

Montana Journal

PONDERA 185 Oil Producers
BANNATTINE 32 Oil Producers
DEEP SANDS UNTESTED



HELENA
KEVIN-SUNBURST
1044 Oil Producers
125 Gas Wells
DEEP SANDS UNTESTED

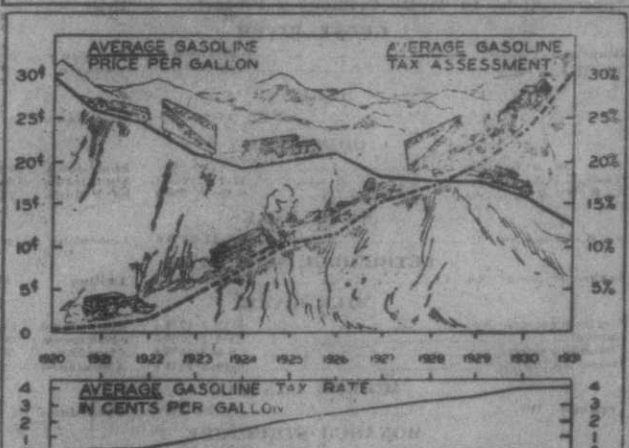
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BIG HORN REFINERY SOLD TO OREGONIANS

Golden Dome Wildcat Off To Fast Start With Rotary Rig

Will Use Oil From Garland

GASOLINE TAX RATES SOAR AS PRICE IS CUT IN HALF



Gasoline prices have been cut in half during the last ten years, while gasoline taxes during the same period jumped nearly one-third.

That is the message conveyed by the above illustration, issued by the American Petroleum Institute.

Gasoline prices in 50 representative American cities averaged 29.74 cents per gallon. At the beginning of 1932, in these same cities, the actual gasoline price averaged only 13 cents per gallon.

In 1920, in these same cities, the gas tax averaged .09 cents per gallon. Today it averages 4 cents—nearly one-third the retail price.

These figures explain why a nation-wide move to cut gasoline taxes is now under way.

Makes Hole Past 1,400 In 10 Days

Resuming operations ten days ago with rotary equipment, Ohio Oil Company's No. 1 Kuchinski, wildcat testing the Golden Dome structure in Garbon County, near Red Lodge, has made more than 1,000 feet of hole in 10 days.

The well was drilled by the Ohio to a depth of 335 feet with cable tools. Contract for completion was then let to the Olsen Drilling Company of Tulsa, Oklahoma.

Rotary Rig

This firm moved in an electrically powered rotary rig and commenced drilling 10 days ago. The hole is now past 1,400 feet. Contract is reported to call for completion of this well inside of 60 days.

Golden Dome structure is regarded as one of the most promising in the entire state.

Like Dry Creek

It is simply another "high" on the same anticline as that on which the Dry Creek field is located, with a syncline separating the two.

The Golden Dome wildcat is only six miles from the Ohio's discovery well in Dry Creek, and is west and slightly south of the latter.

Ideal Location

Both Golden Dome and the Dry Creek field have an enormous gathering area for the accumulation of oil. Both are sharp dip and both are at the apex of a gathering area which extends for many miles to the south, to the synclines of oil fields located near the Wyoming line.

Until the Ohio brought in the Dry Creek field with a 2,000-barrel well flowing 54-gravity oil from the Dakota sand at 5523 feet, operators

Tax Evasion Hullabaloo Is Hooey, Official Says

Most of the hullabaloo that has been raised in recent months in Montana over alleged gasoline tax evasions is plain hooey and it is and has been "unethical and unfair to gasoline dealers as well as to the purchasing public to charge that there is a gasoline 'tax racket' in Montana."

This statement was issued in Helena, Thursday by Judge J. J. Greene, member of the state board of equalization, who said he issued it to offset the effect of a major company advertising campaign evidently intended to delude consumers into thinking that the only pure and high-souled filling station proprietors and gasoline dealers were those who handled products of the major oil companies.

Total delinquencies for 1931 will not exceed a possible one-half of one percent—and these delinquencies will in all probability be collected at the conclusion of court action now pending, Greene said.

"In the five years," Greene's statement said, "that this department has handled the collection of gasoline taxes, during which time we collected more than \$15,000,000, we have found the independent refiners and dealers just as honest and prompt in making their reports and payments as the larger companies."

"The people of this state have been very liberal in voting upon themselves additional gasoline taxes, unrepentable for years to come, to build good roads, and we regret exceedingly that there is a deliberate attempt on the part of the largest dealer of gasoline in this state to mislead them into believing their generous action is being nullified by a mythical 'racket'."

The board explained that the tax collection machinery is effective and that its investigations of reported evasion have caused it to "feel justified in asserting that there is no gasoline racket in Montana."

Announcement was made this week of a deal whereby the Big Horn Refinery of Billings has been taken over by Oregon capitalists and will be enlarged to provide a daily capacity of 3,500 barrels of crude per day.

The purchasing company is known as Portland Associates, Inc., headed by Franklin T. Griffiths, one of the leading business men of Portland and manager of the Portland Electric Power Company.

Portland Associates own acreage and a producing well in Garland field and expect to market this crude through the Billings refinery.

