

Production Costs Mount While Price of Crude Remains Fixed

LOS ANGELES—While crude oil prices remain frozen, charges on practically every special field service associated with proper maintenance and upkeep of producing wells have continued to rise and currently represent cost figures new in the annals of the petroleum industry, production officials revealed last week.

The independent oil producers contend that if oil prices are to continue at present levels, all operational and equipment cost also should be fixed. Many smaller operators believe they soon will be out of business unless the OPA takes a realistic view of the situation and adjusts the price for which they sell their oil in keeping with increased operational costs.

The quarrel is not with the oil field service organizations, but with the price agency, which is charged with an "abysmal lack of consistency" in matters pertaining to the development of petroleum, particularly as relates to the small independent operators, officials said.

Numerous

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flowing 6½ barrels an hour, spudded in Wednesday with rotary tools.

Completion of these wells, especially those in close proximity to the Spencer & Livingston gusher, is expected to do much to end considerable speculation concerning sub-surface conditions on Mosby dome.

These include questions as to influence of faulting, and the influence of porosity, as among major factors in determining accumulation of oil in the deeper horizons of the Cat Creek anticline.

Some insist that surface faulting will not be carried down to the Morrison or Ellis sands, and others think that in some areas faulting of the sub-surface may be even more pronounced than on the surface.

The full field report:

- SCHROCK-PIPER NO. 1—**
(Deep Zone Discovery Well)
NW NW NW 21-15N-30E
Flowing 185 barrels of 51-gravity oil daily from sand at 1394.
- SCHROCK-PIPER NO. 2—**
SE NW NW 21-15N-30E
COMPLETION 11-8-45; top sand, 1392; T.D., 1403. Flowing 6½ BOPD.
- SCHROCK-PIPER NO. 3—**
SW NW NW 21-15N-30E
Top sand, 1414. Cored to T.D., 1436. Flowing 62 BOPD.
- SCHROCK-PIPER NO. 4—**
NE NE NE 20-15N-30E
COMPLETION, T.D., 1423. Top sand, 1391; flowing 288 BOPD.
- SCHROCK-PIPER NO. 5—**
530 ft. E. of Discovery Well
COMPLETION, T.D., 1424. Top sand, 1390. Flowing 175 BOPD.
- PACIFIC-PETROLEUMS-CHARLES NO. 1**
NE SW NW 21-15N-30E
COMPLETION. No porosity in deeper sands. Upper sands that showed oil to be tested later.
- CONTINENTAL-BROWN NO. 10—**
SE SE SE 17-15N-30E
COMPLETION, T.D., 1432. Perf. 93 holes, 1403-21. Flowing 6½ BOPD.
- CONTINENTAL-BROWN NO. 11—**
SE SW SE 17-15N-30E
Spudded 1-23-46.
- CONTINENTAL-CHARLES NO. 1—**
C NW SE NW 21-15N-30E
Rotary pit dug.
- SPENCER-LIVINGSTON-MURPHY-BRINDLEY NO. 1—**
NE NE SW 21-15N-30E
Old second sand producer deepened from 968 feet. COMPLETION. Initial flow, 500 bbls. oil in 11 hrs. from sand topped 1369. T.D., 1379; 4-inch pipe cemented, 1311.
- HANLON-GOVT NO. 1—**
NE NE SW 6-14N-31E
Spudded.
- HANLON-MITCHELL NO. 1**
SW NW SW NE 21-15N-30E
Drilling in.
- HANLON-MITCHELL NO. 2—**
SW SW NE 21-15N-30E
Spudded.
- HANLON-N. P. NO. 1—**
SE SE NE 1-14N-30E
Spudded.
- PACIFIC-PETROLEUMS-CHARLES NO. 2**
NW SW NW 21-15N-30E
Location.
- PACIFIC-PETROLEUMS-CHARLES NO. 3**
SE SE NW 21-15N-30E
Spudded 1-9-46; making drill stem test.
- PACIFIC-PETROLEUMS-CHARLES NO. 4**
SW SE NW 21-15N-30E
Coring.
- V. M. KIRK-BUTLER NO. 1—**
NW NW SE 21-15N-30E
Ready to drill in.
- BRITISH DOMINION-CHARLES NO. 1—**
NE NW SW 21-15N-30E
Location. (FIRST REPORT)

A lecturer informs us that prehistoric man was neither as round-shouldered as ourselves nor as bow-legged. Then came public debt.

