REPORT
on
PUEBLO COUNTY OIL FIELD
by
Perry Keen
1925

REPORT FURNISHED BY Perry Keen, Pueblo Colo.
PUEBLO COUNTY OIL FIELDS

Report given by Mr. Perry Keen to the oil committee of Pueblo C. of C.

October 1925.

"We flatter ourselves on into life, but life flatters not us."

Some of the large Oil organizations of the country, we flattered ourselves as having tied to Pueblo territory, but presto their derricks, rigs and men melted away as the mists before the morning sun. But, there are others. We are going to develop OIL and GAS in the PUEBLO field, but we must not expect easy sailing, nor to win without some setbacks and hard knocks. Nor can we expect the other fellow to do everything for us. We are gradually becoming educated in the mysteries and requirements of the OIL game. A number of years ago we had some honest to goodness effort (and lots of money) expended in development in a certain quarter of the County. That feature I will not enlarge upon. Puebloans strong for Pueblo and the development of our natural resources, we admit 'we are green in the OIL business, but we are not as green today, as we were at that time.

The present prospeotting commenced about the fall of 1921-The original BAXTER Prospect on Sec. 30 Twp. 20-Range 63, about five miles East of Pueblo, and North of the Arkansas River, did develop both GAS and OIL, and the indications from that prospect, we may say, started the large movement which has been progressing every since. Oil experts, Geologists and the special men for numerous oil companies, and from all parts of the United States have invaded this territory, and many locations have been made. Thousands of acres have been leased, and drilling has been done by a number of companies. The primary object of a number of these prospects has been to develop gas. It is believed that Gas can be developed at a much shallower depth than Oil. North of the Arkansas River and North and East of Pueblo are the following.

Baxter #1, 2940 feet.
Baxter #2, 300 feet.
Chico #1, 1100 feet.
Chico #2, 2100 feet.
Jones Point 1670 feet.
South of the Arkansas River and East of Pueblo,
Besserer #1, 850 feet.
Rusler #1, 1740 feet. commonly known as the Ohio.
Southwest and South of Pueblo, San Carlos 1010 feet.
Panucco #1, 890 feet.
Panucco #2, 897 1/2 feet.
Panucco #3, 950 feet.
Mustang #1, 525 feet.
Tulsa #1, 1179 1/2 feet.
Tulsa #2, 600 feet.
Drobnick #1, 1200 feet.
Midwest #1, on NW 1/4 SE-1/2-E5- made a location.
Union of Colorado #1, 202 feet. Derrick still in place. More drilling promised.
Union of California #1, 1102 Feet.
South East of Pueblo, Near the Yellow Banks.
Utah Southern Oil Co. Derrick still there. More drilling promised.
Some 19 prospects.

We have had in this field, at one time or another, and some of them are here now, such prominent Geologist as L.L. Boss-International Geologist, F. K. B. Sur., T. F. McDonald, Charles Hayes, Dana Hagen, Max Ball A. R. Revier, L. E. Morley, Harry R. Upham, Riley D. Edwards, Snyder, E. A. Cass, Stuhoff, J. Schmitt, Henderson, McAdams, Prof. J. C. Edsall, H. S. Grison, T. J. Reed of K.C., Lupton, and H. W. Steffen.

