mentioned.

George Wagner Heads Benton-Bauxite Club

Bauxite — George M. Wagner, Bryant, was elected president of the Benton-Bauxite Rotary Club at a weekly meeting last night in Benton's Community Hall. Wagner has been a Rotarian for the past several years. He is an underground mill foreman with Reynolds Metals Co. Other officers are L. B. Brewer, Benton, vice president; L. C. Highfill, Bauxite, secretary; and Henry K. Brown, Benton, treasurer. Directors are W. W. Binford and Nelson Rainey. Wagner succeeds Sid C. Bundy, Benton oil products distributor.

El Dorado Completion

Tests were nearing completion in the shallow Sand Springs field.

HERE NOW! (You've Been Waiting For It)

KAISER ASSOCIATED COME BY AND SEE The Down Payment Your Car Will Probably Make

50 Kaiser Traveler, heater and radio, heater, one owner, new care; mileage 10,000. \$1,195

50 Kaiser Traveler, heater and radio, heater, one owner, new care; mileage 10,000. \$1,295

49 Nash 4 door Super, 18,000 miles. One owner. \$1,295

48 Ford Sedan Delivery, heater, exceptionally clean. \$895

47 Chevrolet 4-Door Fleetmaster, radio, heater, plastic seat covers, excellent tires and motor, very clean. \$995

47 Plymouth Special Deluxe 4-Door, heater, seat covers, clean and neat. \$895

47 Nash 4-Door "600," leather seats. The world's cleanest. \$795

50 Ford Business Coupe, heater, new very low mileage, one owner. \$1,295

51 Chevrolet Pickups. Brand new. Your choice of colors. 24 Months to Pay. \$1,465

47 Buick Super Convertible, new white wall tires, radio, heater, canary yellow with black top. \$1,195

50 Dodge Coronet with 270-hp heater, plastic seat covers. You'll like this one. \$1,695

49 Buick Super 4-Door Sedan, heater, Dunlop radial tires. for only \$1,695

New Oil and Gas Reservoirs Found In Proven Fields and Some of Old Pools Extended; 353 Wells Drilled

(Continued from Page 1, This Sec.)

(upper Cretaceous) which was discovered to be productive in 1946.

Other Extensions

Of lesser importance than the extensions in depth and area already described are the extensions during the year of a number of fields by wells completed in the old producing zones. In the Atlanta field, Columbia County, a northward projection of the Smackover limestone reservoir (Jurassic) was extended about one-quarter mile northeast. One producer extended the Columbia field in Columbia County, nearly one-quarter mile northward in the Smackover limestone reservoir. The productive area of the El Dorado-South field was enlarged to the west locally a distance of about one-third mile by a very small producer in the Nacatoch sand (upper Cretaceous). The Massard Prairie gas field in Sebastian County was extended about two miles toward the southwest in the Atoka formation (Pennsylvanian). In the Smackover field a small producer enlarged the Norphlet district in Union County, a short distance locally to the west in the Primm or upper Meakin sand of the Ozan formation (upper Cretaceous); also, the well yielded oil instead of the gas that characterizes the Primm sand elsewhere in this district of the field. The proved productive area of the Warnock Springs gas-condensate field in Columbia County, was extended a mile southwestward in the Smackover limestone reservoir. The White Oak gas field in Franklin County was extended about two miles to the southwest and one mile northeast in the Atoka sands.

Production

Oil production in south Arkansas increased from 28,367,496 barrels in 1946 to 29,943,347 barrels in 1947, a gain of 1,575,851 barrels. Gas production in south Arkansas increased also from 60,650 million cubic feet in 1946 to 68,996 million cubic feet

in 1947, a gain of 8,346 million cubic feet. Cumulative production for south Arkansas at the end of 1947 totalled 723.4 million barrels of oil and 349,850 million cubic feet of gas.

Conservation practices are making very satisfactory progress in the oil and gas condensate fields of southern Arkansas. Forty per cent of the oil produced daily is produced from fields operating under some form of pressure maintenance. Gas flared now totals less than seven per cent of all gas produced. Operators are working on utilization agreements leading to the establishment of pressure maintenance systems in the old McKamie-Patton Field and Atlanta Field, as well as in the new Hogg sand pool of the Wesson Field which has been described. If these agreements are accomplished, fifty-two per cent of the oil produced daily will be from fields operating under some form of pressure maintenance.

In the dry gas producing region of northwest Arkansas production also increased from 3,655 million cubic feet in 1946 to 4,813 million cubic feet in 1947, a gain of 1,158 million cubic feet. Cumulative production for northwest Arkansas at the end of the year totalled 185,203 million cubic feet.

Wildcat In Miller Area Is Testing

Test North of Fouke Makes Oil by Heads; New Sand Found

Magnolia — Although tanks have been set and production test is under way, no gauge had been completed at the week's end on a wildcat well north of Fouke field in Miller county, developments on which topped South Arkansas oil news last week.

On most recent completion attempt, the well, Skelly Oil Co.'s Louis Heilbron No. 1, 330 feet south and 330 feet east of northwest corner of ne 1/4 of section 28-16-26, was perforated from 4,180-88 feet and was swabbing and flowing oil by heads with 10 per cent salt water.

The wildcat was carried to 4,296 feet and has tested back up the hole. With pipe set at TD, first test was in the bottom 10 feet of the hole, where promising shows were logged. Another promising core was cut from 3,467-77, but a drill stem recovered only a slight show of gas.

This well is north of the Fouke field and deeper than the Paluxy production of that area.

At El Dorado on Friday of this week, the Oil and Gas Commission will consider setting an official allowable for Lee & Markham Production Co. A. C. Allyn-Price No. 1, 150 feet northeast of center of se, nw section 18-16-S, range 25-W, which is also a new productive spot in Miller county with only one well. It was gauged at only 15 barrels of oil and 45 barrels of salt water, per day, on initial gauge.

In Columbia county, Carter Oil Co. set intermediate string in the wildcat, McMettriss School No. 1, near Emerson, 652 feet s. 648 feet w. of ne corner of 29-19-20, with a proposed depth of 10,200 feet, to Smackover.

In southwest part of the county, nearly on the state line, Stanolind Oil and Gas Co. was making ready to spud in the Pine Woods Lumber Co. No. 1, 551 feet n, 660 feet e. of sw corner of 11-20-22, which is due for a Petit lime test around 5,900 feet.

In Nevada county, Irma field, J. B. Downs' Grove Land and Timber Co. No. B-1, 225 feet n, 520 feet e. of sw corner of sw, ne, 2-14-21, due for a depth of 3,500 feet, ran Schlumberger survey. Testing is in progress.

In same county, J. B. Warmack et al's Eva Rogers No. 1, 330 feet n, and e. of sw corner of 17-14-21, Williamsville field, was spudded for a depth of 2,500 feet. This is near the recent pool-opener at around 1,200 feet.

Hempstead county has a new wildcat location, Weaver and Johnson Co.'s Byers No. 1, 750 feet e, 150 feet s of nw corner of nw, ne 29-9-26, to go to Eagle Mills sand.

2 Important Tubal Field Tests Abandoned as Dry

Magnolia, March 24.—Two highly significant oil tests in the deep Tubal Field of South Arkansas were marked off as failures today by McAlester Fuel Company, drillers.

Nevada Opener Is Shallow; Oil Shows Heavy

Magnolia, March 24.—A shallow pool discovery in Nevada County this week paced this area's oil activity as development showed a slight decline in Columbia County.

The wildcat drilled into pay at Willisville, in South Nevada County, was J. B. Warmack, et al's L. P. Weaver No. 1, nine miles southeast of the Bodcaw Field and five miles southwest of the Waterloo Field.

Total depth was 1,202 feet, with production of a heavy, black oil (about 12 gravity) coming from 1,194-1,200 feet. On pump, it was reported making from 10 to 40 barrels daily.

Drilled by Burnett Drilling Company, the pool discovery well is 150 feet C, 75 feet W of NE corner of W half of SE SW 17-34-21.

Lone Columbia Wildcat

Columbia County's one wildcat Arkansas Fuel Oil Company's Clotide Glass Estate No. 1, three-fourths of a mile northeast of Taylor, was coring at 10,199 feet. Proposed for 10,500 feet, its outcome should be known soon.

In a matter of days, a new Columbia wildcat, near Emerson, will begin. It is Carter Oil Company's

4 Pumpers Completed In Union

El Dorado—Four wells were completed during the week, as pumpers in the El Dorado area. Ten other wells are in various stages of operation.

