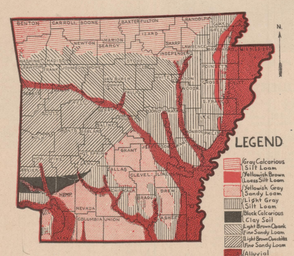
SOIL AND FERTILIZER

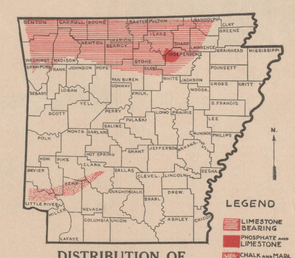
MAP OF ARKANSAS

ISSUED BY THE STATE DEPARTMENT OF MINES, MANUFACTURES AND AGRICULTURE

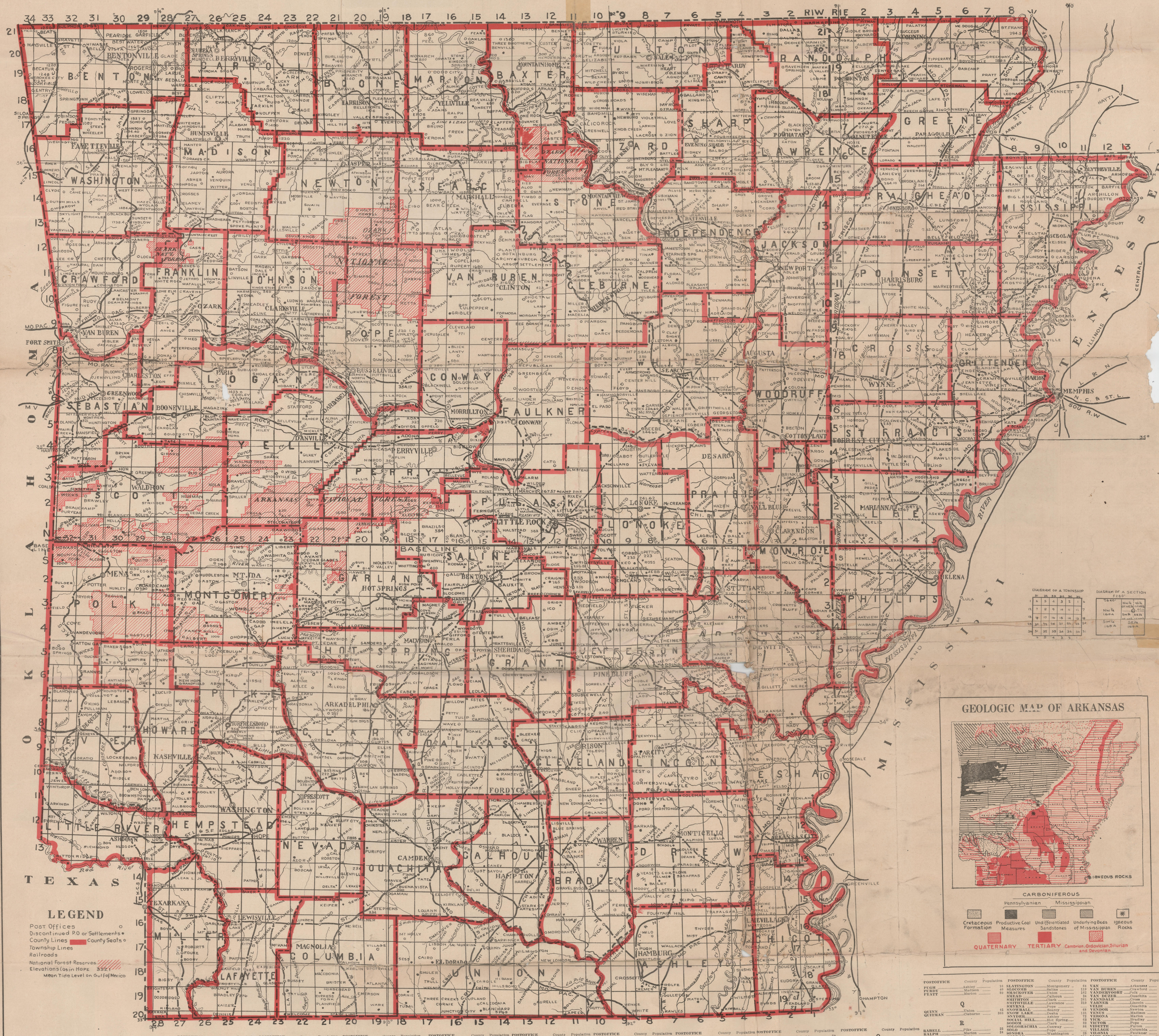
JIM G. FERGUSON, Commissioner



SOIL MAP OF ARKANSAS



DISTRIBUTION OF NATURAL FERTILIZER MATERIALS


BENTON
WASHINGTON
CARROLL
BOONE
MADISON
NEWTON
SEARCY
MARION
BAXTER
STONE
FULTON
RANDOLPH
CLAY
GREENE
CRAIGHEAD
MISSISSIPPI
POINSETT
CROSS
PHILLIPS
LEE
FRANKLIN
JOHNSON
POPE
VAN BUREN
CLEBURNE
INDEPENDENCE
JACKSON
WHITE
WOODRUFF
PRAIRIE
MONROE
LONOKE
PULASKI
SALINE
GARLAND
HOT SPRING
GRANT
JEFFERSON
ARKANSAS
LINCOLN
DESHA
CHICOT
ASHLEY
DREW
BRADLEY
CLEVELAND
JEFFERSON
LOGAN
YELL
PERRY
SCOTT
MONTGOMERY
POLK
SEVIER
HOWARD
PIKE
CLARK
DALLAS
NEVADA
OUACHITA
CALHOUN
SEBASTIAN
CRAWFORD
FRANKLIN
LITTLE RIVER
HEMPSTEAD
WASHINGTON
MILLER
LAFAYETTE
COLUMBIA
UNION
TEXAS
OKLAHOMA
Fayetteville
Springdale
Rogers
Bentonville
Eureka Springs
Berryville
Harrison
Yellville
Mountain Home
Batesville
Newport
Jonesboro
Paragould
Piggott
Pocahontas
Walnut Ridge
Blytheville
Osceola
Marked Tree
Harrisburg
Wynne
Forrest City
Earle
Marianna
Helena
West Helena
Clarendon
Stuttgart
De Witt
Dumas
McGehee
Lake Village
Eudora
Crossett
Hamburg
Warren
Monticello
Star City
Pine Bluff
Arkadelphia
Prescott
Camden
Magnolia
El Dorado
Smackover
Hope
Nashville
Texarkana
Lewisville
Ashdown
Fort Smith
Van Buren
Russellville
Conway
Morrilton
Atkins
Dardanelle
Danville
Waldron
Mena
Hot Springs
Malvern
Benton
Bauxite
Little Rock
North Little Rock
Pulaski Heights
Sheridan
Arkansas City
Dermott
Monticello
Fordyce
Gurdon
Prescott
Hope
Lewisville
Texarkana
Magnolia
El Dorado
Camden
Arkadelphia
Nashville
Mena
Waldron
Danville
Atkins
Morrilton
Conway
Russellville
Van Buren
Fort Smith
Ashdown
Texarkana
Lewisville

DESCRIPTIONS OF ARKANSAS' SEVENTY-FIVE COUNTIES

Chicot County

Arkansas County

Ashley County

Clark County

Crawford County

Fulton County

Independence County

Izard County

Lee County

Lincoln County

Mississippi County

Phillips County

Pike County

Randolph County

Stone County

Union County

Baxter County

Clay County

Cleburne County

Grant County

Jackson County

Jefferson County

Little River County

Monroe County

Montgomery County

Nevada County

Poinsett County

Polk County

Scott County

Searcy County

Van Buren County

Washington County

Boone County

Bradley County

Calhoun County

Carroll County

Cleveland County

Columbia County

Conway County

Craighead County

Hempstead County

Hot Spring County

Howard County

Johnson County

Lafayette County

Lawrence County

Madison County

Marion County

Miller County

Newton County

Ouachita County

Perry County

Pope County

Prairie County

Pulaski County

Saline County

Sebastian County

Sevier County

Sharp County

St. Francis County

White County

Woodruff County

Yell County

JIM G. FERGUSON, Commissioner, Mines, Manufactures and Agriculture

Board Hopes To Prevent Oil Waste

Gazette 7-1-37

With the possibility of flush production in the new Schuler and Rodessa extension oil fields predicted by some well-informed oil men, the Arkansas Board of Conservation is prepared to issue regulations to prevent waste of oil by overproduction, O. C. Bailey of El Dorado, chairman of the board, said last night following a conference here with Governor Bailey.

Mr. Bailey said that four flush production wells have been drilled in the Shuler field, 15 miles southwest of El Dorado, and that 15 wells are being drilled. In the Rodessa extension in Miller county, one flush production well has been brought in and locations for 10 wells have been staked, he said.

May Restrict Production.

The chairman said that to date the board has had no function other than routine relating to average oil production, but that the act of the 1933 legislature which created the board empowered it to make such regulations as might be necessary to prevent "either underground or surface waste of oil and gas."

"If the flush production should be obtained in either of these fields we will not permit unrestrained production," Mr. Bailey said. "We will issue regulations for prorating production in an orderly manner."

Other members of the board are David Reynolds of Camden and Ed Hollyfield, R. J. Short and Walter L. Brown of El Dorado.

The present monthly production in Arkansas is around 28,500 barrels, Bailey said, which is in line with the allotment made for the state by the Federal Bureau of Mines.

Drilling Permits.

F. W. Burford of the East Texas Refining Company obtained a permit yesterday to drill in Miller county and said he proposed to sink "more than a score of wells." His first well will be drilled in Section 15-20-28.

The Marine Oil Company and Alice Sidney Oil Company obtained permits to drill in the Shuler field where both already have brought in wells. The Lion Oil Company completed its Morgan B-1 Tuesday for an estimated 8,000-barrel produced.

'Sane' Rules For New Oil Field Urged

7-7-37

Special to the Gazette.

Texarkana, July 7.—O. C. Bailey, chairman of the Arkansas Conservation Board, and C. E. Harris, conservation agent, heard discussions here today by operators and landowners regarding the development of the south Miller county extension of Rodessa field. They closed the meeting with the promise that rules would be formulated by the board for an "orderly and sane" development of the field.

The board will meet tomorrow at El Dorado and may consider rules at that time. The field now is operating under a temporary rule providing one well for each 10 acres. Special permits have been granted for drilling on less than a 10-acre tract.

The casing program was discussed with Bailey indicating he favored a simillar plan to that in use in the Schuler field in which 100 feet of surface casing is set, then 2,000 feet of second string and the third string cemented within 3,000 feet of the top level. Pressure well head fittings should be able to take care of 5,000 pounds pressure with a working pressure of 2,500 pounds, Bailey agreed after hearing the discussions.

Argue Over Spacing Plans.

A controversy raged over spacing plans for the field with Freeman W. Burford, Dallas, president of the East Texas Oil Refinery, taking the lead in behalf of the development of the field along "a modern and scientific basis to insure stabilization of lands and royalty acreage."

Bailey called attention to the wasteful development of El Dorado field saying "that field is an example of how one should not be developed."

Jack Steel, chairman of the Federal Tender Board at Kilgore, and representative of the Department of the Interior, attended the session. He recalled the oil panic of 1933 in th East Texas field when operators appealed directly to President Roosevelt for help, and urged that the new Miller county field be developed orderly to recover as much oil as possible from the newly discovered area.

serve as assistant conservation agent so that expert advice may be obtained for the best methods of developing the various sands in the area. Regulations concerning the field will be promulgated by the Conservation Board as the area is developed.

Operators Agree On Proration

Gazette 7-2-37

Special to the Gazette.

El Dorado, July 1.—Proration of the new Shuler area west of El Dorado would be premature at this time, it was said by many operators, today following a statement at Little Rock yesterday by O. C. Bailey, chairman of the state Conservation Board, to the effect that steps would be taken to prorate the Shuler field and the Rodessa extension in Miller county should the areas develop into major pools.

To Assemble Information.

John E. Howell, vice president in charge of production of the Lion Oil Refining Company and chairman of an operators' committee, said that "there is no need at the present time for proration in the Shuler area."

"Operators in the field, through the committee appointed last week, will gather information on the best gas-oil ratio for production in the field and will make recommendations to the Conservation Board based on their findings," he continued. "This probably will ultimately result in proration.

"Operators have banded together to work in co-operation with the Conservation Board to develop plans and methods for the best development of the field and the recommendations made by the Operators' Committee to the board will result in proration."

Mr. Howell expressed the opinion that operators want to see the field developed in an orderly fashion and will co-operate with the Conservation Board in promulgating rules and regulations.

To Employ Engineer.

Operators in the Shuler area have agreed to contribute funds to aid in the employment of a petroleum engineer to

Bailey Sends Alphin to Oil Men's Meeting

Gazette 7-11-37

Delegate Opposes Proration Idea for Arkansas at This Time.

El Dorado—J. H. Alphin, chairman of the state highway commission, left yesterday for Santa Fe, N. M., as the personal representative of Governor Bailey to attend an oil states conference to be held this week. Before leaving Mr. Alphin issued a statement explaining the position he will take for the state on the question of proration for Arkansas.

"It seems that the discussion of proration for this state is at this time premature," he said. "Until the potential production for this state can be determined there would be no basis for determining a proper quota for the state."

He expressed the view that proration should not come until development has reached the point where "we will be able to determine with some degree of accuracy the total potential production of the then known producing fields within the state."

Mr. Alphin said:

"The question of proration in the oil industry is a controversial issue. Proration in some form has been adopted by most of the oil producing states. Proration has come into these states, however, only after these states were established as large producers of oil and gas.

"At the present time Arkansas is producing only about 28,000 barrels of oil per day. The new Shuler field is by no means proven to be of major importance as a source of oil and gas production.

"Until the potential production in this state can be determined there would be no basis for a proper allotment of a quota to this state. It may be that sometime in the future Arkansas will find it to its own advantage to provide for a scale of proration. This, however, should come about only when our production has reached a point that it will supply our own market demand, and then only when development has reached the point that we will be able to determine with some degree of accuracy the total potential production of the then known producing fields within the state of Arkansas. If Arkansas should at this time or in the near future undertake a plan or proration in cooperation with the other oil producing states its allotment would no doubt be based upon its then current production. This would leave very little opportunity for further development in the state.

"We have discovered no major field in Arkansas for more than 10 years, during which time countless numbers of oil fields have been opened up in other states. We are in no position at this time, and doubtless will not be in such a position for some time to come, to enter into compacts with other states relating to oil production, nor to undertake on our own account a plan of proration.

"I note the opinion of one official that we should not undertake proration until such time as we are producing as much oil as the state of Louisiana. I do not undertake to say that the limit set is correct, but this is certainly true that until we have gone much further down the road in the development of the Shuler oil field we should not undertake proration.

"It is extremely doubtful that the present conservation laws of the state of Arkansas authorize rules and regulations providing for proration of oil and gas produced. It is my opinion that no such rules and regulations can be established and enforced until such time as the General Assembly sees fitt to amend the law.

"Proration and conservation are frequently confused. Our present conservation laws will probably be sufficient to protect the field from improper drilling and operating wells so as not to damage the sand or to waste the gas and reduce the pressure. Proration has an entirely different objective, although legal sanction for it is sought under so-called regulations to prevent physical waste."

State Conservation Board Will Meet Today

Gazette 7-20-37

A special meeting of the Arkansas State Conservation Board will be held tomorrow to take testimony from operators and landowners in the Rodessa extension in Miller county to promulgate rules and regulations for the orderly development of the field.

O. C. Bailey, chairman, will preside. Other members are Ed Hollyfield, Walter L. Brown and R. J. Short of El Dorado and J. D. Reynolds of Camden.

Oil Operators Hit by State Board's Order

Democrat 10-24-37

May Seek to Enjoin Enforcement of Production Limitation.

Texarkana—Injunction proceedings loomed here Saturday night against action of the Arkansas Board of Conservation at El Dorado Saturday in setting a 10,000-barrel allowable for the South Miller county oil field.

F. W. Fischer, Tyler, Tex., attorney, representing many operators and landowners in the field, said he had advised his clients to take injunctive action because "the order is arbitrary, unreasonable and has no foundation either in facts or authority of law."

"Such an order," he stated in a telegram to interested Texarkana persons, "can only result in elimination of the small operator, minimum development and great loss to the landowners and whole citizenship of Arkansas."

Operators here, pointed out that the board's action would cut the severance tax 75 per cent on wells now drilling and those expected to be completed within a short time.

There are now 28 producers in the Miller county field.

Allowable for Miller Field Is Determined

Democrat 10-24-37

Is 10,000 Barrels Daily —Two Shuler Wells Near Deep Lime.

El Dorado—As the Arkansas Board of Conservation met here Saturday to set an "allowable" for the Miller county field and took the first step for allocation of production in the Shuler field, one big lime producer continued its heavy production and two other wells were fast approaching the pay level in that area.

An allowable of 10,000 barrels daily was placed on the Miller field by the state board. The production will be allocated, 50 per cent in bottom hole pressure, and 50 per cent on acreage.

The board set the top production at 400 barrels per well per 40 acres, and the gas-oil ratio must not exceed 2,000 cubic feet of gas per barrel of oil. One well to each 10 acres is provided in the spacing regulation for the field.

Announcement of the allowable followed an executive meeting of the board after a public hearing Friday.

The board will meet November 5 at the Conservation office here to consider rules and regulations for the Shuler field.

In the field the Morgan A-1 of the Lion Oil Refining Company, first test to be completed from the big lime formation, continued to flow at the rate of 40 barrels an hour. It is flowing through a 14-64-inch choke. Production from the Marine No. 1 of Jones, Murphy and Hurley continues at the rate of 2,500 barrels per day.

Close watch is being kept on two tests that are nearing the pay depth and likely to reach the sand during the coming week. One is the D. S. and J. C. Morgan No. 1 of the Alice Sidney Oil Company, in Section 18-18-17, which is drilling below 6,668 feet. The other is the Ed Gann No. 1 of the Phillips Petroleum Company, drilling below 6,550 feet. It also is in Section 18-18-17.

Saturday drilling reports follows:

Lion, Morgan A-1, Southwest 1-4, 18-18-17, producing 40 barrels per hour on 16-64-inch choke.

Lion, Marine No. 1, Southwest 1-4, 17-18-17; Sixteen-inch surface casing set at 118 feet.

Lion, Morgan B-3, 430, Southeast 1-4, 1-18-17; digging cellar.

. S. Jones, et al, Marine No. 1 Southeast 1-4, 17-18-17, producing 2,402 barrels daily on two-inch choke from depth of 7,554-7,574.

Jones et al, Marine No. 2, Southeast 1-4, 17-18-17; drilling below 4,106 feet.

Jones et al, Marine No. 3, Southeast 1-4, 17-18-17, rigging up.

Jones et al, Marine No. 4, Southeast 1-4, 17-18-17; drilling at 2,384 feet.

Marine, Justiss No. 2, Northwest 1-4, 18-18-17; drilling below 2,000 feet.

Alice Sidney, D. S. and J. C. Morgan No. 2, Southeast 1-4, 18-18-17; drilling below 6,668 feet.

Phillips, Ed Gan No. 1, Northeast 1-4, 18-18-17; drilling below 6,550.

Phillips-Jennings No. 1, Northeast, 1-4, 18-18-17; started drilling Saturday morning.

Miller County Oil Men Get Rehearing

Special to the Gazette. 10-31-37

El Dorado, Oct. 30.—Effective date of a rule by the Arkansas state Board of Conservation setting a production allowable for the Miller county extension of the Rodessa field has been postponed from November 1 to November 16, it was announced by the Conservation Board after a special meeting this afternoon.

The board announced also that a public hearing would be held here at 10 a. m. Friday, November 12. Speakers will be allowed to argue whether the rule shall go into effect November 16.

Text of Rules.

Rule 64 reads in part as follows:

"The Arkansas Board of Conservation hereby fixes the total daily field allowable of oil that may be produced from the Miller county extension of the Rodessa field during the month of November, 1937, and thereafter until further orders, at the total of 10,000 barrels per day. Said total daily field allowable of oil shall be allocated and distributed between the producing wells in said field at 7 o'clock a. m. on November 1, 1937, in accordance with the provisions of Rule No. 61 of this board adopted August 2, 1937.

"Each well brought into production in said field after November 1, 1937, shall be permitted to produce daily an amount of oil equivalent to what it would have been permitted to produce had it been placed on production prior to November 1, 1937, taking into consideration the acreage alloted to each such well and the bottom hole pressure and gas-oil ratio whereof, and as each such well is placed on production the total daily field alowable above fixed shall automatically be increased by the amount of its allowable production determined as above provided."

Governor's Request Granted.

A group of Miller county operators and land and royalty owners protested the action of the board on the ground that it limited the field to 10,000 barrels daily production which they contended would curtail development of the field.

Governor Bailey was urged to ask the board to rescind its order and to allow interested persons to give their views.

The governor at once requested the board to hold the order in abeyance until a public hearing could be held but declared that he never had sought to dictate to the board.

The board's action in postponing the effective date of the order and setting a date for a public hearing was in compliance with the governor's request.

Members of the Conservation Board are O. C. Bailey, chairman; Walter L. Brown, Ed Hollyfield and Robert J. Short of El Dorado, and J. D. Reynolds of Camden. C. E. Harris is chief conservation agent and board secretary.

PRORATION AND THE MILLER COUNTY FIELD.

Gazette 10-31-37

Controversy over the state Board of Conservation's order curtailing production of oil in the Miller county sector of the Rodessa field is primarily a conflict of private interests. But the public interest is involved to a degree fully justifying Governor Bailey's request that the order be held in abeyance until both sides are given a hearing.

Major operators who have producing properties in Texas, Oklahoma, California and other states, as well as in Arkansas, are fearful that unlimited production from new pools might disrupt the national market for oil. It is to their interest to prevent overproduction and resultant price declines that would make operation of pumping wells in older fields unprofitable.

Miller county landowners and business interests, who are naturally eager for returns from their oil field and consequently opposed to curtailment, would suffer a great loss in potential income if overproduction should depress oil prices. When flush production from gushers of the East Texas field flooded the market royalty returns to landowners and economic benefits to the state as a whole were reduced by many millions of dollars below the amount that might otherwise have been realized.

In reply to the argument regarding the danger of overproduction and demoralization of the oil market, the people of Miller county and independent operators might contend that Arkansas is entitled to a larger share of the national market for oil than could be supplied from the older fields of the state and the 10,000 barrels daily to which the Miller county field would be limited by the Board of Conservation's order. They might reasonably demand that production in other states be curtailed if necessary to stabilization of oil prices.

There could be no valid objection to conservation measures applied for the purpose of preventing dissipation of natural gas from flowing wells and actual loss of oil in production. Wasteful production methods in the El Dorado and Smackover oil fields caused an inestimable loss to the state. But it is admitted in the Miller county controversy that this question is not involved, and that the sole point at issue is whether Arkansas oil production should be curtailed in the interest of price structure stabilization.

Proration Is Deferred to November 16

Democrat 10-31-37

Board Acts on Bailey's Request; Hearing Set for November 12.

Fayetteville—Gov. Carl E. Bailey, who was here Saturday for the University of Arkansas Homecoming celebration and meeting of the University trustees, announced Saturday night that the order of the Arkansas Board of Conservation, concerning daily allotment of oil in the Rodessa field extension, Miller county, Ark., had been postponed until November 16, and that a public hearing has been ordered by the board for November 12.

This information was received here by the governor from O. C. Bailey, board chairman, at El Dorado, to whom the governor had telegraphed asking that the order be held in abeyance.

El Dorado—Effective date for the placing in effect of oil proration in Arkansas for the first time was postponed Saturday until November 16. This action was taken at a meeting of the Arkansas Board of Conservation here Saturday afternoon.

At the same time the board called a public hearing for 10 a. m. Friday, November 12, to hear testimony before fixing the daily field allowable for the Miller county Rodessa extension.

The following statement was issued by C. E. Harris, secretary of the board, following the meeting:

"Effective date of rule 64, promulgated by the Arkansas Board of Conservation October 23, 1937, fixing daily field allowable of oil that may be produced in the Miller county extension of the Rodessa field, has been postponed from November 1 to November 16. Public hearing has been ordered by the board in El Dorado, at 10 a. m. Friday, November 12, at which time testimony will be taken to determine whether said rule shall go into effect November 16."

The meeting of the board followed a statement issued by Gov. Carl E. Bailey at Fayetteville in which he stated he would ask the board to hold the order in abeyance until persons had been given a chance to be heard.

Much interest has centered here this week in the proration question, both as to the Miller county field and the Shuler area in Union county. A hearing has been set for November 5 to discuss the possibility of fixing a daily field allowable for Shuler.

Conservation Board Hires Oil Engineer

Democrat 11-4-37

El Dorado—C. H. Thigpen, petroleum engineer, has been employed by the Arkansas Board of Conservation to assist in technical work of the board. Mr. Thigpen will have headquarters in El Dorado.

Mr. Thigpen was assigned to the Louisiana section of the Rodessa field until six months ago when he went to the Lisbon field as engineer in charge. He is a graduate of the Petroleum Engineering Department of the University of Louisiana and has been associated with the Louisiana Department of Conservation.

Assigned to the Miller county extension of the Rodessa field, Mr. Thigpen will assist operators in taking gas-oil ratios and bottom hole pressure tests of wells there. He will make a daily report to the Conservation Department in El Dorado.

Mr. Thigpen is expected to be called to appear before a hearing by the Conservation Board Friday, November 12, when testimony will be heard on whether a proration order adopted by the board October 25, fixing a daily allowable for Miller county, shall become effective November 16.

The board is to meet Friday to

Conservation Board Secretary Hopes for Agreement.

Gazette 11-7-37

Secretary C. E. Harris of the state Conservation Board said yesterday he believed "some sort" of orderly development of the oil fields in Miller and Union counties would result from a proration conference in El Dorado November 12.

"It is my opinion that the fields will be producing gas and water instead of oil within 90 days if production is unrestricted," he said.

Mr. Harris came here from El Dorado for a conference with Attorney General Jack Holt. He declined to discuss an application of Miller county producers for unrestricted production.

The attorney general said he had been invited to attend the hearing. Several days ago the Conservation Board fixed a 10,000 barrel daily quota for the Miller field. Miller county interests protested the proration order. At the request of Governor Bailey the allowable was suspended pending an open hearing.

MAXIMUM RECOVERY OF OIL SOUGHT, SAYS CONSERVATION BOARD

Gazette 11-14-37

By ROBERT J. LAMBERT.

El Dorado, Nov. 13.—The state Board of Conservation wants the people of Arkansas to know that its purpose is not to limit production of oil from Arkansas fields to suit the marketing interests of producers in other states, but to assure maximum ultimate recovery from every pool and to prevent dissipation of the state's oil and gas resources. This is the policy laid down by the board in the hearing that ended today with its order that proration of production from wells in the Miller county extension of the Rodessa field be put into effect December 1. The board said that the same policy will apply to the Shuler field, and to other pools that may be opened in the area between El Dorado and Texarkana which now appears promising as potentially productive territory.

Proration in Arkansas Defined.

Proration in Arkansas, as explained by the board, does not have the same meaning that it has in most of the flush pools in other states. Proration in Texas, Oklahoma, Kansas and other states of the Mid Continent fields means curtailment of production to prevent flooding the market and demoralizing the oil price structure. Proration in Arkansas looks solely to conservation.

Under the Connally act, the federal government has authority to penalize interstate shipment of oil produced in excess of the production limits fixed in any state. To aid in orderly fixing of allowables by state boards and in achieving the purposes of the Connally act, the United States Bureau of Mines "suggests" each month to each of the leading oil states the amount of oil which, as its fair share of the estimated market demand, should be produced. The state boards in turn prorate the suggested production allowable among various pools and wells.

During the month of October flush production was so well in hand through co-operation between state boards and the Bureau of Mines, that it was necessary to draw upon oil in storage to meet market demands in excess of the month's production. The November allowables set in Texas, Oklahoma and Kansas again are below the Bureau of Mines allowables. Continued stability within the oil industry, which welcomes proration as an alternative to the chaos that resulted when flush wells in the big East Texas field were allowed to run wide open, seems virtually assured, according to market outlooks in trade journals.

Mistaken Idea Said to Prevail.

Officials say that when Arkansas state Board of Conservation first suggested proration of Miller county production, many people got the mistaken idea that its purpose was to protect the marketing setup established through proration in other states. At a mass meeting at Texarkana, the objection was raised that Arkansas is not now producing as much oil as its share of the national oil market, and that therefore Arkansas producers should be allowed to produce to the limit of every well drilled in, and that if curtailment is necessary for protection of the price structure, other states should curtail and give Arkansas its part of the market.

The Board of Conservation admits the justice of this argument so far as it relates to comparative production figures. A member of the board told this correspondent that he hopes the Miller county field and other new fields may prove productive enough to give the state a daily production figure as high as that of any other state. He said that the board will give every new well in every pool an allowable up to the maximum that petroleum engineers consider safe within actual conservation requirements.

Waste of Gas Cited.

The board contends that witnesses who said there is at present "no actual waste" in Miller county production were arguing from a false premise, that they were not taking into consideration what goes on under ground, the effect on the pool as a whole when one well or many may produce a great amount of gas in order to recover a relatively small amount of oil.

Gas and oil usually go together. When gas is in solution with oil, the oil is of higher gravity and is more easily produced. Producing gas too rapidly lowers the quality of the oil and shortens the flowing period of the wells in the pool.

In some cases, when the producing formation is a dome, there is a gas "cap." When this cap is tapped by a well and the well is allowed to flow wide open the gas pressure shuts off the flow of oil into that well, and reduces the reservoir pressure so that production drops in other wells.

Water, which usually lies under the oil, is another factor. The water drive is second to gas as a natural lift for oil. Overproduction from a well weakens both gas pressure and water drive.

When wells cease to flow and must be pumped or the oil brought to the surface by other artificial means, a large amount of oil remains in the producing formation. Nature's "pumpers" would have held down the viscosity and surface tension so that much of the oil would have flowed into the well. Man's machine, pumps or repressuring devices, cannot reach it.

A member of the Board of Conservation said today that a well in the Miller county field which had been completed in the "gas cap" was blowing off 15,000,000 cubic feet of gas a day and producing only 20 barrels of oil. He said that other wells are wasting too much gas for the amount of oil produced. He said that although it is evident that the pool had sufficient gas, the pressure in parts of the producing area already has been lowered so much that it has been necessary to put several wells on the pump.

The board ordered that the 15,000,000-to-20 well be closed down for the good of the pool. It has fixed the ratio for all other wells at 2,000 feet of gas to one barrel of oil in a further effort to conserve reservoir energy and assure ultimate maximum recovery of oil in the pool.

Waste at Smackover Recalled.

Oil men on the board know what happened in the Smackover field, when countless billions of cubic feet of gas were allowed to blow into the air, when gas broke loose around improperly cemented casing, escaped into upper sands, and made its way to the surface. The pock-marked area around Smackover and Norphlet, where craters were formed by such gas blowouts, are monuments to the careless production methods that shortened the life of that rich oil field by many years.

George C. Branner, state geologist, has made an estimate of the losses suffered in the Smackover field in a paper in which he wrote:

"The total oil produced in south Arkansas during the period 1921-1934 inclusive, was approximately 407,881,000 barrels, valued at approximately $372,875,000. The approximate ultimate economic production of these fields under present day methods is roughly estimated at 480,000,000 barrels. If the gas which originally occurred in the oil sands under high pressure had been economically conserved, it is not unreasonable to assume that the ultimate oil recovery would have been increased 10 per cent or by about 48,000,000 barrels, having an estimated value of $48,900,000. The aggregate value estimated of the gas, gasoline and oil loss is $62,877,000."

Comparative figures on oil production in other states, as between pools which were produced "wide open" and in nearby pools in which proper gas-oil ratios have been maintained and other conservation measures enforced, suggest that Dr. Branner was ultra-conservative in his estimate of the losses to the people of Arkansas in the El Dorado and Smackover fields.

The oil industry has learned a great deal about production of oil since the days of the Smackover boom. Other states are forcing producers to follow production methods that prevent waste. The state Board of Conservation says that Arkansas must follow suit, and that eagerness for the quick profits of flush production shall not be allowed to dissipate the state's wealth in oil and natural gas.

Oil Proration Is Explained

Democrat 11-16-37

Conservation Board Gives Details of Miller County Plan.

El Dorado (AP)—Proration in the Miller county extension of the Rodessa oil field will become effective December 1 under a second postponement order issued by the state Conservation Board.

The board, announcing the new effective date for its 10,000-barrel daily allowable here Saturday, did not indicate whether the production figures fixed in an original order October 23 had been altered.

Allocation of production under the commission's order would be based 50 per cent on acreage and 50 per cent on bottom hole pressure, with the requirement that the gas-oil ratio should not exceed a maximum of 2,000 cubic feet of gas for each barrel of oil produced.

A well, if it was the only one on a 40-acre tract and had the maximum bottom hole pressure, would be allowed to produce a maximum of 300 barrels of oil daily.

The board also ordered that wells completed after November 1 should have a production allowable equivalent to what they would have been allowed to produce prior to November, taking into consideration acreage allotted each such well, bottom hole pressure and gas-oil ratio. As each such well is placed on production, the field allowable would be increased by such amount.

The board said its engineer would announce November 23 the daily allowable for December.

The board also posted rules and regulations for development of the Shuler field in Union county. The order concerned only casing and safety measures and did not provide for allocation. It set up a basis for proration in the field similar to the Miller county 50-50 base.

Miller Field Order Stayed Until Dec. 1

Democrat 11-14-37

Special to the Gazette.

El Dorado, Nov. 13.—The Arkansas State Board of Conservation today postponed the effective date of the order fixing a field allowable for the Miller county extension of the Rodessa field until December 1, and issued a set of rules and regulations for drilling, testing and completing wells in the Shuler area of Union county.

Follows Protest Meeting.

The order came after an all-day meeting yesterday, at which testimony was presented by Miller county operators and citizens in opposition to the rule announced October 23, which set an allowable for the field of 10,000 barrels daily for wells completed on that date, with the production of each well based on bottom hole pressure and acreage per well with a gas-oil ratio not exceeding 2,000 cubic feet of gas for each barrel of oil. The order provided for a any one well drilled on a 40-acre tract maximum production of 400 barrels for with maximum bottom hole pressure.

In the protest meeting, witnesses asked that no allowable be placed but that a definite gas-oil ratio be fixed and production be allowed on that basis.

Under the October 22 order, production of wells completed by November 1, is limited to 10,000 barrels daily with wells completed after that date permitted to produce daily an amount of oil equivalent to what it would have been allowed to produce had it been placed on production prior to November 1. As each such well is placed on production, the total daily field allowable will be increased by the amount of its allowable production.

The board announced that its engineer, C. H. Thigpen, will fix November 30 the per well daily allowables for the field for December based on bottom hole pressure, gas-oil ratio and acreage per well.

The rules announced for Shuler are the same as recommended by a group of four of the five operators in the field. Operators recommending the regulations were the Lion Oil Refining Company, the Phillips Petroleum Company, the Marine Oil Company and the Jones, Murphy and Hurley interests. The Alice Sidney Oil Company did not concur in the proposed regulations.

The rules which became effective today provided a casing program and regulations for setting pipe and precautionary measures. The order provided for allocation of production based on acreage, bottom hole pressure and gas-oil ratio with 50 per cent allocated on production acreage and 50 per cent on bottom hole pressure. The rule also provides that the gas-oil ratio shall be as low as possible with a maximum of 2,000 cubic feet of gas per barrel of oil.

The board announced that the question of allocation of production of the Shuler field is not expected to be considered for some time. A meeting will be held later for that purpose, the board said.

Board to Fix Miller Field Allowables

On New Basis Effective Date Dec. 1—Shuler Wells in Sand.

Democrat 11-14-37

El Dorado—With one well in the Shuler field moving into the Big Lime formation and another showing heavy oil saturation in the Jones deep sand, members of the oil fraternity divided their attention between these developments and reports of a possible eight-mile extension of the deep sand area, and the action of the state Board of Conservation in deferring proration in the Miller county field and adoption of rules and regulations for the Shuler area.

The possible extension or a new pool in the Shuler sand was seen in the showing obtained in cores taken from the Crumpler No. 1 wildcat of the Tidewater Oil Company, in the vicinity of Village, just across the line in Columbia county. The well is in section 24-17-19 and is about eight miles west of the Shuler production. The core was taken around 7,200 feet and the formation is believed to be similar to that from which production is being obtained at Shuler.

Announcement by the conservation board, following a session Saturday, is that the effective date of the proration order for Miller county had been further postponed from November 16 to December 1. An engineer for the board will fix allowables for wells in December on November 23, the board announced. The allowables will be based on bottom hole pressure, gas-oil and acreage.

Rules and regulations in the Shuler area are those which were proposed at a recent hearing by four of the five operators in the field. The rules cover casing regulations and safety measures in the drilling and completion of wells. The matter of allocation of production at Shuler is not being considered and will not be considered, unless another hearing is called.

Action Follows Hearing.

Postponement of the Miller allowable followed an all-day hearing here Friday at which Miller county operators presented testimony. They had requested an opportunity to present their case and the board had deferred the order from November 1 to November 16.

The Alice Sidney Oil Company was believed to have encountered the top of the Permian lime formation in a core of its D. S. and J. C. Morgan No. 2 test in the Shuler area.

Two cores were taken in the test from 7,615 to 7,627 feet and from 7,627 to 7,636 feet.

The first core showed limely shale and tight hard shale, with streaks of porous sand with oil odor. The second core showed hard black shale and green shale and the bottom foot of the core showed hard tight lime, indicating that the top of the Reynolds lime had been encountered.

Operators on the Gan No. 1, deep test of the Phillips Company, continued coring in the Jones sand with the hole bottomed at 7,588 feet. The last core, from 7,573 to 7,588 feet, showed oil sand with heavy saturation.

Both tests are located in section 18-18-17 and were deepened from the shallow Morgan sands.

The next test expected to start coring is the Marine No. 2 test of Jones, Murphy and Hurley which Saturday morning was drilling below 7,432 feet.

The McKean No. 1 test of the Standard Oil Company in section 18-16-22, Columbia county, was plugged back about 10 feet above the salt water section discovered earlier this week at the bottom of the 111-foot formation. It will be let loose to flow Monday afternoon. Operators expect the well to flow from 1,000 to 2,500 barrels per day, now that the long period of experimentation is completed.

The Barnett No. 1 of the Kerr Lynn Oil Company is now drilling below 5,400 feet and is nearing the shallow Shuler producing sand, operators said Saturday night.

Drilling operations began Saturday on the Dennis No. 1, two miles northwest of Magnolia which is being deepened from 4,000 feet. Operators said they would drill to the McKean depth, if necessary, to obtain production.

Proration Order for Miller Field Unchanged.

Gazette 11-17-37

Chairman O. C. Bailey of the state Conservation Board said last night following conference of four board members and Governor Bailey at the capitol, that the board's proration order fixing a 10,000-barrel daily allowable for the Miller county oil field would go into effect December 1 as announced Saturday.

Attending the meeting besides Chairman Bailey, Walter L. Brown and Governor Bailey were Robert Short and E. Hollifield of El Dorado. J. C. Reynolds of Camden, member of the board, was not present.

Bailey Asks Fellow-Governors To Meet at Hot Springs.

Gazette 11-30-37

Endorsing a proposed conference of 21 governors of oil producing states to discuss over-production, Governor Bailey invited the chief executives yesterday to meet at Hot Springs.

Replying to a telegram from Gov. E. W. Marland of Oklahoma proposing such a conference, Governor Bailey said:

"I should like to participate in the oil conservation conference and I am certain this will be possible if you see fit to call it to be held in Hot Springs, Ark. This would enable Arkansas to learn more about conservation than in the past when it appeared to be a problem in which other states had greater interest."

Marland Undismayed in Plan For Oil Price Fixing.

Gazette 11-30-37

Oklahoma City, Nov. 29 (AP).—Governor Marland stood pat tonight on his proposal for a 21-state conference on stabilization of the price of crude oil, despite rejection of the plan by Gov. James V. Allred of Texas, largest oil producing state.

"I conceive it to be the duties of the chief executives of the oil producing states, to the nation, to conserve the nation's petroleum resources," said Marland, once head of a great oil company. "I hope that the majority of the governors will take the same view that I do—that conservation is necessary, and that we cannot conserve our oil if the price of oil is less than the cost of production."

Gov. Walter A. Huxman of Kansas and Gov. Carl E. Bailey of Arkansas agreed to attend the conference. Bailey asked that the discussion be held at Hot Springs.

Oil Production Ratios Studied

Democrat 12-2-37

An oil and gas ratio production schedule applicable to the oil fields in Miller and other southwest Arkansas counties is expected to be announced Monday at a meeting of the state Board of Conservation to be held at El Dorado.

The proration problem and methods for controlling production through allowables has been considered several weeks by the board and operators which have received recommendations and various views of those interested in the field.

Governor Bailey said today he had given study to the matter and at a press conference this morning with newspaper men exhibited numerous telegrams from Chamber of Commerce officials at Texarkana, operatives interested in the field, and a survey of the situation made by State Geologist George C. Branner.

He expressed confidence that the state board will work out and adopt acceptable regulations governing operations of the wells in the Miller county area. "The board is composed of experienced oil men, and they have before them all the facts relating to the situation," he said.

Miller Oil Production Declines

Dec 3 1937

Gazette 12-3-37

The average production per well in the Miller county oil field has decreased in the past few weeks with the increase in the number of producing wells, State Geologist George C. Branner said yesterday in a production survey prepared at Governor Bailey's request for use in a study of the Miller county oil situation.

Mr. Branner's chart showed that the average decreased from 469 barrels October 2, to 305 barrels November 20. The number of wells increased from 16 to 41 and the field output from 52,500 barrels to 87,500 barrels.

He said the decrease could be attributed to any or a combination of conditions and circumstances. One contributing factor, he said, might be that gas was being released too rapidly, thereby cutting down oil output.

"It also is possible," he said, "that operators are cutting down production of their own accord to keep in step with demand."

Board Will Meet.

The state Board of Conservation will meet in El Dorado Monday to make a decision on a production regulation plan for the new southwest Arkansas oil field area. It is reported that State Senator H. M. Barney of Texarkana will submit a plan to base production on an oil and gas ratio as a substitute for a 10,000-barrel daily allowable schedule, application of which has been postponed twice. It now is scheduled to become effective January 1.

Miller Oil Operators Seek Representation

Governor Bailey said representatives of the oil and gas industry in the Miller county field have requested him as early as possible to give that area representation on the state Board of Conservation in charge of rules and regulations governing oil field operations in Arkansas.

Walter Helms, Texarkana publisher, former chairman of the state Penal Board, has been recommended for one of the board appointments.

The board as now constituted is made up of oil and gas authorities in the Union county and outlying fields.

Conservation Board Hears Proposals

Dec 7

Special to the Gazette. 12-7-37

El Dorado, Dec. 6.—Three proposals submitted as substitutes for an order issued by the Arkansas state Board of Conservation regulating production of oil from the Miller county field were taken under advisement by the board after an open hearing this morning. The proposals were considered in an executive session this afternoon but no announcement was made. It is expected that the board's decision will be announced at a special hearing Monday December 20 when the board will consider rules and regulation for a casing and spacing program for the new Buckner area of Lafayette and Columbia counties. The board also will hear testimony and consider the setting of production allowables for the Shuler field of Union county.

The order of the Conservation Board, which the proposals sought to replace, was issued by the board after a hearing in October. The effective date has since been postponed twice and now is January 1.

The request for the hearing concerning the Buckner field was made by Cecil Morgan of Shreveport, attorney for the Standard Oil Company, who said that his company's McKean No. 1 test at Buckner now is a completion and that the company believed that there is need for spacing and drilling regulations for the area.

Chairman O. C. Bailey of the Board said that the request for the hearing to set production allowables for the Shuler field had been made by operators in the field.

Three Substitute Proposals Offered.

The first substitute proposal concerning production in Miller county was presented by state Senator H. M. Barney of Texarkana who caid he was appearing as a friend of Governor Bailey and of the commission in an effort to secure an equitable production regulation. He argued that bottom hole pressure is an indispensable factor in determining the proper rate of withdrawal of oil and gas per well per day and that use of natural gas in excess of 2,000 cubic feet per barrel of oil for the production of oil is excessive and constitutes waste.

His proposed rule set out the idea that there is now waste of gas and oil in the field due to seven factors as follows:

1. Gross physical waste of natural gas in production of oil.
2. Dissipation of gas energy resulting in underground tapping and waste of oil.
3. Extraction of gas and oil in excess of water drive displacement, thereby causing channeling, pocketing and waste of oil and rendering such pocketed oil forever unrecoverable.
4. Causing excessive reduction in bottom hole pressure, resulting in an average decline of production in the field of 54 per cent per well for the 30-day period ending November 18, 1937.
5. An estimated loss of more than 5,000,000 barrels of recoverable oil in the field because of such wasteful methods of production, which loss of recoverable oil will be greatly augmented unless such wasteful methods are immediately terminated.
6. Too rapid withdrawal of oil permitting natural gas to escape from solution in the oil, thereby increasing the viscosity of such oil, and rendering such oil dead and its ultimate recovery doubtful.

His proposed rule set out a list of production allowables for each well in the field as of December 1, 1937, with a total of 10,976 barrels daily from the 53 wells. It would have each well completed after that date given a production allowable equal to the amount it would have been allowed to produce had it been on production prior to December 1, based on its gas-oil ratio and bottom hole pressure.

Second Proposal.

The second proposal submitted by Charles C. Wine, Texarkana lawyer, proposed a per well production allowable based on a proper gas-oil ratio. He argued that if the proper gas-oil ratio is maintained, there can be no waste of natural resources. His proposal provided that the gas-oil ratio should be kept as low as possible and in no event should exceed 2,000 cubic feet of gas per barrel of oil except that where a well, by virtue of its location or manner of completion produces gas at a rate in excess of the maximum rate, it shall be allowed to produce gas equivalent to the volume obtained by multiplying the number of barrels of its daily average production by 2,000.

Compromise Proposal.

The third proposal was submitted by G. C. Grasty, Miller county operator, who said his proposal was a compromise between the other two. He suggested an allowable order based 25 per cent on acreage with a base of one well to 20 acres being used and 75 per cent on potential with gas-oil ratio and bottom hole pressure used as factors. The rule of the board bases production 50 per cent on acreage and 50 per cent on a well's potential using gas-oil ratio and bottom hole pressure as determining factors.

Members of the board present were Chairman Bailey, R. J. Short and Ed Hollyfield of El Dorado, and J. D. Reynolds of Camden. C. E. Harris, chief conservation agent and secretary of the board, was also present. Walter L. Brown of El Dorado was absent.

Board Studies Regulation of Miller Fields

Democrat 12-7-37

Oil Area Residents Submit Three Proposals for Curbing Output.

El Dorado—Three proposals by Miller county residents for regulating production in the oil field there were studied today by members of the state board of conservation.

The board took the plans under advisement yesterday. Oil circles believed a decision would be announced here December 20 when the board will consider matters affecting the Buckner and Shuler fields.

The proposals were offered by the Miller countians as substitutes for an order of the board, scheduled to become effective January 1, limiting production in the field to 10,000 barrels daily.

The original order calls for allowables 50 per cent on acreage and 50 per cent on potential production, based on gas-oil ratio and bottom hole pressure.

The request for the hearing concerning the Buckner field was made by Cecil Morgan of Shreveport, attorney for the Standard Oil Company.

Chairman O. C. Bailey of the board said that the request for the hearing to set production allowables for the Shuler field had been made by operators in the field.

The first substitute proposal concerning production in Miller county was presented by State Sen. H. M. Barney of Texarkana, who said he was appearing as a friend of Governor Bailey and of the commission in an effort to secure an equitable production regulation. He argued that bottom hole pressure is an indispensable factor in determining the proper rate of withdrawal of oil and gas per well per day and that use of natural gas in excess of 2,000 cubic feet per barrel of oil for the production of oil is excessive and constitutes waste.

Asserts Much Oil Wasted.

His proposed rule set out the idea that there is now waste of gas and oil in the field due to seven factors as follows:

1. Gross physical waste of natural gas in production of oil.
2. Dissipation of gas energy resulting in underground tapping and waste of oil.
3. Extraction of gas and oil in excess of water drive displacement, thereby causing channeling, pocketing and waste of oil and rendering such pocketed oil forever unrecoverable.
4. Causing excessive reduction in bottom hole pressure resulting in an average decline of production in the field of 54 per cent per well for the 30-day period ending November 18, 1937.
5. An estimated loss of more than 5,000,000 barrels of recoverable oil in the field because of such wasteful methods of production, which loss of recoverable oil will be greatly augmented unless such wasteful methods are immediately terminated.
6. Too rapid withdrawal of oil permitting natural gas to escape from solution in the oil, thereby increasing the viscosity of such oil, and rendering such oil dead and its ultimate recovery doubtful.

His proposed rule set out a list of production allowables for each well in the field as of December 1, 1937, with a total of 10,976 barrels daily from the 53 wells.

The second proposal submitted by Charles C. Wine, Texarkana lawyer, proposed a per well production allowable based on a proper gas-oil ratio. His proposal provided that the gas-oil ratio should be kept as low as possible and in no event should exceed 2,000 cubic feet of gas per barrel of oil except that where a well, by virtue of its location or manner of completion produces gas at a rate in excess of the maximum rate, it shall be allowed to produce gas equivalent to the volume obtained by multiplying the number of barrels of its daily average production by 2,000.

The third proposal was submitted by G. C. Grasty, Miller county operator, who said his proposal was a compromise between the other two. He suggested an allowable order based 25 per cent on acreage with a base of one well to 20 acres being used and 75 per cent on potential with gas-oil ratio and bottom hole pressure used as factors.

THE SATURDAY EVENING POST



REG. U. S. PAT. OFF.

FOUNDED A° D° 1728

GEORGE HORACE LORIMER
Editor 1899 to 1937

PUBLISHED EVERY SATURDAY BY

THE CURTIS PUBLISHING COMPANY

INDEPENDENCE SQUARE
PHILADELPHIA, PENNSYLVANIA, U.S.A.

WESLEY WINANS STOUT, EDITOR

A. W. NEALL, GRAEME LORIMER, E. N. BRANDT, MARIONE V. REINHARD, RICHARD THRUELSEN, MARTIN SOMMERS, J. BRYAN, III, *Associate Editors*

W. THORNTON MARTIN, *Art Editor*
L. B. KRITCHER, *Associate Art Editor*

PHILADELPHIA, DECEMBER 4, 1937

No More Gushers

THE layman, reading that the Kansas, Oklahoma and Texas control authorities, acting on the request of the producers, had reduced the allowable petroleum production for November below the recommended figure of the Bureau of Mines and that Arkansas had issued its first proration order, probably was puzzled or uninterested.

But these were further evidences that the petroleum industry, in a little more than ten years, has whipped as tough a problem as faced any business in that time, and has revolutionized the basic method of producing oil in the United States. An industry which gyrated between feast and famine has stabilized itself and has conserved, at the same time, the nation's oil and gas reserves. The new way of production is called proration.

Proration is the production of oil by regulated design instead of freely under unrestricted competition. This sounds like production control, or the quota system, by which copper, rubber, tin, cotton, wheat and other commodities have been restricted in output with the express purpose of raising prices, or even creating an artificial scarcity. And proration could be so perverted, though, in the circumstances of the industry, it is not likely to be.

It differs fundamentally from other production controls because its primary purpose is conservation of an irreplaceable resource rather than the valorization of an annual crop or an inexhaustible metal. True, it tends to stabilize supply and demand, and, hence, the price of crude, and this accounts for its wide acceptance. But its greater usefulness in our economy lies in the fact that it increases the ultimate amount of oil that can be commercially extracted from our fields. Its stabilization effects are secondary.

Before proration, the output of any well was limited only by that well's capacity to produce. A well allowed to run wide-open dissipates the natural gas, valuable in itself and as one of the forces which drive the oil to the surface. It also disturbs the nice interplay of other underground pressures useful to efficient extraction. The reservoir energy wasted, the oil must be prematurely pumped, and too much is left irrecoverable in the sands.

Yet the operator had no choice but to get the most oil out in the least possible time, for otherwise, under the rule of capture, his oil would be drained into the wells of more aggressive neighbors. This anarchic procedure was economically workable, wasteful as it was, as long as demand was outrunning supply, and before the industry had perfected modern methods of discovery and production.

As demand began to mature and these methods to increase supply in the middle '20's, the industry ran into chronic overproduction. Proration began as an experiment as early as 1926, and was developed and extended gradually until it became the rule.

Today most of the oil produced in the United States comes under the supervision of state commissions charged with the responsibility of preventing waste. As the great source of waste is in the energy losses that accompany the open flow of wells, the wells now are held to an efficient flow. The gusher is obsolete. We no longer have wells producing thousands of barrels a day for a while, then going on the pump, but long-lived wells flowing moderately under natural pressure.

The state commissions hold public hearings once a month to determine the market demand, which then is allocated to the various fields and, finally, to the individual wells. In this evolution the Federal Government has helped the oil-producing states at almost every stage. Advisory state production quotas first were provided in 1930 by the Federal Oil Conservation Board, were made mandatory under NRA, and now are supplied monthly by the United States Bureau of Mines. The Connally Act, passed by Congress in 1935, prohibiting the interstate movement of oil produced in defiance of state quotas, has checked the hot-oil problem in the great East Texas field. And finally the Interstate Oil Compact, ratified by Congress in 1935, affords a convenient means of coordinating the interests of the states and the Federal Government in problems of conservation and stabilization.

New as it is, proration has become institutionalized in law and embedded in the practices of the industry.

Because, with gushers eliminated, it takes many more wells to produce a given volume of oil in a given time, the industry needs more capital. But with production and price held within bounds, the banks now lend millions of their depositors' money to individual producers on the security of oil still in the ground; a practice unimaginable to a banker ten years ago.

The nation has benefited, the industry has prospered and the price of gasoline and other oil products has not been raised to the consumer. A highly competitive industry has taken the lead in bringing this about. Government has aided, but the industry itself has carried the ball.

Pipeline Firms Cut Arkansas Oil Takings

Gazette 12-10-37

New Orleans, Dec. 9 (AP).—William G. Rankin, conservation commissioner, said here today that drainage from the Louisiana side of the productive Rodessa oil area to the Arkansas side had been "greatly reduced" by pipeline companies.

Rankin said Louisiana oil operators had complained that the Arkansas section of the field, without proration, was allowed to produce faster than the Louisiana and Texas sections, resulting in drainage into Arkansas. Both Louisiana and Texas wells were under proration.

After Louisiana producers had protested to the Conservation Department, Rankin said, pipeline companies serving the Arkansas area of the field reduced their purchases of oil in Miller county, Arkansas, to a maximum of 200 barrels per day each well.

Rankin said the state Board of Conservation in Arkansas had postponed proration measures until January 1 and that the board has been allowing most of the wells in Miller county to produce more than 300 barrels a day.

Governors' Oil Parley to Be At Hot Springs Jan. 24.

Gazette 12-14-37

Oklahoma City, Dec. 13 (AP).—Gov. E. W. Marland said tonight a conference of oil state governors and their representatives to discuss oil price stabilization would meet January 24 at Hot Springs, Ark.

Marland, formerly head of a large oil company, has retained an engineer to assemble data for the meeting. He said he wanted to know the total estimated reserve of petroleum, the portion of the reserve which would have to be lifted by pump, the lifting cost, and the total number of wells in the United States, flowing and on pump. The data will be sent to participating governors.

Two weeks ago Marland telegraphed governors of 21 oil producing states suggesting the conference. The governors of Colorado, Kansas, New Mexico, Arkansas, California, Michigan, Utah, West Virginia, and Wyoming indicated their interest. The governors of Louisiana, Illinois, Kentucky and Montana have not replied.

Oil Proration Conference Will Meet in State.

Gazette 12-11-37

Gov. E. M. Marland of Oklahoma notified Governor Bailey yesterday that he will call a conference of governor of oil producing states to meet in Hot Springs next month to discuss oil proration problems. He said the meeting probably would be held either January 17 or January 24.

At Mr. Marland's suggestion, the governor's office designated H. Grady Manning, Little Rock hotel executive, to arrange hotel accommodations at Hot Springs for the visiting governors and members of their staffs.

When he learned several weeks ago that Governor Marland was considering calling a conference of governors of oil producing states, Governor Bailey suggested to the Oklahoma chief executive that the meeting be held in Hot Springs. Mr. Marland said several other governors desired that the conference be held in the resort city.

Meeting Called to Protest Oil Allowable Ruling.

Gazette 10-24-37

Texarkana, Ark., Oct. 23 (AP).—Miller county oil men anounced tonight a mass meeting of protest would be held here Monday night to plan for a fight against the Arkansas Board of Conservation's order setting a 10,000-barrel daily allowable for the Rodessa field extension south of here.

F. W. Fischer, Tyler, (Tex.) lawyer and his associate, Ed B. Levee Jr., Texarkana, representing several independent operators, landowners, lease and royalty holders, advised their clients to start injunction proceedings against the state board.

The board's order, issued today at El Dorado, would become effective November 1. Fischer said he advised court action because the order was "arbitrary, unreasonable and has no foundation either of facts or authority of law."

"Such an order," he said in a telegram to the Texarkana Gazette, "can result in elimination of the small operator, minimum development and great loss to landowners and the whole citizenship of Arkansas."

10,000 Barrels Set as South Miller's Quota

Special to the Gazette. 10-24-37

El Dorado, Oct. 23.—Oil production from the south Miller county extension of the Rodessa field "for November and thereafter" will be limited to 10,000 barrels a day, the Arkansas State Board of Conservation announced today following an all-day open session yesterday in which expert testimony was heard.

The rules, issued at noon today after a closed session, will become effective November 1. The per well allowable for the field will be based 50 per cent on acreage and 50 per cent on bottom hole pressure with a maximum well production allowable of 400 barrels a day for one well on a 40-acre tract with the maximum bottom hole pressure.

No rules were adopted governing spacing of wells, but state statutes provide that wells cannot be drilled on tracts of less than 10 acres. Most of the wells in Miller county are on 40 and 20-acre tracts.

500 Barrels Present Average.

The restrictions on the Miller county field is not expected to handicap operations. Reports from the field say that the present daily average production of the wells is slightly in excess of 500 barrels.

Gas-Oil Ratio Limited.

The gas-oil ratio for wells in the Miller county field shall not exceed 2,000 cubic feet of gas for each barrel of oil produced, the board decreed. The same gas-oil ratio restrictions also apply in the Louisiana and Texas parts of the Rodessa field.

It was pointed out yesterday that the per well allowable in the Louisiana section of the field is 125 barrels daily on a 40-acre tract and in Texas about 90 barrels daily on a 20 acre tract.

Shuler Area Hearing November 5.

O. C. Bailey, chairman, announced that the board will meet here again Friday, November 5, at 10 a. m. to consider rules and regulations for the Shuler area field in Union county, where three producing levels already have been discovered. The meeting will be open.

At the hearing yesterday none of the witnesses favored uncontrolled production indefinitely. The difference of opinion was over the date the restrictions should be applied and what method should be used to determine the allowable, on the basis of acreage per well, bottom hole pressure or potential production or a combination of those factors.

The board used a combination of bottom hole pressure and acreage per well in deriving the per well allowable with no reference to potential production. Several witnesses asked that no restrictions be enforced for several months to allow operators "to get their money back."

In addition to Mr. Bailey, board members are Walter L. Brown, Robert J. Short and Ed Hollyfield of El Dorado and J. D. Reynolds of Camden. C. E. Harris is chief conservation agent and Lee J. Timberlake is special agent for Miller county.

Oil Operators Plan to Fight Allocation

Special to the Gazette. 10-27-37

Texarkana, Oct. 26.—Independent oil operators in the south Miller county oil field are prepared to take legal action if necessary to prevent an allocation order of 10,000 barrels daily allowable for the field from being placed in effect November 1, as scheduled by the Arkansas Conservation Board.

Meeting at Hotel Grim today the operators discussed ways of halting the proration move in a field that they declare has not yet been developed.

Guy J. Stumpff, chairman of the independent group, appointed a Finance Committee composed of H. M. McIver and H. H. Gildon. Several Oklahoma and Texas independent operators in the field have expressed willingness to contribute to, a fund to be used in combating the proration order.

Stumpff also appointed a committee composed of Col. D. W. Adams, J. T. Parks, William Monroe Layton and M. L. Munn to draw up a statement explaining why the independnets oppose allocation of the field at this time.

The meeting today was prelminary to a mass meetng scheduled for Wednesday night at the Miller county courthouse. Independent operators, land owners, lease and royalty owners will gather to protest prohibition.

Stumpff said that Governor Bailey and members of the Conservation Board will be asked to attend.

Miller County Oil Interests In Protest Meeting.

Special to the Gazette. 10-28-37

Texarkana, Oct. 27.—Ben Carter, former representative in the Arkansas legislature, spoke at a mass meeting of landowners, lease and royalty holders and independent operators in the South Miller County oil field here tonight at the courthouse in protest of the placing into effect next Monday a daily allowable of 10,000 barrels for the newly-discovered area. Approximately 300 persons attended the meeting.

Many have signed petitions of protest to the order made last Saturday by the Arkansas Conservation Board. The petitions will be mailed to Governor Bailey immediately.

Oil Proration Opponents Ask Bailey's Aid

Gazette 10-29-37

El Dorado, Ark., Oct. 28 (AP).—Robert C. Knox, El Dorado lawyer, wrote Governor Bailey today asking that he use his influence to have set aside a proration order for the Miller county oil field.

