

## In the Oil Fields

## Attention, Producers!

By HARRY H. SMITH.

Certain recent statements and newspaper articles concerning the situation in the oil industry are capable of an analysis which will reveal facts of much interest to the oil producer in the midcontinent field. In these trying times when general economic conditions are very much unsettled we have with us two classes of business men interested in the oil industry. The one class consists of people who, with the coming of the warm sunshine of springtime, feel that conditions are bound to improve and who accordingly cannot resist the impulse to get busy with the drill and prepare for the time when, according to their estimate, there will be a market for all the oil produced. These people are honest and admirable and it is not my purpose to offer any criticism whatever. But on the other hand there is another class which consists of people with conservative business judgment and who analyze the situation in a slightly different manner. These operators realize that there is a probability that general conditions may not improve as quickly or as rapidly as we all fondly hope they will. They, therefore, stand by the field because this field is the most important factor in the United States. It produced 10 per cent of all the oil produced in the United States in 1920 and about 15 per cent of the light oil produced by this country in that year. With California eliminated, because it is out of contact with the territory east of the Rocky mountains, we find that the true position of the midcontinent field is even more important because of all grades of oil produced east of the Rocky mountains, we furnished 73 per cent. Therefore, the position of the midcontinent producer is all-powerful. He may bring on an excess of supply at this time by active drilling and bringing in of wells or he may refrain from development work until he actually sees that conditions warrant the production of more oil. In other words, until the public demands and can use more oil and that it will not be wasted or allowed to deteriorate in storage or other storage.

While it may be true, as has been recently said, that the known available supply of crude oil will not be sufficient to take care of the world needs under normal conditions, who knows when normal conditions will again prevail? European affairs are still demoralized. General business in this country cannot attain its full momentum until Europe does revive. Since the oil industry depends on a revival of general conditions in this country and in Europe, it might be that it will now become too optimistic and indulge in indiscriminate drilling that we would make the overproduction in the midcontinent field even worse in the next few months than it has been in the immediate past. In this connection I will call attention to some figures given out by Mr. Welch of the American Petroleum Institute in which he shows that the excess of production and exports was at the annual rate of 25,000,000 barrels in November, 1920, and at the annual rate of 23,000,000 barrels in January, 1921. He also makes the following statement with reference to available tankage for crude oil:

"There are no official figures showing the amount of available empty crude storage. The best estimate seems to be that in the territory under consideration the amount did not, on March 1, 1921, exceed 25,000,000 to 25,000,000 barrels. Even were one to assume that this storage were all placed in the precise spot where it ought to have been with transportation facilities available, and proportionately distributed among the purchasing companies in accordance with their previous runs, it would have taken only a few months at the November rate to have filled every barrel of it. Under the current conditions existing with an open winter which did not retard drilling, it seems obvious that in three or four months, even the largest companies would have been in distress for storage space."

Supplementing this information it is generally known locally that several purchasing companies have about reached the limit of their capacity for storing crude oil. Others are credited with considerable empty storage as of December first, but it must be remembered that oil has been going to storage rapidly in the last four months and that a great deal of the old tankage has deteriorated and rusted so that it will not hold crude oil today. Already one or two purchasing companies in the midcontinent field have found it necessary to begin the erection of new tanks. Looking for a moment at the known existing conditions and assuming that the demand may not revive as rapidly as some people anticipate, we can see the effect upon the independent producer if the large purchasers of oil, having filled their available tanks, find it necessary to go to the expense of building new tankage. It would undoubtedly cause further demoralization in the marketing situation and more accumulation of oil in temporary private storage with the consequent waste as defined by the law of Oklahoma.

It would not be for the best interest of the country nor of the producer for anything to happen which would cause further demoralization because it would mean the abandonment of a large number of oil wells which are still capable of producing, in the aggregate, a large amount of oil, but which cannot be operated profitably under present conditions. Operating costs on numerous leases in Oklahoma where the production has settled to one or two barrels per day per well now range from \$1.81 per barrel to \$2.29 per barrel, thus showing a daily loss. Unless conditions improve these wells will be abandoned. If there is continued overproduction another and larger class of wells will have to be abandoned. In

## General Goethals Found "Eats" Without a Flaw



Reading left to right—Lou Reese, of the city water department; W. R. Holway, consulting engineer for the water department; Old Morgan, owner of Morgan's Inn; Gen. George W. Goethals, U. S. A., water commissioner, sitting on steps, C. F. Hopkins, Walter Butler, To the right are A. W. Hurley (upper) and A. L. Farmer (lower) although they are only partly shown.