Those completed are: Marine Oil Co.'s Wilson No. 1, section 6-18-12, which is pumping 10 barrels of oil at a depth of 2,384 feet; Caddo Oil Co.'s Union Sawmill F-1, section 12-18-13, pumping six barrels of oil per day at a depth of 2,324 feet; Caddo Oil Co.'s Union Sawmill E No. 7, section 7-18-12, pumping five barrels of oil at 2,321 feet, and Marine Oil Co.'s Winn Estate No. 6, section 11-18-13, pumping with no gauge taken.

Atkins and Pannell have abandoned the Fagg, section 7-16-17 as dry at 2,794 ft. Curtis Kinard is waiting on standard rig for the Phenie No. 1, section 1-17-14. Suggs is drilling and preparing to perforate the Goodwin No. 5, section 3-16-15. Herff and Lewis are waiting on standard rig for the Wern Co. No. 1, section 9-16-12. Caddo Oil Co. is shut down on the Union Sawmill No. E-3, section 7-17-13.

Oil Land Law Course Planned in Magnolia

Magnolia (P)—A technical course in oil land law will be held April 26 at Southern State College's new Petroleum Technical Institute here.

T. D. Bowles, institute director, said the course will be the third offered by the school. The institute was opened last month to offer technical training on a practical level for persons engaged in Arkansas' petroleum industry.

Atlantic Refining Company, drill J. M. Bishop No. 2, 330 feet north and west of SE 1/4 NW SW 13-18S-17W, Union County, East Schuler, 7,800 feet.

Gregg-Union Oil Company, drill Simmons No. 2, 330 feet south and east of NW 1/4 NE SW 10-18S-13W, Union County, Urbana, 2,250 feet.

J. K. Wadley, drill J. B. Warmack No. 1, C NE NE NE 36-13S-22W, Nevada County, 4,100 feet.

G. V. Conklin, drill J. M. Parnell No. 1, C NW NE SE 6-16S-16W, Union County, Smackover, 2,650 feet.

Noel T. Langham, plug Reynolds-Gamill Lumber Company No. 1, 19S-18-5.

E. J. and J. S. Beebe, plug Frost No. 2, 9-17S-13W, Union.

Williams, Lane and Ewing, plug J. G. Alexander No. 3, 17-17S-19W, Columbia County.

Gas Commission Issues 4 Permits

El Dorado, April 21.—Only four drilling permits were issued by the Arkansas Oil & Gas Commission this week. Three are for tests in Union County. Three plug and abandon jobs were authorized. The list:

Atlantic Refining Company, drill J. M. Bishop No. 2, 330 feet north and west of SE 1/4 NW SW 13-18S-17W, Union County, East Schuler, 7,800 feet.

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Prospectors Seek Traces Of Tungsten

Korean War Closes Imports From China For U. S. War Needs

San Francisco (AP)—California's tungsten industry, largest in the nation, is stirring under the impetus of a war created shortage of the critical metal that toughens armor plate and hardens tools.

Tungsten prospectors, probing desert mountains for traces of the strategic metal, are adding another colorful chapter to the state's mining history.

Out on the range at night, or in their cabins, they test ore samples under an ultra-violet lamp for the bluish-white fluorescence that signals the presence of tungsten.

The Korean war has shut off imports of the metal from China, world's largest producer. As a result, the price has skyrocketed—nearly tripled—since last August. It is quoted at \$73 a short ton unit of 20 pounds as against \$28.50 six months ago. The metal went on allocation March 1 to conserve it for national defense.

Reports to the State Division of Mines here indicate that this situation has resulted in a surge of activity in the search for new deposits. Recent Discoveries.

Olaf P. Jenkins, division chief, said a good many new tungsten-bearing districts have been discovered in recent months.

California is the nation's largest producer of tungsten. Occurrences of the metal exceed 250, more than in any other state with the possible exception of Nevada.

While deposits are largely in the desert area in Inyo and San Bernardino counties, they have been found in 20 different counties.

A new district recently was located on the upper reaches of the Rubicon river in Eastern Placer county, not far from famed Lake Tahoe. It was the first discovery in that county.

One of the most important recent finds was the Starbright deposit, about 25 miles north of Barstow in San Bernardino county. It has been actively mined since August and is yielding about 30 tons of crude ore daily. The ore is taken out by open cut methods. The work is done at night so that ultra-violet light may be used to check the ore extracted.

Important to Defense. Tungsten is important to national defense in several ways. It is needed for the manufacture of alloy steels, including "high speed" steels used in making high speed tools. The metal also is used in the electronics industry—for the filaments in radio tubes.

Tungsten does not occur free in nature and is a constituent of relatively few minerals. The Division of Mines lists only four minerals in which tungsten is the principal constituent. These are scheelite and wolframite, the world's principal tungsten ores, and ferberite and hubnerite.

Kuwait Is New Center Of Arab Oil

Sheikh There Gets \$40,000 a Day; In Humid, Hot Country

By FRED ZUSI.

Cairo (AP)—An Arab sheikh who reigns over a 50 by 70 mile sandy waste called Kuwait on the hot and humid Persian Gulf rakes in tax free every day some \$4,020 in oil royalties.

The money—in rupees—rolls into the private bank accounts of 55-year-old Sheikh Abdullah Al-Salim Al-Sabah.

Sheikh Abdullah is a genuine sheikh. He lives in a palace, has a harem and wears the flowing white, gold-embroidered kuffiah of the desert Arab.

He serves bitter Arab coffee in tiny cups to his guests, races Arab horses and hunts gazelle in the desert. He gives lavish banquets of whole roasted sheep served on heaping platters of rice. The hands of his guests are washed in rose water.

He lives as a feudal ruler in a fabulous part of the world—not far from the home port of Sinbad the Sailor. Sinbad might feel at home in Kuwait today.

Kuwait is the home of seagoing Arabs who once made fortunes in pearl diving, boat building and trading between Europe and Asia. A dozen venturesome crews still sail their small dhows to the speckled of Zanzibar off East Africa.

Huge Reservoir of Oil. For the last five years a new stream of undreamed-of oil wealth has been flowing to Kuwait—more properly to the Sheikh, who personally receives the royalty payments.

Oil men say that tiny Kuwait, with its 125,000 Arab inhabitants, has what may be the largest single oil reservoir in the world—a reserve estimated at 1,000,000,000 barrels. As a yardstick, remember that U. S. total developed crude oil reserves are 26 billion barrels.

There's a strange sidelight to all this underground wealth in oil—It's almost impossible to get drinking water from the Kuwait earth. It rains only a fraction of an inch each spring.

Most of the water has to be shipped in from the head of the Persian Gulf 70 miles away—where the historic Tigris and Euphrates rivers flow together. It comes mostly in small tankers.

Sheikh Abdullah is new on the job. He succeeded his cousin in February, 1950, after the cousin's death. He was picked by a council of elders comprising the 25 or so top men in the ruling families.

Oil wealth is new to Kuwait. Production started from scratch five years ago and now flows at the record rate of some 400,000 barrels a day. Production of 500,000 barrels a day from present wells is believed possible.

The Kuwait Oil Co. Ltd. now ranks a respectable third to the big oil-producing giants of the Middle East: The British-controlled Anglo-Iranian Oil Co. in Iran, and the Arabian American Oil Co. (ARAMCO) in Saudi Arabia.

Oil News Gulf's Test In Columbia Waits Orders

Union Area Reports One New Pumper

El Dorado—One pumper was completed in the Union county area during the past week. The Caddo Oil Co. is pumping the J. A. Simmons No. 3, section 13-18-13 at a total depth of 2,346 feet. The well is producing five barrels of oil per day.

High water has stopped activities on Sugar's Goodwin No. 5, section 3-16-15. Caddo Oil Co. has shut down Union Sawmill No. E-3, section 7-18-12, and is waiting orders at 2,100 feet. C. H. Murphy & Co. is drilling the McCarthy No. 1, section 33-19-18, at 8,430 feet. Roy Frank et al. is running Schlumberger test on the Miles No. 1 well, section 32-18-15 at 7,725 feet. Herff and Lewis are drilling the Lewis Werner Co. No. 1 at 5,515 feet. E. G. Bradham is waiting on cement for the J. E. Dunbar No. 1, section 1-18-15. Noel F. Laughan is waiting on cement at 2,411 feet for the Reynolds Gammill Lumber Co. No. 1, section 5-18-15.

