

Montana Journal

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

ADVERTISING RATES ON APPLICATION

Oil is the blood of the earth flowing through fortune's field only to enrich the courageous. It sometimes rewards even the non-thinking business slacker, but it never lifts the burden from the back of a business coward. Its plus marks of success generally go to those who combine some degree of thought with action

Montana Gas Yield Gave State \$1,325,000 In '39

Natural gas consumption in the United States in 1939 increased 8 percent over 1938, according to a report just issued by the U. S. Bureau of Mines. The value of natural gas at the wells was 4.9 cents, the same as in 1938. The average values at points of consumption was 21.6 cents; average price for domestic and commercial consumption was 67.9 cents, compared with 68.3 cents in 1938. The average value of industrial gas other than field and carbon black declined .2 cents to 16.6 cents in 1939.

There were 9,602,850 domestic and commercial consumers, an increase of 338,190 over 1938. The average amount of gas used per consumer in 1939 was 53,056 cubic feet compared with 52,033 cubic feet in 1938.

There were 2,145 gas wells drilled during 1939 compared with 2,236 drilled in 1938.

In Montana the 1939 consumption was 23,178 million cubic feet, with an average value of 4.5 cents per thousand cubic feet. The average value at points of consumption was 28 cents per thousand. There are 45,000 domestic and commercial consumers in Montana who consumed 14,721 million cubic feet of an average value at points of consumption of 40.2 cents.

Field use of gas totaled 1,303 million cubic feet of a value of 79 cents per thousand. Refineries used 920 million cubic feet; electric power plants used 10,774 million cubic feet and other industrial uses totaled 7,602 million cubic feet.

Montana gas used in 1939 was valued at points of consumption at \$1,325,000.

Montana exported 1,535 million cubic feet of gas to North Dakota and 3,524 million cubic feet to South Dakota, a total of 5,059 million cubic feet of exports.

Wyoming delivered 1,515 million cubic feet of gas into Billings.

DAKOTA LEASING IS STILL IN PROGRESS

The Bowman Pioneer of Bowman, N. D. reports that there is continued leasing activity in southeastern Montana and the western Dakotas, with lease men working on titles in the courthouses at Baker, Bowman and Buffalo. Abstractors are working on titles "and all together there is an air of activity which spells something."

"Rumors are current about deep well drilling being resumed on the Little Beaver dome of the Cedar Creek anticline where the Montana Dakota Utilities Co. found oil in two wells drilled in 1935 and 1936. These two wells are about 17 miles southwest of Mamouth and just across the Montana state line from the western Bowman county line. This proven oil bearing area was not developed for want of a market.

"While this is going on the Montana-Dakota Utilities Co. continues to drill gas wells in anticipation of the building of a pipeline to Fargo and the Red River valley in 1941."

SEND A CONTRIBUTION TO THE SUNBURST BADGER

TANKS, OIL AND GAS SEPARATORS

ERECTING AND RESETTING CONNOR TANK COMPANY
 Distributor in Rocky Mountain States of the products of

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GO

with **GRIZZLY GASOLINE**

Dubbs-Cracked

The West's most sensational gasoline . . . quicker starting, more power, better performance, cleaner motor, more mileage.

NORTHWEST REFINING CO.
 CUT BANK, MONTANA



OIL AND GAS WELLS IN MONTANA

December 31, 1940

STATEMENT COMPILED BY OIL CONSERVATION BOARD OF MONTANA.