When Maj. Gen. George W. Goethals, U. S. A., visited Spinaway creek and Grand river a few days ago he worked hard—that is admitted by the Tulsans who accompanied him and who, in order to remain with him, were forced to scramble over rocks and through underbrush and trees. They admitted that the first syllable of his name—"Go"—was entirely appropriate.

But Goethals didn't work all the time—he stopped long enough to eat at Morgan's Inn, which is a popular summer resort for Tulsans and which is located on the Grand river. And when the general admitted with a smile that he didn't find "grub" that tasted so appetizing even in little old New York.

other words, although the outlook for prosperity in the oil producing business may look rosy for a period of a few years hence, the fact remains that what we are largely interested in and what the lives of some of us depend upon is the immediate future. By an immediate shutdown movement the immediate future can possibly be taken care of. But if some of the operators go restless under the restraint and violate the plan of the committee on conservation and conciliation, others will feel justified in doing so and the result will be a general breakdown in the administration of the plan for, I am only emphasizing the necessity of keeping it up until conditions clearly indicate that it can be dispensed with. If those producers who are in the favored spots should disregard the plan and create a further overproduction they might suffer a consequence similar to what occurred in Cushing days when the operator of the small well in other localities went to the corporation commission with a complaint which resulted in the state taking a hand. Therefore, for the good of the whole industry, we should, and doubtless will, co-operate.

It may also be of interest to the producers to know that the association is now accumulating figures on the cost of production in the midcontinent field so that it will be ready to present them to any committee of congress which may investigate the question of a tariff on Mexican crude. It made a diligent effort to assemble reliable facts and the reports have varied to such an extent as to give the impression that none of the information was reliable. My own view is that the most efficacious method of getting at the real facts would consist of an effort by us to get together the cost figures and all pertinent information with reference to the industry in our own country and present them when called upon. Then congress, with its power of subpoena, can call in those interested in Mexican production and obtain from them the real cost figures and facts relative to Mexican production. When congress has all of these facts before it, it can form an intelligent conclusion and embody the same in appropriate legislation. The ways and means committee will no doubt consider this question at the approaching session of congress.

In conclusion I want to make it clear that this statement is by me personally, represents my own personal views, and is not to be charged to the Mid-Continent Oil and Gas association because it has not been submitted to nor passed upon by any committee of the association.

## WOMEN IGNORANT OF LEGAL MATTERS

## Legislator Rogers to Explain to All Voters New Acts

Oklahoma state laws relating to women and children and in such matters in particular as working hours, property rights, guardianship over children, division of property and divorce will be summarized by Remington Rogers of the state legislature at the regular meeting of the Women's Republican club of Tulsa at 2 o'clock Saturday afternoon April 2.

Laws of any kind are unfamiliar to women and surprises lurk in the laws affecting them principally. Mr. Rogers has made a special study of the Oklahoma laws of this nature in order to present them accurately.

Mrs. Frank Johnson will give the substance of county regulations affecting women. Miss Mathilde Aitch, one of the vice presidents of the club and a local business woman, will preside.

Republican women are urged to attend the club meetings in order to prepare themselves more fully for duties of citizenship and women of other parties are also welcome. The educational program being pursued by the local club is similar to that being followed throughout the state in like organizations.

Among the new manufacturers of asbestos is a turbine for use with chemical apparatus subjected to acids or heat.

## Couple Wake to See Two Robbers Ransack Home—\$50 Is Taken

Startled from deep slumber to wakefulness, Mr. and Mrs. John Iverson, by the rays of two flashlights directed into their faces at their home at Eleventh and Atlanta, were early Saturday morning forced to lie in bed while two burglars ransacked their home and stole \$50 in money from Mr. Iverson's trousers. Iverson and his wife awoke to find two men in their bedroom. One of the prowlers growled at Iverson to stay in bed and keep his mouth shut. While his wife searched the house and took \$50 from Iverson's trousers pocket, the burglar kept Mr. and Mrs. Iverson covered with a flashlight and Iverson was unable to describe his assailants.

Tulsa Undertaking Co. can save you one-half. Phone O-8515—Advt.

## Houston, Fible &amp; Company

Of Kansas City, Mo.

MEMBERS NEW YORK STOCK EXCHANGE AND CHICAGO BOARD OF TRADE. Stocks, Bonds, Grain and Cotton. Standard Oil and Subsidiary Stocks. New York and Boston Curb. Liberty Bonds Bought and Sold. Private Wire CHAS. D. CROCHETT, Mgr. Telephone Omega 9290. No. 11 East Fourth St., Tulsa, Okla.

## WE WILL BUY:

GENERAL OIL, GLADYS BELLE OIL, KIMBERLY CRUDE, KIMBERLY OIL, SOUTHERN OIL & GAS, OKLAHOMA OIL, RED BANK OIL, U. S. COMPRESSION INNER TUBE.

