

CENTENNIAL HISTORY OF CROSSVILLE - PHILLIPS TOWNSHIP

OIL AND GAS INDUSTRY

By Janet Armstrong, Bernard Coleman, Vergen Kallen Bach, Barbara Maier, and Charlene Shields

Until the late 1930s, Phillips Township was an agrarian community. The population was stable, and the majority of the people were dependent in some way on farming. All that changed about 1937 when oil companies began to prospect for oil here.

Two earlier tests, a well on the John Langford farm in the 1920s and a well on the Lou Cleveland farm in the early 1930s, had come to naught.

Many excellent, reliable oil companies came here. However, Superior Oil Company was the largest of the group. At his retirement dinner in 1976, Ken Alldredge presented a paper, **A Brief History of Superior's Beginning in the Illinois Basin**. It is presented here in its entirety because it gives an excellent overview of what was happening here.

"Superior started leasing and doing geological work in late 1936 or early 1937 with land and geological offices located in Mattoon, Illinois. The geological office was headed by Ken Cow, and the Land Department was handled directly from the Houston office.

In the fall of 1938, three wells were drilled on the Luttrell leases on the east edge of the Salem field. The reason for no more producing leases in the Salem field was that the leasing was done by contract lease brokers, and their orders were to buy what they could, starting on the east side and working west. Christmas was approaching, the lease broker was from Texas; he was

about to become a father for the first time, so he took off for two weeks without informing the company (Superior) that he wasn't working. By the time he got back after Christmas, the Texas Company had leased everything from the west to the Luttrell leases.

The three Luttrell wells were drilled by Superior Oil Company with Frank Severns, drilling superintendent, and A. B. Barrow, a petroleum engineer out of LSU that spring and sent here from Bosco Field in Louisiana. In August, 1940, A. B. Barrow resigned as district engineer, and H. L. Franques replaced him. Mr. Franques is now vice-president of the Drilling, Production, and Engineering Department of the Superior Oil Company. He remained in Crossville until 1942 when he was transferred to Louisiana.

Superior did not have a Drilling and Production Department office in Illinois until May or June, 1939, when they opened an office in an old tavern building across the street from the City Hall in Grayville, Illinois. In October of 1940, they moved into new offices in Crossville.

The Seismograph offices under Red McCaun's direction were located in Princeton, IN.

The New Harmony Field was leased (for the most part) after 1938. Jess Hines took the lease on Ribeyre Island at \$5 per acre. Judge Dawson and Matt Chilton, the owners, had purchased the 3,960 acre Ribeyre Island for approximately \$7.35 an acre only two years before Superior leased it. But the sad story for them was that they would not sign a lease unless Superior would give them \$20,000 for 1/2 of the 1/8 royalty interest which Superior reluctantly did.

Either in December, 1938, or January, 1939, Superior opened land and geological offices in the Citizens' National Bank building in Evansville, IN. R. C. Ward was in charge of the geological office and Hall Edwards in charge of the Land Department. Both have since died.

Charlie Deray was in charge of the land and geological departments in Houston, and Gus Pruitt was the company's Drilling and Production Superintendent in Houston.

Both made trips once a month to this area.

In the spring of 1939, Fitton #1 was drilled about a mile north of the west end of the toll bridge of New Harmony. High water caught Laughlin's National 50 rig, and only the exhaust pipes of the rig engines were out of water. After the flood receded and engines and rig were cleaned up, the drilling was resumed, but the well was abandoned as a dry hole.

In May of 1939, N. H. R. Corp. #1 was drilled, and the Waltersburg was drilled through without coring or testing until later when an attempt was made to take sidewall cores, when Barrow returned from vacation and saw the logs. They were not very good cores, but the well was tested, and it opened up the drilling for the Waltersburg on the Island.

No. 3 N.H.R. Corp. (SW of #1) was drilled, later to find it was on the west side of the Waltersburg Sand Bar, making a small well; #3, northeast of #1, was a dry hole.

The rig was moved to N.H.R. Corp. #4 still farther west than the #1 and #2, and it was dry in the Waltersburg but made a small well in another zone.

At the same time #4 was being drilled, another rig was moved in and drilled the Sarah Stum #1 in Bowman's Bend south of Ribeyre Island, and it was dry.

No. 5 N. H. R. Corp. between #1 and #2 was then drilled, and it turned out to be the best Waltersburg in the sand bar - approximately 59 ft. of good, productive sand.

Two additional rigs were moved in, and the 'boom was on'.

We started to build the bridge to get to the island. Up to that time access was either fording the river beside the location of the present bridge or the privately owned ferry boat that we never used. There were some 20 families living on the

island at the time. Hyatt was the last of those there at the time to move off, and he didn't leave until 1962.

We were shut down building the bridge by the Corps of Engineers. Before constructing was continued, it was necessary to get an authorization from the corps that was signed by President Franklin Roosevelt. Several months lapsed while waiting for this authorization.

Drilling continued on Ribeyre Island and moved northwest across "Old Channel" of the Wabash River onto the Ford, et al, lease.

In December of 1939, Noah and Morrison drilled a well that Superior supported in the Albion Area, and we had the offset acreage to their discovery.