The state Board of Conservation issued last week an order limiting total daily production in the field to 10,000 barrels.

"I know that this action of the commission does not meet with your approval, and that you will do all within your power to right this wrong," Knox wrote.

"I earnestly request that you take such steps as governor as will assure that Arkansas may again take her rightful place among the oil producing states."

Commenting on Governor Bailey's efforts to obtain lower freight rates for the southwest, Knox said:

"It would be an unfortunate thing if your attempt to increase production and manufacture in this area should be defeated by any activity on the part of the state, or anyone else, to bottle up the natural resources of this state which we depend upon for raw materials."

Says Unlimited Flow Promised.

Knox said that he supported Bailey in his campaign for governor and that Bailey assured him then that there would be no restrictions in new oil fields.

"You stated that you were aware of the situation and that you could assure me I might assure others that if you were elected governor there would be no restriction of * * * production in any new Arkansas field," Knox wrote Bailey.

He said Bailey told him to "tell the voters of South Arkansas that no new oil field will be bottled up if I am governor."

Concluding, Knox commented:

"On Friday, October 22, the Board of Conservation which was appointed by you and charged with the responsibility of reflecting the policies of your administration, in total disregard of the pledges made to the people, passed a regulation fixing and limiting the daily production from the entire Miller county field to 10,000 barrels a day."

Shuler Field Hearing To Be Held Today

Special to the Gazette. 11-5-37

El Dorado, Nov. 4.—Testimony and recommendations for rules and regulations of the Shuler field of Union county, will be heard by the Arkansas State Board of Conservation at a meeting here at 10 a. m. tomorrow at the offices of the Conservation Department in the Armstrong buildng. If a large group is present, the meeting may be transferred.

It is reported that the board has asked operators to present figures and recommendations for spacing and casing programs. The question of allocation of production for the Shuler area probably will not be taken up because there are only two producing wells from the deep levels.

However, it is likely that the question of production allocation will be discussed.

Shuler Field Operators Suggest Rules

Special to the Gazette. 11-6-37

El Dorado, Nov. 5.—After an all-day presentation of testimony and a set of proposed rules and regulations drafted by four of the five operators in the Shuler field west of El Dorado, the Arkansas State Board of Conservation tonight took under advisement the question of establishing rules and regulations for the field.

The board is expected to announce its rules for the field at its next meeting Friday.

Jeff Davis, representing the Lion Oil Refining Company, and Joe K. Mahoney, representing Jones, Murphy & Hurley, expressed their firms' faith in the ability of the board to draft regulations fair to all that would prevent any waste, as in the Smackover and Rainbow City fields.

Only One Company Dissents.

The set of proposed rules and regulations was prepared by the Lion Company, The Phillips Petroleum Company, the Marine Oil Company and Jones, Murphy & Hurley. The Alice Sidney Company, which has all other leases in the immediate vicinity, did not concur in the proposals.

The proposal provides a casing program and regulations for setting of casing and precautionary measures to be used in drilling and completing the wells; also for allocation of production based on acreage, botton hole pressure and gas-oil ratio with 50 per cent allocated on a producing acreage basis and 50 per cent on a bottom hole pressure basis. The gas-oil ratio provides for a gas-oil ratio as low as possible with a maximum of 2,000 cubic feet of gas per barrel of oil.

The proposal provides for special exceptions if an operator can show that the rules applied to his wells will result in waste or are unreasonable, provided that the operator can show that the special concession will not result in waste to the field as a whole or give him unfair advantage.

The proposal also provides that on the 23rd of each month the board shall fix the daily allowable for each well for the ensuing month. Deficiency in production of any well below its allowable could not be made by overproduction by any other well.

Witnesses Questioned.

The witnesses were questioned by Mr. Davis and R. K. Batton of the Phillips Company for the operators and by Bob Knox, El Dorado lawyer, representing the opposition.

Mr. Knox contended that with only one well producing from the deep sand that insufficient basis has been provided for setting an allowable.

Declared Separate From Rodessa.

Warren Weeks, geologist for the Phillips Company, presented charts to show that the deep formation from which production is being obtained are separate from the producing horizons in Rodessa fields of Louisiana, Texas and Arkansas. The Jones well is producing from the Jones sand and the Lion Phillips Well from the Reynolds lime, Weeks said.

E. B. Clinger, geologist for Lion, testified that top sands were encountered in the Shuler field from 5,550 feet to 5,900 to 6,000 feet, from which several producers have been completed. He testified that the Shuler field was of the closed dome type that was considerably extensive. He said that it is an elongated zone with a northwest-southeast axis with the Lion-Phillips wells about the top of the dome, as indicated by the well encountering the Jones sand about 50 feet higher than in the Jones well.

He said that water drive from the lower outside part of the dome along with suspended gas in the oil is providing the force to make the oil flow. He said that the water which replaces the oil on the lower outside edges of the dome as oil is withdrawn will rise more gradually if the oil is removed slowly and uniformly. He said that otherwise the water may "cone" and by-pass the oil and form dead pockets of oil which will never be recovered. He said that rapid withdrawal of oil, dissipates the gas in solution in the oil and the oil becomes dead.

Other Recommendations.

R. C. Williamson, production superintendent of the Lion company, testified that a great density of wells in the Shuler area would expend the water drive and cause the water to rise more slowly in the dome. He recommended 100 feet of surface casing cemented from top to bottom, a minimum of 1,600 fet of intermediate casing cemented up as far as the surface casing; that oil string be cemented as high as 5,500 to 5,800 feet; 800 pounds casing pressure tests for the intermediate string and 1,500 pounds casing pressure for the oil string; and use of slow setting cement to allow operators sufficient time to set casing should a machinery failure halt the operation when half completed.

Mr. Williamson said that he could not say definitely that there is a water drive.

Board to Make Miller Field Ruling Today

Special to the Gazette. 11-13-37

El Dorado, Nov. 12.—Decision as to whether a rule establishing a field allowable of 10,000 barrels per day shall become effective in the Miller county extension of the Rodessa field November 16 is expected to be made by the Arkansas State Board of Conservation at a meeting at 10 a. m. tomorrow.

The board spent all today taking testimony of operators and citizens of Miller county who had protested to Governor Bailey against the proposed regulations. The governor asked the board to hold up the order, scheduled to become effective November 1, until a hearing could be held.

Testimony of the operators and citizens indicated they favored regulation based on a set gas-oil ratio and a well's ability to produce rather than on bottom hole pressure and acreage.

Suggests Entirely New Basis.

W. M. Layton of the Layton Oil Company suggested that the board write its own production rules for the area, based on a proper gas-oil ratio and a well's ability to produce and not to put into effect an order which he said had been written by "Mr. Bell of the Rodessa Producers Committee" of Louisiana.

He charged that restrictions in the Rodessa field of Louisiana had frozen out small refiners in that section and declared that none will come to Miller county as long as there is danger of proration. He said he believed a refinery would come to the section in 30 days if assured of big oil production without undue restrictions. He said that operators do not object to drilling regulations or conservation methods but do object to building up oil storage underground so that major companies can buy out the small producers who cannot operate under small production allowed under proration. He estimated that the maximum daily production of the Miller county field would not exceed 50,000 barrels daily and said he believed that amount would not affect the price structure of oil.

Wide Variation Described.

Dr. A. H. Crider, Shreveport geologist, said that no two wells in the Miller county field are alike because no two are producing from the same sand or sands. He suggested that each well be handled individually with its production based on a proper gas-oil ratio and ability to produce. He testified that the idea of proration was started by major companies as a means of maintaining the price structure.

Texarkana Protest Voiced.

Wilbur Smith of the Texarkana Junior Chamber of Commerce, presented a resolution of that organization opposing proration until production in Arkansas is on a parity with production in adjacent oil producing states. He said his organization believed that the proposed order was a discrimination against Miller county.

Monroe Scoggins of Texarkana testified that Texarkana business men who had spent thousands of dollars building a road to the new field, believed the proration order had curtailed drilling operations, caused many leases to be surrendered, and that business in general had suffered.

H. M. McKeever of Texarkana testified that 11 drilling rigs had been "stacked" since the proration order was issued.

Several operators in the Miller county field testified that a set gas-oil ratio would be sufficient basis for production control rather than a set per well allowable based on bottom hole pressure and acreage. All operators testified that they were curtailing operations until the question of production regulation is settled. Some said that if the proposed order is put into effect, they will drill only the necessary offset wells and then quit.

Close Drilling Favored.

W. T. Munn, geologist, testified that the wells in the Miller county area are producing from several sands and that bottom hole pressure would not be a satisfactory basis for setting an allowable. He suggested that close drilling, such as one well to 10 acres, would be the best.

Proration Denounced.

Joe F. Orr, lawyer representing W. L. McClannahan, driller of the discovery well, making the opening statement, said the operators believe in conservation of natural resources but not in proration. He advocated harmonious operations between the board and the operators. He said that the entire Miller field has a potential production about equal to one well in the giant East Texas field.

There has been no complaint or charge of waste in the Miller field, he said.

Only one producer in the field (F. W. Burford), he said, and a few outside operators who have undeveloped leases in the field and Louisiana and Texas want proration. He said that the Miller county field still is wildcat territory.

He said that the discovery well has not paid out and probably would not have been drilled had McClannahan suspected that there was any danger of proration. He said that McClannahan probably will not drill other wildcat tests in the state as he had planned to do.

O. C. Vailey, chairman, presided. Other members of the board present were Ed Hollyfield, Robert J. Short and Walter L. Brown of El Dorado and J. D. Reynolds of Camden.

Oil Order Held Up Until January 1

Special to the Gazette. 11-23-37

El Dorado, Nov. 22.—Effective date of the order of the Arkansas state Board of Conservation fixing field and well allowables for the Miller county extension of the Rodessa field again has been postponed, and the effective date now is January 1. The action was taken by the board in a special session here this morning. It was the third postponement. The order, No. 64, fixing a field allowable of 10,000 barrels a day for well producing on November 1, was adopted October 23 and was to have been effective November 1.

It later was postponed until December 1, after an open meeting of the board was held and protests were made by operators and citizens of Miller county. The per well allowable to become effective December 1 was to have been fixed Tuesday, November 23, by the conservation department's engineer, but the action today postpones the effective date of the allowable order until January 1, and the per well allowable will be fixed by the engineer December 23. The allowables according to the order will be based on acreage per well, bottom hole pressure and gas-oil ratio.

There are 42 producers in the Miller county area with total daily average production of 12,531 barrels or an average of 293 barrels per well. Total production of the county since the discovery well was completed is 566,611 barrels.

No Change in Miller Field Allowables

Board Abides by Earlier Ruling — Shuler Field Maximum Fixed.

Democrat 12-21-37

El Dorado (AP)—The state board of conservation will publish, December 23, a schedule of oil well allowables for the south Miller county field, to become effective January 1.

Three proposed substitutes for its allocation order for the south Miller field had been rejected, the board announced, and said its former allocation order of approximately 10,000 barrels daily would be put in effect January 1. The substitute proposals were submitted at a recent special meeting of the board.

A maximum allowable of 400 barrels daily was ordered, effective January 1, for wells producing from the Jones sand in the Shuler field near here, based on acreage, bottom hole pressure and gas-oil ratio.

The board announced a meeting would be held January 10 to hear proposed rules and regulations governing production from the Reynolds lime of the Shuler field. The schedule for the wells will be published December 23.

Relative to the new Buckner area in Columbia county, suggestions for a casing and spacing program were heard and taken under advisement. These suggestions were made by the Standard Oil Company, which completed the McKean No. 1 in that field, now producing 400 barrels a day on a one-eighth-inch choke. One well to 40 acres was recommended by the engineers for the Standard.

Allowables Set for Shuler, Miller Fields

Special to the Gazette. 12-24-37

El Dorado, Dec. 23.—Daily oil production allowables for wells in the Shuler and south Miller county fields for January were announced by the state Board of Conservation today as the first proration order for Arkansas.

Total daily allowable for the 10 wells expected to be producing in the Jones sand of the Shuler area January 1 is 3,933 barrels, while total allowable for the 57 wells expected to be producing in the south Miller county field on January 1 is 10,329.

Shuler Field Allotments.

All wells in the Shuler field were allotted the maximum daily allowable of 400 barrels except the Jennings No. 1 of the Phillips company which, because of its smaller acreage base, will be given a production allowable of 333 barrels daily.

Six Wells Producing.

Only six wells have been completed in the Jones sand, but it is expected that four others will be producing by January 1. The six wells now are producing 5,570 barrels daily, but after the new order goes into effect, the 10 wells will be limited to 3,933 barrels daily.

Miller County Order.

Under the Miller county order there will be 57 wells classed as oil wells and four as gas wells. There are now 50

oil producers in the field with daily average production of 9,290 barrels daily, whereas January 1 the 57 wells will be given total daily production of 10,329 barrels.

Top well allowable for the Miller field will be 386 barrels daily for the Eason No. 1 of F. W. Burford in Section 11-20-28, and the lowest will be 25 barrels daily for the Capps F-1 of the same operator in Section 12-20-28.

Oil Schedules In Arkansas Made Public

First Allowables Released —Miller Field Ruling Made.

Democrat 12-23-37

El Dorado—The daily allowable production of oil in the Miller county field for the month of January was announced today by the Arkansas Board of Conservation in the first allocation move in Arkansas.

The production allowed of 10,329 barrels per day is slightly above the original order in the Miller area which was 10,000 barrels as the daily limit.

The schedule of production per well lists a total of 61 wells with four of that number gas wells which are closed in. None of the wells has an allowable equal to the maximum of 400 barrels, the largest allowable being 386 barrels and the smallest 25.

In the schedule are 50 producers and seven other wells that are expected to be completed by the first of January. Production allowables and schedules for wells from that date are expected to be completed by the first of January.

Production allowable and schedule for wells from the Jones sand in the Shuler field also were announced today by the board. A production of 3,933 barrels is allowed for 10 wells during the month of January. There were six producers in the area from that sand and four others are scheduled for completion by January 1.

All of the Shuler wells are given the maximum of 400 barrels daily with the exception of the Jennings No. 1 of the Phillips Petroleum Company which is given 333 barrels because it is located on less than a 20-acre tract.

Buckner Field Is Prorated

Democrat 1-4-38

Conservation Board Also Puts Miller Field Rules in Effect.

El Dorado (AP)—A state conservation board order today allocated oil production in the Buckner field on a basis of 50 per cent on acreage and 50 per cent on bottom hole pressure with the gas-oil ratio not to exceed 2,000-to-one.

The rules and regulations adopted for the field yesterday said the daily allowable for each well would be fixed on the twenty-third of each month for the following month.

Overproduction one day to make up for underproduction the previous day would be permitted but the limit for a month's production would be the daily allowable, multiplied by the number of days in the month.

The board defined the field as township 16 south, ranges 22 and 23, west, and extensions thereof. The field is on the Columbia-Lafayette county line. Buckner is in Lafayette but the one producing well is just over the line in Columbia county.

The casing program provides that 100 feet of surface casing shall be set, cemented from top to bottom, and a minimum of 1,800 feet of second string with a minimum of 500 sacks of cement. Surface casing must set for a minimum of 24 hours and second string a minimum of 24 hours under pressure and a total minimum of 48 hours before drilling plug. Before plug is drilled on the second string a pressure test must be made and a pressure of 800 pounds must be maintained for a 30-minute period without more than 150 pounds drop in pressure.

Oil string must be set with enough cement to fill the space behind the pipe up to within 5,000 feet of the surface with a minimum of 500 sacks of cement. Pipe must be set below the gas oil contract to be determined by coring. Casing must set a minimum of 24 hours under pressure and a total minimum of 72 hours, and must be tested under pressure of 1,250 pounds for 30 minutes with more than 150 pounds before plug is drilled.

The board yesterday received a request from Gov. Carl E. Bailey that it defer putting into effect proration rules and well allowables in the south Miller field for another 30 days, but the board declined to comply. A request for a delay made by the governor some weeks ago was complied with at that time.

The board's ruling, which went into effect yesterday, limits production in the south Miller field to a total of 10,329 barrels per day for the 57 producers in the field.

Oil Drilling Regulations Promulgated

1-4-38

Special to the Gazette.

El Dorado, Jan. 3.—Rules and regulations for drilling for and producing oil in the Buckner field in Ouachita and Lafayette counties were issued by the state Conservation Board here this morning.

In addition to casing and drilling rules for the field, the board provided a basis for later allocation of production for the field and for wells in the field.

Governor's Request Denied.

The board declined to grant the request of Governor Bailey for a 30-day postponement of the allocation order for Miller county. The order, which became effective Saturday, limits production for the field to 10,329 barrels daily for the 57 producers in the area.

At the request of several operators the board postponed the hearing scheduled for January 10 to study rules and regulations and allocation of production for the Reynolds lime of the Shuler area. The matter will be considered by the board at its next meeting February 7.

The board defined the Buckner field as comprising townships 16 south, ranges 22 and 23 west and extensions thereof and announced that the rules would apply in the big lime (probably the Reynolds lime of the Shuler field).

Casing Program.

The casing program provides that 100 feet of surface casing shall be set, cemented from top to bottom, and a minimum of 1,800 feet of second string with a minimum of 500 sacks of cement. Surface casing must set for a minimum of 24 hours and second string a minimum of 24 hours under pressure and a total minimum of 48 hours before drilling plug. Before plug is drilled on the second string a pressure test must be made and a pressure of 800 pounds must be maintained for a 30-minute period without more than 150 pounds drop in pressure.

Oil string must be set with enough cement to fill the space behind the pipe up to within 5,000 feet of the surface with a minimum of 500 sacks of cement. Pipe must be set below the gas-oil contact to be determined by coring. Casing must set a minimum of 24 hours under pressure and a total minimum of 72 hours, and must be tested under pressure of 1,250 pounds for 30 minutes with more than 150 pounds before plug is drilled.

Head Connection Tests.

Well head connections must be tested to withstand 4,000 pounds pressure. Blow-out preventors must be used on the second string to withstand 4,500 pounds pressure.

The rule points out unless production from the big lime is restricted and distributed uniformly, waste will result from water channeling and coning, dissipation of gas energy, or both.

Basis of Allocation.

The rule provides that allocation of production shall be based on acreage, bottom hole pressure and gas-oil ratio. The acreage daily allowable shall be 50 per cent of the total daily allowable and the bottom hole pressure allowable shall be 50 per cent of the daily allowable. Daily allowable for each well shall be determined by the acreage for the well and its allowable plus the allowable for the bottom hole pressure allowable.

The gas-oil ratio must be kept as low as possible but must not exceed 2,000-to-1.

The daily oil allowable for each well will be determined by the Conservation Board of the 23d of each month for the following month. The rule provides that any well may over-produce one day an amount equal to the under-production of the preceding day, but the total production for any one month may not exceed the daily allowable multiplied by the number of calendar days in the month.

Oil Allowables Doubled For February

Special to the Gazette 1-21-38

El Dorado, Jan. 20.—An order practically doubling the allowable oil flow for the Shuler field of Union county and the Rodessa extension of Miller county for February was adopted at a special meeting of the Arkansas state Board of Conservation here today.

The order, announced by O. C. Bailey, chairman, raises the Shuler allowable from 400 barrels per well daily to 800 daily and the Miller county allowable from 10,329 barrels daily for the entire field to 15,000 barrels daily total. The order for the Shuler field applies only to the Jones sand.

New Wells to Raise Output.

There are now 11 producers from the Jones sand in the Shuler field with a total allowable of 4,333 barrels daily, and it is estimated there will be 15 wells producing from this sand by February 1, which would place the total flow allowable for Shuler at 12,000 barrels.

Although the Miller allowable was raised from 10,329 to 15,000 total, it is estimated that because of the gas-oil ratio of 2,000-to-1, the production there probably will not be in excess of 1,500 barrels daily. With the present proration of 10,329 barrels from 61 wells, the daily flow has averaged about 8,800 barrels. The borad estimated there will be 64 wells producing in Miller county by February 1.

Two New Tests Started.

The Lion Oil Refining Company today made location for the second new test of the week in Shuler. The test will be the Morgan A-5, 330 feet south and west of NE lot 7 SW Section 18-18-17. The other is Texas Canadian Oil Company's Powledge No. 1, in NE NW NW Section 21-18-17, considered an important outpost test east of production.

Oil Allowable Is Doubled

Democrat 1-21-38

Better Market for Shuler Oil Given as Reason for Order.

El Dorado—Increased flow of oil from the Shuler field of Union county and the Rodessa extension of Miller county during February was authorized yesterday by the State Board of Conservation.

The board approved an order raising the Shuler allowable for the month from 400 barrels per well daily to 800 barrels daily, and the Miller county allowable from 10,329 barrels daily for the entire field to 15,000 barrels daily. The order for the Shuler field applies only to Jones sand wells.

Operators requested the revision because of what they said was a better market for the Jones sand crude. The board was told that the Lion and Root refineries here would buy as much of the crude as could be produced under the new limit.

At present, 11 wells are producing from the Jones sand but it is predicted 15 wells will be producing by February 1.

The board estimated 64 wells will be producing in the Miller field by February 1, compared to 61 now.

The January allowable for the Miller field, based on 57 wells, was 10,329 barrels daily. Many of the wells were unable to make the allowable and daily production for the 59 wells now producing averaged 8,810 barrels.

The board said the new allowable, based on the number of wells expected to be completed by February 1, would be 15,000 barrels but, due to gas-oil ratio restriction, some wells would be unable to produce their allowable and daily production probably would be about 10,500 barrels.

Marland En Route To Little Rock

Gazette 1-21-38

Oklahoma City, Jan. 20 (AP).—Gov. E. W. Marland will arrive at Hot Springs, Ark., tomorrow night or Saturday morning to lay the groundwork for a crude oil stabilization conference of oil states governors and their representatives, he said today.

Marland said he would leave Oklahoma City tonight, but would not be out of the state until Friday morning. When he crosses the state line, Lieut. Gov. James E. Berry of Stillwater will assume executive duties.

The governor did not disclose where he will spend tomorrow. He said he would be accompanied by C. C. Brown, state tax commissioner; Van Harmon, Tax Commission executive; Alex McCoy, Ponca City geologist, and a secretary.

Gov. Clyde Tingley of New Mexico and Governor Carl E. Bailey of Arkansas have notified Marland they would attend the conference which will open Monday. In addition, the governors of Michigan, West Virginia, Tennessee, California, Utah and Pennsylvania have informed Marland they would send representatives.

E. B. Swanson, director of Petroleum Conservation Division of the Department of the Interior, will represent the federal government.

Marland will present data, assembled by McCoy, to show that known crude oil reserves of the United States would meet the national demand only until November, 1941, if demand continues to increase at the current rate.

The Oklahoma governor, formerly head of a large oil company, has said repeatedly that the price of crude must be stabilized to spur fresh discoveries of oil.

"I think the meeting will run over the greater part of next week," Marland said today.

Conservation Of Oil Urged By Marland

Gazette 1-22-38

Hot Springs, Ark., Jan. 21 (AP).—Gov. E. W. Marland of Oklahoma arrived here tonight preparatory to attending an oil producing states conference opening Monday, which he predicted will disclose "how little—not how much—we know about the future possibilities of finding oil for commercal welfare and defense of the naton."

The conference was called by Governor Marland, who at the request of Governor Bailey of Arkansas, scheduled it at Hot Springs.

Governor Marland will go to Little Rock tomorrow to pay his respects to Governor Bailey and arrange a program for the conference.

Governor Tingley of New Mexico is expected over the week-end.

Marland said governors Merriam of California and Earle of Pennsylvania had said they would attend if possible and at least would send representatives. The delegation is expected to number 30 or more.

Meeting to Seek Facts.

Describing the conference as "purely a fact-finding meeting," Governor Marland said:

"We know that we have approximately 12,000,000,000 barrels of oil available from proven fields. We know that the present rate of consumption uses 200,000,000 barrels annually, consequently we have on tap what appears to the public to be sufficient oil for the next 10 years. But that is not so.

"If we have 12,000,000,000 barrels, any oil man knows that cannot be produced during the next 10 years. Some of it will take 20 or 30 years.

"The question then is how much oil have we that can be produced over the next four or five years? It is my opinion we cannot produce sufficient oil for more than the next four years.

"I would like to develop from the conference how much we can produce in the next five, 10, 15 or 20 years and what the judgment is of these men as to our ability to produce the necessary oil.

Says Conservation Necessary.

"I hope we can. But it can be done only by conserving what we have in all of these oil-producing states and seeing that there is no wastage, coincidentally with getting out and finding more.

"My impression is we have to find a billion barrels of new reserve each year for the next five years and after that more than a billion barrels annually.

"Let's not forget it is the responsibility of these states to produce oil; to do do everything they can to conserve that natural resource."

Knows the Oil Business.

Governor Marland entered the oil business immediately after graduating from law school in 1893, has worked as a roustabout and at every other angle of the business up to constructing his own plants.

No oil company representatives have been invited to the conference.

The other states to be represented are Michigan, West Virginia, Tennessee and Utah.

The Oklahoma governor was accompanied by Mrs. Marland, his secretary, Wendell Johnson, and two Oklahoma state patrolmen.

United Action On Oil Is Aim Of Spa Parley

Democrat 1-23-38

States Must Adopt Unified Conservation Program, Marland Says.

"The consumption of oil is increasing at the rate of one hundred million barrels per year and the subject of the oil conference which opens Monday at Hot Springs is to determine as near as possible the probable future supply and demand over the next 20 years," Gov. E. W. Marland of Oklahoma said here yesterday.

A united program of conservation of the present supply and the bringing in of discovery wells to meet the ever-increasing demand devolves upon the states themselves, rather than the federal government. the Oklahoma governor told newspaper men in the office of Governor Bailey, who is host to the oil conference which will open at the Eastman hotel at Hot Springs Monday noon and continue for three days.

Bailey Is Host.

Governor Bailey as host will preside at the opening sessions and the course of the program will be in charge of Governor Marland, who called the conference six weeks ago. Governor Bailey will remain throughout the session.

Besides the Arkansas and Oklahoma governors, Governor Clyde Tingley of New Mexico will attend the conference, and seven other states and the federal government will send representatives to the meeting which is considered of nation-wide importance.

Others who will be present for the conference are:

Walter A. Jones, representing Governor Earle of Pennsylvania; Burton W. Musser, representing Governor Blood of Utah; Dr. Paul H. Price, state geologist, representing Governor Holt of West Virginia; E. B. Swanson, associate counsel of the Petroleum Conservation Division, Department of the Interior, Washington, D. C., and representatives of the governors of California, Kansas, Michigan and Tennessee.

Governor Marland, who came to Little Rock yesterday at noon from Hot Springs to visit Governor Bailey, said the principal object of the conference is to study the probable future demand for oil over the period of the next five, 10 and 20 years.

Referring to estimates of the National Petroleum Institute in 1925, Governor Marland said the estimates of supply and demand of oil at that time are now too low.

"It is time we take another look at the situation, as the demand since 1925 has 'grown tremendously,' at a rate of one hundred million barrels a year, until the actual consumption is now approximately one billion and 250 million barrels a year.

"There is no man who can say what the increased demand will be," he said. "We have been able to meet that demand, but how long we will be able to do so is a matter for conjecture."

Governor Marland said "this meeting will show how little we know about the problem of supply and demand. It will be fine for the states and the public generally to know how little we do know about it."

A State Problem.

He said he felt like Governor Bailey, that they being executives of oil producing states, that the problem of oil productions is a problem of the states. "It is our business to see to it that oil is conserved—not wasted—and at all times sufficient."

The Oklahoma governor declared that the federal government has no control over oil production in the states, but that conservation is a task of the respective states.

He stressed with Governor Bailey the importance of oil for the benefit of the public welfare and for national defense.

"I am not alarmed about our ability to find oil, but we must conserve and find new fields," Marland declared.

Marland Sees Need For Oil Inventory

Gazette 1-23-38

Conferring with Governor Bailey on plans for an "oil inventory" conference opening in Hot Springs tomorrow, Gov. E. W. Marland of Oklahoma said yesterday that it is "high time" for oil producing states to gather all data possible on the future supply and demand for oil.

Recalling that the American Petroleum Institute made such a study in 1925 and published its findings in book form, the Oklahoma executive, who will be chairman of the conference, said:

"It is high time to pick up that subject again and take another look at it. Demand and supply estimates made in 1925 were way too low. A few years ago annual oil consumption was about one billion barrels. Last year it was approximately 1,200,000,000 barrels. The increase at the present rate of consumption will be about 100,000,000 barrels annually.

Conservation Vital Need.

"We've been able to meet the demand and we're going to meet it for some years to come—how long is a matter of guess.

"Governor Bailey and I feel it is the responsibility of the sovereign states to see that the supply we have is conserved for proper uses and not wasted and that the supply for the consuming public be sufficient at all times."

The federal government has no control over oil production, Governor Marland said. "The states have to take care of that. Any conseravtion will have to be placed into effect by the states. The governors of oil producing states have a great responsibility in that connection."

"I'm not alarmed about our ability to find oil," Mr. Marland continued, "but, we've got to conserve what we have and find new production fields."

Bailey to Open Meeting.

He said that Governor Bailey would open the Hot Springs conference at the Eastman hotel at noon tomorrow. Among those who have signified their intention of attending are: Gov. Clyde Tingley of New Mexico; Walter A. Jones of Philadelphia, personal representative of the governor of Pennsylvania; Burton W. Musser of Salt Lake City as representative of the governor of Utah; Dr. Paul H. Price, West Virginia geologist who will represent the governor of that state, and E. B. Swanson of Washington, D. C., associate director of the Petroleum Conservation Division of the Department of Interior, who will represent President Roosevelt. Governors of California, Kansas, Michigan and Tennessee have been invited.

Asked how long the conference will last, Governor Marland said:

"Probably three days; but, I'm not anxious to leave Hot Springs, I like the town."

Governor Marland, who is completing a four-year term, will be a candidate for the United States Senate in the July primary election in Oklahoma. He was accompanied to the capitol by his secretary, Wendell Johnson, and Capt. H. R. Cress and Sgt. F. D. Petty of the Oklahoma State Patrol. Mrs. Marland remained in Hot Springs, where the party arrived Friday.

Requisition Mailed.

While Governor Marland was on his way to Little Rock from Hot Springs, Governor Bailey forwarded to his office a requisition for the extradition of Ozie H. Johnson, charged with wife and child abandonment in Sebastian county July 8, 1935. Johnson now is in Logan county, Oklahoma.

Conservation Board's Order Attacked

Special to the Gazette. 1-23-38

El Dorado, Jan. 22.—A special session of the Arkansas state Board of Conservation will be held Monday morning to consider action necessary as a result of an injunction petition filed in Miller county to enjoin the board from interfering with the production of oil in that field.

It was reported here that the petition was filed by William Monroe Layton of the Layton Oil Company, and seeks an injunction to prevent the Conservation Department from interferring with the production of oil from his properties in the south Miller county field.

It was reported here that Attorney General Jack Holt may attend the session here Monday.

Allocation Order.

Under an order allocating production for the Miller county field in January, Latyon's company was limited to production of 422 barrels daily from three wells on the Terry lease, in section 14-20-28, distributed as follows: Terry No. 1, 200 barrels; Terry No. 3, 126 barrels, and Terry No. 4, 96 barrels.

Under the allocation order for February as issued by the board this week, Layton's company will be limited to daily production of 325 barrels from the same three wells, distributed as follows: Terry No. 1, 111 barrels; Terry No. 3, 74 barrels, and Terry No. 4, 140 barrels.

Chairman O. C. Bailey of the Conservation Board was out of the city today and could not be reached for a statement concerning the Miller county action. Lee J. Timberlake is assistant conservation agent in charge of the Miller county field. Other members of the Conservation Department are Robert J. Short, Walter L. Brown and Ed Hollyfield of El Dorado and J. D. Reynolds of Camden.

Layton Gets Temporary Court Order Against Board.

1-23-38

Special to the Gazette.

Texarkana, Jan. 22.—William Monroe Layton, Wall Street operator in the south Miller county oil field, obtained a temporary injunction today restraining the Arkansas Board of Conservation from enforcing its present proration of 10,300 barrels daily in the field.

Judge Dexter Bush granted the order in the absence of Chancellor A. P. Steel in whose court the injunction petition was filed.

The board is scheduled to meet Monday to consider the injunction, which was expected.

It was said that Jack Holt, attorney general, probably would attend the hearing and offer an opinion as to the board's authority for its action.

Layton was joined in the suit against the board by John A. Terry and Jess King. It is on the Terry estate that Layton has several producing wells and others drilling. King is an associate of Layton.

Oil Operator Files Action Against State

Democrat 1-23-38

Seeks to Break Miller Field Restriction; Meeting Called.

El Dorado—A special meeting of the Arkansas board of conservation will be held in El Dorado at 10 o'clock Monday morning to consider what action will be taken in connection with the filing of injunction proceedings by an operator in the Miller county field.

The meeting was called following receipt of news here that court action is being sought by William Monroe Dayton, operator in the Rodessa extension in Miller county, to prevent the board from interfering with operations on the Dayton leases.

Injunction petition papers were reported to have been served Saturday afternoon on Lee Timberlake, assistant conservation agent in charge of the office at Texarkana.

O. C. Bailey of El Dorado, chairman of the board, was out of the city Saturday and could not be reached for a statement. Plans for the meeting, however, were set in motion.

Although Walter L. Brown, El Dorado lawyer, is a member of the board, the duty of defending the board rests with the office of the attorney general, and it is believed likely that Attorney General Jack Holt will attend the meeting here Monday.

The move today at Texarkana is the first formal action taken to prevent the board from carrying out its program of allocation production in the Miller county field and in the Shuler area.

Under an order allocating production for the Miller county field in January, Layton's company was limited to production of 422 barrels daily from the three wells on the Terry lease, in section 14-20-28, distributed as follows: Terry No. 1, 200 barrels; Terry No. 3, 128 barrels; Terry No. 4, 98 barrels.

Under the allocation order for February, issued by the board this week, Layton's company will be limited to daily production of 325 barrels from the same three wells, distributed as follows: Terry No. 1, 111 barrels; Terry No. 3, 74 barrels; Terry No. 4, 140 barrels.

New Mexico's Governor For Conserving Oil

1-24-38

Special to the Gazette.

Hot Springs, Jan. 23.—Gov. Clyde Tingley of New Mexico said tonight that he agreed with Gov. E. W. Marland of Oklahoma that "Strictest conservation of oil is necessary on the part of states producing it" and included in the same catagory "other important and necessary resources the states produce."

He said that if conservation, were not begun, the nation could look for 50 cents per gallon gasoline within the next eight years.

Governor Tingley arrived here to attend an oil conference called by Governor Marland. The new Mexico executive was accompanied by Everett Grantham, United States district attorney; John E. Miles, Democratic national committeeman; Glenn D. Macy, geologist; Frank Warden, state land commissioner; Lieut. A. P. Winston of the New Mexico State Police and Mrs. Warden and Mrs. Macy.

"New Mexico is producing about 114,000 barrels of oil daily," Governor Tingley said. "The stricter the conservation regulations, the better it will be for the states and the oil industry. New Mexico was one of the first states to adopt a carefully planned conservation program. Its law in that respect has served as a model for other states."

Wants State Control.

"What about federal regulation of the oil industry," Governor Tingley was asked.

"It amounts to almost that now, doesn't it?" he replied. "I am still one of those old-fashioned Democrats who believe in state rights, and I think the states can successfully regulate oil production and consumption."

Governor Marland has indicated that the conference will be started tomorrow morning. Reservations have been made for representatives of the governors of Pennsylvania, West Virginia, Michigan, Tennessee and Utah. The conference will be held at the Eastman hotel. Gov. Carl E. Bailey, the official host, arrived late today from Little Rock.

Roosevelt Represented.

The session has attracted national attention and President Roosevelt will have a representative here from the Petroleum Conservation Division of the Department of the Interior. No oil company or any individual of that industry has been invited to attend.

"Any man with technical knowledge concerning oil will be welcome," Governor Marland said. "But this conference must not be interpreted as an oil man's convention."

It is possible, Governor Marland said, that the conference may last the greater part of the week.

Bailey Wants Conservation Defined.

Governor Bailey received newspaper men tonight in his suite in the Eastman and said that he would like to see the conference "develop an agreed definition of conservation, and procedure of exploitation and production in reference to that definition."

Governor Bailey termed the oil situation a "challenge" to the American people who consume 1,200,000,000 barrels of oil annually, while the rest of the world is reported to consume a little over 2,000,000,000 barrels.

"We have been trained to depend upon oil for many things," he said. "Its mechanical use is not all. Consider the byproducts of oil. They go into many articles.

"The oil-producing states will not only have to manifest ability to conserve this important product but also a willingness to do so. If that is not done, the national government may step in and regulate it for us, because of the great importance of oil in national defense."

Price Fixing Not Planned.

Governor Bailey said that no suggestion had come as to price fixing being part of the discussion and doubted that it would be considered. He said that "If Texas, Oklahoma, Louisiana and Arkansas could agree on a conservation program and such agreement be kept, excellent results might follow."

Conference On Oil Begun At Hot Springs

1-25-38

Special to the Gazette.

Hot Springs, Jan. 24. Governors or their representatives from oil-producing states began a conference here today on the petroleum situation in the United States.

Led by Gov. E. W. Marland of Oklahoma, who called the conference, opening discussion centered on statements contained in Marland's address and data in the report of Alexander W. McCoy, Oklahoma geologist, engaged by Governor Marland to prepare the information. Today's discussion covered production, consumption, estimated reserves and future supply.

Even the increasing manufacture of the Deisel engine was considered, and delegates were told that those who are buying automobiles today are purchasing cars that consume a greater amount of gasoline than cars manufactured in 1930. It was said that people use cars mostly in "driving for time" and without regard to miles recorded, and in doing so more gas is being consumed than heretofore.

The Deisel engine was not regarded as a very serious threat to increased consumption for several years, some of the delegates said.

Geologist's Report.

One of the first things considered, following Governor Marland's opening statement, was McCoy's report. He said that 34,000,000,000 barrels would represent the total demand for crude oil in the United States for the next 20 years, and to meet that demand it would be necessary "in addition to the production from the known reserve, to discover 25,000,000,000 barrels of new oil. This rate of discovery is equal to the rate of discovery in the United States since 1924. Discovery rates have declined over 50 per cent during the last seven years as compared with rates from 1924 to 1930, inclusive."

The geologist predicted an increase in cost for delivering one barrel of oil to the pipe line. Oil discovered between 1924 and 1938, to pipe line cost $1.11, while $1.89 is the estimated cost for oil necessary to be discovered in the next 20 years that goes from the well to pipe line. Considering no additional development, McCoy said that present drilled reserves are estimated to be capable of supplying the demand until November, 1941. Discoveries necessary during the next five years, he said, to balance supply with demand in 1945, would be 6,000,000,000 barrels.

"It is difficult to conceive how such a large amount of oil as is required can be found without the expenditure of vast sums in prospecting," he continued. For an additional reserve of 28,000,000,000 barrels of oil, McCoy estimated that 400,000 producing wells and 50,000 dry holes would be drilled. He estimated total domestic consumption per year for the next 20 years to be 1,700,000,000 barrels. He anticipated an increase in that amount in the next five or 10 years, but said it would be counterbalanced, due to mechanical improvements, in the second 10-year period.

Bailey Opens Conference.

Gov. Carl E. Bailey opened the session and thanked Governor Marland for having the conference held in Hot Springs, declaring that the sessions had directed national attention to this resort and the state generally. He confessed that he is not authority on the subject of oil and that his lack of knowledge of an expert often had caused him "severe headaches."

Six states were represented at the conference by:

Oklahoma—Governor Marland, C. C. Brown and J. G. Harmon, Oklahoma State Tax Commission; Senator Tom Anglin, Ponca City; Wendell Johnson, private secretary.

Louisiana—William G. Rankin and W. F. Chisom, state Conservation Commission.

New Mexico—Gov. Clyde Tingley, Everett Grantham, United States district attorney; John E. Miles, Democratic national committeeman; Glen D. Macy, state Geological Department; Frank Warden, state land commissioner.

Illinois—Alex Wilson, administration advisor to Governor Horner; Dr. M. M. Leighton, chief of the Illinois Geological Survey.

Utah—Benton N. Musser, personal representative of Gov. Henry Blood.

West Virginia—Dr. Paul Price, state geologist and personal representative of Gov. Homer A. Holt.

Federal government—E. B. Swanson, Petroleum Conservation Division, Department of the Interior.

Marland Hazards "a Guess."

After expressing his appreciation for the interest Governor Bailey took in the conference, and paying Hot Springs a tribute Governor Marland said that he anticipates most of those present were cognizant of the present situation in the oil industry, and that he would endeavor to show them how little he knew about the future of it and what he thought no one knows and at which he can only hazard a guess.

"The great problem for discussion at this meeting is the problem of future demand for petroleum in the United States, and our ability to produce a sufficient supply of petroleum to meet that demand, and our responsibility as governors and representatives of governors of oil-producing states in connection with this problem," he said. "When we attempt to estimate the future demand for petroleum produced in our states, I think we will realize the necessity of conserving our supply and through every possible means at the command of the several states exercising our right and performing our duty in connection with conservation.

Dine at Belevedere.

Tonight the delegates and local newsmen "covering" the conference were guests of Mayor Leo P. McLaughlin and C. E. Palmer, publisher of the two Hot Springs newspapers at a dinner at Club Belvedere. The importance of the conference is seen in the presence of about a dozen visiting correspondents, some of them representing daily papers throughout Oklahoma and Texas large oil-producing centers, and staff correspondents of trade publications.

Governor Marland indicated in his address that he hoped those present had come with the intention of remaining "several days," as it was his wish that the conference go into every phase of the oil industry and that all possible information be submitted.

Huge Demand May Increase Price of Oil

Democrat 1-25-38

Difficulty of Finding Adequate Supply, Conference Topic.

Hot Springs (AP)—Oil states representatives attending the petroleum-inventory conference called by Gov. E. W. Marland of Oklahoma, agreed today with his assertion that there was a need in the United States for an "aggressive search" for new oil pools.

"The need as I see it," said Marland, "is for conservation of resources in sight and for aggressive search for new fields. With those two things, we can probably take care of the situation for the next 10 years. Beyond that, I cannot see."

Conferees who concurred in that conclusion also indicated agreement in Marland's conclusion, demonstrated by charts, that the present rate of oil demand would make it necessary to annually locate one billion barrels of new discoveries through 1941 to avoid depletion of current reserves.

Prior to today's session, Marland commented that current oil prices were too low to encourage new explorations. He expressed the view that proration by the states was not the only instrument available to the states to support a price level, but did not elaborate on the subject.

Gov. Clyde Tingley of New Mexico today assured Governor Marland of "continued co-operation" in his objectives, and started home by automobile, traveling by way of Oklahoma.

Gov. Carl E. Bailey of Arkansas, ill with a cold, was unable to attend this morning's session.

E. B. Swanson of the department of the interior, told the conference his department was "in sympathy with any movement to perpetuate our oil reserves."

"We certainly are not going to have new reserves unless we look for them," he said. "They will not find themselves."

Marland indicated today that the current conference would lay only the groundwork for some joint action by the states in the matters of conservation and control of production and that a further meeting of the oil states would be assembled in the fall to make recommendations for consideration by legislatures.

Delivery Costs Increase.

Higher oil prices in the future were indicated today in an Oklahoman's survey of the petroleum industry presented to a governors' conference here.

The survey, made by Alex W. McCoy, Ponca City geologist, for Gov. E. W. Marland of Oklahoma, predicted a 78-cent per barrel increase in the estimated cost of delivering oil to the pipe line during the next 20 years.

I. G. Harmon, personnel director of the Oklahoma tax commission, attributed the advancing costs to greater expense attaching to future oil discoveries because of the increasing difficulty in finding new wells.

McCoy's survey reported that the average total cost to the industry for delivering one barrel of oil to the pipe line, considering all investment with interest, amounted to $1.11 for the oil discovered between 1924 and 1938, and estimated that the per-barrel cost for oil necessary to be discovered during the next 20-year period would be $1.89.

The geologists, findings were offered in support of the contention of Marland, who called the conference, that oil in sight was not adequate to meet the prospective demand.

Huge Demand Forecast.

McCoy's survey reported the necessity of discovering 28,000,000,000 barrels of new oil in order to meet expected demand during the next 20 years. This would be in addition to production from the known reserve.

"It is difficult to conceive how such a large amount of oil as is required can be found without the expenditure of vast sums in prospecting,' he continued. For an additional reserve of 28,000,000,000 barrels of oil, McCoy estimated that 400,000 producing wells and 50,000 dry holes would be drilled. He estimated total domestic consumption per year for the next 20 years to be 1,700,000,000 barrels. He anticipated an increase in that amount in the next five or 10 years, but said it would be counterbalanced, due to mechanical improvements, in the second 10-year period.

The report showed present drilled reserves were estimated to be capable of supplying demand until November, 1941.

Dr. M. M. Leighton, chief of the Illinois geological survey, challenged the estimate that annual U. S. consumption would increase from its current 1,200,000,000-barrel figure to around 2,200,000,000 barrels in 1957, asserting many factors, including depression periods and other factors, such as development of the Diesel engine might change the picture.

Gov. Carl E. Bailey and Gov. Clyde Tingley represented Arkansas and New Mexico, respectively, at the assembly, while the governors of West Virginia, Utah and Louisiana sent representatives to the meeting.

In thanking Governor Marland for calling the conference at Hot Springs, Governor Bailey of Arkansas said the conference had directed national attention to Hot Springs and Arkansas. He confessed to no great knowledge of the oil business and intimated that he wished he were better informed as to the industry.

Last night delegates and press representatives were entertained at dinner at the Club Belvedere as guests of Mayor McLaughlin and C. E. Palmer, the latter publisher of the two Hot Springs newspapers. About a dozen visiting newspaper correspondents from other states were present.

Six states are represented at the conference by:

Oklahoma—Governor Marland, C. C. Brown and J. G. Harmon, Oklahoma state tax commission; Sen. Tom Anglin, Ponca City; Wendell Johnson, private secretary.

Louisiana—William G. Rankin and W. F. Chisom, state conservation commission.

New Mexico—Gov. Clyde Tingley, Everett Grantham, United States district attorney; John E. Miles, Democratic national committeeman; Glen D. Macy, state geological department; Frank Warden, state land commissioner.

Illinois—Alex Wilson, administration advisor to Governor Horner; Dr. M. M. Leighton, chief of the Illinois geological survey.

Utah—Benton N. Musser, personal representative of Gov. Henry Blood.

West Virginia—Dr. Paul Price, state geologist and personal representative of Gov. Homer A. Holt.

Federal government — E. B. Swanson, petroleum conservation division, department of the interior.

Another factor that acted adversely to computing production necessary in the future was business conditions. If another depression ensues, consumption would fall.

Urges Uniform Legislation.

"If there is one thing I would like to see result from this meeting," Governor Marland said, "it is a disposition of governors or their representatives here to get together on a uniform conservation law. We have been talking about conservation of oil for 12 years. Now, let us do something about it. I am not afraid that we won't find the oil when it is needed, but we should continue our effort to try to learn what the states will do to accomplishing conservation, and whether or not we can get together on a uniform law."

Gov. Clyde Tingley, New Mexico, left for home this morning. He issued a statement that he was in full accord with the program of Governor Marland.

Governor Bailey did not attend today's session. He contracted a cold, and his physician advised him to remain in bed.

Another Oil Conference Proposed

1-26-38

Special to the Gazette.

Hot Springs, Jan. 25.—Another conference on the oil situation as it pertains to conservation, present reserves and future fields will be held in Hot Springs in September or October, Gov. E. W. Marland, Oklahoma, said when he closed the first session of the kind, attended by governors or their representatives of states producing petroleum, at noon here today.

The general opinion, voiced by Governor Marland, was that new fields would be developed when needed. It was agreed that the conference did much to cause every one connected with the industry to do a lot of thinking, in terms of conservation.

The meeting in the fall probably will be attended by members of the technical staff and chemists of oil companies.

Governor Marland said that the reason he did not invite oil companies or independent operators to participate was that he knew the question of price of oil was certain to be referred to and that such a topic was something oil men could not discuss without future embarrassment.

Big Question Unsettled.

One of the major topics unsettled was an estimate as to the number of barrels needed in future years. Several factors made an estimate impossible. Russell Brown, attorney for the Independent Petroleum Association of America, referred to the bill before Congress, sponsored by the Department of Agriculture, which would enable the government to carry on experiments for making gasoline or motor fuel from alcohol. Brown said that he believed it would amount to "subsidizing of agriculture" and said that it was possible that federal laws might be enacted that would increase the use of the new motor fuel, if experiments were successful, and decrease consumption of gasoline.

Others also referred to experiments that states were conducting with different gasses.

E. B. Swanson, attorney for the Petroleum Conservation Division of the Interior Department, suggested that before accurate information could be had regarding future conservation steps, it might be necessary to obtain from oil companies just what they are doing in that respect and to obtain estimates of their present and future reserves.

Oil Parley At Spa Ends

Uniform State Laws Was Chief Topic of Conference.

Democrat 1-27-38

Hot Springs (AP)—Representatives of seven oil-producing states who participated in a supply-and-demand conference here for two days, went home today to consider the possibilities of uniform state laws affecting petroleum.

Gov. E. W. Marland of Oklahoma, who called the meeting, asked the conferees to have their states assign statistical staffs to a further study of oil reserves and oil consumption in preparation for another conference this fall. He said he was addressing a similar request to all other oil states.

Marland said he would like to see the fall meeting exchange data and draft a uniform law governing the conservation, finding and production of oil, for submission to the state legislatures.

He presented at the conference just closed his contention that the current of demand for oil made it necessary to practice conservation and encourage new explorations to avoid depletion of United States petroleum reserves.

States represented at the meeting were Oklahoma, New Mexico, Arkansas, West Virginia, Illinois, Utah and Louisiana.

Reynolds Lime Drilling Rules To Be Promulgated.

2-8-38

Special to the Gazette.

El Dorado, Feb. 7.—Rules and regulations for drilling of wells to the Reynolds lime of the Shuler field west of El Dordo will be discussed and promulgated at a special meeting of the Arkansas state Board of Conservation Monday, February 21, it was decided by the board at its monthly meeting here this morning.

Completion of another producer in the Jones sand of the field is expected this week by the Alice Sidney Oil Company on its Morgan No. 3 test, in Section 18-18-1; casing was set at a depth of 7,529 feet last week. Operators expect to perforate casing for final testing tomorrow and the well will be completed in two or three days.

Operators on the National No. 1 test of the Phillips Petroleum Company, in Section 17-18-17, were setting casing below 7,600 feet today for final testing expected early next week.

The Phillips company plans to recomplete its Marks No. 2 and Justiss No. 2 tests in Section 18-18-17. Both were completed last week for producers in the Jones sand, but the gas production was in excess of 2,000 cubic feet to each barrel of oil as allowed by Conservation Department regulations. It is expected that the tests will be reperforated at lower levels in the Jones formation.

Brown Leaves Board of Oil Conservation

2-15-38

Special to the Gazette.

El Dorado, Feb. 14.—Resignation of Walter L. Brown, El Dorado lawyer, as a member of the Arkansas state Board of Conservation, was announced here today by Mr. Brown following a telephone conversation with Governor Bailey in Little Rock.

In announcing his resignation, Mr. Brown said that "I am resigning the position because I find that I am un-

able to give the time to the work."

He had been a member of the Conservation Board since last April when he was named by Governor Bailey.

O. C. Bailey of El Dorado is chairman of the commission. Other members are Robert J. Short and Ed Hollyfield of El Dorado and J. D. Reynolds of Camden. With the exception of Mr. Brown, all the members of the board are oil operators.

Miller County to Get Place On Conservation Board.

Governor Bailey will appoint a Miller county resident to fill a vacancy on the state Board of Conservation caused by the resignation of Walter L. Brown, El Dorado attorney, he said yesterday after accepting Mr. Brown's resignation. The governor has desired for some time to give Miller county representation on the board because of recent oil development in that county, but there have been no vacancies to fill.

South Miller Oil Allowable Increased

2-22-38

Special to the Gazette.

El Dorado, Feb. 21.—An increase in actual production allowables for the south Miller county field of more than 1,000 barrels daily was fixed by the Arkansas State Board of Conservation for March at a meeting this morning, while pre-well allowables for the Shuler field, west of El Dorado, were reduced 100 barrels daily.

Under the new order, the actual production allowable for Miller county will be 8,976 barrels daily for 66 wells now on production or expected to be on production by the first of the month. Six wells in the field were classed as gas wells, making 72 producers in the field.

Under the allowable for February, the maximum for the field was 10,500 barrels daily, but many of the wells were unable to produce their allowables and the actual production was 7,900 barrels daily. The actual production allowable for the field under the new order gives each well an allowable of about the amount it can actually produce, thereby increasing the allowable on some wells.

In the Shuler area the production allowables were reduced to 700 barrels per well compared with 800 barrels daily under the figures for February. There are 15 actual producers in the Shuler and three more are expected to be on production by the first of the month.

Walter Helms of Texarkana, newly appointed member of the board, was present. Other members attending the meeting were O. C. Bailey, chariman; Ed Hollyfield and Robert J. Short of El Dorado, and J. D. Reynolds of Camden.

BOARD MEETS HERE.

Enlarging facilities of the state Board of Conservation was said to have been the subject of a conference yesterday between Chairman O. C. Bailey of El Dorado, J. D. Reynolds of Camden, another member of the board, and Governor Bailey. None of the conferees would discuss topics taken up at the meeting. Gazette 2-22-38

Texan Named Conservation Board Agent

Democrat 2-27-38

A. M. Crowell Will Replace C. E. Harris, Bailey Says.

Governor Bailey yesterday directed the removal of C. E. Harris of El Dorado as chief conservation agent for the state Board of Conservation in charge of oil and gas developments in the state, and appointed A. M. Crowell, oil engineer of Texas, to the position, effective March 16.

The change was made at the request of Chairman O. C. Bailey and other members of the board who wrote the governor that because of new discovery fields and enlarged operations in oil and gas well drillings, the duties of the office have increased requiring full time of an experienced engineer.

"Mr. Harris does not have the engineering training and experience to carry on the required work now and in the future," Chairman Bailey said. He explained that for the fields to be properly supervised the head of the department should be a petroleum engineer.

Decision to appoint Crowell was reached February 21 at a meeting of two of the board members with the governor at the capitol.

Crowell has been employed several years in different Texas oil fields and is recognized as one of this section's leading petroleum engineers. His services have been sought for some time, but previous efforts to obtain his services failed because of a lack of funds to carry on the board's work.

Recently several oil companies interested in the conservation of the Arkansas fields have contributed funds to the board to augment the state appropriation.

Conservation Agents Change March 16

Gazette 2-27-38

C. E. Harris, chief conservation agent for the state Conservation Board, will be relieved of his duties effective March 16, in favor of A. M. Crowell, Texas petroleum engineer, Governor Bailey said yeserday.

He said the change was recommended by the Conservation Board which informed him that increased oil activity made necessary the appointment of a petroleum engineer for inspection work. Mr. Harris is not an engineer, the governor said.

Governor Bailey said the board had sought the services of Crowell, a graduate engineer, several months ago, but had been unable to meet his salary demands. Oil operators, members of the board said, have agreed to pay the difference in salary, making contributions on the basis of a fraction of a cent a barrel.

Mr. Harris was appointed by Governor Bailey early last year. He held the position several years under previous administrations.

Ousted Oil Conservation Agent Refuses to Talk.

Gazette 2-27-38

El Dorado, Feb. 26.—C. E. Harris, chief conservation agent of the Arkansas state Board of Conservation, whose removal, effective March 16, was announced by Governor Bailey today, declined to make a statement.

Mr. Harris had served with the Conservation Department during the administrations of several governors, and is believed to have been one of the oldest employes in point of service in the state. Before his association with the Conservation Department, he was an independent oil operator.

His successor will be A. M. Crowell, chief gas engineer of the Texas Railroad Commission, with headquarters at Austin, Tex.

Compromise in Miller County Field Oil Allowable.

3-8-38

Special to the Gazette.

Texarkana, March 17.—Reaching a compromise agreement with the state Board of Conservation, William Monroe Layton, Wall Street operator in the south Miller county oil field, dismissed a suit against the board today after having obtained a temporary injunction against the enforcement of its daily allowable order at his wells last January 21.

Layton took his fight against the board to Chancery Court here after the board set a 10,000-barrel daily allowable for the south Miller field. Judge A. P. Steel set the hearing for February 14, but the attorney general, through his representative, Senator H. M. Barney, asked a continuance. The case was reset for March 28.

It was reported that the Conservation Board had given Layton a special permit to move 11,000 barrels of oil that he had stored on his leases. With the granting of the permit, Layton agreed to abide by regulations in the field and produce only the amount of oil specified by the Conservation Board.

Miller Field Allowable Increased

3-22-38

Special to the Gazette.

El Dorado, March 21.—Daily producing allowable for the south Miller county field for April was increased while per well daily allowable for the Jones sand of the Shuler field west of El Dorado was reduced 50 barrels by the Arkansas state Board of Conservation at a special meeting here this morning.

The augmented allowable for the south Miller county field will remain the same as for March, 15,000 barrels, but the actual allowable will be increased from 8,976 barrels to 9,304 barrels daily for the 72 producing oil wells in the field.

There also are six gas wells in the Miller county field.

There has been a steady increase in the daily production allowable for the Miller county field the last 10 months. In February, the augmented allowable was 10,500 barrels daily and the actual production allowable 7,900 barrels.

Shuler's Second Reduction.

The per well daily production allowable for the Jones sand of the Shuler field was reduced from 700 barrels to 650 barrels daily. The reduction is the second in two months. The allowable for March was reduced to 700 barrels from 800 barrels daily in February. There are 20 Jones sand producers in the Shuler field.

Engineer Gives Report.

In addition to setting allowables for the two fields, the board heard a report from C. H. Thigpen, engineer for the board, on south Miller county gas-oil ratios in which he said that the force of expanding gas is the only source or energy for production in the field as a pressure relief map of the area fails to indicate any benefit from encroaching water, due to the low order of permeability and the nonuniformity of withdrawals.

Mr. Thigpen said that since production from the area to all intents and purposes is dependent on the force of expanding gas, he recommended that the gas-oil ratio be set 5,000 to 1, as in Louisiana and Texas, rather than 2,000 to 1, as heretofore. The recommendation was adopted by the board, and will be set at 5,000 cubic feet of gas to each barrel of oil. The report was presented by A. M. Crowell, chief conservation agent.

Three Permits Issued.

Three special permits, one in Columbia county near the Kerr-Lynn test, and the others in the Shuler area of Union county, were issued.

The Union county permits were to N. F. Wilson for the B. F. Justiss No. 1, on a 2.57-acre tract in the northeast quarter of the southwest quarter of Section 18-18-17, and R. T. Adams for the C. D. Justiss No. 1, on a 4.5-acre tract in the southwest quarter of Section 7-18-17.

The Columbia county permit was to A. L. Longino for the Baker No. 1 test, 660 feet north and 875 feet west of the southeast corner of the northwest quarter of the northwest quarter of Section 13-17-20.

Cumulative production for the south Miller county field to March 1, 1938, was announced by Mr. Crowell at 1,710,186 barrels, and similar figures for the Jones sand of the Shuler field were announced as 780,227 barrels on the first of March.

Motor Fuel Supply Held Plentiful

Gazette 3-17-38

New Orleans, March 16 (AP).—Because of scientific production control, today's mechanized civilization can look to a plentiful supply of motor fuel for years to come, members of the American Association of Petroleum Geologists said today.

In private discussion they echoed remarks of Col. E. O. Thompson, Austin, Tex., chairman of the Interstate Oil Compact Commission, who stated there is no basis for fear of a petroleum shortage.

"There seems to be a feeling that when the crude oil reserves in sight at any particular date are used up, then the supply will have vanished altogether," he said. "That view is absolutely unfounded. If it were true, we should have been back in the horse and buggy days long ago."

He cited American Petroleum Institute estimates of proven reserves on January 1, 1938, of 15,507,268,000 barrels, the highest ever published. Improved methods of recovery and storage, he added, caused a revision upward by approximately 2,800,000,000 barrels—"enough to supply the nation's oil needs for over two years."

16-Year Supply Seen.

Some of the 800 geologists here for the association's annual meeting commented that the known visible supply will last 16 years and that new discoveries and equipment for deeper drilling will prolong that period indefinitely.

Colonel Thompson warned that production should be held down tightly this spring and summer.

The Society of Exploration Geophysicists, meeting simultaneously, heard a paper read by Dr. Eugene E. Rosaire which may change the course of their work.

New Test Method Described.

Dr. Rosiare of Houston, Tex., described a new method of oil exploration which may outmode the present seismologic methods of charting earth structures which may contain oil. He would search the earth itself, eight feet below the surface, for oil samples to which might cling gas particles forced upward from deep petroleum deposits.

He said the principle was somewhat like that of gas masks of World war days, which absorbed finely divided gas elements. Instead of dynamiting and charting subsoil structures by reflection methods, he would analyze gas seeps to map underlying petroleum pools.

Dr. Rosaire stressed that this method still was experimental, but that it had been successful thus far.

Crowell Assumes Post As Conservation Agent

Democrat 3-17-38

El Dorado (AP)—A. M. Crowell, former chief gas engineer for the Texas Railroad Commission, today assumed his new duties as chief conservation agent for the Arkansas Board of Conservation.

Governor Carl E. Bailey appointed him to succeed C. E. Harris, who had filled the post about 10 years. The conservation board recommended the change, asserting that expanding oil development made it necessary to have an experienced petroleum engineer directing conservation work.

The 33-year-old Crowell has been connected with the oil industry since 1926. He has been employed by the Texas Railroad Commission since 1933. His headquarters will be maintained here.