—WELLS COMPLETED DURING YEAR 1940—

	Total	Oil Wells	Gas Wells	Dry or Not Commercially Productive	Wells Drilling Dec. 31, 1940	Wells Producing or Shut-in Dec. 31, 1940			Wells Reported Producing (Oil Dec. 1940)
						Oil Wells	Gas Wells	Total Wells	
Border	0	0	0	0	0	12	12	0	8
Bowdoin	14	0	14	0	10	0	0	0	0
Bowes	3	0	3	0	1	0	0	0	0
Cut Creek	0	0	0	0	0	136	136	0	138
Cut Bank	6	0	6	0	1	2	153	0	0
Dry Creek	100	82	18	10	14	5	637	554	535
Eik Basin (Montana)	0	0	0	0	0	0	14	8	1
Frankie (Montana)	1	1	0	0	0	0	20	0	20
Kevin-Sunburst	1	1	0	0	0	0	1	1	1
Leke Basin	86	66	8	15	11	18	1,413	1,227	961
Pondera	1	1	0	0	0	0	7	2	2
Scap Creek	0	0	0	0	0	0	158	158	150
Sweetgrass Hills	0	0	0	0	0	0	6	6	0
Miscellaneous	2	0	1	1	1	0	24	8	16
TOTALS	277	157	43	37	61	26	2,735	2,134	1,792



"That is a pretty dress you have on."
 "Yes, I wear it only to teas."
 "Whom?"

A party of Scots decided to make a trip to London, and when they assembled at the station it was found that they numbered 13.

Not wishing to tempt Providence they decided to toss a coin to see who would stay behind. Unfortunately, the coin fell beneath the platform and they all missed the train.

"Look at Mary. Isn't she dolled up! I understand she bought that dress on the installment plan."
 "I suppose that is the first installment she is wearing now."

A man walked into Robert Ripley's office, took off his hat, and four tulips were growing out of his head. He bowed to the receptionist, and the tulips waved in the wind. "I want to see Robert Ripley," he said.

Receptionist: "And what do you want to see him about?"
 "As I understand the case," said his honor, "you and your husband had a drunken altercation and you were kicked in the ensuing rumpus."
 "No, sah, Jedge," replied Mandy. "Ah was kicked in de stummmick."

Oilman: Have you had your dinner?
 2nd Oil Man: Not a drop.

At a fashionable restaurant during the Christmas holidays, a girl had just finished luncheon and was preparing to light a cigarette when a waiter showed an elderly lady to her table.

Newcomer (acidly): "I do hope you won't mind me eating whilst you are smoking?"
 Girl (readily): "Not at all, so long as I am able to hear the orchestra."

"Doctor what can you say to a girl who's so scary she jumps into the nearest man's arms every time she's frightened?"
 Doctor: "Boo!"

A Scot from Aberdeen is putting off buying an atlas until affairs look a little more settled.

THE "WISE OLD DRAKES"

Why do the ducks fly north when they do?

None knows the answer. They just seem to KNOW the right time.

There are some people who have that same instinct as regards business. They never move at the wrong time. As the ducks sense the right time to fly north, so do certain people sense the right time to go into the oil business or to get out of the oil business, or the stock market or other enterprise.

We know when we see the dogwood tree budding that there will be no more killing frosts; that spring is at hand. The dogwood tree is not fooled by mid-winter warm weather. How it knows we do not know.

All we know is that the ducks are not wrong and the dogwood tree is not wrong—even though we credit humans with far greater ability than the ducks and the dogwood trees.

Accordingly, we know with equal certainty when we see certain people move in the oil business that it is the RIGHT time. We doubt that it would do any good to ask them WHY. They simply do the right thing.

Some people we know who have steadfastly stayed out of the oil business—old-time operators and investors—ever since the depression days, are now returning to the oil business.

Since 1933 there has been "tough sledding" in the oil business in Montana. No new oil fields have been discovered since then. There has been no outside money available for development. Many of the WISER ones have steadfastly stayed out. Certainly they did not know that the Cut Bank field would take away the Kevin field market, back in 1933. Certainly they did not know that Turner Valley was going to develop, depriving Montana of its Canadian market, leaving Montana with virtually no market, although it is true that some men sensed part of this and fortified themselves by making investments in refinery outlets for their crude.

These wary "ducks" of the oil business have steadfastly stayed out, despite the development of acidization, whereby any showing of oil in the lime may be converted into commercial production. They have stayed out despite the definite knowledge that modern tools have been perfected which overcome the hazards of drilling to deeper horizons. They have disregarded the fact that Devonian and other known oil horizons can be easily reached by slightly deepening present producing wells throughout Montana, for the reason that THE TIME WAS NOT RIGHT.