Three New

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SE NE 7-34N-2W. It was plugged and abandoned when it failed to show for commercial production after shooting and acidizing.

The full field report:

- J. H. AGEN-KRAUSE NO. 7—**
NE SW SE 9-35N-3W
Rig up.
- J. H. AGEN-KRAUSE NO. 8—**
NW NE SE 9-35N-3W
Location.
- J. H. AGEN-KRAUSE NO. 9—**
SW NE SE 9-35N-3W
Location.
- BIG WEST-ELLINGSON NO. 9—**
E NE NW 23-35N-3W
Spudded 11-23-45. COMPLETION, T.D., 1745. Bailed 30 BOPD, natural. Installing pump.
- J. B. CATLETT-GF 682345 NO. 5—**
SW SE NW 9-35N-3W
Spudded 10-20-45; production string set, 1850. E. M. 1967. T.D. 1988. 50 ft. oil in hole. Acidized 1,000 gals. Re-acidized and testing.
- J. B. CATLETT-GF 682345 NO. 6**
SW NE NE 9-35N-3W
Spudded 10-30-45; cave string set, 1238; Production string set, 1822. COMPLETION 1-12-46. EM and T.D., 1896. Acidized with 1,000 gals. Made 3 BOPD initially, little water. Third day, made 5 bbls. hourly, more water.
- COBB-HARDROCK-GOVT. NO. 12—**
NE NW NW 19-35N-3W
Spudded 10-9-45; EM, 2640. T.D., 2638; 800 ft. fluid. Installing pump.
- COOLIDGE & COOLIDGE-BENJAMIN NO. 2**
NE NE 9-35N-1W
Drilling, 1130.
- GOEDDERTZ-GOEDDERTZ 3-A**
NE NW SE 16-35N-3W
Testing, 1821.
- HARDROCK-GOVT NO. 3—**
SE SW NW 11-35N-3W
Location.
- MICHIGAN-MONTANA-BYRNE NO. 8—**
SW SE NE 35-35N-2W
Location. (FIRST REPORT)
- MUNGER-MALONEY NO. 5—**
SW SE SE 5-34N-1W
Location. (FIRST REPORT)
- NEPSTAD, MONTGOMERY & FARGHER-HAUGEN NO. 2**
S SE SE 2-35N-3W
Location. (FIRST REPORT)
- RAY BORRELL-GOVT 685550 NO. 2—**
E SE NE 7-34N-2W
T.D., 1485. P.B., 1462. Shot with 10 qts. and 30 qts. COMPLETION, non-commercial. P. & A.

Carter Picks

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West has been division manager of the northwest division since January, 1943, serving both at Billings and Cut Bank in that time. The change is effective immediately.

M. C. Sons, Tulsa, petroleum engineer, has been named to replace West in the northwest division organization. He joined Carter in 1936, worked in Tulsa and Seminole in engineering capacities, worked one year in the Carter laboratory in Tulsa, and for the past four years has been petroleum engineer in Carter's headquarters office.

West is a graduate of the U. S. Naval Academy at Annapolis and joined Carter in July, 1930, immediately after graduation. A year later, he went to El Centro, Colombia, South America with a Jersey Standard subsidiary. He worked in Oklahoma City, Tulsa, Seminole, and Wilson in Oklahoma, before going to Cut Bank in 1943.

TETON COUNTY TRANSFERS By Teton County Abstract Co. Choteau, Montana

OIL AND GAS LEASE

T. O. Larson to Rex C. Outlaw, 4,702.40 acres in twp 25n rges. 5w and 6w.

PARTIAL QUITCLAIM DEEDS

General Petroleum Corp. of California to John A. Matchett, releases said oil and gas lease recorded in book 22, page 193, except the following, to-wit: a se, sw se, sec 16, s. sec 17, n. sec 20, e ne, sec 22, twp 26n rge 9w.

