

**THE UNIVERSITY OF WYOMING
MINUTES OF THE TRUSTEES**

January 18, 1918

**For the confidential information
of the Board of Trustee**

A special meeting of the Board of Trustees of the University of Wyoming was held this date pursuant to call with Mrs. David present in the chair, and also in attendance Mrs. Brooks, Miss Clark, Mr. Ingham, Mr. Spalding, Mr. Beach, Judge Carey, and Dr. Hamilton. This being a special meeting, the minutes were not read except that portion of the meeting referring to the Glenrock Petroleum lease.

There was much discussion with reference to the manner of the competitive bidding to be held before this Board for oil leases. Upon motion of Dr. Hamilton, it was decided that hereafter all such bidding should be oral competitive bidding. This motion was seconded by Mrs. David and carried. Upon motion of Judge Carey, it was decided that the Board would hear any bids in answer to any advertisements which had recently been published. This motion was seconded by Mr. Ingham and carried.

Mr. C. C. Poole of Denver appeared before the Board and in behalf of himself bid $12\frac{1}{2}\%$ for the first two years, and 15% for the remaining three years on the $N\frac{1}{2}$ and $SW\frac{1}{4}$ of Section 4, Township 19 N., Range 77 West; on behalf of John W. Springer, Mr. Poole made the same bid on Section 22, Twp. 20 North, Range 77 West; on behalf of Paul B. Gaylord, he made the same bid on Section 8, Twp., 19 North, Range 78 West. There being no other bids, upon motion, the three parties named above were granted five-year leases in accordance with the terms of their bids.

At the same time that these sections had been advertised, Section 24, had been included, but in error had been called Section 14. Upon motion, therefore, of Mrs. Brooks, the Secretary was instructed to re-advertise the piece of land correctly, and power was left to the Executive Committee to handle the leasing of the land.

At this point Mr. F. A. Paulhamus appeared before the Board with reference to a matter of an extension of the prospector's lease of the Dakota, Wyoming Oil Gas and Refining Company. Mr. Paulhamus told the Board that their No. 1 well, which had gone to the Wall Creek sands, was nothing but a water hole, and that, of course, under the terms of their prospector's lease, they would have no right to an oil operator's lease. Mr. Paulhamus, however, stated that they were very anxious to push this well on down to the third Wall Creek sands, and in this way prove the Muddy field for those sands. Upon motion, the Board decided that if the Dakota-Wyoming Oil, Gas and Refining Company shall within the next thirty days show that they have the money necessary to drive their well No. 1 to the second Wall Creek sand, that the lease shall be extended to August 1st for the completion of the well, and in the meantime, if good faith is shown and further time is needed to prosecute the work, they shall be given a further extension to November 1st. This motion was seconded by Mr. Spalding and unanimously carried.

The Secretary next read a letter from the Glenrock Refining Company, by its President, John E. Higgins, which letter follows:-

"We herewith present to you the following proposition for the purchase of the State's oil production in the Big Muddy district.

We shall enter into an agreement to pay to the State a bonus of 10¢ a barrel on the production arising from their royalties in the Big Muddy district, such bonus to be in addition to the regular market price of the oil. This bonus of 10¢ a barrel is to apply up to and including such a time as the market price may reach \$1.40 per barrel; should the market price go above \$1.40 per barrel we will agree to pay a bonus above that market price of 5¢ per barrel, up to and including such time as the market price may reach \$1.95 per barrel. Should the market price of oil reach \$2.00 per barrel, we will

agree to take same at market price, without bonus. This proposition is for such of the production in the Big Muddy field as has a gravity of 34 degrees Baume, or better. Our reason for specifying this gravity is that we are prepared at the present time to refine any black oil which might be brought in in this district, and wish to leave our proposition for such oil, if any should be brought in, for future consideration.

We are prepared to give to the State a good and sufficient bond to guarantee any contract entered into between ourselves and the State based on this proposition.

Thanking you for your earliest possible consideration of this proposition, we remain . . . "

Mr. Higgins and Mr. Troy were invited into the Board meeting and talked to the Board in behalf of the refinery project as outlined in their letter. They then withdrew.