Vast Supplies Of Oil Held Undiscovered

Gazette 3-19-38

New Orleans, March 18 (AP).—Reports made today at the meeting of the American Association of Petroleum Geologists indicated the United States need fear no shortage of oil for some time to come. Papers read showed that in 1937 developments took place in all the oil states and exploration and discovery led to the belief the nation has vast supplies still unlocated.

The development along the Texas and Louisiana Gulf coasts highlighted last year's activity, said O. L. Brace of Houston, Tex. He said the section had its most successful year "both from the standpoint of the number of new fields and in the apparent total of reserves represented by these discoveries."

Dr. Alexander Deussen of Houston said that eight times as much oil is still underground as has been taken from the area since the discovery of the famous Spindletop field in Texas and the Jennings field in Louisiana. He reported Louisiana-Texas coastal production as 1,412,000,000 barrels; estimated known reserves as 2,798,300,000; and oil awaiting discovery as 9,000,000,000.

H. K. Shearer of Shreveport, La., reported completion in 1937 of 411 oil and 175 gas wells in north Louisiana. Production, he said, was 28,668,070 barrels, an increase of 1,896,925 over 1936

Big Increase in Arkansas.

Shearer said that in south Arkansas 108 oil wells and five gas wells were completed. Production was 12,187,595 barrels, an increase of 1,532,655 barrels, he asserted.

"This," he said, "was the first increase since 1925, when the deeper sands at Smackover were developed."

Edward A. Koester of Wichita, Kan., read a paper by Rycroft G. Moss of Wichita, in which he said 69 new pools and new producing horizons in old pools were discovered last year.

"There was fair activity, despite the depression, in Michigan," said Carl C. Addison of Saginaw, Mich. "The most important work of the year was the discovery of the Gladwin and Burkeye fields."

South Miller Permit Raised

Democrat 3-22-38

Allowable Increased But Cut for Shuler Jones Sand Wells.

El Dorado (AP)—An increased daily production allowable for the south Miller county oil field during April was announced today by the state conservation board.

Augmented allowable will remain at 15,000 barrels, the same as this month, but actual allowable will be raised from 8,976 to 9,304 barrels daily for the 72 producing wells. Augmented allowable for February was 10,500 barrels daily, with actual production allowable of 7,900 barrels.

The board reduced the per well daily production allowable for the Jones sand of the new Shuler field, near here, from 700 to 650 barrels. It was the second reduction for the field in two months. The February allowable was 800 barrels.

There are 20 Jones sand producers in the Shuler field, the Marine Oil Company adding the latest with its Fee No. 4 in section 17-18-17.

Conservation Board to Check Shuler Field Pressure.

3-24-38

Special to the Gazette.

El Dorado, March 23. — Reservoir pressure tests at 7,300 feet, a sub-sea level, in key wells in the Jones sand of the Shuler area, have been ordered by the Arkansas state Board of Conservation during April, A. M. Crowell, chief conservation agent, said today.

The tests are to determine the effect obtained in the reservoir by operation of the oil allowables set for April. The board found that "There has been considerable decline in the reservoir pressure in the Jones sand of the Shuler field over the history of its productive life and since the board feels that the preservation of the reservoir energy as represented by reservoir pressure is a mandatory duty in the prevention of waste and protection of vested rights, it desires to proceed with reason and caution."

The board ordered all operators to keep records of oil produced and the rate of production each day from the Jones sand during April, so that the information may be compared with the production records to plot the critical or maximum rate of production, extend the flowing life of the field and prevent rapid exhaustion of the dissolved free gasses and allow edge water to encroach uniformly.

Wells and dates of test follow: Phillips, Justiss No. 2, Gan No. 1 and Jennings No. 1, April 7, 14 and 21; Lion, Marine No. 1, Morgan B-4 and Morgan C-1, April 8, 15 and 22; Jones, Murphy & Hurley, Marine No. 4 and Murphy A-1, April 9, 16 and 23; Alice Sidney Co., Powledge No. 1, April 9, 16 and 23, and Marine, Justiss No. 2, April 9, 16 and 23.

Jones Wells Allowables Again Reduced

4-9-38

Special to the Gazette.

El Dorado, April 8.—A new reducion of 100 barrels in daily production allowables of Jones sand wells in the Shuler field has been ordered by the Arkansas state Board of Conservation, effective at 7 a. m. Sunday, it was announced by A. M. Crowell, chief conservation agent, today.

The new reduction was made following the first of a series of pressure tests on key wells in the area. The first tests were made yesterday. Mr. Crowell said that while the decline in pressure was not accelerated alarmingly, the board believed that the allowable should be reduced before the next group of tests is made.

Second Reduction in Month.

The new order reduces daily production of Jones sand wells from 650 to 550 barrels daily. The allowable for April was set March 23. The allowable for March was 700 barrels daily.

There are now 29 wells producing in the Jones sand. Daily production from the 29 is 18,850 barrels daily, but under the new rule it will be 15,950.

Morgan C-2 Comes In.

The 29th producer in the Jones sand was completed late yesterday by the Lion Oil Refining Company on its Morgan C-2 test in section 18-18-17. Casing was perforated from 7,522 to 7,529 and from 7,538 to 7,558 feet. The well was washed in with no show of salt water. Casing had been set at 7,632 feet after the Jones sand had been cored from 7,520 to 7,585 feet.

The Lion Company is preparing to perforate casing for final testing on its Morgan A-5 test in section 18-18-17, in which the Jones sand was cored from 7,504 to 7,576 feet. Casing was set at 7,615 feet.

The same company is drilling and coring below 7,576 feet in the Jones formation on its Morgan A-5 test in section 18-18-17, in which the Jones sand was stopped at 7,511 feet. Completion is expected next week.

Oil Proration Hearing Scheduled Wednesday

Democrat 4-19-38

El Dorado—A state-wide proration hearing will be held in the courthouse here Wednesday morning, starting at 10 o'clock, by the Arkansas Board of Conservation, according to O. C. Bailey, chairman, of El Dorado.

Outlets for the south Miller and Shuler oil field and allowables for the two fields are to be decided during the hearing, Chairman Bailey and A. M. Crowell, chief conservation agent, stated.

The adoption of basic field rules for the two fields also is slated for discussion during the hearing. Operators from the Miller and Shuler fields are expected.

U. S. Chemical Firms Ready To Expand

Gazette 4-19-38

By HOWARD W. BLAKESLEE.
(Associated Press, Science Editor.)

Dallas, Tex., April 18.—Plans of the five billion dollar chemical industry, third largest in American manufacturing, to spend one hundred millions to expansion of production plants were announced to the American Chemical Society here today. They were given in a survey of chemistry's potential industrial power by Dr. D. P. Morgan, chemical and statisical expert of New York city.

There is an "if," Dr. Morgan said, concerning the time when the hundred millions will be spent. "If" the chemical industry is let alone, this expansion will be within 18 months. Uncertainties about taxes and wages, he explained, are among causes of delay. Last year chemistry spent $100,0000,000 on expansion but at present has cut this spending rate to around 20 per cent.

"'Never sell America short,' the advice of George F. Baker, the banker," said Dr. Morgan, "is more particularly true today than ever, and this is partly on account on the rise of the chemical industry. The industry had hardly started when Baker made his famous statement."

Individual expansion plans of the big chemical companies, Dr. Morgan said, cannot now be made public. One item is to spend between five and ten million dollars on a new plant in the Southwest.

Science, Dr. Morgan said, has enabled the chemical industry to top all other industries in economic progress. This is based on comparison of industry in the boom years 1925 to '29 against progress from 1933 to '37.

Natural Gas Being Converted Into Gasoline.

The end of the United States' gasoline resources was pushed back 20 per cent or more today by a report to the society on the newest ways of changing natural gas into liquid gasoline. "Reforming" spelled with a hyphen, is the technical name for this "conversion." The process, in its present "infancy" stage, is capable of adding 20 per cent to the country's gasoline supply. American gasoline production last year was 20 billions gallons.

The 20 per cent estimate is ultra-conservative. Dr. Per K. Frolich, who made the report, refused to estimate. But enthusiastic petroleum chemists have claimed that an immediate 50 per cent addition to gasoline could be made from natural gas. Dr. Frolich is director of the chemical laboratories of the Standard Oil Development Company, Elizabeth, N. Y.

Pressure Tests to Be Taken In Jones Sand of Shuler Area.

4-20-38

Special to the Gazette.

El Dorado, April 19.—Schedule for the second of a series of bottom hole pressure tests in the Jones sand of the Shuler area was announced by A. M. Crowell, chief agent of the Arkansas state Board of Conservation, today. The test will be made on 10 key wells.

Purpose is to determine if the drop in bottom hole pressure is increasing or is being arrested by the decrease in daily production allowables.

Production for wells in the area was set at 650 barrels daily per well for April but after tests early in the month the board reduced the production allowable to 550 barrels per well effective April 10.

Crowell said that although under the schedule it will be necessary to close some wells during the early morning experiments indicate that a 36-hour build-up is necessary to obtain the true static subsurface pressure.

The board will have its new standard of California subsurface gauge for use in making these tests.

Regulations for operations in the Reynolds lime of the Shuler field will be discussed at an open meeting of the Conservation Board at 10 tomorrow morning. Dry gas regulations in the Miller county field will also be discussed.

Allowable Of Miller County Field Reduced

4-21-38

Special to the Gazette.

El Dorado, April 20.—The Arkansas Board of Conservation, at a meeting here today attended by about 50 Arkansas operators, deferred allocation of production from the Reynolds lime of the Schuler field and announced that no further proration order on the Jones sand of the Schuler field would be issued until after bottom hole pressure tests are completed Monday and Tuesday.

A considerable reduction was ordered in the allowable for the Miller county field. The board fixed an allowable based on 8,000 barrels daily for the field, with a maximum top of 200 barrels daily per well. The ratio of gas to oil in the Miller field was reduced 1,500 feet, making the new figure 3,500 feet to one barrel of oil. Bottom hole pressures will be taken in the Miller field every 60 days to determine the effect of the new production allowables, the board announced.

Testifying before the board was W. E. Weeks, El Dorado, representing the Phillips Petroleum Company, who was questioned by L. M. Batten of Shreveport. Weeks said the Reynolds and Jones formations draw from different reservoirs, and recommended one well per 40 acres. John E. Howell, representing the Lion Oil Refining Company, recommended 500 barrels daily allowable for Jones wells for May. He said his recommendation was based on findings at a meeting of Schuler operators in the Lion offices yesterday.

Allocation of Wells, Topic

Democrat 4-20-38

Reynolds Lime, Other Strata, Discussed Before Oil Board.

El Dorado (AP)—W. B. Weeks, Phillips Petroleum Company geologist, told the State Conservation Board at a public hearing here today one well to 40 acres would adequately drain the Reynolds lime formation in the Shuler field of Union county.

Weeks said the Reynolds oolitic lime was capped by a dense, impervious lime, two to 15 feet thick. He said the oolitic lime was porous and that he believed the lime and the Jones sand, also found in the Shuler field, were separate reservoirs.

The geologist said the Lion-Phillips discovery well in the Reynolds lime was essentially a gas well, producing distillate, while the Marine well in the lime formation was an oil well producing 500 to 700 barrels daily with a low oil-gas ratio. The two wells are located in the center of 40-acre tracts. Western offsets to both wells are being drilled.

The conservation board was told information as to pressure and production would be available following completion of the offsets. The board agreed to defer decision on proration of the lime until the new wells were completed.

John E. Howell of the Lion Oil Refining Company said his concern was willing to re-cement the gas well and make it an oil well, providing Phillips completes its well, now being drilled near 6,400 feet, as an oil well.

C. H. Murphy, El Dorado banker and oil operator, told the conservation board that it was "unfair to prorate any one producing stratum without prorating others in the field." He said it was the duty of the board to prorate the field for the benefit of both operators and the public. The Jones sand production is now prorated.

Howell suggested that the Jones sand production be allocated to 500 barrels daily for May. Thirty-four wells are expected to be completed in the sand by May 1, with a total possible production of 17,000 barrels under a 500-barrel per well limit. April allocation in the field was 550 barrels per well.

The board also listened to discussions of basic field rules for the state by 50 operators from the South Miller county, Shuler, Magnolia, Buckner and Village fields.

Oil Allowable Is Cut Down

8,000 Barrels Daily Is Fixed for South Miller County.

Democrat 4-23-38

El Dorado (AP)—Oil production in the South Miller county field was reduced today to an allowable of 8,000 barrels daily, by order of the State Conservation Board.

Two months ago, allowable production for the field was 10,000 barrels daily. March allowable production was reduced fractionally to conform with actual per well production.

The board's latest order, announced following a prolonged hearing here yesterday, fixed maximum per well production for the field at 200 barrels daily and reduced the gas-oil ratio 1,500 cubic feet, making it 3,500 cubic feet of gas to one barrel of oil.

Bottom hole pressure tests will be taken every 60 days to determine effect of the order, the board said, and if there is no change in the pressure pattern toward equalization, further reductions will be made in both allowables and ratio.

The board deferred action on proration for Jones and Reynolds lime strata of the Shuler (Union county) field. It was asked to fix a Jones sand allowable based on 500 barrels per well daily, but announced it was not satisfied such was the proper allowable in view of the fact that the board had not had an opportunity to study the change in reservoir pressure resulting from a recent reduction of 100 barrels per well daily.

It said field rules for the Jones sand would be issued April 23. The proration decision was deferred until after bottom hole pressure tests, scheduled for April 25 and 26, could be calculated. After the tests are taken and the change in bottom hole pressure observed, the board said the allowable would be set at the "critical rate" of production.

"No order concerning the Reynolds lime of the Shuler field will be issued until after the Phillips Justiss No. 3 well, now drilling into the lime, is completed and it can be determined whether production will be predominantly gas or oil," the board said.

Operators of other lime wells in the field assured the board that they would curtail production of the two wells now in the Reynolds lime until the Phillips Justiss No. 3 was completed. It was indicated the proration order for this stratum would follow closely that for the Jones sand.

The board adopted a system of numbering the field rules for all new fields now being prorated in the state. It said the purpose of this was to have the field rules uniform numerically in subject matter.

Miller County Allowables Reduced

4-23-38

Special to the Gazette.

El Dorado, April 22.—Daily production allowable for the South Miller county oil field for May was reduced from about 8,000 barrels to 6,618 barrels today by the Arkansas state Board of Conservation, A. M. Crowell, chief conservation agent, announced.

Crowell said the reduction in the previously announced allowable for May followed receipt of many telephone calls, letters and telegrams from land lease and royalty owners in the Miller county area, requesting that the allowable be reduced.

200 Barrels Allowed Each Well.

Operators in the Miller field had requested that the top allowable per well be set at from 100 to 250 barrels per day. The new order sets the top allowable for any one well at 200 barrels daily and the top gas production for any one well at 700,000 cubic feet. The gas-oil ratio under the new order has been reduced to 3,500 cubic feet of gas per barrel of oil, compared with 5,000-to-1 previously.

Under the order the allowable will be based 50 per cent on acreage and 50 per cent on wells. According to the number of producing wells in the field, the well allowable will be 74.4 barrels daily and the acreage allowable 6.30 barrels per well. On that basis a well on a 20-acre tract will be allowed 200 barrels daily; one on a 15-acre tract, 169 barrels; one on a 10-acre tract, 137 barrels, and a well on a five-acre tract, 106 barrels.

Pressure tests will be taken every 60 days on the first day of each alternating month, starting May 1.

Allowables Compare with Texas'.

Mr. Crowell announced that the Arkansas department had reduced production allowables to compare with those of Texas. Production in Arkansas for the week ending April 9 was 53,500 barrels daily, divided as follows: Shuler, 19,900 barrels; Smackover heavy, 15,850; Miller county, 7,350; Smackover light, 2,050; El Dorado, 1,850; all others, 6,500.

In connection with the pressure tests to be made in the Shuler field Jones sand Monday and Tuesday, Mr. Crowell announced that the Research Department of the Phillips Petroleum Company will work with the commission and engineers of all other operators and will make various tests, including solubility and productivity tests as well as taking bottom hole samples. Engineers participating in the test will come from Bartlesville, Okla.

Another Change in Miller County Field Allowable.

Gazette 4-27-38

Another change in the base allowable for the south Miller county field for May was made by the state Conservation Department. The new allowable will be 8,588 barrels daily instead of 6,681, as previously announced.

The new order bases allocation 50 per cent on wells and 50 per cent on acreage, with 108 barrels allocated on the per-well basis and 9.2 barrels allocated on the acreage basis. The bottom hole pressure factor has been dropped as an allowable factor, but the gas-oil ratio was retained at 3,500 cubic feet of gas per barrel of oil.

The maximum allowable for a well on 20 acres is 292 barrels daily. Instead of 200 barrels for 10 acres it will be 200 barrels daily and for five acres it will be 154 barrels daily.

Oil Allowable Cut Sharply

Democrat 4-30-38

Board Reduces Shuler Output to 200 Barrels Per Well.

El Dorado (AP)—The state conservation board, estimating that the present rate of production from the Jones sand of the Shuler field may limit its flowing life to only 18 more months, today directed producers to trim the total May allowable to 6,924 barrels daily.

The new order limits the per well allowable to slightly less than 200 barrels daily for the 35 wells expected to be in production next month. Under the previous schedule, the per well allowable was 550 barrels daily.

Chairman O. C. Bailey said reservoir pressure tests the past three weeks showed a marked decline in pressure. He said the board had determined that the cost of producing a barrel of oil by artificial means, after wells ceased flowing, would be 35 to 40 cents. The oil now brings 85 cents per barrel.

Conservation Agent A. M. Crowell, who conducted the tests, said they showed that for each pound reduction in pressure from March 31 to April 26, only 6,571 barrels of oil were recovered.

Since the field was brought in 13 months ago, slightly more than 1,000,000 barrels have been obtained. Crowell said that at the present rate of production, 11,000,000 more barrels can be taken from the field.

CITY COUNCIL TO ACT TOMORROW ON GAS OFFER

Favorable Decision Expected.

A contract offered to the city by J. E. Josey, Houston (Tex.) financier, in which it is proposed to deliver gas to the city limits at 15 cents per 1,000 cubic feet for municipal distribution, will be considered by the City Council at city hall at 7 tomorrow night.

Mayor Overman was instructed to call the meeting by the council Utilities Committee, which met in a closed session Thursday afternoon. It is expected the committee will approve the contract at 4 tomorrow afternoon and recommend it to the council. Council approval of the contract was predicted.

The council adopted a resolution April 21 authorizing an investigation of desirability of purchasing the distribution system of the Arkansas-Louisiana Gas Company.

Consideration of Josey's contract was given first attention. If the proposed contract is accepted tomorrow night, engineers, lawyers and others probably will be employed on a contingent basis to study means of buying the gas company's property here.

Much Gas Used in State Imported From Louisiana.

A study of records in the state Utilities Commission and state geologist's offices revealed that 76.7 per cent of all gas consumed in the state was imported from Louisiana and Oklahoma with 74 per cent of the import coming from Louisiana.

The United States Bureau of Mines mineral yearbook disclosed that Arkansas produced 6,167,000 thousand cubic feet in 1935 while the state was consuming 26,476,000 thousand cubic feet.

Geological surveys indicate that natural gas is one of the state's greatest resources and that many thousands of acres of potential gas producing fields lie untapped.

Gas production in Arkansas has ranged from 710,174 thousand cubic feet in 1907, valued at $95,641, to 7,024,000 in 1935, valued at $1,574,000. The greatest amount produced in a single year was in 1926 when 43,566,000 thousand cubic feet were produced, valued at $5,817,000.

Present wells in the state are producing only the quantity needed to supply consumers and could supply a larger demand. Productive capacity could be augmented at any time by additional wells in proven fields so that it appears the state's gas resources could supply the state's needs for years.

Two Arkansas Cities Pay Higher Gate Rate.

The Arkansas-Louisiana Gas Company produces most of its gas in Louisiana fields and buys some gas in Louisiana. It has its own pipeline company to transport the gas into Arkansas. The company owns wells in the Clarksville area and in the Tate Island field north of Russellville.

The company has two city gate customers—that is, it supplies gas to private distributing companies in Camden and Hot Springs. The price to the Camden company is approximately 25 cents per 1,000 cubic feet and the cost to the Hot Springs company is approxmitely 39 cents per 1,000 cubic feet.

The Little Rock retail rate is 55 cents per 1,000 cubic feet plus a 50-cent monthly service charge. The retail rate in Hot Springs is 55 cents and the company is said to be making only about three and one-half to four and one-half per cent on its investment due largely to high cost at the city gate. The United States Circuit Court of Appeals held recently that six per cent was a fair return for a utility.

Little Rock Has More Than Half of Customers.

The Arkansas-Louisiana Gas Company had a gross income in 1937 of about $9,000,000 in Arkansas, Louisiana and Texas, of which 54 per cent was in Arkansas. Its gross income in Little Rock alone was approximately $1,200,000 last year.

The company has 30,200 domestic consumers, 4,506 commercial consumers and 250 industrial consumers besides its town and city supply contracts.

Of the consumers, 19,311 are in Little Rock.

In 1936, residential consumers in Greater Little Rock used 1,670,836,000 cubic feet. Commercial and industrial consumers jumped total consumption to 3,403,545,000 cubic feet. Little Rock uses about 10,000,000 cubic feet daily.

The gas company realized on the 1936 consumption slightly over 61 cents per 1,000 cubic feet sold consumers, slightly more than 31 cents per 1,000 feet sold commercial users and more than 18 cents per 1,000 cubic feet sold industrial users.

The average domestic consumer used 88.5 thousand cubic feet in 1935, or about seven and one-third thousand cubic feet per month.

$500,000 Cut Ordered Pending Rate Report.

The state Utilities Commission has an investigation of the company under way which began May 4, 1935. It is expected to be completed within a few months and the cost of the gas which the company transports here will not be announced until the report is completed.

On the basis of preliminary investigations, the Utilities Commission late in January ordered a reduction amounting to $500,000 annually, retroactive to January 1, contingent upon the final report showing that an annual reduction of that amount or greater is justified. If the reduction finally ordered as a result of the investigation is less than $500,000 annually, the January agreement will not be effective.

Western Arkansas Fields Said Ample.

Since the proposal to bring the 15-cent gas to the city and the knowledge that it would come from western Arkansas, probably from the Clarksville area, some doubt has been expressed that the field was large enough to supply the city for a 30-year period.

Findings of the Arkansas Geological Survey tend to dispel any doubt as to productivity of the western Arkansas field. Information Circular No. 10 on Arkansas oil and gas fields, issued by state Geologist, Dr. George C. Branner, June 15, 1937, shows chances of finding gas in western Arkansas in commercial quantities has been six times as great as that of finding commercial quantities in the southern Arkansas fields.

The western Arkansas field is described in the report as including the area in the Arkansas valley in which the character and structure of the formations appear to offer the greatest possibilities for the accumulation of gas in commercial quantities. It includes 7,250 square miles in Crawford, Franklin, Johnson, Pope, Van Buren, Cleburne, Sebastian, Conway and parts of Searcy, Independence, Logan, Yell, Faulkner, White and Scott counties.

The proven gas fields of western Arkansas, containing 281 gas producing wells, cover 2,810 acres. There have been 262 dry holes drilled in the area. The western Arkansas gas area was first tapped in 1902 near Mansfield. Gas was found near Clarksville in 1921 and again near Coal Hill, Johnson county, in 1929, same time that a producing field near Dover, Pope county, was discovered.

Production of the Clarksville field from 1928 to December 31, 1937, was 16,918,603,000 cubic feet. The estimated production from 1938 through 1941 is 9,653,520,000 cubic feet or an estimated production per acre of 33,215,000 cubic feet. Estimated acreage drained is 800.

There are 12 producing wells in the Clarksville field, and three in the Tate's Island field near Dover in Pope county.

Ask Drilling Regulations Be Modified

Democrat 5-20-38

El Dorado (AP)—Operators from the South Miller county oil field proposed to the State Conservation Board here today that the area be divided into upper and lower sections for the purpose of fixing daily allowables.

The producers contended that the lower part of the field was capable of producing more oil than the upper and should not be held down by a general order. They asked that the June allowable for the field be increased from 154 barrels daily per five acres to 182 1-2 barrels, with an extra allowance of 36 1-2 barrels for each additional five acres in a single well tract.

Operators in the Village-Magnolia field asked the board to fix an allowable of 200 barrels per well for that area, based on 50 per cent acreage and 50 per cent bottom hole pressure. They asked that drilling regulations be modified to permit setting of the second string of casing in chalk, regardless of the depth at which the chalk formation is encountered.

Buckner field operators proposed that the board continue in June the 200-barrel per day per well allowable now in force there.

After representatives of the Lion Oil Refining Company and Phillips Refining Company protested imposition of Shuler field Jones sand regulations without a full hearing, the board set a hearing on this area for Saturday, May 28.

The board will make bottom hole pressure tests in the field May 25 and 26. C. H Murphy, El Dorado banker, proposed that the board shut down all production in the field until these tests are completed.

The board went into executive session this afternoon to consider the proposals.

Conservation Board's Acts Challenged

Special to the Gazette. 5-21-38

El Dorado, May 20.—New difficulties developed for the Arkansas Board of Conservation in its oil proration program today. At an open meeting here, Jeff Davis, lawyer for the Lion Oil Refining Company, challenged the board's right to fix allowables for Arkansas fields without first conducting hearings.

Discussion of the new allowables for the Jones sand of the Shuler field was scheduled today but after Davis issued his challenge, hearing was postponed until 9 a. m. Saturday, May 28.

Mr. Davis said he was prepared to present information at the hearing, but L. M. Batten of Shreveport, representing the Phillips Petroleum Company, said that he was not prepared to present testimony and asked that the board postpone the hearing until his company has opportunity to prepare data. Mr. Davis expressed belief that the resent figure of 200 barrels daily is two low for Jones sand producers.

Other Areas Restricted.

After hearing testimony from operators in the Buckner, south Miller county, and the Village-Magnolia area, the board met in executive session and adopted rules for these areas. The rules will be effective Wednesday.

In the Magnolia-Village area the board set 40 acres as the drilling pattern, allocation of 50 per cent acreage and 50 per cent bottom hole pressure, with the gas-oil ratio tentatively set at 2,000 cubic feet to one barrel of oil.

In the south Miller county area the allowable was unchanged. It is based on 200 barrels to 10 acres. The board said that allocation may be changed after bottom hole pressure tests are taken beginning June 1.

Basic field rules for the Miller county field were amended to dispense with the surface string of casing and allowing 800 feet of pipe with 300 sacks of cement instead of requiring 100 feet of surface pipe and 1,000 feet of conductor pipe.

In the Buckner area an allowable of 800 barrels to the field was set, based on 50 per cent acreage and 50 per cent bottom hole pressure with spacing of one well to 40 acres.

Columbia, Miller Fields.

Discussion of the rules for the Columbia and Miller county fields was led by Cecil Morgan of Shreveport, lawyer for Standard Oil Company. Witnesses questioned by him were R. A. Howe, superintendent of production for Standard in these fields; H. K. Trager of Shreveport, geologist for Atlantic Refining Company; F. W. Turner of Dallas, Atlantic engineer and W. C. Spooner, Shreveport, geologist.

Mr. Howe expressed belief that the Buckner order for May production is sufficient for the Magnolia-Village area. The Buckner order for May was 200 barrels per well daily. Mr. Spooner said that 40-acre spacing will readily drain oil from the Magnolia-Village area. Mr. Trager presented statistics on the Kerr-Lynn-Barnett well which has been bought by Atlantic. He said he well has shown no decline in production or pressure since it was completed and is now flowing 300 barrels daily.

Change in Casing Order Urged.

Representatives of the Arkansas Fuel Oil Company, the Tidewater, the Sun and the Phillips, speaking from the floor, said that they believe the Buckner order for May should be repeated for the Magnolia-Village area for June with the exception of the item on setting of intermediate string of casing. They agreed with Mr. Spooner, contended tha the intermediate string should be set into the chalk rather than at any depth prescribed by the board.

Would Divide Miller Field.

Testimony regarding the Miller county field was presented by L. A. Hawkins, who questioned H. C. Cummings, True Cauble and Assistant General Superintendent Cherry of the American Liberty Oil Company and two operators, Mrs. S. O. Thompson and H. C. Skidmore. Miller county representatives suggested that the field be divided as to allowables into two portions since the lower portion is able to produce much more oil than the upper portion.

The meeting was attended by about 75 operators and technicians and all members of the board, including Chairman O. C. Bailey of El Dorado, Robert J. Short and Ed Hollyfield of El Dorado, Walter J. Helms of Texarkana and J. D. Reynolds of Camden.

Buckner and Miller "Allowables" Fixed

Democrat 5-27-38

El Dorado (AP)—The 86 producing wells in the South Miller county oil field will have a daily allowable of 9,344 barrels during June, State Conservation Agent A. M. Crowell said today.

The four producers of the Buckner field of Columbia and Lafayette counties will have a total daily allowable of 800 barrels. Both allowables are based, 50 per cent on acreage and 50 per cent bottom hole pressure.

The conservation board will meet here Saturday with the operators in the Jones sand of the Shuler field to fix June allowables for the Jones wells.

South Miller, Buckner Flow For June Set

5-27-38

Special to the Gazette.

El Dorado, May 26.—Daily production allowables for the south Miller county field and the Buckner area of Columbia and Lafayette counties for June were announced by A. M. Crowell, chief agent for the state Conservation Department today.

Allowables for the Jones sand of the Shuler field will be announced after a meeting of the Conservation Board with Shuler operators Saturday morning.

108 Barrels Per Well Allotted.

Allowables for the 86 producing wells in the Miller county field will be 9,344 barrels daily with per well allowable based half on acreage and half on number of wells. The factor for one well will be 108 barrels and for each acre, 9.2 barrels.

Daily allowable for the "big line" of the Buckner area will be 800 barrels for the four producing wells with per well allowable based half on acreage and half on bottom hole pressure. The factor for each acre will be 2.5 barrels and for each pound of bottom hole pressure, .03126 barrels. The gas-oil ratio must not exceed 2,000 cubic feet of gas per barrel of oil.

Fee No. 5 Brought In.

The Marine Oil Company completed its Fee No. 5 test in 17-18-17 today for the 44th Jones sand producer of the field with initial flow of 60 barrels per hour on an 18-64 inch choke. The Fee No. 6 of the same company in 17-18-17 is expected to be completed this week-end.

Three other tests in the area are waiting on casing. They are the Marcus No. 1 of the Lion company in 18-18-17, in which pipe was set at 7,635 feet and the Mayfield No. 2 in the same section, in which casing was set at 7,640 feet and the Marine No. 5 of the Phillips company in 20-18-17, in which casing was set at 7,650 feet.

Jones Sand Allowable Remains In Effect Another Month.

Gazette 5-29-38

El Dorado, Ark., May 28 (AP).—The state Board of Conservation, following a hearing here today, granted the request of operators that the per well allowable of 200 barrels daily for Jones sand wells in the Shuler oil field be continued in effect through June.

Jones sand allowable for June will be 9,603 barrels a day. The operators asked continuance of current allowables for at least 30 days to obtain more information about the field.

The board expressed gratification that Shuler operators were so well pleased with physical conditions as they now exist. It was announced there had been an increase of approximately five pounds in the bottom hole pressure for the entire field between May 11 and 26.

Bottom hole pressure tests will be made in Miller county June 9 and 10, it was announced.

Shuler Field Allowable Fixed at 200 Barrels

Democrat 5-29-38

At the request of operators that the present allowables be continued in effect at least 30 days, the Arkansas Board of Conservation here Saturday decided that the per well allowable for Jones sand wells in the Shuler field will be 200 barrels daily.

Action was taken at an executive session, following a special hearing. Daily allowable for Jones sand production will be 9,603 barrels, divided between 48 producing wells, allowing for three to be completed, probably the coming week.

In a statement issued following the session, the board expressed gratification that Shuler operators were so well pleased with physical conditions as they now exist. The statement also pointed to an increase of approximately five pounds in bottom hole pressure for the entire field from the period of May 11 to May 26, which the board said is indicative of stabilization of reservoir energy.

Announcement was made that bottom hole pressure tests will be made in south Miller county June 9 and 10.

At the conclusion of the hearing Chairman O. C. Bailey told of complaints from Louisiana about pollution of streams traced to Shuler fields, and called upon operators to take steps to correct the situation. He suggested that all waste oil be burned at once to keep the crude from reaching creeks in the Shuler area.

Alton Simms Named Petroleum Engineer for State.

6-3-38

Special to the Gazette.

El Dorado, June 2.—Alton Simms of El Dorado has assumed the duties of a petroleum engineer with the state Board of Conservation. A graduate of the El Dorado High School in 1929, he entered Louisiana State University in 1934, receiving his degree in petroleum engineering.

Allowables For Oil Fields Fixed

6-28-38

Special to the Gazette.

El Dorado, June 27.—The Arkansas Board of Conservation set the oil allowable for the Jones sand of the Shuler field at 15,000 barrels daily from the field's 52 wells for July, an average of 288 barrels per well, at a meeting here today.

The figure is a potential increase of 88 barrels per well daily over the 9,603 barrels for 48 wells, or 200 barrels per well daily for June, but actually will be slightly more than double the June runs, it was explained by A. M. Crowell, chief agent for the board.

Average daily run from the Jones sand wells during June was down to 142 barrels, due to cramped market conditions. With a market assured for the entire allowable, the full 288 barrels daily can be run.

Other Allowables.

The board set the allowable for the Reynolds, or Big Lime of the Schuler field at 800 barrels daily for the four wells producing from that level, an average of 200 barrels per well.

The July allowable for Buckner will be 1,000 barrels for five producing wells, also an average of 200 barrels per well.

The Village-Magnolia field, with two wells, was not prorated.

The board made no change in the figure for the Miller county extension of Rodessa which now stands at slightly above 8,000 barrels.

Bottom Presure Increasing.

Mr. Crowell reported that bottom hole pressure in the Jones wells of the Schuler field have increased 12 pounds since May 11, and tests indicate a steady rise.

The allowable order was issued at an executive session following an open hearing at the courthouse. At the hearing engineers representing the Phillips Petroleum Company, Lion Oil Refining Co. and Jones, Murphy & Hurley, expressed belief that a daily allowable of 350 barrels for the Jones sand would be an efficient rate of withdrawal. The engineers were George R. Elliott of Shreveport for the Phillips, Frank Richardson of El Dorado for the Lion, and E. C. Rach of El Dorado for the firm of Jones, Murphy & Hurley.

Gas Pressure at Shuler Increases

Democrat 6-26-38

El Dorado—Reservoir pressure in the Jones sand of the Shuler field is the best since the sand was tapped, having shown a "lift" of seven pounds in the last pressure period of May 26 to June 22, it was stated Saturday by A. M. Crowell, chief conservation agent for the Arkansas Board of Conservation.

Mr. Crowell said that during the first 21 days of this month, 183,000 barrels of oil were drawn from 50 wells producing from the Jones sand, for an average of 142 barrels daily per well. Allowable is 200 barrels per well daily.

The agent explained also that figures compiled by engineers for the board indicate that lifting efficiency per pound in the sand has been increased 93 per cent. That is that 93 per cent more oil now is being produced per pound drop in pressure than was produced when the sand first was tapped. It was explained that the sand has produced 2,297,000 barrels of oil with a drop of 460 pounds of pressure, now on the upgrade.

A public statewide hearing will be held by the board at the courthouse Monday morning at 10 o'clock. The board's engineers have prepared several large exhibits, tracing the history of the field, which will be shown during the hearing. The exhibits will assist operators attending the hearing in making nominations for the amount of oil to be drawn from the sand during July, and the rate at which it will be drawn.

Results of the engineers' experiments during the month on three wells at Shuler to determine most effective rate of withdrawal of oil from the sand will be reported at the hearing. Reports of any waste of oil or gas in fields of the state, or of imminent waste, also are to be made.

Allowable for Shuler Raised

Democrat 6-29-38

Placed at 288 Barrels—Magnolia-Village Field Unchecked.

El Dorado (AP)—Producers from the prolific Jones sand of the Shuler field will be allowed a daily output of 15,000 barrels during July.

Based on 52 producing wells, this will be slightly more than 288 barrels each, daily, with allowable to be increased to provide for additional production as new wells are completed.

The Arkansas Board of Conservation fixed the allowable yesterday after hearing producers recommend that the output be increased from the 200 barrels per well during June to 350.

Daily allowable of 800 barrels was fixed for four Shuler field Reynolds Lime wells. This was the first proration order issued for the Lime producers.

The board set the same allowable of 200 barrels daily for similar producers in the new Buckner field. It issued no orders for the new Magnolia-Village area and made no change in the South Miller county allowable of about 8,000 barrels daily.

Production Allowables Increased

8-23-38

Special to the Gazette.

El Dorado, Aug. 22.—The Arkansas Board of Conservation set the allowable oil flow today for Jones sand wells of the Schuler field at 300 barrels daily for September, the same figure per well as for August. The board increased the allowable for Reynolds on "big lime" wells of Schuler to 300 barrels daily from 250 daily.

Total daily allowable for the Jones sand will be 21,000 from 70 wells and from the big lime 1,500 barrels from five wells, making a total of 22,500 compared with 19,500 daily for August. Morgan sand wells will bring the total to about 25,000, the peak since proration went into effect eight months ago.

Decrease in Pressure.

A. M. Crowell, chief agent for the board, presented figures prepared by engineers from his office showing bottom hole pressures to have decreased about 39 pounds in Jones wells during the past month, but said he believed the present figure of withdrawal could be maintained without harm to the sand. The Reynolds lime pressure showed a gain of 90 pounds pressure, from 3,367 to 3,457, the past month. On this gain Crowell recommended the increase of allowable for that level.

Miller Field Unchanged.

Rodessa extension of Miller county was left with no change, the figure being 6,874 barrels daily for 100 wells.

The figure also was unchanged for Buckner, with 200 barrels each from six wells.

The board decided to await further development of the Village-Magnolia field before setting allowables.

At an open meeting this morning representatives of most operators in the flush fields expressed their approval of present proration practices. Coincident with the meeting of the board, John E. Howell, vice president of Lion Oil Refining Company, one of the largest Schuler operators, talking before a luncheon club, spoke approvingly of conservation and quoted petroleum experts as saying the Schuler field has reserves of around 100,000,000 barrels of crude if withdrawn properly.

Oil Survey Of State Under Way

9-9-38

Special to the Gazette.

El Dorado, Sept. 8.—The first complete oil and gas field survey ever attempted in Arkansas is being conducted by the Arkansas Board of Conservation, through the co-operation of operators.

The board is sending operators two questionnaires for each field in which they operate. The board expects the survey to be completed by October 15, and the information to be published in December.

Nature of Data Sought.

The board seeks well, acreage, reserve and producing data for July, 1938. Operators were asked as to the number of leases and wells operated, volume of oil, gas and water produced; disposal of gas, gravity and proven acres, and the estimates of the number of barrels of recoverable oil remaining under the producing and proven acreage.

Other data requested pertained principally to the cost of drilling and completing wells, loss sustained in drilling dry holes, average cost of placing wells on the pump or gas lift, number of wells drilled during 1938 and number contemplated in 1938, number abandoned in 1938 and number contemplated abandoning in 1938, number wells acquired or sold in 1938, and classification of leases according to daily oil production.

A complete list of expenses, production and value of oil produced in 1937 also was requested.

Bottom Hole Pressure Drop Recorded

9-22-38

Special to the Gazette.

El Dorado, Sept. 21.—An average daily drop of 4.55 pounds in bottom hole pressure in the Jones sand of the Shuler field from August 17 to September 15 will be reported to the Arkansas State Board of Conservation at its state-wide oil and gas hearing here tomorrow by A. M. Crowell, chief conservation agent, in his report of factual data.

Average reservoir pressure August 17 was 3,020 pounds and on September 15, it was 2,888 pounds. Cumulative production for the sand to September 17 was 996,517 barrels. Daily average production of the field is 21,291 barrels.

The pressure tests were made at 7,300 feet sub-sea on 20 key wells in the field.

Reynolds Lime Report.

The Reynolds lime of the Shuler field showed an average daily drop of 2.37 pounds in bottom hole pressure from August 17 to September 15, Mr. Crowell will report. Reservoir pressure August 17 was 3,457 pounds and on September 15 it was 3,338 pounds. Total production from the lime from August 18 to September 16 was 41,313 barrels, and cumulative production for the lime to September 16 was 290,428 barrels.

The pressure tests were made at 7,350 feet sub-sea on four key wells.

A daily drop of only a half-pound in bottom hole pressure was recorded in the big lime of the Buckner field from August 15 to September 18, Mr. Crowell's report shows. Reservoir pressure August 15 was 3,115 pounds and on September 18, it was 3,100 pounds. Production from August 19 to September 18 was 43,420 pounds, and cumulative production to September 19 was 207,940 barrels.

The bottom hole pressure tests were made on six key wells in the lime.

Jones Sand Oil Allowable Reduced

9-23-38

Special to the Gazette.

El Dorado, Sept. 22.—The Arkansas Board of Conservation, in session here today, ordered an immediate 50-barrel reduction in allowables from Jones sand wells of the Schuler field and still another 50-barrel cut beginning October 1.

Starting tomorrow morning, under new order, the Jones sand Schuler allowable will be 250 barrels daily, as compared with 300 barrels per well for September as ordered August 25. Beginning Saturday, October 1, the figure will be 200 barrels per well daily for October.

The board made no change in allowables for other sands and fields. The Reynolds or Big Lime stands at 250 barrels a well. The Buckner also is 200 barrels per well and Rodesa extension in Miller county is approximately 100 barrels per well.

Bottom Pressure Drops.

Presenting figures on bottom hole gas pressures compiled by board engineers, A. M. Crowell, chief agent of the board, told members a steady drop in pressures necessitated the reduction in production to conserve lifting power. From August 15 to September 18 pressures dropped 17 pounds, from 3,117 to 3,100, he said.

The production allowable for the entire Jones sand beginning tomorrow will be 19,250 barrels daily for 77 wells, and beginning Saturday, October 1, will be 16,000 for an expected 80 wells, as compared with approximately 21,500 daily for September.

Members attending today's session were: O. C. Bailey, chairman; Ed Hollyfield and Robert Short, all of El Dorado, and J. D. Reynolds of Camden. Walter Helms, Texarkana, was absent.

Allowables Cut But Well Total Grows

9-25-38

Special to the Gazette.

El Dorado, Sept. 24.—Three completions, making 79, in the Jones sand of the Shuler field and one in the Rainbow field, both in Union county, featured oil activities in south Arkansas this week, along with a drastic reduction in daily production allowables for the Jones sand, due to a drop in bottom hole pressure.

Two reductions in allowable were ordered by the state Board of Conservation, one effective yesterday and the other effective Saturday, October 1. Daily field allowable was reduced yesterday from 23,000 to 19,250 barrels for the 77 producers then on production. The per well allowable was reduced from 300 to 250 barrels daily.

On October 1 the field allowable will be reduced to 16,000 barrels daily for the 80 producers expected at that time, or an average of 200 barrels daily, a reduction of 100 barrels daily from the original September allowable.

The reductions were ordered by the board at request of operators when data presented to the board by A. M. Crowell, chief conservation agent, showed that bottom hole pressure in the Jones sand, taken at 7,300 feet sub-sea, dropped from 3,020 pounds August 17 to 2,888 pounds September 15, a drop of 132 pounds for an average drop of 4.55 pounds daily.

Miller Field Check Ordered.

No order for allowables for the south Miller county field was posted, pending a report of production by Conservation Board engineers who will be sent to the field at request of Miller county operators. No changes were made in the production allowables for the Buckner field and the Reynolds lime of the Shuler field. Seven wells are producing in the Buckner area, with 200 barrels daily allowable, and five wells in the Reynolds lime are producing 300 barrels daily.

Mr. Crowell reported cumulative production for the Jones sand of the Shuler field was 3,996,517 barrels to September 17. The cumulative production of the Reynolds lime of the same field was 290,428 barrels to September 16, and the cumulative production of the Buckner field, 207,940 barrels to September 19.

The newest completion in the Rainbow City field is the Raulston No. 2 of J. R. Lockhart and associates in section 12-17-14, completed Wednesday for a producer of 34 barrels an hour on a 20-64-inch choke. The well, in the northwest quarter of the southeast quarter of the section, encountered more than 20 feet of heavily saturated oil sand in the Crain formation around 2,900 feet.

The same operators had completed the Raulston No. 1 test in the northwest corner of the northwest quarter of the southeast quarter of the same section for a big gas and distillate producer. The distillate from the No. 1 well tested 64.3 gravity and the oil from the No. 2 well tested 32 gravity. Other nearby operations are expected soon.

The three completions in the Jones sand of the Shuler field were the Leona No. 2 of Roberts and Murphy in section 7-18-17; the Clarence No. 2 of the Lion Oil Refining Company in section 18-18-17, and the Dee No. 2 of the same company in section 17-18-17. The eightieth completion is expected to be the Dumas No. 2 of the Atlantic Refining Company in section 21-18-17, a southeast extensioin, due in this week-end.

First completion of the week was the Leona No. 2 of Roberts and Murphy in the northwest corner of lot 6 in the southwest quarter of section 7-18-17. The well encountered Jones sand from 7,585 to 7,643 feet and casing was set at 7,780 feet. Pipe was perforated from 7,610 to 7,636 feet with 110 shots.

Second completion was the Clarence No. 2 of the Lion company, brought in yesterday in the northwest corner of lot 1 in the southwest quarter of section 18-18-17, in which sand was cored from 7,617 feet to 7,670 feet and casing set at 7,700 feet. Pipe was perforated from 7,620 to 7,634 feet. The third completion yesterday, the Dee No. 2 of the Lion, in the southwest corner of the southeast quarter of the northwest quarter of section 17-18-17, encountered the Jones sand in cores from 7,560 feet to 7,600 feet and casing was set at 7,640 feet, with pipe perforated from 7,560 to 7,580 feet.

The Atlantic Refining Company is waiting on casing at 7,642 feet in the Dumas No. 2 test in the southeast corner of the northeast quarter of the northwest quarter of section 21-18-17, after coring Jones sand from 7,608 to 7,644 feet. Completion is expected this week-end. Unusual interest is being shown in the test because it is a quarter mile from production in the field and its completion would extend the producing zone a quarter mile to the southeast.

Morgan A-6 Due In This Week.

The Lion company set casing Wednesday on its Morgan A-6 test in the southeast corner of lot 1 in the southwest quarter of section 18-18-17, and is expected to complete the test early next week. The Jones sand was cored from 7,504 feet to 7,574 feet and pipe was set at 7,674 feet, after the Reynolds lime also was cored.

The Phillips company is also coring in the Jones sand in two tests and is expected to set casing soon. Top of the sand was encountered at 7,547 feet in th "Gann No. 2 test in the northeast corner of the southeast quarter of the northeast quarter of section 18-18-17 and top of the sand was encountered at 7,527 feet in the Sewell No. 3 test in the southeast corner of lot 4 in the southwest quarter of section 7-18-17.

The Lion company is drilling ahead on six other tests and has made locations for three others. The Marine No. 4 in section 17-18-17, is drilling below 7,180 feet; the Marine No. 5 in section 17-18-17, below 6,588 feet; the Powledge No. 1 in section 7-18-17, below 5,330 feet; the Henry No. 1 in section 12-18-18, below 4,475 feet; the Sewell No. 2 in section 13-18-18, below 2,260 feet, and the Mayfield No. 6 in section 18-18-17, below 2,135 feet. The new locations are for the Nelson No. 3 in the southeast corner of lot 6 in the southwest quarter of section 18-18-17, and the Morgan A-7 in the southeast corner of lot 7 in the southwest quarter of section 18-18-17, which will be drilled to the Jones sand, and the Marcus No. 5 in the center of lot 5 in the northwest quarter of section 18-18-17, which will be drilled to the Reynolds lime.

The Phillips company is drilling ahead on nine tests in the area. The Sewell No. 3 in section 7-18-17 is drilling below 7,473 feet; the Sowell No. 2 in section 7-18-17, below 7,455 feet; the Brian No. 1 in section 13-18-18, below 6,337 feet; the El Dorado No. 1 in section 12-18-18, below 5,515 feet; the Millings No. 1 in section 18-18-17, below 4,265 feet; the Goodwin No. 1 in section 19-18-17, below 3,877 feet; the C. H. Murphy No. 1 in section 19-18-17, below 1,938 feet; the Edwards No. 1 in section 17-18-17, below 1,930 feet, and the Nelson No. 1 in section 19-18-17, below 1,743 feet.

Jones, Murphy and Hurley are drilling below 7,500 feet in their Murphy Land Company B-1 in section 13-18-18, and are drilling below 1,750 feet in their Murphy Land Company B-2 in the same section. The Crescent Drilling Company is drilling below 6,625 feet in the Sewell No. 1 test in section 12-18-18; the Delta Drilling Company is drilling below 4,150 feet in its Powledge No. 1 in section 21-18-17, and the Marine Oil Company is drilling below 6,942 feet in its Callaway No. 2 in section 13-18-18.

In the Smackover field in section 9-16-15 the Lion Oil Refining Company is preparing to core for its Hardy-Murphy No. 1 test in the Nacatosh sand at 2,000 feet, the Meekin sand at 2,300 feet and the Graces sand at about 2,400 feet, and completed the well in the best sand.

Only One New Drill Permit Issued.

One permit to drill a new test, four to change locations and four to plug and abandon old tests were issued by the Conservation Department this week and logs of seven wells were filed.

The Phillips Petroleum Company obtained permit for the H. P. Sewell No. 5 test, 660 feet south and 660 feet east of the northwest corner of lot 5 in the southwest quarter of section 7-18-17 in Union county. Change of locations were issued for the following tests of the Phillips company, all in Union county: J. W. Edwards No. 1, 330 feet north and 660 feet east of the southwest corner of the south half of the northeast quarter of section 17-18-17; the Alice Nelson No. 2, 330 feet south and 660 feet east of the northwest corner of lot 3 in the northwest quarter of section 19-18-17; the S. H. Goodwin No. 2, 330 feet south and 660 feet east of the northwest corner of lot 1 in the northwest quarter of section 19-18-17; the C. H. Murphy No. 1, 330 feet south and 660 feet west of th enortheast corner of lot 2 in the northwest quarter of section 19-18-17.

The Atlantic Refining Company obtained permits to plug and abandon the Alice Baker No. 1 in the center of the southeast quarter of the northwest quarter of section 13-17-20, and the Harrington No. 1 in the center of the southwest quarter of the northwest quarter of section 14-17-20, both in Columbia county.

One Alice Baker Well Abandoned.

The Petroleum Finance Company obtained permit to plug and abandon the Alice Baker No. 1 in the center of the southwest quarter of the northwest quarter of section 13-17-20 in Columbia county.

Marshall Craig obtained permit to plug and abandon the Craig No. 1 test, 100 feet north and 200 feet east of the southwest corner of the northwest quarter of the northeast quarter of section 6-18-15 in Union county.

Logs were filed by the Modisett Drilling Company for the Union Sawmill No. 2; by the Phillips Petroleum Company for the H. P. Sewell No. 1, and the H. J. Miller No. 1; by the Lion Oil Refining Company for the A. Nelson No. 2, the National No. 1 and the Sewell No. 1, all in Union county, and by the Petroleum Finance Company for the Alice Baker No. 1 in Columbia county.

South Miller Shutdown For Test Ordered

9-29-38

Special to the Gazette.

El Dorado, Sept. 28.—A shutdown of all oil and gas wells in the South Miller county (Rodessa) field from 7 a. m. October 20, to 7 a. m. October 27, was ordered by the Arkansas state Board of Conservation today to facilitate the determination of average reservoir pressure by engineers of the Conservation Department of the possibility of recycling gas and repressuring the oil sand in the field.

The board also ordered that effective 7 a. m. October 1 all wells in the field shall be restricted to 100 barrels daily until October 20, when the closing order becomes effective, after October 27 maxium production per well will be 100 barrel per day until the quota is changed by the Conservation Board.

Waste Said to Exist.

The board said that waste of oil and gas exists or is imminent and that it is necessary to investigate reservoir conditions and production practice so that the extent of waste may be accurately determined and remedial measures sought.

Allowable Not Being Produced.

The board said production reports indicated that the majority of operations are not producing the oil allowable under the present proration schedule and that natural gas produced by the production of oil is being wasted into the air before and after it has been denuded of its natural gasoline content.

The board found that a natural gasoline plant is operating in the field processing gas from gas and oil wells, disposing of the processed gas by (1) extracting loss; (2) return to leases; (3) plant use; (4) drilling; (5) pipeline; (6) gas lift; (7) repressure; (8) blow to air.

The board also found that the oil recovery per unit area in the field is "becoming distressingly small" and that wastage of natural gas is a contributing cause.

The board also ordered all operations file reports on choke size, tubing, casing and trap pressures, production of water, oil and gas on October 17, 18, or 19, and also on October 28, 29 or 30.

The natural gasoline plant was ordered to restrict its volume of gas processed to the production from gas wells and only in sufficient volume to supply its domestic demand for residue gas during the period from 7 a. m. October 20 to 7 a. m. October 27.

Production Reports Made.

The board reported total production and daily average production for the field for the first seven months of this year were:

Month	Total Production	Daily Average
January	235,225	7,588
February	118,111	4,243
March	210,322	6,791
April	182,529	6,751
May	182,441	5,885
June	179,750	5,992
July	176,134	5,682

Jones Sand Allowable Again Reduced

10-28-38

El Dorado, Ark., Oct. 27 (AP).—Daily oil production for Arkansas in November was fixed today at a maximum of 52,000 barrels. Chief Conservation Agent A. M. Crowell said the allowables were lower than recommendations of the United States Bureau of Mines for the first time in more than a year.

Mr. Crowell said that the bureau recommended a November total of 52,300 barrels including oil from old and prorated fields.

Miller Allowable Increased.

Miller county production was fixed at 5,974 barrels daily, including 4,350 barrels in the lower Gloyd section (an increase of 1,053 barrels daily) and 1,624 for the upper Gloyd.

Daily production for the Jones sand wells of the Shuler (Union county) field was reduced to 13,990 barrels, smallest daily allowable ever set for that level. The daily allowable will be increased with each new completion from the Jones horizon until a daily production of 15,000 barrels is reached, the 15,000-barrel allowable, if reached, would remain in effect until November 15.

Reynolds Allowable Unchanged.

Reynolds lime flow of the Shuler field was ordered kept at 1,000 barrels.

No change was made for the 1,600-barrel allowable in the Buckner field.

459,000,000 Barrels Of Oil Produced

10-28-38

Special to the Gazette.

El Dorado, Oct. 27.—More than 459,000,000 barrels of oil have been produced in Arkansas since the Busey No. 1 discovery well was completed in January, 1921, A. M. Crowell, chief conservation agent of the Arkansas Department of Conservation, reported. Actual production up to October 1 was 459,610,000 barrels.

Mr. Crowell said that 8,683 wells had been drilled in the state, of which 6,312 were completed as oil producers, 326 as gas wells and 2,045 as dry holes.

Huge Increase Since 1935.

Comparative production figures for various fields during September of 1935, 1936, 1937 and 1938 indicate that there has been a 95 per cent increase in production since 1935. September production in 1935 was 886,996 barrels for an average of 29,566 barrels daily. In September, 1936, the production was 834,845 barrels or an average of 37,828 barrels daily. In 1937 with the Rodessa and Shuler fields on production, the September production was 1,162,081 barrels for an average of 38,736 barrels daily. In September of 1938 the total production was 1,704,653 barrels for an average of 56,822 barrels daily.

In the first nine months of last year 113 wells were completed in the state, while during the same period this year 184 wells were completed.

The number of producing wells in various fields with the September, 1938, and cumulative production to October, 1, 1938, follows:

	First column, wells; second, production; last total production.		Sept.	1938
Buckner	8	45,505		200,000
Camden	0x	125		x
Champagnolle	83	30,908		12,700,000
El Dorado	276	54,000		59,425,000
Lisbon	127	8,122		6,600,000
Magnolia-Village	4	38,600		108,000
Miller county	20	11,996		1,706,000
Nevada	60	17,543		6,309,000
Rodessa	103	166,318		3,100,000
Schuler				
Morgan sand	11	13,998		1,500,00
Jones sand	86	629,831		4,500,00
Reynolds lime	5	46,032		325,00
Smackover	1,700z			z351,000,00
Light		59,894		
Heavy		494,883		
Stephens	180	16,000		6,103,00
Troy	10	34,698		574,00
Urbana	30	36,200		4,360,00
Others	10			1,100,00
Totals	2,713	1,704,653		459,610,00

x—Included in Others.
z—Both light and heavy oils.

State Oil Proration Meeting At El Dorado Today.

11-12-38

Special to the Gazette.

El Dorado, Nov. 11.—Reports of engineers on pressures in the Shuler field and recommendations of South Miller county operators concerning conditions in the "Lower Gloyd Section" in that area, wil lbe heard tomorrow morning at a state-wide proration hearing of the Arkansas Board of Conservation here.

Chief Conservation Agent A. M. Crowell will report a 41-pound increase of pressure in the Jones stratum of Shuler field during the past month and an increase of 131 pounds of pressure in the Reynolds lime.

Mr. Crowell attributed the Shuler pressure rise to the recent reduction of daily allowable for the Jones sand to 15,000 barrels and the daily allowable of the lime to 1,000 barrels.

Operators and engineers who have surveyed the Gloyd section in the South Miller area are expected to make recommendations for conservation in the sector.

Evidence will be heard to determine daily allowables for the Buckner and Magnolia-Village areas and the Shuler and Miller fields.

Reynolds Lime Allowable Increased

11-13-38

Special to the Gazette.

El Dorado, Nov. 12.—Following recommendations of operators and engineers, the Arkansas Board of Conservation today reset the daily field allowable for the Jones stratum in the Shuler oil field at 15,000 barrels and increased the Reynolds lime allowable from 200 to 250 barrels daily. The Shuler allowable will be corrected every 15 days until January 1 to provide for additional completions. The board will meet here again December 22.

The board increased the daily allowable in the Reynolds lime of the Shuler field from 1,000 to 1,250 barrels. There are five wells in the lime formation, but seven wells are expected to be producing in the lime by December 1 and 12 by January 1.

After bottom-hole pressure tests have been set for December, a top allowable will be set for the lime, based on results on the tests, the board decided.

Lower Gloyd Tests Planned.

At the request of Miller county operators, the board decided to make all further tests in the lower Gloyd section at the north end of the field, and board members said engineers would start these tests November 21 to provide information for fixing allowables.

A reservoir survey of the Magnolia-Village area will be made by Wednesday. On completion of five wells in either area, proration schedules will be issued.

Four wells are producing in the Magnolia sector and three in the Village section. The board believes that proration schedules will be necessary about January 1.

During the hearing John E. Howell, representing the Lion Oil Refining Company requested that the current field allowable of 15,000 barrels of oil daily from the Jones sand of Shuler field be retained for the 15-day or 30-day period beginning November 16.

Mr. Howell said that he had discussed the matter with other Shuler operators and that they agreed with the recommendation. He also said that the operators desired an increase of the per well allowable for wells producing from the Reynolds lime to 250 barrels daily. The board recently cut the allowable from 300 to 200 barrels per day.

Flexible Allowable Sought.

O. G. Smith of the Marine Oil Company and Dr. McKeithan of Bartlesville, Okla., representative for the Phillips, concurred in Mr. Howell's suggestions. Dr. McKeithan suggested that the 250-barrel allowable be placed in effect for 30 days, after which time a check should be made to set a reservoir allowable on completion of more wells in the lime.

J. D. Head, Texarkana lawyer, representing several south Miller county operators, suggested the advisability of the division of tracts into smaller plots for drilling. No action was taken on his suggestion.

The belief was expressed that operators in the field would be satisfied with the allowable left as it is for another 30-days.

South Miller Repressuring Suggested

11-28-38

Gazette

Texarkana, Ark., Nov. 27 (AP).—C. E. Palmer, southwest Arkansas publisher, today suggested that the Texarkana Junior Chamber of Commerce sponsor repressuring of the south Miller county oil field. The suggestion was made in a letter to W. E. Hussman, president of the organization.

He estimated the cost at $300,000 and said that between 5,000,000 and 10,000,000 more barrels of oil could be recovered by the move.

Palmer said that the state Board of Conservation would co-operate and added that "I am hopeful the state will adopt a definite policy, with necessary authority vested in the Conservation Commission for enforcement that in all oil fields in the state repressuring will be required."

Board Favors Recycling In Shuler Field

12-17-38

Special to the Gazette 12-17-38

El Dorado, Dec. 16.—The Arkansas Board of Conservation expressed favor today toward proposals to recycle the Jones stratum in the Shuler oil field and meter all pipelines leading from that area. The move was termed vital to retention of oil production and conservation. New allowables also were set for Arkansas's producing oil field.

Recycling a field would mean that gas forcing oil up from producing wells would be re-injected into the producing sand so as to keep up pressure and maintain a steady flow of crude. Placing of meters on pipelines leading from oil fields would provide the Conservation Board with accurate figures on crude production and would remove possibility of allowing oil to be taken from fields in violation of proration laws.

Jeff Davis, lawyer for the Lion Oil Refining Company, said that plans for recycling the Shuler field would be completed soon. He said that plans for a plant to be used in re-injecting the gas into the Jones stand were expected to be completed in 90 days.

A hearing on the metering proposal will be held December 29. The board offered services of its engineers in gathering data for recycling.

Shuler, Buckner Quotas Retained.

Acting on knowledge that there would be 122 producing wells in the Jones sand in Shuler by January 1, the board ordered that the 15,000-barrel daily allowable be retained for January. A field allowable of 2,000 barrels a day during January was set for the Reynolds lime of the Shuler field. Twelve wells will have been completed in the Reynolds lime by January 1.

