

Federal Agents Investigate the Oil Storage Facilities

VIEW OF THE STANDARD OIL COMPANY'S PROPERTY IN THE COALINGA DISTRICT

COST OF CHECKING GUSHER \$181,000

Poorer Concern Than the Lakeview Might Have Been Bankrupted by Prosperity

None but a wealthy company can afford gushers. That fact has been amply demonstrated in the case of the Lakeview. While the news reports heretofore have dealt exclusively with the great riches that the geyser poured forth, it is now possible to give the other side of the story. Up to the first of June it had cost the owners of the well the sum of \$181,000 to control the flow of the big producer. That is a big sum of money and the expenditure had to be made before returns of any dimensions had begun to come in from the marketing of the oil. It would have been a smaller concern if there were a paradoxical situation if there ever was one.

There was once a case of a farmer who had such a big crop that he was broke on the harvesting expense. Inability to finance the unusual situation presented by the sudden appearance of the gusher might have brought about a similar result. As a matter of fact, the Lakeview had run close to the financial shoals when it passed under the protecting arm of the Union oil company. The strength of the Union made the financial problem an unimportant consideration.

DAMAGE SUIT THREATENED

The great expense in handling the gusher came principally through the cost of preventing the flooding of adjacent property. Only a mile or so away lies Buena Vista lake, the property of Miller & Lux. Notice was immediately served upon the owners of the Lakeview that the moment the oil entered the reservoirs the lake suit would be begun for damages in the sum of \$1,000,000. Accordingly it became necessary to erect sand barriers to turn the flow from the lake. Men and teams were impressed from every available section of the fields and were kept going in day and night shifts. The immediate demand for trenches and big earthen reservoirs required the services of another army of men. Guards to prevent fire were employed by the score. The men working about the well received double and in some cases triple wages because of the extra hazard of the undertaking. In round figures it has cost practically \$2,490 a day to care for the Lakeview. But after all is said and done it has certainly been cheap at almost any price. The flow of oil, ranging from 29,000 to 50,000 barrels a day, has brought in a daily gross income of \$100,000 to \$135,000. It is apparent that the company can afford the expense.

GUSHING YET

The Lakeview has continued its flow during the present week with no sign of abatement. It has passed into its ninety-seventh day of activity.

While the Union Oil company, as the holder of 51 per cent of the company's stock, is the chief beneficiary, there are four men in the southern part of the state who will share largely in the rich returns. They are Julius Fried, J. M. Dunn, Parker Barrett and A. E. Hodgkinson, all of Los Angeles. Fried, Dunn, Barrett and Hodgkinson own the land on which the Lakeview well is situated. Fried holds five-eighths and the others one-eighth each. By the terms of the lease they receive a one-sixth royalty on all the oil produced by the Lakeview.

Fried is well known in San Francisco, where he lived for some time. He is but 34 years of age and has been in the oil business for a number of years. He was assistant cashier of a San Francisco bank for a time, but took up his residence in San Francisco, where he became a member of the stock exchange. He has since turned to oil and organized a number of companies. His business interests carried him to Los Angeles, where he has since lived.

FORMERLY BRIDGE CARPENTER

Hodgkinson has been in California only since 1897 and has been engaged in the real estate business in Los Angeles. Barrett was in the employ of the Southern Pacific as a bridge carpenter in Kern county when his attention was directed to the oil fields. He located in Maricopa in 1908 and engaged in various oil enterprises. Dunn, the fourth member of the syndicate, has been cowboy, mechanic and contractor. He was in the contracting business in San Francisco when he paid a visit to Bakersfield and was impressed by the impending developments there. That was in 1907. He dropped the contracting business for oil and has prospered.

