

Montana Journal

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The Montana Oil and Mining Journal endeavors to insure the honesty and trustworthiness of every advertisement it prints and to avoid the publication of all advertisements containing misleading statements or claims.

ADVERTISING RATES ON APPLICATION

A CALL TO THE PEOPLE OF MONTANA

The vaults of some 15,000 American banks now contain deposits of nearly \$50,000,000,000 and a large part of this idle money is now seeking profitable employment, but investment capital is timid. It must have adequate assurances. New government issues offered at ridiculously low rates, are invariably over-subscribed, largely because there is an abundance of investment funds, but a considerable portion of this money can be diverted to development of projects where a much higher yield is possible.

With higher prices for gold and silver, Montana's vital need at this time is for outside capital with which to develop its rich virgin mineral wealth, rehabilitate old mining properties, reemploy thousands of idle men, and engender a real mining boom that will spread prosperity throughout the state. This outside capital is now available—ready and waiting to be employed—and it will flow into this state just as soon as it receives the right sort of an invitation. If state and city officials, civic organizations, business and financial leaders, and those prominent in the mining industry will picture the opportunities, voice the need, and give assurances of fair treatment, outside investors will deluge this state with investment funds.

FOREIGN SILVER STOCKS SHRINK

Happenings in the international silver market have a vital effect on the future of the American mining industry.

The Wall Street Journal reports that the American silver purchase program—whereby the United States Treasury periodically buys a certain number of ounces in the world market—is drying up stocks of silver in London, where there used to be a constant supply of the white metal. The United States has bought much silver there, and in the past London has made up its deficits by purchases from China, holder of one of the world's greatest silver stores. However, Chinese bankers are now showing unwillingness to permit additional large amounts of silver to leave their country. During the last two months silver stocks in Shanghai have been stabilized at around 259,000,000 ounces, and the downward trend in the size of these stocks seems to have been checked for the time being.

Thus, demand for silver may shortly outrun supply, and the inevitable result of that would be a rise in silver values—something that has seemed only a Utopian dream for a long time. If that occurs, producers of new silver, as well as holders of existing quantities, will see the light of prosperity once more.

REWARD FOR OIL WELL
 OLYMPIA, Wash.—The first persons or firm to "bring in" an oil well yielding 1,000 barrels or more a day would receive \$100,000 from the state of Washington under provisions of a bill introduced in the house of representatives today by Representative A. K. Edwards, Whatcom.

STONE IS TRANSFERRED
 Forrest R. Stone has been transferred from the Blackfoot reservation at Browning to Shoshone jurisdiction in Wyoming, after 16 years of service of which six years as superintendent.

SEND A CONTRIBUTION TO THE SUNBURST BADGER



ANOTHER POME
 She stood in the street at midnight,
 As the traffic homeward sped.
 She was very much struck by the moonlight,
 But that's not the reason she's dead.

A Hip Pocket Drama In Five Acts
 Time: None of your business.
 Place: Who cares?
 Cast: Three of us and a barkeep.

Act 1
 "Fill 'em up again, McGinnis."
 Act 2
 "Fill 'em up again, McGinnis."

Act 3
 "Fill 'em up again, McGinnis."
 Act 4
 "Fill 'em up again, McGinnis."
 Act 5
 "Fill 'em up again, McGinnis."
 Conductor: I'll have to charge full fare for your little brother—he's wearing long pants.
 Small Brother: Gosh, sis, you ride free.

POME
 Of all the fishes in the seas,
 My favorite is the bass.
 He climbs up into sea-weed tress,
 And slides down on his hands and knees.

He: "I think I've got a flat tire."
 She: "I think that makes us even."

Dean: "Don't you know you shouldn't play strip poker?"

Sweet Young Thing: "Oh, it's perfectly all right. It's not really gambling."

Dean: "What?"
 Sweet Young Thing: "No, you see, we always get our clothes back."

Super-saloonship
 Customer: "That chicken I bought

yesterday had no wish bone."
 Butcher: "Madam, he was so happy and contented he had nothing to wish for."
 "His best friends wouldn't tell him," so he flunked the exam.
 Capital—Money which the other fellow has.
 Labor—Getting it from him.
 Doctor (inquiring after the boy who has swallowed a half dollar): "How is the boy today?"
 Nurse: "No change yet."

WOULD KNOCK OUT COBBS
 Restitution of the provisions of the anti-trust laws of the United States as against codes, agreement or license under N. R. A., is proposed in a bill introduced in congress by Senator Borah.

PIPE LINE LAW UP AGAIN
 There is before congress a new law, introduced by Senator Borah, providing for the divorcement of pipelines from production or distribution.

LOW FARES 2¢ Per MILE and LESS!



ASK your LOCAL AGENT for LOW FARES to NEARBY POINTS or to DISTANT CITIES.

EMPIRE BUILDER will be Completely Air-Conditioned for 1935 Summer Travel



DEALERS

Who Sell Lauricel

AUTOFUEL
 MADE IN MONTANA

Get the Paying

GALLONAGE

QUICK STARTING

INDEPENDENT REFINING CO.
 Billings and Laurel

Is Someone Ill In Another Town? TELEPHONE

Was Or Wasn't It Lucky?

Wasn't it lucky that the first well in the north end of Cut Bank field was not the No. 4 Walberger location?