The Buckner allowable was left at 200 barrels a well daily. Engineers will be sent soon to check that area to determine new allowables, and later the Village field will be checked to determine its production.

Upper Gloyd Restriction Removed.

A top allowable of 4,300 barrels daily for the lower Gloyd section of the South Miller county field was set today. There are 33 wells in the section.

Proration restrictions were removed from the upper Gloyd section, which is said to have reached the "stripper-stage." Wells will be allowed to pump as much oil as possible, the order said.

Continuation of the Jones sand allowable at 15,000 barrels daily for the field was recommended by Frank Richardson, petroleum engineer for the Lion Oil Refining Company. Mr. Richardson testified that during the past days, the bottom hole pressure in the sand had shown a slight continued drop, but that he believed the drop had not been injurious.

R. K. Batten of Shreveport, lawyer representing the Phillips Petroleum company, suggested that the top allowable for the Reynolds lime be set at 2,000 barrels a day. The recommendation met with the agreement of T. M. Martin, Lion vice president and general manager.

Three Oil Hearings Scheduled At El Dorado December 29.

Special to the Gazette. 12-18-38

El Dorado, Dec. 17.—A. M. Crowell, chief conservation agent, announced today plans for three separate hearings to be held here by the Arkansas Board of Conservation Thursday, December 29.

Because of strong requests by royalty holders for metering of pipelines from producing fields, the board will hold hearings at which testimony will be presented by well operators and royalty holders. The board has prepared a metering order specifying that all meters must "register within a range of accuracy from 98 per cent to 102 per cent."

Another hearing will be held on the proposed adoption of field rules and methods of allocating production for the new Beene field in Columbia county, six miles south of Village. Members of the oil fraternity here expressed belief that the new deep production would prove a boon to Arkansas oil activity, and that drilling activities would boom in that sector.

The third hearing will be on proposed spacing rules in the Magnolia field in Columbia county.

Hearing Today On Shuler Metering

12-29-38

Special to the Gazette.

El Dorado, Dec. 28.—Metering of all crude oil from wells in the prorated fields of Arkansas will be the chief topic to be discussed at hearings by the Arkansas Board of Conservation at the courthouse here at 10 a. m. tomorrow.

Other topics will concern regulations for the new Beene field and applications for exceptions to drilling rules in the Magnolia field.

A. M. Crowell, chief agent, said all major and independent companies in this territory would be represented, as well as landowners and royalty owners.

48 Owners Request Metering.

The board proposed the metering following a petition by C. H. Murphy, representing 48 land and royalty owners of the Shuler field. The plan which would require that all oil moved, transported or conveyed from the control'ed fields in the state by pipeline shall be measured by meters, and that meters be installed on all pipeline transporting or delivering oil.

(1) To any other pipeline,
(2) To any refinery or reclaiming or treating or gasoline plant,
(3) To any purchaser's storage, where the oil is received for storage, reshipment or resale,
(4) To any point where oil is delivered to trucks for transportation and delivery to points within or outside a field.

Beene Field Allocation.

Field rules and methods of allocation of production will be discussed for the Beene field, six miles south of Village, Columbia county, where Tidewater Associated Seaboard Oil Company brought in the first producer in section 15-18-

The applications for exceptions drilling rules in the Magnolia field w filed by Mrs. N. L. Baker, who desi to drill in section 13-17-20, and the M Allister Fuel Company, which desi to drill in 14-17-20.

Repressuring Of Miller Oil Field Urged

1-17-39

Gazette

Special to the Gazette.

Texarkana, Jan. 16.—Upwards of 10 000,000 barrels of oil can be recovere from the south Miller county oil fiel by repressuring the area, A. N. Crowel engineer of the Arkansas Board c Conservation, told 50 operators an landowners at a meeting at the Tex arkana city hall tonight. He said re pressuring of the field, which now ha 100 producers, was feasible.

Mr. Crowell pointed out that 3,000,00 barrels of oil already has been pro duced from the field and that another 3,000,000 barrels can be produced befor pressure drops too low for production He estimated the cost of repressurin the field at $500,000. Wet gas would be used, and it could be obtained f the East Texas refining plant in field.

O. C. Bailey, El Dorado, and J. Reynolds, Camden, members of Conservation Board, pointed out repressuring the field would enable recovery of a large amount of oil otherwise would have to be pumped at a prohibitive cost. Mr. Reynolds p dicted a price advance in oil of f 20 to 30 cents a barrel in a few mon

To Ask Legislature Aid.

Those attending the meeting pa a motion offered by C. E. Palmer, T arkana publisher, providing for a c mittee to work with the Board of C servation and members of the legi ture to obtain passage of a bill would give the Conservation Departm authority to conserve oil and gas in various fields of the state.

W. E. Hushman, president of Texarkana Junior Chamber of C merce, presided.

Bert B. Larey, Texarkana law told the group that Miller county's representatives, Ted Goldman and Forehand, and the senator, Willis Smith, all of Texarkana, were aga enactment of a bill that will be offe to give the Conservation Board s power as Mr. Palmer advocated.

Oil Allowable Increased By State Board

1-21-39

Special to the Gazette.

El Dorado, Jan. 20.—The Arka Board of Conservation decided t to increase the daily allowable of 13 wells producing in the Reynolds formation of the Shuler field from proximately 2,550 barrels a day t 000 barrels a day. This action taken after a hearing had been during which Chie Conservation A Alex M. Crowell testified that December, bottom hole pressure the stratum had increased 20 pou

At the request of Jeff Davis, torney for the Lion Oil Refining C pany, Frank Richardson, Lion engi was allowed to testify that the new lowable would not injure the pool.

D. R. McKeithan of Bartlesv Okla., representaive of the Phillips troleum Company, asked that the R nolds allowable remain unchanged, offered no testimony.

Magnolia Allowable Increased.

Because of an increase in bot hole pressure of 100 pounds the bo also increased the allowable for Magnolia-Kerr-Lynn area by setting field output at 3,000 barrels daily, increase of 1,000 barrels for the fi The eight wells in the area forme produced 250 barrels a day. The bo stipulated that as more wells in field are completed the individual allowables would be cut back to c form to the 3,000-barrel mark.

Allowables for other fields will rem unchanged.

A 200-barrel daily allowable was set for both the Buckner and Villa fields where 12 and four fells, respe tively, are producing.

Production for the Jones sand Shuler was left at 15,000 barrels. T 4,200-barrel limit for the South Mill county field, where 115 wells are pr ducing, also was reset for February.

Conservation Course Proposed For Public Schools.

12-23-38

The state Board of Education has "under consideration" a proposal that courses in conservation and the natural resources of Arkansas be offered in the state's public schools, Education Department officials said yesterday. No additional textbooks would be needed and the new courses could be added to the curricula without any enabling legislation. The federal government could supply sufficient material to be used as basis for the courses, Education Commissioner Tom Alford said.

Representative-elect Roy L. Riales of Mena first proposed to the Education Department that courses on conservation and natural resources be offered in the public schools, Mr. Alford said. Mr. Riales said he would offer a bill in the 1939 legislature calling for such action.

State Forestry Commission officials conferred with the Board of Education at a meeting here December 12 on the matter, Mr. Alford said, but no action was taken.

T. M. Stinnett, director of the department's Certification and Teacher Training division, said plans had been made for publication in 1939 of a bulletin on the state's natural resources.

Value of Oil To Arkansas

1-22-39

Special to the Gazette.

El Dorado, Jan. 21.—To acqua t the public with facts about Arkans s oil industry and urge conservation to p serve "one of the state's basic industries," the Arkansas Board of Conservation, El Dorado, has issued a comprehensive report of petroleum development in Arkansas for 1937-38.

Members of the board are O. C. Bailey, chairman; J. D. Reynolds, Ed Hollyfield, Robert J. Short and Walter A. Helms.

The report covers operations in the old fields of Champagnolle, El Dorado, Garland City, Irma, Lisbon, Smackover, Snow Hill, Stephens, Troy and Urbana and the new fields of Buckner, Champagnolle, Magnolia, Rodessa, Shuler (Jones sand, Reynolds and Morgan) and Village.

Appealing for a "wiser and more efficient utilization of our natural resources," the board introduced its report with an explanation of the increasing importance of the oil industry in Arkansas. The report said Arkansas was "in the doldrums from an oil standpoint" at the beginning of 1937, occupying 10th place in the list of 22 oil producing states. By November, 1938, Arkansas had risen to eighth place and production had increased 136 per cent—from 23,952 barrels daily in January, 1937, to 56,452 barrels in the peak month of September, 1938.

From January 1, 1937, to November 31, 1938, the board issued 477 permits to drill and 176 permits to plug, representing a permit to drill every one and a half days and one to plug every four days. The industry completed 376 wells during this period, with 27 producers and 98 failures.

Peak months in permits issued were June and August of 1937, with 35 permits each month. Peak month in completions was November, 1938, when 2 wells were completed.

Driling Cost $29,455 a Day.

The total expended in completin wells from February 1, 1937 (no wel in January) to December 1, 1938, w $19,676,000, representing an investmer of $29,455.09 per day. This figure do not include money paid for lease bonuses to land owners, geophysica and similar work.

The unit cost of production per rel for the various fields follows:

Old fields: Champagnolle, .949; Dorado, .955; Lisbon, .995; Garl .770; Nevada, .774; Smackover, Stephens, .890; Troy, .600; Urbana, and for the new fields, Rodessa, .5 and others (Buckner, Ma olia, Shule Village), .206.

There now are 41 tests ing drill in Arkansas in Calhoun, Craighea Lincoln, Hot Spring, Little R Lono Mississippi, Pike, Pulaski, Co bia, L fayette, Miller, Nevada, Ou ita a Union counties.

From January 1, 1938, to Decembe 1, 1938, 16,435,712 barrels of oil we e produced in Arkansas, about half 8,205,344—barrels originating in fields discovered after March, 1937.

The greatest cumulative production has come from the Smackover field, discovered July 31, 1922, which had produced 345,778,371 barrels of oil by December 1, 1938. This, the report points out, represents only the amount p duced and saved, for "there is no meth od for estimating the millions of barrels of oil which escaped from hastily constructed earthen pits during the Smackover 'boom' days."

The report estimates that there ar 187,512,500 barrels of recoverable reserves remaining in the Arkansas fields, with 2,830 wells in operation today and 53,010 proved acres. Ninety per cent of the wells are operating in the old fields, and 85 per cent of the acreage and 62 per cent of the reserves are located in the settled fields.

Bases Changed But Allowable To Remain

3-4-39

Special to the Gazette.

El Dorado, March 3.—New proration orders for the south Miller county field and the Village field in Columbia county were issued today by the Arkansas Oil and Gas Commission, and steps were taken to halt the loss of gas pressure in the Rainbow City field, east of El Dorado.

The commission made permanent its emergency orderqs controlling allowables for all fields in the state, which also coincides with those issued by the old Conservation Board, and set allowables for March.

Allowables adopted are base allowables, and as a new well is completed, the allowable will be raised for that field.

Orders will be issued Monday for the Buckner, Magnolia and Atlanta fields in Columbia county and the Shuler field in Union county. These allowables will be identical with old allowables, being determined by the old method of allocation, 50 per cent on acreage and 50 per cent on pressure.

The same casing and spacing rules were adopted. All wells in these fields may be spaced in each 40 acres with the exception of those in the Jones pool of the Shuler field, where wells may be drilled every 20 acres. The new Miller county rule will provide that operators space wells in a 20-acre tract instead of in 10.

Acreage Formula for Miller.

The commission said that the Miller proration would be placed on a straight acreage formula. Each well will be allowed to produce 10 barrels per acre per day.

The Village field in Columbia county will be placed on a new proration formula known as a Volumetric formula, which was praised by commission engineers and members. The allowable, determined by "acreage times pressure," limits each Village well to 200 barrels of crude a day and 1,000,000 cubic feet of gas a day. If the well is not capable of producing 200 barrels of crude per day on the 1,000,000 cubic feet of gas, the production of oil will be limited to as much crude as the well can produce on the million cubic feet of gas.

Allowables will be effective immediately.

Total Allowable Unchanged.

Allowables for all fields in the state, however, will remain the same under the permanent order issued today. The entire allowable for the new fields of the state totals 29,090 barrels per day, and the allowable for the settled fields totals 24,000 barrels per day, making a total of 53,090 barrels of crude oil daily.

Allowables follow: Atlanta, 200 barrels daily; Buckner, 1,750; Magnolia, 3,000; Miller, 5,140; Schuler, Jones sand, 15,000; Shuler, Reynolds lime, 3,000; Village, 1,000 barrels.

Rainbow Gas Loss Reported.

Acting on testimony of representatives of the Ohio and Crosbie Oil companies, the commission ordered a thorough investigation of gas pressure loss in the Rainbow City (Union county) field.

Representatives of the companies testified that a gas reservoir, separate from the Rainbow oil reservoir, had been discovered in that area and that three wells were producing from it. They testified that they had been ordered to shut their wells down but that the third well, which they said was operated by J. R. Lockhart interests, was wasting gas at a rate of a half-billion cubic feet per day.

They testified that the pressure in that area had dropped from 990 pounds to 640 pounds in six months.

Commission engineers were ordered to report March 22 on the condition of the gas reservoir. The commission then is expected to order that the three wells be closed indefinitely and that gas be used only for light and fuel.

Individual Well Proration Asked.

The commission decided to hold a hearing here March 27 on the Lion's request that each well in the Jones and Reynolds lime pools in the Shuler area be prorated according to the capabilities of each well. Jeff Davis, Lion lawyer, said that the proposal was novel, but his company believed it was necessary to depart from old conservation ideas.

"Section 16, subsection B of the act," Mr. Davis said, "provides, in effect, that when a pool is limited to less than could be produced without limitation, field allowables must be allocated to the various wells on the basis of oil in place."

He said that the technical nature of studies to be made necessitated the preparation of a large volume of engineering data and that his company was not prepared to present the evidence in proper form for at least 10 days.

Joe K. Mahony lawyer, representing Jones, Murphy & Hurley interests, said that the move probably would be opposed and said that 10 days is insufficient for opposing interests to make their preparations. He requested that the hearing be postponed 30 days.

Board Reduces Oil Allowable

DEMOCRAT

Order Applies to South Miller County Oil Field.

2-24-39

El Dorado—Daily allowable of the Lower Gloyd lime stratum of the south Miller county oil field was reduced 40 per cent by the new Arkansas Oil and Gas Commission at a meeting here yesterday:

The commission announced that hearings will be held Friday and Saturday, March 3 and 4, here to make permanent proration allowables for all fields, including the Lower Gloyd area.

It was announced that the temporary Gloyd allowable is 6,000 barrels daily for the field, in which 47 producing wells are located. The present allowable is about 8,000 barrels daily. Each well be restricted to 200 barrels a day.

Hearings on other oil fields were announced after the commission accepted a request of Jeff Davis, lawyer for the Lion Oil Refining Company, who asked that emergency orders be issued for other fields until hearings are held. Attorneys for the Standard Oil Company asked that the current allowable be retained for the Buckner field, also in the Village field.

A request by an agent of the Atlantic Refining Company that the field allowable in the Magnolia area be retained at 3,000 barrels daily was granted. There are 10 wells in the field.

Allowables were made as follows: Reynolls lime at Shuler, 3,000 barrels for 12 wells; Jones sand at Shuler, 15,000 barrels per day for 122 wells; Atlanta field, 200 barrels for one well; Buckner field, 1,750 barrels for nine wells; Village field, 1,000 barrels for five wells.

Total allowables per day for controlled fields of the state is 29,950 barrels and for settled fields 24,000 barrels per day, making the total of oil which may be produced daily in Arkansas 53,950 barrels.

O. C. Bailey, chairman of the old board, was elected chairman of the new commission. Other members are: Robert Short and Ed Hollfield of El Dorado, L. A. Longino of Magnolia and J. D. Reynolds of Camden. Two other members are to be appointed by the governor.

Lower Gloyd Allowable Cut Sharply

2-24-39

Special to the Gazette.

El Dorado, Feb. 23.—After hearing testimony at an open hearing this morning, the new Arkansas Oil and Gas Commission decided this afternoon to reduce the daily allowable of the Lower Gloyd lime stratum of the south Miller county oil field 40 per cent.

The commission, created by the Mason oil and gas bill, also decided, on request of other South Arkansas oil field operators, to hold hearings Friday and Saturday, March 3 and 4, and set permanent proration allowables for all fields, including the Lower Gloyd area. Today's order was temporary.

The temporary Gloyd allowable is 6,000 barrels daily for the field, which has 47 producing wells. The current allowable is approximately 8,000 barrels a day. Each well will be limited to 200 barrels daily.

Hearings Held On Other Fields.

Hearings on other oil fields were granted at the request of Jeff Davis, lawyer for the Lion Oil Refining Company, who asked that emergency orders be issued for other fields until a hearing could be held.

Cecil Morgan of Shreveport, lawyer for the Standard Oil Company, recommended that the current allowable be retained in the Buckner field. He offered as a witness O. C. Nonweiler of Shreveport, Standard petroleum engineer.

Mr. Nonweiler produced statistics purporting to show that bottom hole pressures in producing wells at Buckner had declined 47 pounds during the past month, but recommended that the allowable be left unchanged. He added, however, that if the pressure continues to drop, the allowable should be lowered.

He recommended also that present provisions for the Village field be continued. No recommendation was made concerning the Atlanta field of Columbia county.

The commission followed the request of an agent of the Atlantic Refining Company in setting the field allowable for the Magnolia area at 3,000 barrels daily. There are 10 wells in that field.

Other field allowables were retained, as follows:

Jones sand at Shuler, 15,000 barrels per day for 122 wells.

Reynolds lime at Shuler, 3,000 barrels for 12 wells.

Atlanta field, 200 barrels for one well.

Buckner field, 1,750 barrels for nine wells.

Village field, 1,000 barrels for five wells.

Total allowable per day for controlled fields of the state is 29,950 barrels. Total allowable set for "settled" fields is 24,000 per day, making the total of oil which may be produced daily in Arkansas, 53,950 barrels.

O. C. Bailey Heads New Group.

Preceding the open hearing, the commission elected O. C. Bailey, chairman of the old Arkansas Conservation Board, head of the new board. Members of the present commission, with two to be appointed, are Mr. Bailey, Robert Short and Ed Hollyfield of El Dorado; L. A. Longino of Magnolia and J. D. Reynolds of Camden.

Mr. Bailey outlined the program of the commission. He said that policies of the new board would coincide with those of the old one in dealing with proration and allowable rulings.

He praised the new set-up, saying, "We now have an effective law and for it to serve the purpose for which it is intended, it must be properly administered. The commission will try to issue rules and regulations fair to the landowners and royalty owners, to the operators and to the state.

"We believe that the new law will stimulate drilling in our newly discovered fields and encourage exploration in the search for new pools."

Hearing On Oil Proration Concluded

3-29-39

Special to the Gazette.

El Dodrado, March 28.—Final testimony was taken today in a two-day hearing by the Arkansas Oil and Gas Commission on proposed changes in the method of prorating wells in the Jones sand of Shuler field. Alex M. Crowell, commission director, announced that the board would meet in executive session Friday afternoon to make its decision and prepare allocation orders for all the prorated fields of the state.

Today's hearing centered around the controversial question of gas pressures and relative thickness of oil bearing sand in the field. Principal witnesses were D. R. Knowlton of Bartlesville, Okla., general production superintendent for Phillips Petroleum Company, and E. V. Foran of San Antonio, Tex., consulting petroleum and natural gas engineer.

Phillips Petroleum and Lion Oil Refining Company of El Dorado are advocating changes in method of allocation while others, including Marine Oil Company and Jones, Murphy & Hurley, both of El Dorado, opposed the plan. Witnesses were questioned by R. B. F. Hummer of Bartlesville, Phillips' lawyer, and J. N. Saye, Longview, Tex., representing Jones, Murphy & Hurley and Marine.

Says Field Can Be Saved.

Declaring that an irritating situation has developed in the Shuler field, Knowlton said that with proper allocation the field can be saved. He proposed change of allocation or repressuring with gas. He said ultimate recovery should reach 50 per cent through the repressuring method. He estimated the cost of recycling to be $1,000,000 and said it would result in greater recovery of oil, conservation of gas and provide a means of extracting gasoline from the natural gas.

Foran opposed the change in allocation plan and pointed to the East Texas field in which he said the "take" is fairly uniform.

The proposal as advanced by Frank Richardson, engineer for Lion Oil, follows:

Acre feet of each drilling unit, multiplied by bottom hole pressure of the well producing from the unit, the result to be divided by a total of all products of unit acre feet of saturated sand, multiplied by bottom hole pressure of the unit with the figure last obtained to be multiplied by the field allowable.

Change Made In Method Of Oil Allocation

4-1-39

Special to the Gazette.

El Dorado, March 31.—Striking a medium in the hotly debated subject of proration, the Arkansas Oil and Gas Commission met in executive session today and made slight changes in the method of allocating production in the flush fields of the state and time set daily allowables for April.

Explaining that its engineers have made extensive studies of the allocation problem, the commission announced that its new method, while a departure from the formula used by the old Arkansas Board of Conservation, is not the method which was the center of a warm debate during the two-day hearing held here earlier this week.

Daily Production Reduced.

Total daily production for all Arkansas fields for April was set at 52,993 as compared with 53,090 for March, or a decrease of 97 barrels. Principal changes were for the Magnolia lime which was increased 1,500 barrels from 3,000 to 4,500; the Gloyd of Miller county reduced 859 barrels from 5,140 to 4,218; the Reynolds of Shuler decreased 900 barrels, from 3,000 to 2,100; Village decreased 238 barrels from 1,000 to 762.

Fields whose allowables were unchanged include Atlanta, 200 barrels; Buckner, 1,750; Shuler-Jones, 15,000. The figure for settled fields was raised 400 barrels, from 24,000 to 24,400.

New Allocation Method.

The new method of allocation as announced by the commission is described as based on acreage and pressure, or acre-pounds, with gas-oil ratio as a balance factor. The old formula called for a basis of 50 per cent acreage and 50 per cent bottom hole pressure. The proposed formula which was debated at the hearing this week was based on acreage, sand thickness and pressure, or acre-foot-pounds.

Under the new method the daily allowable for individual wells will be determined by multiplying the acreage containing the well by the bottom hole pressure of the well, the product to be known as acre-pounds. The acre-pounds of each well will be added and the total known as the field-acre-pounds, a factor is derived. The acre pounds of the individual well multiplied by the factor gives the daily oil allowable for that individual well. This is said to be the same method as that used in the Shreveport field and in some New Mexico fields.

The proposed acreage-time-thickness-times pressure formula which was debated during the hearing was proposed by Jeff Davis of the Lion Oil Refining Company and also was favored by the Philips Petroleum Company. They are the two principal Shuler operators. The plan was opposed at the hearing by Jones, Murphy & Hurley and the Marine Oil Company.

New Gloyd Permit.

The commission granted a permit to Lyons & Merritt to drill on a tract of 15.65 acres in the lower Gloyd of Miller county, but set a hearing for April 25 to consider integrating this tract with another of 4.79 acres to make a drilling unit of 20.44 as provided in the new oil and gas law.

The commission announced that henceforth the law regulating casing pullers will be enforced strictly. A bond of $5,000 is required, and the law provides a penalty of $1,000 a day for failure to obtain a permit.

The next hearing for allowables will be held April 25.

Recycling To Be Tried In Shuler Field

5-20-39

El Dorado, Ark., May 19 (AP).—Representatives of oil companies operating in the Shuler field decided today to employ a consulting engineer to work out a plan of recycling for the area.

Proponents of the move told the meeting that recycling would increase production during the life of the field by 15 to 18 million barrels, create a saving of 10 cents per barrel in lifting cost and postpone installation of pumping facilities.

A committee composed of C. H. Murphy of Jones, Murphy and Hurley, G. G. Murphy of the Marine Oil Company and Dr. J. S. Rushing of the Alice Sidney Oil Company was appointed to name the consulting engineer.

John Howell, vice president in charge of production of the Lion Oil Refining Company, presided.

Gas Meters For Magnolia Oil Field

5-26-39

Special to the Gazette.

El Dorado, May 25.—At an executive session here today following an open statewide oil and gas hearing, the Arkansas Oil and Gas Commission ordered gas meters on wells in the Magnolia field and set new allowables for all prorated fields of the state for June and July.

Total allowable for prorated fields will be 32,641 barrels daily, compared with 30,627 for May. The figure for unprorated fields is 25,000 compared with 24,000 for May, making the total state allowable for June and July 57,641 barrels, or 2,914 above the previous month.

Increase for Magnolia.

Magnolia field, with eight new wells the past month, making a total of 25, received the only major increase, the figure was increased from 6,300 in May to 8,696 for June. Other figures are: Atlanta 400, was 200; Buckner 2,100, was 1,925; Miller 3,300, was 3,861; Shuler-Jones 14,804, was 15,000; Shuler-lime 2,400, no change; Village 941, no change.

Director A. M. Crowell announced that in the future the commission will meet every 60 days instead of each month, and that bottom hole pressures will be made each 60 days, except for the Magnolia field where surveys will be made monthly.

Lafayette Field Named.

On request of a delegation of Lewisville citizens the commission officially designated the new field in Lafayette county as the Lewisville field, the Glen Rose pool. No production rules will be adopted until the next hearing, but spacing was set at 20 acres in center of tract, and casing 100 feet of surface and 5 1-2 inch production pipe.

In ordering gas meters for wells in the Magnolia field, the commission noted that a large majority of operators have installed meters. An outlet problem for the Magnolia field was solved largely today through agreement of pipe line owners in that field. The commission announced that the Dixie Pipe Line Company has been over-connected in the amount of 2,000 barrels daily and the Columbia Pipe Line Company was under-connected the same amount. The Dixie agreed to loan oil to the Columbia until the market situation is adjusted. An accumulation of 60,000 barrels of back allowable was noted in the Magnolia field by the commission several days ago. Hereafter no back allowables will be permitted after the present quotas are made up.

Engineers were assigned to visit leases in the Smackover field to make surveys and assist in preventing the flow of waste oil into the Ouachita river.

Magnolia Allowable Reduced

6-23-39

Special to the Gazette

El Dorado, June 22. — Following a stormy open meeting here today, the Arkansas Oil and Gas Commission met in executive session and ordered a reduction of one-third allowable for all wells in the Magnolia field of Columbia county, beginning July 1.

Under the new order, the allowable from the 40 wells in the field will be 200 barrels per well, or 8,000 barrels daily, compared with the previous 300 barrels per well.

The commission said it had found that "under the present allowed production as among the wells and leases in the Magnolia field, the correlative rights and opportunities of each owner of oil and gas in the Magnolia field have been abused, due to non-union, disproportionate and unratable withdrawals, tending to cause undue drainage between tracts."

A. M. Crowell, director of the commission, said that normally the figure for the field would have been set at 12,000 barrels daily for July.

Pipeline Owners Blamed.

Direct cause of the drastic reduction was attributed to methods of pipelines in the field. It was said that with a field allowable of 300 barrels per well, the output was sufficient for actual demands of each of the four lines from its own wells, without taking oil from wells owned by others in the field. The pipeline owners, it was reported, have been taking from their own wells in most cases, leaving others without outlet. The commission said the object of the order is to bring about a ratable, or proportionate take from all wells in the Magnolia field.

Pipeline connections to the Magnolia field are Dixie, Columbia, Shell Petroleum and Lion Oil.

The open session brought one of the largest oil gatherings here in several months, with practically all operators and pipeline companies represented, and many royalty and landowners attending.

Meeting Called for June 30.

The commission announced another special meeting for Friday, June 30, and invited all companies of the Magnolia field to send geologists for discussion of a sand thickness map and to define limits of the producing area.

Attending today were the following commission members: O. C. Bailey, chairman; Ed Hollyfield, Basil Hoag, Ed B. Keith, R. J. Short and L. A. Longino. J. D. Reynolds was absent.

Magnolia, Atlanta and Village Fields to Be Closed for Test.

6-16-39

Special to the Gazette.

Magnolia, July 15. — The Arkansas Oil and Gas Commission has ordered all producers in Magnolia, Village and Atlanta fields to be closed in Monday, in order that reservoir pressure tests may be taken.

Three new locations have been announced. They are: Southwood's Walthall No. 2, southwest northwest of Section 22-17-20; Southwood's Johnson A. 1, northeast northwest of 22-17-20, and same company's Johnson B-1, northwest northeast of Section 22-17-20.

Approximate depths of other wells in the Magnolia field are:

Atlantic's Luel Spain No. 1, southwest southwest of Section 18-17-20, 6,700; Foster No. 2, southwest northeast of Section 24-17-20, 5,700.

Southwood Oil Company's Foster No. 2, southwest northeast of Section 23-17-20, 6,100; Walthall No. 1, northwest northwest of Section 22-17-20, 3,600; H. B. Simmons' No. 2, northwest southeast of Section 22-17-20, drilling below second string of surface casing, set at 2,130; Daisy Glasgow No. 1, northeast northeast of Section 22-17-20, 6,300.

Phillips Petroleum Company's Longino No. 2, northwest southeast of Section 15-17-29, drilling below first string of surface pipe, set at 120; R. E. Walthall No. 1, southeast southwest of Section 15-17-20, rigging up completed; Walthall No. 2, southwest northwest of Section 15-17-20, building derrick.

Vaughan's Oliphant Jones No. 2, southeast northeast of 21-17-20, getting into pay below 7,400; Carl B. King (Mid-Continent) R. S. Foster No. 1, northeast southwest of Section 24-17-20, 6,100; Arkansas Fuel Oil Company's Daisy Glasgow No. 1, northwest southwest of Section 23-17-20, 6,100; Hunt's (Placid Oil Company) Roy Couch No. 2, northeast northwest of Section 19-17-19, 2,700; Oliphant's Joel Jones No. 1, southeast southeast of Section 16-17-20, 6,250; Shell's Garrett No. 2, northeast northeast of Section 13-17-20, drilling below second string of casing set at 2,100; Standard's J. A. Foster Unit 1, southwest northwest of Section 19-17-19, 800.

In the Village field, Standard is drilling below 7,300 near the pay in its Lewis B-1, northeast northeast of Section 15-17-19. In the Buckner field the same company is building derrick on a new location, the H. B. Eddy No. 1, southwest southwest of Section 7-16-22.

In the Atlanta field, Lion Oil Company's J. G. Tissue No. 1, southwest northwest of Section 15-18-19, is drilling at 7,400; Twin City Syndicate's Hollensworth No. 1, northwest southwest of Section 31-17-18, wildcat in the eastern part of the county, nearly two miles west of the Union county line, between Magnolia field and Shuler field, is drilling below 4,500. It is reported to have reached the Glen Rose formation at near 4,250 and the Travis peak at near 4,350.

Field Raised

6-30-39

El Dorado, June 29.—Following presentation of evidence that additional outlets for crude oil had been made for the Magnolia-Kett-Lynn field in Columbia county, the Arkansas Oil and Gas Commission today rescinded an order, issued June 22, cutting the daily allowable per well from 300 to 200 barrels a day.

A. M. Crowell, conservation director, said that oil would be taken from the field now at a ratable withdrawal.

Meeting here last Thursday, about 20 independent operators and royalty owners in Columbia county protested in open hearing before the commission that companies with pipeline facilities were using only their own oil and that companies without pipeline facilities were forced to shut down their wells or sell the oil at below market prices. At that time the commission reserved the right to rescind the order in case of an adjustment in the field.

Production in the Magnolia field should reach approximately 12,000 barrels daily by Saturday, providing for 300 barrels daily from approximately 40 wells in the area.

Warren A-1 Runs Schlumberger Test; New Location Made.

6-30-39

Special to the Gazette.

Stamps, June 29. — Operators were running Schlumberger survey today at the Erwin & Leach-East Texas Refining Company's Cleve Warren A-1, Section 24-16-24. Total depth is 3,575 feet. The last core showed shale lime and sand. The company's Patton B-1, same section, is drilling at 2,730. No cores have been taken.

A new location was announced today, the Cleve Warren B-1, in the center of the south half of northeast northwest of Section 24-16-24.

Plug on Cleve Warren A-1 to Be Drilled Today.

7-3-39

Special to the Gazette.

Stamps, July 2.—Operators will drill the plug on the Erwin & Leach-East Texas Refining Company's Cleve Warren A-1, Section 24-16-24, Lafayette county, early tomorrow, after which the well will be swabbed. Outcome should be known Tuesday. The company's Patten B-1, same section, was shut down today due to a broken rotary pinion. It is at 3,390 feet in lime.

Oil and Gas Commission To Meet Today

7-27-39

Special to the Gazette.

El Dorado, July 26.—A large attendance is expected at the state-wide hearing of the Arkansas Oil and Gas Commission at the courthouse here at 10 a. m. tomorrow. Word has been received that several royalty owners expect to attend.

New Shuler Field Formula Drafted.

Matters to be heard include the adoption of a uniform method of reporting oil produced, run or stored in Arkansas by the owner. The Lion Oil Refining Company also will suggest a new formula for the allocation of the daily field allowable for the Jones sand in the Shuler field.

Hearing of evidence to determine whether there is waste in the oil and gas fields, setting of allowables for August and September, determination of the ratable outlet for oil and gas from each of the state's pools for the two months, and hearing of applications for exception to the spacing rule for the Magnolia field, also will be taken up.

Improved Reporting System Sought.

The commission is interested in setting a standard method of reporting the actual amount of oil produced and run or stored from the fields operating under control regulation, in order that unequal withdrawals of oil and gas between tracts may be avoided. The commission will suggest that the allowable oil records be based on 100 per cent tank tables, rather than on 97 and 98 per cent tables as is now the custom.

State Daily Oil Allowable Increased

7-27-39

Special to the Gazette.

El Dorado, July 27.—The Arkansas Oil and Gas Commission today set the daily allowable for all Arkansas oil fields at 64,991 barrels for August and September. An increase of nearly 10,000 barrels daily over the present figure.

The new allowable includes 34,791 barrels daily from flush and controlled pools, and 30,200 barrels daily from settled pools. The later class now includes Miller county.

Magnolia, with 44 wells already producing and an anticipated half-dozen or more soon, received the major portion of the 10,000-barrel increase. Total daily for that field for August and September will be 13,500, as compared with 6,300 for July. The Atlanta figure will be 450, as compared with 200 for July. Buckner was raised from 1,925 to 2,100 daily. There was no change in the following pools: Lewisville, which has now been officially designated as Lewisville-Stamps, 400; Schuler-Jones, 15,000; Schuler-Reynolds lime, 2,400; Village 941.

New Formula Denied.

The commission denied a request of the Lion Oil Refining Company and Phillips Petroleum Company for a new formula for allocation of production in the Jones sand of the Schuler field. The body also declined to issue permits to Southwood Oil Company for wells on 20-acre tracts in the Magnolia field, but reserved the matter for further consideration. A proposal requiring all oil runs in Arkansas to be on 100 per cent tank tables was adopted.

Warren Weeks and E. D. Klinger, geologists for the Lion and Phillips companies, respectively, and George Vandaveer, petroleum engineer for Phillips, testified for the new formula for allocation of production. They offered a formula—allocating production on a basis of acreage, bottom hole pressure and thickness of producing sand, to take the place of the present formula of acreage plus bottom hole pressure.

They argued that oil in the Shuler field is migrating from the thicker sands of the central and west portions of the field to the more thin sands of the east sector of the field.

Plan Draws Opposition.

Joe K. Mahony and Robert C. Knox, representing the Jones, Murphy & Hurley interests, Charles H. Murphy and the Marine Oil Company, opposed the proposed change in formula.

Mr. Mahony contended that porosity and permeability of the sand were not uniform throughout the field, and that persons on the edge of the field are entitled to production as much as those in the center.

"There will be a good deal of oil in the edges of the field not to be recovered if the proposal is adopted," Mr. Mahony said.

Tank Tables Debated.

Judge W. N. Bonner of Magnolia opposed the proposed 100 per cent tank tables, holding that his company, the Columbia Pipe Line, and many others have a common practice of reporting on a 98 per cent basis. He said the practice was common in most states, and said he believed a change would necessitate a price adjustment. Cecil Morgan of the Standard Oil Company championed the plan. C. H. Murphy, El Dorado, banker and oil man, also spoke in favor of the new measurement plan.

Special Permits Asked.

Petition of the Southwood Oil Company for special permits for wells on two 20-acre tracts in 23-17-[illegible] Columbia county, was made by John [illegible]ering. He pointed out that findi[illegible]ate the tracts may be on th[illegible]he field. Jeff Davis of Lic[illegible]d that Southwood denomina[illegible]rtain drilling unit for the two wells.

Standard Oil, Phillips and Arkansas Fuel representatives indicated they would not oppose special permits if good reason could be given. Ezra Garner of Magnolia, representing land owners, opposed the special permits.

Pollution Denied.

Larry Bartel of East Texas Refining Company, appeared as a witness relative to the Lewisville-Stamps field, newest in the state. He said the field is in the formative stage and offered no recommendations for allocation. He denied there is any pollution caused by waste oil.

East Texas Oil Field May Be Closed 30 Days

8-13-39 Gazette

Austin, Tex., Aug. 12 (AP).—A 30-day shutdown of the East Texas oil fields was considered tonight by the Railroad Commission as a storm of opposition to crude price cuts announced by a number of important purchasing companies developed.

The shutdown of some 80,000 wells was advocated by Ernest O. Thompson and Jerry Sadler, a majority of the commission which regulates the industry in Texas, in statements denouncing the price reductions as unwarranted by conditions.

Thompson and Sadler left for Houston where they planned to confer with the third member of the commission, Chairman Lon A. Smith. With them they took an order for the shutdown, which Thompson predicted would be issued.

Gov. W. Lee O'Daniel turned a cold shoulder to Thompson's plea that a special session of the legislature be called to enact a five-cent per barrel additional tax on oil, revenue from which could be used to finance old age pensions and other social services.

The governor said he did not believe anything would be gained by convening the lawmakers so soon after the recent general session in which they failed to levy any taxes.

TEXAS EXPECTED TO CLOSE DOWN OIL PRODUCTION

8-14-39

30-Day Holiday May Be Ordered.

Austin, Tex., Aug. 13 (AP).—A majority of the Railroad Commission agreed tonight to postpone at least until tomorrow a decision on whether to order a 30-day state-wide oil production shutdown.

Commission Chairman Lon A. Smith and Commissioner Jerry Sadler said they would confer tomorrow on the numerous angles of the proposed drastic action. Ernest O. Thompson, the third commissioner, already had signed an order calling for a 30-day closing and only one more signature was needed.

Prior to Sadler's arrival from Houston, Smith had said he favored a 30-day production holiday as a move to stabilize the oil industry, reeling under a 20 per cent crude oil price cut.

Smith stated Sadler did not return from Houston until late and it was impracticable to issue any kind of an order tonight.

The commission chairman earlier had said that it might be possible for a 30-day shutdown to become effective Tuesday.

"I don't suppose I will change my mind about the need for a shutdown," Smith said after talking briefly with Sadler, "but I want to go over the whole situation with Jerry before signing any order."

Seek Way to Block 20 Per Cent. Price Slash.

An order closing the wells in the nation's largest oil producing state might be Texas' answer to attempts to cut the price of crude 20 per cent. Thompson said a 30-day closing would be preferrable to lower prices.

The Sinclair Company started the price slashing Wednesday. The Humble Company and several other concerns followed. Some of the larger purchasing companies still have not lowered their price offers.

Smith said he favored closing all of Texas' 87,000 wells except those in the tri-state Rodessa field and those which would go to water if shut down. Engineers estimated the state's production from the exempted wells would be about 120,000 barrels per day. Current production, after deducting for Saturday and Sunday shutdowns, is approximately 1,410,000 barrels daily.

"From the number of telegrams that I am receiving it seems to be the general opinion of independent oil operators that a closing of at least 30 days would be desirable," Smith said, "Some even suggest 90 days."

Sufficient Oil in Storage To Meet Purchasers' Needs.

Smith voiced the opinion the one-month production holiday would not lose Texas' oil markets, asserting the state probably had sufficient oil in storage to supply purchasers' needs the next 30 days. Commission engineers said the amount of stored crude in Texas was 85,614,000 barrels, of which 65 per cent was oil in pipe lines.

Oklahoma to Take No Action Before Tomorrow.

Oklahoma City, Aug. 13 (AP).—Gov. Leon C. Phillips said today no action relative to the oil industry crisis would be taken by Oklahoma until after an emergency meeting here Tuesday of the Interstate Oil Compact Commission. The governor conferred with members of the state Corporation Commission and Oklahoma compact officials.

Phillips said the group wished to determine "Oklahoma's attitude" prior to the compact meeting.

He said he had been in telephone communication with Chairman E. O. Thompson of the Interstate Compact Commission concerning the general breakdown of the crude oil price structure, touched off by the Sinclair Prairie Oil Marketing Company's reduction of 20 cents per barrel last Thursday.

Phillips refused to comment on the possibility of a 30-day shutdown in the Texas field and said he had not talked to any of the southern Oklahoma oil men who proposed a complete shutdown in the mid-continent area until a price of $1 a barrel for crude oil was restored.

Six States Have Joined In Oil Shutdown.

Oklahoma City, Aug. 16 (AP).—Five states lined up behind Texas tonight in a parade against collapsing oil prices by joining an unprecedented "shutdown strike" to halt the flow of wells which produce more than two-thirds of the nation's oil.

Workmen closed the valves on 56,000 Oklahoma wells this morning and before the day had ended, New Mexico, Kansas, Arkansas and Louisiana followed.

Kansas shut down until further notice. Arkansas announced all controlled fields would close at 7 a. m. tomorrow until further notice, and Gov. Earl K. Long of Louisiana reported his state would issue a two-week shutdown order, effective at 6 p. m. tomorrow.

In New Mexico, a proclamation closed the state's 2,265 wells, signed by Gov. John E. Miles, will be placed in effect by A. A. Andreas, state geologist, upon his return from Oklahoma City.

Texas, which produces nearly 40 per cent of the nation's crude, closed its 87,000 wells yesterday, taking the lead in the offensive by Mid-Continent producers against a wave of price slashes.

May Not Solve Oil Price Problem.

The shutdowns in Texas, Oklahoma and New Mexico were ordered for 15 days but Gov. Leon C. Phillips of Oklahoma said he was not certain this would be sufficient to end the price crisis. "I'll not hesitate to call another meeting if I don't think this solves it," he commented.

Officials hoped the shutdowns would force crude price back to $1 a barrel by reducing stocks. Closing of the entire Mid-Continent area was recommended by the Interstate Oil Compact Commission yesterday.

Foremost question in the minds of motorists was the ultimate effect on the price of gasoline. At Tulsa, Okla., spot prices were reported up a quarter to half a cent but R. B. Tansel, a leading Tulsa broker, said it probably would be some time before the price increase was felt by the consumer.

Little unemployment was expected to result from the shutdowns. Oil companies in many instances kept their employes at work reconditioning wells or gave them vacations with pay.

Federal Investigation Begun.

Legal action in connection with the oil industry's price dilemma was taken on two fronts.

In Texas, records of Humble Oil, the nation's largest producing company, were studied by eight assistant attorneys general who sought to determine if the firm had broken anti-trust laws. The charges against the $175,000,000 concern was made to Attorney General Gerald C. Mann yesterday by Jerry Sadler, member of the Texas Railroad Commission.

In Wyoming, Gov. Nels H. Smith filed a complaint with the state's attorney general accusing the Sinclair, Continental and Texas companies of restraining free competition by forming a combine and charging discriminatory prices for regular gasoline.

Federal officials in Washington kept a watchful eye on the oil situation but withheld comment.

If conditions warrant, the president could call a special session of Congress to enact legislation for strict federal control of the industry. Secretary Ickes has urged enactment of federal legislation that would give the government a check on oil production.

'Big Business' Accused By Landon.

Alf M. Landon, an independent oil operator and 1936 Republican presidential nominee, charged at Evergreen, Col., the oil crisis was due to "ruthless and arrogant big business refusing to co-operate with conservation authorities."

The former Kansas governor declared "the public will notice that the crude oil price has been reduced more than one-fifth this year and that there has been no reduction in the price of gasoline."

Arkansas Oil Board May Act Today

8-16-39

Special to the Gazette.

El Dorado, Aug. 15.—The Arkansas Oil and Gas Commission has taken no action in the matter of a general shutdown of Arkansas oil fields and contemplates no discussion of the problem until word is received from O. C. Bailey, chairman, who is attending the interstate oil compact in Oklahoma City, it was announced here today by A. M. Crowell, commission director.

Chairman Bailey, who flew to Oklahoma City, left word that he would advise officials here of any action contemplated.

Information In Demand.

Rumors flew thick and fast, and the commission office was besieged with telephone calls from local operators as well as offices of the larger firms in other places. Scouts from all over the Mid-Continent sought information.

Gov. Carl E. Bailey has called a meeting of the commission at his offices in Little Rock at 1 p. m. tomorrow. Chairman Bailey of the commission is expected to attend the Little Rock meeting.

Says Shutdown Favored.

Mr. Crowell said a survey indicates the majority of operators favor a shutdown, many contending that they will be forced to shutdown anyway because of the new price structure. At the last commission report a week ago, Arkansas production was more than 63,000 barrels daily from approximately 3,000 wells.

Crude Prices Reduced.

Two more companies followed today the new price schedule announced Monday by Standard Oil Company of Louisiana. Lion Oil Refining Company and Root Petroleum Company, Inc., both heavy buyers of Arkansas crude, posted reductions ranging from 13 to 20 cents a barrel.

New prices were based on gravity, and included crude from El Dorado field, West El Dorado, South Field, Rainbow, Schuler and Smackover.

It was reported that about 15 residents of Magnolia had telegraphed Governor Bailey today requesting that the Magnolia field be closed down.

Unemployment Discussed.

In answer to many rumors current in El Dorado today about the unemployment situation in Arkansas oil fields if the commission should shut down flowing wells for 15 days, an authoritative source said that enough clean-up work would remain in the fields to keep all hands busy for at least 15 days.

"But if many crews are forced out of work because operators cannot afford to produce oil at the present rate, the unemployment situation may become permanent," it was said.

There is much speculation here about the proposed shutdown. Many merchants said that although a state-ordered shutdown may hurt business temporarily, they had rather see a temporary shutdown than a permanent one because of failure of operators to produce oil.

Unconfirmed reports were heard this afternoon that a few rigs had shut down already and that more operators might follow.

Governor Will Support Action Of State Commission.

Governor Bailey said yesterday he is prepared to support whatever action the state Oil and Gas Commission may take in connection wtih the current crude oil production and price situation.

The governor said Chairman O. C. Bailey of the commission, who represented Arkansas at a meeting of the Interstate Oil Compact Commission at Oklahoma City, will be at the capitol today "to give the Oil and Gas Commission and myself a report" on the session.

Pending today's conference, he declined to comment on a request by state Senator Clyde E. Byrd of El Dorado that he urge the state commission to follow the lead of Texas and shut down Arkansas oil fields because of the recent price reductions by major purchasing companies.

OKLAHOMA, NEW MEXICO JOIN IN CLOSING WELLS

Kansas to Follow Suit Today.

8-16-39

Oklahoma City, Aug. 15 (AP).—Oklahoma and New Mexico joined Texas today in ordering a 15-day shutdown of all oil wells as a militant protest against a threatened general cut in the price of crude petroleum.

Kansas' representative at an extraordinary session of the Interstate Oil Compact Commission here forecast his state would fall into line early tomorrow.

Position of other Mid-continental oil states was not so clearly defined. Texas and Oklahoma alone represent more than 51 per cent of the nation's oil pro-

duction and their action lent a powerful impetus to the shutdown movement.

Price of crude oil cracked last Thursday, when the Sinclair Prairie Purchasing Company announced a general 20-cent per barrel cut. Some smaller companies followed, and the whole price structure tottered when Humble Oil and Refining Company reduced prices in Texas.

The Oklahoma shutdown order will become effective at 7 a. m. tomorrow. It applies to all oil wells, both stripper and prorated, but excepts natural gas wells and wells producing both oil and gas, where the gas is marketed to utility companies.

At Santa Fe, N. M., Gov. John W. Miles announced he would issue a 15-day closing proclamation tomorrow.

The Oklahoma order will affect about 55,800 wells, producing 435,000 barrels daily. Only some 2,200 wells in New Mexico will be affected.

Independents Favor Closing All Mid-Continent Fields.

The Independent Petroleum Association of America handed the compact a recommendation for closing all Mid-continent area wells for 15 days.

The threat of retaliation for the price decline of 20 cents a barrel came from Texas where Attorney General Gerald C. Mann announced he had launched an inquiry to determine if any oil companies were violating Texas' anti-trust laws. At Austin, Railroad Commissioner Jerry Sadler charged Standard Oil of New Jersey was operating in Texas in violation of state anti-trust laws and asked Mann to investigate.

Kansas was expected to follow Oklahoma and Texas. "After conferring with authorities in my state," said Andrew F. Schoeppel, chairman of the Kansas Corporation Commission, "I will announce that in all probability, at an early hour tomorrow, the Kansas Corporation Commission will issue a complete shutdown order for not to exceed 15 days."

Positions of Michigan, Illinois And Louisiana Undetermined.

The positions of Michigan, Illinois and Louisiana, other compacting states, were not clearly defined.

P. G. Hoffmaster, Michigan director of conservation, was non-committal on a shutdown in his state, but said conservation authorities would meet promptly and take whatever action necessary.

Guy E. McGaughey, representing the governor of Illinois, declared he was "deeply sympathetic with your problems" and they would be given "keen understanding and study."

G. H. Blankenship, vice president of the Independent Oil Producers of Illinois, asserted that unless shutdowns were ordered by other states "we may look for a period of chaotic marketing and price conditions."

Independent Producers Generally Favor Shutdown.

First reaction among independent producers, who met in a downtown hotel while the compact went into closed session at the capitol, was favorable.

"I favor the temporary shutdown as a temporary measure only," said Charles F. Roeser, Fort Worth, president of the Independent Petroleum Association of America.

"I hope that all states in the compact will follow suit. But what is needed for the industry is a long-term program."

The independents urged that regulatory bodies of oil states take advantage of the temporary shutdowns to "make such adjustments as may be necessary to correct inequalities" after rechecking allocations of production. They recommended that the regulatory bodies and executives of major purchasing companies "meet to formulate a definite and permanent program to correct such improper producing conditions as may be found to exist within the industry."

As for the effectiveness of concerted action by the compacting states, Thompson pointed out that "states representing 77.44 per cent of the nation's oil production are represented at this table now."

Texas produces 37.65 per cent of the nation's oil output, Oklahoma 13.61 per cent, New Mexico 3.06, Michigan 1.87, Louisiana 7.68, Kansas 4.99, and Illinois 6.77. Colorado and Arkansas, which also had representatives, make up the remainder of the 77.44 per cent.

Long Considers Shutdown For Louisiana Oil Fields.

Baton Rouge, La., Aug 15 (AP).—Gov. Earl K. Long said tonight he was considering ordering a 10-day oil production shutdown in Louisiana. He said he would confer with state oil interests and producers on what action Louisiana would take in the face of shutdowns being made by other Southwest states.

Governor Long indicated that, as an alternate, a drastic cut in Louisiana's production allowable, as much as 50,000 barrels, might be made when the September allowable is determined next week.

LION OIL DEFIES STATE ORDER TO CLOSE IN WELLS

8-17-39

Colonel Barton To Seek Injunction.

El Dorado, Ark., Aug. 16 (AP).—Col. T. H. Barton, president of the Lion Oil Refining Company, announced tonight that the firm would refuse to comply with an order of the state Oil and Gas Commission shuting down controlled fields tomorrow insofar as Lion's Jones sand wells in the Shuler field were concerned.

He issued a statement saying the company "was compelled to refuse to comply with the order of the commission and tomorrow will seek release in a suit for an injunction to prevent enforcement of the commission's mandate."

Colonel Barton said that the oil which the company produces from its Jones sand wells prior to a "legal determination of the validity" of the commission order would be segregated from other oil which the company has in storage and would not be used in manufacture of any of its products.

Jeff Davis, attorney for the company, said the suit would be filed in a Union county court but that it had not been decided tonight which one. He said that the rest of Lion's wells in controlled fields of the state would be shut down.

Colonel Barton said that Lion's Jones sand wells in Shuler would not produce in excess of the regular daily allowable in refusing to comply with the order calling for a shutdown at 7 a. m. tomorrow.

Colonel Barton Explains Position of Lion Oil.

The text of Colonel Barton's statement follows:

"It is to be regretted that the oil industry finds itself in a condition of chaos by reason of untimely and apparently unwarranted reduction in crude oil prices.

"Drastic action has been resorted to by regulatory bodies in Texas, Oklahoma and Arkansas where producing wells have been ordered closed. In Arkansas, the closing order involves only 'flush' fields such as Shuler, Magnolia, Buckner, Village and Atlanta, which have been producing some 32,000 barrels of oil per day, less than one per cent of the nation's supply.

"In our opinion, the drastic shortage created by a complete shutdown of approximately one half of the nation's supply of crude oil will not remove fundamental conditions which may have caused unsatisfactory markets.

"Shortly after such a shutdown is raised we will find ourselves where we were and to a large extent foreign oil produced under low labor standards will have taken the place of the domestic oil left underground in our fields during the shutdown period.

"If meanwhile the temporary shortage has caused gasoline to sell at an excessive price, the public will have to foot the bill. Employes of the industry will suffer through layoffs and the thousands of small companies affected can go only so far without income.

"In the organization and operation of the business of our company, we have never felt obligated to make provision for the cessation of operations and we therefore are prepared to comply with confiscatory orders of governmental regulator bodies such as the order we shall face in Arkansas at 7 o'clock tomorrow morning.

"We will not endanger the jobs of the several hundred men and women who are employed by our company in Arkansas and whose pay is dependent upon our continued operations without exhausting all proper remedies to protect them. In view of all these circumstances, our company feels compelled to refuse to comply with the order of the Oil and Gas Commission and tomorrow will seek release by a suit for an injunction to prevent enforcement of the commission's mandate.

"Until such time as the Oil and Gas Commission of Arkansas rescinds its unreasonable and capricious order shutting down all wells in the 'flush' pools of Arkansas or until such time as that order is declared valid by a court of competent jurisdiction, our company shall produce from each of its wells in the Jones sand in the Shuler field a quantity of oil each day not in excess of the allowable production for that particular well as established by the order of the commission which was in effect on August 16, 1939, prior to the effective date of the new order.

"The oil which we produce from these wells prior to a legal determination as to the validity of this new order shall be segregated from other oil which we now have in storage and shall not be used by us in the manufacture of any of our products."

"We feel it our duty to contest this new order that our constitutional rights shall be protected from violation and that our service to the public shall be uninterrupted."

Chattanooga Obtains Reduction In Fire Insurance Rates.

Chattanooga, Tenn., Aug. 16 (AP). — CityCommissioner Eugene Bryan said tonight improved fire fighting equipment had resulted in the National Board of Fire Underwriters lowering the insurance rates for Chattanooga, effecting an annual savings of $175,000 for policyholders. The city was raised from fourth to third grade in the board's rating.

Commission Orders Flush Wells Closed

8-17-39

The Arkansas Oil and Gas Commission yesterday ordered all flush oil fields under its jurisdiction to shut down at 7 a. m. today until further notice. The order was issued after a conference with Governor Bailey at the capitol.

Chairman O. C. Bailey said the closing order would apply only to flush fields and that "stripper" wells would be exempt. He estimated the state's daily average production would be reduced from 65,000 to 29,000 barrels by the order.

The shutdown order affects Atlanta, Magnolia and Village fields in Columbia county, Shuler in Union and Buckner in Columbia and Lafayette counties. Fields excluded were South Miller county, El Dorado, Smackover, Champagnole, Nevada, Stephens and Urbana.

Arkansas's shutdown is in line with similar orders in other states which followed a general 20-cent per barrel cut by the Sinclair Prairie Purchasing Company. The price structure was dealt another blow when the Humble Oil and Refining Company reduced prices in Texas.

The Lion Oil Company and the Root Petroleum Company, Inc., major purchasers of Arkansas oil, announced reductions ranging from 13 to 20 cents a barrel early in the week.

Engineers to Check Bottom-Hole Pressures.

Chairman Bailey said during the shutdown period engineers of the commission will take bottom-hole pressure tests and check the reservoir conditions in each field. The data will be assembled and a public hearing will be held at the courthouse in El Dorado, August 26, when a tender system such as that in effect in Texas will be proposed, the chairman said.

Bailey Expects to Meet No Trouble Over Order.

Governor Bailey, who met with the board to hear a report by Chairman Bailey on a meeting of the Interstate Oil Compact Commission Tuesday in Oklahoma City, said:

"We don't anticipate any trouble in securing compliance with the order. Ninety-nine per cent of the fields affected approve. If any assistance is needed in enforcing the order, it will be provided."

Arkansas is not a member of the Oil Compact Commission, but Chairman Bailey sat in on the Oklahoma City meeting as an observer. The closing in Arkansas and other oil producing states is designed to prevent a threatened reduction of general crude petroleum prices.

Chairman Pictures Situation In Arkansas Oil Fields.

Concerning the shutdown Chairman Bailey said:

"At the present time the Arkansas Oil and Gas Commission is regulating the production of oil and gas from eight pools in the state under the requirements of Act 105 of 1939.

"Daily production is now 64,781 barrels, of which 35,836 barrels is represented by the eight regulated pools, or 55 per cent.

"Petroleum and natural gas engineers of the commission make tests of each of the regulated pools each month and report these findings to the commission, which in turn distributes the facts to the public, and enters rules and regulations based on the facts.

"On July 27, a public hearing was conducted, which disclosed that every pool in the state declined in bottom-hole pressure during the previous month. Since this was a period of highest normal oil consumption, the commission refrained from reducing allowables to retard this decline. The commission did make note in its allocation order that it reserved the right to increase or decrease the allowable upon evidence already in its files, prior to October 1.

"Under Section 11 of Act 105 the commission is given jurisdiction and authority and it is made the duty of the commission to collect data, make investigations and inspections, examine properties, check, test and gauge oil and gas wells to determine whether waste exists or is imminent, and to remedy conditions bringing about waste.

"Since the Magnolia pool, the largest discovered in the United States this year, containing a reserve of about 200,000,000 barrels of oil, dropped in bottom-hole pressure for the first time since active development began and some operators in the Jones pool of the Shuler field assert that undue drainage across property is taking place, it seems that the commission should fully investigate these matters.

"Further, it seems that now is the proper time to make full investigation of all the flush fields of Arkansas. The commission should study conditions of overground storage to determine if waste through evaporation due to overproduction is taking place. Bottom-hole pressure and gas-oil ratio tests should be made to check the physical conditions of all fields, including the likelihood of wells that cannot make their present allowables.

"All wells can be closed in now until engineers complete their survey, with the least expense to the operator and the state of Arkansas at any time since the discovery of the various pools."

Members of the commission attending the meeting were Chairman Bailey of El Dorado, J. D. Reynolds of Camden, Basil Hoag of Texarkana, L. A. Longino of Magnolia and Ed Keith of Magnolia.

Oil Industry's Stabilization Sought

9-18-39

(The following statement has been issued by the Independent Petroleum Association of America with headquarters in Tulsa, Okla.)

Recommendations for a long-range program which would bring stability to the oil industry have been sent to the Interstate Oil Compact Commission, the governors and conservation authorities of the oil producing states, by the Independent Petroleum Association of America, representing more than 90 per cent of the independent producers in the United States.

The program outlined was in the form of a resolution drafted by a special committee appointed by Charles F. Roeser, president of the association, in Oklahoma City on August 15 when the Interstate Oil Compact Commission met to consider what should be done to avoid present or threatened waste in producing oil consequent to the overproduction of this resource.

New Taxes Have Increased Cost of Production.

The committee took notice of the recent reductions of oil prices, asserting that this and other reductions in the past year have resulted in a price that averages far below the average net cost of producing oil in the United States as determined by a federal survey in 1934.

Since that report, the last comprehensive one that has been made, producing costs have been increased through the social security tax, increase in wage scales, higher cost of oil field equipment, wage and hour laws and generally increased taxes. Threatened by the excess of costs over income are the lives of many thousands of small wells which provide employment to a large number of men in all the 18 producing states.

The association committee approved as a temporary measure the shutting in of producing fields ordered by several states but urged that as this is an emergency action the principal oil producing states plan during the 15-day shutdown to keep the oil industry's condition of supply and demand in balance in the future.

Association's Recommendations For Permanent Stabilization.

It was first recommended that the Railroad Commission of Texas call a general meeting to which would be invited representatives of the other oil producing states and executives of the principal oil buying companies. These executives would be asked to supply at such meeting the information which would enable the regulatory officials to write appropriate orders on oil producing.

Other recommendations were as follows:

Following the 15-day shut down period, production of crude oil should be held sufficiently below current consumption to enable the reduction of stocks of crude oil and products to proper working level and thereafter production should be held to consumptive demand.

Regulatory officials to ascertain whether any inequalities between oil fields exist in the quotas allowed to be produced and if any are found, to make proper adjustments.

Survey of all fields to be made by the proper officials to see whether any physical waste is resulting from the present rate of production and if so to reduce production immediately to the proper level.

Strict enforcement of the production quotas when set by the regulatory bodies, without change after they have been announced for the month.

Fixing of definite, maximum quotas for each field, or "top allowables," so as to avoid the drilling of unnecessary wells.

Those recommendations were addressed to the state regulatory bodies and to the Interstate Oil Compact Commission.

Other general recommendations were:

Correction of the present bad, and in some cases, unfair practices in the marketing of petroleum products.