The dinner hour having arrived, Mrs. Brooks moved that the Board adjourn to meet again at eight o'clock in the evening.

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The discussion of the refinery matter was resumed, and the following motion was unanimously adopted:-

RESOLVED: That we agree to sell the new Glenrock Refining Company at least one-half of the oil belonging to the University that may from time to time be produced in the Big Muddy Field, provided that the contract shall not be made before May 1st, 1918, and on evidence at that time that the Refinery will be completed and in operation by July 1st, 1918.

This motion was made by Judge Carey, seconded by Mr. Beach, and unanimously carried.

The Secretary next presented a report from Dr. Hamilton of the visit that he had made to the Big Muddy Field, pursuant to instructions received at the semi-annual meeting held on December 11th. This report follows:-

To the Board of Trustees, U. W.:-

Ladies and Gentlemen:

At your semi-annual meeting held December 11th, 1917, you requested me to visit the Big Muddy Oil Field and make you a report on conditions on the Walker lease, section 6,; also on the Wood lease, Section 5, and on the Glenrock Petroleum lease on Section 1.

I arrived in the Big Muddy field on December 17th in company with Mr. Garrett of the Midwest Company, and drove to the Walker lease. We found the burned ruins of an oil drilling rig. Several hundred feet of tubing and sucker rods, well covered with oil, showing that they had been in use pumping oil, some 40 to 50 feet from the site of the derrick was an oil tank holding 28 inches of oil (2½ barrels to the inch). The sump around the casing, which protuded from the center, was also full of oil, all of which bore out the statement made by Mr. Walker in his application for an operator's lease, and I do hereby recommend that an operator's lease be granted to him.

We then drove to the Wood lease, Section 5. There I found operations proceeding, and learned that the well was down to a depth of 3,270 feet and oil was expected very soon.

On coming back to Section 1, I found Mr. Long, the head driller, and learned as follows from him:- In the latter part of May, 1917, at a depth of 1,960 feet, oil was found. He bailed out 50 or more barrels. The Ohio Oil Company, the drilling company, not being satisfied, ordered him to drill deeper, which he attempted to do, but the casing broke and the entire string of tools stuck and was lost. By continuous work, they had succeeded that morning, December 17th, 1917, in placing 1,516 feet of 12-inch casing, hoping to get down over the broken casing, get it out, and recover the tools.

I found a line of greasy ground, down the slope from the derrick, about 10 feet wide and 10 feet long. How much oil it would require to make such a showing, I cannot say.

Respectfully submitted,

A. B. HAMILTON.

Just after this, Mr. Messemer appeared before the Board in behalf of the Glenrock Petroleum Company and their lease to portions of Section 1, in the Big Muddy field. Mr. Messemer represented to the Board the difficulties that that company had had in trying to produce a paying well. He then withdrew. Upon motion of Dr. Hamilton, the Board unanimously decided to extend the prospector's lease which that company held, for one year, to-wit: to June 9th, 1918, with the proviso that if oil in commercial quantities should be discovered on or before that date, they would be given an operating lease for five years from the date of discovery on a basis of $12\frac{1}{2}\%$ percent royalty to the University for all oil and gas produced.

The Board discussed at length the advisability of employing a competent man to represent it in the Big Muddy oil field, and upon motion of Dr. Hamilton, seconded by Mr. Beach, the Executive Committee was empowered to make arrangements with some suitable man. Judge Carey that Mr. W. H. Jastro of Bakersfield, California, be written to with reference to this.

There was much discussion of the new Library building, the gist of which was that the Board felt that the new building to be erected should be a Library, pure and simple, and not a combination of a Library and an Administration building. The President of the Board was instructed to appoint a committee to go over the plans of the proposed building with the architect, Mr. Hitchcock, with this idea in view. Mrs. David appointed as members of this committee Mr. W. S. Ingham, Dr. Grace Raymond Hebard, the President of the University, the Secretary of the Board, and the chair.

There being no further business, the Board adjourned sine die.

Secretary.