H. F. WILCOX OIL &amp; GAS.

## WE WILL SELL:

Central National Oil 1.50  
Chester & Smith, common 2.100  
Gladys Belle, common 1.50  
Gladys Belle, preferred 1.50  
Harvey Crude Oil 1.50  
Inventors Oil Corporation 1.50  
Johnnie Oil 1.50  
Kansas & Gulf Oil 1.50  
Kingwood Oil, common 1.50  
Midland Petroleum 1.50  
Meridian Petroleum 1.50  
Noble Oil & Gas, common 1.50  
Noble Oil & Gas, preferred 1.50  
New Petroleum, common 1.50  
Noble Petroleum, common 1.50  
Oklahoma Oil & Ref. 1.50  
Owenwood Oil 1.50  
Red Bank Oil 1.50  
Red Bank Oil 1.50  
Seamans Oil 1.50  
Sunlight Oil 1.50  
Triple O Oil 1.50  
Tulsa Oil 1.50  
U. S. Compression Inner Tube 1.50  
H. F. Wilcox Oil & Gas 1.50  
Whitcomb Petroleum 1.50  
United Securities and Bonds Bought, Sold and Quoted.

## Tulsa Securities Company

E. L. TALMAN, Manager.

212-214 Central National Bank Bldg.

Cedar 313, Tulsa, Okla.

## The Road That Leads To Financial Independence

is just what you make it

You can make it a never ending one by not saving systematically.

You can make it a long and tedious one if your money earns only average interest rates.

You can make it a pleasant, interesting and shorter road by purchasing sound, listed dividend paying stocks on the

Rose 20 Payment Plan

Which road will you take?

Write for intensely interesting FREE booklet No. 277

"How to Become Financially Independent"

ROSE &amp; COMPANY

Investment Bankers

50 Broad St. New York



## FOR SALE OR EXCHANGE

## Beautiful Residential Property

One of the Finest Residences in Kansas City, Mo.  
Located on Boulevard

26 rooms, modern, Colonial style, 6 baths, steam heat, coal and oil burners.

In perfect condition, completely furnished, handsome antique furniture. High location, fine view.

25 acres beautiful lawns, five hole golf course, two-acre lake, outdoor swimming pool 31x60, electric fountain, 1/4-mile double driveway, greenhouse 25x50.

Modern garage 40x50, will hold ten cars. Living quarters, seven rooms and bath, over garage.

Owner will sell property as it stands with furniture and equipment ready for occupancy, or trade for producing oil property in Oklahoma.

## BAGBY &amp; COMPANY

Real Estate Department

Kansas City, Mo.

## FACTS

In black and white should be convincing

OIL ISSUES COMPANY  
TULSA, OKLAHOMA

March 5, 1921

Hancock Working Barrel Company,  
505 Mayo Building, Tulsa.

Gentlemen:

We are pleased to give our unqualified approval of your Hancock Working Barrel, several of which we have used with great success in our wells at Kuykendall, Oklahoma. We experienced great difficulty in keeping wells pumping because of a floating sand or slime which cut the tops of most working barrel valves. A typical well in which we used the Hancock Working Barrel is our Baker # 6.

Up to the time we installed the Hancock Barrel we pulled the well 25 times in 109 days. With the Hancock Barrel installed we pulled 6 times in 144 days. The average cost of pulling is \$10.00 so that our pulling charges were \$2.11 daily before installing the Hancock Barrel and \$.42 daily when using the Hancock.

While our results in other troublesome wells are equally illuminating we believe that this particular well shows very clearly that we made money by using your barrel.

Very truly yours,

Oil Issues Company,

By J. H. M. B. B. B.  
Operating Department.

This letter is only one of the many in our files that will verify our statements that the HANCOCK WORKING BARREL will save 50% to 90% of your pulling expenses.

## Hancock Working Barrel Co.

505 Mayo Building

TULSA, OKLAHOMA

Phone Cedar 1870

## IRON SIDES

A Sturdy, Hardy Rubber Belt for Oil Well Drilling that

Starts on the job. Asks no favors. Delivers the power. Stays right with it. Gives Uniform Shows economy. service.

Complete Stocks Carried by

OKLAHOMA TOOL &amp; SUPPLY CO.

## Getting Ahead

This Nationally known story, "Getting Ahead," has helped thousands of people to put their savings and investing on a profitable, systematic basis. It tells how Peter Perkins accumulated \$10,511.82 in ten years by investing \$15 per month. It is a fact-based story, full of human interest. Write for a FREE copy today.

KRIEBEL &amp; CO.

Investment Bankers

137 South La Salle Street

CHICAGO