

**DAILY AVERAGE PRODUCTION**

Week Ending October 7, 1939

U. S.	2,435,850	Decrease 222,350
Montana	16,250	Decrease 200

**POSTED FIELD PRICES**

Kevin-Sunburst	.....\$ .90
Pondera	.....\$ .80
Cut Bank	.....\$1.10
Cat Creek	.....\$1.10

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## EAST KEVIN GETS BIG WELL

### NEW GROUP POSTS PRICE IN 2 FIELDS

Producers Refining company this week posted crude oil prices in both Kevin-Sunburst and Cut Bank oil fields, equal to highest prices paid by International Refining Co. and other leading buyers. These prices are:

Kevin-Sunburst, 90 cents per bbl., effective Sept. 11.

Cut Bank, \$1.10 per bbl., effective Sept. 24.

Announcement of the postings was made by James W. Johnson, president of Producers Refining company, which is supplying crude for the Socony-Vacuum unit of the Glacier Production company refinery at Cut Bank. Members of the group are delivering oil at the rate of 30,000 barrels monthly at the present time, the refinery having started operation in the last week in September.

Socony-Vacuum Oil company is moving a large amount of gasoline and other products from the Cut Bank plant, supplying all of its outlets in the State of Montana. Mr. Johnson pointed out that Socony-Vacuum is supplying not only north Montana stations but absolutely all of its Montana business, with gasoline from the new plant which is declared to be one of the most modern and efficient in the West, and resultantly turning out products of high standard uniformity. Products are also moving into North Dakota and other points. There has been no westward movement into the Inland Empire district.

It was generally understood in both fields that many members of the Producers Refining group will have to start acidizing and drilling new wells in the spring to take care of requirements when the Socony-Vacuum unit increases its runs beyond 1,000 barrels per day.

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### Survey Oil Pipeline From Cut Bank Field To Spokane

SPOKANE—D. F. Gerstenberger, general manager of the Inland Empire Refineries here, said today a survey had started to determine feasibility of laying a crude oil pipeline from Cut Bank, Mont., to Spokane.

He said the company believed the pipeline "is practicable" and is ready to proceed with construction. It would carry from 5,000 to 6,000 barrels of oil daily.

The survey will be completed in 10 days.

### U. S. G. S. Releases Two Sweetgrass Hills Maps

The United States Geological Survey has turned its attention to a detailed study of the oil and gas possibilities of the Sweetgrass Hills area, working westward from Kevin-Sunburst field, and two reports were announced by the Survey at Washington, D. C., this week.

One report covers a newly discovered "nose" or structure east of the town of Sunburst. The opinion of C. E. Erdmann, geologist, is that this area has present an eastward facies of the Cut Bank sand and that there is possibility of oil and gas in commercial quantities in the Kootenai series.

As to the Dunkirk-Chester region, the government geologist mapped two structural "noses" on which no closure is discernable. One is known as the Utopia nose and the other, the Galata nose.

### CHESTER AREA OF 864 MILES IN SURVEY MAP

A map showing the probable geologic structure of 864 square miles in north central Montana, in the vicinity of Dunkirk, Toole county, and Chester, Liberty county, has just been issued by the geological survey, United States department of interior.

The Dunkirk-Chester region includes the Devon gas field and adjoins the Kevin-Sunburst oil and gas field on the east and the Sweet Grass hills on the south. The map, which depicts the area on a scale of two miles to the inch, is the result of field investigations and well-log studies made intermittently between 1932 and 1938 by C. E. Erdmann, geologist, to

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### NEW STRUCTURE DETAILED IN NEW CONTOUR MAPS

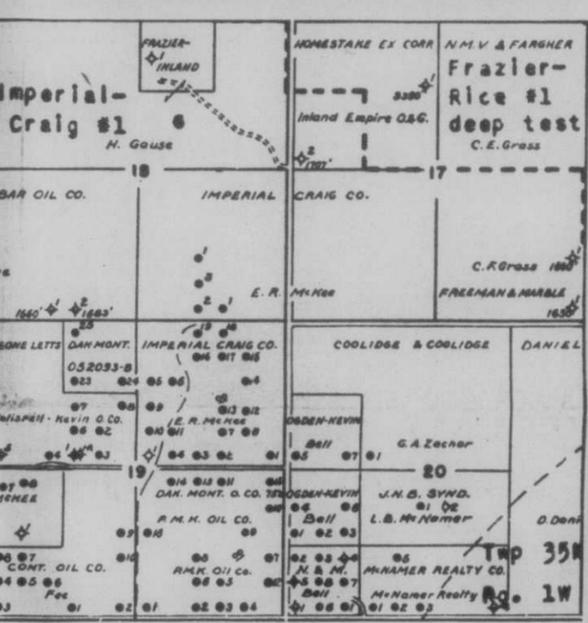
The apparent existence of an untested and heretofore unreported structural nose on the north flank of the Kevin-Sunburst dome in Toole county, Montana, has just been made known by the geological survey, United States department of interior. Its presence in the Willshaw flats, east and northeast of Sunburst, was reasonably established by C. E. Erdmann, geologist, in the fall of 1938, in the course of field investigations to facilitate departmental administration of federal mineral leasing laws.