Enactment of a conservation statute by Illinois to end the present wasteful production of oil.

Shut down of imports of petroleum during the period of shut down of domestic fields, and reduction of imports in like production as domestic production is reduced.

Reduction in the volume of oil processed by refiners to bring about reduction in present excessive stocks of refined products.

POLICE SHUT IN LION OIL WELLS IN SHULER AREA

Force Compliance With Order.

8-18-39

Special to the Gazette.

El Dorado, Aug. 17.—Six Arkansas State Police, headed by Supt. Gray Albright, closed down 52 wells in Shuler field of the Lion Oil Refining Company here today, acting on orders of Gov. Carl E. Bailey.

The officers were ordered here to enforce the shutdown order of the Arkansas Oil and Gas Commission on the Lion wells in the Jones sand.

The Lion company refused to comply with Oil Commission order and filed suit in Second Division Chancery Court here today, seeking a restraining order against the commission's shutdown order.

All Wells Operated By Lion Company Padlocked.

By 7:30 tonight, State Police, assisted by Director A. M. Crowell of the commission and commission engineers, had padlocked every Lion well which had been operating today. J. E. Howell, vice president in charge of production at the Lion, was at Shuler to supervise the work. The wells will remain closed until further notice by the commission.

The officers were sent to Union county by Goverhor Bailey at the request of Sheriff Grady B. Wooley, who said that the area covered by the Lion wells was too large for him to patrol with his limited force. Deputy Sheriff B. A. Hancock accompanied Sheriff Wooley to the field.

Officers and commission employes left El Dorado for Shuler about 4:30 this afternoon. Although hampered by rain, their work was completed in about three hours.

Officers accompanying Superintendent Albright were: L. R. Biggs, G. D. Morris, John G. Hendricks, John F. Faulkner, F. R. Haynie, all of Little Rock, and O. C. Whitted of Pine Bluff.

Patrolmen Haynie and Nichols were stationed here by Mr. Albright to oversee the field until the case has been settled.

Federal Agents in Field As 'Observers,' They Say.

Three federal agents, representing the Federal Tender Board, an agency of the Department of the Interior which oversees the production of oil, were at Shuler during the shutdown today. The men, W. H. Strange, T. A. Howard and D. C. Bolin, all of Kilgore, Tex., said that they were here merely as observers.

Lion wells in the Magnolia field, which already had been shut down, were padlocked by officers tonight. Patrolman C. O. Cragaugh of Camden went to Columbia county this afternoon with an employe of the commission to investigate conditions there.

Officials of the Lion said tonight they had no statement to make regarding action by the State Police.

Plaintiff Charges Closing Order Would Affect Prices.

The Lion company charged in a suit filed in Second Division Chancery Court, that the general shutdown order of the Arkansas Oil and Gas Commission is "for the unlawful purpose of attempting to affect the price of oil produced in the state."

The company asked that a restraining order be issued enjoining the commission from prohibiting production from the company's 52 Jones sand wells in the Shuler field.

The complaint named the commission, Prosecuting Attorney Oren Harris and Attorney General Jack Holt as defendants. It will be argued before Chancellor W. A. Speer at 10 a. m. Monday.

Until the State Police and engineers of the Oil and Gas Commission began to shut down wells, the Lion continued to produce oil at the total allowable rate of 5,776 barrels a day from its Jones sand wells.

Chairman O. C. Bailey of the Oil and Gas Commission said that "we will use every means in our power to see that our orders are enforced."

Allegations in Complaint Filed in Chancery Court.

Allegations contained in the Lion complaint:

(A) The order was issued by the commission without any notice to the plaintiff or to any other interested person, except the members of the commission; that the adoption of such an order by the commission would be considered by it on August 16, 1939, or at any other time;

(B) The order was entered without giving the plaintiff or any other person affected an opportunity to be heard by the commission;

(C) The commission had no authority to enter the order;

(D) That no emergency existed which was sufficient to justify the commission to enter said order as an emergency order, and that, if such an emergency did exist, it was not found to exist by the commission prior to the adoption of said order.

(E) That there was not, at the time of the execution of said order, nor has there since been, any necessity for the commission to prohibit production of oil or gas from any field or pool for the purpose of investigating the physical condition of any such field or pool through tests or otherwise.

(F) That the order will not prevent waste, as defined in Act 105 of the General Assembly of 1939, but, enforcement will cause waste as defined in that act, particularly in relation to the Jones sand in the Shuler field.

(G) That the commission did not enter said order for the purpose of preventing waste, but under the guise of the prevention of waste, for the unlawful purpose of attempting to affect the price of oil produced in Arkansas;

(H) That said order is unreasonable and capricious to such an extent that its enforcement will deprive this plaintiff of its property without due process of law, in contravention of the state constitution and the Fourteenth Amendment to the constitution of the United States.

Crude Being Produced In Shuler Field Segregated.

The complaint sets out that oil now being run from the Jones sand wells of Shuler is being segregated from other oil not produced in defiance of the commission order.

The segregated oil is not being refined and will be held by the company "until such time as a court of competent jurisdiction in this cause shall find that the order is void and unenforcible, and that, as a consequence thereof, the oil so produced and segregated is not illegal oil."

The petition does not seek to enjoin the commission from enforcing the shutdown order in producing areas other than the Jones sand of Shuler field.

Sheriff Asked State Police, Says Governor

8-18-39

Governor Bailey said yesterday he had dispatched State Police to the oil fields at the request of Sheriff Grady Woolley of El Dorado. The officer told him the Lion Oil Refining Company was the only producer defying the shutdown order and that the area covered by its wells was too large for him to patrol with his limited force.

The governor denied the Lion's contention that the shutdown order was an attempt to affect crude prices.

He said it was a conservation measure that was intended to equalize and restore bottom hole pressure, particularly in the Jones sand where the Lion attempted to maintain operations.

The chief executive said Lion officials took the position that effect of the shutdown on the Jones sand would be to drive the oil to the fringes of the sand and thereby reduce possible recovery from the Lion's wells and increase production from wells of the company's competitors.

The goveronr said this was a theoretical objection the validity of which could not be established until the wells had been shut down for a period of from 10 to 15 days. At the conclusion of such a period, he said, experts could easily determine the effect the shutdown had on the oil pool.

Governor Bailey said the Oil and Gas Commission took the position that the shutdown would not have the effect anticipated by the Lion, but would improve conditions so that all producers would be able to recover more oil when the field was reopened.

Oil Compact A Conservation Measure

8-18-39

(The following information is furnished by Editorial Research Reports to which the Gazette is a subscriber.)

The Interstate Oil Compact now in effect among Colorado, Kansas, Michigan, New Mexico, Oklahoma and Texas is a conservation measure intended solely to prevent physical wastage of petroleum resources, and it does not embody any provisions for controlling the volume of production.

Article V of the act of Congress approving the compact reads: "It is not the purpose of this compact to authorize the states joining herein to limit the production of oil or gas for the purpose of stabilizing or fixing the price thereof, or create or perpetuate monopoly, or to promote regimentation, but is limited to the purpose of conserving oil and gas and preventing the avoidable waste thereof within reasonable limitations."

Back in 1931, Governor Murray of Oklahoma and Governor Sterling of Texas closed the oil wells of their states and enforced the order by declaring martial law in the oil fields. They were partially successful in raising prices, but their actions were subsequently declared unconstitutional.

In 1934, Governor Marland of Oklahoma invited representatives of neighboring states to discuss with him establishment of an interstate oil compact which would include production quotas for the various oil-producing states. Texas was unequivocally opposed to the quota system and consequently the compact finally drawn up on February 15, 1935, did not include production control. This compact, which remains in force though some of the states originally ratifying have withdrawn and others have joined, was approved by Congress in August, 1935, and the approval has been twice extended so that the congressional authorization now runs until September 1, 1941. A national production quota system worked out under NRA was invalidated in the Supreme Court's "hot oil" decision of January, 1935.

Oil Conservation Laws Of Much Greater Effect.

Of much greater effect than the interstate compact are the oil conservation laws now in force in all major oil-producing states except Illinois. The New Mexico statute, which is typical, defines "waste" to include "the production of crude petroleum in excess of the reasonable market demand" and sets up an Oil Conservation Commission with power to prevent such "waste" by establishing quotas for all wells in the state. Transportation of oil produced in violation of state law is a federal offense under an act of Congress which has recently been extended to June 30, 1942.

The fact that Illinois has no such law has assumed importance because Illinois production has increased from less than 5,000,000 barrels in the whole year 1934 to an average of 236,100 barrels a day in June of this year. Total United States production for the month averaged 3,487,000 barrels a day.

Large Reserve Necessary To Meet Industry's Needs.

Although the stock of over 273,000,000 barrels of crude petroleum in the United States on August 5, 1939, would seem ample to last for several months, mechanics of the industry make this undesirable if not impossible. Millions of barrels constitute working stocks in pipe lines, the bottoms of tank cars, etc., and a report of the Bureau of Mines last year declared: "Considering the characteristics of petroleum operations and the organization of the industry, probably it is necessary to have at least 100,000,000 barrels of contingent reserves above ground, in addition to the 105,000,000 barrels of true working stocks, to meet all of the industry's varied needs."

Since average daily consumption, January-June, 1939, was 3,544,000 barrels, the stock on hand above the minimum economic reserve level would last only about 20 days, if production were shut down entirely.

Oil Shutdown

Operators Asked to Meet Monday to Consider Extension

Austin, Tex. (AP) — Ernest O. Thompson, chairman of the Interstate Compact Commission, invited representatives of oil producing states to meet Monday to determine if the shutdown of wells should be extended.

Six states have stopped or reduced oil production in an effort to restore prices for crude to the levels prevailing before August 9 when several companies posted cuts.

Oil Shutdown Case Not Completed

Gazette 8-22-39

Special to the Gazette.

El Dorado, Aug. 21.—After hearing Jeff Davis, chief attorney for the Lion Oil Refining Company, argue his firm's reasons for challenging validity of the Arkansas Oil and Gas Commission's general shutdown order, Chancellor W. A. Speer recessed Second Division Circuit Court this afternoon until 9 a. m. tomorrow when the commission's lawyers will be heard.

Before the recess, Mr. Davis told the chancellor that the company would continue to keep its 52 Jones sand wells of Shuler field closed in at least until noon tomorrow. The company previously had agreed to keep the wells closed until 7 p. m. today.

John E. Howell, vice president in charge of production for the Lion company was the last witness for the plaintiff. In a surprise move, the commission announced it would call no witnesses.

Commission's Order Attacked on Various Grounds.

Mr. Davis prefaced his remarks with an attack on the commission's August 16 shutdown order, which he denounced as "void and unenforceable. He said the commission had no authority to enter such an order under Act 105 of the General Assembly of 1939."

He cited a United States Supreme Court decision of 1890 in the case of the Chicago, Milwaukee and St. Paul Railroad vs. the state of Minnesota. The case concerned an order by the Minnesota Railroad Commission. The order was found unconstitutional by the court since because it was entered without the railroad receiving opportunity to be heard.

Mr. Davis cited another United States Supreme Court decision, that of Morgan et al vs. the United States et al.

Mr. Davis charged that "the shutdown order does not purport to find an emergency. Nowhere in the order can you find the word emergency."

Referring to the board's session in the governor's office in Little Rock, August 16, as a "star chamber proceeding" Mr. Davis declared that the commissioners were misled and poorly advised, in issuing the general shutdown order following the session. He said the Lion company and other interested operators were not given advance notice. He added that the commission had attempted to make the order of August 16 a modification of an order of July 27, but quoted a statute to show that a seven-day notice of hearing is necessary in such procedure.

Mr. Davis asked: "Is it necessary to shut down all fields at one time when they (the commission) have only four engineers to make bottom hole pressure tests"? (The commission's announcement said that the order was entered for the purpose of making bottom hole pressure tests.)

He quoted Commission Chairman O. C. Bailey as testifying that no suggestion of a general shutdown had been made at any of the commission's previous hearings. He also quoted A. M. Crowell, commission director of conservation, and Mr. Howell as saying there was no waste in Arkansas fields, prior to the issuance of the shutdown order. Inferring that the order was not for the purpose of conservation, Mr. Davis declared that the commission has no authority to shut down wells to control prices.

Arkansas Oil Data Asked By Prober

Gazette 8-26-39

Shreveport, La., Aug. 25 (AP). — The "hot oil" investigation in which three well known men have been indicted at New Orleans, dipped into south Arkansas today while the east Baton Rouge parish Grand Jury prepared to launch an exhaustive investigation into the $13,500,000 building program at Louisiana State University.

United States Attorney Harvey G. Fields announced here today he had asked O. C. Bailey, chairman of the Arkansas Oil and Gas Commission, for co-operation from officials of that state to determine whether oil allowables had been exceeded in the Schuler and other Arkansas oil fields adjacent to the Louisiana line.

Fields asked Bailey to determine by reference to oil allowables data whether information he had received was correct to the effect that the Schuler field had been "greatly reduced in volume and production to that extent which is far below what its natural decline and decrease should have been, and that its decline to that extent was superinduced and made by the production and transportation by pipeline movement or otherwise, of an excess amount of oil, which would become an illegal production and transportation, commonly known and designated as 'hot oil' movements."

Bailey was asked "whether we are correctly informed that testimony in a recent case, wherein your board was a party to litigation, showed such a condition to exist, and transmit to this department all information bearing thereon."

This letter was made public after Fields conferred with postoffice inspectors on the preparation of alleged postal law violations in the Louisiana scandals probe.

The three men indicted at New Orleans on "hot oil" charges are ex-Gov. Richard W. Leche, Seymour Weiss, wealthy hotel man, and Freeman Burford, Texas oil millionaire.

U. S. Grand Jury Recalled.

United States Attorney Rene A. Viosca at New Orleans announced that the federal Grand Jury would meet in special session Tuesday at 9:30 a. m. to investigate new cases involving violations of federal statutes. It had been recessed until September 5.

As the federal income tax inquiry spread into southwest Louisiana, Rufus W. Fontenot, Louisiana collector of internal revenue, promised "startling developments in Lake Charles."

Fontenot said he found conditions in LaFayette and Lake Charles "about the same as elsewhere in the state" and revealed that there was a "very large income tax case" developed in Shreveport where he conferred with agents last week.

Chairman of Oil Commission Declines Comment.

Chairman O. C. Bailey of the state Oil and Gas Commission said last night he had not received any communication from United States Attorney Harvey G. Fields at Shreveport asking co-operation to determine whether oil allowables had been exceeded in south Arkansas oil fields. He said that he would have no comment until he heard from Fields.

North Louisiana Drilling Sets Fast Pace.

Gazette 8-27-39

Special to the Gazette.

Shreveport, La., Aug. 26. — North Louisiana drilling continued at an active pace this week, although few completions of importance were reported.

In the Cotton Valley field, Webster parish, Oliphant Oil Company completed the area's 20th oiler from the Lower Marine. It was the Hodges A-2, Section 3-20-10, which flowed 37 barrels hourly through quarter-inch choke at 8,567 feet. A new gas-distillate producer was added from this zone by Hunt Oil Company at Coffee 1, Section 19-21-9, flowing 18 barrels hourly through three-eighths inch choke.

Also claiming interest as it penetrated top of the Travis Peak was Joe Modisett et al.'s Union Sawmill No. 1, Section 13-18-12, Union county Smackover lime wildcat, which drilled ahead below 3,575 feet.

In LaSalle parish, Hunt Oil Company abandoned a shallow Wilcox sand wildcat at Louisiana Central No. 8, Section 19-11-4E, at 2,037 feet. In Franklin parish, Continental Oil Company spudded and set surface casing in a new wildcat at Sherrouse No. 1, Section 22-13-8.

Outpost Tests Taken Deeper.

Two closely watched outpost tests, failing to find production in regular producing zones, drilled ahead. A mile west of production in the Bistineau area, Bienville parish, Union Producing Company's Lincoln Land 1, Section 17-16-10, cored ahead past 5,510 feet. A mile northeast of production in the Bear Creek area, also in Bienville, Hunt Oil Company's Advance 7, Section 36-17-6, was past 7,413 feet.

In the Caspiana area, Caddo area, Prairie River Syndicate's Hutchinson 2, Section 3-15-12, drilled past 4,008 feet. In the Elm Grove field, Bossier parish, 2 1-2 miles northeastward, Gulf Refining Company's Hodges 20, Section 24-16-12, new Lower Marine test, was drilling ahead below surface casing.

Arkansas Fuel Oil Company's Louisiana Central No. 1, Section 31-12-32, Wilcox sand wildcat in Caldwell parish, drilled past 3,285 feet. On the north flank of the Monroe field, Morehouse parish, Union Producing Company's Tensas Delta A-1, Section 8-22-48, was below 4,685 feet.

Magnolia Petroleum Company's Roseberry 1, Section 29-23-9, in the Shongaloo area, Webster parish, recently completed as the discovery oiler from the Lower Marine zone in the field, on a late 21-hour gauge made 140 barrels through 15-16 inch choke. Total depth is 9,182 feet.

Southwest of Keithville, Caddo parish, L. I. Davis et al., were building derrick for a new test at Williams No. 1, Section 14-15-15. The location is three-fourths mile southeast of a small gas-distillate producer completed from the Glen Rose zone in 1937.

TEXAS EXTENDS OIL SHUTDOWN FOR TWO DAYS

Gazette 8-29-39

Action in Compact States Planned.

Austin, Tex., Aug. 28 (AP).—A two-day extension of the Texas oil field shutdown was decided upon tonight by the Texas Railroad Commission. Chairman Lon A. Smith said production would be resumed at 7 a. m., September 1.

Texas took the lead in declaring the original 15-day production holiday as a climax to a series of crude price slashes. The shut-in extended to five other states and closed nearly two-thirds of the nation's oil wells. The Texas shutdown originally was scheduled to end tomorfow night.

Smith's announcement was made after a meeting of the Interstate Oil Compact Commission, whose members attended the Railroad Commission hearing and heard testimony crude oil stocks had been reduced materially since the fields were shut in August 15.

Smith said a new proration order to govern production after fields are reopened would be drawn before Friday.

Observers earlier had expressed doubt other states would continue the shutdown longer than Texas, which normally yields about 40 per cent of the nation's petroleum. Members of the Interstate Compact Commission met in closed session after the hearing to decide what they would recommend to regulatory bodies of their respective states.

Much of Excess Stocks Removed by Shutdown.

Spokesmen for nearly all the major oil companies testified that the current 15-day shutdown had gone far toward eliminating excess stocks of crude oil.

Spokesmen for the Humble and Sinclair companies told the commission their crude oil stocks should not be reduced below current levels. Officials of the Magnolia and Texas companies said they would like for their crude stocks to dip further.

Space Rule To Be Decided At Hearing

9-17-39

Special to the Gazette.

Magnolia, Sept. 16.—Magnolia oil interests are looking toward the meeting of the Oil and Gas Commission which will be held here Tuesday, September 26. Two items of special interest which will be settled are the setting of spacing rules and the naming of the new field.

Some oil companies are asking for 80-acre spacing, while land and royalty owners are asking for 40-acre spacing for each well, as is the rule in other fields in the county. The 80-acre plan would result in less work for the operators in this, the state's deepest field, where oil was found below 8,000 feet. Those who want the 40-acre spacing point to the advantage of more wells, which would mean more work for employes.

Each of several communities would like the new field named for it. Taylor, Experiment, Macedonia, Bussey, Sharman and Columbia are names which will be submitted to the commission.

The road problem is still a vital one, for a road to the swampy, isolated bottom is a necessity before the winter rains set in.

63d Well Completed.

The completion in the Magnolia field this week on the western border of the Jones extension was the field's 63d producer. This well was Vaughan's Jones B-1, northwest northeast of Section 21-17-20, a west offset to Vaughn's Jones No. 1, the extension opener. It has shown a good flow of oil and is an average gas pressure. One official said the structure is a little lower than that of the opener, but this is not discouraging.

The well on the first location west of this new producer, Marine's Jones No. 1, northeast northwest of Section 21-17-20, is coring below 7,400 and is expected to set casing soon.

A location was announced Thursday by Vaughan in the southwest northeast of Section 21-17-20, a south offset to the Vaughan's Jones B-1, latest completion. Several others tentatively have been announced in that extension area on the edge toward Magnolia. These are waiting on completion of the Marine's most western test in the field.

Simmons No. 1 Due In.

Another well due in soon is Southwood's Simmons No. 1, northeast southwest of Section 22-17-20, which is coring below 7,540 in pay, having topped the Buckner formation at about 7,450. Normandie Oil Corporation's Jap Dees No. 1, northeast southeast of Section 24-17-20, which has been fishing some time, has overcome that trouble by clearing the hole of lost pipe and has set production casing at 7,465. Total depth is 7,480. The well may be brought in tomorrow.

Standard's Foster Unit No. 1, southwest northwest of Section 19-17-19, which has had fishing and stuck pipe trouble more than a month, has despaired of dislodging all the obstruction and will make a new hole from top of the stoppage. This well is in the extreme southeast edge of the area.

Standard's W. F. Merritt No. 1, southwest southeast of Section 16-17-20, is drilling at 7,000 feet. It is in the northwest part of the field. Shell's Merritt No. 1, northeast southwest of Section 15-17-20, is drilling below 4,800; Normandie's Dees No. 2, southeast southeast of Section 24-17-20, has spudded in; Standard's T. J. Gunnells No. 1, southeast northwest of Section 19-17-19, has rigged up. This is a new location on the east edge of the field. Standard is starting derrick on another east location, the E. H. Lewis No. 1,

Oil Shutdown Reaches End

Wells in Six Midwestern States Reopening by Gazette Today. 8-30-39

Tulsa, Okla. (AP)—Production of crude oil—and its price—surged upward today as the shutdown of wells in six Mid-Western states approached an end.

An unprecedented experiment, stoppage of 68 per cent of the nation's production was ordered by Texas, Oklahoma, Kansas, Louisiana, New Mexico and Arkansas, when many major purchasers of crude dropped the price an average of 20 cents a barrel.

Texas, which produces nearly 40 per cent of the nation's oil, permitted its 88,000 wells to reopen today, two days ahead of expectation. Humble Oil and Refining Company, largest producer and purchaser in Texas, rescinded its price reduction. Most other majors which had not already taken similar action, followed Humble.

Sinclair-Prairie Oil Marketing Company, which started the price slashing August 10, with a 20-cent cut, let its lower postings stand.

Arkansas already was gradually lifting its shutin. Louisiana's expired last night. Oklahoma officials set 7 a. m. Friday for resumption of production.

The Kansas Corporation Commission gathered today to decide when restrictions will be lifted, and indications were New Mexico will reopen Saturday.

"The general shutdown was a drastic remedy," said Ernest O. Thompson, member of the Texas Railroad Commission and chairman of the Interstate Oil Compact Commission, "but it brought the patient through in beautiful shape."

Texas, which led in the shutdown, had planned to end it Friday, but Chairman Lon A. Smith said the railroad commission was beseiged by requests for a return to production.

"All this clamoring for crude showed the shutdown had accomplished its purpose of making oil scarce," he added.

Crude oil stocks had shrunk sharply. Small refineries felt the pinch of low crude reserves but refining continued briskly with gasoline prices at the plants moving up rapidly. The higher gasoline prices were not generally passed on to the consumer.

Oil circles awaited possible proration revisions. Lower allowable production figures were favored by many oil men, who pointed out overproduction now might weaken the price structure again.

Retention Of Mineral Rights Begun

9-10-39 Gazette

For the first time in history, the state of Arkansas, Friday will begin retaining title to all oil, gas and mineral rights on property sold or donated by its state Land Office.

Recalling in recent years the state has sold many acres of land in oil field areas for $1 an acre, giving title to oil and mineral rights, along with land-surface titles, Land Commissioner Otis Page said the new policy may some day be worth millions of dollars to the state.

Two weeks ago the state Land Use Committee tentatively placed a value of $1 an acre on all state-owned land, the action to become final September 15. Under provisions of the 1939 land policy act, this appraisal was necessary before the state could begin retention of the oil and gas and mineral rights on such lands.

Commissioner Page said the new law does not affect redemptions of property which has forfeited to the state for failure to pay taxes. Owners may reclaim their lands with oil and mineral titles, the same as before enactment of the law.

The Land Office will resume acceptance of applications for homestead tracts Friday. Each application must be considered by the Land Use Committee in an effort "to suit the applicant to the land and the land to the applicant."

Appraisal to Be Sought.

C. E. Palmer, Texarkana publisher and chairman of the Land Use Committee, and Brooks Hays, regional attorney for the Farm Security Administration, will confer with Governor Bailey this week in an effort to obtain an allocation of funds to pay expenses of an appraiser to appraise tracts of land as applications for their purchase are filed with the Land Office.

When such appraisal is made, the $1 an acre tentative appraisal will be disregarded and more nearly the true value of the land will be charged, Mr. Page said. Lack of funds has prevented such appraisals.

Land Available Now.

The commissioner explained the Land Use Committee recently classified thousands of acres of state-owned rich prairie and delta land in Eastern Arkansas for agricultural use, making it available for homestead in family-sized tracts.

Generally speaking, the western boundary of the land so classified follows Bayou Bartholomew from the Louisiana-Arkansas line to near Pine Bluff, thence from Pine Bluff to Little Rock along the Arkansas river, from Little Rock east along Highway 70 to White river, then north on White river to its junction with Black river, then north along Black river to the Missouri-Arkansas line. The Crowley Ridge area was not included in the classification.

Increase In State Oil Allowables

Gazette 10-19-39

Special to the Gazette.

El Dorado, Oct. 18.—The Arkansas Oil and Gas Commission decreed an increase in November and December daily allowables for three of the state's seven controlled oil fields today. This action was taken in an executive session of the commission following an open hearing.

The largest increase was granted the Magnolia field, with the allowable being increased from 15,011 to 17,500 barrels a day. The increase amounts to 5,000 barrels for a field allowable of 20,000 barrels, as the figure automatically will be increased as new wells are completed.

The state daily allowable for November, including controlled and settled fields, will be 68,952, an increase of 3,152 barrels over October. The production in the controlled fields will be 39,150 barerls and in old fields, 29,800 barrels.

There was slight increases in the Buckner and Village allowables, mostly to take care of new wells.

Old and New Allowables.

The October and November allowables follow:

Field.	October.	November.
Atlanta	450	450
Buckner	2,150	2,500
Magnolia	15,011	17,500
Shuler (sand)	15,000	15,000
Shuler (lime)	2,402	2,402
Village	994	1,300

Lion's Request Held Up.

No action was taken by the commission on requests for increases in Jones sand and Reynolds lime allowable, and for changing the formula for alotting production in the Jones sand area.

The request for increases in the allowables for both the Reynolds lime area and the Jones sand sector was presented by the Lion Oil Refining Company which asked that the Reynolds lime be increased 800 barrels daily or at the rate of 200 barrels a well per day instead of 150 per day, and that the Jones sand allowable be increased 2,500 barrels per day.

Jeff Davis, Lion lawyer, urged the Reynolds lime increase, saying the production could be boosted without waste in the field. He declared the company needs more crude in its refinery operations. C. H. Murphy expressed the belief that there is too great a difference in the allowable in the Magnolia field and the Reynolds lime area, saying that the Shuler figure should be increased or the Magnolia allowable decreased. The Phillips company did not join in asking an increase.

John Howell, Lion vice president in charge of production, testified that an increase of 2,500 barrels daily in the Jones sand area would result in a more efficient rate of production from the field. He said the Jones sand area is a gas drive rather than a water drive field and that gas-oil ratios should be considered instead of bottom hole pressures.

The Lion is taking steps to correct gas-oil ratios conditions in the area, he said, and suggested that other operators should take similar action.

Experiments Urged.

J. R. McKeithan, representing the Phillips Petroleum Company, suggested that operators try experiments with their wells, both as to continuous and intermittent flow, but added that his company was not prepared to ask an increase in the allowable.

O. G. Murphy of the Marine Oil Company asked that allowable remain the same.

William A. Boner of the Columbia Pineline Company and the Normandie Oil Company requested an increase in the allowable in the Magnolia field, asking that the per well figure be increased to around 250 barrels daily to bring a top allowable for the field of 20,000 barrels daily.

Mr. Boner expressed the belief that the increase was justified, and said he could present evidence to show that it would not harm the field. In a reply to a question by Chairman Bailey, Mr. Boner said that his company would be willing to change back to the lower figure in event of an abnormal drop in the pressure.

The Grady Vaughn interests, the Arkansas Fuel Oil Company, royalty owners represented by Mr. Matthews, and the Lion Oil Refining Company joined in asking the increase in the Magnolia field allowable while C. H. Murphy urged the commission to exercise its best judgment for the best interest of the field, the operators and the state.

No Other Recommendations.

No recommendations for changes in allowables in other fields were presented to the commission with the exception of a request from the McAlester Fuel Oil Company for special consideration of its new producer in the Village field. Richard Lawton said that the well is making less gas than other wells in the field and expressed the view that it should be allowed increased production of oil.

The request of the Normandie Oil Company for a special permit to drill a well on a 20-acre tract in Columbia county was passed.

Smackover Operators Warned Against River Pollution.

Special to the Gazette. 11-24-39

El Dorado, Nov. 23.—The Arkansas Oil and Gas Commission today directed all oil operators in the Smackover field (Union and Ouachita counties) to check their leases to prevent pollution of the Ouachita river. Commission engineers reported that oil found its way into the river during and after recent rains. The commission said that the pollution resulted from the accumulation of waste oil in burning pits and other receptacles.

The commission expressed appreciation of past co-operation given by operators.

Special Permit Granted For Columbia Oil Test.

12-9-39

Special to the Gazette

El Dorado, Dec. 8.—A special permit for an exception to the spacing rules in the Magnolia field was granted to the Southwood Oil Company by the Arkansas Oil and Gas Commission, following a hearing here today. No objections were raised.

The well is located in the center of a 40-acre tract comprised of the north half of the southwest quarter of the southwest quarter of Section 23-17-20, Columbia county.

The well will be known as the A. L. Poindexter-Mrs. J. P. Couch Unit No. 1.

Hearing On New Field December 18

12-10-39

Special to the Gazette.

El Dorado, Dec. 9.—The Arkansas Oil and Gas Commission announced today a state-wide hearing will be held at the Columbia courthouse in Magnolia December 18.

Of most interest will be the setting of allowables for the sixth potential oil field in Columbia county, the area surrounding the Standard Oil Company's Petty Stave No. 1 in Section 4-17-21. The sector is known as "Big Creek." Allowables for all other Arkansas flowing and fixed fields also will be set.

Application of the Phillips Petroleum Company to change the oil and gas rule governing the building of fire walls around storage tanks will be heard.

Another important item in the hearing will be whether the method of allocation of production for the Village field should be changed from "acreage times pressure" to "volumetric displacement," due to the wide variance in operating oil-gas ratios.

Several applications for special permits also are expected to be considered.

Morgan No. 7 Being Swabbed.

The nearest thing to a completion in Union county this week is the Morgan No. 7 of the Lion Oil Refining Company in Section 18-18-17, Shuler field, west of here. Lion operators perforated the test early this week and are completing the well through swabbing.

Officials said that a good gas pressure had been encountered but that the oil show has been slight. Successful completion is expected soon, however, operators said. The usual amount of salt water, prevalent in wells of the Morgan sand, has been encountered, they said.

The Lion is drilling ahead at 1,900 feet on its Land No. 1 test in Section 13-18-18, Shuler. The well is expected to be completed in the Jones sand around 7,600 feet.

In Section 19-18-17, Shuler field, the Phillips Petroleum Company is drilling ahead near 2,000 feet. Surface casing has been set on the Jones sand test. This is the first test Phillips has started in Shuler in two or three months.

The Barnsdall Oil Company's wildcat test, the Cameron No. 1, located south of here in Section 36-19-17, is drilling below 6,000 feet. Barnsdall officials here said the well is believed to be in or near the Travis peak formations. It will be drilled to 9,000 feet. No cores have been taken recently. Showings of oil and gas were obtained at more shallow levels.

Axums No. 1 Abandoned.

One Union county test was shut down and abandoned as a dry hole this week after it had been drilled to 2,990 feet. The test is the Edgar C. Johnston Axums No. 1 in Section 31-17-13.

Anthony's Jerry No. 1 test, in Section 31-17-14, located in the same 40-acre tract where three other Jerry tests were drilled by Sam Sebersky, was reported testing toward final completion. The well is bottomed at 2,900 feet.

The Delta Drilling Company's J. E. Bull test in Section 6-18-13, Union county, has been perforated at 2,583-86 feet with 12 shots and encountered 16 gravity oil and salt water. The well will be placed on standard rig for pumping.

Sherry O'Brian's Cook Estate No. 2 in Section 16-19-21, Ouachita county, is coring ahead below 2,219 feet after encountering a showing of oil at 2,208 feet. Drill stem test taken at 1,619-21 feet showed heavy oil mud but no pressure, and operators drilled ahead.

The Ouachita-Union Oil Company's Ramsey Estate No. 1 in Section 26-17-14, Union county, was reported shut down at 2,217 feet in sandy shale, awaiting fuel. The test had been reported checking high and will be drilled to about 4,200 feet.

In Nevada county the Mary Jackson No. 1 of Benedum & Trees is waiting on cement after setting seven--inch casing to 2,213 feet. The well topped sand at 2,122 feet.

In Miller county the Heflin No. 1 of W. C. Feazel in Section 17-20-21, is reported drilling in shale and lime at 6,000 feet.

Three Drill Permits Issued.

Three permits to drill and one to plug and abandon were issued by the Oil and Gas Commission this week. The drilling permits went to:

Standard Oil Company of Louisiana, to drill the L. A. Longino B Unit No. 1, located in the center of the northwest quarter of the southeast quarter of Section 19-17-19, Village field, Columbia county.

Standard Oil of Louisiana, to drill the D. R. Booth No. 2, in the center of the southwest quarter of the southeast quarter of Section 24-17-20, Village field, Columbia county.

Independent Oil and Gas Company, Fort Smith, to drill the Winningham No. 1, in the northeast quarter of the southwest quarter of Section 5-9-22, Johnson county.

Permit to plug and abandon was issued to the Standard for the R. S. Warnock No. 1, in the center of the northwest quarter, Section 36-19-20, Columbia county.

Magnolia Oil Field Holds Gas Pressure

12-17-39

Special to the Gazette.

El Dorado, Dec. 16.—Completing a report of factual data on south Arkansas oil fields for presentation at the state-wide hearing at Magnolia Monday, Chief Engineer C. G. Thigpen of the Arkansas Oil and Gas Commission said today that two Columbia county fields and one Union county oil pool had lost no reservoir energy while producing oil during 1938.

This is uncommon as a normal dissipation of gas pressure is expected through production of oil even under the best methods of proration and conservation, the engineer said.

Mr. Thigpen said in the report, however, that other prorated fields showed definite improvement in recovery efficiency, compared to 1939 production.

Fields showing no loss of reservoir energy, and, on the contrary, showing increases in pressure, are the Magnolia and Village fields in Columbia county and the Reynolds lime pool, Shuler field, Union county.

Big Increase in Magnolia.

The Magnolia field showed an increase in pressure of 50 pounds as compared with a drop of 145 pounds in 1938. Village showed an increase of 13 pounds as compared with a loss of 40 pounds in 1939, while the Reynolds lime pool increased 41 pounds as compared with a loss of 110 pounds in 1938.

While showing pressure drops during 1939, the Buckner (Columbia county) and Jones sand pools (Shuler field, Union county) showed definite improvement in recovery efficiency in 1939, compared with 1938. The Buckner field had an average ratio in 1938 of 327 cubic feet to the barrel, a pressure loss of 235 pounds and a recovery of 1,243 barrels for each pound lost as compared to the 202 cubic feet gas-oil ratio in 1939 and a recovery of oil per pound drop of 5,710 barrels.

The Shuler-Jones sand pool had an average ratio during 1938 of 811 cubic feet per barrel, a pressure loss of 659 pounds and recovered 7,492 barrels of oil per pound pressure drop. In 1939 the average ratio was 1,133 cubic feet to the barrel, a pressure loss of 486 pounds and the recovery of oil per pound drop was 10,711 barrels.

Oil Reserve Estimates.

A 1939 estimate of oil reserve in Arkansas fields topped the estimate for 1938 by more than 100,000,000 barrels. The 1938 reserve estimate, including flush and settled fields, totaled 187,512,500 barrels, as compared with the 1939 reserve estimate of 295,434,165 barrels.

Reserve estimate for 1938 on flush fields totaled 225,628,165, while the settled field estimate was 69,806,000, Mr. Thigpen's report showed.

Figures show that the Magnolia field, with a reserve estimate of 176,780,355 barrels, is the leading potential producing field in Arkansas. The old Smackover field, with an estimated reserve of 50,325,000 barrels, tops the settled fields.

In the Jones sand pool of Union county, the weighed average December 4 pressure of 2,339 gives a daily drop from October 10 of 1.1 pounds per day. It is believed that the experimental work being done in determining the most efficient rate of flow on each well will retard the bottom hole pressure decline further and hence raise the recovery of oil per pound drop.

Board Grants Increase In Oil Production

12-19-39

Special to the Gazette. 12-19-39

Magnolia, Dec. 18.—The Arkansas Oil and Gas Commission authorized production of 71,200 barrels of oil for both controlled and uncontrolled fields during January and February, at a meeting here today. A gradual increase until a peak 6,758 gain over the current daily allowable is reached was granted for the two-month period.

The Reynolds lime wells of Shuler field, Union county, were allowed an increase from a base of 150 barrels a day to 175 barrels, when the commission granted a request from the Lion Oil Refining Company of El Dorado. This request for a 25-barrel per well daily increase was the only recommendation received by the board for changes in the present allowable schedule.

For the Village field, an increase to a 200-barrel per well top daily allowable was authorized.

The newly discovered Dorcheat field was listed for the first time as a prorated field, and assigned a 600-barrel daily quota for two wells.

Controlled fields were allowed 43,200 barrels per day during January and February, while uncontrolled fields were limited to 28,000 barrels.

Other Assignments.

Atlanta field, 600 barrels.
Buckner, 2,700.
Magnolia, 20,000.
Village, 1,500.
Shuler-Jones sand, 15,000.
Shuler lime, 2,800.
Old fields, 25,000.

The Stamps-Lewisville field has not been prorated.

Fire Walls to Stand.

The commission declined a request of the Phillips Petroleum Company to eliminate fire walls around tanks.

Normandie Oil Company received permission to drill a well on a 40-acre tract in the southwest of the southeast of Section 18-17-19, on the C. E. Crumpler lease, Columbia county.

A request of the Midcontinent Petroleum Company to drill the Foster field, The request was made in November and has been held in abeyance, pending outcome of a well on an adjoining tract which since has been completed as a producer.

Lion Appeals Shutdown Of Oil Fields

1-12-40

Authority of the state Oil and Gas Commission to shut down production in Arkansas's regulated oil fields during emergency periods was challenged in the Supreme Court yesterday by the Lion Oil Refining Company of El Dorado, of which Col. T. H. Barton is president.

The commission, of which O. C. Bailey of El Dorado is chairman, enforced a temporary shutdown in the south Arkansas oil fields last August. Union Chancery Court denied a petition of the Lion company at that time for a restraining order to prohibit the commission from enforcing its order. It was from this decree that the company appealed to the highest state tribunal yesterday.

In its suit the company charged the shutdown was "to affect the price of crude oil produced in the state," rather than "in the interest of conservation and prevention of waste" as was set out in the commission's order.

Replacement Value Of Utility Contested.

A Crittenden Chancery Court decree fixing the replacement value of the West Memphis Power and Water Company's property at $154,864, was appealed by West Memphis, which is attempting to buy the property, and by the company.

The city contends $112,285 would be a fair price for the property. The company claims its property is worth $219,200. The $154,864 valuation accepted by the lower court was fixed by Marcus Fietz, appointed as special master to determine a fair value for the property. Negotiations for the purchase were started in 1936.

Heirs Appeal Denial Of Land Claim.

Cooper Driver and two other heirs of the late Mrs. M. E. Driver appealed from a Mississippi Probate Court dismissal of their petition for judgment against 320 acres of Mississippi county land, included in the estate, to satisfy their claim for $805.64 which they had paid on a $12,669 Federal Land Bank of St. Louis note for which the property allegedly was mortgaged as security. Abner Driver, executor of his mother's estate, previously had denied the claim of the other heirs.

Oil and Gas Commission To Hear Spacing Requests Today.

Special to the Gazette. 1-19-40

El Dorado, Jan. 18.—The Arkansas Oil and Gas Commission will hold a special meeting at its offices here at 10 a. m. tomorrow to hear two applications for exceptions to the 40-acre spacing rule in the Magnolia field of Columbia county, O. C. Bailey, chairman, announced today.

Grady H. Vaughn, Magnolia operator, seeks to drill a test in the center of the north half of the northeast quarter of the southeast quarter of Section 21-17-20. He will request a 30-acre unit instead of the original 20 acres requested because of recent well completions.

The other application is that of the Oliphant Oil Corporation, which seeks to drill the Rowe Fee No. 1 on the 30-acre tract, 460 feet north and 660 feet east of the southwest corner of Section 16-17-20.

The Midcontinent Oil Company will ask permission to drill on a 20-acre tract in Section 24-17-20. Magnolia

Lion Would Enjoin Oil Commission

1-26-40

Special to the Gazette.

El Dorado, Jan. 25.—Charging that it is being deprived of property without due process of law, the Lion Oil Refining Company filed suit in Chancery Court here today, asking that the Arkansas Oil and Gas Commission be enjoined permanently from enforcing its allocation of production order of December 20, 1939, so far as it affects the Lion's five Jones sand producers on the Mayfield lease of section 18-18-17, Shuler field.

The company charges that the present method of making allowances does not enable the Lion to recover the oil it is entitled to produce from the Jones sand wells of the 102-acre Mayfield lease, in the heart of the prolific Shuler field.

The complaint contends that average thicknes of the Jones sand under its Mayfield lease is 70 feet, and that the thickness is greater than under any other similar-sized tract in the field. The complaint says that the tract "contains under it 4.7997 per cent of the recoverable oil in the Jones sand pool, and the plaintiff is entitled to produce therefrom daily 4.7997 per cent of the daily pool allowable, or 720 barrels per day, based upon present daily allowable for the Jones sand."

The complaint describes the Jones sand pool structure as "an elongated dome, approximately three and one-half miles long and one and one-half miles wide, extending from northwest to southeast." The Mayfield lease is almost in the center, on top of the thick sand section. The sands thin out from the center, it is said. Pressure of earth overburdening and gas are the only natural agencies for expulsion of oil from the sand, the complaint avers.

Long Controversy Waged.

The company has carried on a long fight to consider sand thickness in allocation of production orders. Lion and the Phillips Petroleum Company, have presented a proposed formula based on acreage, sand thickness and bottom hole pressure but it has been rejected by the commission. Last August Lion sought an injunction to restrain the conservation body from enforcing its production shutdown order. The Lion lost and an appeal to the Arkansas Supreme Court still is pending.

Lion Again Attacks Oil Allowables

1-27-40

Special to the Gazette.

El Dorado, Jan. 26.—A petition contesting validity of the Arkansas Oil and Gas Commission's allocation of production schedule of January 22 and asking that the order be dissolved was filed with the commission by the Lion Oil Refining Company today.

Commission Chairman O. C. Bailey said that a hearing will be held here Tuesday.

The order is scheduled to become effective February 1. The new schedule increases the production allowable for the state's seven controlled fields from 41,802 barrels per day for January to 42,980 barrels. Principal increases in the February schedule are for the following fields: Atlanta, increased from 600 to 900 barrels; Buckner, increased from 2,405 to 2,679 barrels, and Dorcheat, increased from 300 to 1,200 barrels.

Plaintiff's Allegations.

Lion made the following charges:

1. The order was issued without notice and without heading.
2. It was not adopted by members of the commission at an official meeting.
3. It does not contain the findings of fact established by law.
4. So far as the order applies to the Jones sand of Shuler field, it is unreasonable, confiscatory and arbitrary because the formula under which the field allowable for that pool is allocated does not consider the thickness of saturated sand under any drilling unit as a basis for allocation. As is required by act 105.

Concluding, the petition asks that "the order of January 22, 1940, which the secretary of your commission purported to enter on the records of your commission, be dissolved and declared null and void".

Chairman Bailey said that the new schedule was occasioned by new rules and the tender system adopted in October."

Suit Pending in Chancery.

The petition was filed only 24 hours after the Lion Company filed suit in Chancery Court to enjoin the commission from enforcing its January schedule of allowables so far as it affects five Lion wells on the Mayfield lease in Schuler field. No date has been set for a hearing on the suit by Chancellor Walker Smith.

Shutdown By Oil Board Attacked

2-17-40

The Lion Oil Refining Company of El Dorado charged in a Supreme Court brief yesterday that the Arkansas Oil and Gas Commission was guilty of "arbitrary and dictatorial action" when it ordered oil wells in flush fields closed for 10 days last August 16.

The brief was filed in connection with the company's appeal from a refusal of Chancellor W. A. Speer of Union county to grant an injunction restraining the commission from enforcing the shutdown while it was in effect.

The company charged the commission "entered said order under the guise of the prevention of waste for the unlawful purpose of attempting to affect the price of oil produced in Arkansas."

Pointing out that the regulatory commissions of Texas, Oklahoma, Arkansas, Kansas, New Mexico and Louisiana ordered shutdowns within a week after the price of crude oil was slashed in the Midcontinent area, the company's brief said:

"We submit that the commissions of those states substituted the shutdown strike for the sitdown strike, each of which is equally unlawful."

Board's Authority Questioned.

The appeal attacks constitutionality of a 1939 act's provision authorizing the board to enter an order, without notice or hearing, when it determines an emergency exists.

The brief said that under the Chancery Court judgment the company still was prohibited from using or disposing of 15,000 barrels of oil which it produced from its Jones sand wells in the Shuler field "in contravention of the shutdown order."

The company said that if the commission could declare an emergency and issue a 10-day order without a hearing, there would be nothing to prevent it at the end of the 10 days from taking similar action, "and so on." The brief described this as "dictatorship in installments."

The brief said the commission "has no authority under the act [105 of 1939] to shut in the wells in any pool, or even to limit their production, to ascertain whether waste is occurring."

The company contended: "The commission can only regulate or control the production of oil from a pool to prevent waste that exists or waste that, it has been ascertained, will occur if an order is not entered to prevent it.

"It was unreasonable for the commission to shut in at the same time every flowing well in the state, producing from six separate pools, merely to experiment to see whether waste was taking place in any of them."

Oil Allocation Case Will Be Taken to Federal Court.

Special to the Gazette. 2-28-40

El Dorado, Feb. 26.—The Lion Oil Refining Company's legal battle over the formula used in allocation of production on five Jones sand wells on the Mayfield lease in the Shuler oil field will be shifted from state courts to United States District Court here.

This was announced today following dismissal without prejudice of a Chancery Court suit brought by the Lion January 25 against the Arkansas Oil and Gas Commission. The suit asked that the commission be enjoined permanently from enforcing its allocation of production order of December 20, 1939, insofar as the five wells on the Mayfield lease are concerned.

Lion Takes Oil Commission's Order to U. S. Court.

Special to the Gazette. 2-28-40

El Dorado, Feb. 27.—The Lion Oil Refining Company filed suit in United States District Court here today, seeking to restrain the Arkansas Oil and Gas Commission, Attorney General Jack Holt and Prosecuting Attorney Oren Harris from interfering with production of oil from its five Jones sand wells on the Mayfield lease in Shuler field. The suit was withdrawn from Chancery Court yesterday.

Governor To Agree to Oil Compact

GAZETTE

4-7-40

Arkansas will join seven other states this week as a member of the Interstate Oil Compact Commission to synchronize the conservation of its oil fields, Governor Bailey indicated yesterday.

"I feel strongly inclined to sign the oil compact and probably will do so within a few days," he said.

Other state members of the commission, which has been a decisive factor in conserving oil resources and, at times, in controlling production, are: Oklahoma, Texas, Colorado, Kansas, Michigan, New Mexico and Illinois. Louisiana is not an affiliate but has co-operated with the group in many movements.

Purpose of Compact.

The interstate oil compact was created by resolution passed by the 74th Congress and authorizes the various oil producing states to form a compact to conserve oil and gas and prevent avoidable waste.

The compact was ratified by Texas, Oklahoma and New Mexico at Dallas, Tex., February 16, 1935. Since that time Kansas, Colorado and Illinois have joined.

Meetings are held quarterly and at such meetings the representatives of the states discuss their common problems and make recommendations for the prevention of physical waste in the production of the irreplacable natural resources.

"It is my belief that the state of Arkansas will be taking a forward step in joining the interstate oil compact," Chairman O. C. Bailey of the Arkansas Oil and Gas Commission said when informed of Governor Bailey's intention to sign the compact.

"By this means we can more effectively ward off the threat of federal control, which is now upon us," he asserted. "Arkansas has only recently adopted a comprehensive conservation law, which we have attempted to administer in such a manner as will prevent early dissipation of our oil reserves and without proposed connection with the compact our efforts will be of a real constructive nature."

90-Day Allowables.

The Oil Compact Commission, meeting at Oklahoma City Friday, adopted a proposal recommending to producing states that they set up 90-day allowables, based on United States Bureau of Mines market demand estimates, to "take proration out of politics" and make financing easier.

Thirty-day allowables, not based on bureau estimates, have been the rule in many states heretofore. Figures for May, June and July would be based on the May demand estimate.

The plan also was expected to make it easier for oil men to obtain 90-day loans at banks, instead of 30-day loans, because they would know what they could produce in that period.

The member states are opposed to the Cole bill in Congress, which representatives on the commission said "would deliver the oil business into the hands of bureaucrats in Washington."

Bailey Pleased With Motor Vehicle Pact.

Governor Bailey made the announcement after declaring he was "thoroughly pleased and delighted" with the state's new reciprocity agreements with Oklahoma for operation of motor vehicles across state lines. The pacts were signed Friday at Oklahome City by officials of the Arkansas Revenue Department and Oklahoma Tax Commission.

Frank Clancy, director of the Revenue Department's Motor Vehicle Division, returned from the Oklahoma City conference last night with the statement that the agreements represented efforts of the last 20 years.

"The department increased its efforts to remove these barriers three years ago," he said. "We believe the result is our greatest achievement.

"It means the tearing down of bars along the border from Ashdown to Siloam Springs. Trade between the states will increase. Wholesalers at Fort Smith and other border cities will be permitted to operate in both states with only one truck license. Arkansas farmers will find greater market for their products, which now may be sent into Oklahoma without restrictions."

Oklahoma was the last state to reach an agreement with Arkansas, Mr. Clancy said. Pacts with other states vary, according to the concessions offered. An agreement with Kansas, for example, provides that any truck bearing a Kansas license may enter Arkansas transporting goods four times a month.

Pleasure cars conforming to the laws of Arkansas now may be operated in Oklahoma 60 days without registration of licensing.

Shutdown Of Oil Wells Sustained

GAZETTE

4-23-40

Authority of the Arkansas Oil and Gas Commission to shut down production in the state's regulated oil fields without a hearing in event of emergencies was upheld by the Arkansas Supreme Court yesterday.

The ruling rejected in effect a contention by the Lion Oil Refining Company of El Dorado that a shutdown order issued by the commission last August was for price fixing and not conservation purposes, since no reference to the latter phase was made.

Ruling against the Lion company, the tribunal said the commission did not exceed its authority under terms of Act 105 of 1939. A section of the measure empowered the agency to order shutdowns without a public hearing in emergency cases.

"It is said that the order is void because there was no finding therein that waste was being committed or was imminent, and that an emergency existed," said the unanimous opinion written by Associate Justice McHaney.

"We cannot agree with these suggestions as the order shows on its face that it was made in the interest of conservation to prevent waste and that it [the commission] was acting in an emergency, even though the word 'emergency' was not used in the order.

"Whether an emergency existed was for the commission to determine and not the courts, if there is any substantial evidence to support it and unless fraud be shown."

Order Issued Following Reduction in Prices.

The commission's order was issued within a few hours after major oil companies in the Mid-Continent area reduced the price of crude 20 cents a barrel and after regulatory commissions of neighboring states had taken similar action. The price was increased soon thereafter.

The commission contended the order was designed to shut off production so tests could be made to determine the extent of oil and gas waste. State Police were sent to El Dorado to enforce the order after the Lion company ignored it. The company then filed suit for an injunction to nullify the order in Union Chancery Court, which was denied by Chancellor W. A. Speer, who was upheld by the high court.

In ruling that the 1939 act's provisions on emergency orders did not contravene the due process clauses of the state and federal constitutions, Justice McHaney wrote:

"Here, appellant [Lion] and all others were afforded an opportunity to be heard on this emergency order on a date therein set for August 26, but instead of waiting for the hearing it immediately went into court to enjoin enforcement * * *, and we hold that the requirements of due process have been satisfied."

The court did not refer to 14,700 barrels of crude oil produced by the Lion company during the shutdown period. The oil was impounded by the commission with an announcement by Conservation Director A. M. Crowell that if the Supreme Court upheld the commission's powers, this oil would be sold at public auction.

Gas Pipeline Appeal Advanced on Calendar.

The court advanced for probable decision July 1 an appeal of the state Utilities Commission from a Pulaski Circuit Court judgment voiding its December 22 order which authorized the Louisiana-Nevada Transit Company to distribute natural gas to Hope and Okay industrial consumers formerly supplied by the Arkansas Louisiana Gas Company.

Oral argument will be held before the court June 24.

Statewide Oil Hearing Called by Commission

DEMOCRAT 6-18-40

El Dorado—The Arkansas Oil and Gas Commission has announced that a state-wide oil and gas hearing will be held at the Union county courthouse in El Dorado at 10 o'clock Thursday, June 20.

The hearing will have as its purpose the hearing of evidence to determine if there is waste of oil or gas in the state, or if it is reasonably imminent, and for hearing evidence for the purpose of determining the optimum equitable daily rate of production of oil and gas from each of the controlled pools of the state.

Allowables probably will be set for the new fields in Lafayette and Miller counties in addition to the following pools: Atlanta, Buckner, Big Creek, Dorcheat, Lewisville, Magnolia, Shuler (Jones sand and Reynolds lime), and Village.

The commission also will hear the results of the survey made by the operators in the Dorcheat pool, of Columbia county, during the months of April and May, and consideration will be given a request from operators for tolerance of error in daily production orders.

Evidence also will be heard on the matter of stream pollution by waste oil and salt water. A report probably will be submitted by engineers for the commission following a survey of conditions in the Smackover field where it is understood much progress has been made through the co-operation of operators in alleviating the situation in that area.

Filed by the East Texas Refining Company and Erwin and Leach, three special requests for exemptions to field rules for the Glen Rose pool of the Lewisville field will be heard by the commission.

The special permits are being sought for the following wells:

Judy Bell Estate No. 1, 175 feet south and west of the northwest corner of the southeast quarter, northwest quarter of section 19-16-23; Robert Buchanan Estate No. 1, 175 feet north and west of the northeast corner of the northeast quarter, northwest quarter of section 19-16-23, and Eliza P. Davis No. 3, 175 feet north and east of the southwest corner of the northwest quarter, northeast quarter of section 19-16-23.

Oil Quotas for July And August Unchanged

DEMOCRAT 6-21-40

El Dorado (AP)—Controlled production in Arkansas' prorated oil fields will remain during July and August at basically the same figure fixed for June.

The Arkansas Oil and Gas Commission ordered June rates carried on through the summer, after a majority of producers told it yesterday they had markets for their oil. Only the Standard Oil Company warned that a reduced export market might force it to cut 2,000 barrels from its daily Arkansas takings during July.

On the basis of the commission's allowables, production from the settled and controlled fields will average about 73,000 barrels daily during the next two months.

The allowables for the various fields (daily) will be:

Atlanta, 3,000; Buckner, 2,460; Dorcheat, 1,200; Fouke, 100; Magnolia, 20,500; McKamie, 300; Shuler (Jones) 15,000; Shuler (lime), 2,800; Village, 1,350, and settled fields, 26,290.

Slight Change Made in Oil Allowable

6-21-40

Special to the Gazette.

El Dorado, June 20.—Basic oil allowable for Arkansas was set at 73,000 barrels daily for July and August at an executive session of the Arkansas Oil and Gas Commission today following an open hearing attended by oil company representatives and individuals.

Allowable for prorated fields was set at 46,710 barrels daily and for unprorated fields at 26,290. The last previous figures were set for June, when the total basic was 70,515. The slight difference is expected to take care of new completions.

Flush field figures are: Atlanta, 3,000; Buckner, 2,460; Dorcheat, 1,200; Fouke, 100; Magnolia, 20,500; McKamie, 300; Shuler-Jones, 15,000; Shuler lime, 2,800; Village, 1,350.

Permits Issued.

The commission issued permits for three wells as exception to the spacing rules, all to East Texas Refining Company and Erwin & Leach, as follows: Judy Bell B-2 well, 175 feet south and west of northeast corner NE NW 19-16-23, Lafayette county; Robert Buchanan Estate No. 1 well, 175 feet north and west of southeast corner NE NW 19-16-23, and Eliza P. Davis No. 3 well, 175 feet north and east of southwest corner NW NE 19-16-23.

Committee Sanctioned.

A tolerance of one day in allowables was granted to allow for pipe line operations, but must be made up within a month. The commission sanctioned formation of an operators' committee to make an operations study of the Shuler-Jones pool. The committee will make its first report to the commission in August.

Oil Survey Planned As Defense Aid

6-8-40

Special to the Gazette.

El Dorado, June 7.—Director A. M. Crowell of the Arkansas Oil and Gas Commission, was directed by commissioners today to proceed with a survey covering fuel minerals in south Arkansas to furnish information for Gov. Carl E. Baileys national defense work.

The survey will include all reserves of oil and gas, potential productions for each of the fields or pools, transportation facilities, refining facilities and all allied information. Three members of the commission staff here will conduct the survey and report July 15.

Report on Stream Pollution.

A report was made to the commission here today on progress made in elimination of pollution of the state's streams by crude oil. About 250 leases have been visited by commission engineers, who told the agency that operators had promised to check escape of crude into streams.

Two Special Permits Issued.

The commission issued two special permits. The Tidewater Associated Oil Company obtained permit to drill on a long 40-acre tract in the Atlanta field, Columbia county, 330 feet south, 1,420 feet west of the northeast corner of the southeast of section 16-18-19. The East Texas Refining Company and Erwin & Leach obtained a permit to drill off center on a 40-acre tract in the Lewisville field of Lafayette county. The test will be known as the Bodcaw Lumber Company No. 2, located 530 feet south, 660 feet east in the northwest corner of the northeast of section 19-16-23.

Fuel Mineral Survey Okayed

Democrat 6-9-40

State Commission Authorizes Study to Aid Defense Moves.

El Dorado—A survey of fuel minerals in south Arkansas to supply information to Gov. Carl E. Bailey's recently-appointed committee for national defense was authorized by the Arkansas Oil and Gas Commission at a special meeting held here.

The survey, to be under the direction of A. M. Crowell, director of conservation and production, will include reserves of oil and gas, potential production of each of the fields or pools in the state, transportation facilities for the movement of any needed emergency supplies of crude oil, refining facilities and allied information.

With two petroleum engineers and an accountant to be assigned to the project, a preliminary report to the commission is scheduled by July 15.

The commission also heard a report on the prevention of waste oil entering streams of the state. Two commission engineers reported that approximately 125 leases have been inspected and that oil operators have co-operated in efforts to prevent pollution. Several oil men appeared before the commission and asked that the work be continued, pointing out that pollution in the Smackover field probably has been alleviated to a greater extent than at any other time in the history of the field.

Two exemptions of spacing rules, one in the Atlanta field and one in the Lewisville field, were granted by the commission. The Tide Water Associated Oil Company was granted a permit to drill the E. M. Hutcheson No. 1 in section 16-18-19 in the Atlanta field and the East Texas Refining Company was given permission to drill the Bodcaw Lumber Company No. 2 in section 19-26-23, Lewisville field.

Survey to Be Made of Oil, Gas Resources

DEMOCRAT 6-23-40

A survey will be conducted of the oil and gas resources in Arkansas to determine their availability for national defense, it was announced yesterday by the Arkansas Oil and Gas Commission in El Dorado. The survey, which is to begin tomorrow, is expected to be completed by August 1, at which time a report will be submitted to Washington.

Decision In Oil Allowable Suit Reversed

Gazette 7-9-40

Fort Smith, Ark., July 8 (AP).—Reversing an oral decision given at El Dorado May 9, a three-judge Federal Court today denied to the Lion Oil Refining Company of El Dorado an injunction against an Arkansas Oil and Gas Commission order fixing the daily oil production allowable in the Jones sand pool of Shuler oil field.

In a decision filed in United States District Court here, the court granted to O. C. Bailey, chairman of the Oil and Gas Commission, a rehearing.

In its former ruling, the three-judge court upheld the Lion company in its contention that the daily production allowable formula used by the Oil and Gas Commission unduly deprived Lion of its property in the Jones sand pool of Shuler field. The May 9 majority opinion by District Judge Harry J. Lemley of Hope and Circuit Judge Joseph Woodrough of Omaha, Neb., suggested that the commission consider sand thickness in determining production allowables. Judge Heartsill Ragon of Fort Smith dissented, saying "I think the commission is handling the entire reservoir for the purpose of conserving energy that will bring equal distribution."

Lion charged that the commission formula was unconstitutional, that it allowed oil under the Lion's Mayfield lease in Shuler to migrate to thinner sands elsewhere. The commission's formula was acreage multiplied by bottom hole pressure.

Reversal "Arbitrary."

Joudge Ragon said tonight the three-judge court had "arbitrarily" changed its ruling without a formal rehearing on motion of the Oil and Gas Commission. He said the commission's motion was based on a recent United States Supreme Court ruling in a somewhat similar oil case.