Murphy Corp. also is drilling the Burgess No. 1, section 33-17-12, at 3,235 feet. Lion Oil Co. is drilling the Charles No. 1, section 28-18-18, at 2,020 feet. Roy Frank et al. is waiting on cement for the Ellen Childs No. 1, section 8-16-16 at 2,633 feet. Also waiting on cement is C. H. Murphy & Co. for the Gottschall No. 1 wildcat, section 3-18-18. Caddo Oil Co. is drilling the J. A. Simmons No. 1, section 13-18-13, at 1,600 feet.

Distillate Well Flows. In Warnock Springs field, McAlister Fuel Co. has completed and gauged the Wilson-Nesbit Unit No. A-1. 1,320 feet N & W of SE corner of 32-16-19, at 24 barrels of distillate and slightly more than 1,000,000 cubic feet of gas per day from bottom, which is 7,401 feet. Gravity is 64 degrees, choke 10-64 inch, gas-oil ratio 26,800 to 1, tubing pressure at 2,050 pounds, with no salt water.

In Tubal field, Murphy & Co. is completing Jolley No. 1, NW NE 29-18-18, on the Columbia side of the two-county field. It showed for a producer in both lime and Cotton Valley. It drilled to 9,305 feet in Smackover and tests are being made here. A drill stem test between 9,280-9,295 feet showed 1,000 feet of water cushion and a weak blow after being open 20 minutes.

For Electric Program 4-H Awards Announced Melbourn highway. The blacktopping of the Cushman-Melbourn highway. The field day replaces the pasture chamber.

Also a member of the chamber is also a member of the chamber. The county agent Ben B. Price, who is also a member of the chamber.

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Union Area Reports One New Pumper

Murphy Given Post by IPA

El Dorado—C. H. Murphy Jr., head of the Murphy Corp., El Dorado, has been named vice chairman of the budget committee of the Independent Petroleum Association of America, J. Ed Warren, president of the association, has announced.

Also named to executive committee posts are T. M. Martini, president of Lion Oil Co., who will be vice chairman of the resolutions committee, and John E. Howell, president of Lion Oil Co., who will serve as vice chairman of the program committee.

O. C. Bailey, El Dorado, has been named to the executive committee. Also named to active committees are: R. L. Grady and Paul C. McDonald of the Murphy Corp.; R. E. Meinert and E. W. Atkinson of Lion Oil Co.; Donald K. McKay of Arkansas Oil and Gas Commission; Vernon J. Turner of McAlister Fuel Co.; Magnolia, and J. E. Berry, Smackover.

February Rainfall Sets Record in Fayetteville Fayetteville—The past month was the wettest February in Fayetteville since 1945, Charles Ford, weather observer, reported here yesterday. It was also considered "warm" for February, with the mean temperature being 43.1 degrees—1.3 degrees above normal. Precipitation for the month totaled 8.26 inches, which was four inches above normal.

and of bringing the mobile unit to Magnolia. Instruction will be limited to maintenance and operating problems, rather than major repair and overhaul work.

The Southern State College technical institute was developed this year on recommendation of the Arkansas Commission on Higher Education and at the request of petroleum operators in Arkansas.

Luke Ward, personnel director for Pan-Am Petroleum Corp., El Dorado, and J. C. Ruppert, state supervisor of trade and industrial education, operated with the college in the field.

Skelly Oil Co. Drilling Skelly Oil Co. is drilling near 2,000 feet in the Heilborn No. 1, center of NW of NW NE 28-16-26, which has a scheduled depth of 4,000 feet. It is in Fouke field.

In Falcon field's shallow tests, Skelly Brothers are more or less successful, with some wells making small amounts and others testing for settled gauges. This area is on the line between Nevada and Lafayette counties.

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Oil News Asphaltic Oil Field Brought In

Small Pumper Shows Heavy Oil 5 Miles From Waterloo

Magnolia—A shallow pool was opened last week in Willisville by J. B. Warmack et al's L. P. Weaver No. 1, 150 feet S, 75 feet W of NE corner of W half of SE SW 17-14-21, five miles southwest of Waterloo field and nine miles southeast of Bodcaw field, in south Nevada county. Depth was between 1,194-1,200 feet. Gravity was about 12 degrees and the oil is similar to Waterloo production, from which asphalt is manufactured. Production was small.

In Columbia county the wildcat being drilled by Arkansas Fuel Oil Co., Clotilde Glass Estate No. 1, 667 feet N, 655 feet W of SE corner of SE NW 1-19-23, three-fourths of a mile northeast of Taylor, was at 10,199 feet and coring. Contract depth is 10,500 feet. No show has been reported.

Tubal Field Wells Dry. Another Columbia county well tested in Smackover and showed little promise. It is C. H. Murphy Co.'s Jolley No. 1, near a Negro school of the same name, in Emerson district, 652 feet S, 645 feet W of NE corner of 29-19-20, due for a total depth of 10,200 feet.

A gauge has been partly completed on the new Sinclair Oil Co.'s May-Warmack Unit No. 1, 610 feet N, 280 feet E of SW corner of E half of NE SW 9-14-22. It was pumping four barrels of oil per hour in a nine-hour test from between 2,576-2,580 feet after having drilled to 2,100 feet in Bodcaw field, Nevada county.

In Dorchester - Macedonia field, Tidewater-Associated Seaboard Oil Co. reworked the Dodson Heirs No. 1, 60 feet W of center of N half of NE of 20-18-21, an old dual producer almost gone to gas. It was tested between 8,911-8,936 feet in Smackover and still produced gas and a small amount of distillate. It will be shut in except when the Macedonia plant needs the gas for refining along with other sour gas in the field.

In Spirit Lake field, Lafayette county, E. D. Markham completed the J. W. Velvin No. 4, 330 feet N and W of SE corner of NW NW 22-16-25, and it was no pump from 3,800 feet. No gauge has been announced.

In Miller county, Skelly Oil Co. is drilling near 2,000 feet in the Heilborn No. 1, center of NW of NW NE 28-16-26, which has a scheduled depth of 4,000 feet. It is in Fouke field.

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Oil Law Course To Be Offered

February Rainfall Sets Record in Fayetteville

Magnolia—Southern State College here will unwrap the third course of its new Petroleum Technical institute, a study of petroleum law, in late April, Tom Bowles, director of the institute, said this week.

Bowles said the new course will be taught by Oliver Clegg, Magnolia attorney, who is experienced in petroleum practice. Simultaneously, Clegg will be teaching a similar course in El Dorado.

The course has been tentatively scheduled to begin at the college during the last week in April. Classes will meet for two hours on one night a week for 10 weeks. No educational prerequisites will be expected for students enrolling.

Bowles said the course will have special appeal for attorneys, oil scouts, oil land brokers, oil company clerks and all people connected with land departments of oil companies. A fee of \$10 will be charged for registration.

The Petroleum Technical Institute was established at Southern State College as a result of a two year study recently completed by the Arkansas Commission on Higher Education. Purposes of the institute is to provide practical training and experience without college credit to adults employed in Arkansas' oil industry. Courses are designed on a practical level to meet the needs of persons with or without college training.

Wildecat Fails One deep wildecat in Union County was recorded as a failure while three others are drilling at various stages. Curtis Kinard abandoned his Clark No. 1 in NW SE 21-18-12W after drilling to 6,442 feet. Location was two miles north of Strong.

Lee to Test C. A. Lee was preparing to make a drillstem test at 2,153 feet on the Ben Prothro No. A-1 in NE NW SW 2-18-15W, west of the West Nick Springs field. On the east edge of the field, E. G. Bradham has abandoned as dry the E. G. Dunbar Estate No. 1 in NW NW SW 31-17S-14W after drilling to 3,779 feet.

Roberts Petroleum, Inc., was reported fishing for casing on his Sledge No. 1, SE NE NE 6-18S-13W, Lawson field. Depth is 3,045 feet. The Hill No. 1, discovery in the new field, was reported shut down awaiting an outlet for the gas production which was gauged at 101,461 cubic feet per day.

In Atlan completed the Nipper No. 1—a former lime producer. The recompletion was in Cotton Valley at 8,266-8,284 for a good pumper.

In Bodcaw Field, Nevada County, Sinclair Oil Company's May-Warmack Unit No. 1, 610 feet N, 280 feet E of SW corner of SE NW 9-14-22, was making good production on pump after perforations at 2,576-2,583 feet and acidizing. Gauge was not announced.

