

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 Clancy*

*cc: Harold Johns*