

Oil Reserves to be Found for California Petroleum

BILL'S FATE WILL BE DECIDED IN CONGRESS

Action Will Be Taken This Week in Congress on the Pickett Measure

Proposed Law Amended to Protect Locators Prior to September 27, 1909

This week will witness important action in congress on the Pickett bill, in which the California oilmen have vital interest. The Californians who went to Washington to protect the rights of the bona fide locators have returned, satisfied that they have blocked the contemplated vicious legislation, but uncertain as to the final disposition of the issue. Before leaving the national capital they agreed on an amended bill that would safeguard all those who were diligently prosecuting work prior to September 27, 1909, and leaving in statu quo the cases of those who made location subsequent to that date. The hope of these later locators lies in the questionable legality of the withdrawal order of September 27.

BILL AS AMENDED
The amended bill that was agreed to before they left Washington is as follows:

Be it enacted by the senate and house of representatives of the United States of America in congress assembled that the president may by any discretionary order temporarily withdraw from settlement, location, sale or entry any of the public lands of the United States and reserve the same for water power sites, irrigation, classification of lands or other public purposes to be specified in the order of withdrawal, and such withdrawals and reservations shall remain in force until rescinded by him or by an act of congress.

Provided that the rights of any person who at the date of any order of withdrawal heretofore or hereafter made is a bona fide occupant or claimant of oil or gas bearing lands and who at such date is in diligent prosecution of work leading to discovery of oil or gas shall not be affected or impaired by such order so long as such occupant or claimant shall continue in such diligent prosecution of said work.

Provided that this act shall not be construed as a recognition, abridgment or enlargement of any asserted rights or claims initiated upon any lands after any withdrawal of such lands prior to the passage of this act.

Provided that all lands withdrawn under the provisions of this act shall at all times be opened to exploration, discovery, occupation and purchase under the mining laws of the United States, so far as the same apply to minerals other than coal, oil, gas and phosphates. The secretary of the interior shall report all such withdrawals to congress at the beginning of its next regular session after the date of the withdrawals.

WELL SUMMARIZES CASE

Attorney A. L. Weil, who acted as the legal representative of the oilmen at Washington, has thus summarized the whole matter, including the terms of the original bill, the hearing before the congressional committees and the agreement on legislation:

The situation regarding the public mineral lands at the time the oilmen arrived at Washington was substantially as follows:

By the recent act of September 27, 1909, withdrawn practically all oil lands from further entry. A bill was introduced in the senate ratifying the president's order and authorizing future withdrawals, had passed the senate in the interim. The senate committee on public lands had reported the Pickett bill with an amendment, which eliminated the clause ratifying past withdrawals and merely authorized future withdrawals.

The change authorizing future withdrawals would, of course, not ameliorate the difficulties of the California oil producers, except in the few isolated cases where a discovery of oil had been made after September 27 and prior to the new withdrawal, which was contemplated to follow immediately upon the passing of the bill.

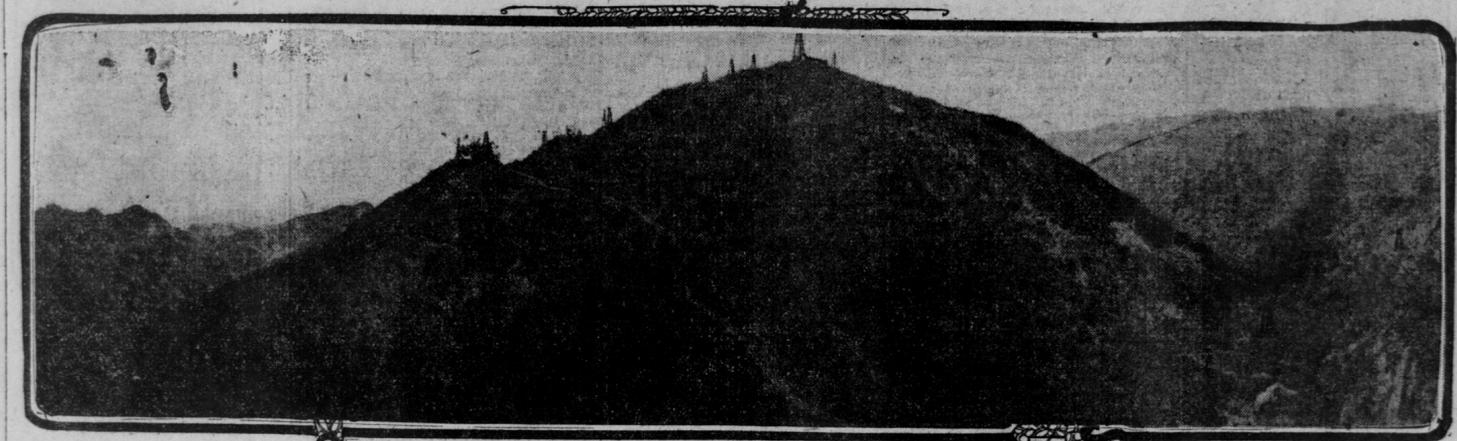
Through the energetic efforts of the California senators and representatives, however, the bill was amended before the senate committee on public lands. Facts had been presented fully as possible. Senator Nelson, chairman of the senate committee on public lands; Senator Smoot, chairman of the senate committee on mineral lands; and the house committee on public lands; Pickett, author of the Pickett bill; the president's attorney, general of the geological survey, the attorney general for the interior department and most of the members were present and thought it absolutely essential that bona fide locators at the time of withdrawal should be protected, with some notable exceptions, were equally determined that bona fide locators should receive no consideration.

