

Montana Journal

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The Montana Oil & 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

THOUSANDS OF MINE OWNERS

"Ownership of mines has been widely diffused in recent years. 'Mine owners' today mean hundreds of thousands of people in all walks of life. When we speak of a mine owner as a single person we are talking the language of 1896 and earlier. This change more than any other modifies and alters the situation which existed forty years ago."—From the Mining and Contracting Review.

WE ADMIT WE DON'T KNOW

(Continued from Page One)

the demand in Montana. He is insured of ample crude and a more-than-ample market. Alberta and Saskatchewan markets command the price of crude in Montana. These two provinces use about as much gasoline, together, as Montana uses. Since the discovery of oil in Kevin, the price structure has been based entirely on the Canadian crude market. How long will the tail continue to wag the dog? We would like to see some market expansion: We know that the market for refined products is available. We know that only the people in the Montana oil industry can and will bring this about for we are beginning to weaken in our implicit belief that fairies and

goblins manage the Montana oil business. We have seen at least two good refinery propositions sink out of sight because Independent producers refused to "stay put." Accordingly, it is our opinion that there is no blame on any individual or corporation but the blame rests collectively on the Independent operators who year after year are without a market for their crude. A visitor to the asylum at Warm Springs developed a parallel for the situation. He remarked the danger to the single guard ruling over a large number of patients. "They'll gang up on you and kill you, some day," said the visitor. "If they knew enough to gang up, they wouldn't be here," replied the guard.

RFC Mining Loans Offer Greatest Opportunity To Independents In History

With hundreds of mines requiring finances in Montana today, only 43 applications for RFC loans have been filed with the mining division at Washington, D. C. This figure was revealed to the editor of the Journal by John Norton, engineer in charge of mine loans, during his recent visit in Montana. Mr. Norton stated that the work of his department has become so systematized that it is now possible for an application to go through within 60 days, which is much faster than other methods of financing. Loans up to \$20,000, can be obtained for development work on a placer or quartz property where there is sufficient ore in sight to justify further exploration. In quartz mines this money can be used for the purchase of tools and drills but not for mills or large machinery. In placer mines it can be used only for testing, the purpose being to establish a sufficiently large ore body to justify a larger loan for the purpose of a washing plant. In both instances, the development loan is payable out of the proceeds of the subsequent commercial operation of the mine. It is apparent to the Journal that Montana mining men have none other than themselves to blame for their failure to take advantage of the opportunity to secure a loan. Any who has a property that will justify the approval of a mining engineer who has as a back ground years of practical experience in mine operation, can get a loan. In the case of Class "B" loans for \$20,000 or less for development purposes, the applicant does not have to go to any expense. If his property is not good enough to justify a loan, he is promptly notified. Otherwise he can expect to get his loan through in around 60 days. Application blanks may be secured at the RFC office at Helena, by writing or calling in person.

TO THE SUNBURST BADGER THE SUNBURST BADGER



Definition of "Intoxication:" A person spread out on the ground, face down, with hands, arms and legs outspread to keep from going lower.

"There was a thief in my room last night and I thought it was my husband."
"Did he get anything?"
"Well, I didn't miss anything."

They say that papa Dionne is getting a divorce. He charges his wife with being too overbearing!

When a man is exposed he freezes to death but when a woman is exposed he burns up.

"Doctor, my wife has insomnia very badly. She very often remains awake until 2 o'clock in the morning. What shall I do for her?"
"Go home earlier."

Golfer (far off in the rough)
"Say, caddy, why do you keep looking at your watch?"
Caddy: "It isn't a watch, sir, it's a compass."

The Nudists were planning a masquerade and the ladies were worrying over what to wear.
"Well," said one, "with my varicose veins I think I'll go as a road map."

This was told by the late Gen. Enoch H. Crowder. Back in the old days there was a colonel named N. A. Dudley, who, because of his initials, was commonly known as "North American" Dudley. He was very fond of giving dinner parties at his home and on such occasions invariably proposed two toasts, the first to "The Church" and the second to "The Ladies." Mrs. Dudley, who was very deaf, could not hear the Colonel when he proposed these toasts but, knowing his custom, would invariably remark after the toast to the Church: "Don't be silly, Colonel, you know you haven't been in one but once in ten years and then you didn't stay until the service was half over." Which was alright until one day the Colonel made a mistake and mixed his toasts

"My boss says he'll give me \$10,000 if I'll be his sweetie."
"Gosh, dearie, he ain't got \$10,000."
"I know he hasn't, but ain't it a good offer?"

First Hunter—"Hey Bill. You there?"
Second Hunter—"Yeah."
First Hunter—"Then I've shot a deer."

Johnnie was gazing at his one-day old brother, who lay squealing and wailing in his cot.
"Has he come from heaven?" inquired Johnnie.
"Yes, dear."
"No wonder they put him out."

"I'll be frank with you," said the young man when the embrace was over. "You're not the first girl I ever kissed."

"And I'll be frank with you," she answered. "You still have a lot to learn."

"Would you love me the same if Dad had lost all his money, Charlie?"
"He hasn't, has he?"
"No."
"Of course, I would, you silly girl."

"Where is the head bookkeeper?"
"He has gone to the races."
"What! In the midst of our annual audit?"
"Yes, sir. It was our only chance to balance the books."

Prof: "Your wife has a new dress."
Scoff: "No, she hasn't."
Prof: "Well, something's different."
Scoff: "It's a new wife."

"Papa, vot is de deefrance between prosperity and depression?"
"Vell, my boy," papa replied, "in prosperity ve had vine, vimmen, and song, but in depression all ve got is beer, momma, and the radio."