"The recent Supreme Court decision makes it impossible for the three-judge court's original ruling to stand," he said.

Judge Ragon said that today's decree ended the case so far as the three-judge court was concerned and that the Lion's only recourse would be an appeal to the United States Supreme Court.

Proration Schedule To Remain

Gazette 7-28-40

El Dorado—There will be no proration schedule issued for the month of August, the July allowables remaining in effect for another 30 days, the Arkansas Oil and Gas Commission has announced.

Operators of pipe lines will receive a schedule for use in support of tenders, but other operators will continue to produce under the basic well allowables for July, except in fields where new wells have been added. Suppplements to the July allowables have been supplied operators in fields where new producers have been recorded during this month.

Hearing of two special requests for exceptions to spacing rules in the Magnolia field will be held Monday morning at the commission offices here at 10 o'clock, A. M. Crowell, director of conservation and production, has announced.

Newest of the requests is that of the Normandie Oil Company and W. L. Goldston for permit to drill the Crumpler Fee No. 1, center of the south 30 acres of the 40-acre tract described as the southeast quarter of the southeast quarter, Section 18-17-19.

Big Reserve Of Oil In Arkansas

Gazette 9-15-40

The state's oil reserves were estimated at 294,521,000 barrels and gas reserves at 97,670,000 cubic feet in a mid-year survey of the oil and gas industry by Alec M. Crowell, director of the Arkansas Oil and Gas Commission, released yesterday. The survey said daily production and consumption of gas from state fields totaled 11,450,000 cubic feet and the daily oil production aggregated 74,505 barrels.

Mr. Crowell said oil had been produced in 29 fields or pools, in which there now remain 2,954 wells located on 56,704 acres in six south Arkansas counties — Union, Columbia, Ouachita, Miller, Lafayette and Nevada. He said 9,662 wells had been drilled in search of oil and gas since 1888 and that of these 70 per cent had produced oil; seven per cent natural gas and 23 per cent were failures.

Dry natural gas, not associated with oil, is produced in 16 fields in seven northwest Arkansas counties—Crawford, Franklin, Johnson, Logan, Pope, Sebastian and Scott.

Pipelines Available.

Pipeline facilities are available or under construction in all pools. At present 380 miles of trunk lines and 262 miles of feeder lines are included in the system. These could handle 250,000 barrels daily in an emergency, Mr. Crowell said.

Six refineries in the state have a capacity of 35,850 barrels daily. In July, 30,000 barrels were run daily.

Eight natural gasoline plants are operating, utilizing waste gas from 747 wells and gas from nine wells. They produce 67,563 gallons of natural gasoline and 20,076 gallons of propane-butane daily.

State's Oil Allowable Reduced

9-21-40

Special to the Gazette.

El Dorado, Sept. 20.—The Arkansas Oil and Gas Commission at an executive session today following a state-wide hearing reduced the state oil allowance by 5,852 barrels daily, from the September figure of 74,595 to 68,743. The new figures by fields:

Atlanta was 2,699, now 2,399.
Buckner, 2,476, 2,228.
Dorcheat 1,290, 1,080.
Fouke, no change.
Magnolia 21,361, 19,225.
McKamie 600, 400.
Nick Springs 883, 400.
Shuler-Jones 15,080, 13,580.
Reynolds 2,800, 2,500.
Urbana 425, 400.
Village 1,366, 1,231.
Flush fields 43,743.
Old fields 25,000.

The commission granted permits in exception to spacing rules to Louark Producing Company for a well in the Magnolia field, Fohs Oil Company and Pilgrim Exploration Company for two Nick Springs wells and to Delta Drilling Company for one at Nick Springs.

The Nick Springs and Urbana fields heretofore had not been prorated.

Recycling Finds Favor.

At the open session, which representatives of a majority of Arkansas operators attended, a move for recycling Shuler field was supported by C. H. Murphy, El Dorado operator, who suggested that the producers discuss plans. R. K. Batten, Phillips Petroleum representative and J. E. Howell, Lion Oil, said their companies favor recycling if a feasible plan can be drafted.

The question of a reduction in allowables for the prorated fields brought discussion. Mr. Batten said Phillips now has in storage more than 80,000 barrels due to lack of market and asked a cut in allowables. To this Jeff Davis of Lion Oil objected on the grounds that a reduction in flow would damage seriously the Shuler field by upsetting the gas-oil ratio. Judge W. Bonner, representing the Columbia Pipe Line Company and several producers said he believed the Magnolia field is in "good shape." O. C. Nunweiler of Standard Oil recommended a survey of the Magnolia field by small areas and said a cut would not damage the field. He was questioned by Cecil Morgan.

R. C. Knox urged the granting of a tolerance petition. Mr. Morgan opposed it. The commission denied the petition on tracts of more than 40 acres. Joe K. Mahony and Root Petroleum Company had asked for further study of the producing area.

Joe K. Mahony and Root Petroleum Company asked that proration for Nick Springs be passed until a further study of the producing area could be made.

Renewal Of Oil Pact Uncertain

Gazette 12-10-40

Governor Bailey, referring to a recommendation by the Interstate Oil Compact Commission that the conservation pact be renewed in its present form, said he holds no legal authority to sign the agreement for the state.

The commission was formed to prevent waste of oil and natural gas. Some oil-producing states have signed the compact but Arkansas has not been a party to it.

Governor Bailey explained that he approved the purposes of the compact.

"I recognize that waste cannot be effectively prevented except through uniformity of policies among the producing states," he said. "This is a field to be occupied by the states as sovereigns and not by the federal government.

"The compact robs federal bureau heads of their only argument for federal control of oil and gas fields."

The executive said a legislative act will be required to confer authority upon the governor to sign the compact.

J. H. Alphin, representative of Gov.-elect Homer M. Adkins at a commission meeting in Tulsa, Okla., last week, said "appropriate steps will be taken when the legislature meets."

EXCESSIVE STOCKS MAY CAUSE SLASH IN OIL ALLOWABLES

12-15-40

Special to the Gazette.

El Dorado, Dec. 14.—With Arkansas crude oil stocks having increased 575,000 barrels since September 7 and with the December production schedule running 4,552 barrels over the United States Bureau of Mines estimate for the month, it was reported authoritatively here this weekend that daily allowables for practically all of Arkansas's prorated oil fields will be slashed.

Action on the matter probably will be taken at a statewide hearing of oil and gas operators here Monday with the Arkansas Oil and Gas commission. The commission is expected to hear recommendations of companies and independent operators holding in the state's prorated fields.

Data issued recently by the commission office here showed that at the week ending November 30, Arkansas had on hand 3,802,000 barrels of crude oil, compared with 3,228,000 barrels at the week ending September 7.

Arkansas's estimated oduction, according to the Bureau of Mines figures, was taken from 24,600 barrels indicated for the settled fields and 46,052 barrels from prorated fields, making a total of 70,562 for December. The Bureau of Mines allocation for the month is 66,100 barrels.

Conditions Good.

Conditions in the state's prorated fields are good generally, as reflected in a report on factual data issued this month.

In Columbia county the Atlanta field has shown an increase in bottom hole pressure of 32 pounds since September 6. Daily production in wells from that area has been reduced from 2,566 barrels to 2,490 barrels daily in the 17 wells since September. The pool now is producing approxir..ately 272 barrels of water daily.

Bottom hole pressure in the Buckner field of Columbia and Lafayette counties has increased about 13 pounds since September, with average daily production being reduced from 2,374 to 2,226 barrels from the 22 wel'.. About 271 barrels of salt water are coming from the field daily.

Columbia's Dorcheat field has not been teste.. for bottom hole pressure recently because of high water conditions during the past few months. Rate of production in the field has increased from 1,200 to about 1,400 barrels daily with the addition of two new wells, making a total of eight for the pool. Daily water production is about 148 barrels.

Overall bottom hole pressure for the Magnolia field has decreased about 43 pounds since September, despite the slash of production from 21,227 to 19,387 barrel daily. There are 114 producing wells in that area. Daily water production is in excess of 500 barrels.

The commission said the decline in bottom hole pressure in the face of reduction of withdrawals may indicate that the field has reached its critical rate of production. It is characteristic of Smackover lime in this area for fluctuations in reservoir pressure to be registered at the time the field has reached its optimum production.

No McKamie Fluctuation.

Lafayette county's McKamie field, which has two wells producing from the Smackover lime and one drilling, has not fluctuated in bottom hole pressure since July 13. The field was discovered in June. The two wells which the field contains are producing from about 9,200 feet on 40-acre units, 180 barrels of condensate daily.

Union county's Nick Springs field, which has 12 producing wells, has decreased 14 pounds in bottom hole pressure since October 8. One thousand barrels of oil are being produced daily from this area. with 182 barrels of water.

Reservoir pressure in the Jones pool of the Shuler field in Union county has decreased 127 pou.. s from September 4 to November 13. The average daily change in the bottom hole pressure remains practically the same as it has throughout the life of the pool. The Jones pool is making about 13,607 barrels of oil daily.

A decline in pressure of 21 pounds from September 4 to November 14 was registered in the Reynolds Lime pool of Shuler. During November daily production of this pool was 2,516 barrels of oil and 2,115 barrels of water. The principal source of water production in the pool was one well. which is being plugged and abandoned.

Inclement weather has prevented the testing of the Village pool in Columbia county. The commission reported, however, that pressure and ratios reported in September have shown little change.

Present Oil Allowable To Remain

12-17-40

Special to the Gazette.

El Dorado, Dec. 16.—Responding to unanimous and vigorous testimony of operators that no changes be made in the present Arkansas oil situation, the Arkansas Oil and Gas Commission decided today to maintain present allowables in the state's prorated oil fields for the next 90 days at least.

It had been reported over the week-end that a reduction would be made at today's meeting because at the rate of the present daily allowable December production will exceed by more than 4,000 barrels the monthly production estimate for Arkansas by the United States Bureau of Mines.

With no changes in any of the fields, the Arkansas production will be 70,652 barrels daily from both settled and prorated fields. Production in prorated fields will be 45,752 barrels daily and 24,900 barrels in settled fields.

The commission removed the Fouke (south Miller county) field from the prorated list, and increased the daily gas allowable from 2,000,000 to 3,000,000 cubic feet day in the Big Creek area of Columbia county.

Daily Allowables.

The daily field allowables follow:

Atlanta, 2,490.
Buckner, 2,340.
Dorcheat, 1,440.
Magnolia, 19,787.
McKamie, 400.
Nick Springs, 1,150.
Shuler (Jones sand), 13,607.
Shuler (Reynolds lime), 2,516.
Urbana, 800.
Village, 1,222.

Would Increase Production.

In the discussion on status of production in Arkansas prorated fields, operators declared unanimously for no decrease in allowable, going on record as calling for an increase if there were any changes to be made.

The Lion Oil Refining Company asked that a 30-day order be issued for the Jones sand pool of Shuler field.

R. S. Warnock of Magnolia assumed his duties on the commission, succeeding L. A. Longino of Magnolia, resigned.

Repressuring In Arkansas

(An Editorial)

El Dorado Daily News 1-26-41

One of the most important community developments in years took definite form during the past week when Shuler field operators and royalty owners reached agreements on the Jones sand pool repressuring program.

The News and Times are particularly proud that the program now seems assured, and all of El Dorado should rejoice over the fact that the life of the field is to be extended and that the ultimate recovery is to be increased.

It is well known that the News and Times launched the repressuring movement; that the newspapers conducted a strong editorial campaign in the interest of the program; and that the publications aroused interest among operators, royalty owners and citizens generally.

We are proud of our part in this forward step. We are rejoicing over our victory as a community triumph. We have advocated the program for the good of the oil industry, royalty owners, the community and the state, and our position remains the same.

We have contended the program means millions of additional barrels of oil and millions of dollars. It is now estimated the program will increase the ultimate recovery from 10,000,000 to 15,000,000 barrels, and that the life of the field will be extended.

Repressuring will eliminate to a large extent the underground waste of oil and the waste of gas now going into the air at Shuler. All of the gas now being vented and some from other fields will be used in the repressuring program and, even before the plant is in operation, there will be a savings of approximately 10,000,000 cubic feet of gas daily immediately upon closing of a number of wells in the field.

It is unfortunate that such a program could not have been launched some time ago as the recovery would have been greater. There is still much good to be accomplished, however, and it is interesting to note that recycling is being discussed for another area—the McKamie field.

The McKamie project is being launched at the proper time—during the early development of the field. It is our belief that repressuring and recycling should be adopted on a statewide basis, and that action to effect such programs should be automatic soon after fields requiring such action are discovered.

Arkansas is given credit for having what is considered almost an ideal conservation law. Authority for the oil and gas commission to require repressuring or recycling project is about the only thing lacking—and it is of vast importance both from the standpoint of production and conservation.

Arkansas has much at stake in the proper conservation of her oil reserves and we hope the Shuler program marks the start of a new era in Arkansas petroleum development.

Repressuring Of Shuler Approved

2-5-41

Special to the Gazette.

El Dorado, Feb. 4.—The Arkansas Oil and Gas Commission approved tonight a petition of 21 oil operators and royalty owners for repressuring of the Jones sand of Shuler field, effective February 15.

Action came as a surprise, as it had been announced at the close of the all-day open hearing that a decision probably would not be announced until later in the week.

The commission also adopted spacing rules for the McKamie field in Lafayette county, setting the figures at one well for each 160-acre tract. It instructed operators to make experiments to determine feasibility of recycling McKamie. Allowable for the three McKamie wells was set at 200 barrels each a day.

Educator Is Witness.

Principal witness on the Shuler petition was Dr. E. A. Stephenson, dean of petroleum engineering, University of Kansas, who submitted charts. He estimated additional recovery would be eight to 10 million barrels through repressuring.

The only objection was from Dr. J. S. Rushing of Alice Sidney Oil Company, who read a statement indicating that he would support the repressuring program but would oppose unitization.

Petroleum Engineer Heard.

At the afternoon session, devoted to the McKamie field, T. V. Moore, a petroleum engineer with Humble Oil Company, was key witness. He estimated ultimate recovery of the field at 6,000 to 8,000 barrels per acre and gas at a total of 400 billion feet. He said that he would not recommend recycling.

Gus Delaney of Tulsa is seeking permits for erection of plants for treating the sour gas to manufacture sulphur dry ice and other products.

Luncheon for Guests.

A luncheon was served for visiting oil men and members of the commission. Guests included R. K. Batten, Phillips Petroleum Company, Shreveport; Don Knollton, Phillips, Bartlesville, Okla.; Cecil Morgan, Lou-Ark, Shreveport; L. A. Sunkel and H. M. Staggs, Atlantic Refining Company; R. S. McWilliams, Lou-Ark; Judge W. A. Bonner and Frankel Brothers of Frankel Company; W. M. Buchanan, Texarkana, Bodcaw Lumber Company; E. G. Morehead, Tidewater Seaboard Oil Company, Shreveport; D. R. McKeithan, Bartlesville, and members of the commission, O. C. Bailey, chairman, Ed Keith, Basil Hoag, Ed Hollyfield, Robert Short, R. S. Warnock Jr. and J. D. Reynolds.

Partial Shutdown of Dorcheat For Spacing Study Possible.

6-8-41

Special to the Gazette.

El Dorado, June 7.—It was reported here by a source close to the Arkansas Oil and Gas Commission that if complaints about production in the Dorcheat field area of Columbia county continue to be circulated, the commission may curtail production until a study of conditions can be made.

This source said that operators and the commission fear that waste in Dorcheat may cause a repetition of conditions which developed in the Rodessa extension area of Miller county, where it was estimated only one-third of the acreage was developed because of close spacing of wells, waste of gas and loss of bottom hole pressure.

The source said that some operators predict that under normal conditions they expect the commission would close the field to production, as was done in the case of the Shuler field in August, 1939, so that petroleum engineers may study the reservoir.

Allowables May Be Reduced.

Operators believe, however, that the present allowables may be reduced, possibly at the next meeting of the commission here June 20, to about 50 barrels of distillate per well a day, until the study is completed, because of the present national emergency.

While most authorities agree that the state has one of the best conservation laws in existence, and it is well administered, Dorcheat may bring to light a statutory weakness that the next legislature may repair. The Arkansas law required 40-acre spacing if the well produces any oil. Unfortunately, the source said, at Dorcheat the wells produce a very small quantity of heavy oil with large volumes of gas and condensate. The companies buying the liquid product at Dorcheat class it with that from Big Creek and McKamie, paying the same price a barrel in all three fields. The wells at Big Creek and McKamie are spaced one well to each 160 acres.

Partial Development Seen.

The first wells drilled in Dorcheat, having wide drainage areas, will be profitable, but probably at the expense of only partial development of the pool.

The developed portion of the Dorcheat pool all lies in township 18 south, range 22 west. Shell drilled the only two wells on the Keith tract of the southeast quarter of Section 9. The bottom or south 160-acre strip of Section 10 has been drilled or is being drilled. No other wells for Section 10 have been announced. The north 120 acres of Section 16 and the north 160 acres of Section 15 are developed or are being developed. With wells now producing, drilling or announced, there will be only 15 wells located in Section 9, 10, 15 and 16. These wells should be profitable. Wells drilled in Section 9, 10, 15 and 16 are offset to the inside only, leaving a drainage radius on the outside bounded by the limits of production only.

With the small oil column the Dorcheat reservoir contains, 40-acre spacing it uneconomic even with increased oil prices if allowables are given that will not decrease bottom hole pressure, operators believe. If allowables remain too high and pressure continues to fall, there is little hope of development in the east halves of Section 11 and 14 or any development in Sections 12 or 13, they say.

It is expected that demands soon will be made to stop the decline in bottom hole pressure, and it has been suggested that gas from McKamie be piped to Dorcheat for pressure maintenance.

Slight Drop In State Oil Allowable

6-21-41

Special to the Gazette

El Dorado, June 20.—Arkansas's daily oi lallowable was sliced minutely today by the Arkansas Oil and Gas Commission, following an open hearing at the Union county courthouse during the celebration of "Twenty Years of Oil in Arkansas" here.

The hearing, attended by many operators and representatives of companies operating in Arkansas fields, was devoted mostly to a discussion of development of the McKamie gas field in Lafayette county and utilization of gas in that area.

The Arkansas daily allowable was sliced from 73,612 barrels to 73,382 barrels, as reductions were made only in the Buckner and Dorcheat fields.

One new well, the Crescent Drilling Company's Burns No. 1 in 13-18-17, east Shuler field, was added to the state's conservation program. This producer, which is making oil from the Morgan sand at about 5,400 feet, was allowed to produce 150 barrels a day.

Total production under the new conservation schedule, which will prevail during the next three months, will be 49,182 barrels daily for prorated fields and 24,200 barrels daily from settled fields.

New field allowables follow:
Atlanta, 2,968 barrels.
Buckner, 1,875.
Dorcheat, 1,430.
Magnolia, 20,157.
Nick Springs, 1,030.
Shuler (Jones sand), 13,500.
Shuler (Reynolds lime), 2,424.
Urbana, 1,500.
Village, 1,170.
Big Creek, 121.
McKamie, 2,800.
East Shuler, 150.

Stamps May Get Gas Plant.

No change was made in the McKamie oil allowable of 400 barrels a well. Witnesses opposed a drastic cut at this time at McKamie after testimony was presented by the Carter Oil Company, a Standard subsidiary, that by July 1 it plans to begin construction of a gas treating plant, probably at Stamps.

Sulphur Contract Pending.

Carter Oil Company's representative, Cecil Morgan, said his company expects to sign a contract soon with a firm to use the sulphur extracted and construction will start soon thereafter. Dorcheat operators asked for more time to study conditions in that area.

During the afternoon executive session the Oil and Gas Commisison decided to allow the nominations of acreage by the Barnsdall, Atlantic and Frankel concerns on the first wells in the McKamie area to stand and require the Frankel interests and Grady Vaughn to unitize tracts for drilling of a new test in that area.

Love & Owen received a special permit to drill a well in the Buckner field, the well to have a 50-acre allowable.

Spacing Fixed In Macedonia Oil Field

8-7-41

Special to the Gazette.

El Dorado, Aug. 6.—The Arkansas Oil and Gas Commission ruled in executive session here today that the spacing pattern for the Macedonia gas pool, east of the Dorcheat field in Columbia county, should be on an 80-acre basis.

Each well in the field shall be drilled within 180 feet of the center of each 10-acre unit. An exception was made for the discovery well which was drilled in the center of a 40-acre unit. That unit and the 40 acres located just north of it will compose a drilling block.

The discovery well is the McAlester Fuel Company's Frank's No. 1. The McAlester company, represented at the hearing by R. G. Lawton, advocated the 80-acre spacing pattern on the grounds that it would make for better dispersal and better drainage of the pool.

The Atlantic Refining Company, with extensive holdings in the area, favored a 160-acre drilling unit, as did the Arkansas Fuel Oil Company, the Sun Oil Company, the Magnolia Petroleum Company and the Lion Oil Refining Company.

The two-hour executive session followed four hours of hearing of testimony by both sides.

E. V. Foran, independent engineering consultant of Houston testified that if more than one well is drilled to each 160 acres, an unnecessary number of wells will be drilled.

DORMANT CRUDE OIL REVITALIZED BY NEW REPRESSURING PLANT

8-10-41

Special to the Gazette.

El Dorado, Aug. 9.—In the center of famed Shuler oil field, 14 miles southwest of El Dorado, in Union county, six enormous 600 horsepower high speed compressors thunder day and night.

They form the heart of the Shuler pressure maintenance project, an oil conservation program of outstanding importance to Arkansas, authorized by the Arkansas Oil and Gas Commission early this year.

The pressure maintenance program, it is estimated by experts, will add to Arkansas's petroleum wealth as much as 10,000,000 barrels of oil otherwise unrecoverable from the Jones sand of that field. The project will increase ultimate recovery from that sand by a minimum of that many barrels of oil.

A month and a half ahead of schedule, the pressure maintenance plant was completed June 30, and during its first 30 days of operation has met, as a conservation measure, every expectation of operators of the project.

At the time the Jones sand was discovered in the [illegible] reserves of recoverable oil were estimated by the Arkansas Oil and Gas Commission at 30,000,000 barrels. Up to June 1, 1941, a total of 19,700,000 barrels had been produced [illegible] leaving, without pressure maintenance, an estimated recoverable reserve of approximately 10,300,000 barrels. It follows from the commission's estimate that pressure maintenance therefore will approximately double the quantity of recoverable oil estimated remaining in that sand.

Gas Reinjected Maintains Pressure in Crude Sands.

The words—pressure maintenance—mean just that. In simple terms, pressure maintenance consists of reinjecting gas escaping from a producing sand along with the production of crude oil back into that sand to maintain the pressure in the reservoir beneath the surface of the earth which forces the crude to flow from wells drilled into the sand. As gas escapes from the sand along with oil which it is forcing to the surface, the pressure in the underground reservoir eventually would decline, leaving an unrecoverable quantity of oil in the sand because of lack of pressure to force it up, and, as in a deep field such as Shuler, because of the prohibitive cost of pumping it up. So, by capturing the escaping gas, compressing it and reinjecting it into the sand from which it came, oil men thereby are enabled to recover a greater quantity of oil from the sand than it would produce itself.

In brief, Shuler field pressure maintenance program, which is unique to Arkansas in that it is the first ever authorized in the state, operates like this:

From below the surface of the earth, the gas, produced in combination with crude, flows into "separators" where the heavier crude settles out. From centrally located separators, the gas is gathered into incoming pipelines which transport it into the pressure maintenance plant.

There the gas passes into a battery of six 600-horsepower high-speed compressor units. To reduce the high temperatures generated in the process of compression, the gas is passed through the coils of a fesh water cooling tower, constructed of California red wood, thence to the "scrubber," where liquids are "dropped out." A well drilled nearby supplies [illegible] gallons of fresh water every day.

From the scrubber the gas flows through a series of high-pressure meters into four strategically located input wells, from which it permeates the structure to the edges of the sand.

The gas, of low sulphur content, previously was "popped" into the air through escape flares except for a large quantity which was used for fueling purposes by Lion Oil Refining Company in its refinery at El Dorado.

Only 46 of 140 Wells In Field Allowed to Produce.

The daily allowable of 12,927 barrels of oil allocated the Jones sand unitized area by the Arkansas Oil and Gas Commission is produced from 46 of the 140 wells operating in the unitized area, the remainder being shut in.

The 46 wells were chosen because of their low gas ratio to oil, thus enabling production of the allowable amount with the smallest possible loss of gas. The actual wells from which the allowable is produced and from which the gas is taken for reinjecting into the sand are varied from time to time to maintain the most efficient gas-oil ratio, which in the Jones sand unitized area averages 1,750 cubic feet of gas per barrel of oil. By producing from low ratio wells the rate of decrease in reservoir pressure at the bottoms of the wells has decreased from 1.7 pounds per square inch daily to approximately one-half pound.

The program of unitization authorized the first of the year had immediate conservation effects as the daily production of gas was reduced from 36,000,000 cubic feet, the greater quantity of which was wasted into the air, to approximately 19,000,000 cubic feet, a saving of some 17,000,000 cubic feet per day. This maintenance of a minimum gas-oil ratio also minimizes further waste of gas with regard to the pressure maintenance plant, since 18,500,000 of the 19,000,000 cubic feet, or approximately 93 per cent of production, is utilized for reinjecting into the sand.

Natural Gasoline Extraction Plant Also to Be Operated.

A further measure of conservation was the recent announcement of a natural gasoline extraction plant to be constructed and operated by the unitized operators in conjunction with the pressure maintenance plant for the manufacturing of natural gasoline and its by-products from the gas produced in wells in the unitized area. This affects reinjection of the gas in no way but provides further revenue for owners, operators and royalty holders associated in the project.

The pressure maintenance program was effected by agreement of all operators in the Jones sand, with a single exception, and by agreement of the majority of the royalty owners interested in that sand, under authorization of the commission.

As owner of 44 per cent of the wells in the Jones stand, the Lion Oil Refining Company of El Dorado acts as operator of the pressure maintenance program. J. Perkins is the Shuler production superintendent, Roy Williamson is chief production engineer and Chris Zeppa is superintendent of the pressure maintenance plant.

Pressure Practice Vital As Conservative Measure.

The practice of pressure maintenance, a major development of modern petroleum science, reflects the present-day perspective of vigilance for the future which characterizes the petroleum industry. As a conservation measure it is of vital importance in building underground reserves, for it makes available millions of barrels of oil which might otherwise be locked away forever from the drills and pumps of the industry.

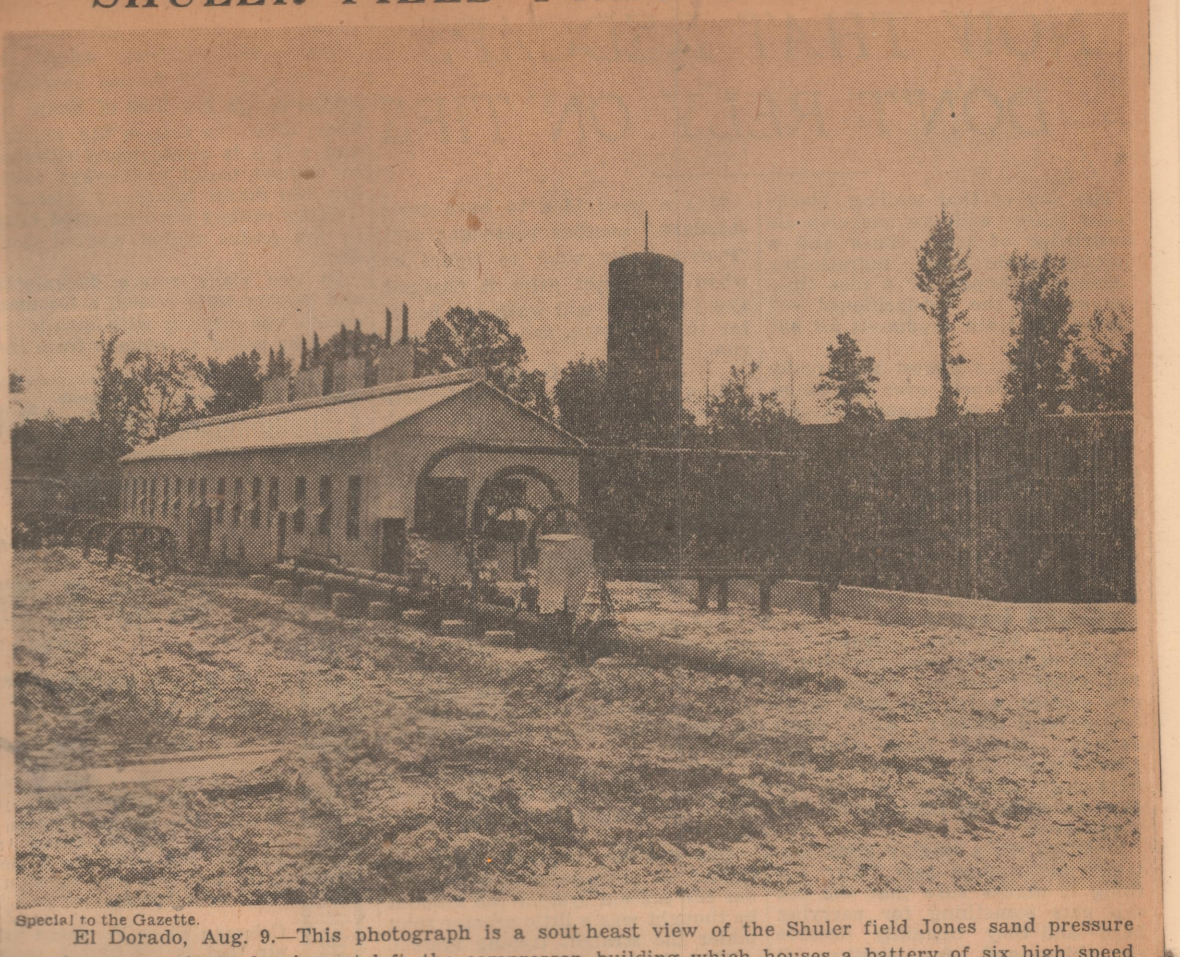
Aside from its value as a conservation measure, the Shuler Jones sand program holds practically immeasurable benefits for operators, royalty owners, adjacent communities and the entire state of Arkansas. In prolonging the life of the Jones sand pool, in making accessible increased reserves, the program automatically prolongs employment, assures a sustained source of supply and of income which cannot but have its effect on the business well-being of the state as a whole.

Also, the Shuler program is of significance from the standpoint of the defense program in that the nation is calling on all of its resources, all of its raw materials and all of its scentific knowledge in order to accomplish the enormous preparedness program which has been undertaken as tantamont to national security.

Oil was discovered in Shuler field April 5, 1937, by the Lion Oil Re[illegible] when it brought in the first well, the Edna Morgan A-1 in the Morgan sand at approximately 5,500 feet. The discovery of the Jones sand, in which pressure is being maintained through the repressuring project, at approximately 7,500 feet, followed on September 17, 1937. The third sand in Shuler field, known as the Reynolds lime, was discovered at approximately 7,600 feet October 26, 1937.

The area of the Jones sand is estimated by the Arkansas Oil and Gas Commission at 3,000 acres.

SHULER FIELD PRESSURE PLANT



Special to the Gazette.

El Dorado, Aug. 9.—This photograph is a sout heast view of the Shuler field Jones sand pressure maintenance plant, showing, at left, the compressor building which houses a battery of six high speed compressor units. To the right of the building is the fresh water storage tank from which cool water flows to the California redwood cooling tower at the far right, where gas is cooled after compression.

Oil and Gas Hearing to Be State-wide

Democrat 9-19-41

El Dorado — Several matters of business are scheduled to be heard at a statewide oil and gas hearing by the Arkansas Oil and Gas Commission, at the Columbia County courthouse in Magnolia, at 10 a. m. Wednesday, September 24.

Allowables will be set for all of the controlled fields of the state and evidence will be heard to determine whether there is waste of oil or gas in the following fields: Atlanta, Buckner, Dorcheat, Macedonia, Magnolia, Nick Springs, Shuler Jones sand, Shuler lime, Shuler Morgan sand, Urbana, Village, Big Creek, McKamie and 29-17-24, Lafayette County.

The commission will hear evidence to be submitted for the purpose of establishing field rules for the pool in section 29-17-24, Lafayette County, recently proved productive by the completion of the Tidewater Associated Oil Company and Seaboard Oil Company's H. Moore No. 1, at a depth of 9,300 feet.

The commission also will set field rules for the Travis Peak horizon of the Stephens area, recently proved productive of both oil and gas by the completion of the Fitzwater-McClerkn C. C. Smart No. 1 at a depth of about 3,400 feet. Operators interested in that field have been requested to meet prior to the hearing date and prepare a proposed order, setting oil field rules in conformity with existing rules for pools of like depth and condition.

E. B. Duncan's application for a permit to drill a well as an exception in the northeast corner of the northwest quarter, northeast quarter of section 14-15-20, on a unit consisting of two acres, will be heard

Also to be heard will be evidence to determine if there is waste of oil or gas in the present operation of the Dorcheat pool. A report including recommendations of an operators' committee also is scheduled to be presented to the commission.

An announcement from the commission stated that the group would like to hear evidence concerning progress being made in the desulphurization of gas produced in the McKamie field. Information will be sought from operators concerning plans for utilization of the gas.

During the hearing the docket for the Shuler Jones sand pool will be reopened to hear evidence in regard to amending the order regarding the unitization of the field in the p ressure maintenance project. It was stated at the commission offices that only minor engineering problems are involved in any suggested amendments.

New Plan For Conservation Is Submitted

Democrat 1-2-41

El Dorado—Launching of a new unit operation program, designed to further increase the ultimate recovery of oil from the Jones sand and upper horizons in the Shuler Field, was announced here yesterday by the Shuler unit holders.

The plan is a companion to the present pressure maintenance program being carried out in the production of oil from the Jones sand in the Shuler area.

While no estimate has been made of the additional amount of oil likely to be produced from the upper sands and the Jones formation, it is stated that many thousands of barrels can be produced, which otherwise could not be produced from the field.

The program, sponsored by the unit holders, and with all operators and the majority of royalty owners joining in the agreement, will be the subject of a hearing called by the Arkansas Oil and Gas Commission for 10 a. m. Monday, November 10, in El Dorado. The hearing will be on a petition filed by the unit holders seeking approval of an agreement which is entitled "an amendment to the unit operation agreement for the operation of the Jones sand horizon."

Under the proposal there would not be a new drilling campaign, the wells not being used now in the production of oil from the Jones sand to be utilized to produce oil from the other horizons, and to produce gas which could be re-injected into the Jones sand to increase the recovery.

The operation would be carried out through perforation of Jones sand wells that passed through the upper horizons and are not now used in the Jones sand utilization program.

Linked with the Shuler repressuring project, the new plan is designed as another conservation step in Arkansas fields, because it would enable Jones sand operators to more effectively conserve reservoir pressure in the Jones sand, thus preventing waste of oil and gas and bringing about a larger ultimate recover.

New Shuler Unit Plan Delayed

Special to the Gazette. 11-11-41

El Dorado, Nov. 10.—The Shuler oil field's new unit operation progress, formulated by an agreement of production and royalty owners in control of about 70 per cent of production from that prolific area was delayed at least temporarily after a hearing of the Arkansas Oil and Gas Commission today, when a determined minority group expressed its opposition to the plan.

The decision on the unit program, which would tap upper horizons of production from Jones sand producers will be made following the statewide hearing of the commission here next month.

Opposition Asks More Time.

Although companies and individuals agreeing to the unitization plan presented much testimony favoring the action, the opposition, represented by Judge W. D. McKay of Magnolia, did not present any testimony against the project. Judge McKay asked that his clients receive more time to prepare a case. Judge McKay cross-examined witnesses, however.

Expert witnesses from the land and geological staffs of several major producing companies in Shuler, including the Lion Oil Refining Company and the Phillips Petroleum Company, testified during morning and afternoon sessions on the advantages of an increased production program.

Under project plans, oil strata above the Jones sand pool would be perforated from original production casing. The oil from these levels would be withdrawn and any gas accompanying it would be used to lengthen production from that stratum under a repressuring program now under way.

Termed Conservation Measure.

John Howell, vice president in charge of production for the Lion, told the commission that the project is strictly a conservation measure.

The commission granted a special permit to the Tidewater Associated and Seaboard Oil Company to drill a well as an exception to spacing rules in the Atlanta field on the J. T. Beene lease. The well will be located in the center of the west half, northeast of Section 15-18-19.

Petroleum Reserves At 10-Year High

Special to the Gazette. 11-23-41

El Dorado, Nov. 22.—A preliminary report on petroleum reserves in Arkansas for 1942 revealed today that the state's production and reserves are in better condition than at any other time during the last decade.

The report showed that Arkansas's oil reserve will total 355,000,000 barrels January 1, 1942, compared with 309,000,000 January 1, 1941, an increase of 14 per cent.

Production-Reserve Gain 26%.

On a basis of increased production and increased reserves, officials of the commission said, the Arkansas gain will be 23 per cent The commission said that 26,000,000 barrels of oil were produced in the state from prorated and settled fields in 1941.

Figures on reserves, as compiled by commission engineers, show that 243,000,000 barrels are contained in prorated fields, 53,000,000 barrels in gas and distillate fields, and 59,000,000 barrels in old settled fields.

Larger Increase Seen Next Year.

Commission officials said that next year might see an even greater increase in reserves, when figures for 1942 are compiled. They said this was due to the discovery of four new fields, which have not been explored fully this year. They are the Macedonia field in Columbia county, the Patton field in Lafayette county and the east Shuler and Mount Holly fields in Union county.

Gas reserves in the state for 1942 are figured at 1.123,000,000 cubic feet, compared with 701,000,000,000 cubic feet for 1941, a gain of more than 50 per cent.

Extension of oil fields and several new good gas producing fields caused this, officials said.

A full report of commission engineers will be released at an open hearing of the group here December 18.

Arkansas Oil Reserve At High Level

Democrat 11-23-41

Largest in Past 10 Years, Totals 335 Million Barrels.

El Dorado—Large increases in reserves of both oil and gas in Arkansas fields were reported here yesterday by Alex M. Crowell, director of production and conservation for the Arkansas Oil and Gas Commission, in a preliminary report on the reserves as of Jan. 1, 1942.

Crowell also declared that Arkansas conditions, both from the standpoint of reserves and production, are the best now that they have been in more than 10 years.

Arkansas reserves now total 355,000,000 barrels on the basis of estimates prepared by engineers of the commission. This total compares with 309,000,000 barrels as of January 1, 1941, or an increase of about 46,000,000 barrels, or 14 per cent.

Crowell stated that in figuring the production of 26,000,000 barrels, along with the increased reserves, the percentage increase is 24 or about 72,000,000 barrels.

Crowell said the gas reserves estimate show a total of one trillion, 123 billion cubic feet, as compared with 701,000,000,000 cubic feet, a gain of about 400,000,000,000, or an increase of more than 50 per cent since the first of the year.

Crowell stated the increases were due to extensions of fields during the past year, and called attention to the fact that additional increases are likely during the coming year because of the discovery of four new pools which remain to be developed.

These new pools are the Macedonia area in Columbia County, Patton pool in Lafayette County, and the East Shuler and Mt. Holly fields in Union County.

Prorated fields of the state account for 243,000,000 barrels of the oil reserves, while prorated gas or distillate fields account for 53,000,000 barrels, and the old settled fields 59,000,000 barrels.

Crowell said that detailed information about the reserves will be presented at a state-wide oil and gas hearing to be held in El Dorado December 18.

Declares Oil Conservation Essential

Gazette 12-19-41

El Dorado, Ark., Dec. 18 (AP).—Chairman O. C. Bailey, speaking at a meeting of the Arkansas Oil and Gas Commission here today, urged that conservation practices be continued during the war.

"There seems to be an impression that some of our conservation practices may go overboard," he said.

"It may be necessary to produce more oil, but I believe it should be the policy of the commission that until some government agency in Washington tells us that it is necessary for Arkansas to produce more oil or lift restrictions we should continue and try to improve our present practices. We should strive to improve those practices."

Mr. Bailey said oil companies might "run into trouble" in two or three years if the fields were produced at inefficient rates.

It was announced that a contract probably would be awarded in a few days for the desulphurization plant to be built by the Carter Oil Company in the McKamie field and that construction would start soon after January 1.

Field Allowables Fixed.

For the first time, the commission fixed field production allowables on an "until further notice" instead of the usual 90-day basis.

Production for the state was fixed at 75,943 barrels daily, an increase of 646 barrels over the allowable for the past three months.

Allowables by fields were:

Atlanta, 2,877; Buckner, 2,504; Dorcheat, 1,988; Magnolia, 18,948; Nick Springs, 855; Pattin, 400; East Shuler, 400; Shuler (Jones sand), 13,500; Shuler (lime), 2,424; Urbana, 1,900; Village, 1,309; Mt. Holly, 200; Big Creek, 241; McKamie, 3,000; Macedonia, 900.

Production of prorated fields will be 47,302 barrels, of the three gas fields, 4,141 barrels, and of the old or unregulated pools, 24,500 barrels.

Spacing Program Ordered.

The commission ordered a 40-acre spacing program in the new Mount Holly field and announced that operators will be required to set a packer between the casing and tubing below 6,000 feet as a protection against sabotage. The commission will allow use of second-hand tested casing because of the difficulty in obtaining pipe. The commission eliminated a requirement that surface casing be set in the East Shuler field.

Integrations Authorized.

McAlester Fuel Company and others obtianed an order integrating theirs and other interests in the southeast quarter of the southeast quarter of Section 16-18-21, and the northeast quarter of Section 21-18-21 of the Macedonia field into an 80-acre drilling unit.

E. G. Bradham and C. B. Ragsdale were authorized to integrate interests in the north half of the southeast quarter of Section 15-17-19 of the Village field into a 40-acre drilling unit.

The commission approved a unitization program for the Morgan sand of the Shuler field under which Jones sand wells, not being used in crude production from the Jones formation under the Shuler pressure maintenance program, will be perforated at higher levels. Operators said they expected this program to produce hundreds of barrels of oil and supply considerable gas to be injected into the Jones sand to increase ultimate recovery from that depth.

Says Petroleum Industry Will Profit by New Order.

Gazette 12-28-41

Washington, Dec. 27 (AP).—The petroleum industry, Interior Secretary Ickes forecasts, will benefit from an O. P. M. conservation decree establishing strict government control over the use of materials for developing new natural gas and oil wells.

Ickes said the order paved the way for long-awaited help to the petroleum industry in getting the materials "it so urgently needs to carry on necessary operations." The order established a basis for the conservation of production materials. A second regulation will be issued providing the actual means of obtaining vital supplies for drilling and production, the secretary declared.

He said the first regulation provided that materials be made available readily for drilling new oil wells in all fields (other than condensate fields) where the well sites met a uniform spacing requirement of not more than one single well to each 40 surface acres.

As to gas wells, Ickes said materials would be obtainable for new drillings if they conform to a uniform spacing pattern of not more than one well for each 640 surface acres.

Ickes proposed the order as petroleum co-ordinator, and aide said, to effect the adoption of well-spacing practices designed increase the ultimate recovery of oil and minimize the use of critical defense materials including rubber, steel and non-ferrous metals.

State's Petroleum Big Asset in War.

Special to the Gazette. 1-4-42

El Dorado, Jan. 3.—The intrinsic value which El Dorado attached to its blessings in petroleum progress and building for defense during the closing days of 1941 will be overshadowed many fold by the realization of south Arkansas that within their grasp are nearly all the elements which will be used by Uncle Sam in his fight against totalitarian oppression.

Of the vital and valuable crude oil which will be used by the Allies in fighting the Axis powers Arkansas produced 25,887,000 barrels during 1941. With a marked increase in exploration during December and the brighter prospects for 1942, Arkansas should be able to more than do its part.

Conservation Benefits Felt.

A great factor in this production of crude oil during the past few years, and especially in 1942, has been the conservation practices of the Arkansas Oil and Gas Commission. Recent figures released by commission engineers reveal that oil reserves in Arkansas now are at their highest in history—a prospect of 355,000,000 barrels to be recovered, compared with 309,000,000 barrels in sight a year ago.

This estimate of Arkansas reserves was issued before the discovery by the Barnsdall Oil Co. of Oklahoma of the Midway field in north Lafayette county.

This well, the Bond No. 1, near the Hempstead county line, was estimated capable of producing from 10,000 to 15,000 barrels a day. With the completion of this well, the Barnsdall obtained more than a half dozen permits to drill new wells in that area. The estimate of reserves in 1942 should present a far brighter picture.

The total gas reserves in the state, which are expected to be used in providing power for many Arkansas war industries, now total 1,123 billion cubic feet, an increase over the 793 billion cubic feet over that reported for 1940. It has been estimated that 90,000,000 cubic feet will be needed daily to provide power for several plants in south Arkansas and in the central part of the state for defense works.

New Tests Ordered In State Oil Fields.

Special to the Gazette. 1-6-42

El Dorado, Jan. 5.—Arkansas Oil and Gas Commission engineers were instructed today to begin taking bottom hole pressure and gas-oil ratio tests in all condensate oil fields in Arkansas, as well as in the new Midway pool in Lafayette county and the Mt. Holly pool in Union county.

This was ordered at the request of the federal government, which is seeking new data in connection with priorities on pipe and other oil field equipment. A statewide hearing probably will be called in February on the matter.

The commission granted a permit to the McAlester Fuel Oil Company to drill a well, which probably will be taken to 10,000 feet, in Lafayette county, south of the McKamie field. The well is the S. A. Jeffus No. 1, located in the center of the NE SW, section 4-19-23, northwest of Taylor.

Hearing on Oil Permits For New Field January 22.

Gazette 1-8-42

El Dorado, Ark., Jan. 7 (AP).—Hearing on 12 applications for permits to drills in the new Midway field opened last week by the Barnsdall Company's big discovery well, will be held at a special meeting of the state Oil and Gas Commission at Lewisville January 22.

Oil Industry Under New Restrictions

Gazette 1-14-42

Washington, Jan. 13 (AP). — The OPM imposed two new restrictions on the oil industry today, one requiring the consent of adjacent property owners before a new well can be dug, and the second banning the construction of new gasoline filling stations.

Issued at the request of Secretary of Interior Ickes, petroleum co-ordinator, both orders were said to be designed to conserve vital materials for war production.

The drilling restriction prohibits the opening of a new oil or gas well without the consent of "all separate property interests" within a 40-acre area. This ties in with a recent OPM order limiting the number of new wells to one in each 40 acres of territory. OPM officials said it would protect small property owners who might otherwise be harmed by the well spacing requirement.

Under terms of the new order, it was said, future drilling will involve thousands of persons owning land in the oil fields or holding royalty interest in such property.

The other order, besides clamping down on new filling stations, also prohibited construction of bulk plants and other stationary oil marketing facilities for which there is no defense need.

The order permits the completion of marketing facilities now under construction, provided they can be completed in 60 days. It makes provision for equipment for repair, maintenance, and essential replacements. A priorities order for such equipment will be issued by the OPM.

Priority For Petroleum Industry

Gazette 1-18-42

Priority assistance has been extended to all branches of the petroleum industry by Preference Rating Order P-98, the state Priorities Field Service office announced yesterday. The order assigns priority ratings from A-1 to A-10 for materials to be used for specified purposes in the production, refining, transportation and marketing of petroleum and petroleum products.

The order assigns a rating of A-1 to deliveries of materials to operators engaged in refining for use in the repair of equipment when an actual breakdown has occurred Ratings of A-2 or higher may be used only when the materials are not otherwise available.

Lower ratings are assigned to deliveries of materials for repair, maintenance and operating supplies used in other branches of the industry. These ratings may be secured by a prescribed endorsement on purchase orders signed by a duly authorized official and countersigned by the Director in Charge of the nearest district office of the Office of Petroleum Co-ordinator.

Construction Curtailed.

Conservation Order M-68-c, except when specific permission is granted by the Director of Priorities, forbids construction of new facilities or improvement of existing facilities, including filling stations. Construction or improvement begun before January 14 and which will be completed within 60 days may be carried out.

New Oil Regulatory Body to Be Set Up.

Gazette 1-18-42

Washington, Jan. 17 (AP).—Formation of a national conference of petroleum regulatory authorities to provide "for the fullest co-operation between the federal government and the oil producing states in the work of petroleum co-ordination," was announced today by Secretary Ickes, the petroleum co-ordinator.

The conference will be comprised of representatives of the Inter-state Oil Compact Commission and those oil-producing states having official agencies to regulate and conserve oil and gas.

Requests to name representatives to the conference were sent to Governor Phillips of Oklahoma, chairman of the Interstate Oil Compact Commission, and to officials of Arkansas, Colorado, Illinois, Indiana, Kansas, Louisiana, Michigan, Mississippi, Montana, New Mexico, New York, Oklahoma, Pennsylvania, Texas, and Wyoming.

Ralph K. Davies, deputy co-ordinator, said the conference would consider increasing production from those oil fields which yield the high-grade crudes necessary for manufacture of 100-octane and other aviation gasoline.

Co-Ordinator To Discuss New Oil Rules

Special to the Gazette. 1-18-42

El Dorado, Jan. 17.—E. O. Buck, deputy co-ordinator for the Third Petroleum District, will speak at an open meeting of Arkansas oil men at Lewisville, Lafayette county, at 10 a. m. Thursday, Alec M. Crowell, Arkansas conservation director, announced today.

To Relay Ickes' New Orders.

Mr. Crowell said that Mr. Buck will explain federal petroleum regulations as they affect exploration, pumping, pipe lining, and marketing. New regulations, which will affect settled and stripper fields mainly in Arkansas, were issued this week by Harold L. Ickes, chief petroleum co-ordinator.

Mr. Buck is expected to answer all questions concerning shortages of equipment for the stripper and pumper fields and to straighten out points of new regulations covering refineries, gasoline plants and filling stations.

Mr. Crowell said that the meeting will be of special interest to small, independent operators whose production is obtained mostly from fields of the Smackover and Nevada category.

Spacing Changes May Be Asked.

It was reported reliably that new spacing requirements for the Dorcheat and Macedonia gas fields will be asked by the government. At present the Dorcheat has a 40-acre spacing regulation and the Macedonia an 80-acre rule. It was said that 160-acre spacing will be demanded.

Mr. Buck's talk will precede the state-wide hearing to draw up field regulations for the new Midway field, Mr. Crowell said.

State Quotas For Oil Production Set.

Gazette 1-23-42

Washington, Jan. 22 (AP).—Interior Secretary Ickes, petroleum co-ordinator, today set the nation's production quota for February at 4,101.800 barels a day, and prorated the output among the 20 oil-producing states.

The quota, he said, was based on a Bureau of Mines estimate of national requirements. It is 36,600 barrels a day less than the January rate.

Recommended daily production rates by states, and a comparison with January, includes:

State.	February.	January.
Texas	1,596,000	1,573,500
California	632,300	646,200
Oklahoma	395,300	415,700
Illinois	371,800	386,400
Louisiana	335,000	329,300
Kansas	251,700	259,900
New Mexico	119,300	121,200
Wyoming	78,000	78,600
ARKANSAS	74,500	73,700
Mississippi	57,400	60,400
Pennsylvania	48,000	47,400

WPB Amends Conservation Order

Gazette 2-19-42

Washington, Feb. 18 (AP).—Secretary of Interior Ickes, the petroleum co-ordinator, announced today the War Production Board had amended the uniform well-spacing provisions of the WPB conservation order affecting materials for petroleum production [known as order M-68], for purposes of "relaxation and clarification." The

action, he said, permits the efficient drainage of petroleum within any particular reservoir on the basis of spacing provisions and assures consolidation of all individual property interests to the end that uniform drainage can be achieved without an undue consumption of steel.

Amendment Outlined.

The petroleum co-ordination office outlined the amendment of the uniform well-spacing pattern as follows:

"The first well spudded in the field after December 23, 1941, in conformance with the provisions of M-68 sets the pattern for the remainder of the field. Wells spudded subsequently must bear the same geographical relationship in the square drilling unit on which they are located as the first well does to its drilling unit. In all cases, however, spudding at the center location will be considered as conforming to any spacing pattern that has been established by the first well spudded after December 23.

"Two provisions allow flexibility to offset physical obstacles: 1. A well may be spudded within a 100-foot radius of the point of geographical identity as established by the first well spudded in the field after December 23; or 2. A well may be spudded within a 150-foot radius of the geographic center of a square drilling unit.

"If leasehold or other property interests in irregularly shaped tracts cannot be consolidated into a square drilling unit, a well may be spudded on such a unit of not less than 40 surface acres for one oil well and 640 acres for one gas well, provided the well is spudded in conformance with paragraph (B) of amendment No. 3."

Points Emphasized.

Paragraph (B) which applies to all wells on which drilling was begun after December 23, emphasized the following:

1. The drilling unit on which the well is to be located must consist entirely of acreage not attributable to another well.
2. The property line of an oil-drilling unit cannot be closer than 330 feet to an existing well; a gas-drilling unit cannot be closer than 1,320 feet to an existing well.
3. A drilling unit that is not square must contain the required area and cannot be more than twice as long as it is wide.
4. No wel can be spudded after December 23, 1941, unless all separate property interests within the 40-acre area comprising the drilling unit are consolidated. [This provision is made to protect small property owners. It is also the intent of the amendment to make clear that no property "islands" may be formed within a drilling unit].
5. An oil well must be spudded at least 990 feet, and a gas well 3,960 feet from any well spudded in the field after December 23, 1941.
6. An oil well must be spudded at 660 feet, and a gas well at least 2,640 feet from a well spudded on or before December 23, 1941.
7. An oil well must be spudded at least 330 feet, and a gas well at least 1,320 feet from any lease, property, or subdivision line that separates unconsolidated property interests.

ORDER BY ICKES MENACE TO WAR PLANS IN STATE

Sour Gas Supply Endangered.

Special to the Gazette. 2-27-42

El Dorado, Feb. 26.—With Arkansas facing the loss or crippling of nearly a dozen war plants because of Petroleum Administrator Ickes' ruling restricting the drilling of gas wells to one every 640 acres, the state Oil and Gas Commission tonight ordered that all south Arkansas gas fields be shut down at 7 a. m. tomorrow so that engineers of the agency may obtain bottom hole pressure and other data to be used at a state-wide hearing of the group here March 10.

Chairman O. C. Bailey said that oil operators and state officials will discuss all available information on the McKamie, Dorcheat and Macedonia fields at that time.

Mr. Bailey said a transcript of all information will be sent to Co-ordinator Ickes to "enlighten" the department as to the situation facing Arkansas. He said that sour gas from the three fields had been pledged to defense industries in the state, and that the commission desires to show Mr. Ickes that the drilling of additional wells is necessary to obtain an adequate supply of gas.

Work Halts Pending Decision by Ickes.

While a decision of the office of petroleum co-ordinator is pending, construction work on gasoline plants, desulphurization plants, gas pipelines and defense industries is halted, it was reported here.

The commission has granted several permits for new wells in the three fields, but the applications have been turned down by the petroleum co-ordinator. It was reported that more than a dozen wells are being held up because the spacing regulations in Arkansas are 160 acres per well rather than the 640-acre spacing required by federal regulations.

Program Would Provide Fuel of War Industries.

The development program for the gas fields, instituted two years ago after long planning, has as its objective the supplying of fuel for nine defense industries. These include the aluminum plant, alumina plant, picric acid plant, shell loading plant and incendiary bomb plant.

The south Arkansas spacing ruling allowing one well for each 160 acres was decided on after a public hearing, when it was explained by oil men and petroleum engineers that the fields are long and narrow and that wells spaced any farther apart would not drain sufficiently and economically the reservoir content.

Ickes' Rules Declared To Be Impractical.

Operators have said that it would be impossible to drill wells in south Arkansas's gas area on a pattern of one well to each square mile, as provided by Ickes' order.

Operators said here today that only one-third of the wells considered sufficient to supply needs of operating or proposed defense industries have been drilled. It was reported that more than 170,000,000 cubic feet of gas is needed daily for defense industries, and that it can be supplied solely from south Arkansas fields. Gas from Texas or Louisiana locations is not available at comparable prices or without great expenditure of steel for pipelines.

Operators Puzzled By Government's Action.

"Operators are at a loss to understand why the government is restricting the development of the south Arkansas pools in the face of the proven necessity for gas in this area," one oil man said.

Some operators have declared that all of the pools producing gas in south Arkansas operate under water drive conditions, as do the oil pools. Under a water drive condition, the bottom hole pressure may be maintained by controlling the amount of gas taken from the pools daily. Recycling of the gas or storing of the gas produced from the Dorcheat, Big Creek, McKamie and Macedonia is unnecessary, as operation has shown an active water drive in these pools.

The data to be forwarded to Washington after the commission meeting here next month is expected to show that the fields are being operated at the optimum allowable, it was said here.

Series of Questions Will Be Answered.

Alec M. Crowell, director of conservation and production for the commission, said that the following questions will be answered in the data forwarded to Mr. Ickes:

1. What are the specific requirements for defense work?
2. What progress has been made in the laying of lines to supply defense work?
3. What steps have been taken to purify the gas of its hydrogen content and to remove liquid hydrocarbons from the gas to be used in supply aviation fuel?
4. Is the gas available to defense in questions from other sources in sufficient quantity and comparable cost, and whether or not in sufficient quantity and comparable cost and whether or not there is a need for more wells to supply defense industries, increase the production of oil or gas and to assure the ultimate recovery in oil or gas?

Situation Serious, Says Governor Adkins.

Gazette 2-27-42

Literal enforcement of the government regulation would threaten cessation of development of the south Arkansas fields and imperil the state's pledge for 170,000,000 cubic feet of gas daily, Governor Adkins said last night. The governor listed eight defense plants, a military encampment and two semi-defense plants in the state and east Texas which he said were dependent on the gas for fuel.

The governor said he understood the state commission wanted Secretary Ickes to approve the spacing units of 160 acres each for McKamie and the Big Creek fields; 80 for Macedonia and 40 for Dorcheat.

He released copies of telegrams sent to Washington authorities by the commission, which said the needed supply of gas would be seriously hampered if the spacing program now in effect is not approved by the Ickes agency.

The governor said members of the commission had asked him to accompany them to Washington to protest the federal regulations at hearings next week.

To Modify Well-Spacing Regulations

Gazette 2-28-42

Washington, Feb. 27 (AP).—Petroleum Coordinator Ickes took steps today to protect individual property owners in their right to participate in the development and production of oil and gas fields under the well-spacing provisions of the War Production Board's petroleum conservation order known as M-68.

Pointing out that the order required consolidation of all separate properties within a drilling unit before a well could be drilled, the coordination office sent a communication to the petroleum regulatory agencies of oil producing states, the industry production committees and to all producers, recommending:

1. That drilling units be formed in a manner that will "afford all owners within each field a reasonable opportunity to participate in the development thereof and the production derived therefrom."
2. That owners denied reasonable opportunity to participate in the development and production of a field, file applications for exemptions to M-68, which prohibits use of critical materials for drilling and production purposes except in specified instances.

Governor May Go to Capital To Protest Regulation.

Governor Adkins said yesterday he may go to Washington in a few days to protest spacing regulations promulgated by Secretary Ickes.

The governor probably will delay his trip until after a meeting of the state Oil and Gas Commission tentatively set for March 10 at El Dorado. The commission will prepare data showing how the regulation would affect south Arkansas gas fields.

The regulation limits gas well drilling to 640-acre units. Such a restriction would seriously affect the state's ability to furnish natural gas to defense industries, the governor said.

Confusion Over Gas Well Spacing

Gazette 3-1-42

Washington, March 9 (AP).—Representative Harris (Dem., Ark.) said today after a conference at the office of Petroleum Co-ordinator Ickes that a recent order requiring the spacing of gas wells one to every 640 acres did not apply to the south Arkansas gas field.

"The south Arkansas gas field has been determined a distillate field and the order does not apply," Mr. Harris said.

Gov. Homer M. Adkins of Arkansas was reported due here tomorrow to offer the co-operation of the Arkansas Oil and Gas Commission in assembling information Ickes wants on the situation in the state.

Mr. Adkins also may confer with Attorney General Biddle on an F. B. I. investigation of the Arkansas parole system.

Mr. Harris said the Arkansas Oil and Gas Commission has been asked to furnish the co-ordinator's office information necessary to determine whether it is advisable to recycle the McKamie, Macedonia and Dorcheat gas fields in Arkansas.

Mr. Harris Mistaken, Commissioners Say.

Special to the Gazette.

El Dorado, March 9.—Commenting on Representative Oren Harris' statement in Washington today that spacing rules issued by Co-ordinator Ickes do not apply to south Arkansas fields, members of the Arkansas Oil and Gas Commission said here tonight that Mr. Harris apparently was mistaken. They were planning to proceed with the hearing on the matter scheduled to be held here tomorrow. Commission members also said that no order releasing equipment for gas well drilling has been issued in Washington.

Hearing to Proceed.

Federal petroleum officials and oil and gas experts of the Southwest will participate in the hearing which will open at 10 a. m. tomorrow.

The hearing will be the first of its kind in oil producing states on gas-distillate types of pools. Decisions made probably will affect fields in Louisiana and Texas. The hearing will be concerned chiefly with spacing regulations in McKamie, Dorcheat and Macedonia fields now closed by the commission.

D. E. Buchanan, chief of the Natural Gas and Gasoline Committee for District 3 and E. O. Buck, assistant director of production in the district, will represent Petroleum Co-ordinator Harold L. Ickes' office.

Plans for Testimony Made.

About 50 operators met at the office of Alec M. Crowell, director of the commission, yesterday. Results of the survey by engineers of the commission in the three fields were given to the operators, who planned presentation of their testimony.