Lafayette Pumper In Spirit Lake field, Lafayette county, Don Hoyt Davis completed the C. B. Moore No. P-2, 338 feet E 330 feet N of SW corner of SW NE 13-16-25. It had been abandoned several months ago at 3,200 feet. Perforations at 3,880-3,884 feet made pupm production possible.

In the same field, E. D. Markham was coring in the J. W. Velvin No. 4, 330 feet N and W of SE corner of NW NW 22-16-25. On drillstem test at 3,464-3,472 feet it showed 990 feet of oil and gas and 60 feet of salt water. At 3,518-3,524 feet, the show was 30 feet of oil-cut mud, one and one-half gallons of clear oil and no salt water. A producer was expected.

In Miller County, a new location was announced by Skelly Oil Company with a proposed depth of 4,000 feet. It will be the Louis Heilborn No. 1, center of NW of NW NE 28-16-28.

Markham Production Company have successfully completed the wildecat Price No. 1, 150 feet NE of center of SE NW 18-16-25. It was producing heavy, dark oil on pump and classed as a definite pool opener.

Trying out the Cotton Valley after falling in lime was C. H. Murphy & Co.'s Jolley No. 1, 660 feet S, 664.9 feet E of NW corner of NW SE 29-18-18. Tubal field, being drilled by McAlister Fuel Company.

Fifth Producing Zone Sought In Schuler Tester

Three Columbia Ventures Have Varied Reports

El Dorado, March 17.—The vast Schuler oil field, 18 miles southwest of El Dorado, which has yielded four producing zones, held the spotlight in activity here this week as work started on a test well to seek production at higher levels.

The new test, the Schuler Unit No. 144, is in the SW NW NW 21-18S-17W, only 100 feet from the No. 137, a Jones sand well recently abandoned. It will be drilled to 6,000 feet, which is above production levels in other wells. Producing zones in the field are Morgan san, Cotton Valley, Jones sand and Reynolds lime.

Covering portions of nine sections centering around section 18-18S-17W, the Schuler field was discovered in the spring of 1937 by Phillips Petroleum Company and Lion Oil Company. In 1941, some 18 or 20 companies holding production in the area unitized their interests and named Lion Oil Company as the sponsor. More than 150 wells have been drilled, 143 of which are controlled by the Schuler Unit.

The Schuler unitization has been cited as an outstanding example of conservation and efficient production of oil and gas. It is necessary to operate only about one-fourth of the 143 wells to recover the oil in the reservoirs.

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South Arkansas Oil Fields Still Going Strong 30 Years After Fabulous Boom Days

By GROVER A. ZINN
Gazette State News Service

El Dorado, Jan. 6.—Thirty years is a long time for most people, but for the steadily dwindling ranks of the fortunate El Doradoans who stood on a sandy hill a mile west of town on that bleak afternoon of January 10, 1921, and saw the Busey wildcat well spout a column of black liquid into the air, the memory is one that refuses to grow dim with the passing years.

It was on that wintry day that oil made its entry into Arkansas in a big way. A few producing wells had been drilled in other sections, notably at Stephens, but the wild gusher drilled on the Armstrong farm by Dr. Samuel T. Busey, the late Ike Felsenthal, Wong Hing and others, touched off the boom that resounded throughout the oil world and, with numerous lulls between, continues to spark South Arkansas's every industrial and economic move.

The Busey itself was never much for production, but the drilling program that it set off was something ever to be remembered.

Within less than a month derricks spotted the west horizon like a forest of trees, and by midsummer of 1921 the field had edged six miles to the south of El Dorado, and more than 500 wells had been drilled, many of them with a flow of 1,500 barrels per day. At its height the South Field yielded more than 50,000 barrels of oil daily. The early wells produced from around 2,100 feet.

It is significant that just last spring the drillers went down another mile, to around 7,700 feet and found oil at three new levels in the same old South Field, within the shadow of the old derricks. This new field, Catesville, has not yet been fully defined.

The celebrated Smackover field, opened in the summer of 1922, brought the biggest drilling surge in this history of Arkansas, and gushers sprouted on all sides, many of them giant producers that flowed 5,000 barrels or more per day.

In all, several thousand wells were drilled, and the area spread until it covered more than 40 square miles, some 11 miles east to west and from three to four miles north and south, with the once flag station of Smackover right in the middle. Smackover grew by leaps and bounds and within two years boasted a population of some 15,000. Norphlet, Griffin, Louann and

Five Drilling Permits Issued

Gazette State News Service

El Dorado, Jan. 6.—The Arkansas Oil and Gas Commission issued five permits to drill and authorized two plug and abandon jobs during the past week. The list:

Arkansas Fuel Oil Company, drill Clotilde Glass Estate No. 1, 667 feet north and 655 feet west of SEc SE NW 1-19S-23W, Columbia, 10,500 feet.

Dorsett Company and Crow Drilling Company, drill A. A. Jerry No. 1, C SW SW NW 12-18S-14W, Hillsboro, Union, 2,300 feet.

Arkansas Western Gas Company, drill Davis No. 1, 1,320 feet south and 660 feet east of NWc 18-10N-26W, Franklin, White Oak, 4,000 feet.

Caddo Oil Company, drill Wine-man No. 2, 330 feet south and west of NEc NE SW 7-18S-12W, Union, Sandy Bend, 2,350 feet.

Arkoma Oil Company, Incorporated, and V. S. Parham, et al, drill Louie Brantley No. 1, 330 feet south and west of NEc SE 24-14S-23W, Nevada, wildcat, 3,800 feet.

Bob Milam, plug J. A. Bilyeu No. 1, 8-16S-15W, Union.

McAlester Fuel Company, plug W. A. Rushton No. A-1, 14-19S-20W, Columbia.

Latest discovery of the year was what is unofficially known as the Ramsey Creek field in East Central Union. The Lena No. 1 in 26-17S-14W, was drilled by Roberts Petroleum Company but has not been gauged. Production is from around 2,900 feet in the Travis Peak. Two other wells have been drilled.

Marine Oil Company found production at 4,400 feet in the Trigg No. 1 Wildcat to open a pool in 33-17S-12W, North New London, but no new tries have been made there.

Exploration and development during 1950 showed a marked increase, with production expected to run a million barrels ahead of 1949, and bringing the cumulative production since 1921 to nearly 800,000,000 barrels. During the past year permits were issued for 403 wells to be drilled, and increase of 71 over the previous year.

And Still It Grows
In El Dorado, where a lot of conversations begin or end with some remark about the "oil situation," the skyline lengthens as the years go by, and more construction has been under way during the past two years than at any time since the "hamburger row" era.

Dr. Busey, now a resident of Rising Sun, Md., and who was a special guest last October during Oil Program Week, hardly recognized his former home town.

When folks hereabouts step out on the porch at night they are heartened by the "bark" of dozens of pumping wells on famed "Pistol Hill," and a few can even see the friendly myriad of blinking lights strung from top to bottom of the 180-plus foot high catalytic towers at the Lion Oil Company and Pan-Am Southern Corporation refineries which flank the town and together process about 40,000 barrels of crude oil daily.

They can't see or hear the 1,000 or more pumps at Smackover, of course, but if they are statistically minded, they will know that this, most colorful of them all, is still yielding about 11,000 barrels per day, and through the years has accounted for about 425,000,000 barrels, or more than half of all the oil ever produced in Arkansas.

Price Freeze Protested By Independents

Washington (AP)—A spokesman for independent oil producers expressed hope today that "realistic" price control orders soon will be worked out for oil prices.

Oil prices have been frozen at the highest level prevailing in a base period from Dec. 19, 1950, through January 25 this year, under the blanket price control order issued January 27 by the Economic Stabilization agency.

Russell Brown, general counsel of the Independent Petroleum Producers Association of America, said stabilization officials have noted inequities as a result of many complaints.

He said the order failed to recognize increased costs of steel and labor. Brown said he understood one of the questions under discussion in connection with proposed separate control orders for the oil industry is that of whether replacement cost should be considered.

