

PETROLEUM ADMINISTRATION FOR WAR

WASHINGTON

MAR 17 1943

My dear Mr. Carter:

This will acknowledge your telegram of March 1 regarding the production situation in West Texas. Certain of the issues presented therein are discussed in my telegram of February 19 and in Mr. Ralph K. Davies' letter of February 16.

I concur in your view that we must devise practical means of utilizing more West Texas crudes. The sulphur content of this oil limits the number of plants which now can use it, and considerable readjustment and redesigning of refinery facilities will be necessary before a change over from so-called sweet crudes can be accomplished. Mr. Davies' letter of February 16 furnishes the basis for reasonable anticipation of increased runs of West Texas crude oil by Gulf Coast refiners to the end that a maximum employment can be made of all Texas crudes consistent with the requirements of the war program.

Your telegram states that the Petroleum Administration has allowed New Mexico producers an average of 3312 barrels per well more than Texas operators just across the line. The allocations to fields and wells in New Mexico and Texas in 1942, as well as at present, were made by the state regulatory authorities of those states and not by this Administration. I believe that the apparent difference may be accounted for, at least in part, by the greater well density in the Texas area. Uniform well spacing in New Mexico is of the order of one well for each 40 acres while many of the fields of Texas to which you refer have wells on each 10 or 20 acres.

Your suggestion of a pipe line to carry West Texas crude from El Paso to California is a matter to be considered in relation to our over-all planning of essential new petroleum transportation facilities. At present, production in California is sufficient to meet substantially all West Coast requirements for both domestic and off-shore use. Consequently, our efforts now are concentrated on supplying adequate facilities to meet the critical deficit in petroleum requirements on the East Coast. We believe that the present program of projects in course of construction, together with others which have been approved -- such as the 20-inch products pipe line from Texas, will accomplish that objective.

Sincerely yours,

Harold G. Jones

Petroleum Administrator for War.

Mr. Amon Carter, President,
Fort Worth Star-Telegram,
Fort Worth, Texas.

