

GASOLINE FROM NATURAL GAS

on the

WHITE RIVER DOGS

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The recent and rapid development of the newest ally of the petroleum and refining industries, the extraction or precipitation of gasoline from natural gas, is of special interest to the stockholders of the Piceance Oil and Gas Company and all others interested in the development of the White River oil field. Since 1910 this industry has developed so rapidly that today several hundred plants distributed throughout the oil and gas fields of the country are producing annually over a half billion gallons of the highest grade gasoline from gas wells and casing heads of oil wells.

The gasses treated by this process yield from one-half up to three or four gallons of gasoline to the 1,000 cubic feet of gas. The process is comparatively simple and requires the services of but few skilled attendants. The initial cost of installation is so small that under favorable conditions a plant of this kind will return several times its cost in a single year.

For thirty years or more the territory along White river between the north of Black gulch and the north of Piceance creek, now spoken of as the White River dome, has been known to be an immense gas field. In 1908 Hoyt S. Gale in reporting the Rangely oil field for the government wrote, "In connection with a discussion of the occurrence of oil in the Rangely field, it is interesting to note that some indications of a similar field have been noted on Black's gulch, 40 miles east of Rangely in the White River valley. Black's gulch opens into White river from the north 20 miles below Harker. It is near the crest of a minor anticlinal fold the longer axis of which crosses White river in a north-south direction near the mouth of Piceance creek at White River post office. This fold is a low dome of rocks, exposing the Wasatch strata of the surface, surrounded by escarpments of the Green river formation on all sides. The dips are all light, being about 5 degrees toward the east, increasing to 10 degrees or so south of the river and to about 5 degrees toward the west. Gas is said to have been found by Tom Scarritt, a cowboy, by the accidental igniting of a small flow from a lighted match. A small derrick was set up and a hole drilled to a depth of 400 feet and abandoned. According to reports a second well was sunk about half a mile farther up the gulch. Here at a depth of 538 feet gas was struck under such pressure that the derrick was destroyed and the driller seriously injured. The gas burned with a blue flame and under much pressure for six months, when it stopped abruptly. The fact that the tools have been left in the hold leads to the supposition that it became suddenly blocked."

Old timers around Harker remember how these wells were drilled way back in 1887. They know how the one has continued to flow gas for the past 30 years without any seeming change in the quantity or pressure. They also know how the other burned for months with a flame from 80 to 100 feet high, lighting up the sky at Harker with its reflection. Local people will be interested now in knowing that recent efforts to release the tools in this old well, while they failed of their purpose, brought up considerable gas leading to the belief that the old well would still be there with both volume and pressure if the obstructions were removed.

Mr. Horn and his associates have recently had a number of shallow wells drilled on the White River dome to determine somewhat the extent of the gas bearing strata. Their findings have led to the conclusion that at least 10,000,000 cubic feet daily flow of gas could easily be obtained from shallow wells at a comparatively small cost and they evidently have something of this nature in mind in their plans of the development of the White river field. The immediate effect of putting this plan into operation would be to place the White river field in the class of proven and producing properties with a large and certain income available for dividends and for further development of the field. This would be in addition to the immense speculative value of this field itself due to big production of oil expected when the six big oil sands are drilled that are known to lie at depths between 1,600 and 2,250 feet on the White river dome. Tests made by geologists of the outcrops of these sands are reported by them as showing surprising amounts of residues, essentially paraffin, left there by the evaporation of the oil they have contained.

It is well known among the people who have been associated with the drilling operations at White River that the gas produced there is highly saturated with gasoline, probably far above the average. It is probable that at least two gallons of gasoline would be extracted from each 1,000 cubic feet of gas, or 20,000 gallons daily from a 10,000,000 cubic feet gas flow, and this without reducing the quantity of gas itself which would still be available for heating and lighting purposes. The product that would be obtained is the highest grade of gasoline worth about 20 cents wholesale on the railroad and would stand transportation charges that crude oil could not stand. A fleet of tank trucks operating between the field and Rifle could deliver the product at the railroad for about 3c a gallon and the other operating costs should not exceed 2c a gallon leaving about 15c a gallon net or \$3,000.00 a day.

A better plan of transportation, however, would be a 3 inch pipe line and pumping system running by way of Meeker to Rifle. The capacity of such a line would be great enough to handle the gasoline in a couple of hours a day at a cost well below a cent a gallon and during the remaining 22 hours a day the pipe line could be used in furnishing gas for heating and lighting to both Meeker and Rifle. The additional revenues from this source would pay large dividends on the additional costs of installation, including storage tanks to furnish gas while the pipe line was in use for handling gasoline.

At any rate here is an infant industry right at our doors that has possibilities of bringing into this country a million dollars or better net annual income. Like the shale oil industry we can see evidences of almost unlimited quantities of raw material right before us. Unlike the shale oil industry the initial cost of equipment is comparatively small in proportion to the possible returns and the processes involved are not in the experimental stages, but have been fully developed and are in successful operation in hundreds of plants throughout the country.

Meeker people and their friends will do well to keep a watchful and attentive eye on the developments on the White river dome. It may be that the efforts of our neighbors, who have given so much of their time and their money in backing their faith in the merits of this field, are now about to bring their merited reward.

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