The latter matter was the subject of long conversations and discussion, and finally the parties named have agreed to an amendment protecting men who were at work on September 27, 1909, with a further proviso that the rights enacted after September 27, 1909, should be neither recognized, abridged or enlarged, thus leaving these locators in exactly the same position as though no legislation was passed. The extent of their rights will, therefore, depend entirely on the question whether or not the president had authority to make the original withdrawing the lands.

This amendment will be of immeasurable benefit to the men who were working on September 27. For the first time in the history of the mining law the government has recognized the rights of locators prior to discovery, and hereafter such locators will be free from any claim of jumpers, scrippers, etc.

Excess Yield Will Be Impounded as "Reserve Supply" While the Use of the Liquid Fuel Is Extended

DERRICKS ON HILLTOPS IN PICO CANYON AND LATEST PHOTOGRAPH OF THE LAKEVIEW GUSHER, SHOWING CRATER LIKE FORMATION FROM WHICH GEYSER SPOUTS.



OILMEN MAY JOIN MINING CONGRESS

Operators Who Favor Proposal to Meet Los Angeles Delegation at Bakersfield

Conferences have been held this week in Bakersfield, San Francisco and Los Angeles looking to the entrance of the oilmen of California into the ranks of the American mining congress. At the base of the plan is the belief that mutual benefit will accrue. The mining men realize that the presence of the oilmen in their membership will give them an enhanced prestige. To the oilmen is offered the hope of a unified body through which they can act in emergencies similar to that presented by the Pickett bill.

Meetings will be held during the next few weeks at which the sentiment of the oilmen will be sounded. A dispatch from Bakersfield says: "The proposal recently made that the oilmen associate themselves with the American mining congress has been given further impetus by the recent visit here of operators favoring such a movement."

CONFERENCE IN JULY

"The plan is to have the oilmen of the various districts of the San Joaquin valley meet a representative delegation from Los Angeles some time in July under the auspices of the chamber of commerce. It is the purpose of this meeting to arrange some way by which the oilmen may enter the American mining congress as a body."

"The American mining congress is made up at present of mining and coal operators, as well as smelting men. With the addition of the oilmen the allied interests will have been harmonized."

ORGANIZATION NEEDED

"The lack of close organization among the oilmen was emphasized when hostile legislation was pending at Washington. The oilmen had no central body with full authority to make the fight. Instead a few of the boldest struck out on their own account and waged the battle."

STRIKE IN SANDS OF WELL NEAR LOS GATOS

Superintendent Declares Flow Better Than 100 Barrels

The Los Gatos Mail prints a report of a strike in one of the wells drilling at there. The Mail says: "The Mail had the pleasure Tuesday afternoon of visiting the new well on the Main place in San Jose avenue and had an interview with Superintendent Piper concerning the development of this field. This well is already an assured success, and Piper informed us, in as good or better than any 100 barrel well in the Coalinga district; we were informed that it would now develop 150 barrels a day of high gravity oil from the sands through which it has already penetrated, but that within a day or two, upon the arrival of smaller casings, drilling would be continued into and through a much richer strata of oil sand, which is already reached. The casing used so far is 12 1/2 inch, and 10 inch casings will be used through the lower strata."