Describes Willshaw Flats. Practically all of the area examined, comprising tps. 36 and 37 N., Rs. 1 and 2W, Montana and

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## Imperial-Craig Producer Is Largest Completed In East Pool In Many Years

### EAST SUNBURST EXTENSION



Showing location of the new Imperial-Craig-Gauss No. 1 well with relation to the present producing area, also the relative location of the Frazier-Rice deep test.

The largest well in several years in the famous East pool district of Kevin-Sunburst field was completed this week by Imperial-Craig Oil company in new territory on the H. Gause farm.

In an area where wells ordinarily have to be acidized into production, this one had 1,450 feet of oil in the hole, with no water, and it pumped 35 barrels per day, natural, before it was treated with 500 gallons of hydrochloric acid. A production test is now in progress.

The well was one of the greatest surprises of the year and particularly surprising to the drilling crew. Working only "daylights" the crew had been pounding away on an exceedingly hard shell near the expected lime contact and when quitting time came they noticed that the bit seemed to drop through the hard formation, but they proceeded to pull out the drilling string to shut down for the night. A puff of gas followed the tools out of the hole and it was noted that a little oil was dripping off the bit. The crew thought nothing of it, hung up the tools on the wrench and went home.

The following morning they ran the bailer to see what had happened and were astonished to have the bailer impact a column of fluid 176 feet below the surface. They pulled out a bailer full of pure pipeline oil, then discovering that they had unknowingly drilled in the biggest well of recent years in the east pool.

Most wells in this district have only a slight showing, and acid makes them into very profitable producers. E. L. Postelwaite, head of Imperial-Craig, has established a reputation for successful handling of these wells in an area heretofore thought condemned because of the small showings. This location is 2200 feet north of his nearest producer and it is 660 feet south of a well abandoned many years ago as a "dry hole", although it had a substantial showing at the top of the lime. It was Frazier-Inland No. 1. North and east of the new Gauss producer is the famous Frazier-Rice deep test which struck oil in the Devonian but was lost when the gas pressure wrecked the hole. Homestake Exploration Co. (Texas Pacific) took the well over and tried vainly to complete it but was unable to conquer the vicious gas flow. This company subsequently attempted another Devonian test in the center of the Fulton-Rice pool but was again unable to get below the "poison gas" horizon which guards the oil-bearing strata of the Devonian, found at a depth of 3300 feet.

The new Gauss producer indicates that Madison lime production is probable for a considerable distance north. Two producing oil wells were drilled some time ago in Section 9-35-1W by Coeur d'Alene syndicate, three quarters of a mile northeast of the Gauss producer, indicating a further northward extension of the producing area. Imperial-Craig has 640 acres in the district.

The Gauss producer bottoms at 1626 feet. Tested with 500 gallons of acid it took the acid easily and quickly and gave promise of greatly increased production.

### OIL IS FOUND BELOW LIME WATER FLOW

Coring through a water strata, A. Beardslee's Swears No. 10 well in the center of Kevin-Sunburst field this week found oil, further disproving a superstition that no oil can be found below the water in the Madison lime. Turner Valley gets all of its production below the Madison lime contact water table found in Montana, yet water anywhere in the lime is accepted as a stop sign for Montana drillers.

Beardslee had lime contact at 1701 and at 1706 struck water which rose 150 feet over night. He then went in with a core barrel and at 1713 picked up a showing of oil and continued drilling in laminated limes to 1733, after which fluid rose 850 feet. He is underreaming casing down from 1652 to 1708 to shut off the water and will then acidize, with probabilities good for a commercial oil well. Location is C SW 1/4 NW 1/4 9-35-2W.

Black Label Oil company's No. 8 well on the State lease, in Section 16-35-2W, this week appears to be a 50 to 60 barrel well, after having been deepened 20 feet. This well was abandoned by the former owners, Continental Oil company, by "Ty" Cobb, in charge of Black Label operations, who decided to deepen it, since a well on the east line of the lease was producing from a second "break". The No. 8 had oil showing from 1563 to 1608 and when acidized it had an initial of 72 barrels in 12 hours.

Friday the thirteenth brought no cessation of operations in the oil fields, although most oil men are superstitious.

Two new locations were made this week as follows:

Nepstad - Montgomery - Fargher-Haugen Acct. 2 No. 2, SE SE 1/4 SW 1/4 2-35-3W. It is 220 feet

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### DISTRESS OIL IS ABSORBED BY SKIMMER

The last remaining "sore spot" in the north Montana crude oil market—that of the Border oil field—was cleaned up this week with the announcement that the distress crude storage oil has been absorbed by the new refining plant at Chinook, recently taken over by a group of Border, Kevin and Cut Bank producers.

