

Montana Journal

ESTABLISHED 1921 PUBLISHED WEEKLY

Owned and published by the Montana Oil Journal, a Montana corporation. Address all communications to 618 First National Bank Building, Great Falls, Montana. O. I. DeSCHON, publisher

SUBSCRIPTION RATES:
 \$2.00 Per Year in Advance, Canada and Foreign Subscriptions \$2.50 Per Year. \$1.25—6 Months, Foreign \$1.75—6 Months.
 Published Every Saturday
 Entered as Second Class Matter April 23, 1921, at the Post Office at Great Falls, Montana. Under Act of March 2, 1879.

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

THE PASSING OF FRED McKNIGHT

The industry was never more shocked than upon receipt of the news of the sudden demise of Fred McKnight. There was no more promising young man in the Montana industry. Trained by his father in all angles of drilling and production practice, McKnight was just taking over his father's work and the latter was starting out on his first "vacation", comfortable in the positive knowledge that Fred would carry on. Furthermore, he saw not only his own comfort but a brilliant future for his son. It was a moment that W. C. McKnight had been looking forward to for many years. Mr. and Mrs. McKnight had just reached Seattle when they received a wire saying that their boy had passed away. An only child, his loss is a terrible blow. The whole industry grieves with Mr. and Mrs. McKnight and the widow.

TIME TO PUT YOUR MONEY IN THE GROUND

The important factor effecting the security of stocks and bonds is the possible result of the law taxing corporation reserves. Whether this will result in weakening corporations to a point where they will be unable to tide over another depression is a question that cannot be answered. The contention is that distribution of corporate profits will be an important factor in warding off another depression. However, if the money from dividends is pyramided in the limited number of stocks on the Wall Street market, a crash is certain to come when the structure becomes top-heavy through lack of earning power to support the investment.

Getting back home, it appears to the bystander that the only safe investment today is IN THE GROUND. Farm lands which are capable of yielding their present market value in five years of production; mines with blocked-out ore equal to five times the total investment; and oil in underground storage, purchased on a basis of 10 cents per barrel or less, are the only certain things for the American investor today.

PRODUCTION

(Continued from Page One)

The East side of the field in 1925. He feels positive, in any case, of production in this section.

A. C. Crumley has rigged up to drill a gas well on his Fryberger lease, one location north of his No. 1. It will be completed only to the Sunburst sand and the gas will be used for camp and drilling purposes. Drilling contract had been let to Fred McKnight, whose death this week halted operations.

Dr. B. A. S. Aronow has rigged up his No. 2 well on the MacGowan permit, following the completion of a 90-barrel well in No. 1 location. No. 2 offsets Big West-Dahlquist No. 1. Description is SE NW 1/4 NW 1/4 21-35-3W.

SEND A CONTRIBUTION TO THE SUNBURST BADGER

WILD CROCUS BLOOMS
 TOWNSEND—Wild crocus, usual blooms of early spring, were in bloom on top of the Big Belt mountain range. Forest Ranger E. V. Welton said, when he and Mrs. Welton made a trip over the divide to Maudlow.

J. B. EWING
 OILFIELD ACCOUNTANT

BLANKS FOR MAKING FEDERAL AND STATE REPORTS ON HAND
 INVESTIGATIONS AND REPORTS MADE FOR NON RESIDENT INVESTORS
 SHELBY. MONTANA

Oil Well Acid Service

KEVIN, MONTANA

Phone 19

WARREN HOUGH

J. H. AGEN



takes the "art" out of winter st (art) ing

Silver gas makes it simple to start your car engine even in cold weather. Silver is pure, concentrated, high-test gas that steps into action at the first whirl of the starter. Give your tank a Silver lining.

SUPER PRODUCT OF THE

HOME OIL & REFINING CO.
 GREAT FALLS, MONTANA



Lives of great men all remind us
 Honest men don't have no chance,
 For as we work there grow behind us
 Larger patches on our pants.
 On our pants once new and glossy
 Now are stripes of different hue,
 All because our patron's linger
 And do not send us what is due.
 Let us then be up and doing,
 Send us your mite, however small,
 Else when the snows of winter strike us
 We won't have no pants at all.

A farmer boy who had received his first pay check decided to surprise his girl by showing up at her home decked out in an entire new

FIREPROOF

Leggat Hotel

BUTTE, MONTANA

Alex Leggat, Prop.