The producing well, completed several months ago, is rated at 1,800 barrels per day, and has been produced at the rate of 1,000 barrels per day. It is 20.9 gravity crude with a sulphur content of less than one-half of one per cent, making it perhaps the most desirable black oil refining stock developed in Northern Wyoming.

The work of rebuilding the Big Horn refinery is already under way and it is expected that the plant will be handling at least 1,000 barrels per day during the coming spring or summer.

The consideration in the deal was not announced but it is understood that the owners of the Billings refinery are taking a stock interest in Portland Associates, Inc.

New Gas War Looms In Northern Montana

O'Neil Reported To Have Taken Over Interest In Jones Gasser On Box Elder-Havre Asks Montana Power Service

Makings of another first-class gas war are brewing in northern Montana, adjacent to Havre, in the opinion of local operators who have kept in close touch with the situation in that district.

Their opinion is based on two things, first, report that Havre residents have petitioned the Montana Power Company to install a gas distribution system in the city, second, a report current this week that L. B. O'Neil had acquired holdings of T. P. Jones and associates on the Box Elder structure a few miles from Havre, with acreage centering around a well drilled in last year with a reported open flow of 10,000,000 cubic feet from a sand tapped at 1272 feet.

Heskett Company

Havre is now supplied with gas by a distributing system owned by the Northern States Utilities Company, subsidiary of the Minnesota-Northern Power Company of Minneapolis, headed by R. M. Heskett.

Gas is supplied to this company at the city gates by the Montana Gas Corporation with wells in the Bowes field. This company is headed by E. B. Coolidge of Great Falls.

Low Gas Rates

Havre consumers are at present paying an average price of 30c per thousand feet for all gas delivered, one of the lowest prices in the United States.

WHITLASH WELL CONTINUES STEADY OUTPUT OF CRUDE

Western Natural Gas Company's No. 1 Hicks on Whitlash structure in the Sweetgrass Hills continued to produce high-gravity oil steadily during the week, at a rate of about 20 barrels daily.

If the well, which has apparently opened a new oil field, continues to produce at this rate, it will be put on steady production in the spring.

If it drops to around 10 barrels, officials of the Northern States Utilities Company, which drilled it for gas, will continue it on down to the Sunburst sand in search of high-pressure gas.

If it is permanently classed as an oil well it will be turned over to the Western Natural Gas Company, for whose account it was drilled.

Oil men who are familiar with the territory believe the gas men may receive another shock when the well is deepened, with the possibility that the Sunburst will also produce oil, probably in much greater volume than the present producing sand.

HILLS TEST NEARER TO OBJECTIVE

Satisfactory progress was reported this week by the Standard of California test on Utopia structure in the Sweetgrass Hills. The well is drilling and carrying 10-inch pipe to case off upper water sands and is reported past the 2600-foot level, with pipe carried to the same depth. Speedier progress is anticipated once the water horizons have been passed. Production is expected at about 3120 feet.

WIGHT ASKS TWIN CITY NATURAL GAS FRANCHISE

Head Of Montana Gas Company Says Construction Of Line May Be Commenced This Year If Request Granted

Great Northern Gas & Utilities Company, headed by John Wight, with extensive holdings in the Baker-Glendive gas area, has applied for a natural gas franchise in Minneapolis and may start construction of a line this year if the franchise request is granted.

This is the information contained in a letter from Wight, who is now in Minneapolis.

He says: "I believe we have a 50-50 chance of having the franchise approved."

"In the event we are successful I believe the project can be financed and construction commenced this year."

"The franchise was applied for in the name of the Great Northern Gas & Utilities Company which is our holding company."

Sentiment among business men of the Twin Cities is reported strongly in favor of bringing gas from this state in view of the fact that the source of the gas as well as the entire region which would be traversed by such a line is in Twin City trade territory.

There is much outspoken opposition to plans for bringing gas from Texas for the reason that fields which would supply a line from Texas are entirely out of the business zone tributary to the Twin Cities.

MCCUTCHEON WELL NEARS COMPLETION

Delayed by bad weather, fishing jobs and other troubles, McCutcheon et al are reported to have overcome the trouble in their well on Berthelote structure in the Sweetgrass Hills, with the prospect that it will be speedily completed.

Casing is being carried down to the bottom of the hole to shut off cavings and according to a field report this week the job is nearly completed.

Once the pipe is landed, the well has only a short distance to go to tap the Sunburst sand, in which the field's discovery well found about a 10-barrel flow of high-gravity oil.

The McCutcheon well is checking much higher structurally than the discovery well and for that reason is being watched with a great deal of interest.

ALOE WELL MAY DRILL THRU LIME

Possibility that the Craft-Higgs well east of Aloe in the Kevin-Sunburst field might make a test of formation beneath the Madison lime became known this week when officials of the company were reported negotiating for additional equipment.

The well is now past 1900 feet, in the Madison lime, making about three ballers of water daily. Offsetting the water is a pronounced oil showing found in brown sandy lime below the contact.

Backers of the well believe it merits the slight additional expense required to put it through the lime, since it is unlikely more casing will be required until the base of the lime is reached.

BLACK HORSE WILDCAT IS NEARING LIME

Wildcat of Charles Merz et al on the Black Horse Lake structure, a few miles northeast of the Great Falls city limits, is today near completion.

This well cased off water found in the Bliss sand and resumed drilling early this week, with

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