You can draw a circle around this Pueblo Oil Territory, and Colorado, and you find paying wells in Wyoming - Utah - New Mexico - Oklahoma - Kansas. And a little closer home are paying wells in
Fort Collins—Boulder—Craig in Moffat County, Thorneburg in Rio Blanco County about 25 miles southwest of Craig, and Florence in Fremont County not over 37 miles west of Pueblo. Here we are in the center of this circle of producing wells, and only need proper development to become producing territory. The owners of land, it seems to me have been more than fair towards the Oil people, in leasing to them large acreages. The leases have said that no leases should be made, unless it was stipulated that drilling should be commenced before a certain date, and should be carried on continuously, until a depth of 4500 feet was reached, unless oil in certain paying quantities was found before the depth was reached. It may also be said that it would be fair for the owner of 160 acres to reserve from lease a certain 1/6 of the land. Up to date the man with the money and oil knowledge has dominated the land owner in specifying the form of lease. And if the Oil man will not modify the form of lease, he is using, the land owner must lease his land on those terms, or not lease at all. In an unproven field the man of Company drilling wells will insure the hazard he is taking by requiring to be leased to him 100% of the acreage that will be benefited, if a paying well is brought in, if he can secure the same. Oil leases are secured sometimes, solely for the purpose of preventing genuine oil development until sometime in the future. The leases on the Ohio Oil Co. some of them at least, are made for a period of 5 years, and are negative in form. That is the promise to drill for oil and gas is not specific. No where in the lease is it specified that the Company shall drill for Oil and Gas. The words used are if no well be commenced on said land or on or before the 10th day of July 1925, this lease shall terminate as to both parties unless the leasee on or before that date shall pay or tender to the lessor, or to the lessor's credit in the Minnequa Bank of Pueblo Colorado or its successors which shall continue as the depositary regardless of changes in the ownership as a rental and cover the privilege of deferring the commencement of a well for 12 months from said date. In like manner and upon like payments or tenders the commencement of a well may be further deferred for like period of same number of months successively. Nor, in this lease is there any provision as to the depth a well shall be drilled. It is entirely optional with the Oil Co. to drill 100 feet or 4500 feet. It is entirely optional with the Oil Co., It is possible under a lease of this character for an oil company to drill to a certain depth and ascertain geological facts withheld from the owner of the land and the general public (which point to production at a certain depth, and then cease operations, and postpone actual bringing in of oil until such time as best suits the Co.). The land is tied up, so that no one else can work on development, and the Company cannot be forced to do anything. In this field the Ohio Oil Co. and the Union of California, placed under lease to urgent owners, but a small fraction of the acreage originally obtained has been released since ceasing active operations. You have heard a great deal about the Red Beds, and the Company cannot be forced to do anything. In this field the Ohio Oil Co. and the Union of California, placed under lease to urgent owners, but a small fraction of the acreage originally obtained has been released since ceasing active operations. You have heard a great deal about the Red Beds, and it would seem that some one was interested in educating the public to believe that when drill penetrates the Red Beds it is time to stop. The reason for this is that there is no Oil found in the Red Beds, and below the Red Beds there is theoretically but one more chance for oil-bearing sand. To drill through the Red Beds is expensive. In some localities the Red Beds are 2000 feet thick. Notwithstanding these bad features, wells are drilled beyond the Red Beds and obtain profitable production. In this territory there is perhaps but one test that found the Red Beds, and the thickness was not over 100 feet. Backed by local capital and Colorado Springs capital a few trials have been made and are still under way. The Mutual Well west of us in Fremont Co., managed by Mr. Griesmer, has been operated in a clean, scientific manner and the best Oil experts are very sanguine that a paying well will be brought in. Mr. Puecket has worked untiringly and the Chico #2 is expected to show results before long. The Fox Hills Petroleum Co., backed by a group of Pueblo men are testing out a field not far from Florence. The Travis well some 9 or 10 miles this side of Florence at 1700 feet have oil. And still another group of Pueblo men, the Pueblo Royalties Co. are preparing to drill on 400 acres. The Mutual Well is 2738 feet deep. 21 miles north of Pueblo on what is termed the Fountain Dome Mr. A. B. Christy has contracted with Mr. Karl C. Schuyler.
and the Peerless Oil Corporation to drill a first class test. They have started with a 24 inch hole. These prospects represent our own Pueblo money, and we hope they will be the first to succeed, and be rewarded by having all of the output, instead of the usual 1/8 received by owners of leased lands. The men engaged in development work have one way of financing themselves, and that is by selling Royalties. A Royalty is one step beyond a lease. The man or Co. holding leases of several thousand acres virtually has 7/8ths of all Oil and Gas that is produced. He deals with the outside speculating public, by selling in the form of a Royalty a per centage of this 7/8ths and if the volume of business transacted in Royalties was disclosed, many of you would be surprised, at the amount of money that has been put into Royalties in this territory. Selling of Royalties was not confined to the holders of the 7/8ths, the owners of lands having leased for 1/8th, also indulges in this practice and some of our people have sold Royalties based on their 1/8th. The money made in a territory proven to have Oil and Gas is not measured well by the actual amount of oil produced. Nor do we have to wait. One good producing well will start the ball rolling. Speculation plays the most important part. Once under way, in producing territory, it is the most fascinating of all speculative games, and the most wide spread. Money from all over the U.S. would pour in here to buy something, as soon as paying wells are brought in. And why should it not be the most fascinating. Oil or the possibilities of Oil turns the golden flood loose.

