

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 are far older than those abandoned by the Navy.

Such abandonment, in my opinion, is a wanton waste of oil; oil already



December 16, 1941

MEMO TO MR. J. A. SMITH:

Dear Mr. Smith:

At your request Dan Waite and I called upon Mr. Patterson, in charge of the oil leasing department of the U. S. Geological Survey, Dept. of Interior, 429 Federal Building, at 2:30 p.m. this date to inquire about the particulars surrounding the advertising in connection with the abandonment of certain oil wells in the Elk Hills Naval Reserve.

In answer to our questions Mr. Patterson told us that a bid had been accepted from the Oil Well Equipment Co., Bakersfield (Sam Block & Son, Liquidators, 528 N. La Brea, Los Angeles, Calif.) and that he today was in receipt of a telegram from Washington approving their bond for the abandonment of 39 wells, being all of the wells in Section 36 and a portion of the wells in 2 and 34.

He said some of these were flowing wells and some pumpers, that a number of them had been shut in for over ten years; he did not know the production and that this information would have to be secured from the Navy Department. He said Interior Department made the sale at the request of the Navy Department and that any information in connection with the production or physical condition of the wells would have to be secured from the Navy Department.

When asked how the sale had been advertised he said that owing to a lack of funds it had not been published but a copy of the requirements had been posted in the main lobby of the Federal Building, Los Angeles; that after the first posting one bid had been received, which was rejected. The sale was again advertised in the same manner and 11 copies of the specifications and requirements were delivered to prospective bidders; however, most of these specifications, he said, were returned without a bid.

When asked if it would be possible to secure a copy of the specifications, he said, no, that they had served their purpose and that a bid had been accepted and he didn't wish to have any of the specifications "floating around" in the hands of the public.

He advised us that Mr. Fritz Wilhelm, formerly of The Texas Co. and who is a commander in the Naval Reserve, is now in charge of the Navy's oil lands in California and that any further information would have to be received from him.

The reasons he gave us for the abandonment were that the wells were old, that the casings might collapse at any time and that the abandonment was done at this time so as to protect the formation. Also, that flowing wells were to be mudded off before abandonment.

Ed Plancy