Rates, \$1.50 up

MINING ENGINEERS
 GEOLOGISTS
 MINING MEN WELCOME

outfit of clothes. Leaving the village store in his buckboard, he passed the old swimming hole and happened to think that a bath was in keeping with his new togetherness so he stopped, disrobed and dived in a natural. While he enjoyed the plunge, a hobo stole his clothes out of the buggy. Finding what had happened, he sat for a time in the buggy, disconsolate. Then with sudden inspiration he spoke to his horse: "We started out to surprise her. Well, giddap!"

A man went to a department store to buy a new corset for his wife.

"What bust?" asked the salesgirl. "Nothing," he replied, "Just wore out, I guess."

Speaking of keeping up with the times, Montana University is now offering a course in wild life management.

A husband found some holes in his socks and said, "Wife, dear, why haven't you mended these?" "Hubby, darling, did you buy me that fur coat you promised?" "N-no." "Well, if you don't give a wrap, I don't give a darn."

Christmas came around and the boy didn't know what to give his girl so he finally sent her a braziere. The girl opened the package and saw what it was so she promptly wrapped it back up and enclosed a note which read: "Please send me the money instead as I am flat busted."

Rufus and Rastus were working on the W P A. Rufus said—"Rastus are you going to vote for Landon?"

"Well I should say I ain't. N-o-s-s-r-l"

"Why not?" "Just cause."

"Well what is your main reason?" "Mr. Tilceingham done tole Me. "De minute dat man get in office, he gwyn cut off our projects."

SHELBY ABSTRACT AND TITLE CO.
 Licensed, Bonded Abstractors
 SHELBY, MONTANA

USE LAURELEAF

70

The New Regular Grade
GASOLINE

Made in Montana
 From Montana
Crude

INDEPENDENT REFINING CO.
 Billings and Laurel

Our Members Listed

Among Big Winners

RECENTLY we purchased some royalty on the Denzer permit on the west side of Kevin-Sunburst field. The tract is under lease to Hardrock Oil Company, headed by "Hardrock" E. B. Coolidge. A well was drilled at the time we bought this royalty. The talk was scarcely dry on the assignments when the well came in. It was rated, at completion, as an eight or 10-barrel well.

The modern method in this field is to immediately treat a well with hydrochloric acid, to enlarge the production cavity in the lime and to open up flow channels, the acid eating out the softer portions of the lime.

So this well was treated with acid. It had good possibilities, since it had more oil than the average well in the Rocky Ridge pool. It looked good, by comparison, for 100 barrels or better. However, it made only 20 or 30 barrels after treatment. It was, accordingly, re-treated. This time it became an oil well. It was produced for 10 hours and made 170 barrels—at the rate of 17 barrels an hour or 40 barrels per day. It was then shut down while 8-inch casing was pulled and the well put in shape for production. Then production resumed. It jumped to 20 barrels per hour, we are informed, and took its rightful place as the best well in the Rocky Ridge pool.

So it is that our members are today participating in what may prove to be the best well of the year in Kevin-Sunburst field. Thus we see fulfilled our prophecies of the past two years, in which we have been preaching that royalty investors can make no mistake going IN ADVANCE OF THE DRILL in Kevin-Sunburst field.

The Rocky Ridge pool was considered DISPROVEN, under old production methods. Investors wouldn't consider royalties on the West Side because of the fact that acidization was being more generally used in the eastern part of the field. We preached that "lime is lime" and urged that wherever ANY oil has been found in the lime, east or west, there is possibility of big production. We saw E. L. Poedewalte take wells that didn't have enough oil to grease a clock and make them into good, commercial producers in a farm on the extreme east end of the field. We saw Texas company drill two dry holes, each with showings of oil that in the olden days would be called "rainbow colors" and make them into 90-barrel wells. That was in the center of the field, as was the bonedry well of Continental Oil company which, failing to develop production at the contact, drilled on down into the

lime and by acidization converted a 10-gallon show into an 80-barrel well.

The development of the Rocky Ridge pool came as a result of the use of acid. Without acid, we doubt that the development of this area would have been justified, because the wells were very small. With acid to invade the lime seals of countless vugs, cracks and seams in the lime, this may prove one of the most profitable pools in Kevin-Sunburst.

Also, we recently purchased some royalty on the MacGowan permit. Our purchase was based solely on the fact that every well drilled in this permit had SOME oil. The logs of these wells showed pure lime. That means to us that acid will work on wells in this area.