March 10, 1924 at the 22nd annual auction of Oil leases of Osage Indian lands at Pawhuska Oklahoma $1,999,000.00 was bid for a lease on 160 acres. April 8, 1924 the Wellington Gusher sold for $61,000.00. In California, City, lots 40x120 sold for $30,000.00 to $40,000.00 each. About June 18, 1924 the S.W.1/4 of 30-21-65 sold for $10,000.00 subject to an Oil and Gas lease. Oct. 5, 1924 a piece of almost worthless land, in what is now the Wellington Field, brought a bonus of $56,000.00 for a lease of 160 acres. About June 18, 1924 the S.E.1/4 of 30-21-65 sold for $10,000.00 subject to an Oil and Gas lease. Oct. 8, 1924 a piece of almost worthless land, in what is now the Wellington Field, brought a bonus of $56,000.00 for a lease of 160 acres. About June 18, 1924 the S.E.1/4 of 30-21-65 sold for $10,000.00 subject to an Oil and Gas lease. Oct. 8, 1924 a piece of almost worthless land, in what is now the Wellington Field, brought a bonus of $56,000.00 for a lease of 160 acres. About June 18, 1924 the S.E.1/4 of 30-21-65 sold for $10,000.00 subject to an Oil and Gas lease. Oct. 8, 1924 a piece of almost worthless land, in what is now the Wellington Field, brought a bonus of $56,000.00 for a lease of 160 acres. About June 18, 1924 the S.E.1/4 of 30-21-65 sold for $10,000.00 subject to an Oil and Gas lease. Oct. 8, 1924 a piece of almost worthless land, in what is now the Wellington Field, brought a bonus of $56,000.00 for a lease of 160 acres. Whether Oil is under the identical piece of land you own or not, you will not have to wait to find out.

The owner of land could anticipate the actual finding of oil on his land, by selling at a fancy figure for actual cash. Just a word about the cost of drilling. Without going into detail, we will say, that first cost of a Rig is for a Star $7,000.00 and for a Standard with Stella Derrick $15,000.00. The first 1000 feet will be $2.00 per foot, the second 1000 feet will be $3.50 per foot the third 1000 feet about the same and after that $10.00 per foot. This does not include casing, and if there are extraordinary difficulties about water for the boiler, does not include that cost. $8 inch casing costs $1.35 per foot. One well drilled by the Union of Colorado $4450 feet cost $36,000.00 including the casing but not the rig. Say with the Rig $100,000.00-- You can perhaps contract for 4500 feet for $45,000.00 plus the cost of casing. Rigs and outfits can be used over and over again and casing can be pulled and used again. It is estimated the deeper wells in Colorado cost in round numbers $100,000.00 to $120,000.00-- One of the deepest wells in the world, the test well at Latrobe Penn. Dec. 5, 1924, after 30 months drilling struck gas at 7428 feet, estimated at half a million cubic feet per day. The cost of this well is estimated at $200,000.00-- Another one of the deepest is in West Virginia which was drilled 7679 feet. Give the operator the benefit of these hard cash outlays, when you feel like criticizing.