SEND A CONTRIBUTION THE SUNBURST BADGER

REMEMBER

ON LONG DISTANCE CALLS

1. Rates are lower all day Sunday.
2. Person-to-person and station-to-station rates are reduced every night at 7 p. m.



Telephone Easter Greetings

BARGAINS--OR NOTHING

Because We Can Afford To Wait

Royalty PRICES are one thing and royalty VALUES are another. The price should be determined by the value, ordinarily, but that is not always the case.

In the stock market we frequently see the price of stocks advance to a place where the dividend rate of the corporation will not pay one per cent per annum on the stock:

Offer a man an investment in a stock paying only 1% per annum and he will refuse to buy. Therefore, the PRICE of the stock is determined by something other than the VALUE. If we were to figure out the total value of all the stocks, based on market prices, and divide into the total annual dividends, we would find the reason why the stock market is a GAMBLING PLACE rather than a true market.

Fortunately, royalties are not bartered around like stocks and are less likely to have artificial values placed on them. There was a time in Kevin history when royalties sold for far more than they were worth. The person who refused to pay the going price had to stay out. As a result, many were led to pay higher prices in the fear that if they didn't buy THEN, they would have no opportunity of participation in the profits from Kevin-Sunburst.

This condition is again at hand in Cut Bank oil field. Royalty prices have been steadily advancing. Bargains are growing fewer and farther between. We of this organization refuse to buy unless it is a bargain. However, we have a more important factor in royalty PRICES. That is the COMPETITION of Kevin-Sunburst royalties.

The man who has a dollar to invest in northern Montana today decides for himself where he believes his money will do the most good. The careful investor is not swayed by the fear that if he doesn't buy a certain royalty that he will not have another opportunity. He will decide, rather, about what he expects his money to do for him, and wait until he can get just what he wants.

At the present moment, there is no comparison between the VALUES afforded by the two fields. We have been able in recent months to do in Kevin-Sunburst with \$1 two or three

times as well as we could do with that dollar in Cut Bank. There have been notable exceptions. Last week, as an example, we picked up a royalty in Cut Bank at a price of 75 cents per cent per acre. Although it is ahead of the drill, we believe it to be OIL LAND. At any rate, the price is so low that our members can well afford to accept the odds offered. It is in an area where large operators will this year drill two wells, so if THEY are willing to take the risk, we feel that our investors can do no better.

Royalty VALUES are based upon the amount of oil that is likely stored in the ground beneath a given tract of land. The PRICE we pay is determined largely by excitement over the possible recovery of that oil. Some investors are willing to pay TWICE as much for a royalty that is to be drilled immediately as they will pay for adjoining land on which no immediate development is promised. That circumstance may be well and good, if the price is low enough—as based on the VALUE or probable value of the royalty. But when DOUBLING the value means to cut the ratio of probable returns down to less than 10-to-1, then we doubt that a man is justified in paying the price for so-called "quick action"

Last week a royalty investor from Spokane visited our office, anxious to put some money into Cut Bank.

"Tell me where the big production of the field is going to be," he said. "I want to invest some money in that district and I am willing to pay more, in order to eliminate as much as possible the element of chance."

We told him that if we knew positively where the biggest production of the field will be found, we would possess an occult power which would make it unnecessary to bother with selling or giving information; furthermore that we could sell that information, were it positive, to one of the major companies. There have been good wells in all parts of the field. Off hand, we say that the biggest wells may be expected along the gas-oil line on the east edge of the field. That is the best rule yet evolved. At the same time we find the largest well in the field, the Santa Rita-Lander, is the field's westernmost well.

There is no better way to work in Cut Bank field than to play the law

of averages. In other words, never expect more than 50 barrel wells and base all royalty investments on that expectation. Should 1,000-barrel wells come, they are extra value to offset the risk. The man who bases his investment on 1,000-barrel wells will likely lose, for there is only one such well in the field thus far.

The Lander well brought a multitude of requests for royalties in the west area. Many believed that the Lander proved up the entire west slope for gusher production. Accordingly, they were willing to pay any price at all to get in before it was too late. To the disgust of many we have not purchased a single royalty in the district since the completion of the Lander gusher. We found a few royalties available but all of the PRICES were based on the expectation of gusher production. Accordingly, we made no deals until this week when we finally succeeded in getting one and one-half percent royalty on 160 acres in the west slope district that hits all the possibilities, we believe of the Lander. At any rate, we are buying it on the basis of wildcat royalty. It is less than three quarters of a mile from production and less than half a mile further west than the Lander gusher, although lower structurally Results of drilling EAST of the Lander gusher indicate to us that it will be necessary to go farther WEST to pick up Sunburst sand production. THAT is the important information we have gleaned from the Lander well, and which information we may be capitalizing in this purchase.

We feel quite sure that the royalty we are purchasing is oil land—the nearest well was rated at 40 barrels initial. We are naving a price low enough so that if this 160 acres yields ONE-TWENTIETH as much oil as the average expectancy of the field, it will pay a profit. On THAT factor we base the VALUE and by comparison we know whether the PRICE offers what we term a BARGAIN. We believe this purchase a bargain.

Some of our members already have some royalty on this tract. We will divide the one and one-half percent among others who are less fortunate. The descriptive plat will be sent to those who have requested west slope royalties and to any others who request this particular plat.

Sell
Silver Gas
Chief Monto Gas
Royal Scot Motor Oil
Ring-Free Motor Oil
Our Deisel Fuel
And Distillate
HOME OIL & REFINING CO.
GREAT FALLS, MONTANA
"An all-Montana Institution"

Landowners Royalties Co.

Box 1225

HEAD OFFICE:
GREAT FALLS, MONTANA

Great Falls, Montana.
LANDOWNERS ROYALTIES COMPANY

Without obligation please send me your current plat of 4-4-36 on royalties on the west slope of Cut Bank oil field.

(Our Name in Full)