E. G. Dahlgren, technical secretary for the Interstate Oil Company Commission, will attend the hearing to obtain information to be given to all member states of the commission. E. V. Foran, gas authority of Houston, Tex., and P. D. Baker, Tulsa engineer, will present testimony for the operators. Among others who will attend will be L. A. Gillis, research engineer of the Shell Petroleum Corporation.

Commission to Help Prepare Oil Data.

Gazette 3-4-42

Dallas, Tex., March 3 (AP).—An Interstate Oil Compact Commission Committee today agreed upon uniform methods to be used by oil producing states in preparing information requested by the office of the petroleum co-ordinator.

Robert E. Allen, assistant deputy co-ordinator in Washington, asked the states for data on reserves, production and other technical matters. Allen asked the Compact Commission to assist, and the commission entrusted the task to the Research and Co-ordinating Committee, which met here today in executive session.

The agreement to assist the states in preparing the requested data was announced by E. G. Dahlgren, technical secretary of the committee.

Commmittee members present included: John Sanders, representing Committeeman Alec Crowell of the Arkansas Oil and Gas Commission.

Oil Regulations Being Reconsidered.

Gazette 3-6-42

New federal spacing regulations governing the South Arkansas oil and gas field are being reconsidered in response to protests from state officials, Governor Adkins was informed yesterday by Interior Secretary Ickes.

Mr. Adkins was also told that E. O. Buck, District Three assistant director of production, would be sent to the March 10 meeting of the Arkansas Oil and Gas Commission to be held in El Dorado.

Ickes telegraphed the governor that "immediate study would lead to satisfaction of the state and the best interest of the war program."

The governor said he remained undecided whether to go to Washington with members of the Oil and Gas Commission to appeal for approval of existing spacing regulations.

Arkansas regulations permit field drilling units ranging from 40 to 160 acres but the new federal rules restrict well drilling to units of 640 acres. The state commission complained that compliance would impair fulfillment of pledges to supply large quantities of gas for defense industries.

Arkansas's Daily Allowable Remains Unchanged.

Gazette 3-5-42

El Dorado, Ark., March 4 (AP).—Arkansas oil fileds will not be affected by Petroleum Co-ordinator Ickes' order today for Southeastern and Southwestern production areas to reduce their allowables this month.

Of the states covered by the order, Arkansas's daily allowable of 71,500 barrels was the only one unchanged. April allowables will be fixed at the March 10 meeting of the Arkansas Oil and Gas Commission.

Neither O. C. Bailey, chairman of the commission, nor Alec Crowell, commission engineer-director, was available for comment tonight.

Oil and Gas Hearing May Be Crucial

Democrat 3-8-42

Pool Development And Defense Power Hanging in Balance.

El Dorado—What is regarded as one of the most important hearings of its kind in the state, and one that may have a bearing on the operation of oil pools in the states of Louisiana and Texas as well as Arkansas is scheduled here Tuesday by the Arkansas Oil and Gas Commission.

Hanging in the balance is further development of the gas-distillate pools of Arkansas as well as the supply of sour gas for eight or 10 war industries in this section of the country.

The hearing is the first of its kind ever to be held in the oil producing states and is expected to attract a capacity crowd of members of the oil fraternity, as well as officials of the Federal Oil Regulatory Administration.

Engineers of the commission have spent the past few days making tests and in gathering data for presentation at the hearing, and independent operators and oil companies generally have been busily engaged in preparing their information. Well-known experts of the Southwest on oil and gas fields will appear at the hearing as witnesses.

Chairman O. C. Bailey of the Arkansas Commission will preside over the hearing at the Union County courthouse. It is understood that E. O. Buck, assistant director of production from the office of Harold L. Ickes, petroleum coordinator, will sit with the commission to hear evidence.

Spacing an Issue.

The hearing will be concerned largely with spacing regulations for four Arkansas fields—McKamie, Dorcheat, Macedonia and Big Creek. All of the fields have been ordered closed down, pending the hearing, for the purpose of taking bottom hole pressure tests as part of the movement to obtain all available information for presentation to federal authorities.

Chairman Bailey has stated a complete transcript of the testimony will be presented to Coordinator Ickes' office.

The information is being assembled in connection with efforts to have Coordinator Ickes rescind or modify federal drilling regulations as they apply to the four Arkansas gas-distillate fields. The federal spacing regulation requires 640 acres spacing for gas wells, while the regulations of the Arkansas Commission provide 160-acre spacing in Big Creek and McKamie fields, 80-acre spacing in Macedonia and 40-acre spacing in Dorcheat.

Pledged for War Use.

Gas from the four fields had been pledged for war industries in Arkansas and this section of the country, including Camp Robinson in Little Rock, and it is the contention of the commission, state officials and operators that unless drilling is allowed on smaller spacing there will not be enough gas produced to supply the plants.

The fields now are producing about 120,000,000 cubic feet of gas daily and it is estimated that 170,000,000 daily will be needed to meet the demand.

Awaiting the outcome of the hearing are two gasoline plants, one steam generating plant, two sulphur plants and two gas cleaning plants, as well as a pipeline to supply gas to the aluminum plant at Lake Catherine. The ammonia and ammonium nitrate plant, to be erected near El Dorado, will be served with gas from these fields.

Experts Summoned.

E. V. Foran, recognized gas authority, of the engineering firm of Foran, Moatright and Dixon of Houston, Tex., has been retained to present evidence concerning the Dorcheat and Macedonia fields, Alec M. Crowell, director of conservation and production for the commission, has been advised by a committee representing the operators. He also has been advised that P. D. Baker, Tulsa, Okla., research engineer, has been employed to present evidence on the Big Creek and McKamie fields.

R. G. (Dick) Lawton of the McAlester Fuel Oil Company, Magnolia, will present proposed spacing regulations to the commission following his selection at a meeting of operators in Shreveport this week.

Notice of the hearing dealt chiefly with the question of whether additional wells are necessary in the gas area to supply nine war industries now under construction or to be built in the territory. The Arkansas Louisiana Gas Company has contracted to purchase gas from the pools to supply the industries, and R. O. Garrett, production engineer for the company, stated that there will be a shortage of gas unless additional wells are drilled.

Another angle was mentioned by George Wilson, attorney for the Standard Oil Company, which purchases the water white distillate produced in the gas pools. He pointed out that the liquid is needed to lighten the pipeline load of his company to the gulf coast. He stated that if the gas fields are closed to production for any great length of time it would become necessary for the Standard to reduce its runs of oil to the coast by 8,000 to 10,000 barrels daily.

Ickes Asked To Change His Ruling

Special to the Gazette. 3-11-42

El Dorado, March 10.—The Arkansas Oil and Gas Commission, following a day-long presentation of expert testimony by representatives of major oil companies and operators in South Arkansas gas fields, voted today to urge Petroleum Co-ordinator Harold L. Ickes to grant permits for additional gas wells in the Dorcheat and Macedonia field and for four in McKamie, so that war industry in Arkansas may not be hampered by lack of fuel.

Chairman O. C. Bailey said the commission "believes that additional wells should be allowed the gas industry in South Arkansas so that it may furnish fuel to defense construction."

Ickes had ordered that only one well be drilled to the square mile of acreage in South Arkansas, whereas Dorcheat and Macedonia operators are asking that an 80-acre pattern be followed.

As to Mr. Ickes' unitization orders, commission members said that under Arkansas law no permit can be issued for any oil or gas well unless unitization of tracts in the drilling unit has been effected.

To Reopen Gas Fields.

Going into executive session following the all-day hearing, the commissioners decided to reopen the Arkansas gas fields which had been shut down for the past 10 days while bottom hole pressure tests were taken. However the commission ruled that operators will be allowed to record only 21 days of production during March.

Permits for some Dorcheat wells will be called in pending settlement of spacing regulations. Dorcheat formerly operated on 40-acre spacing, whereas the new agreement allows for 80-acre patterns.

Another state-wide hearing will be held the morning of March 24 when production in all fields for April, May and June will be fixed.

Opposed to Recycling.

In addition to the federal order regulating spacing and unitization the problem of recycling the fields in order to maintain the producing sand had been suggested by the office of the petroleum co-ordinator.

Attacking this suggestion, testimony was presented contradicting the inference that the fields are producing from gas-driven sand.

Operators testified that they believe that the fields are of the water-driven class and that in this event, recycling was not necessary. The testified also that there had not been sufficient exploration to determine the exact type of drive in the field to bring out specific rulings on recycling.

E. F. Foran of the firm of Foran, Boatright & Dixon, Houston, Tex.,

petroleum experts, testified that the pressure at present is too high for a successful recycling operation and that the sulphur content of the gas is so high that it could not be extracted in a manner which would bring a maximum return from the wells.

In opposing the proposed recycling operations, Robert C. Knox of El Dorado, lawyer-representative of Macedonia-Dorcheat operators, said that "if the gas is to be dedicated to the use of national defense, then recycling of these pools at the present time, or at any time in the next few years, cannot be justified."

"The withdrawal, cleaning and returning of extra amounts of gas into the reservoir, while the reservoir pressures are high, would serve no useful purpose and would require expenditures for installation and operation in excess of recovery or oil or distillate which might be obtained thereby," he continued.

Declaring that the gas cannot be returned without being cleansed of sulphur content, Mr. Knox said that pressure would be reduced to the point where the gas could be taken into the cleaning plant and then the pressure be increased to a point in excess of the reservoir pressure to return it to the ground. This, he said, would require much steel and machinery installation.

Mr. Knox said that withdrawal of all gas for defense purposes would do away with waste in the fields and that fluid of inferior quality might result from recycling.

Of the spacing of wells in Dorcheat, Mr. Knox said that the pool is underlaid with an oil column and that proper drilling units for this pool under normal conditions would be 40 acres, but that operators are willing to undertake development on an 80-acre pattern.

Operators in Macedonia recommended that the original drilling pattern of 80 acres per well be maintained.

Mr. Knox concluded that the full development of Dorcheat and Macedonia fields will require the drilling of 18 more wells.

George Wilson, attorney for Standard, declared that "the continued closing in of the fields will result in an immediate reduction of at least 5,000 barrels per day in effective capacity of pipe line transportation to the east coast."

Needed for War Industries.

Arkansas Louisiana Gas Company testimony brought out that South Arkansas gas was the only source through which war industries in Arkansas could operate successfully.

Arkansas Louisiana has contracts to supply gas to several war industries in the state and is holding up construction of a pipeline pending the outcome of the federal ruling, it was said.

The Carter Oil Company and Atlantic Refining Company issued the following statement:

"It is our recommendation that the McKamie pool be permitted to produce at such rate as will most efficiently utilize existing reservoir energy and that no program of artificial pressure maintenance is indicated at this stage of development of the field.

"This conclusion is strengthened by considerations relating to the necessity for obtaining an uninterrupted flow of gas for fuel in Arkansas d nse industries and a flow of critically needed liquid hydrocarbons for manufacturing use in furtherance of the war effort."

Oil Field Status To Be Discussed Today.

Gazette 3-18-42

Washington, March 17 (AP).—Conferences with Deputy Petroleum Co-ordinator Robert Allen to clarify government orders respecting South Arkansas "sour gas" fields were rescheduled today for tomorrow.

Chairman O. C. Bailey of the Arkansas Oil and Gas Commission went to Baltimore for a medical checkup today when it was learned that Allen and some of his investigators would not be available before tomorrow.

Bailey said he hoped the situation would be cleared up by Thursday to allow full speed ahead on construction of new wells to meet war construction commitments.

Petroleum Production Rate for April Set.

Gazette 3-20-42

Washington, March 19 (AP).—The April petroleum production rate was set by Petroleum Co-ordinator Ickes today at 3,656,800 barrels daily, and he broadened his regulations over production to embrace all petroleum liquids.

Heretofore, the rates certified by the co-ordinator to the states for a particular month have been on a basis of required crude oil only. Beginning with April, the rates will represent the recommended production for all petroleum liquids, including crude oil, condensate and natural gas derivations recovered from oil, condensate and gas fields.

The following rates, certified for the month of April, reflect not only the required crude oil production but also the requirements for output condensate and natural gas derivatives:

State	April Daily Production Rate In Barrels
Oklahoma	436,900
Arkansas	74,000
Louisiana	313,000
Mississippi	49,800

Well Spacing In Arkansas Fields Upheld

Gazette 3-21-42

Governor Adkins announced yesterday the federal restrictions on drilling operations in the south Arkansas "distillate" fields had been lifted, thereby assuring production of sufficient natural gas to meet all requirements of the state's war plants.

Petroleum Co-ordinator Harold L. Ickes, revoking a former order that only one well be drilled to each 640 acres, approved the Arkansas Oil and Gas Commission's method of spacing gas wells in three fields.

Chairman O. C. Bailey of the commission, who notified the governor of Secretary Ickes' new order, said spacing henceforth will be authorized on the following basis:

McKamie field, one well to each 160 acres. Four new wells are needed in this area, it was said.

Macedonia field, one well to each 80 acres.

Dorcheat field, one well to each 40 acres. Robert C. Knox of El Dorado, representing the Macedonia-Dorcheat operators, said full development of the two areas will require the drilling of 18 more wells.

Mr. Bailey was in Washington when the new order was issued. He went there to inform the co-ordinator's office that south Arkansas's "sour gas" reserves had been pledged to defense industries and that curtailment of production would threaten the entire program. Governor Adkins and Congresmen David D. Terry of Little Rock and Oren Harris of El Dorado also placed the state's case before Mr. Ickes.

Order Opens Way To Full Production.

R. W. Curran of Little Rock, general manager of the Arkansas properties of the Arkansas Louisiana Gas Company, said the new order "opens the way to full production in the interest of national defense."

"Sufficient new wells can be drilled to assure ample gas," he said. "Without a change in the regulation we could not have furnished the 'sour gas' needed."

The gas company is proceeding with construction of pipe lines from the south Arkansas fields to the aluminum plant.

Testimony given at a meeting of the Oil and Gas Commission at El Dorado March 10 indicated that about a dozen proposed wells were being held up by Mr. Ickes' original order. The gas was allocated to nine defense plants.

Witnesses said the fields are long and narrow and that wells spaced any farther apart than recommended by the commission would not drain the reservoir content sufficiently and economically.

Bailey Reports On Co-ordinator's Action.

Washington, March 20 (AP).—The Petroleum Co-ordinator's office late today approved in its entirety the spacing program for gas distillate fields of South Arkansas as recommended by the Arkansas Oil and Gas Commission, Chairman O. C. Bailey of the Arkansas body, announced.

The approval was authorized by Deputy Petroleum Co-ordinator Robert Allen after conferences covering most of this week, Mr. Bailey said. He reported Co-ordinator Allen held recycling of the Arkansas fields was not necessary.

Under the spacing program, wells in the McKamie field may be spaced one to each 160 acres, those of the Dorcheat and Macedonia fields one to each 80 acres.

Under the decision, Mr. Bailey said, operators may be assured of receiving priorities on necessary materials for drilling wells in these fields on permits granted by the state commission.

Mr. Bailey, highly pleased over the petroleum co-ordinator's action, said he would leave tomorrow for Arkansas to attend hearings set for Tuesday at Magnolia for the purpose of passing on allowables for production.

Under the decision, he added, the South Arkansas wells will be able to produce sufficiently to carry out commitments to the aluminum plant at Lake Catherine, the ammonia plant at El Dorado and other war industries.

"Splendid co-operation and understanding were shown by Deputy Allen and his staff, Mr Bailey said.

Commission To Act On Gas Permits

Democrat 3-22-42

El Dorado — With drastic federal spacing regulations relaxed, the State Oil and Gas Commission probably will take early action on 21 applications for permits to drill wells in the Macedonia, McKamie and Dorcheat condensate fields, Alex M. Crowell, commission director, said Saturday.

The fields now produce approximately 7,000 barrels of distillate and 50,000,000 cubic feet of gas daily, and Mr. Crowell estimated that with the 21 new wells, the production would be 14,000 barrels of distillate and 100,000,000 cubic feet of gas.

Spacing regulations promulgated by Federal Petroleum Co-ordinator Harold L. Ickes would have restricted drilling to one well to each 640 acres. After submission of data on the Arkansas condensate or sour gas fields by O. C. Bailey, chairman of the State Oil and Gas Commission, spacing regulations of the state commission were approved by the federal agency.

One change in the state spacing regulations was made following the recent hearing on the fields involved, Mr. Crowell said, the Dorcheat spacing being made 80 instead of 40 acres. The 160-acre spacing in the McKamie field and 80-acre spacing in the Macedonia pool were not changed.

The closer spacing permitted by the state commission was necessary, according to testimony at the commission hearing, to increase production sufficiently to supply gas needed by war industries.

Drilling of the new wells probably will begin within a short time, Mr. Crowell said, although it probably will be some time before all are completed, since the wells must be drilled a few at a time in order to accurately determine field limits.

The commission director also said that the commission probably would hold a hearing within a few days on the 13 stripper fields where drilling was on a very close spacing. The Petroleum Co-ordinator has limited purchase of pumping equipment in such fields to one well to each 10 acres.

The fields may have several wells on a 10-acre tract, but Mr. Crowell explained that several oil bearing strata were under those fields, and each of the wells might be producing from a different sand. The hearing will be held to obtain information which can be used in applying for lifting of OPC rules in regard to those fields.

All other Arkansas fields within jurisdiction of the Oil and Gas Commission are now under regulations which are well within the OPC regulations, Mr. Crowell said.

The Big Creek field also is included in the condensate group which has figured in the war production situation, but the director said he did not anticipate any additional drilling there at this time.

The gas there has a high hydrogen and low B. T. U. content, he explained, and is suitable only for blending with the better grades of gas. He said it was unlikely that there would be more drilling in Big Creek until the demand for gas became much more acute.

New Hearing Tuesday.

Chairman Bailey obtained approval in Washington Friday for drilling of 21 wells, 11 in the Macedonia field, seven in the Dorcheat area, and three in the McKamie field.

Issuance of new permits in the Dorcheat field will be delayed pending the state-wide oil and gas hearing at Magnolia Tuesday, Mr. Crowell said. It is believed that the delay as to the Dorcheat field is because the per well spacing acreage has been changed from 80 to 40.

In connection with the hearing Tuesday, Director Crowell said completion had been made of the quarterly survey of reservoir pressures and operating gas-oil ratios in 13 of the 15 oil pools under jurisdiction of the commission, saying that all of the pools are operating satisfactorily.

"There is a minimum expenditure of reservoir energy in the production of present oil and gas allowables, and gas-oil ratios are showing minor fluctuations due almost entirely to changes in operating conditions," the report says.

Tenth Midway Field Well Is Completed

Democrat 3-22-42

Stamps—The tenth producer of the new Midway field, north of here, was completed late last night. It is Barnsdall's Bond No. 4, section 11-15-24 in the southeast edge of the field.

While no guage was available, indications were that the wel was up to the standard of other wells in the field. Apparently the trend of the new field, opened by the Barnsdall Company, which already has several producers, is toward the south and east.

OPC-Ordered Changes Made By Oil Board

Special to the Gazette. 3-25-42

Magnolia, March 24.—Chairman O. C. Bailey of the state Oil and Gas Commission, which met here today, told operators that two changes are required by the OPC for the oil fields of south Arkansas, that allowables must be reduced 4,000 barrels a day and that drilling units in Dorcheat field must be 80 acres instead of 40 as at present.

The 19 producing wells in that field have been drilled on 40-acre units, but it was said that others drilled in the future must be on 80-acre tracts, running east and west, and that wells were to be located in the center of the tracts. Allocation of producing allowables on the different sized tracts was deferred until one of the 80-acre wells is completed, when production from the 40-acre wells may be reduced, it was said.

Fields Affected.

Total decrease in state daily allowable was made from 74,000 barrels to 71,500 barrels. OPC had recommended that it be reduced to 71,700 barrels. Fields affected are:

Atlanta field, from 167 to 157; Dorcheat, 140 to 130; Magnolia, 169 to 159; McKamie, 200 to 190; Macedonia, from 150 to 140; Midway, from 250 to 200; Shuler Cotton Valley, 200 to 150; Mount Holly, 200 to 150; Dorcheat field's one Cotton Valley well from 200 to 50, and Schuler-Jones field, from 13,500 to 12,000.

Fields not affected are: Big Creek, Buckner, Village, Shuler East, Urbana, Schuler-Reynolds and McKamie Cotton Valley.

Total daily allowable for gasoline plants now operating and those on the future program—Arkansas Louisiana Gas Company's and McKamie Gas Cleaning Plant's—was fixed at 2,300 barrels of gasoline daily.

Operators Co-operate.

Speakers expressed willingness to co-operate with the OPC and the state commission. This spirit was emphasized when the chairman recommended that state-wide meetings by held every 90 days instead of every 30 days, to save time of operators. He asked if the operators were willing to entrust the commission with the responsibility of fixing allowables at any time in the interim in compliance with the OPC needs and conditions influencing these needs.

Report Made of Survey.

A survey made during the recent shut-down for bottom hole pressure showed that most fields indicated a small decline. Wells that showed none were Big Creek, Mount Holly and Shuler Reynolds. Macedonia field showed the largest percentage of decline, 1.13 per cent daily. Shuler-Reynolds showed the largest increase of 16 per cent daily.

Drilling May Increase.

Indications are that drilling will increase, with permits, both state and federal, for 21 or 22 new wells in three condensate fields.

It was announced that the OPC has agreed with the state Oil and Gas Commission to continue drilling in this area to furnish sufficient fuel for Arkansas war plants.

OIL STATES ASK RIGHT TO SPACE FUTURE WELLS

Ickes Requested To Amend Order.

Gazette 3-29-42

The Interstate Oil Compact Commission recommended to Petroleum Co-ordinator Ickes and the War Production Board yesterday that establishment of well spacing patterns to meet a wartime steel shortage be left to the individual states.

In a resolution adopted at the concluding session of its two-day spring meeting at the Albert Pike hotel, the I. O. C. C. asked that Conservation Order M-68, restricting drilling to one oil well for each 40 acres and one gas well for each 640 acres, be amended to permit state regulatory bodies to locate wells "in such a manner as will, in their judgment, develop the greatest reserves with the use of the least amount of steel."

Pending action by Ickes and the WPB on the resolution, the commission recommended that state regulatory bodies hold hearings on newly - developed or prospective pools to determine the proper spacing plan and submit their recommendations to Washington.

Compact members said they would take up their suggestions with Ickes at a meeting of petroleum regulatory bodies with the co-ordinator in Washington, April 14.

Producers Advised To Protest Any Inequities.

Co-operation of the I. O. C. C. in working out spacing problems involving two or more states was asked by OPC Production Director Don R. Knowlton in a talk stressing the need for extensive new drilling operations during the war.

"In the tri-state area of north Louisiana, south Arkansas and east Texas you have a gas area, for instance—the Monroe field and others—that might require closer spacing than 640 acres," Mr. Knowlton said.

"They should get together, the three states. A three-state hearing by state regulatory bodies would not be feasible but the compact would be an ideal body to see that these three states get together and work out what would be a reasonable and adequate spacing of wells in that gas area."

Acknowledging there are "some inequities" in the new M-68 regulation, the production director said these could be worked out if producers would take advantage of a provision in the regulation allowing filing of protests. He said the OPC would be in a position in a few days to handle all such protests within 48 hours.

"In other resolutions the commission recommended that oil producing states which do not have such laws enact measures to legalize and encourage voluntary pooling or unitization of separately-owned oil acreage to complete drilling units; endorsed the WPB's industrial scrap collection campaign, and recommended continuance of the depletion allowance provision in the federal income tax law.

Report on Dependability Of Reserves Withheld.

The commission's important Research and Co-ordinating Committee announced it had completed a report on dependability of United States petroleum reserves and production capacity for duration of the war. Details of the report will not be made public until the April 14 meeting with Secretary Ickes, the committee said.

Russell Brown of Washington, general counsel for the Independent Petroleum Association of America, said the government should let the oil industry know the amount and kind of oil required to meet changed conditions brought about by the war.

He said there are vast oil reserves in stripper areas—shallow pools with small pumping wells—which could be reconditioned with a little encouragement in the form of price rises.

Governor Urges Unity In Working Out Problem.

Governor Adkins welcomed the compact with an address urging co-operation with the federal petroleum co-ordinator.

"Not to pull together now means we invite our own defeat," he said.

Mr. Adkins said, however, the task of "bringing about equity in production of gas and oil and the prevention of waste" remained a job for the states.

The location of many war industries in Arkansas was largely due to cheap natural gas, he said.

Declaring "we intend to stay in the oil and gas business a long time," Mr. Adkins said known reserves in Arkansas are sufficient for 13 years' production at the present rate. But, he continued, if demanded by the war effort, 800,000 barrels of crude oil and distillate could be produced daily.

Potential Increased By Repressuring Unit.

A spokesman for the operating agent of the first repressuring unit installed in an Arkansas oil field told the commission that the unit's operations had increased the crude potential of the Jones sand in Union county's Shuler field by 20,000,000 barrels.

The speaker, John E. Howell, vice president in charge of production for the Lion Oil Refining Company, said 90 per cent of the gas being taken from the Jones sand is being returned through the unit's operations and that when the pool is exhausted a 23 billion cubic foot gas supply will be available from the stratum for industrial and domestic use.

The potentials of other strata, particularly the Cotton Valley sand, have been enhanced by the unitization process and gas and oil from these strata are being recovered through wells drilled primarily for Jones sand production, Mr. Howell said.

"Unless these lenticular horizons lying above the unitized area of the Jones sand has been merged into the unitized area, to permit oil to be produced from them by re-completing the unnecessary Jones sand wells, it is doubtful that it would ever have been economically feasible to drill wells for producing oil from any one of them," Mr. Howell said. "To plug back a Jones sand well to one off the upper horizons costs approximately $1,500 as compared to $50,000 for drilling a well from the surface.

"These re-completion operations are particularly effective since all of the gas being produced from the wells re-completed in the upper horizons is being passed through the gasoline extraction plant and injected into the Jones sand."

Mr. Howell said no more than 50 of the 146 Jones sand wells are being used in the repressuring program and that bottom hole pressure decline is less than five pounds a month.

States Insist On Voice in Oil Conservation

Democrat 3-29-42

Participation of state regulatory bodies in office of petroleum co-ordinator's oil conservation activities was requested in two resolutions of the Interstate Oil Compact Commission, which closed its two-day spring meeting in the Albert Pike Hotel here yesterday.

The resolution, formed by the Regulatory Practices Committee, asked that the OPC Order M-68, which limits production, be amended under a state's rights clause to permit the state bodies to participate in the spacing pattern and location of wells in such a manner as will "develop the greatest reserves with the use of the least amount of steel."

Approximately 200 representatives from 20 states attended the meeting.

Gas Well Spacing Criticized.

Ruling M-68, which allows one oil well for each 40 acres and one gas well for each 640 acres, received criticism from several angles and another resolution, also formed by the Regulatory Practices Committee, further asked that state bodies continue to meet on spacing of wells until the War Production Board and the OPC approve their co-operation.

Other resolutions provided:

Consideration of legislation to "encourage and legalize the voluntary pooling of separately-owned property interests within appropriate drilling units for the exploration and development of oil, gas or distillate pools of the various states.

Full support of the compact to the War Production Board's

industrial scrap collection campaign.

Fewer Wells Drilled.

American oil producers are losing ground in finding new reserves in face of the fact that after the war they may have to supply the entire world with oil, Don R. Knowlton, OPC production director, told the group yesterday morning.

He estimated that only 19,000 new wells would be drilled this year, in comparison with 31,000 drilled last year, and added that America should quit losing ground in finding new reserves.

Charging that in the last three years producers had lost about 2,000,000,000 barrels, Mr. Knowlton added, "I think this situation is so serious that companies should be encouraged to continue research to discover new reserves."

Mr. Knowlton also pointed out that it would take considerable steel to increase drilling, but urged the oil men to do their best with facilities they had. "If we can drill one well to take the place of two wells,

Plan Getting Material For Plug Backs

Democrat 4-5-42

El Dorado—The Arkansas Oil and Gas Commission has taken steps looking to co-operative action on the part of oil men in the Smackover field to obtain equipment.

The commission has written to all operators seeking information as to their plans for plugging back wells and for proposed equipment changes during the next two years.

Alec M. Crowell, director of conservation and production for the commission, stated the willingness of the state regulatory body to call a meeting of operators in an attempt to consolidate the available information from each operator for presentation to the petroleum co-ordinator's office as a common record.

He has suggested the possibility of a meeting during the last week in April.

Crowell pointed out in his letter that recent orders of the co-ordinator limit pumping and other operating equipment changes to that needed for only one well to each 10 surface acres. He added that plug backs to other productive horizons are prohibited entirely under the conservation order of the co-ordinator, and that exceptions are possible only after considerable proof is offered.

The proposed meeting might result in a formal hearing by the commission to gather all available information, such as the procedure that was followed in obtaining OPC approval for drlling of wells in the Arkansas sour gas fields.

Last week during the meeting of the Interstate Oil Compact Commission in Little Rock, Don Knowlton, director of production for the co-ordinator's office, expressed the opinion that much more oil could be obtained for the war effort through the reworking of stripper wells, and indicated that his office would entertain applications for exceptions to the spacing regulations from stripper pools. There are many wells in the Smackover field on tracts much smaller than 10 acres.

State's Oil Conservation Law Praised

Gazette 4-9-42

Arkansas has proved that a good oil and gas conservation law, efficiently administered, is ideally sound and economically profitable, the Oil and Gas Journal said in its issue of April 2.

"One state in which activity remains at last year's level is Arkansas," the Journal said. "At a meeting of the Interstate Oil Compact Commission at Little Rock last week, there were numerous comments about Arkansas's excellent conservation law and it was obvious that these were not merely kind expressions intended to gratify the host."

Evidence of the efficient manner in which the state's conservation laws are being administered by the state Oil and Gas Commission was reported by the Journal in publishing an address delivered before the Oil Compact Commission by John E. Howell of El Dorado, vice president of the Lion Oil Refining Company.

Spacing Rules Widened.

"One of the most striking effects of unitization of the Schuler field [as discussed by Mr. Howell] was the widening of the field's spacing pattern by plugging back a number of wells for recompletion in higher sands," the Journal continued. "Originally on 20-acre spacing, the Jones sand production at Schuler is now on larger than 40-acre spacing.

"Operators at McKamie, Dorcheat and Macedonia have been permitted to develop these fields according to their own plan after the Oil and Gas Commission forwarded to the Office of Petroleum Co-ordinator a transcript of the evidence taken at a recent hearing. Conservation methods used at Magnolia have resulted in the tripling of the estimated recovery if old-time production methods had been used and development expenses were only one-quarter as large as they would have been on 10-acre spacing.

"Arkansas is fortunate in having much of her flush production coming from fields whose development started under modern methods. In other states, regardless of their present laws or the administration of those laws, production comes mainly from older fields. In these states the OPC's M-68 [a spacing regulation] introduced a decided change in spacing and although it is quite possible that 40-acre spacing would have worked in these fields, the fact is that it was not tried.

"As a result, production practices formerly in vogue have so reduced the energy of most fields that it is questionable if additional wells drilled on 40-acre spacing will produce much more oil per well than if they were drilled on 10-acre spacing."

Petroleum Board To Meet Wednesday.

Gazette 4-11-42

Harold L. Ickes, petroleum co-ordinator, and his assistants, Robert E. Allen and Don R. Knowlton, will meet with the 18 members of the National Conference of Petroleum Regulatory Authorities beginning Tuesday at Washington. These meetings probably will extend through Saturday. O. C. Bailey, chairman of the Arkansas Oil and Gas Commission will represent that state, while Joseph L. McHugh, commissioner of the Department of Conservation will represent Louisiana.

Oil Production Allowables To Be Fixed

Gazette 4-12-42

A special hearing to fix production allowables for the oil and gas fields of Arkansas for May will be held at the courthouse at El Dorado April 22. There are several other matters to be taken up, including gas-oil ratio adjustment for the Atlanta field, adoption of a new proration formula for the Dorcheat field, a decision on the question of permits for multiple-zone or dual completion of oil wells in Arkansas during the war emergency, and hearing of evidence on a petition filed by W. F. Powledge, H. M. Powledge, G. S. Powledge, J. R. Powledge, Aliece M. Mucher, E. G. Powledge, Zelma Powledge Warren and Annie Powledge Ritchie, complaining of the operation of the Schuler-Jones sand unit.

The state Oil and Gas Commission explained that while all of the oil pools in the state are operating with a minimum of waste under present conditions, adjustments are necessary to meet the requirements of the state allowable set by Petroleum Co-ordinator Ickes. Under normal conditions Arkansas would be producing in the neighborhood of 80,000 barrels of crude oil daily from the present wells and pools. Transportation difficulties have necessitated the fixing of allowables by the federal government for all oil-producing states, and Arkansas's allowable has been reduced to 71,500 barrels daily. Production has been reduced to meet this figure, although it is expected that for May, allowables may be even lower.

Only 13 Pools Controlled.

Thirteen oil and gas fields are operating under state control in Arkansas. Out of the total of 28 pools, the 15 pools that are not under control are what are known as the stripper fields, which include Smackover, El Dorado, Irma, Troy, and others. These fields are allowed to produce all that they can, while the reduction during the war emergency is met in the 13 pools. The 13 controlled pools, since war commenced, have suffered a reduction of about 10,000 barrels daily in production. Engineers estimate that the controlled pools could produce more than 500,000 barrels of oil a day if not restricted, but considerable waste would result.

On petition of G. Scott Hammonds, an operator in the Atlanta field, the question of gas-oil ratios for that pool will be heard. The original gas-oil ratio, set with the discovery of the Atlanta pool in December, 1938, was 2,000 cubic feet of gas to the barrel. A year and a half later, or June 20, 1940, at a public hearing at El Dorado, the Tide Water Associated Oil Company presented evidence to show that the gas-oil ratio should be increased to 3,000 cubic feet a barrel of oil produced. For almost two years, then, the Atlanta pool has operated on a gas-oil ratio of 3,000 cubic feet to the barrel of oil produced. Mr. Hammonds contends that the Atlanta pool should be placed on a volmetric formula as is now in operation in Village and Dorcheat. There also is a possibility that all of the wells in the Atlanta pool are not producing from the same horizon. The current proration schedule of the commission shows gas-oil ratios to vary from a low of 453 cubic feet to a high of 4,650 cubic feet a barrel of oil produced. The majority of gas in the Atlanta field is being utilized in repressuring work, although some of the wells are blowing their gas to the air.

No Proration Method Necessary.

With the fixing of 80-acre spacing in the Dorcheat field, following hearings before the commission March 10 and 24, it will be necessary to promulgate some new proration method to take care of the new 80-acre units. There are now 21 wells producing on 40-acre units in the Dorcheat field, and it is estimated that there will be seven wells drilled on 80-acre units. The prospective operators of 80-acre units are expected to ask for twice the allowable granted on 40-acre units, and this will be opposed by the operators of the 21 wells now producing in the field. It has been pointed out that the 80-acre spacing was brought about by the national emergency under requirements of the federal government, and the operators of the 40-acre units do not feel that they should be penalized too greatly. Commissioners said that the main object in the drilling of additional wells in the Dorcheat pool was to supply gas to the war industries, principally the aluminum plant near Hot Springs. Allowables will be fixed, as soon as pipe lines are laid, on the basis of gas and not oil.

Multiple-zone or dual completion of wells has been practiced in Louisiana, Texas, Kansas, California and other states, but has been frowned on in Arkansas. Where more than one productive sand was found in the same field, packers have been set between the two producing horizons and the oil produced through the same well bore, one through the tubing and one through the casing. Operators in the Macedonia and Dorcheat pools contend that the "Cotton Valley" section in those pools, like the Cotton Valley section in the Schuler field, is as productive as the lime section. By recompleting the 21 wells now in the Dorcheat pool by the use of multiple-zone equipment, supplied by all of the leading equipment houses, the equivalent of 21 new wells can be brought into production with little use of additional steel. These 21 wells would produce sweet oil and sweet gas. The same is true of the nine wells in the Macedonia field, and of course would apply to all of the wells to be drilled in these pools. Operators have pointed out that with the new equipment the two producing horizons could be separated completely and depleted in that manner. Bottom hole pressures and gas-oil ratios can be taken on each zone separately and if it became necessary, pumping operations could be carried on separately.

W. F. Powledge and others have petitioned the commission to prohibit the operator of the Schuler unit from taking oil immediately offsetting the Powledge lease, under which they own royalty. The Powledge lease is one of the two leases not a part of the Schuler operating unit. The Schuler unit consists of 272 royalty owners, owning approximately 93 per cent of all the royalty in the Jones sand, and all of the oil companies in the pool with the exception of one.

O. C. Bailey, chairman of the Oil and Gas Commission, will have returned from Washington by the hearing date, where he has been conferring with Harold L. Ickes, petroleum co-ordinator, and will report the results of his conference.

Commissioner Bailey To Meet With Ickes

Democrat 4-12-42

El Dorado, Ark.—O. C. Bailey, El Dorado, chairman of the Arkansas Oil and Gas Commission, will represent Arkansas at the national conference of state petroleum regulatory authorities in Washington, D. C., starting Tuesday.

The conference was called by Harold L. Ickes, petroleum co-ordinator, who will meet with the 18 members of the national conference of state authorities. Robert E. Allen, deputy co-ordinator, and Don R. Knowlton, director of production for the OPC, will participate.

The purpose is to discuss better co-operation and co-ordination between the federal petroleum authorities and the state regulatory officials. Every phase of the oil industry will be discussed, including production, refining, transportation, development and exploration.

OIL CONFERENCE SUPPORTS ICKES' QUOTA PROGRAM

Fair Price Asked For Crude.

Gazette 4-16-42

(By the Associated Press.)

Washington, April 5.—The National Conference of State Oil Regulatory Authorities today threw its support behind the national program of Petroleum Co-ordinator Ickes to regulate oil operations for war purposes. Recommending that oil producing states follow the monthly state production rates assigned by Ickes, "for the duration of the emergency." Ickes' efforts to assign state quotas previously had encountered resistance in some states.

The conference also adopted resolutions asking "a fair price" for crude oil, opening of the public domain to greater oil development, retention of the 27 1-2 per cent depreciation allowance on oil production, and demanding "efficiency in government."

"A fair price for crude oil is necessary," the conference said, "to preserve our wells of settled production, especially the stripper wells. All price inequalities must be corrected—not perpetrated."

Attending the conference were representatives from the states of Arkansas, California, Colorado, Illinois, Indiana, Kansas, Kentucky, Louisiana, Michigan, Mississippi, Montana, Nebraska, New Mexico, Ohio, New York, Oklahoma, Pennsylvania, Texas, Wyoming and West Virginia.

Oil Allowables For Month To Be Set Today

Special to the Gazette. 4-22-42

El Dorado, April 21.—May allowables for controlled Arkansas oil fields will be set tomorrow at a hearing here of the Arkansas Oil and Gas Commission.

Recommendations from the Office of Petroleum Co-ordination will be followed in determining the quantity of oil to be produced next month, commission officials said.

A new proration formula for the Dorcheat gas fields in Columbia county is scheduled for discussion, as is the question of a dual-completion system of wells in the Dorcheat and Macedonia fields.

The Shuler operating unit will be asked to explain field operations following a request from royalty owners under the Bowledge lease in that area. The lease is one of the two leases not included in the repressuring plan.

Dinner Meeting Held.

Oil operators, royalty owners and others identified with the industry over this section attended a dinner meeting here tonight and heard an address by Russell B. Brown, Washington, D. C., general counsel of the Independent Petroleum Association of America. Mr. Brown's address dwelt on the petroleum industry's place in the war effort. A round table discussion followed.

Attending with Mr. Brown were C. E. Buchner, executive manager of the association, and Charlie Van Vleck, field manager. J. D. Trimble, El Dorado oil man and head of the local chapter of the I. P. A. A., which sponsored the meeting, was in charge.

May Oil Allowables Reduced

Special to the Gazette. 4-23-42

El Dorado, April 22.—The Arkansas Oil and Gas Commission reduced allowables for the state's controlled and settled oil fields from 74,329 barrels of oil monthly to 72,291 barrels, following a statewide hearing here today.

Production from Arkansas's 13 controlled crude oil fields was reduced from 44,469 barrels monthly to 42,815 barrels, while the reduction from the five condensate fields was from 6,341 barrels to 5,957.

The 23,519-barrel production from the state's settled field will remain the same during May.

May Allowables.

May allowables as set by the commission follows:

Atlanta field, 2,737, a reduction of 189 barrels daily.

Buckner field, 2,472, no reduction.

Magnolia, 17,207, reduction of 575 barrels daily.

Midway, 1,650, reduction of 550 daily.

McKamie, 109, no reduction.

Mount Holly, 300 daily, reduction of 50 daily.

Nick Springs, 487, no reduction.

Shuler (Cotton Valley), 400, 200 barrel reduction.

East Shuler, 597, no reduction.

Shuler (Jones sand), 12,000, no reduction.

Shuler (Reynolds lime), 2,249, 90 barrels reduction.

Urbana, 1,425; no reduction.

Village, 1,182, no reduction.

Allowables for condensate fields:

Big Creek, 264 barrels daily, no reduction.

Dorcheat (Cotton Valley), no reduction for May as compared with 50 barrels daily for April.

Dorcheat (lime) 1,898, reduction of 79 barrels.

Macedonia (lime), 1,170, reduction of 90 barrels.

McKamie (lime) 2,625, reduction of 225 barrels.

Other Rulings.

The commission, after hearing testimony during the morning and early afternoon, ruled that the proposed dual completion system in the Dorcheat and Macedonia fields shall be forbidden unless the fields are completely unitized.

However, the commission recommended use of the dual completion plan saying that it would bring about recovery of more oil and gas and protect royalty and land owners.

Error Corrected.

The volumetric formula proposed for the Atlanta field was rejected by the commission, which acted to correct a mistake made in figuring the gas-oil ratio last August 1 when the ratio was reduced from 3,000 to 2,000. Allowables due operators from August 1, 1941, to the present will be made up at a rate of 20 barrels of oil a well a day which will entitle the production of about 12,861 barrels of oil in the field.

The petition of Powledge and others against operation of the Shuler unitization plan west of here was disallowed.

Repressuring Urged For Oil Fields

Special to the Gazette. 4-24-42

El Dorado, April 23.—Continued agitation for a repressuring program in the old Smackover and adjacent settled oil fields in north Union county has led to the assertion by operators in that area that an additional 500,000,000 barrels of oil could be recovered if some such plan could be worked out for the pool.

Five hundred million barrels of oil is more than it is estimated will be recovered from all oil fields in Arkansas under present methods, figuring compiled by the Arkansas Oil and Gas Commission show.

Operators have pointed out that the first step in preparation for repressuring would have to be the elimination of vacuum pumps in the field. This has drawn attention of major oil companies, notably the Phillips Petroleum Company of Bartlesville, Okla., whose vice president, C. P. Dimit, has written all operators in the Smackover area urging such action.

Mr. Dimit said the consensus is that the continued use of vacuum pumping equipment in the present state of depletion in the Nacatoch sand cannot increase the ultimate recovery of oil from the pool.

"The facts seem to indicate that vacuum is applied generally only because it is employed by offset operators," Mr. Dimit said. "About the only result obtained is a needless, heavy burden of added expense to every operator in the pool."

Four Objections to Vacuum.

He outlined four major objections to the continued use of vacuum in the Nacatoch sand of the Smackover pool:

"1—It involves an expense of operating the vacuum system which must range from eight to 15 cents a barrel on oil produced, counting both tangible and intangible costs.

"2—A large investment in vacuum pumps and systems.

"3—An additional expense and investment in oversize well pumping equipment and added maintenance costs resulting in the extreme pumping conditions brought about by the application of from 20 to 24 inches well head vacuum.

"4—Added to the above are the expenses from the extreme conditions of corrision due to air in the reservoir and the aggravated water production."

Mr. Dimit said also:

"If vacuum were removed slowly over a period we could expect an interval, perhaps as long as six months, wherein the current production would be less on the average than under the present vacuum conditions. But after the interval of adjustment, we confidently expect that the production of individual wells would return to normal; and we can see no reason whatsoever why removing vacuum entirely should cause any loss in ultimate recovery. When we realize that the excessive cost of eight to 15 cents a barrel, arising from vacuum operation, is a substantial part of the 83 cents a barrel posted price for Smackover crude, there appears to be little need for any questioning of the value of examining the necessity of maintaining the vacuum operation in the field."

Operators here, expecting a sharp curtailment in equipment for pumping operations, are pressing for the repressuring plan. A hearing on the matter is expected to be held here in May.

Abandoning Of Wells Restricted

Gazette 4-30-42

Washington, April 29 (AP).—The petroleum co-ordination office today directed that no oil or gas well be abandoned until the well is incapable of producing enough oil or gas to pay costs of labor, maintenance and taxes.

"It is essential to the success of the war effort," said Deputy Co-ordinator Ralph K. Davies, "that the maximum recovery of known reserves of petroleum in the United States be obtained. To accomplish this maximum recovery, it is imperative that oil and gas reserves be no prematurely abandoned, thus jeopardizing the eventual recovery of the reserves."

Notice of intent to abandon a well capable of producing more than one barrel of crude oil or 6,000 cubic feet of natural gas daily should be filed with the district director of production at least 30 days before abandonment operations are scheduled to begin, Davies said.

Quick Hauling Proposed.

Co-ordinator Ickes and Transportation Co-ordinator Joseph B. Eastman, commended states and cities that have taken steps to encourage the short haul movement of oil by motor trucks. Use of tank trucks on all hauls within a 100-mile radius has been requested by Ickes as a basic policy, so that large numbers of railroad tank cars may be released for the more important jobs of moving oil over great distances to Eastern seaboard areas.

When it was first proposed to substitute tank trucks for tank cars in the short haul service, various difficulties were encountered, including state laws and municipal ordinances limiting the size of trucks and their loads. "This being so," Ickes said, "we have thought it advisable to suggest that

certain statutes be relaxed, for the duration of the emergency only, where it could be done without endangering the public safety. The response, to date, has been excellent."

Stripper Fields Seen In Danger

Special to the Gazette. 5-6-42

El Dorado, May 5.—If Arkansas refiners carry out an order from the Office of Petroleum Co-ordination reducing the processing of crude oil to 70.5 per cent of the amount run during the last six months of 1941, the state's stripper fields are almost certain to receive a death blow, members of the oil fraternity and larger independent operators said today.

The order for the decrease in refinery production, issued by Deputy Co-ordinator Davies in Washington, asked refiners in District 3, composed of Texas, Louisiana, Arkansas, Mississippi and New Mexico, to drastically reduce runs of crude.

Davies said that "because of transportation difficulties leading to serious interference with the war effort and in order that large and small refineries operating in areas farthest removed from the normal large consuming markets may be treated equitably, it is necessary that crude runs be curtailed uniformly with exceptions accorded only to those refineries where it is imperative that a different rate of production be authorized to sustain maximum output of critical war products."

Blow for Stripper Fields.

Operators and producers from the stripper fields, or fields where pumping equipment is used exclusively, said today that their areas will be affected more than controlled fields.

They said that hundreds of wells in the pumping fields will be ruined beyond repair if they are forced to shut down.

Many of these wells are producing a large percentage of salt water. Oil men said if the wells are shut down the salt water will encroach on producing stratas so that later pumping operations will not be profitable and in most instances will be impossible.

MacMillan, Berry, the Stephens firm and the Cross refinery near Smackover, use oil from stripper fields exclusively.

Serious Effects Feared.

At present stripper fields in Arkansas produce an average of 23,500 barrels of crude daily as compared with 48,672 barrels daily from prorated crude oil and compensated fields. Approximately 35,000 barrels of oil from Arkansas fields are used in Arkansas refineries daily and a 29.5 per cent slash in processing will mean a reduction of about 10,000 barrels daily.

It was the opinion of many oil men here that a curtailment in Arkansas processing will aggravate the shortage of tank cars in the United States because Arkansas refineries supply the entire state with fuel and other refinery products. Any curtailment in production of many items, operators said, will force the use of tank cars from the Gulf states refineries to the Arkansas route to bring in fuel and supplies.

Many plants in this area are operating at a much higher rate than during the latter part of 1941. A 29.5 per cent cut in output will result in some cases in a reduction of as much as 35 to 40 per cent in present operations.

Increase In Oil Production Past Year

Gazette 5-17-42

In a report to O. C. Bailey, chairman of the Arkansas Oil and Gas Commission, Alec M. Crowell, director, and E. M. Dutton, auditor, detailed the operation of the oil and gas industry in Arkansas for 1941. In the letter of transmittal the statistical report was summarized as follows:

During 1941, production from all fields in the state increased 2.5 per cent, or 657,474 barrels. Settled fields decreased 6.86 per cent, or 626,619 barrels, while flush controlled fields increased 7.81 per cent, or 1,284,093 barrels.

Four new fields were brought into production during 1941: Macedonia, Mount Holly, Patton and East Schuler, and accounted for 189,099 barrels of the 1,284,093-barrel increase in flush field production. Production from the McKamie field of Lafayette county increased 819-435 barrels during the year, and increases were reflected in all other flush fields except Magnolia, Schuler-Jones, Schuler-Reynolds Lime and Village fields.

The effect of increasing the number of wells beyond the critical point necessary in optimum rate production is reflected in the daily average well allowable assigned flush fields. At January 1, 1941, there were 358 wells producing from the flush fields in this state with an average daily allowable of 128.1 barrels. January 1, 1942, found this allowable reduced to 114.6 barrels average daily for the 412 wells producing at that time. Reservoir pressures and gas-oil ratio control are satisfactory for the year.

In the over-all picture, the average daily output per well during 1941 from both flush and settled fields was 24.1 barrels, a decline of .9 of a barrel per day from the output of 25 barrels average daily per well in 1940.

All of the 1,284,093 barrel increase attributed to flush fields resulted from new wells coming into production and not from increases in allowables.

212 Wells Drilled.

In the 12-month period covered by the report, 212 wells were drilled in search of oil and gas in Arkansas. One hundred and twenty were completed as oil wells, four as gas wells and 88 failed to make commercial producers or were dry. In comparison with a similar period in 1940 this represents an increase of 31 wells drilled, a decrease of one well completed as an oil well, four wells completed as gas wells and an increase of 36 dry hoes.

Reserves of crude oil and condensate in southern Arkansas were estimated at January 1, 1941, to be 309,500,000 barrels and at January 1, 1942, to be 370,641,000 barrels. The January 1, 1942, estimate includes the Midway field of Lafayette county. The first well in this field was put on production January 1, 1942.

Gas Production Increased.

As of January 1, 1941, there were 10,545 producing acres in the controlled oil and gas condensate pools of south Arkansas producing an average of 6,259 cubic feet of gas per acre per day. By January 1, 1942, the producing acres in these fields had increased to 14,564 acres and the production of gas per acre per day to 7,211 cubic feet. The increase in the daily average cubic foot per acre figure was brought about by additional development in the Dorcheat and McKamie fields and by the discovery and subsequent development of the Macedonia field, all of which are predominantly gas distillate type fields.

The increase in the amount of gas produced reflects in the amount of gas necessarily vented, which increased from 48,000,000 to 63,000,000 cubic feet during the period January 1, 1941, to January 1, 1942, an increase of 31 per cent. Gas utilized, however, showed an increase of 133 per cent. This gain in the utilization of sour gas was due to increased takes by the Shell gasoline plant which utilizes practically all of the gas produced in the Magnolia field, and to the construction and placing in operation of the Schuler gasoline and recycling units.

Projects now under construction in southern Arkansas, when completed, will utilize practically all of the gas now being produced in this state.

Estimates as of January 1, 1942, placed the reserves of gas in oil and condensate pools in southern Arkansas at 1,113,000,000 M. C. F., while estimates made January 1, 1941, indicated a reserve of 701,000,000 M. C. F. of gas, an increase in reserve during 1941 of 412,000,000 M. C. F., or 58.7 per cent.

Reserves of sweet gas in north central Arkansas were reduced by production and the scaling downward of previously quoted reserves from 97,000,000 M. C. F. at January 1, 1941, to 47,000,000 M. C. F. at January 1, 1942.

Oil Reserve Increasing, More Gas Used

Commission's Report Shows Average Well Makes 24.1 Barrels.

Democrat 5-17-42

El Dorado—In a report to O. C. Bailey, chairman of the Arkansas Oil & Gas Commission, Alec M. Crowell, director, and E. M. Dutton, auditor, detailed the operation of the oil and gas industry in Arkansas for the year 1941.

In the letter of transmittal the statistical report was summarized as follows:

During 1941, production from all fields in the state increased 2.5 per cent, or 657,474 barrels. Settled fields decreased 6.86 per cent, or 626,619 barrels, while flush controlled fields increased 7.81 per cent, or 1,284,093 barrels.

Four new fields were brought into production during 1941: Macedonia, Mt. Holly, Patton and East Schuler, and accounted for 189,099 barrels of the 1,284,093-barrel increase in flush field production.

Production from the McKamie field of Lafayette County increased 819,435 barrels during the year, and increases were reflected in all other flush fields except Magnolia, Schuler-Jones, Schuler-Reynolds lime and village fields.

The effect of increasing the number of wells beyond the critical point necessary in optimum rate production is reflected in the daily average well allowable assigned flush fields. January 1, 1941, there were 358 wells producing from the flush fields in this state with an average daily allowable of 128.1 barrels. January 1, 1942, found this allowable reduced to 114.6 barrels average daily for the 412 wells producing at that time. Reservoir pressures and gas-oil ratio control are satisfactory for the year.

Output 24.1 Barrels.

In the over-all picture, the average daily output per well during 1941 from both flush and settled fields was 24.1 barrels, a decline of .9 of a barrel per day from the output of 25.0 barrels average daily per well in 1940.

In reviewing the production statistics in the succeeding pages of this booklet, it becomes apparent that almost all of the 1,284,093-barrel increase attributed to flush fields resulted from new wells coming into production and not from increases in allowables.

In the 12-month period covered by this report 212 wells were drilled in search of oil and gas in Arkansas. One hundred twenty were completed as oil wells, four as gas wells and 88 failed to make commercial producers or were dry. In comparison with a similar period in 1940 this represents an increase of 31 wells drilled, a decrease of one well completed as an oil well, four wells completed as gas wells and an increase of 36 dry holes.

Reserves Show Increase.

Reserves of crude oil and condensate in southern Arkansas were estimated at January 1, 1941, to be 309,500,000 barrels and at January 1, 1942, to be 370, 641,000 barrels. The January 1, 1942, estimate includes the Midway Field of Lafayette County. The first well in this field was put on production January 1, 1942.

As of January 1, 1941, there were 10,545 producing acres in the controlled oil and gas condensate pools of South Arkansas, producing an average of 6,259 cubic feet of gas per acre per day. By January 1, 1942, the producing acres in these fields had increased to 14,564 acres and the production of gas per acre per day to 7,211 cubic feet.

The increase in the daily average cubic foot per acre figure was brought about by additional development in the Dorcheat and McKamie fields, and by the discovery and subsequent development of the Macedonia field, all of which are predominantly gas-distillate type fields.

June Oil Allowables Increased

Special to the Gazette. 5-28-42

El Dorado, May 27.—The Arkansas Oil and Gas Commission ordered June production in Arkansas oil fields set at 75,300 barrels daily in line with an order issued by Petroleum Co-ordinator Ickes, but petitioned the OPC to make a new study of market demands for Arkansas petroleum products and if possible to allow a further production increase.

May allowable was 70,748, and new wells brought the figure to 73,300. Two thousand barrels of natural gasoline also will be produced during June, bringing the total to 75,300. Allowables in controlled fields will remain unchanged.

Wuld Prorate Increases.

If the OPC allows an increase in production, Conservation Director A. M. Crowell has been authorized by the commission to allot additional production to the Midway field at a rate of 20 barrels a day a well and to divide the remainder in other controlled fields.

Chairman O. C. Bailey of the commission said that nominations for purchases of Arkansas crude during June total 85,543 barrels daily while the daily allowable set by the OPC is 75,300.

Crude Demand Increased.

Barnsdall Oil Company and Standard presented evidence of the additional demand for crude from Midway and emphasized the state's strategic position in the movement of oil by tank car to Missouri for barge shipment to the East.

Multiple Zone Requested.

Following the open hearing and executive session this afternoon, Smackover operators voted to petition the OPC to designate the Smackover field as a multiple zone area. The commission concurred in the petition and presented it to E. O. Buck, Houston, Tex., acting OPG director of District No. 3.

The petition would allow the OPC to issue a blanket order by which wells in the field may be plugged back or deepened without necessity of a permit. Phillips Petroleum Company's proposal for elimination of the vacuum method of production in the field was deferred.

Commission to Meet.

Gazette 5-21-42

The Oil and Gas Commission will hold its monthly hearing at Magnolia Friday to hear evidence to determine whether there is any waste in prorated oil fields. Evidence also will be heard on market requirements from producers and purchasers of crude petroleum and natural gas from Arkansas pools.

Proposed changes in commission rules and regulations for state pools to follow provisions of the Office of Petroleum Co-ordination, also will be discussed.

There is a possibility that the Dorcheat, McKamie and Macedonia gas pools may be closed to production until the gas produced from the pools can be processed and utilized. Testimony will be heard on this proposal.

Application of the Southwood Oil Company and M. E. Wakefield to drill a well on a 40-acre tract in the Midway field will be studied. The application sets out that operators want to drill the well, the Minnie McClaine et al No. 1, 50 feet north of the center of the north half, NE of Section 14-15-24, Midway field, Lafayette county, as an exception to Commission Rule 1, Order No. 5-42, for the reason that if the well were drilled in accordance with the spacing rule, it would be outside productive limits of the pool.

Commission May Close Gas Condensate Pools

Democrat 5-21-42

El Dorado — Several important matters in addition to fixing of allowables for the month of July are slated to come before the state-wide oil and gas hearing by the Arkansas Oil and Gas Commission at 10 a. m. Friday, June 26, at the courthouse in Magnolia.

The commission will hear evidence to determine whether there is waste of gas taking place in any of the pools, in connection with determining the optimum daily rate of production of oil and gas from each of the pools.

Evidence will be heard relative to the market requirements from producers and purchasers of crude petroleum and natural gas from each of the fields, and for the purpose of determining which of the regulations of the commission should be changed or abrogated so as to follow the orders of the federal petroleum co-ordinator.

The commission also will hear evidence as to whether the Dorcheat, Macedonia and McKamie gas condensate pools should be closed to production until such time as the natural gas produced from these pools can be processed and utilized.

The application of the Southwood Oil company for a special permit to drill the Minie McClaine et al No. 1, section 14-15-24, Midway field, Lafayette County, will be heard.

Ickes Would Increase Oil Production

Gazette 6-23-42

Washington, June 22 (AP).—Petroleum Co-Ordinator Ickes recommended today a daily production of 3,833,800 barrels of petroleum liquids in the United States during July, an increase of 200,000 barrels daily over the recommened rate for June.

Most of the recommended increase, Ickes said, was made possible by the improvement of pipeline, barge and rail transportation facilities out of the Gulf coast area.

Production rates certified to the oil states of the southwest for July with those for June:

	July 1942	June 1942
Arkansas	78,500	75,300
Louisiana	319,600	311,300
Mississippi	49,900	49,200
Texas	1,214,400	1,086,600

New Increae to Allow Greater Production in Midway Field.

Special to the Gazette.

El Dorado, June 22.—O. C. Bailey, chairman of the State Oil and Gas Commission, said tonight that the commission had petitioned the Office of Petroleum Co-ordination for an increase in production. Mr. Bailey said an increase was asked in the hope that more oil could be produced from the new Midway field.

"Illinois refineries are crying for the oil," he said. "Tank cars are piling up here waiting to ship the oil."

Sour Gas Fields Due To Be Closed

Special to the Gazette. 6-24-42

El Dorado, June 23.—Oil operators are expected to accede unanimously to an Office of Petroleum Co-ordination request that sour gas fields of McKamie, Dorcheat and Macedonia fields be shut down until there is a direct need for the sweentened and processed product by war industries.

D. E. Buchanan, chief of the Natural Gas and Gasoline Section of the OPC, has written to operators in the there sour gas fields suggesting that he would be happy to report to the co-ordinator that the commission and operators have, on their own initiative, taken what appears to be a desirable action in shutting down the fields."

Action on the question of shutting down the sour gas wells and opening up, through dual completion methods, the Cotton Valley sand in these fields, will be taken at a meeting of the commission at Magnolia Friday. Mr. Buchanan will attend.

Would Use Sweet Gas.

With dual completion operators in the three sour gas fields will be able to shut off flow of sour gas from about 8,800 feet while opening up the Cotton Valley formation at around 8,000 feet to supply sweet gas for the Lake Catherine plant, which will use about 50,000,000 cubic feet of gas a day when in full operation. It was said here today, however, that only a small amount will be used until capacity operation is achieved.

It is said that operators believe that production can be obtained best without the use of recycling because of the peculiar construction of the producing sand described as lentucular.

Three operators are producing sweet gas from the Cotton Valley formation.

Mr. Buchanan estimated the accumulated gas wastage to March 1, 1942, at 11,000,000,000 cubic feet in McKamie, 14,000,000,000 in Dorcheat and 4,000,000,000 in Macedonia. He estimated waste in the next six months at 3,500,000,000 each for McKamie and Dorcheat and more than 2,000,000,000 for Macedonia.

Would Retard Development.

Oil men here say that the McKamie Gas Cleaning Corporation and the Arkansas Louisiana Gas Company desulphurization units will not be completed until January or February, 1943, and that if a shutdown is ordered, development in the Dorcheat and Macedonia fields will be retarded greatly or even stopped in 1943. Development in the McKamie field virtually is completed.