After our purchase, Big West began drilling its offsets to the MacGowan permit, getting production as a result of acid. It also revealed a considerable amount of GAS. When gas was found in the El-His-Madison contact on the EAST side of the field, it usually meant a GUSHER POOL. It was almost a rule in the famous East Sunburst pool, opened up by Fulton, Rice and Ferdig. We know no reason why Mother Nature should violate this rule on the West side of the field. So it appeared to us that the MacGowan farm is located on or near an important pool which, for all we know, may rival the Fulton-Rice pool. Certainly, the pressure has not been exhausted for there hasn't been enough drilling to exhaust the pressure. So it follows that if there ever WAS a gusher pool in the district, it is still there, awaiting the drill.

The first well on the MacGowan permit to help prove this theory, was drilled in last week. This, too, was an acid "baby", and it responded with a production of around 90 barrels per day; a splendid producer that will pay large returns on the investment of our members who bought this royalty for what we ordinarily pay for royalty on an untested wildcat structure a hundred miles from nearest production.

The Denzer and MacGowan royalties will average our members, conservatively, 100 per cent annuum on the investment—and at a greater rate during flush production.

That is what ONE well will do on a large oil farm, where scores of other wells will be drilled.

It is useless to talk about these royalties, which are history so far as additional investments are concerned. We would not recommend that our members sell either at any price such as they

might get today. So there is probably none of this royalty available at any price. But it means something to others who are not fortunate enough to own part of the Denzer or the MacGowan royalties. It means that wherever we can find ANOTHER spot where there is known to be oil at the top of the lime, we can feel pretty sure that it means production, whenever drilled and acidized.

It doesn't take many of these "lessons" to teach us. Fortunately from our viewpoint, there is no "boom" on in Kevin-Sunburst. If there were, we would not be able to touch these royalties such as we bought on the two farms named during the last few months. We are still picking up bargains of the kind that we will read about in historical articles in years to come. The man who thinks that acid will work in one place and not in another will sell his royalty. The man who believes that acid will work in one place as well as in another has his chance to buy.

In the case of the Denzer, the owner of this royalty wanted to "hedge" on the property—which was good business. She shared with our members the gamble. Had the Hardrock well been DRY, she would have had some cash money which she received from the sale of royalty. Our members were willing to take part of her risk in return for the right of sharing her good fortune.

The old-fashioned investor who doesn't know that a revolution has taken place in production methods in this field will not make much money. The man who doesn't appreciate the importance of acidization in oil field production methods is incapable of making money in Kevin-Sunburst. The only criticism we have heard regarding acidization is that it exhausts the "reserves" too rapidly. In other words, supposing a farm contains a million dollars' worth of oil: acid will cause it to give up this oil in five years, perhaps, instead of 15 or 20 years. All we have to say is that as royalty investors we vote in favor of the quickest possible recovery. The 20-year recovery is all right for the trust estates and possibly for youths, but for the average man who has a wife and a couple "kids" to educate, the five-year recovery idea is far better, allowing the operators to worry about marketing problems arising from increased production.

We have a royalty this week in Kevin-Sunburst field that has all possibilities of the Denzer and of the MacGowan and with development in sight in the spring. It will be sent to a preference list of those who request the current publication.

JOSEPH S. IRWIN

PETROLEUM GEOLOGIST

Box 1316

CUT BANK, MONTANA

3626 Glencoe Road, Calgary, Alb.

**50c to \$11.59
 New Ins. Rate
 ...Old Rate 60c**

Under the present compulsory state fire insurance law, the rate per \$100 for three years varies from 50c to \$11.59 on state-owned property. Under the old method the rate was 60c per \$100 for three years.

The rate for compulsory state fire insurance on county and school district property is higher.

This is the price you pay for state insurance. To cure this situation on Nov. 3

Vote "No"

Against
 Referendum 37
 Number

**STOP LOSS
 END WASTE**

Paid Pol. Adv. by State
 Ins. Ref. Ass'n., Helena.

**Landowners
 Royalties Co.**

Box 1225

HEAD OFFICE
 GREAT FALLS, MONTANA

Great Falls, Montana.
 LANDOWNER'S ROYALTIES COMPANY

Please send, without obligation, your current publication on Kevin-Sunburst royalties

(Your Name In Full)