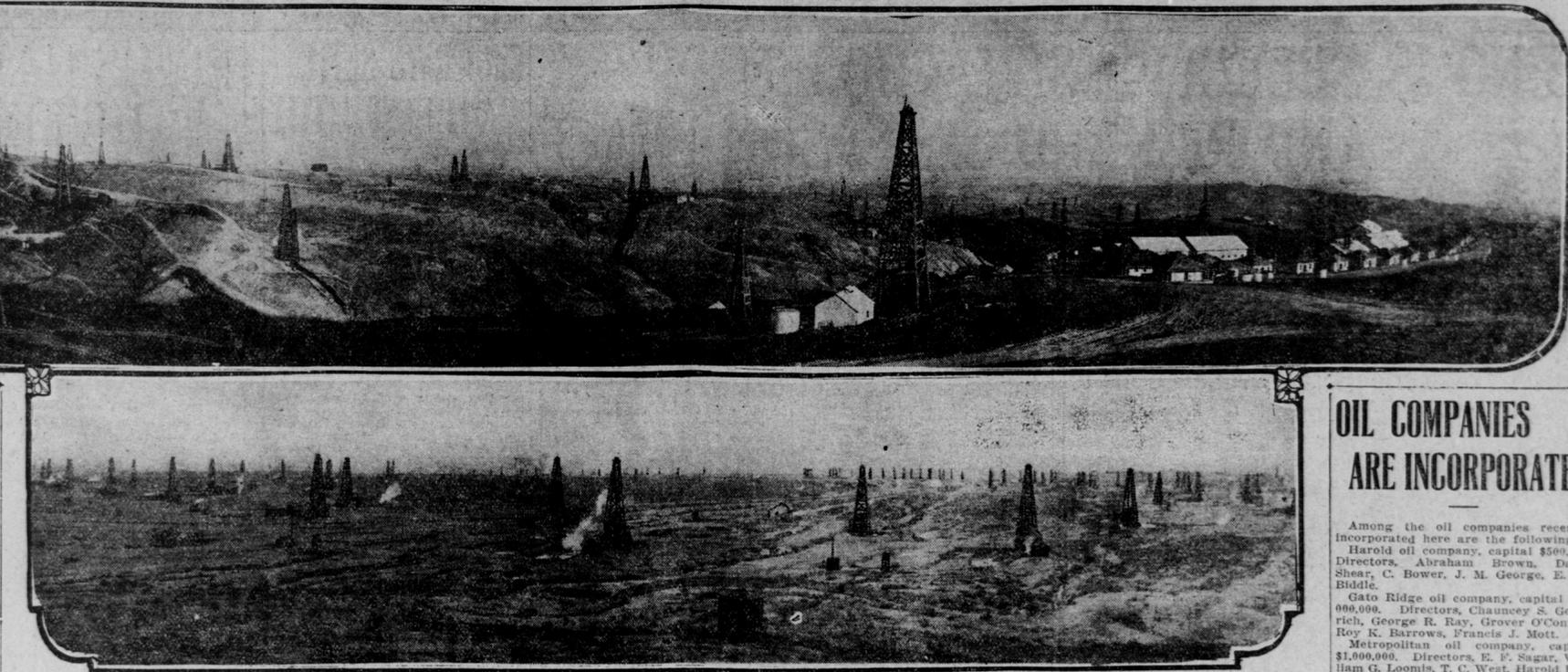
To date the Lakeview has produced approximately 4,000,000 barrels of oil of a commercial value of some \$2,000,000.

KERN RIVER OILFIELDS DEVELOPMENT PLANNED

Ten Strings of Tools to Be Run by Company

The Kern River oilfields of California, Limited, which purchased the Imperial and Thirty-three, together with a large acreage of undeveloped ground, is preparing for extensive development and will run 10 strings of tools, says the California Oil World. Five strings will be run on section 19-28-28 and five on section 23, of which there is still 250 acres not drilled. One rig has been built on 19, but W. E. Beeson, general manager for the company, says that it is difficult to get material.

TWO BURN TO DEATH—Beverly, Mass., June 21.—Two men were burned to death and three others, received slight injuries in a fire which destroyed the Century club cottage and an adjacent small summer residence at Bates park in this city today.