The citizens of Pueblo County and Pueblo should be a unit in talking Oil, encouraging the men who do the actual development by drilling, and in every way hasten the day that our first real oil well is brought in. To Pueblo will come bigger things and more of them, than to a small town. We are a distributing center; This means Oil refineries. We have sand for glass, Clay for brick, and Smelter purposes, stone for lime, and other raw materials which can be made into the finished product and distributed to a large buying territory, if we produce the gas to provide cheap fuel, with which to operate the plants. Two powerful Trans-Continental lines- the Santa Fe and the Missouri Pacific, come into our city on the east. What an ideal location for an immense Refinery.
on the rise of land east of the city and north of the tracks of these two Rail Roads. The tank cars could be filled with the refined Oil and Gasoline by gravity pipe lines, and these two railroads would distribute on their own lines to the four points of the compass. East Pueblo, would before many moons become Pueblo, and smaller portion of the west of the Fountain River. Stone City, some 10 to 12 miles north west of us would come into its own as the largest Plate Glass manufacturing center in the West. An inexhaustible supply of the finest glass in the United States could be made from our sands if we had cheap coal. The consumption of Plate Glass in the U. S. is enormous. In 1924 the Ford Motor Co. used more than 16,660,000 square feet of Plate glass, sufficient glass to form a covering for a 350 acre farm. Multiply this by all the other Motor Manufacturing plants, and you realize the vastness of this Glass industry. There would be a continuous chain of Cement manufacturing plants, commencing a few miles west of Pueblo and extending to the Plants now in operation.

The Trans Continental traveler would make known to the World that Pueblo manufactured Cement for the entire West. Other plants dependent upon Steel and Iron would flock to Pueblo. Building operations would be beyond comprehension. Construction of large hotels would be first, followed by new buildings for offices and banks. Dwellings could not be provided fast enough. The Burch Manufacturing Co. would be working 3 shifts or 8 hours turning out tents for the temporary homes of the thousands. The cash valuation of all city property would soar. The ditch land adjacent to Pueblo would come into its own. Instead of producing grain and Sugar beets- the Bessemer ditch from Pueblo to the Ruerfano River would become one vast market garden truck farm, with here and there Dahlia and Rose farms. Just enough Alfalfa would be raised to supply a market price of $2.50 a hundred and round out the return. It would be put under cover, instead of stacking in the open field. At the end of the ditch Fred Haver would have the most modern dairy milking 500 Thoroughbred Holsteins. Dotted along the ditch would be the Oil derricks and the farmer would have banked with his Uncle Dudley, the $1,000 per acre bonus paid to him, and have his monthly royalty from the well on his land. Commencing at some point west of the river bridge on the Stock Yards road, and extending East to below Baxter, a solid slag bank would be constructed, the river confined, and all of that bottom land would be devoted to growing the finest celery produced in the U. S. With a population of a Quarter Million and growing, the garden products and celery would find a ready home market. These are some of the things that would come to us. It is our business to be as optimistic as outsiders. And it is our business to help this development in every way that we can. Do not go way off to the end of the Rainbow to plant your money, use it right here at home, in the Pueblo Oil fields, Be optimistic, be forward, listen to the Big men, stay with the Oil proposition as Denver did with the Moffat Tunnel, until she secured it. No scientific man or Geologist has said there is no oil in Pueblo County, on the contrary scores of them say it is one of the most promising for a great big field. Professor J. C. Edsall has been quoted as saying: "There are several localities in Pueblo County that cannot be excelled for Oil and Gas prospects. I could mention Oil Structures that I class as Having no superior in the World. Pueblo County in my opinion will become one of the greatest producers of Oil in the entire country. You are warranted in acquiring land in this field. The prices of today are responsible. Pick up 160 acres, or a 40 acre tract. The investment cannot break you and when Oil is struck, you will be on easy street. Buy one acre, it might be a fortune to you. Vast acreage is not needed, but the man who owns fee title with all the oil rights to some acreage, is a thousand miles ahead of the man who has none. Why one acre? Keep these figures, I would give you in mind and you will understand why. An oil well takes up enough space to make a hole 20 inches in diameter. Floor of the Derrick takes 24 feet square. An acre of land is 198 feet by 220 feet. In 1901 at Beaumont Texas a man owned a piece of land 9x12 feet. He had faith enough in his convictions that there was oil under that 9x12 feet to expend the money to try it out. He arranged to build a portion of the derrick on different neighbors land. When complete and ready to drill, he was occupying or touching on land owned by 5 men. He drilled on his 9x12 feet and brought in a gusher, which produced 20,000 barrels per day. The original producing well in the Florence field has
produced over a million barrels of oil in 30 years. One well at Salt Creek, Wyoming has produced $2,000,000.00. The famous Lone Acre at Spindle Top, Texas, has had 61 wells drilled on the one acre, and is still producing 100 barrels per day. Do not despise the acre, I could go into the Red Beds controversy, and give you very opposite views of well known specialists but think it wise not to do so. Those who are versed in oil, do not believe that the red beds will stop any real oil man from going down. Despite any theory or the action of any companies, we are well backed in believing and saying "oil is where you find it" and we want it tried out to 4500 feet. How long Fort Collins waited after wells had been down 1000 to 1300 feet, abandoned, the Union Oil Company of California took one of these and went down 4285 feet, and brought in one of the largest Gas and Oil wells in the country. Despite any theory or the action of any companies, we are well backed in believing that Field is just ready to be developed. When you think of oil, think of Will Orange, Jack Cartwright, and P. Byrnes, The Chieftain comes out every Wednesday with the optimistic message of Will Orange and all kinds of data as to what is going. The Star Journal has frequent well written Oil articles, and searches far and near to keep up to the minute. And the Indicator every issue tells the story as it is unfolding. To these men Pueblo is indebted for letting the world know we are an Oil Field, just ready to be developed. And to these men I am indebted for much of what appears in this paper. I wish I could write like Will Orange. These men are backing the oil prospecting in this field, and play favorites with none.