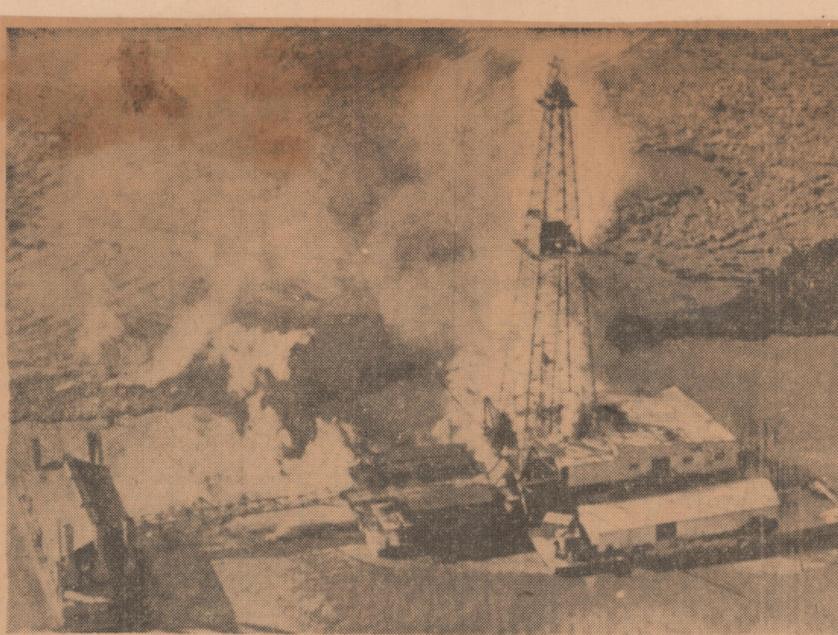
"We have a problem of replacement," Brown told a reporter. "We are trying to get the government to recognize that principle. So far they haven't done it. We have to find new oil at greater expense than in the past."

Brown said he had been informed that plans have been discussed by government agencies for setting up advisory committees through the industry so facts about different areas can be submitted to control officials.

"If they do, they can come to a fairly reasonable conclusion," Brown said, "but they didn't pay attention to such committees during the last war."

Brown added that the average prices of both crude and refined products are below the 1948 level.

Prices of many of the heavy crude oils were cut drastically sometime ago, he said, because "a lot of heavy oil was brought in from outside." He explained that these prices had started rising again when the general freeze order was issued but were caught at a level he described as "below normal."



Oil drilling has come a long way since the days of Spindletop, Ranger, Burk Burnett, Haynesville, El Dorado and Smackover—from the comparatively short and wooden derricks and steam-driven rigs to such modern \$1,000,000 layouts as this offshore setup 50 miles down the Mississippi River from New Orleans.

Spindletop, Where Oil Became a Business Giant, Ready to Celebrate a Real Golden Anniversary

By MAX B. SKELTON
Of the Associated Press

Beaumont, Tex., Jan. 6.—Spindletop, the fabulous field that turned oil into a big business, will be 50 years old Wednesday.

Hundreds of oilmen, from executives to roustabouts, will be here to help celebrate the golden anniversary of the "gusher" that took oil production out of the kneepants age.

The Lucas discovery well blew in at mid-morning on January 10, 1901. For nine days, 100,000 barrels of oil a day roared 200 feet into the air before the well was brought under control.

It was the world's first 100,000-barrels-a-day well. Before then, oilmen had worked only with wells that turned out considerably less than 100 barrels a day.

Bigger and richer fields have been discovered since 1901. But Spindletop was the first proof that oil could be found in large quantity, that gave a shot in the arm to a machine age that was beginning to develop without knowing where it would get its fuel.

Such firms as Gulf Oil Corporation and the Texas Company got their start at Spindletop. The origin of many other companies of today can be traced indirectly to Spindletop.

Reckless development and lack of technical knowledge, on control of gusher wells probably prevented Spindletop from becoming one of history's greatest productive fields.

Oil that flooded acres around the original well finally caught fire. Filings of barrels of oil also were wasted from other gushers that followed.

The old field three miles south of Beaumont still is producing—but

Glass May Be Used To Replace Metals

Toledo, O., Feb. 24 (AP)—Glass may be used to replace many metals which are being restricted for the current mobilization program, says Dr. George B. Watkins, director of research for Libbey-Owens-Ford Glass Company.

In World War II glass was used successfully as a substitute for aluminum. For example, the Federal Communications Commission used it as backing on records for its recordings file. Glass evaporator plates in air conditioning equipment replaced steel plates. One kind of glass today eliminates the need for almost all metal framing and cross-pieces on store doors.

its output is pitiful, compared to 1902 when it produced 17,000,000 barrels of oil.

Today the field has 170 wells with an official total production allowable of 2,248 barrels a day. The daily average output per well is only 13.22 barrels, although the range is from one to 87 barrels.

Records of the Texas Railroad Commission show that from January 10, 1901, through December 31, 1950, Spindletop produced 131,244,099 barrels of crude.

Two Men Paved the Way
The vision and determination of two men at Spindletop paved the way for such huge production figures.

Capt. Anthony F. Lucas, an immigrant Austrian mining engineer, was attracted to the Gulf Coast by reports of salt and sulphur deposits.

Patillo Higgins read geology books while working in lumber camps around Beaumont and refused to give up a hunch that Spindletop, a low hill south of town, had oil.

Higgins found seeps of oil but a shallow drill test failed.

In 1899 he got Lucas interested in the flat-topped hill.

Lucas decided to make a test. After one try was stopped by quicksand, Lucas shopped around for financial backing and made a deal with J. M. Guffey and J. H. Galey of Pittsburgh, Pa.

J. G. and A. W. Hamill, brothers who gained drilling experience when the first Texas oil was discovered at Corsicana in 1895, were hired to handle Lucas' second test. It was agreed to try to go to 1200 feet.

A gas and mud spray was struck at 445 feet. Traces of oil appeared

in the slush pits when the drilling bit reached 600 feet.

At 1,020 feet, another gas pocket was struck. Mud and water shot into the air. The pressure was so great the drill pipe was pulled from the hole, knocking away the crown of the aerrick.

The well settled down and the drilling crew returned to repair the damage.

Oil Industry Is Born
Suddenly, the well broke loose again, gushing oil over the hill. Spindletop—and an oil industry—was born.

Beaumont became a boom town overnight. Its population jumped from 10,000 to 50,000. Special trains brought fortune seekers from the East and North.

Lucas sold his interests a few months later. He died in Washington, D. C., in 1921.

In November, 1901, Guffey merged his Guffey Petroleum Company with the holdings of Andrew Mellon and others to form Gulf Oil.

Among those rushing to Beaumont when Lucas' gusher blew in was J. S. Cullinan of Corsicana, who built Texas' first oil refinery and pipe line.

In 1902, Cullinan, with associates from New York, Chicago, Dallas and Beaumont, formed the Texas Company.

Humble Oil and Refining Company, the nation's largest producer of crude oil, is among the firms whose origin can be traced directly to Spindletop.

Oldtimers from the Spindletop boom days, including Higgins and the Tamill brothers, are to be honored guests at anniversary ceremonies at the monument Wednesday afternoon.

2 New Projects In Smart Field

Gazette State News Service
Stephens, March 10.—After several weeks of inactivity, the Stephens oil sector has two new projects in the Smart Field.

On the Ouachita County side, Arkansas Fuel Oil Company was reported drilling near contract depth in the Henry B. Brown No. 1, 1,659 feet north and 329 feet east of the southwest corner of 18-15-19. Kern and Trimble, contractors, say they will drill to 3,400 feet for a Travis Peak test.

On the Columbia County side, Maritzky & Bibby are drilling the W. L. Smart No. 1, SE NE NW of 14-15-20.

John McDonald recently drilled the Mabel Smart No. 1 in the NE NE NE of 14-15-20 and set casing at 3,400 feet. The test has not been completed.

Arkansas Gazette, 1-11 New Wildcat Oil Well Location Set

Gazette State News Service
Magnolia, Jan. 10.—A new wildcat oil well location has been announced for Nevada County.

It is Arkoma Oil Company's and V. S. Parham's Louie Brantley No. 1, 330 feet S and W of NE corner of SE fourth of 24-14-23. Its scheduled depth is 3,800 feet.

More Steel Ordered For Oil Industry

Washington, March 10 (AP)—An NPA order designed to make steel available to manufacturers of pipe and drilling equipment for the oil industry was signed today and probably will be made public Monday.

Officials declined to disclose details until copies of the order are printed and released generally.

Recovery Group Plans to Coax More Crude From Older Fields

Gazette State News Service

El Dorado, March 31.—A group of South Arkansas oil men have formed an organization to study methods of squeezing more crude oil from the petroleum reservoirs deep in the ground of older fields.

