

## Chapter 9

### Oil Sparks the County

As people were becoming disappointed and often broke, there was one bright spot in the future of Melstone. The April 20, 1922 issue of the *Melstone Messenger* put it "Melstone Fortunate Position in Montana's Great Oil Fields".

Promoters such as E.E. Snelling leased land in the Ivanhoe structure in Section 11-31-21 which is now the prosperous oil field of Keggie Coulee. The Hibbard Oil Company leased east of Melstone increasing the anticipation that oil production at Bascom when a test hole of 3,100 feet was scheduled to be drilled. Drilling time would be 30 to 60 days which seemed like forever when waiting to see if all aspirations were rewarded or destroyed. During this time exploration techniques, limited financing, and the use of cable rigs to do the drilling it was not until the early 1940's that oil was finally found. About 20 years was to be spent trying to locate the elusive oil along with an untold number of man-hours.

It had been in 1921, that the Minnesota-Flatwillow Petroleum Company had bought in the Cat Creek oil well. The well known E.N. Daly was president of the Minnesota Flatwillow Petroleum Company at that time. He was later associated with other oil companies and was very influential in developing oil exploration throughout the state. The finding of oil at Cat Creek, about 30 miles north of Melstone, kept almost everyone optimistic about oil being discovered around Melstone.

Drilling for oil in the Musselshell Valley around Melstone was a very tedious job. When the weather was agreeable drilling proceeded more or less as anticipated, however, when rain came the gumbo made the roads impassable causing delays and at times stopping work altogether. You can imagine what it was like to try to get to work driving a 1921 Ford or Chevrolet through the gumbo where even today it is not uncommon to see a 4-wheel drive stuck in the muck. Another of the problems faced by the drillers was the coming of winter. The early rigs were cable outfits which operated with steam. The steam operated a piston which raised and dropped a heavy pointed drill stem which was actually driven into the ground instead of being turned into the ground as one commonly thinks. As the temperatures dropped, work gradually slowed down and when the ground began to freeze the oil companies were forced to stop further drilling until spring. The rigs had no way of heating the work areas, so it was impossible for the crews to stay warm. The cable rigs needed a steady supply of water and at that time there was no efficient way to keep the water from freezing. A constant danger was not stopping work soon enough so that the drill stem could be pulled out of the hole before it became frozen it. Once frozen in, the stem had to be left in the hole until spring when the frost went out of the ground before it could be

removed. Even then, after being in the hole all winter, it could take days and sometimes weeks before the stem could be loosened enough to allow it to be removed. This was costly in wasted man-hours and especially in lost drilling time because of the limited number of drilling days available each day was very important.

Exploration continued sometimes at a feverish pace, sometimes very slowly, but nevertheless it continued. Leases were let go and other promoters would come in and take a lease on the same land. Many leases had test holes drilled by different companies close to where an earlier test had been made. Some companies made shallow tests. Other made surprisingly deep tests with about the same final success. Oil sand had been found with traces of oil and gas but nothing had been found yet which would indicate the exact location of the oil pocket.

The *Melstone Messenger* upheld its position of keeping the people informed of happenings in the oil field by reporting activities as they happened. During the oil exploration years almost every issue of the *Messenger* carried at least one article concerning the progress being made. Starting in early February and continuing throughout the summer oil activity made the news almost every week for many many years.

On February 7, 1924, the Flynn Brothers of St. Paul Minnesota announced that they planned to have their crews back at their Ragged Point test site as early as possible to complete the test. The test hole is one of the deepest tests made at Ragged Point so far.

On April 10, 1924, James Fealy and a few assistants who were responsible for the operations of one drilling company were able to remove a string of drill stem that had been left suspended in the hole over the winter. Upon removal of the stem a gas pressure that had built up during the winter was released, and was the first report that was made of the existence of gas in any quantity.

Early in 1936, Mr. Dan Carroll and a geologist, who had become interested in the prospect of oil around Melstone, began buying leases on all the properties they could that were adjacent to Ragged Point and other various test sites that they thought showed good prospects of being close to oil deposits. The correct oil formation ran throughout the area but locating the actual deposits was proving most difficult. Mr. Carroll was paying 50 cents per acre for the leases which he was able to obtain. The California Oil Company was planning to start drilling a deep test well on Ragged Dome, north of Melstone, sometime in June of 1936, if preparations went well. The Ragged Point area seemed at the present time the most promising location for oil discovery so an all-out effort was being made.