The latest from Mr. Ruppel is that the Fox Hill Petroleum Co., is down 2565 feet. Mr. Griesmer of the Mutual well tells me they have reached a depth of 2788 feet, and almost ready to tap the oil. If you wish to see a complete equipment and everything needed for drilling and bringing in a well, go down and see the derrick, office, living quarters, storage tank, engine rooms, and all kind of tools, in fact everything needed for drilling to great depth, make a trip to Mutual. Every indication points to this well coming in with a production that will surprise the natives. When the Triangular Oil Field comes in, the Triangle - Colorado Springs - Canon City - Trinidad - with Pueblo as about the center will be the busiest place in the U. S. for actual oil development. Two questions have been put to me - where is the oil to be found in Pueblo County? And when shall our hopes be realized by a paying well? Pueblo County is 54 miles by over 43 miles in area. The zeal with which each Geologist backs up the particular locality in which he is working, and the proof he brings forth as to structures, formations etc., answers the first question, by giving every portion of Pueblo County as the place where Oil will be found by proper development. When - That will depend largely on the activity of the citizens of Pueblo themselves. Every assurance is given us by Geologists that the oil is here in this locality. Money, intelligently and honestly used in drilling will develop the oil. In this locality that becomes a paying oil field, a certain amount of Wild catting is simply another term for exploration, takes place. Much of this is intelligible and along lines that help the general development. Some of the work is of no value at all, does not determine anything, and is money thrown away. My general opinion is that Pueblo people are conservative up to a certain point, that beyond that point we are liable to be extravagant. In other words we are slow to carefully consider the oil proposition and put money into exploration, but the finding of a productive well, money will go into all kinds of propositions without looking into them carefully. I am one, who believes with hosts of others much better informed, that Pueblo County will some fine day be one of the leading oil fields in the U. S.