Photograph of famous Sunset-Maricopa flat.

STORAGE PROBLEM INTERESTS NAVY

Supply of Fuel Oil Is Being Considered by Agents of Government

An announcement, by far the most important of the year to oilmen, was made yesterday in San Francisco to the effect that the government had sent agents to California to study the petroleum situation, with particular reference to storage facilities. These agents are already in the state and have been busily engaged at their work for some weeks. Federal representatives have also been sent abroad to investigate conditions as to the storage of fuel oil. The intention obviously is to undertake the preliminaries looking to the use of oil in the navy. There are several problems to be solved before the government can order its warships and auxiliaries equipped for liquid fuel. Tests have already demonstrated the superiority of oil over coal, both as to steaming value and cost. The government is satisfied as to the feasibility and economy of coal. It remains to be convinced on two points—first, that the use of oil is practical, and secondly, that a sufficient supply is available.

For oil to be a practical fuel it is not enough that it can be used successfully on experimental trips. There must be provision for petroleum stations, just as there are today coal stations. It must be established that facilities for storage can be provided at such points near seawater as are necessary. As to supply, the federal agents will look over the quantity on hand and make estimates of the production.

ABLE TO CONVENCE

The producers are fully convinced that they will be able to show the government that the use of oil is practical beyond any doubt. As to supply, they can show at once that there will be sufficient for the needs of the navy. With the government in the market for oil for its warships, the present oversupply will be used and more demanded. It is the present intention of the independent producers to supply facilities for the storage of from 10,000,000 to 15,000,000 barrels. It will prove a costly undertaking, but it is realized that the time has come when it must be done. A separate company will be organized to finance the storage of storage. This company will consist of the independent producers, who now make up the producers' agency.

ADVANTAGE TO NAVY

The naval experts of this country figure that the use of oil will place the United States at a decided advantage over other naval powers. This government possesses extensive oil fields, which are well within the interior and safe from invasion, even if a foreign fleet should effect a landing. The great advantage which the experts expect from the use of oil is that the fuel required for steaming a given distance will weigh much less than formerly. This means that a battleship can be given a greatly enlarged cruising radius, and that some of the weight which has heretofore been devoted to coal can now be given up to armor and armament. It is estimated that the 400 tons of oil carried by the new Delaware will increase her steaming radius not less than 1,000 miles.

Up to this time the thought of the naval experts has been to use oil only as an auxiliary supply. Provisions for its use in this way have been made on the Delaware, the North Dakota, the Utah, the Florida, the Wyoming and the Arkansas. Both the Delaware and the North Dakota used oil on their speed trials, and it is claimed that its use accounts for the fine records made by those ships. Both of them did better than 21 knots an hour. When the time came for the ships to speed up the oil was turned on and the ships were driven along at a uniform speed which would have been impossible with coal as the only fuel.

EASY TO LOAD

The oil which is used for battleship fuel is neither the crude petroleum nor kerosene. It is the fuel oil remaining after the illuminating oil has been removed. The Delaware is able to take on oil at the rate of 340 tons an hour. The 400 tons, which mark the oil capacity of the Delaware, is equivalent to about 160,000 gallons.

WOODSMAN CRUSHED UNDER ROLLING LOG

Joe Filippi Killed When He Attempts to Drive Wedge

[Special Dispatch to The Call]

SANTA CRUZ, June 21.—A woodsman named Joe Filippi was instantly killed while sawing a log at the Newell creek logging camp today. He had mounted a log to put in a wedge. The log rolled and crushed him.

S. P. OWNERSHIP NEARING A TEST

Locators of Railroad Get Ready to Drill for Oil on Territory in Issue

Reports from Coalinga state that the issue may be forced on the field itself as to the ownership of oil lands claimed by the Southern Pacific under the federal grant. The Southern Pacific is developing these lands under the name of the Kern trading and oil company, commonly known as the K. T. & O.