"The strike of oil in this well was made in the middle of the night two weeks ago, and the oil flowed the pump hole, the flow could be controlled, and there it now lies as an uncontrollable proof of its identity and the success of the venture."

"Piper is superintendent of all the development work in this district, and financially interested in every well that will be drilled by any of the several companies operating herein. This well of which we have been speaking is being drilled by the T. A. F. oil company named in honor of Piper. Other companies in the field are the Suburban oil company of Oakland and the Diamond Core drill company of New York."

ATTORNEY IS ARRESTED—Henry E. Lee, an attorney with offices in the First National Bank building, was arrested by Sergeant John W. Moffit yesterday on a warrant charging him with falsely advertising himself as an attorney. The complaining witness is John J. Farnie, 290 Union street, who alleges that he paid Lee a fee of \$400 in March, 1909, on his representation that he was a duly licensed attorney. Lee was not. Lee was released on bail in July, 1909. He was released on bail.

OILMEN TACKLE TWO BIG PROBLEMS

Independents Take Steps Toward Storage and Marketing of Surplus Product

The independent producers have tackled the two biggest problems now before them—storage and marketing. The task of bringing into the agency the big men of the business has been completed, the list including such extensive operators as Doheny & Barneson.

WABASH OIL COMPANY IS SOLD TO BRITISHERS

Announcement was made yesterday of the sale of the Wabash oil company to English capitalists whose interests in California are under the supervision of Clarence B. Wisner. The Wabash property consists of 80 acres occupying the north half of the northeast quarter of section 24-20-14 in the Coalinga district. The price paid is given at approximately \$600,000. The terms, as in all similar transactions, are practically cash.

The stock of the Wabash has been closely held by San Francisco capitalists. John Barneson is the president of the company, and associated with him on the board of directors are: J. Henry Meyer, E. Coleman, W. H. Talbot and F. C. Talbot.

The company has a number of drilling wells and has been a regular dividend payer. It has disbursed \$125,000 among its stock holders and has maintained a steady production.

The new owners will take over the property at once and will press its development along with that of a number of other pieces they have recently acquired.

consumption is from 25,000 to 40,000 barrels a day below this amount. It is apparent, therefore, that it is not such a big bridge that the independents must span. The cessation of the Lakeview would restore the equilibrium.

Y. M. C. A. INCORPORATES EVENING LAW SCHOOL

Ninth Term of Institution Will Open in September

The evening law school of the San Francisco Young Men's Christian association, which has been in operation for more than eight years, was incorporated yesterday, the following trustees being elected:

George C. Boardman Jr., John H. Speck, J. H. McCallum, A. P. Black and George B. McDougall.

A. P. Black, a assistant United States district attorney, was elected president of the corporation; George B. Boardman Jr., vice president; J. H. McCallum, secretary, and I. J. Truman, treasurer.

The ninth term of the school will open next September.

FOUR CENTS FOR STORAGE

It has been estimated that the oil can be stored for 4 cents a barrel. There naturally will be a certain percentage of loss through waste, evaporation, insurance and interest. A plan under way for the issuance of storage certificates, upon which operators may borrow money from the banks on the petroleum in the tanks.

To take care of the excess oil a storage company will be formed as an adjunct of the Producers' transportation company. Beside the tanks in the field immense reservoirs will be provided a few miles from the sea. Contracts already awarded call for a capacity of some 2,000,000 barrels. These reservoirs will ultimately be made capable of holding 5,000,000 barrels. The tankage will be increased with the ultimate view of providing throughout the state storage facilities for 25,000,000 barrels of oil for the independent operators.

NEW PENNSYLVANIA STRIKES GOOD FLOW

Oil Forces Its Way Through Water in 3,600 Foot Hole and Overruns Casing

The most important tidings of the week from the Santa Maria field tell of the strike of a good oil flow in the well of the New Pennsylvania in the Cat canyon district. The hole is 3,600 feet deep and it was the intention to ball out the water and land the casing before testing. On Saturday night, however, while the drillers were at work, the oil forced its way through the water and ran over the casing. A big producer is predicted, but in the meanwhile efforts will be made to control the flow.