The California Oil Company, after finishing their test hole at Ragged Dome, let their lease on the site go. It was immediately bought by Eugene Hunt of Lewistown. Mr. Hunt made plans to sink a twin to the old No. 7, California Oil Company's test hole. He planned to tap the second sand production of 75 barrels of oil daily which was encountered by the California

Oil Company while they were making their deep test. The second sand production had been cased so the California Oil Company could drill to the lower formations in hopes of finding a more productive sand. Oil fever again hit the area with more leasing, trading of leases by companies, and more drilling. The Trench Oil Company made plans to drill three wells on some acreage obtained from the Shaffer Company who had originally leased the land. The wells were to be to the east of the old Devereaus lease. At least now a few producers were being brought in. Hopes were higher than ever each time a well was drilled. Some of the wells did not produce a great number of barrels daily but it was oil and it was somewhere in a greater quantity for sure. The fact that the old Musselshell Valley well continued to flow over the top whenever pumping was at least proof enough that other large producing wells were certain. The Trench Oil Company which was drilling near by felt convinced that it was only a matter of time before they were able to tap a production pool in that area.

Dr. Crouse and Frank Dresser were among some of the staunchest promoters of early oil activities in this area.

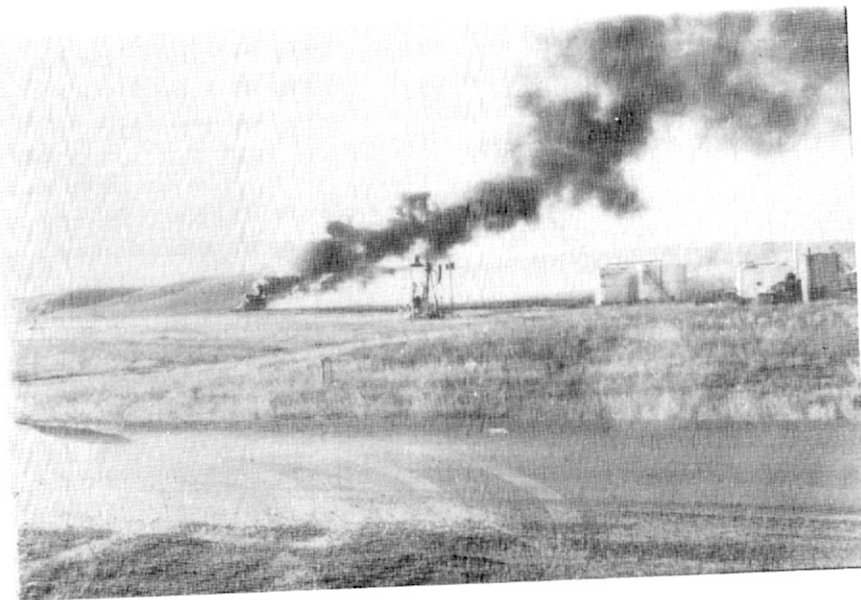
Through the years of oil exploration new and better equipment was being invented and brought to use. New rotary equipment was being invented and brought to use. New rotary drilling rigs replaced the cable outfits, better cars and trucks were being used, and better more efficient methods of seismographing and oil exploration were being used. The rotary rigs were also easier and faster to set up, especially with the new rigs mounted on a flat-beg semi truck trailer. Twenty years had gone by with leasing and releasing; and drilling and redrilling before oil of any quantity was found at Ragged Point. In 1948, the Melstone Field on the H & H Ranch, now owned by Harold Hougen, got its first producer. It was not for 8 more long years, in 1956, that oil was finally brought in Keggie Coulee by Bob Oliver.

Since 1956 many of the early producers have tapered off in production, with many of them being plugged or becoming injection wells. When the pressure in the well becomes so low that the oil is no longer forced to the surface it becomes necessary to flood the oil sand with water, thus raising the pressure. For each barrel of water injected into the oil sand one barrel of oil can be recovered. The life of an injection well is usually relatively short. When it becomes no longer the well is plugged. New wells are still being drilled in the Melstone area and some good producers have been hit in recent years but overall the oil activity has receded from its peak to become a more steady routine activity.

The oil wells affecting the economy of Melstone are located within a radius of about 30 miles of the town and are drilled at depths of 3,600 feet to 6,500 feet. The "oil business" is said by some people to keep the town what it is. This may well be true for many of the people and all the business depend upon oil companies' existence. Some of the businesses which are related to the oil industry and are located in Melstone are : J & J Trucking, Kanta Trucking, Soape Drilling Company, Big Chief Well Service, Balock

Excavating, Melstone Well Service and Supply, N.C. Ginther Gas Plant Company, and U.S.I. Axelson.

The average cost of drilling an oil well in the Melstone area to a producing depth of 5,000 feet, on the average can run anywhere from \$35,000.00, if it is a dry well to over \$85,000.00 for an actual producer. Chances of finding a producing well are about 40 to 1 against the discovery, but the rewards are great for those who do hit the "Big producer". Much of the money spent for drilling a well is funneled back into the economy of Melstone in the form of wages, rent, groceries, hardware, and miscellaneous expenditures. Melstone was very fortunate indeed to have oil discovered within this area as practically everyone has benefitted in some way.



An oil well located just east of Melstone.