It was said that there is a great need for continued production in the sour gas fields to facilitate the movement of waxy East Texas crude to Eastern markets. This condensate from the Arkansas fields acts as a lubricant to the heavier Texas crude.

Most of the gas reported wasted in the fields is vented by flares adjoining well sites.

Operators to Be Affected.

Operators to be affected directly by the probable shutdown are: Atlantic Refining Company, Southwood Refining, G. H. Vaughn and the Magnolia, all of Dallas, Stacy-Delta Drilling Company, C. H. Lyons and the Arkansas Fuel Oil, all of Shreveport, McAlester Fuel Oil of McAlester, Okla., Superior Oil Co. and General Crude Oil Co. of Houston, Shell Oil of Kilgore, Tex., and C. H. Murphy and Lion Oil of El Dorado.

ICKES FAVORS CONTROL OVER OIL SITUATION

Would Give Board Broad Powers.

Gazette 6-26-42

(By the Associated Press.)

Washington, June 25.—Secretary Ickes, contending that wartime dislocations threatened to create shortages of oil for military use, asked Congress today to establish a $500,000,000 government corporation with broad powers over production and distribution of petroleum products.

Ickes told the House Banking Committee there was a prospect that many small oil companies might go bankrupt because of increased cost of transporting petroleum supplies. Ickes said their failure would mean that "military and essential civilian users may fail to get petroleum supplies which they must have."

"Unless positive action is taken in this field, we must steel ourselves to face a series of probably unnecessary stringent rationing orders and perhaps shortages of petroleum or some of its products for military use."

Would Allow Return Of Products to Reservoirs.

Ickes said there was no over-all shortage of crude petroleum, but continuance of this situation, if the war were prolonged, might depend on how well existing reserves were conserved.

He asked that the proposed War Petroleum Corporation be empowered to provide for return, upon such terms and conditions as will protect the public interest, to the natural underground reservoir or other disposition of petroleum products purchased by the corporation for the purpose of assuring the production of other petroleum products."

This would take care of a situation where a company producing aviation gasoline found itself with large quantities of petroleum by-products for which there was no sale. The government corporation could by the by-products and store them or pump them back underground.

Ickes asked also that the corporation be charged with causing the production of needed amounts of petroleum products, maintenance of reserves, delivery of such products to shortage areas and expansion and most efficient use of petroleum transportation facilities.

Oil Men Oppose Shut In Of Gas Fields

Special to the Gazette. 6-27-42

Magnolia, June 26.—The Arkansas Oil and Gas Commission, meeting here today, recommended against a proposed shut-in of the sour gas field wells. Dual completions were favored.

D. E. Buchanan of Houston, Tex.,

federal director of Natural Gas and Gasoline Division of District 3 met with the commission members. He took little part in the discussion.

Allowables Announced.

Allowable changes for July included:

Atlanta Field, 21 wells, increased from 2,767 to 2,893 barrels.

Buckner Field, 28 wells, reduced from 2,363 to 2,000 barrels.

Midway Lime, 18 wells, increased from 2,700 to 3,700 barrels.

The three fields under discussion for shut-in were given the biggest reductions.

Dorcheat, 21 lime wells, from 2,226 to 1,050 barrels.

Macedonia, 11 wells, from 1,430 to 660 barrels.

McKamie, 15 wells, from 2,625 to 1,125 barrels.

This leaves allowables for the state 71,915 barrels, and 2,000 barrels of natural gasoline, totaling 73,915, or 4,585 barrels less than the federal allowable for the state, or 75,500.

One Permit Granted.

The commission granted a permit to M. E. Wakefield for a well in Midway Field, Lafayette county.

Dual Completions Discussed.

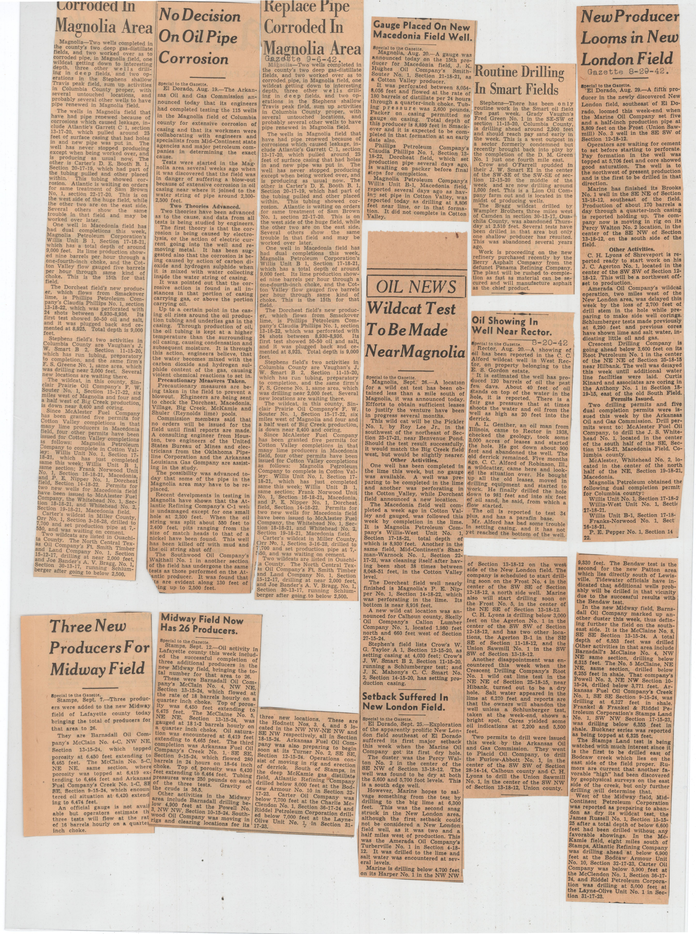
All major companies operating in this area were represented and many arguments for dual completions were made. R. O. Garrett, representative of the Arkansas Louisiana Gas Company, said that the demand for domestic gas is increasing, that the demand for fuel for war plants is heavy and that sweet gas from the Cotton Valley formation is needed. He said that if domestic needs cannot be supplied, people will have to burn wood in cook stoves which will require much steel. He said the market is ready for 20,000,000 to 70,000,000 cubic feet of gas daily, especially during the next two months.

It was pointed out that dual production can be done safely, with each kind of gas kept separate, and that dual completions will save about $400 a well.

Operators Oppose Shut-In.

Several operators spoke against the move to shut-in fields. One cited a well that was drowned with salt water encroachment during the March shut-in. Another told of a well that had to be recompleted at considerable cost. Operators said that many wells might be ruined by water and declared that if the three fields were shut-in, all wells drilling must stop. A great loss of materials would ensue, they said, and many people would be thrown out of employment. All declared, however, that if shutting in would help our war effort or save one life they would agree to it.

The OPC is expected to be heard from in about two weeks on the question. The delay in completing the two gas cleaning plants in this area because of lack of materials, which results in the longer flow of sour gas, has agitated the shut-in question. The need for clean gas as a substitute for the cleaned sour gas has boosted the movement for dual completions, which will furnish sweet gas from Cotton Valley sand.



Corroded In Magnolia Area

Magnolia—Two wells completed in the country's two newest oil fields, and two worked over as to corroded pipe, in Magnolia field, one of the new pools, and in Columbia South, three other wells drilling in deep fields, and two operations in the Stephens shallow Frazier pool field, mark up activities in Columbia and Union counties, several untouched locations, and probably several other wells to have been started by the week-end.

The wells in Magnolia field each have had pipe ruined by action of corrosion which caused leakage, include Atlantic's Garrett C. 1, section 17-18-2, which pulled around 25 feet of surface casing that had holed in and new pipe was put in. The well has never stopped producing except when being repaired since it is producing as usual now. The Ben Section 20-17-2), which had part of its casing holed and new pipe installed within. This holing showed corrosion. Atlantic is waiting on orders for same treatment of Sun Brown No. 1, section 22-17-2). This is on the west side of the huge field, while the other two are on the east side, where the same trouble is that first and may be worked over later.

One well in Macedonia field has had dual completions this week, Magnolia Petroleum Corporation's Willie Unit B 1, Section 17-18-21, which has a total depth of around 8,000 feet. Its loss production there and nine barrels per hour through a one-fourth-inch choke, and the Cotton Valley flow gauged five barrels per hour through same kind of choke. This is the 12th for that field.

The Dorchest field's new producer, which flows from Smackover lime, is Phillips Petroleum Company's Phillips No. 1, section 13-18-22, which was perforated with 24 shots from 8,350 to 8,360 feet. Its first test showed 30-20 oil and salt, and it was plunged back and completed at 8,355. Total depth is 8,500 feet.

Stephens field's two activities in Columbia County are Vaughan's J. W. Smart No. 2, Section 11-15-20, which has run casing and is waiting on orders for completion, and the same firm's F. S. Givens No. 1, same area, which has reached total depth of 7,000 feet and new locations are waiting there.

The wildcat, in this county, Standard Production Company's Scott No. 1, Section 19-17-22, six miles west of Magnolia and four miles west of Big Creek production, is down near 8,800 and oiling.

Ohio Oil Company's Hall Company has been granted five permits for Cotton Valley completions in that area, and Mid-Continent Petroleum Corporation has been granted four permits, four other permits have been issued for Cotton Valley completions.

Completions: Magnolia Petroleum Company, complete in Cotton Valley, Willie Unit B 1, Section 17-18-21, which has just completed same this week; Willie Unit B 1, Section 17-18-21, Macedonia field, and F. E. Nipper No. 1, Dorchest field, Section 13-18-22. Permits for new work: Ohio Oil Company has been issued for McMahon No. 1, Section 19-18-21, and Whitehead No. 2, Section 19-18-21, Macedonia field.

Carter's wildcat, in Miller County, No. 1, Section 3-16-28, drilling to 6,000 feet, was abandoned as a dry hole. Two wildcats are being drilled in Columbia County. The Texas Central Petroleum Company's Ft. Smith Timber and Land Company No. 1, Section 29-17-20, and Joe Sanders' A. V. Bragg No. 1, Section 30-15-17, running Schlumberger after going to below 2,500.

No Decision On Oil Pipe Corrosion

Special to the Gazette.

El Dorado, Aug. 13.—The Arkansas Oil and Gas Commission announced today that its engineers had completed testing the 115 wells in the Magnolia field of Columbia county for extensive corrosion of casing and that its workmen were collaborating with engineers and specialists from Mid-Continent state to make a thorough investigation to determine the exact cause.

Tests were started in the Magnolia area several weeks ago when it was discovered that the wells were in danger of suffering a blow-out because of extensive corrosion in oil pipe, and were ordered pulled to the water string of pipe around 2,500 to 2,700 feet.

Two Theories Advanced.

Two theories have been advanced as to the cause of the trouble and tests is being studied by engineers.

The first theory is that the corrosion is being caused by electrolysis, or the action of electric currents in the earth on the casing's moving metal. It has been suggested also that the corrosion is being caused by action of carbon dioxide and hydrogen sulphide when they come in contact with water in the casing.

It was pointed out that the corrosion has found in all instances in that section of casing carrying gas, or above the portion carrying oil.

Up to a certain point in the casing, there is a space between the production tubing and underlies gas in the casing. Through production of oil, the oil tubing is kept at a higher temperature than the surrounding casing, engineers explained, and in subsequent moisture. It is through this action, engineers believe, that the water becomes mixed with the carbon dioxide and hydrogen sulphide and causes the pipe to suffer violent chemical reactions to set in.

Precautionary Measures Taken.

Precautionary measures are being taken to the field to prevent a blowout. Engineers are now there to check the Dorchest, Macedonia, Village, Big Creek, McKamie and Stephens fields, it was said.

Commission members said that no orders will be issued for the field until final reports are made. A consulting engineer from Houston, Texas, and one from the United States Bureau of Mines and also engineers from the Oklahoma Pipeline Corporation and the Arkansas Louisiana Gas Company are assisting in the tests.

The possibility was advanced today that some of the pipe in the Magnolia area may have to be replaced.

Recent developments in testing in Magnolia have shown that the Atlantic Refining Company's C-1 well in section 17-18-2 is corroded at about 4,750 feet. When the oil string was split about 500 feet to 4,400 feet, pits ranging from the size of match heads to that of a dime were found. The well has also been killed off with mud and the oil string shut off.

The Mid-Continent Oil Company's Hall No. 1 in another section 17-18-2 is also corroded, tests at this time performed on the Atlantic producer. It was found that the well was oiling 100 feet of water up to 2,300 feet.

Replace Pipe Corroded In Magnolia Area

Gazette 9-6-42

Magnolia—Two wells completed in the country's two newest oil fields, and two worked over as to corroded pipe, in Magnolia field, one of the new pools, and in Columbia South, three other wells drilling in deep fields, and two operations in the Stephens shallow Frazier pool field, mark up activities in Columbia and Union counties, several untouched locations, and probably several other wells to have been started by the week-end.

The wells in Magnolia field each have had pipe ruined by action of corrosion which caused leakage, include Atlantic's Garrett C. 1, section 17-18-2, which pulled around 25 feet of surface casing that had holed in and new pipe was put in. The well has never stopped producing except when being repaired since it is producing as usual now. The Ben Section 20-17-2), which had part of its casing holed and new pipe installed within. This holing showed corrosion. Atlantic is waiting on orders for same treatment of Sun Brown No. 1, section 22-17-2). This is on the west side of the huge field, while the other two are on the east side, where the same trouble is that first and may be worked over later.

One well in Macedonia field has had dual completions this week, Magnolia Petroleum Corporation's Willie Unit B 1, Section 17-18-21, which has a total depth of around 8,000 feet. Its loss production there and nine barrels per hour through a one-fourth-inch choke, and the Cotton Valley flow gauged five barrels per hour through same kind of choke. This is the 12th for that field.

The Dorchest field's new producer, which flows from Smackover lime, is Phillips Petroleum Company's Phillips No. 1, section 13-18-22, which was perforated with 24 shots from 8,350 to 8,360 feet. Its first test showed 30-20 oil and salt, and it was plunged back and completed at 8,355. Total depth is 8,500 feet.

Stephens field's two activities in Columbia County are Vaughan's J. W. Smart No. 2, Section 11-15-20, which has run casing and is waiting on orders for completion, and the same firm's F. S. Givens No. 1, same area, which has reached total depth of 7,000 feet and new locations are waiting there.

The wildcat, in this county, Standard Production Company's Scott No. 1, Section 19-17-22, six miles west of Magnolia and four miles west of Big Creek production, is down near 8,800 and oiling.

Ohio Oil Company's Hall Company has been granted five permits for Cotton Valley completions in that area, and Mid-Continent Petroleum Corporation has been granted four permits, four other permits have been issued for Cotton Valley completions.

Completions: Magnolia Petroleum Company, complete in Cotton Valley, Willie Unit B 1, Section 17-18-21, which has just completed same this week; Willie Unit B 1, Section 17-18-21, Macedonia field, and F. E. Nipper No. 1, Dorchest field, Section 13-18-22. Permits for new work: Ohio Oil Company has been issued for McMahon No. 1, Section 19-18-21, and Whitehead No. 2, Section 19-18-21, Macedonia field.

Carter's wildcat, in Miller County, No. 1, Section 3-16-28, drilling to 6,000 feet, was abandoned as a dry hole. Two wildcats are being drilled in Columbia County. The Texas Central Petroleum Company's Ft. Smith Timber and Land Company No. 1, Section 29-17-20, and Joe Sanders' A. V. Bragg No. 1, Section 30-15-17, running Schlumberger after going to below 2,500.

Three New Producers For Midway Field

Special to the Gazette.

Stamps, Sept. 7.—Three producers were added to the new Midway field of Lafayette county today bringing the total of producers for that area to 26.

They are Barnsdall Oil Company's McCain No. 4-C, NW NE, Section 15-15-24, which topped porosity at 6,420 feet extending to 6,434 feet; Ohio Oil Company No. 5-C, NE NE, same section, where porosity was topped at 6419 extending to 6,464 feet and Arkansas Fuel Company's Creek No. 1-C, NW NW, Section 15-15-24, which encountered oil situation at 6,426 extending to 6,474 feet.

An official gauge is not available but operators estimate the No. 4 at around 100 barrels and the rest at 75 barrels hourly on a quarter inch choke.

Midway Field Now Has 26 Producers.

Special to the Gazette.

Stamps, Sept. 12.—Oil activity in Lafayette county this week included the successful completion of three additional producers in the new Midway field, bringing the total number for that area to 26.

They are Barnsdall Oil Company's McCain No. 5, NW NE, Section 15-15-24, which flowed 1,000 barrels in 24 hours through a quarter inch choke. Top of porosity was topped at 6,420 feet extending to 6,465 feet.

Ohio Oil Company's Creek No. 1, NE NW, Section 15-15-24, which flowed 260 barrels in 24 hours through a 12/64 choke. Top of porosity was topped at 6,419 extending to 6,466 feet. There were 250 pounds on each of the three tests. Gravity of the crude is 37.

Other activities in the Midway area include Barnsdall drilling below 6,000 feet on the Powell No. 1, Section 20-15-24, South-Coast Oil Company testing and cleaning locations for its 17-22 three new locations. These are the Hudnut No. 2, 4, and 5 located in the NW NW-NE NW and SW NW, respectively, of Section 18-15-24. Arkansas Fuel Oil Company was also preparing locations in Turner No. 2 SE SE, Section 13-15-24. Operations continued on the Ohio Oil Company's Herrick, South of Stamps, on the deep McKamie gas sand. The Atlantic Refining Company drilled below 8,000 feet at the Boyd-Armour Unit No. 30, Section 20-17-23. Carter Oil Company was below 7,700 feet at the Charlie McCain No. 1, Section 30-17-24 and Rinkel Petroleum Corporation drilled below 7,000 feet at the Lizzie Olive Unit No. 1, in Section 31-17-23.

Gauge Placed On New Macedonia Field Well.

Special to the Gazette.

Magnolia, Aug. 26.—A gauge was announced today on the 12th producer in Macedonia field, J. K. Hughes Oil Company's Smith-Somner No. 1, Section 13-18-21, as a Cotton Valley producer.

It was perforated between 8,056-8,060 feet and 8,066-8,070 feet, through a quarter-inch choke with 250 pounds tubing pressure and 500 pounds casing pressure. Packer on casing permitted no fluid to come to the surface. Gas is being vented at the rate of 1,000,000 cubic feet per day, and it is expected to be connected to the gasoline plant early in the week. This is a test completion in a sector formerly condemned but recently brought back into play by the completion of the D. M. Green No. 1, Section 18-18-22, and the Coast Gas O'Farrell producer in their J. W. Smart Et 1n the center of the SW SW of Section 11-15-20. Both of the above are this week and are now drilling around 2,300 feet. Both are on the west side of the huge field, and located in the midst of producing wells.

The Hugo Company, which has Wampler Brothers, three mile west of Magnolia and four miles west of Big Creek, was abandoned Thursday at 2,315 feet. Several tests have been made in the area, and as no shallow producer has resulted, this was abandoned several years ago.

Work is proceeding on the new Magnolia refinery, and it is said that the refinery will manufacture asphalt as the chief product.

OIL NEWS

Wildcat Test To Be Made Near Magnolia

Special to the Gazette.

Magnolia, Sept. 26.—A location for a wild cat test has been obtained less than a mile south of the Magnolia city limits, and operations to obtain sufficient lease to justify the venture have been in progress several months.

This wild cat will be the Pickle Oil Company's Pickle No. 1, which is to be drilled one mile east of Section 18-18-21, near Benevene Pond. Should the test result successfully it would match the Big Creek field on the west, but Magnolia nearer on the east.

One well has been completed in the line this week, but no gauge of it was available. A well was perforated in Macedonia field, and another was perforating in the Cotton Valley, while Dorchest had announced a new location.

The Macedonia field well completed was Willie Unit No. 1, Section 17-18-21, which was finished this week by completion in the lime, by Magnolia Petroleum Company's Willie-West Unit No. 1, Section 17-18-21, which is 8,500 feet. Another in the same field, Mid-Continent's Shaw-man-Warnock No. 1, Section 23-18-21, was cleaning itself after having drilled in the Smackover lime at 8,564-81 feet, in the Cotton Valley level.

The Dorchest field well nearly rounded is Magnolia's W. E. Nipper No. 1, Section 13-18-22, which was perforating in the lime. Its bottom is near 8,808 feet.

A new wild cat location was announced for Calhoun county, Shelly Oil Company's Shelly No. 1, Section 19-13-16, located 1,980 feet south and 660 feet west of Section 19.

Stephens field lists Crowe's Wilson No. 1, Section 11-15-20, which is setting casing at 4,605 feet; Crowe's J. W. Smart B 2, Section 11-15-20, a Schlumberger test; and Crowe's J. W. Smart No. C, Smart No. 1, Section 11-15-20, has setting pipe.

Setback Suffered In New London Field.

Special to the Gazette.

El Dorado, Sept. 22.—Exploration of the apparently prolific New London field appeared to have suffered its first major setback this week when the Marine Oil Company got its first dry hole.

The duster was the Parry Walton No. 2, location in the center of the NE NW of Section 13-18-23. The well was found to be dry at both the 8,500 and 8,700 foot levels. This is a south edge well.

Operators had hopes to salvage something from the test by drilling to the big lime at 8,900 feet. This was the second snag struck in the New London area, the first being the Ohio Oil Company's well, considered a New London field well, as it was two and a half miles west of production. This was the Amerada Oil Company's Hibank No. 1, in the center of Section 18. It was drilled to the lime and salt water was encountered at several levels.

Marine is drilling below 4,700 feet on the Harper No. 1 in the NW NW of Section 13-18-22 on the west side of the New London field. The company is scheduled to start drilling on the Parry No. 1 in the center of the SW SE of Section 13-18-12, a north side well. Marine also will start drilling soon on the Frost No. 5 in the center of the NW NW of Section 18-18-23.

C. H. Lyons is drilling below 7,000 feet on the Agerton No. 1 in the center of the SW SW of Section 13-18-13, and has two other locations, the Agerton No. 2 in the NE NE of Section 13-18-13, and the Union Sawmill No. 1 in the SW SW of Section 13-18-13.

Another disappointment was encountered when Lion Oil Company's Hibank, turned out to be a dry hole. The well was drilled to a total depth of 4,235 feet and reports are that the owners will abandon the well unless a Schlumberger test taken at the week-end, shows a showing of oil. The well was drilled to indications at 3,200 and 3,800 feet.

Two permits to drill were issued this week by the Arkansas Oil and Gas Commission, one to Lion Oil Company for the first dry hole, the Parlow-Abbott No. 1, in the center of the SW SW of Section 18-18-14, Calhoun county and C. H. Lyons for the Parry Walton No. 1, in the center of the SW NW of Section 13-18-12, Union county.

Routine Drilling In Smart Fields

Stephens—There has been only routine work in the Smart oil field the past week, Grady Vaughn's J. W. Smart No. 2, Section 11-15-20, Columbia County, is drilling ahead around 2,300 feet and operators are waiting on orders for completion. This is a test completion in a sector formerly condemned but recently brought back into play by the completion of the D. M. Green No. 1, Section 18-18-22, and the Coast Gas O'Farrell producer in their J. W. Smart Et 1n the center of the SW SW of Section 11-15-20. Both of the above are this week and are now drilling around 2,300 feet. Both are on the west side of the huge field, and located in the midst of producing wells.

The Hugo Company, which has Wampler Brothers, three mile west of Magnolia and four miles west of Big Creek, was abandoned Thursday at 2,315 feet. Several tests have been made in the area, and as no shallow producer has resulted, this was abandoned several years ago.

Work is proceeding on the new Magnolia refinery, and it is said that the refinery will manufacture asphalt as the chief product.

Oil Showing In Well Near Rector.

Special to the Gazette. 8-20-42

Rector, Aug. 20.—A showing of oil has been reported in the C. C. Alford wildcat well in West Rector, on property belonging to the Alford Estate.

It is estimated the well has produced 120 barrels of oil the past 24 hours. About 47 feet of oil showed on top of the water in the hole, which is 1,200 feet. The Alfords are pressed that at times the water and oil from the hole is as high as 20 feet into the derrick.

A. L. Genther, an oil man from Hillsboro, came to Rector in 1918, checked the geology, took some leases and then left and started the hole. He got down around 900 feet and abandoned the well. Several derrick remained. Five months ago C. C. Alford of Robinson, Ill., with others, came to Rector and took the situation over. He bought up all the old leases, moved in equipment and started the work. The Alfords finally drilled the hole down to 961 feet, and struck a show of oil sand, he said, from which a flow started.

The well is reported to test 24 hours and is a pumping proposition.

Mr. Alford has had considerable trouble in casing, and it has not yet reached the bottom of the well.

New Producer Looms in New London Field

Gazette 8-20-42

Special to the Gazette.

El Dorado, Aug. 20.—A fifth producer in the newly discovered New London field, southeast of El Dorado, loomed this week-end when the Marine Oil Company set five and a half-inch production pipe at 8,809 feet on the Frost (Union Sawmill) No. 1 in the SW SW of Section 13-18-13.

Operators are waiting for cement to set before starting to perforate. Pay formation in the well was topped at 8,800 feet in the Smackover oolitic zone. The well is in the southwest of present production and is the first to be drilled in that direction.

Marine has finished its Brooks No. 1 well in the SE NW of Section 13-18-12 southeast of the field. Production of about 370 barrels a day through a quarter-inch casing was obtained. The well is now being swabbed in preparatory to the Perry Walton No. 2 location, in the center of the NE NW of Section 13-18-12, on the south side of the field.

Other Activities.

C. H. Lyons of Shreveport is reported ready to start drilling on the J. C. Agerton No. 2, located in the center of the SW NW of Section 13-18-13. This will be a northwest offset to production.

Amerada Oil Company's wildcat operations, one mile west of the New London area, was delayed this week by the loss of 2,700 feet of drill stem in the hole while preparing to run casing. Attempts to recover the equipment were made previously at 4,300 feet and previous ones have shown lime and salt water, indicating little oil and gas.

Amerada Oil Company is now drilling ahead below 5,600 feet on the Reed Petroleum No. 1 in the center of the NE NE of Section 18-18-15 near Hillsdale. The well was dumped to the bottom and abandoned, but the facilities were laid. Curtis Kinard and associates are coring in the Anthony No. 1 in Section 18-18-15, east of the old South Field, and are below 3,000 feet.

Two drilling permits and five dual completion permits were issued this week by the Arkansas Oil and Gas Commission. Drill permits were issued to Ohio Oil Company, to drill the J. E. Whitehead No. 1, located in the center of the south half of the NE, Section 19-18-21, Macedonia Field. Cotton Valley.

McMaster, Whitehead No. 2, located in the center of the north half of the NE, Section 19-18-21, Macedonia.

Mid-Continent Petroleum obtained the following dual completion permits for Columbia county:

Willie Unit No. 1, Section 17-18-2 Willie-West Unit No. 1, Section 17-18-21.

Willie Unit B-1, Section 17-18-21, Frazier-Norwood No. 1, Sect 24-18-21.

F. E. Pepper No. 1, Section 14-18-21.

Ohio Oil Company's Hall Company has been granted five permits for Cotton Valley completions in that area, and Mid-Continent Petroleum Corporation has been granted four permits, four other permits have been issued for Cotton Valley completions.

Completions: Magnolia Petroleum Company, complete in Cotton Valley, Willie Unit B 1, Section 17-18-21, which has just completed same this week; Willie Unit B 1, Section 17-18-21, Macedonia field, and F. E. Nipper No. 1, Dorchest field, Section 13-18-22. Permits for new work: Ohio Oil Company has been issued for McMahon No. 1, Section 19-18-21, and Whitehead No. 2, Section 19-18-21, Macedonia field.

Carter's wildcat, in Miller County, No. 1, Section 3-16-28, drilling to 6,000 feet, was abandoned as a dry hole. Two wildcats are being drilled in Columbia County. The Texas Central Petroleum Company's Ft. Smith Timber and Land Company No. 1, Section 29-17-20, and Joe Sanders' A. V. Bragg No. 1, Section 30-15-17, running Schlumberger after going to below 2,500.

Ohio Oil Company's Hall Company has been granted five permits for Cotton Valley completions in that area, and Mid-Continent Petroleum Corporation has been granted four permits, four other permits have been issued for Cotton Valley completions.

Completions: Magnolia Petroleum Company, complete in Cotton Valley, Willie Unit B 1, Section 17-18-21, which has just completed same this week; Willie Unit B 1, Section 17-18-21, Macedonia field, and F. E. Nipper No. 1, Dorchest field, Section 13-18-22. Permits for new work: Ohio Oil Company has been issued for McMahon No. 1, Section 19-18-21, and Whitehead No. 2, Section 19-18-21, Macedonia field.

Carter's wildcat, in Miller County, No. 1, Section 3-16-28, drilling to 6,000 feet, was abandoned as a dry hole. Two wildcats are being drilled in Columbia County. The Texas Central Petroleum Company's Ft. Smith Timber and Land Company No. 1, Section 29-17-20, and Joe Sanders' A. V. Bragg No. 1, Section 30-15-17, running Schlumberger after going to below 2,500.

eview of Arkansas Oil Fields

rst Failure mper For w London

Dorado—Two disappointing de-nents marked petroleum ac-s during the past week in the rado territory.

ame with what appears to e first failure in the recently d New London pool in the astern end of the county, and her was the appearance of salt in a wildcat operation which en watched closely as possibly g a new Smackover lime field ion County.

only thing to offset the bad was the feverish leasing ac-y in progress in connection drilling of two wildcats in Cal-County.

t indicated failure at New Lon-is the Percy Walton No. 2 of larine Oil Company, center of southeast quarter, northwest r, section 13-18-12, on the south of the field. The well failed to p production at either 5,600 r 5,700 feet.

s possible, however, that the ay be turned into a suc-l well as the Marine plans to deeper in search of the Smack-ime producing sand. The first well nt the deeper pay in that vi-. It is expected the lime will countered at about 6,300 feet. e Marine well is the first to fail t the pay sand in the field prop-though salt water was struck e Amerada Petroleum Company e Turbeville No. 1, wildcat in on 4-18-12, about two and a half to the west of the producing

Man Salt Water Again.

e Wildcat failure was in the Petroleum Company No. 1 of Petroleum Land Company, cen-f the northeast quarter, north-quarter of section 25-18-15, in icinity of Hibank, southeast of ado. There were indications ll at 2,200 feet and 5,500 feet alt water developed in the lime 6,300 feet and 6,350 feet. It is rstood that the company plans bandon the project unless en-ging signs are developed in e a Schlumberger test this k-end.

hree Tests In inal Stages n Lafayette

amps—Three tests in the Mc-ie field of Lafayette County are to reach final stages within two or three weeks, barring xpected difficulty. A few feet ed in drilling time is Atlantic ning Company's No. 10 Bodcaw our No. 10 in section 32-17-23, epth of near 6,000 feet was re-ed as the week ended. Next is er Oil Company's No. 1 Charlie Hendon in section 36-17-24 with epth of 8,000 feet. The third op-ion is Riddel Petroleum Corpora-n et al, Layne-Olive No. 1 in ion 31-17-25, which drilled at 8,- feet.

ll wells in the McKamie area o located on 10-acre spacing pat-s and the average depth is 9,300 . Each well, according to ex-ates, requires an expenditure of roximately $100,000. Production as distillate.

ix miles directly west of the Mc-ie No. 1 lies the new Patton d which is directly south of iville. Two tests have been g on that area the last year. wn as the Henry Moore No. 1 ch is now dead due to encroach-of salt water in the test was orted to have produced a gas ch was the most deadly in the ld. The most recent test to filed and successfully completed Tidewater Oil Company and is r producing its allowable of de daily. Tidewater is expected announce another location for t area soon.

n the northern part of this t a Midway field continues to rather active with three opera-s by Southwood Oil Company, the Barnsdall Oil Company and by Arkansas Fuel Oil Company. nsdall will probably complete its ell No. 1 located NE NW of tion 10-15-24 next week as a depth around 6,000 feet has been reach-Southwood Oil Company drill-at 4,200 feet at its No. 2 Hodnett W section 18-15-23 and a th of below 1,900 feet was re-ed at its No. 3 Hodnett NE NW the same section. Southwood tinues to clear location for its ell No. 4 in the SW section 18-24. Arkansas Fuel Oil Company illed at 4,000 feet at its No. 2 rner SE SE section 12-15-23.

One Columbia Test Finished n Past Week

Magnolia — One well which was mpleted and gauged last week in tton Valley, Magnolia Petroleum mpany's Willis-West Unit No. 1, Shannon-Wilson Dorcheat field ch had one well completing. ese are: Macedonia, Mid-Conti-ts Shannon-Wilson No. 1, sec-t 22-18-21, which has been per-rated with 38 shots between 8,048-501 in Cotton Valley, and Dor-eat, Magnolia Petroleum Com-ny's P. E. Nipper No. 1, section -18-22, which was preparing to erate in the Smackover lime. tal depth is 8,916. Also in Dor-eat a new location, Carter Oil mpany's A. M. Kirkpatrick No. 1, 810 feet east and 660 feet NWC SW 1-4 of section 13-18-22, which as spudding in and setting first ing.

The best news of the week is the finite site for a wildcat about a mile south of town, near Demerse nd, which is to be L. Pickler No. by Roy Lee, trustee. Efforts have en on foot more than a year to se a block large enough to justi-sinking a well. It is located in W NE, section 23-17-21. It is not known when it will start prepara-ons for drilling.

A wildcat for Calhoun County has en announced this week, to be the kely Oil Company's Calion Lum-r Company No. 1, section 27-15-14. In Stephens field, Crow's W. G. aylor A-2, section 12-15-20, was W. C. on pipe set at 4,030; Crow's W. Smart B2, section 11-15-20, s running Schlumberger; J. K. ahoney's C. C. Smart No. 2, section 1-15-20, was running tubing after etting pipe.

Sparta Sand Produces Oil In Catahoula

Shreveport, La.—Commercial oil production from the top of the Sparta formation, in prospect in Catahoula Parish, gives promise of a wider development in that area. That there is oil is proven and that it is in paying quantities was indicated this week when Eugene Jordan's Louisiana Central Oil and Gas Company's No. 7, section 22-9-5, flowed 12 1-2 barrels of oil in ten hours from perforations at 1,810 to 1,817 feet.

The well, a wildcat test, was drilled to 4,554 feet in search of the prolific Wilcox sand found in LaSalle and Catahoula parishes. However, no production was found at that level and as the result the Sparta formation was tested.

Operators ar epreparing to install a pumping unit as very little gas pressure was indicated in the test. Although no heavy production is expected, the well will probably stir activity in this area.

Nearby in Caldwell Parish, J. W. Love was rigging up to drill Louisiana Central Lumber Co. No. 1 in section 29-13-4.

Drilling during the past week centered in Bossier Caddo-Pine Island and Haynesville areas.

Fifteen wells were brought in during the week with an initial daily production of 4,482 barrels. Permits were issued for 21 new wells over the state.

North Louisiana completions were:

Haynesville, (Claiborne Parish), Arkansas Fuel Oil Company, No. A-1 Sherman, 209 barrels; T. L. James Company No. 1 Williamson-Lewis, 54 barrels; Magnolia Petroleum Co. No. B-1 Lowe unit, 672 barrels.

Little Creek field (LaSalle Parish) O'Meara Brothers No. 4 Tremont, 252 barrels.

Sligo field (Bossier Parish), Triangle Drilling Company No. B-5 Mann, 64 barrels, pumping.

The Triangle has made the following locations in Bossier Parish:

Kerr C-6 and Kerr C-3 in section 24-17-12; Thigpen-Herold C-2, 1917-11.

William C. Leisk, who completed a well in the extreme very outskirts of Shreveport several weeks ago, has obtained a permit to drill another well in the same area. It is Frew State No. 2, section 19-18-13, Bossier Parish.

The H. L. Hunt Winn wildcat, which has been exciting a great deal of speculation, has shut down waiting on orders, after plugging back to test. Little new information concerning this well can be obtained.

In the same area the Placid Oil Company is drilling ahead in its Davis et al No. 1, section 17-13-12. The well is near the 6,000-foot mark.

Drilling continues rather brisk in the Caddo-Pine Island rea and in the Haynesville field.

Stephens Expects Two New Gushers

Stephens—A review of the Stephens oil area for the past week is almost a duplicate of the previous week in progress. This week the record is one completion, one near completion, one test approaching pay sand, and still another moving in.

Joe K. Mahoney's C. C. Smart No. 1, NW NE, section 11-15-20, Columbia County, is going on the pump after a test the middle of the week showed a fair producer. No gauge is available. Pay sand was found around 3,440 feet.

Crow and O'Farrell's W. G. Taylor No. 1, SW, NE, section 12-15-20, being after a test indicated an extra good well. Completion is scheduled for Sunday or Monday. The Taylor No. 1 is now moving east to drill the Crow, Turner and O'Farrell's W. G. Taylor No. 1, SE, NE, section 12.

Grady Vaughn's D. M. Green No. 2, NW, SE, section 11-15-20, is drilling ahead at around 2,500 feet, and should be ready to test early in the week. This well is on a tract where a dry hole was drilled last year and is the extreme northwest output for the Smart field.

Wampler Brothers have moved machinery from the Mahoney well to drill a wildcat four miles east of Camden, in Calhoun County, for the Standard Oil Company of Ohio.

OIL NEWS
Mild Boom In New London Field

Special to the Gazette.

El Dorado, Sept. 12.—The New London field southeast of El Dorado began to take on the aspects of a mild boom this week-end with three active drilling operations under way and with locations staked for four additional wells.

Two miles to the west of this producing area, a wildcat test still is yielding some hope of production.

Marine Oil Company, which has been exceptionally fortunate in opening new fields in southeast Union county the past 18 months, is drilling below 5,000 feet on the Percy Walton No. 2, located in the center of the SE NW of Section 13-18-12 on the southwest edge of the New London field. The same company is drilling below 800 feet on its Harper No. 1, in the NW NW of Section 13-18-12 on the west side of production.

Late last week C. H. Lyons of Shreveport spudded in on his J. C. Agerton No. 1, in the center of the SW SW of Section 12-18-12, another test to prove production.

Marine has one additional location, the Frost (Union Sawmill) No. 4, in the center of the SE SE of Section 13-18-12, an east offset to production.

Three Outside Locations.

Three outside locations have been made near the field. R. B. Wilson has a permit to drill the Woolley No. 1 in the NW NW of Section 18-18-12, while Wheeless et al. have staked location for the Union Sawmill No. 1 in the SW NW of Section 1-18-12, about a half-mile north of production. The third outside location has been staked by C. H. Lyons for the J. C. Agerton B-1, in the center of the SE SE of 11-18-12.

Amerada Petroleum Company is expected this week-end to make another location on the S. S. Turbeville No. 1, in the center of the SW SW of Section 4-18-12, a wildcat which has shown some promise. Salt water showed up in the test at the lime depth at 6,100 feet, but additional tests have been made a 3,-200 feet and swabbing yielded some salt water. A new test is being made, however.

The Crescent Drilling Company is drilling below 5,500 feet on the Root No. 1, in Section 25-18-15. C. A. Kinard has abandoned the Anthony No. 1 in Section 18-19-15 at 2,910 feet.

The Arkansas Oil and Gas Commission this week issued only one permit to drill. It went to C. H. Lyons to drill the J. C. Agerton No. B-1 in the center of SE SE of Section 12-18-12 in the New London field, Union county.

Production Decreases.

Production of crude oil, condensate, natural gas and sour gas showed marked declines during July as compared with June, a report issued this week-end by the Oil and Gas Commission disclosed. Processing of gasoline in the state's nine gasoline plants in South Arkansas and the runs of seven refineries also showed decreases in July as compared with June.

Production of crude oil and condensate in the 32 oil and gas pools in South Arkansas averaged 71,180 barrels daily during July, a decrease of 2,649 barrels daily as compared with June daily production of 73,829 barrels, the report showed.

Natural gas production of natural gas from 21 fields was 6,-460,000 cubic feet daily for July as compared with 7,825,000 feet a day during June, a decline of 1,365,000 cubic feet daily.

South Arkansas's nine gasoline plants processed an average of 60,-210,000 cubic feet daily and now decreasing 441,000 cubic feet from the 60,751,000 cubic feet averaged daily in June. During July 2,298 barrels of gasoline, 501 barrels of butane and four barrels of condensate were manufactured each day at these nine plants.

Refinery production in South Arkansas dropped from 39,659 barrels processed daily in June to 37,134 barrels in July, a decline of 2,523 barrels a day.

Production of sour gas from the oil and condensate fields showed a decrease of 23,780,000 feet daily. Production during June was 106,-192,000 cubic feet daily and in July 82,412,000 feet daily.

The decline in production of oil and condensate and sour gas from the oil and condensate fields during July was brought about by the commission's reduction in allowables from the McKamie, Macedonia and Dorcheat pools, effective July 1.

Two New Wells Gauged In Dorcheat Field.

Special to the Gazette.

Magnolia, Sept. 12.—Two new wells in Dorcheat field, one completed at the first of the week and the other completed last week, have been gauged and a well in Macedonia field is being completed. Five producers in Dorcheat have received permits for dual completion of shallower wells, and the Columbia county side is spreading west and seems encouraging for increased development.

Dorcheat field's two new producers gauged are Phillips Petroleum Company's Claudia Phillips No. 1, Section 13-18-22, which flowed 1,000 barrels in 12 hours through a 7-32-inch choke from the Smackover. Total depth is slightly below 9,000 feet, with porosity topped at 8,865 feet. Oil is flowing from lime. The other producer was gauged at four barrels per hour through a quarter-inch choke from the Cotton Valley between 7,883-92 feet, and seven barrels per hour through a quarter-inch from the lime between 8,918-22 feet. It is Ingram-Murphy's Gowen-land et al No. 1, Section 15-18-22.

The Macedonia field's well making ready for final test is Magnolia's Willis-Cotton Unit No. 1, Section 17-18-21, which was running a Schlumberger test after drilling to 8,930 feet. Porosity was topped at 8,844 feet, and permits for dual completions received are as follows: Magnolia's Franks-Norwood No. 1, Section 16-18-21, a lime producer and Willis Unit No. 1, completed last May in lime. The well drilling in the same field is Mid-Continent's Sharman-Warnock No. 1, Section 22-18-21, drilling near 8,550 feet.

Only one well is now drilling in Dorcheat field, Magnolia's P. E. Nipper No. 1, Section 1-18-22, near 8,500 feet. In this field, McAlester Fuel Oil Company has been issued five permits for Cotton Valley completions in the following lime producers: K. J. Sayers No. A-1 and B-2, Section 15-18-22 and 10-18-22 respectively; B. C. Barton No. 1, Section 15-18-22; Hogan Sayers No. 1, Section 15-18-22; Jeff Hunt No. 1, Section 11-18-22.

Stephens field, Columbia county side, is spreading west, and shows signs of new activity. One well was making ready to complete over the week-end. Crowe and O'Farrell's J. W. Smart B-1, Section 12-15-20, topped at 3,440 feet, when Wampler Bros. were rigged up and ready to start on the C. C. Smart No. 1, Section 14-15-20. One well, also a producer pending test, which formation produces around 3,400 feet, found approximately 30 feet of good oil sand and around 2,500 feet is being gone after. Total depth was near 3,100 feet. This test is Grady Vaughan's F. S. Green No. 1, Section 11-15-20. It is said this is the first well drilled to shown such a fine sand at that depth. The Vaughan D. M. Green, Section 11-15-20, west side, recently re-completed for 60 barrels a day making 133 barrels of good oil a day, without any water.

Midway Field Expects Three New Producers

Stamps—Three additional producers loom in the Midway field of Lafayette County as Barnsdall Oil Company and Arkansas Fuel Oil Company are to prepare for completion at the tests over the week-end.

The No. 4 McClaine C-NW-NE of section 13-15-24 was the first to top the oil saturation at 6,450 feet, with the oil saturation at 6,450 feet, with a total depth of 6,465 feet. Barnsdall's No. 5 McClaine C-NE-NE section 13-15-24 topped the porosity a little higher than the No. 4, at 6,419 feet. Total depth is 6,464 feet. The third looming producer is Arkansas Fuel's No. 1 Creek in the C-SE-SE section 9-15-24 with oil saturation topped at 6,420 feet. Total depth is 6,474 feet.

Barnsdall's No. 3 Powell C-NE-NW section 10-15-24 was drilling below 4,100 feet. Barnsdall officials have hinted that the drilling of additional wells in the Midway field by that company was questionable at present. Their chief aim has been to define as nearly as possible the field, then confine their production to the wells now flowing. Other companies with holdings in the Midway area, however, are making preparations to continue drilling.

Three new locations were made by Southwood Oil Company and one by Arkansas Fuel Oil Company this week. These two companies own extensive acreage in that area. One test was plugged and abandoned in the field this week. It was Frankel & Frankel & Riddel Petroleum Corporation's No. 1 Stamps Land in section 17-15-23.

In the McKamie field, activities proceed at three operations with Atlantic Refining Company leading in drilling time at the No. 10 Bodcaw Armour Unit No. 10 section 32-17-23 with a depth of below 7,400 feet. Carter Oil Company was drilling at 7,200 feet at the No. 1 Charlie McClendon test, E section 36-17-23. Riddel Petroleum Corporation drilled at 6,400 feet at the Layne-Olive No. 1 section 31-17-23. Tidewater Associated Oil Company is expected to make announcement soon as to additional tests to be drilled in the new Patton area south of Lewisville, where that company completed a successful test last week.

Wildcat Test Near Camden Attracts

Gazette 9-2-42.

Special to the Gazette.

Camden, Sept. 2.—Another attempt to discover oil near the Lone Bragg well, west of Camden, is under way and oil men are watching the wildcat test with much interest. The site is west of Camden and a mile south of Highway 4.

Wampler Bros. are sinking the test on the Biso-Highsmith site of the Gaughan-Bragg tract. The most modern drilling machinery ever used in this section is in use. The rig is fueled with butane gas, a novelty for drilling, and a steel derrick and large V-belt shaped motor is furnishing power.

Mile From Discovery Well.

The well is a mile east of the original Bragg discovery, which drilled for the late T. J. Gaughan, five miles west of Camden on Highway 4. It was well came in as a good pumper about eight years ago, in a shallow sand. It pumped for several years, but was abandoned because the price received for the oil did not pay. It was still making some oil when junked.

The well was the only producer in that area, and tests were sunk in all four directions, some as far as the next 40, but no oil was discovered. Several other tests were put down from time to time by geologists and oil men believe the area is promising but oil never has been found in paying quantities.

The new test is in the southeast quarter of the southeast quarter of Section 30-12-17. It will be sunk to 2,500 feet at least and possibly to 5,000.

Two geologists are checking the well daily, and 24-hour shifts are employed.

One Producer Added to New London Field

El Dorado—Completion of one additional producer and the start of activities on three wells in and near the New London-Strong field which continues as the hottest spot in Union County, featured petroleum development activities in the El Dorado oil territory during the past week.

This week's producer, the fifth well to be completed in the field, is the Union Sawmill Company First No. 3 for the Marine Oil Company in section 12-18-12.

Completed from a depth of 5,844 feet with a rock pressure of 925 pounds the well started flowing at the rate of about 10 barrels an hour about on a par with other recent completions in the area.

The Marine Company which has all of the producing wells in the field continues with its active drilling program. One crew of the company spudded in Wednesday on the six-inch test, the Percy Walton No. 2 well in the center of the southeast quarter of the northwest quarter of section 13-18-12. The well is an offset to the west of the Frost No. 2 completed as a producer about four weeks ago. Surface casing has been set in the well.

Another Marine crew has moved in equipment and is engaged in setting up operations for test of drilling on the seventh test, the Harper No. 1 in the center of the northwest quarter of the northwest quarter of section 13-18-12, which is an offset to the west of the Percy Walton No. 1 producer.

Latest operation outside of the producing area is the Union Sawmill Company and Associates No. 1 well of N. H. Weeks and Associates of Strong and Shreveport in the center of the southwest quarter of the northeast quarter of section 1-18-12. Permit has been obtained and the location staked a half mile north of the New London field proper.

Considerable interest has developed in a wildcat well in that area after drilling all but given up as a dry hole and 2,700 feet of drill pipe had become lost in the hole. Pelican No. 1 of the Turbeville No. 1 of the Amerada Petroleum Company in the center of the southeast quarter of the southwest quarter of section 4-18-12, about two and a half miles to the west of the producing area, struck oil at a depth of 3,200 feet for testing operations after the well was first taken to the Smackover lime with a show of salt water having developed at a depth of 6,100 feet. While taking side wall cores another 2,700 feet of pipe were lost in the hole but the crew was able to make a speedy recovery and then decision was reached to fish the shallow test. The well is in the vicinity of a deep test drilled a number of years ago.

New seismograph development activities took another spurt during the past week in Arkansas on the basis of new permits issued by the El Dorado office of the Arkansas Oil and Gas Commission.

Five permits were issued for new wells in Arkansas fields, there were six authorizations for dual completion of wells and four permits were granted for plugging and abandoning of old wells.

The new tests follow:

H. W. Woolley, Union Sawmill Company No. 1 in the center of the southwest quarter of the northwest quarter of section 18-18-12 near New London, Union County.

Southwood Oil Company W. E. Hodnett No. 3 in the center of the southeast quarter of the northwest quarter of section 18-15-23 Midway field, Lafayette County.

Southwood Company W. E. Hodnett No. 4 in the center of the northeast quarter of the northwest quarter of section 18-15-23 Midway field, Lafayette County.

G. H. Vaughn Fred S. Green No. 1 in the center of the southeast quarter of the southwest quarter of section 11-15-20 Stephens field, Columbia County.

Ralph Mahoney, C. C. Smart No. 1 in the center of the northwest quarter of the northeast quarter of section 11-15-20 tStephens field, Columbia County.

All of the dual completion permits were issued to the McAlester Fuel Oil Company for the following wells:

K. J. Sayers No. 1 in section 15-18-22, K. J. Sayers B-2 in section 10-18-22, B. C. Barton No. 1 in section 10-18-22 Hogan Sayers No. 1 in section 15-18-22 and the Jeff Hunt No. 1 in section 1-18-22. All of the wells are in the Dorcheat field of Columbia County.

Midway Field Expects Three New Producers

Gazette 9-6-42

9-6-42

Stamps—Three additional producers loom in the Midway field of Lafayette County as Barnsdall Oil Company and Arkansas Fuel Oil Company plan to try for completion at the tests over the week-end.

The No. 4 McClaine C-NW-NE of section 13-15-24 was the first to top the oil saturation at 6,450 feet, with a total depth of 6,465 feet. Barnsdall's No. 5 McClaine C-NE-NE section 13-15-24 topped the porosity a little higher than the No. 4, at 6,419 feet. Total depth is 6,464 feet. The third looming producer is Arkansas Fuel's No. 1 Creek in the C-SE-SE section 9-15-24 with oil saturation topped at 6,420 feet. Total depth is 6,474 feet.

Barnsdall's No. 3 Powell C-NE-NW section 10-15-24 was drilling below 4,100 feet. Barnsdall officials have hinted that the drilling of additional wells in the Midway field by that company was questionable at present. Their chief aim has been to define as nearly as possible the field, then confine their production to the wells now flowing. Other companies with holdings in the Midway area, however, are making preparations to continue drilling.

Three new locations were made by Southwood Oil Company and one by Arkansas Fuel Oil Company this week. These two companies own extensive acreage in that area. One test was plugged and abandoned in the field this week. It was Frankel & Frankel & Riddel Petroleum Corporation's No. 1 Stamps Land in section 17-15-23.

In the McKamie field, activities proceed at three operations with Atlantic Refining Company leading in drilling time at the No. 10 Bodcaw Armour Unit No. 10 section 32-17-23 with a depth of below 7,400 feet. Carter Oil Company was drilling at 7,200 feet at the No. 1 Charlie McClendon test, E section 36-17-23. Riddel Petroleum Corporation drilled at 6,400 feet at the Layne-Olive No. 1 section 31-17-23. Tidewater Associated Oil Company is expected to make announcement soon as to additional tests to be drilled in the new Patton area south of Lewisville, where that company completed a successful test last week.

Routine Drilling In Smart Fields

9-6-42 Gazette

Stephens—There is only routine work in the Smart oil field the past week. Grady Vaughn's Fred Green No. 1 is the new SW oil section 11-15-20, Columbia County, is drilling ahead around 2,500 feet and should reach pay sand early in the week. This is the west output in a sector formerly condemned but recently brought back into play by the completion of the D. M. Green No. 1 just one fourth mile east.

Crow and O'Farrell spudded in their J. W. Smart No. 1 in the center of the SW-SE of the SW-SE of section 12-15-20 the middle of the week and are now drilling around 1,000 feet. This is a new Crow Company farm out and is located in the midst of producing wells.

The Brady Holcomb drilled by Wampler Brothers three miles west of Camden in section 30-13-17, Ouachita County, was abandoned Thursday at 2,400 feet. Several tests have been drilled in that area but only one shallow producer has resulted. This was abandoned several years ago.

Work is proceeding on the new refinery purchased recently by the Berry Asphalt Company from the defunct Panama Refining Company. The plant will be rushed to completion as fast as material can be secured and will manufacture asphalt as the chief product.

Much Interest In Oil Test At Rector

Special to the Gazette.

Rector, Sept. 9.—Thirty-six oil men, geologists and oil scouts have been in Rector since the past few days checking the Alfred wildcat well here. Some leases are changing hands. Several large companies have had representatives here.

The Alfred well, located on the Gordon estate property, southeast northeast of Section 22-19-7, just inside the western city limits, still has a good showing of oil with gravity 34 plus, paraffin base, but has not been brought in.

Test Once Abandoned.

The well is owned by C. C. Alfred of Robinson, Ill., who started operations early this year. It was started by another Illinois operator who abandoned it in 1939. Mr. Alfred, a geologist, engineer and oil operator, came here in 1921 and made a survey of the geological structure. He did additional work in 1934 and 1936, and became convinced that there is oil here.

Early in January, he was employed by a group of Clay county men to run out a structure. He was asked to check the abandoned well. He found a small showing of oil, he said, so he had the well bailed to 600 feet with a 9 1-2 inch rotary drill, and from this depth to about 1,000 feet with a small core drill.

After obtaining a large acreage, he started operations with a 9 1-2 inch rotary drill, and went to a depth of 981 feet. He cut through an oil sand at 887 feet, which showed dead oil. He hit another oil sand at about 975 and continued in it for six feet. The present showing comes from this sand.

Quick Producer Impossible.

"The well had been abandoned too long to make a quick producer out of it," Mr. Alfred said. "One sand structure which the drill had penetrated had caved in, and after our drill reached 981 feet, the well was hit by a cave. I finally have got the casing set and the water blocked off. But the well had stood with water in it so long that it had penetrated the lime, the sand, and seeps out, and it will have to be pumped for several weeks before the well can be brought in. After I get rid of the seepage I will put acid in the well and clean it up and I expect a fair oil flow."

Owner Confident.

Asked about probable production, he said: "It is hard to estimate. I have been in the oil business off and on for 40 years, and have seen some wells with showings not so good as this one come in as 500-barrel wells. Some with a better showing that came in as 10-barrel wells. But I never saw a well with a showing like this well that didn't come in."

Concerning his geological findings in 1921, 1934 and 1936, he said: "The oil structure in this section is on the Balcones uplift, in a glacier trap, and I feel sure that my opinion formed 21 years ago, after checking the geology, will prove to be true. In my opinion this field will prove a large producing field. From my findings it will be approximately 45 miles wide, running 35 miles west and 10 miles east of Rector, and about 100 miles long."

Gets Offer to Abandon Test.

Mr. Alfred said: "I have had a number of offers to sell out, abandon the well, drop my leases and quit. But I am going to stay with the leases and develop this field."

Second Test Started.

Mr. Alfred started a second wildcat well in Rector about 10 days ago. It is on the John Crockett property, about a large mile from the first test. This well is now down 160 feet. It is an offset to Wildcat No. 1.

Mr. Alfred is a member of the Independent Oil Operators Association of America, which has its general offices in Springfield, Ill.

Edward Ruwall, an oil operator of Mt. Vernon, Ill., arrived the first of the week with seismograph equipment and will use it on all of the Alfred block of leases. Several of the larger companies also will bring in equipment and check the area.

Sabotage Of Oil Fields Doubted

Special to the Gazette.

El Dorado, Aug. 5.—Doubt that the breaking down of production casing in the rich Magnolia field wells in Columbia county was caused by German long-range sabotage was expressed by Chairman O. C. Bailey of the Arkansas Oil and Gas Commission, before the El Dorado Kiwanis Club today.

"I can't believe that the present field situation is being caused by long-range sabotage," Mr. Bailey said.

Several wells in the Magnolia field have been in danger of "blowing out," endangering life and production of the field, and the matter is being investigated by engineers of the commission and engineers representing major production companies in that area.

Remedial Measures Taken.

Mr. Bailey declared that the Magnolia field situation is "not one to get excited about," and asserted that remedial measures were being taken. Some operators, he said, are packing casing with mud, while others are considering replacing the pipe.

He asserted that the situation represents a problem which confronts all operators in "sour" gas fields where the gas produced is of a high hydrogen sulphide content. The gas produced in Magnolia contains 1,800 grains of hydrogen sulphide per 100 cubic feet of gas.

Most Trouble at 2,300 Feet.

Most of the casing trouble, Mr. Bailey said, appears to be occuring at around 2,300 feet where 10-inch casing ends and the seven-inch production string begins.

Mr. Bailey said that although some German-made pipe is being used in the field, that owned by the H. L. Hunt interests, it had not shown a greater tendency to break down than similar type pipe of American manufacture. He said that the Hunt interests made a deal several years ago for German pipe in return for several million barrels of crude oil.

The Remediation chairman declared that the oil industry, particularly in this section, had been least affected of any major industry in the nation by the war.

Little Activity In Lafayette Oil Fields

Stamps—Routine drilling operations proceeded in the Lafayette County fields as the week ended with interest waning somewhat in the new Midway field, since several outpost wells recently were failures.

Two companies are active in that area however, with two wells drilling and one other preparing to get under way shortly. Arkansas Fuel Oil Company's No. 2 Turner SE SE section 12-15-24 drilled ahead at 1,500 feet, and Southwood Oil Company was W. O. C. at 543 feet at its No. 2 Hodnett NW NW section 18-15-24.

Southwood also was drilling at 110 feet at the Hodnett No. 3 NE NW same section and that company was building roads to its No. 4 Hodnett SE NW of section 18-15-24. Barnsdall Oil Company was drilling at 5,000 feet at its No. 3 Community Powell in section 10-15-24. Nothing definite has been announced by the Barnsdall as to further drilling in the Midway area, although quite a number of locations have been spotted.

In the deep McKamie field in the southern part of this county, Atlantic Refining Company drilled at 8,300 feet in its Bodcaw Armour Unit No. 1. In section 32-17-23, Carter Oil Company's No. 1 McClendon was below 8,400 feet, and Riddel Petroleum Corporation drilled ahead at 7,600 feet at the Layne-Olive No. 1 in section 31-17-23.

Vaughan Well Near Camden Shows Oil

Special to the Gazette.

Camden, Sept. 10.—After creating a sensation with its showing at the 2,500-foot level, the Grady Vaughan test on Fred Green's tract is now coring in the regular Smart sand of the Stephens field. Vaughan's well showed more than 300 feet of good pipe line oil with no water at a depth of 2,510 feet in a short drill stem test. This was the first time any oil ever was found at that depth in the Smart field. The well is in Section 11-15-20, Columbia county, south of Stephens.

Other sands will be tested as Vaughan drills it deeper.

Another Test Ready.

Another well is ready for test. It is Crowe & O'Farrell's J. W. Smart E-1, in the southwest quarter of the southeast quarter of Section 12. This well is in the middle of production, and oil men believe it will be a good producer.

Wampie Bros. have rigged up for Joe K. Mahoney, El Dorado attorney, and will start drilling soon on the C. C. Smart No. 1, in the center of the northwest quarter of the northeast quarter of Section 14. This well is a quarter-mile south of the D. M. Green No. 1 which is now making 133 barrels of pure oil a day, with no trace of water. The Green well is in the southwest quarter of the southeast quarter of Section 11, and a quarter-mile east of the Grady Vaughan Fred Green test.

New Firm Plans Test for Oil In Piggott Area.

Special to the Gazette.

Piggott, Sept. 10.—The Clay County Oil company, composed of St. Louis and Chicago men, will start oil prospect drilling in the Piggott area of Clay county in a few days. A rotary rig has arrived.

E. E. Young of Houston, Tex., field manager for the concern, said: "We have a block of leases extending from Greenway to the Missouri line, in Clay county, on which we expect to sink five holes. This block covers a section of Crowley's Ridge and the flanks. We will sink three on the ridge and tow on the flanks. The first one will be located about two miles north of Piggott. The five holes will give an outline of the structure. We will drill at approximately 1,250 feet with our rotary rig and if we go that deep we will cut in with a cable drill."

This is the second oil operation to star in Clay county. C. C. Alat Rector, and is drilling another and plans five more. These seven, with the five planned by the Clay County Oil Company, will make a total of 12 for this section of Clay county.

June Output of Oil And Condensate Gains

El Dorado (AP)—Average daily production of crude oil and condensate by Arkansas fields increased 2,020 barrels from May to June, the Oil and Gas Commission reported. June average was 73,829 compared with 71,809 in May.

Other average daily increases in petroleum activities included:

Gas production at nine Arkansas gasoline plants, 5,136,000 cubic feet; crude oil processed by the seven refineries, 1,863 barrels; sour gas from the oil and condensate fields, 3,453,000 cubic feet.

The nine gasoline plants produced 2,235 barrels of gasoline, 463 barrels of butane and 11 barrels of condensate daily, the report said.

Natural gas production from 21 fields decreased 2,813,000 cubic feet daily.