Now they are coming back. Our daily mails reflect this trend. The visitors to our office conclusively tell the story. We have had among our callers in recent weeks some of those who were smart enough to get out at the right time and who are coming back in. All these years they have been absorbing the news. They know all of the developments and are now ready to capitalize them.

The leasing campaign in the Missouri River basin, including Eastern Montana, is the greatest "play" of its kind in all time. Practically every important Mid-continent operator is in the Dakotas, either with scouts, lease men or geological-geophysical crews. Never before has there been an oil-less territory so completely and thoroughly worked. And now they are beginning to move over into Montana. Some of them appear to be surprised to learn that there is any oil in Montana. They are quite like small boys who run to the down-town corner where the band is playing. The loud notes of the Missouri river basin band has reached the ears of every oil man in the nation. The leasing of millions of acres in the Dakotas is just the beginning of what is going to happen in this area.

MONTANA IS IN THE TREND OF IMPORTANT EVENTS.

Capital knows that in this national crisis there is no basic industry more stable than the oil industry. The oil industry is starting in at "rock bottom" with prices the lowest since the depression. The price of crude and the price of refined products can go only one way and that is UPWARD.

There are few other commodities in that position. For that reason, capital is inclined to alight on something that is stabilized with or without war. If war comes, the principal sinew of war will be PETROLEUM. Prices are so low that they can go no lower, so the oil industry is one in which an upward trend is certain.

Apply the national situation to Montana and it is apparent that the greatest opportunities will be found in this sparsely developed area where the oil and gas are KNOWN to be present. Opportunities by the score are available here in Montana. As an example, a landowner on Muddy Creek structure was in the office Wednesday, he having caught that "something" that is in the air. He wanted to find someone to re-drill that structure which was mapped by some of the best geologists who ever worked northern Montana. A well was drilled, the structure proven and the well STRUCK OIL in the Madison lime. The showing was sufficient so that the company—the Texas-Pacific Coal & Oil

company—planned to drill a second well. Then came the reversals in the oil industry and the plan was abandoned, after the payment of a large sum of money in rentals. That structure contains oil. Acidization might have made a well out of the T-P test, which was drilled before acidization was known. There may be another Steeville field there at Muddy Creek. It will take one or more additional wells and a few hundred gallons of hydrochloric acid to prove our disprove it, at a drilling depth of ONE FIFTH the total depth of any well to be drilled in the Missouri river basin.

There are a dozen situations such as that at Muddy Creek here in Montana, waiting for operators who have enough money to take advantage of them, with the pioneering costs all paid.

The "wise old drakes" of the oil industry are coming back in. They would not come if they did not sense that another big "play" is at hand. Their "hunch" or "instinct"—whatever it may be—confirms our stolid reasoning.

It is not the wrong time for a man to have a structure leased up.

It is not the wrong time for a man to move in ahead of the drill and buy up all the low-priced landowner's royalties he can possibly afford. We secured a royalty in Kevin field this week in the midst of the new leasing activity at 70 cents an acre point. That is, this tract must produce 70 barrels of \$1 oil per acre to pay out. For each \$700 worth of yield per acre this royalty will pay ONE HUNDRED PERCENT. Any time a man can buy royalty at this price within the 1850-foot contours of Kevin-Sunburst oil and gas field, he is indeed foolish to buy wildcat royalties at any price.

It is true that 70 cent royalties are not the usual thing. We admit that is an exceptional bargain. However, we are buying royalties at lower prices today than at any time since the depression. The uptrend is coming as certainly as new development is coming, and of that there is no doubt. Six months from now we confidently expect to pay 100% more for royalties than we are paying today.

We cannot explain why on a predetermined day the swallows come back to Capistrano, but we can reason why an investor would at this time buy bargain price royalties in the trend of development.

Those interested in making a study of royalty investment possibilities of Montana are invited to write for current publications and formal offering sheets.

LANDOWNERS ROYALTIES COMPANY,
 Great Falls, Montana.

Without obligation please send me current publications and offering sheets.

(Your Name In Full)

Landowners Royalties Co.

Box 1225

HEAD OFFICE:
 GREAT FALLS, MONTANA