Same to Omer C. Cook, releases said oil and gas lease recorded in book 22 of leases, page 184, except the following, to-wit: se se, sw sw, sec 5, se se, sec 6, se ne, sec 7, n. s. sw, ne nw, n. ne, sw ne, sec 8, twp 28n rge 9w; e. s. sw, ne nw, sec 30, ne ne, sec 31, se, s. ne, nw ne, nw nw, sec 32, twp 27n rge 9w; s se, ne se, sec 25, twp 27n rge 9w.

Same to Leslie L. Cooper, releases oil and gas lease recorded in book 22, page 196, excepting the following, to-wit: a sec 2, s se, sec 10, w. w. ne, ne ne, sec 11, w nw, ne nw, sec 14, e ne, nw ne, sec 15, twp 27n rge 9w.

Send a contribution to the Sunburst Badger.

Get Half

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At last reports, this well was flowing 600 barrels daily.

The eastern forty of the Charles eighty is a south offset to another 80 acres of the Charles lease, held by Pacific Petroleum of Alberta. Pacific Petroleum is now completing two wells on its acreage, with

results not expected to be known for several days.

Approximately 1,000,000 barrels of petroleum and its products are transported daily on the inland waterways of this country.

G. E. HOUGH
Miles City, Montana
OIL AND GAS LEASES

Facts That Cannot Much Longer Be Met With Sneers . . .

Independent crude oil producers of the nation are the sole targets of the OPA discriminatory price policy—a policy that has singled out crude oil as the only major basic commodity to be held down to a price that is only 61 percent of parity.

The men who produce crude oil, and crude oil alone, are the sole victims of this misguided policy, because they are the only ones affected. The discrimination DOES NOT affect those who own refineries, because these do not sell CRUDE OIL. They sell a refined product.

Typical of the mounting wave of protest against this discriminatory policy of the OPA is the following statement by B. A. Hardey, president of the I.P.A.A. Says Hardey:

"The oil industry of the United States is suffering from misinterpretations and misunderstanding on the part of the administration in Washington, and a short-sighted policy on the part of the oil purchasing companies. This coupled with excessive imports has brought about a situation which is rapidly forcing the liquidation of the oil producer, who must depend solely on the stability of the domestic industry for his livelihood and continued existence. Unless the present situation is corrected immediately the petroleum industry of the United States will inevitably become a monopoly. This is contrary to the very fundamental principles of free enterprise. The supremacy of our country was built on the principles of free enterprise, and with the world as unsettled as it now is, our industries should be strengthened, not weakened by unworkable policies. These policies, among other things, cover the price of crude oil.

"The producer is receiving a price for oil which is only a part of the replacement cost. He cannot continue to exist under these conditions. He produced during the war all the oil that was needed, even though the price was unfair, and in many cases the rates of production were so high as to cause an actual loss in ultimate production. He is now rapidly reaching the point where he must decide whether he should continue to liquidate his property slowly in order to last as long as he can, or simply shut down his wells now. The solution of these problems rests not only with oil men. It rests with all the people of the country—and with the people's representatives in Washington."

This advertisement is one of a series, sponsored by Montana independent oil producers, to acquaint the producers with facts vital to their welfare, and from time to time to acquaint the public with some of the problems now confronting this vital industry. These advertisements will be continued throughout 1946.

Important Announcement:

IMPROVED BRANSFORD MAP: This 50 by 36-inch map shows every wildcat ever drilled in Montana, designates the section in which it was drilled, gives total depth, and by symbol indicates whether it was dry or showed oil or gas.

IN ADDITION, this map has now been altered to include a correlation of Montana, Alberta and Saskatchewan range numbers along the entire Montana border.

ALSO this map gives outlines of all Montana oil and gas fields, shows location of all principal anticlines, gives county and township boundaries, and names county seats.

PLUS two cross sections showing geological formations in two areas, one extending from Glacier Park to Bowdoin dome, the other taking in the section eastward from the Elk Basin field through the Baker-Glendive anticline.

Information on this map is **CORRECT**. Every well shown on the map has been checked against the log records of the Montana Oil Conservation Board.

AND FINALLY, this map is kept up-to-date, to within a very few weeks. It may be seen at our office. Price \$5.25 for paper, \$8.75 for map with linen backing.

MONTANA OIL JOURNAL

Supply Department

518 First Avenue South

P. O. Box 2050

Great Falls, Montana