This organization is known as the South Arkansas Secondary Recovery Study Group, and holds meetings at El Dorado each month. Experts in oil production address the members.

At the March meeting Thursday night at the Randolph Hotel, Paul D. Torrey of Houston, Tex., head of an oil equipment firm, discussed this research for new production methods.

Research in oil recovery currently receiving wide attention by the industry is devoted to reducing production cost or to improvement of production efficiency, Torrey said. Improved recovery can result from any method which causes greater uniformity of fluid movement through different kinds of reservoirs.

He pointed out that under most conditions the water drive and the gravity drive will yield the maximum amount of oil, but under the most unfavorable conditions these leave unrecovered from 20 to 30 per cent of the original oil content.

Torrey described a method used by Atlantic Refining Company in which the oil bearing formation is re-saturated with light hydrocarbons under pressure, thus allowing the oil to flow more freely. This is still experimental, but laboratory tests indicate more ultimate recovery.

The high pressure gas injection method has promising possibilities, Torrey said, particularly in the deeper reservoirs.

Application of heat to the reservoir has interesting possibilities, Torrey said, and various attempts have been made to inject hot water or hot gasses into the oil formation to lower viscosity or to vaporize the crude. High cost of this method has held back extended trials.

Other experimental work mentioned by the speaker included the injection of solvents into the oil formation, chemical flooding, the injection of carbon dioxide dissolved in water and release of oil by action of bacteria.

Stewart Branyan of Magnolia is president of the study group. Barney Dunlay of El Dorado is vice president, and Donald D. MacKay, senior geologist of the Arkansas Oil and Gas Commission, is secretary.

Fight Looms On Depletion Allowance

By EDWARD JAMIESON.
(Democrat Washington Bureau.)

Washington—The oil and gas industry will launch its fight to keep the present percentage depletion allowance of 27 1-2 per cent for income tax computation purposes before the House Ways and Means Committee starting March 6.

The committee, which has rejected administration pleas for a "quickie" tax bill, has fixed that day to hear representatives of the oil and gas industries, but unless some of the witnesses who have asked to be heard decide not to testify, at least two days will be required to hear all of them. Approximately 40 men, representing all branches of the industry, have told the committee that they would like to appear when the hearings begin.

Before the committee's rebuff of the suggestion for prompt tax bill at this time dealing only with higher excise taxes and heavier income tax levies, it had appeared that the proposal by Secretary of Treasury Snyder for a reduction in the oil and gas percentage depletion allowance from 27 1-2 to 15 per cent would go over until either later this year or even next. Under present plans, however, a showdown on this recommendation, as well as all others made by Snyder, will come before any new tax bill becomes law.

A similar proposal by Snyder last year was beaten in the ways and means committee and never reached a vote in either the House or the Senate. Opponents of the proposal, who argue that the need for the allowance is even greater now than it was last year due to the defense program and much larger requirements for oil and gas, admit that they face a fight.

Magnolia Area Chalks up Two More Producers

Magnolia, Jan. 6.—Two completions were reported for this area during the week, with a number of failures abandoned as dry holes.

Lee Markham's Lester Brothers' No. 3, completed at 5,500 feet, gauged 155 barrels a day through a 12-64 inch choke. No salt water was reported. This is one of several completion attempts on the hole, 430 feet north and 660 feet west of the southwest corner of 15-16-25.

Markham's Lester Brothers' No. 4, 470 feet north and 330 feet west of the southeast corner of 14-16-25, is down to 3,000 feet. Proposed depth on the hole is 5,500.

In the Bodewy Field, Nevada County, Burnett Drilling Company reports completion of Sinclair Oil Company's May Unit No. 1. The well is pumping 12 barrels an hour with perforations between 2,542 and 2,548. Location is 330 feet south and west of the northeast corner of SW SW 9-14-22.

Another successful venture was expected on the Carter Oil Company's Maggie Daniels No. 3, 330 feet south and 330 feet west of the northeast corner of SW SE 8-14-22. The well is expected to be completed between 2,530 and 2,540 feet following acidation.

Magnolia Petroleum Company's H. L. Lester No. 1, 710 feet west and 330 feet north of the southeast corner of SW 15-16-25, neared completion at 5,500 feet. Final stages were expected this week on the Spirit Lake venture.

Other Projects
Another Lafayette County project, Crow Drilling Company's C. B. Moore No. P-2, has been abandoned as a dry hole. Location is 330 feet east of the southeast corner of SW SE 13-16-25. Total depth was 4,000 feet.

Magnolia's Gulf Refinery Company A. L. Pittman et al No. 1, two miles northeast of Magnolia, a farmout of the Chicago Corporation, reports a cleared location and roads built. The project, 665 feet east and 330 feet south of the northwest corner of 9-17-20, is to go to 8,000 feet.

Arkansas Fuel Oil Company's Goldilocks Glass Estate No. 1, three quarters of a mile northeast of Taylor, is preparing to spud in. The wildcat is 667 feet north and 655 feet west of the southeast corner of SE SW 1-19-23. Total depth will be 10,500 feet.

Lion Oil Company's Whaley No. 1 Columbia County, was halted at 10,002 feet after testing between 9,912 and 9,930 feet. No commercial promise showed. It is 100 feet north of the center of SE SE 4-17-21, six miles west of Emerson.

In Tubal Field, McAlester Fuel Company's Jolly No. 1 is down to 5,000 feet.

McAlester Fuel's Owen No. 1, 560 feet south and 660 feet east of the NW NE 33-19-18, has been abandoned at 9,396 feet. Slight show was reported at the top of the Smackover.

Placid Oil Company's Taylor-Munn Unit No. 1, 280 feet south and 330 feet west of the northeast corner of SW SW 9-14-22, neared 1,900 feet. Total depth is expected to be 2,650.

E. H. R. Savens' S. D. Matteson No. 1, 330 feet north and west of the southeast corner of SW SW 12-13-33, near Foreman, was abandoned as dry between 3,200 and 3,500 feet.

Myers and Collins' Peace No. 1 and No. 2 in Hempstead County were abandoned. Locations were 20-12-27 and 20-17-27.

Shallow Fields In Union County Add Two Wells

Gazette State News Service
El Dorado, Jan. 6.—Two successful completions in shallow fields, a deep failure and possible production at a wildcat depth in an old field, highlighted the activity in the El Dorado oil district during the past week.

Spartan Drilling Company brought in the Thompson No. 2 in SW SW SW 31-17S-14W. West Nick Springs field three miles east of El Dorado, from perforations in the Meakin sand at 2,482-84 feet. Initial flow was gauged at 77 barrels of 21 gravity crude per day.

On the north edge of this field, Pan-Am Southern Corporation is testing the C. W. Everett No. 1, SE SE NW 36-17S-15W, at 3,314-20 feet in the Glen Rose formation. The well flowed oil in an initial test but water encroachment necessitated a squeeze job. A well was drilled below 4,000 feet on this tract a year ago by Spartan and abandoned as dry.

Atkins & Pannell are pumping 10 barrels of oil and 10 barrels of salt water daily from their Childs No. B-1 in SW SE NE 8-1S-16W in the Union County section of the Smackover field. Perforations were made at 1904-12 feet. R. M. Crabtree has three operations in this field, two in section four and one in section five, 16S-16W, on the C. L. Saxon tract. Two are nearing completion.

The fourth try in the Tubal field of Southwest Union and Southeast Columbia Counties was chalked up as dry at 9,396 feet. The Owen No. 1 in NW NE 33-19S-18W, a southeast diagonal offset to the pool opener, showed no signs of possible production in either of the zones from which other wells in the field are flowing. It was drilled by McAlester Fuel Company and C. H. Murphy & Company, with Lion Oil holding an interest.

McAlester and Murphy have completed preparations for their McCarty No. 1 in NW NW 33-19S-18W, Union, Tubal field, a half mile west of the Owen and a southwest diagonal offset to the discovery well and materials are expected to be moved in at once.

Wildcat Test Slated

Curtis A. Kinard has set production pipe at 7,690 feet in his Burns No. 1, SW NE SW 13-18S-17W, Union, and the wildcat is slated for testing early next week. In a drill stem test at 7,629 feet with 500 feet of water cushion, crews recovered 2,000 feet of oil, water cushion and mud, and 1,600 feet of salt water. Maximum pressure was eight pounds. This is a Smackover lime test in a field where wells are producing from the Morgan sand formation at 5,540 feet.