This extends the proven territory in the Cat canyon district some distance from the Palmer property. The well of the West, adjoining the New Pennsylvania, also gives every promise of yielding heavily. The hole is full of oil. The company is controlled jointly by California and Chicago people.

Word comes from the same district that the Dome well is going to be a bonanza. The well has been filled with water and capped. As soon as the necessary arrangements have been made for bringing it in the cap will be taken off and there is sufficient pressure of gas to force the water out of the hole and a big flowing well is looked for. Experts say the well is going to be the equal of the Palmer, which began flowing at the rate of 6,000 barrels a day only a short time ago. The Dome owners have procured a large steel tank from the Brookshire oil company to hold some of the oil and arrangements have been made for other storage.

The original Palmer gusher has increased its flow during the last few weeks, yielding at the rate of approximately 1,500 barrels a day. Palmer Annex will soon have two strings of tools running on that portion of its property lying between the Palmer and the Los Alamos petroleum. The company has already developed a water supply sufficient for its own use, with a balance that will be sold among the neighboring companies.

Messrs. Duncan, Wickenden and Felts of San Luis Obispo have returned from the Midway district and report a large influx of oil prospectors and representatives of the Associated and capitalists of Los Angeles to the edge of the Temple range of mountains inside the border of San Luis Obispo county. There are thousands of acres of land over there which the experts say are rich in oil, and it was only recently that the government restored the land for mineral research.

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MAY INVADE EAST

To contract for oil in quantities it is necessary to have it above ground. With a growing supply on hand the independents are beginning to stretch their markets. Chile has been found a ready purchaser above the amounts it already takes. The northern railroads have come into line. There is now some thought of introducing California oil along the Atlantic seaboard in direct competition with coal. The Union oil company has a pipe line across the isthmus and ships to carry it on either ocean.

The present production is roughly estimated at 220,000 barrels a day. The

FIELD FAVORED BY FOREIGN CAPITAL

Many Big Tracts Are Purchased at High Figures by British Investors

The Sunset, Marlopa and Midway fields still lead in point of popularity among the foreign investors. Following close upon the sale of 250 acres in North Midway to Balfour, Guthrie & Co. for \$500,000 has come the statement that other British companies are negotiating for lands in that section. Foreign and eastern capital has also sought the properties to the south. The Mascot has been approached by several brokers. Many offers have been made for the Monte Cristo holdings near the Lakeview and in the Kern river field. The sale of the Mount Diablo tract in the Midway for \$1,500,000 has been confirmed.

Among the recent strikes reported is that of the K. T. and O. whose well is said to have produced at the rate of between 6,000 and 10,000 barrels a day. The K. T. and O. is a Southern Pacific concern. The well on the Regal lease brought in by the Union, which produced for a short time at the rate of 25,000 barrels a day, has been held in check while provision is made to impound the flow. The property adjoining the Monte Cristo holdings near the Lakeview and in the Kern river field, has been acquired by the Equitable. The adjacent tract, held by the Equitable, has been sold to W. M. Graham of the California oilfields limited and some of his associates. The price is given as \$1,250 an acre.

A good strike of oil sand is reported by the Coin oil company on section 4-31-32 in the North Midway. The drill passing through a rich sand at 3,050 feet.

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The price will advance, but just how high it will go it is impossible for us to say at this writing. It is our intention to offer a small block at 15c per share. There is no doubt about getting oil; the only question is, Can a company get money to drill for oil? Now, we have the money. Therefore, we have eliminated the one big chance in the oil business of California. Our advice to you is to buy today, before this stock gets beyond your reach.

This Is Your Opportunity
To get in at the present low price. You can purchase this stock for cash or on the installment plan, paying one-fifth down and one-fifth per month.

15c per Share Last Announcement 15c per Share
We have offered you many good investments, but Puritan Oil Company stock is the one best buy in the California oil stock market today. It has a low capitalization and a large acreage. No one can say this company will not be one of the big dividend payers within a year. Show us a company that has made better progress in six weeks than the Puritan Oil Company.

FACTS
The Puritan Oil Company has enough money in the Treasury to pay for the first rig, and money is the one consideration in the Ventura County Oil Fields today. There is no doubt about getting oil; the only question is, Can a company get money to drill for oil? Now, we have the money. Therefore, we have eliminated the one big chance in the oil business of California. Our advice to you is to buy today, before this stock gets beyond your reach.

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