Nepstad, Haugen and associates, who constructed the Chinook plant last spring, sold out to the new group, known as Fred Bouck and associates, when they were unable to provide enough crude to care for their other commitments and keep the refinery operating. The Chinook plant, in charge of Mark Vrooman, is now running 350 barrels per day. Ten thousand barrels of storage oil of Alberta Development company have already been run and oil is now being taken from Kevin and Cut Bank to maintain the runs at 350 barrels per day.

The Border field was left with absolutely no market, save for the field topping plant of Hannah Porter company, after the loss of the Canadian market. The production of other producers in that field constituted the only distress oil in north Montana.

The Chinook plan is a rebuilt skimmer, moved from Kallispell. It produces tractor fuel, third structure gasoline and fuel oil, all of which is absorbed in the territory close to Chinook, Blaine county.

**SPEAKING OF FISHING**

Kevin drillers who wall about a fishing job at 1600 feet may find some solace in news that Continental Oil Co. is fishing for lost tools at 14,479 feet in Oklahoma. Continental wants to beat its California record of 15,004 feet.

### NO CHANGE IN DELIVERIES TO SPOKANE

No change in the movement of crude or gasoline was noted in Cut Bank this week, following the announcement of lowered rates on rail shipments to Spokane, determined by the I. C. C. at Washington, D. C.

Railroad men in Montana were unable to advise shippers the date of the effectiveness of the new rates—whether they are retroactive to the date of suspension of older rates established by the Great Northern railroad or whether they became effective at some subsequent date.

The new rates are 33 1/2 cents per cwt on gasoline and 22 cents per cwt on crude, which rates make it possible for Montana producers and refiners to compete in the Spokane territory with California gasoline, which is carried on boat and barge up the Columbia river. The fact that the Inland Empire Refineries Co. of Spokane is contemplating the construction of an oil pipeline from Cut Bank to Spokane indicates, however, that the Montana industry may make a bid for a firmer hold on the Inland Empire market than is now possible.

With the exception of one or two producers, Cut Bank is producing at virtual capacity and selling all the oil to established outlets. Completions this year have not kept pace with the natural decline, in many instances, portending a considerable amount of drilling necessary in the spring of 1940.

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### ITALO WILL DRILL ON TO TEST LIMES

A flow of water was encountered at the top of the Madison lime by Italo Petroleum-Cornett No. 1 well, C SW 1/4 NW 1/4 30-37-3W, directly south of the Border oil field, this week. Preparations are being made to shut off the water and continue on into the lime.

This logs like a Kevin well, rather than a Cut Bank or Border well, series. This is taken as indicative that this area was high up on the ancient Sweetgrass Arch island on the shore of which the Cut Bank sand series was laid down.

The contact was at 2675 and water rose 1200 feet. A fire destroyed the "dog house" of the rig, directly above the well, but the important loss was the drill samples. With the hole caving badly, it is believed that the work of under-reaming the 7-inch pipe will be found difficult, and likely slow.

**West Pondera Well Resumes**

Drilling resumed this week on the Tarrant-Kirk wildcat well on West Pondera, in C NE 1/4 SE 1/4 34-27-5W. This well had a production of about 6 barrels per day at the Madison contact and will be carried on down to either more oil or water.

**Eagle Creek Test Starting**

Drilling started on Thursday on

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### DAILY PRODUCTION MONTANA-WYOMING WEEK ENDED OCT. 7

<b>MONTANA—</b>	
Cut Bank	9900
Kevin-Sunburst	4180
Buckley Border	90
Cat Creek	570
Dry Creek	785
Pondera	720
<b>TOTAL</b>	<b>16245</b>
<b>WYOMING—</b>	
Big Muddy	1200
Garland	2520
Lance Creek	22515
Medicine Bow	1580
Oregon Basin	3685
Rock River	1855
Salt Creek	15730
Wertz	2830
Badger Basin	130
Byron	4005
Dallas Derby	450
Dewey Dome	10
Dutton Creek	50
Elk Basin	610
Frannie	100
Grass Creek, light	1790
Hidden Dome	70
Hudson	250
Iron Creek	10
Labarge	1130
Lost Soldier	1570
Mahoney	260
Midway	190
Osege	800
Quealy Dome	620
Teapot	10
Warm Springs	140
<b>TOTAL</b>	<b>64140</b>
Total Colorado	3730
Total Rocky Mt. States	84115

### FERDIG DRILLER HURT

John Foque, well known driller of Ferdig, is alive today in a Shelby hospital despite the fact he was wounded around the cable drum of a pulling machine, his arm pulled out of the shoulder socket, his skull fractured and his ankle broken. His recovery is considered doubtful, yet it is considered remarkable that he was not instantly killed. He was preparing to pull rods on a well when his sleeve was caught in the cable. In an instant he was wound around the drum.