C. H. Murphy & Company is running Schlumberger test on the lone operations in the Catesville field five miles south of El Dorado. It is the Lecroy No. 1 in NE SE 32-18S-15W, a south offset to the pool opener. Total depth is 7,750 feet. Two other deep wells are drilling in the county. Carter Oil Company is nearing contract depth on the Mayfield No. 1 in NE SW 9-18S-17W, a southwest outcrop well in the Cairo field 10 miles southwest of El Dorado. Crews are below 7,650 feet on the test, scheduled for 8,000.

In the Bear Creek field, Herbert Herff and Joseph Lewis are drilling at 5,160 feet on the Mimi Herff (O. C. Smith) No. 1 in SE SW 9-16S-17W. Scheduled depth is 6,500 feet. This is the first try in the Bear Creek field in 18 months. Operators reported a show of oil in cores taken in the Travis Peak at 3,981-4,021.

Caddo Oil Company has spotted a new location in the Sandy Bend field, the Wineman No. 2 in NE NE SW 7-18S-12W. In the nearby Hillsboro field, Dorsett Company and Crow Drilling Company will drill the A. A. Jerry No. 1 in SW SW NW 12-18S-14W. Both are shallow tests.

Curtis Kinard is installing pumping rig on his Pumphrey No. C-4 in NW NW 12-17S-14W, Rainbow field. Roberts Petroleum, Incorporated, have set production pipe at 2,836 feet on the Lena No. 2 in NW NW 25-17S-14W, in the new Ramsey Creek field in East Central Union. A new pumping unit is being installed on the Lena No. 1 discovery in NE NE NE 26-17S-14W, and the Ramsey Estate No. 1 in SE SE SE 23-17S-14W is testing.

FPC Hearings Set Tuesday On Regulating Independent Gas Sales to Pipe Lines

Bartlesville, Okla., March 31 (AP).—The Federal Power Commission opens here Tuesday an inquiry to decide a question of far-reaching importance to the natural gas industry.

Out of what may be weeks of testimony and investigation will come the climatological answer to a controversy of many years standing: Will the FPC assert jurisdiction over the sale by independent producers or gatherers of natural gas to interstate pipe lines?

Specifically, the hearing is to determine whether Phillips Petroleum Company, one of the nation's largest independent oil producers is a "natural gas company" within the meaning of the 1938 Federal Natural Gas Act.

It must also decide if, subject to the Commission's jurisdiction, there are unjust or unduly discriminatory rates charged in transportation or sale of gas.

But the big issue is whether the FPC intends to regulate sales by independent producers.

Sold at Arm's Length

An independent natural gas producer gathers the fuel and sells it "at arm's length" to companies which subsequently transport it interstate.

"Arm's length" sales are those within an area where the gas originates, thereby involving only short hauls.

In its oil operations, the Phillips Company produces great amounts of natural gas. This it sells to numerous buyers which, under federal law, are classified as "natural gas companies."

The FPC's right to regulate such independent producers has been in dispute for years.

In an order effective August 7, 1947, the Commission said it would not take jurisdiction over the independent producers who might be subject to its regulations solely because of gas sales. The order was issued to clarify the situation and remove any doubt as to the Commission's intentions.

Later, however, certain Commission members voiced disapproval of the order and indicated they would not be bound by its promise.

A year ago, Senator Robert S. Kerr (Dem., Okla.) sought to exempt independent gas producers from FPC control with what was known as the Kerr Natural Gas Bill. Passed by Congress, it fell victim to President Truman's veto.

The hearing scheduled this week stems from complaints filed with the FPC by the city of Detroit and the Wisconsin Public Service Commission.

The FPC's order for the inquiry describes Phillips as sole supplier of natural gas to the Michigan-Wisconsin Pipe Line Company.

This company in turn sells the fuel to combines distributing gas in Detroit and to other Michigan and Wisconsin cities.

The complaints deal with increased rates charged by Phillips to the pipe line concern with resultant higher costs to consumers.

On the basis of these protests, the FPC ordered the hearing to obtain full information on Phillips' status in relation to the Natural Gas Act and its gas operation.

3 States Back Phillips

Resisting assumption of control by the FPC, however, are the states of Kansas and New Mexico and the Texas Railroad Commission. These bodies have intervened on the side of Phillips, claiming the FPC has no authority to regulate in such cases.

Supervising commissioner in the Phillips case is Claude C. Draper, who will not be present for the hearing. The inquiry will be conducted by FPC Trial Examiner Edward Marsh. FPC Attorney Howard Purdue also has been assigned.

After testimony has been heard here and briefs filed, oral arguments probably will be held before the full Commission at Washington in late summer or fall. They will come the decision.

Wildcat Fails In Columbia, 2 Others Planned

Gazette State News Service
Magnolia, March 31.—One Columbia County wildcat was abandoned as dry this week but two others were preparing to start.

The dry hole was Arkansas Fuel Company's Clotilde Glass Estate No. 1, 667 feet N, 655 feet W of SE corner of SE NW 1-19-23, three-fourths of a mile northeast of Taylor.

It was drilled to 10,410 feet, or 90 feet short of proposed depth, without any promise in lime or Cotton Valley formation. After a Schlumberger survey (electric log test), it showed a tight formation and salt water.

A start was expected within 10 days on Carter Oil Company's McNetriss School N. 1, in the Emerson School District, 632 feet S, 648 feet W of NE corner of 29-19-20. McAlester Fuel Company, drillers, was clearing ground and building roads.

The other wildcat, proposed for 5,900 feet to test the Petit lime formation, is Stanolind Oil and Gas Company's Pine Wood Lumber Company No. 1, 551 N, 650 feet E of SW corner of 11-20-22, near Western Church and the state line.

Other Counties

In Foulke Field, Miller County, Skelly Oil Company was near 3,900 feet in Louis Heilborn No. 1, center of NW corner of NW NE 28-16-26. Proposed depth is 4,000 feet.

In Chicot County, Cox No. 1, 330 feet S and W of NE corner of NW NW 3-17-1, was drilling near 3,500 feet. Scheduled depth was not announced by Jack Marvin and Emma Louise Van Dyke.

Hempstead County has a new location, C. M. Miller No. 1, 988.9 feet W, 400 feet S of NE corner of SE SE 35-10-24. N. V. Kinsey plans to drill to 2,100 feet.

Gas Permits in Franklin

Two permits have been issued for natural gas tests in Franklin County. They are:

Sherrord and Apperson's Hatie Alston No. 1, 1,420 feet N, 2,220 feet E of NW corner of 35-10N-28W, due for 3,500 feet.

Arkansas Louisiana Gas Company's N. S. Franklin, et al. No. 1, 500 feet west of center line and 2,660 feet south of north line, 26-9N-28W, for a depth of 5,000 feet.

Nearly 70 Attending Gas, Oil Law School

Gazette State News Service
El Dorado, March 31.—A 10-week course in oil and gas law opened here this week with 69 persons enrolled.

The classes, held two hours each Tuesday night at the High School, is sponsored by the Vocational Department of El Dorado Schools, the Chamber of Commerce Industrial Department and the state Department of Education.

Oliver M. Clegg, Magnolia attorney, is instructor. He is assisted by Chadd L. Durrett of the Murphy Corp., W. T. McKinnon and C. L. Stinnett of Lion Oil Company, Walter Holloway of Curtis Kinard Co. and Luke Ward of Pan-Am Southern Corporation.

The course deals with the practical application of oil and gas laws. Subjects include leasing, curing of defective titles, proration, unitization and rights of way.

About a dozen women are enrolled, including two newspaper writers.

Arkansas Oil Men Asked to Conference

Gazette State News Service
El Dorado, March 31.—Oil men of Arkansas have been invited to attend the second annual Conference on Increased Recovery of Oil April 19 and 20 at Texas A&M College. The announcement was made here by Donald K. MacKay, senior geologist for the Arkansas Oil and Gas Commission.

A feature of the program will be a symposium on carbonate reservoirs to summarize what is known about the origin, geology, physical properties and performance of limestone and dolomite deposits.

Tidelands Issue Muddled; IPAA Chief Hits Curbs

By TOM DAVIS
Of the Gazette Staff
Just south of Arkansas's oil-rich Columbia County lie the gas-condensate reservoirs of the Cotton Valley Field in Webster Parish, La.

