

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF PETROLEUM COORDINATOR
FOR NATIONAL DEFENSE
WASHINGTON

MEMORANDUM FOR ADMIRAL STUART:

In confirmation of our telephonic conversation, I am enclosing a letter from Senator Kilgore together with a copy of a letter of March 19 from Mr. J. A. Smith, Independent Petroleum & Consumers Association, to Mr. Hugh Fulton, concerning the abandonment of certain wells in the Naval Reserves in Elk Hills. I shall appreciate your suggestions with regard to Secretary Ickes' reply to this letter.

/s/ ROBERT E. ALLEN,
Assistant Deputy Petroleum Coordinator.

(COPY)

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COMMITTEE ON MILITARY AFFAIRS

WESLEY E. MCDONALD, CLERK

April 1, 1942

Honorable Harold Ickes
Secretary of the Interior
Washington, D. C.

My dear Mr. Secretary:

Since talking to you this morning, I have received the enclosed information and hasten to send it to you by messenger.

With kindest regards, I am

Most sincerely yours,

/s/ H. M. KILGORE

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(REA/ for reply - Ret.)

March 19, 1942.

Mr. Hugh Fulton
Room 661, Ambassador Hotel
Los Angeles, California

Dear Mr. Fulton:

In view of the brief period of time this morning in which to discuss the very vital oil situation on the Pacific Coast, I am urgently requesting that the Truman Committee hold further hearings in California, particularly in Los Angeles, in the very near future.

At that time you should consider the total amount of petroleum products required from the Pacific Coast for Naval use for the successful prosecution of the war; the present unworkable restrictions, red tape and other impediments placed upon drilling for and the production of oil in California; and you should give special attention to the U. S. Navy's reserve in Elk Hills where since December 7, 1941, 36 wells have been and are being abandoned in Section 36, Twp 30S, R 23E and Sections 1 and 2, Twp 31S, R 24E. (See attached photostat of Department of Natural Resources, State of California, Division of Oil & Gas Report for a portion of these wells).

In the main, these wells had been operated by the Standard Oil Company of California. Title to these producing properties was recovered through a suit instituted by the Secretary of Interior. Upon their recovery some \$7,000,000 was also awarded the Government in damages against the illegal operators.

On December 16, 1941, at my request, Mr. Dan Waite and Mr. Ed Clancy, of my office, called upon Mr. Patterson, who is in charge of the oil leasing department of the U. S. Geological Survey, Department of the Interior, here in Los Angeles, and in charge of this property.

A memo of the explanations offered by Mr. Patterson for the abandonment of these wells was made at the time and a copy is enclosed.

In contradiction to Mr. Patterson's opinion that the wells were old and that abandonment was made at this time to protect the structure, I wish to point out that the majority of the wells in the State which are producing today are as old or far older than those abandoned by the Navy.

Such abandonment, in my opinion, is a wanton waste of oil; oil already belonging to the U. S. Navy -- oil belonging to every citizen in the United States! I believe production of the wells should have been continued.

Particularly do I believe the Navy should have continued to take its oil from the ground in view of the fact that shortly after the abandonment of these wells the Standard Oil Company drilled and is drilling 6 wells on Sections 33 and 36, Twp 30S, R24E, and is producing a great many wells on Sections 35 and 36, Twp 30S, R 24E, immediately adjacent to the U. S. Naval Reserve and where the Standard Oil Company wells will drain from the reserves beneath the Navy property.

I am enclosing a map of the area which will assist you in better understanding the drainage situation involved.

I am very appreciative of the brief time the Committee accorded me this morning. However, in view of the immensity and importance of the subject, it is my sincere hope that they will re-convene here at an early date. You may be assured of our every cooperation.

Yours very truly,

J. A. Smith, President

INDEPENDENT PETROLEUM & CONSUMERS
ASSOCIATION

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Enclosures

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