The correspondent of the Fresno Republican says that some persons representing the assigned interests of Edmund Burke, the lawyer, who located several sections of railroad land in May, 1909, have hauled material out to the southwest corner of section 5, 20-15 for a standard rig. This was done last week, but so far the derrick has not been built. It is claimed, however, that work will be pushed to completion soon. A second rig is to be built on the northwest quarter of this section, the material for which has been ordered. Persons supposed to be acting for the locators of the United development company have started two rigs on section 5, 21-15, and also one rig on the southeast quarter of section 7, 21-15.

This work was only started, the heavy timbers only being put in place. The suit pending in the United States circuit court for the southern district of California will be heard before Justice Ross during November, at which time this matter is supposed to come on for hearing, at the time that the demurrer will be heard.

The activity in the building of pipe lines does not slacken in the least. The Associated pipe lines company has a crew under the Mahoney Brothers, contractors, building the Coalinga-Maricopa line. The crew is now at a point near section 17, 23-18, about 36 miles south of Coalinga. The machine used in digging the ditch for the pipe worked very satisfactorily in the Kettleman hills. This crew keeps about two miles ahead of the pipe line crew. The Kettleman pumping station, on section 1, 22-16, will soon be a busy place with carpenters on the station buildings, tank builders and the men who will set the big line pumps. The water well has been completed and a good grade of water has been found.

GRAFT CHARGES MADE—Chicago, June 21.—At the request of the Illinois Central, Judge Windey today appointed the Chicago title and trust company trustees for the Blue and car and equipment company. The petition charges that the equipment company has no assets other than the Illinois Central stock. The Illinois Central alleged.

BRITISH INVEST IN OIL PROPERTIES

Beginning Made With \$20,000,000 for Purchase of California Petroleum Lands

While there have been no sensational sales of oil properties during the week, it is known that negotiations are now pending for the purchase of some of the richest properties in the state by English capitalists. The British have already invested some \$20,000,000 in California petroleum lands, but this is regarded as rather a beginning than a sum total.

It was the intention of the United Investment company, a large English concern, to acquire the Pioneer Midway property from Isaac Strassburger, but this was taken over by the Associated before the foreigners were ready to close the deal. The United investment company has now turned its attention to other holdings in the North Midway and has through its agents taken an option on acreage in that portion of the field. The negotiations have not reached the point where any announcement can be made with certainty.

English capital has turned its attention to the Santa Maria field because of the certainty of titles in that portion of the state and have been treating with the Palmer people. The offer for the Palmer was not seriously entertained by President Frank L. Brown. He has recently purchased 955 acres near the Palmer from the Central Trust company and it is reported that arrangements are pending by which this will be transferred to British interests.

It is noteworthy that the bidding has become active for the choice properties. Such companies as the Associated have made long term contracts and can take no chances as to a future supply. The purchase by home companies of new territory in its early stages of development is taken as the best indication of the safety of the investment.

Another cause for the unusual demand for newly producing companies may be traced to the decline of some of the eastern fields. It is stated, for instance, that there has been abandonment on an unusually large scale during the last five months in the Trenton rock fields in Ohio and Indiana. In the Lima fields of Northwestern Ohio the number of wells abandoned in May was 115, while in the Indiana fields 146 wells have been abandoned. Many of these wells have been pumping over a long series of years. With the failure of the gas supply fuel became so expensive that the wells could not be operated at a profit.

BIG EXTENSION OF FIELDS EXPECTED

Oil Operators Look to Several Comparatively New Districts for Developments

Oilmen generally are looking for a great extension of the fields of the state, but in just what particular part the extension first will manifest itself none is prepared to say. Each operator has his pet theory and is pretty well fortified with data to back it up. The vast amount of territory now under drill, however, will in all probability open a new belt.

The stretch between Coalinga and McKittrick, including the Devil's den and the Kettleman plains and reaching over to the Carisa and the Huasna, is pretty well dotted with derricks. There have been some successes in the den, but nothing of a character to start a stampede.