Only the state line separates the oil-gas areas of South Arkansas and North Louisiana, but Louisiana is a full 10 years ahead of Arkansas in getting maximum recovery from the hydrocarbon deposits laid down ages before state lines were drawn.

Louisiana's unitization laws permitted Cotton Valley operators in 1940 to launch a unitized pressure maintenance project that will insure recovery of 10,000,000 barrels of liquid hydrocarbons from one reservoir alone. Without cycling and unit operations, this would have been lost.

Arkansas now has a unitization law, passed this week by the General Assembly, which will permit similar operations without the legal troubles that invalidated past unitization orders by the Oil and Gas Commission.

Nothing New to Arkansans

Arkansas's oil men are not strangers to secondary recovery techniques. Cycling with natural gas and flooding with water are common practices to push out valuable "wet" gas and to increase bottom hole pressures. But maximum efficiency of secondary recovery methods usually demands field-wide operations—difficult to obtain under voluntary unitization.

The South Arkansas Secondary Recovery Study Group is evidence that Arkansas oil men are vitally interested in how to get the most oil possible from a reservoir.

This Study Group, at one of its recent meetings at El Dorado, heard gas recycling operations in the Cotton Valley Field described by Ralph Hock, chief engineer for the Cotton Valley Operators Committee.

Hock gave this picture: "There are five known gas-condensate reservoirs below 6,000 feet. Three of these are being cycled. A

fourth zone, which contains oil, is being studied to determine whether a gas pressure maintenance or water flooding program would be best.

The present outline of Cotton Valley Field contains about 22,500 surface acres after gradual expansion during the past few years. One hundred forty-five wells have been drilled in exploring and developing the deep reservoirs.

In 1940, a unitization and pressure maintenance project was developed by a group of operators who formed the Cotton Valley Operators Committee, composed of representatives of companies operating in the field.

The committee was granted operating rights over unitized production (certain productive horizons below 6,500 feet) and producing equipment in the field.

"This type of unitization," Hock said, "was possible and practical because of the splendid conservation and unitization laws passed by the Louisiana legislature."

The engineering tests indicated that 10,000,000 barrels of liquid hydrocarbons would have been lost in one reservoir alone if cycling and unit operations were not instituted. Hock said this has been borne out by actual results observed during the past 10 years.

He explained: "The main reservoir being cycled, the Bodcaw Sand, originally contained 57,000,000 barrels of butanes and heavier hydrocarbons. If conventional straight production methods had been followed, only 54 per cent of the butanes and heavier material would have been recovered."

If cycling and a complete pressure maintenance program could have been started when the Bodcaw Sand was first discovered in 1936, approximately 94 per cent of the butanes, or more, could have been recovered.

Point Often Overlooked
Hock pointed out an important advantage of cycling often overlooked—that dry, stripped gas will be left in the reservoir when it

Maximum Recovery Obtained in Louisiana Field Is Unitization Lesson for Arkansas

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Point Often Overlooked
Hock pointed out an important advantage of cycling often overlooked—that dry, stripped gas will be left in the reservoir when it

is eventually abandoned, instead of a more valuable rich gas.

For example, calculations based on the Bodcaw Sand alone indicate that the difference in value of material saved will be about \$8,400,000. Approximately \$600,000 will go for compression expense, so the net profit advantage of abandoning dry, stripped gas instead of rich gas will be about \$7,800,000.

Oil men look for more and more unit operations in Arkansas. The method pays higher profits to both operators and royalty owners, increases state revenue and reduces the tragic waste of oil and gas.

Oil News

Democrat, Feb. 26, 1951
Wildcat In Miller Has Show of Oil

Magnolia—In Miller county, Lee and Markham Production Co. and A. C. Allyn's Price No. 1, a wildcat, 150 feet NE of corner of SE SW 18-16-25, drilled ahead at 3,600 feet, after shows of oil and gas in a drill stem test at 3,390-3,396 feet. Pipe was set at 3,400 feet and it is reported loming as a producer.

One wildcat in Columbia county has had a pipe stuck for several days at 7,127 feet causing a delay. This is Gulf Refining Co.'s A. L. Pittman Estate No. 1, 669 feet E, 330 feet S of SE corner of 9-17-20, two miles northeast of Magnolia. Zack Brocks is contractor for a depth of 8,000 feet.

The other wildcat in the county, Arkansas Fuel Oil Co.'s Clotilde Glass Estate No. 1, 667 feet N, 655 feet W of SE corner of SE NW 1-19-23, is drilling near 8,400 feet, due for a total depth of 10,500 feet. It is 3/4 of a mile northeast of Taylor.

In Warnock Springs field, Burnett Drilling Co., contractor drilled for McAlester Fuel Co., completed drilling Wilson-Nesbit Unit No. A-1, SE corner of SE NW 32-16-19, and casing was set at 7,401, total depth. It showed for a gas-distillate producer. In a drill stem test, it showed 450 feet of liquid and flowing pressure of 650 pounds.

In Tubal field, C. J. Murphy was below 9,100 feet in Jolley No. 1, 29-19-15, on Columbia county side of the field; and the same company is near 7,800 feet in the McCarty No. 1, center of NW SW 33-19-18, Union county side.

Four work-over jobs are in progress in the Dorcheat-Macedonia field, Columbia county, with one showing little promise and the other three showing some kind of production possibilities.

In Bodcaw field, Nevada county, Sinclair Oil Co. is below 1,600 feet in May-Warmack Unit No. 1, NE SW 9-14-22. Placid Oil Co.'s Lawton-May Unit No. 1, SE SW 9-14-22, has been abandoned as dry at 2,500 feet, after showing only a small amount of oil.

In a shallow field in Nevada county, Sneed Brothers completed two small wells, Mollie Reed No. 2 and Riggins No. 1, both in 16-15-22, and they are testing on pumps. Depth is around 1,200 feet.

In Lewisville field, Lafayette county, John Hoyt, Davis et al have been reworking Moore Estate No. 1, an old test begun sometime ago but not completed, 589 feet N & W of SE corner of SW NE 17-16-24, and have set pipe at 3,960 feet. It has shown in drill stem test for a producer.

E. D. Markham has a new location in Spirit Lake field, Lafayette county, J. W. Velvin No. 4, 330 feet N & W of SE corner of NW NW 22-16-25, which is clearing location and building roads. Depth will be 4,200 feet.

'50 Crude Reserve Discoveries Fail to Keep Pace With Drilling

Houston, March 10 (AP).—Discovery of new crude oil reserves last year did not keep pace with a record well drilling program.

There were nearly 44,000 well completions last year but estimated proved reserves increased during the 12-month period ending December 31 by only 618,909,000 barrels.

That is a substantial gain, but one that is dwarfed when placed beside the 1948 gain of 1,792,759,000 barrels, when the previous completions record of 40,000 was established.

The 1948 additions to reserves are all the more impressive in that actual crude production that year approximated 2,002,448,000 barrels, compared to last year's 1,934,776,000.

Gains in reserves in 1949 more than doubled 1950 — 1,369,045,000 barrels—although there were approximately 4,500 fewer completions.

Reserves Top 25 Billion Barrel
Despite the slump, the 1950 increase sent estimated reserves beyond the 25,000,000 barrel mark for the first time in history.

The annual joint report of the American Petroleum Institute and the American Gas Association placed 25,268,398,000 barrels. These increases in natural gas liquids improved the 1950 picture. These reserves climbed 538,651,000 barrels.

When combined with crude's gain, this makes 1,157,560,000 barrels of liquid hydrocarbons having been added to reserves last year.

Natural gas liquids gains in 1949 and 1948, respectively, totaled only 188,229,000 and 286,808,000 barrels.

Week of Depletion Talk
Congressmen heard a lot this week about petroleum reserves.

Oil and gas operators from throughout the country testified before the House Ways and Means Committee in Washington in opposition to a proposed slash in the industry's depletion allowance of taxes.

Oilmen for 25 years have been allowed to deduct 27 1-2 per cent of their gross income from their wells while figuring their taxes. Such deductions, however, may not exceed 50 per cent of their net income. Administration leaders have proposed the allowance be cut to 15 per cent.

It was the second time in two years for the oilmen to parade before the congressional committee.

A National Petroleum Council committee last week advised Secretary of the Interior Chapman a reduction in the allowance would seriously curtail exploratory operations, cause declining reserves and productive capacity, and bring inevitable increases in prices.

The Council's Committee on Capital and Materials Requirements said the allowance is essential in providing risk capital for the industry.