A. B. Cobb is the operator who opened up the sensational north pool it was NORTH at that time, although it is near the center of the field today—by drilling his famous Walberger No. 1. It was a good AVERAGE well.

We were delighted when Cobb started his well because we had previously purchased some royalty on the Seeba farm, adjoining. We were nervous about the Seeba. We thought it too far north and too far east. We hoped that at best the west end of it would be oil land and the east end gas land. So when Cobb's first well was drilling, on a location at the extreme northeast corner of the Seeba farm, we were on the "anxious seat." The Cobb well came in, a good producer. It was immediately offset south, west and southwest, the last being on the Seeba farm. All these wells were good average producers. Montana Power Gas company continued the development of the Seeba farm and as a result our royalty on the Seeba is paying considerably more than ONE HUNDRED PER CENT PER ANNUM on our investment.

Cobb continued the development of the Walberger lease. He had a good average well on his No. 2. His No. 3 was perhaps the best well in the Cut Bank field. Completed on August 18, 1934, it started off flowing at the rate of 300 barrels per day. It has continued to flow since that time. It has flowed longer than any other well in the field, so far as we know. It was making around 145 barrels per day, still flowing, when we last enquired. At any rate, the Walberger lease is still making in excess of 200 barrels per day, and this No. 3 has "hopped up" royalty prices so that it is useless to try to buy royalties in that district for any reasonable prices.

Then the much-discussed Castle-State well was drilled, offsetting Cobb's east line. The Castle well made 50 barrels initial. A south off-

set drilled by Montana Headlight had an initial of around 140 barrels. Cobb drilled his offset in the southeast corner of his lease and completed a dry hole. It had some oil and is perhaps a small commercial well but to all intents and purposes it is a dry hole.

On either side are wells making 140 barrels per day or more, yet he has a 3 or 5-barrel well. That is the hazard of the oil industry in ANY field. However, it goes to show just one convincing thing that should be of value to the royalty investor as well as to the operator:

WHERE THE SAND IS PRESENT, A DRY HOLE IS OF NO SIGNIFICANCE.

Had there been no sand, it might mark the edge of the ancient seacoast on which the Cut Bank sand was laid down. But Cobb had the normal sand as did his neighbors east and southeast.

This points out an interesting thought:

SUPPOSING THAT COBB HAD DRILLED HIS NO. 1 WELL WHERE HIS NO. 4 WELL IS LOCATED.

The offsets east and southeast would not have been drilled. His Nos. 1-2-3 would perhaps not have been drilled—for a long time at any rate. We would have been the more convinced that we had lost our investment in the Seeba, for the simple reason that FEAR IS THE DOMINANT HUMAN ELEMENT IN THE OIL BUSINESS. We little royalty investors are no different from the big corporations. We are all afraid of a dry hole, unless it happens to be flanked, like the Cobb No. 4, with producers. THEN we all agree. But had that well been out there a mile and a half away from production, we would have agreed that the north area of Cut Bank was pretty well condemned.

What would have been the result? We could have bought Walberger

royalty pretty cheaply, doubtless. We might have bought some Yuncck royalty cheaply, also, and many others, had any of us been willing to risk our money in the face of that Cobb failure.

At the same time, if we could have read a crystal ball and foreseen what the result of drilling would be on the locations we now know as Numbers 1, 2 and 3, also the Yuncck and State wells, we could have made a fortune by buying royalties which others would have believed disproven. We would have been willing to wait, even though development were delayed.

There are a dozen wells in the field which present the same situation. We are not altering the situation by pointing out these facts. The owner of royalty around a dry hole will invariably HEDGE through fear that the area is disproven, even in the face of a sand as good as that at the Walberger No. 4.

The royalty investor who can understand this situation can capitalize it in many places in Cut Bank field.

The real money in royalties is made in buying AHEAD OF THE DRILL. With intelligent information the royalty investor can move out ahead of the drill in Cut Bank field with no great hazard. A hundred and fifty wells give a pretty good picture of the early Cretaceous seacoast over an area of 30 miles. The sand may vary as to porosity, giving large wells in porous spots and small wells in cemented spots and even dry holes in "islands" of porosity, but where the sand is present, production may be expected at a ratio of nine to one.

What conservative investment, not to mention speculations, offer any such odds for success to an investor?

We can point out spots where the lesson of the Walberger No. 4 can be capitalized. We are issuing a plat this week descriptive of a parallel situation. It will be sent to a limited list of our members or to others who especially request it.

The City Grows Where Natural Gas Flows

Natural Gas is the ideal fuel for domestic, commercial and industrial uses. It affords instant heat, that can be controlled accurately, and directed just where you want it. For cooking, water-heating, incineration, automatic refrigeration and house-heating. Natural Gas cannot be surpassed. Its convenience, cleanliness and efficiency combine to make it the truly economical fuel.

As a citizen of the community, whether you are a property owner or not, you will be directly or indirectly benefited by the use of Natural Gas.



Landowners Royalties Co.

Box 1225

HEAD OFFICE:
 GREAT FALLS, MONTANA

LANDOWNERS ROYALTIES COMPANY
 GREAT FALLS, MONTANA.

Without obligation send me your plat of 2/23/35, Cut Bank field.

(Your Name in Full)