There are reports of initial success in the Altamont hills beyond Livermore and in the hills near Los Gatos. Drilling in these sections is proceeding steadily. Hope is high and that will carry the drill to the testing depths.

Chief interest, however, is directed to the development work in the Buena Vista and Elk hills. Although several rigs are up in these sections, none has yet penetrated a distance sufficient to give definite indications except the Honolulu consolidated in section 4, 32-24. At this point a gasser was found and light oil was blown over the surrounding territory.

The Midway basin company is operating in section 28, 31-24, with a rotary. The present depth is 1,300 feet, with a 18 inch hole. Some trouble has been experienced with boulder and hard formation.

Barlow and Hill have four rigs up on sections 2, 3 and 4, 31-24, and some of them are running. They have not reached a depth that would furnish any indications.

The Elk Hills company is running one string on section 9, 31-24, and has a number of other rigs on adjoining territory.

The Midway Valley oil company in section 12, 31-24, has four rigs up and one is drilling at a depth of about 700 feet. In section 18, 31-24, the Kern Midway oil company has four rigs up and is spudding in two. The company expects to strike oil at about 2,000 feet. The operations are under the direction of F. N. Scofield, who is president of the company. The Barnodon oil company is drilling in section 20, 31-24, and also on sections 4, 10, 14 and 24, 31-23. The Associated is preparing to start operations in township 30, range 24, and is reported to be handling material from McKittrick to five sections that have been taken up.

ESSEX WELL GIVES THE OWNERS HOPE

After Two Years' Work in Drilling Rich Oil Sand Is Found

The Essex well on section 6-11-23, near Maricopa, which promises to become one of the good ones of the flat, has verified the hopes of several companies operating in that portion of the field, says the California Oil World, changing the indigo blue complexion of the landscape into a rosy red. The La Blanc, Lady Washington, Yellowstone, Eclipse, Mohawk, Sunset, Loma Vista and others, who have held on and worked on in the face of great difficulties, know now that their hopes have not been in vain and that a rich deposit of oil sand lies beneath.

The Essex started drilling in December, 1908, under the direction of E. M. Howe, present superintendent of the company, who has been on the job ever since. The stock holders, undismissed, have stayed with the game.

Last August the boiler burned out, and as a result the eight inch string froze, entailing a delay of eight months, which time was spent in patient endeavor on the part of Howe to get the string free. Throughout the officials have never lost faith in the ultimate outcome of the venture and now appear to be in a way to realize handsomely from their pluck.

More than a mile farther out than the Essex the Pacific Midway has a flowing well at a depth of 1,605 feet that is making 600 barrels a day when released, the oil barely flowing over the top of the casing. The strike was made 10 days ago. The oil tests 20 gravity.

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JUNO SAN JUAN OIL CO., Room 306 Chronicle Bldg., Phone Douglas 250

D. B. MOODY, President. R. F. WELLS, Secretary.

OIL COMPANIES ARE INCORPORATED

Among the oil companies recently incorporated here are the following:

Harold oil company, capital \$500,000. Directors, Abraham Brown, David Shear, C. Bower, J. M. George, E. W. Biddle.

Gato Ridge oil company, capital 000,000. Directors, Chauncey S. Goodrich, George R. Ray, Grover O'Connor, Roy K. Barrows, Francis J. Mott.

Metropolitan oil company, capital \$1,000,000. Directors, E. F. Sagar, William G. Loomis, T. C. West, Harold Lattner, J. D. Hynes.

Spokane Coalinga oil company, capital \$100,000. Directors, T. H. Thompson, C. W. Hall, M. C. Hunter.

Coalinga Superior oil company, capital \$900,000. Directors, Moses Samuel, Paul Samuel, Charles P. Eels, Marcus Kaufman, Hugh Goodfellow.

The Section Five oil company filed a certificate of increase of stock from \$75,000 to \$150,000.

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