By that time we had five or six rigs drilling with only Frank Severns, Barrow, T. J. Wood (Office Clerk), Bill Chapman (Production), and O. M. Phillips looking after the roustabouts. K. B. Alldredge was surveying and sitting on wells. Howard Carpenter was the first pumper in the Illinois Basin. In the New Harmony Field, Odie Hurt was the first pumper hired in 1939, and Buddy Adams was the second, with Tennessee Whitson hired soon after. Bob Little was hired with team and wagon to haul roustabouts and tools. We did not have the first truck until the spring of 1940, and it was a 1 1/2 ton flat bed, no winch. In the fall of 1939, Ernie Dobbs, Harry Goodman, Paul Longacre, Jesse Parks, and Theo Phelps were among the first roustabouts.

In December, 1939, Sun drilled their #1 Greathouse about 3/4 of a mile north of our Ford, et al #11 and #12 which were discontinued through Waltersburg and later went back and completed in a lower zone.

Sun made a well, even though they did shut down at midnight on Saturday until midnight Sunday while drilling. In about April or May of 1940, we moved north of the highway and drilled Fitton #2, temporarily abandoned, derrick left on well pending the outcome of the Scott #1 and C. Green #1 being drilled simultaneously at Albion for Devonian tests. Both were dry in the Devonian.

In the meantime, we drilled Mumford #1 at Griffin. That made a well and started scattered drilling for this area.

By that time we probably had 10 or 12 rigs drilling. In August, 1940, Tidewater completed their #1 Dennis in the middle of the field (before Given was drilled), and by October, 1940, Superior moved in on J. R. Collins #2 which was our 100th well in this area, not counting numerous supported wells. Maximum oil production was achieved in July, 1941, at 19,000 barrels per day.

It wasn't until about 1944 that Superior bought the three rotary rigs and spudders. That increased employees in this area to about 340 people. Superior then sold or moved out the rotary rigs in the late forties and very early fifties.

Jim Eads became superintendent in June, 1958, and the Crossville yard and office building were remodeled at that time. The district organization was revamped. E. D. Cole became district engineer, L. D. Brown became production superintendent, K. B. Alldredge became construction superintendent, and Ed Madden was mechanical maintenance foreman. Upon his retirement in 1962, he was replaced by D. F. York. John Black was the first warehouseman and remained at that job until his retirement in January 31, 1973. Amos Black succeeded John Black, warehouseman. Waterflood came into prominence in 1952 and has been the main oil recovery mechanism since that time.

E. D. Cole became general district superintendent in March, 1960. John Blue advanced to district engineer, and in September, 1971, John Skolfield became district engineer. The line of the chief clerks lists T. J. Woods, Joe Loving, Ken Mehrens, Milton Farrall, Bernie Coleman, A. J. Lamb, Gindy Hughes, and Wayne Hughes."

This concludes Ken Alldredge's reminiscences about Superior Oil Company and oil production in this area.

According to Delbert Brown, the company was re-organized in 1972. John Blue was promoted to area superintendent, replacing Ed Cole who was transferred to Lafayette, Louisiana, as eastern division manager. Jim Eads was transferred there as assistant manager. He was later moved to

Bakersfield, California, as western division manager. Delbert Brown was promoted to area district manager in 1976 and retired in 1983. Bill Kays was production superintendent, assisted by Wayne Hughes. Both are now retired.

Mobil Oil purchased Superior Oil in October, 1985. In 1990, Equinox Oil bought the production and is currently furnishing employment to several area citizens.

Several former Superior employees reminisced about how World War II affected their usual operations. Gas, oil, tires, and equipment were rationed or non-existent. So Frank Severns purchased horses and carts for the company. Pumpers serviced the wells by horse and cart. Merchandise and materials ended in the day-to-day operations were moved by team and wagon. A barn was erected in the vicinity, and business went on in spite of lack of equipment.

This is the story of just one oil company. There were many companies operating in Phillips Township at the height of the oil activity.

In listing some of these, it is regrettable that several are left out, due to lack of research time.

Sun Oil and Sun Pipe Line Company was based in Phillipstown and temporarily rejuvenated that vicinity. They developed numerous wells. The Phillipstown field was an enormously prolific field, with thirteen pay zones. Jarvis Brothers and Marcel developed an area south of Phillipstown which is now operated by Barger Engineering.

Warren Petroleum had a large operation in the New Harmony Consolidated Field where hundreds and hundreds of wells had been drilled. Warren did not drill but collected the gas

from these wells. They stripped the gas of gasoline, propane, and benzine; then they returned the dry gas back into the field to keep the wells going and to keep production up.

Art Connant, later following by J. Helm as superintendent of Tidewater, developed a lot of wells in the bottoms below phillipstown.

Besides the bigger companies, there were many smaller companies and allied industries.

Lease brokers often leased the land, then turned the leases over to the drilling companies. Other people went around buying up oil royalties.

Service companies came in: Dowell company with its acid trucks; Halliburton with acidizing and cementing of casing and hydrofracturing; Schlumberger and Dowell were called in for the electric logging of wells; Independent Eastern Torpedo Co. was often called to blast the wells with nitro. "Red" Kimbrell will be remembered as being involved in that operation.

Drilling contractors included such companies as Harman-Jordan, Cy Herndon, E. F. Moran Drilling Co., Les Wilson, and Mitchell Brothers.

Two of the larger trucking companies operating here were O. H. & F. and Lloyd Schoenheit.

Supply stores which furnished equipment for all this activity included General Oil Field Supply, National Supply Co., Oil Well Supply Co., and Central Supply. Percy Dobbs is still operating Central Supply in Crossville. Crossville Machine Shop was vital to the oil industry as they built tanks and machined equipment and tools. Ernie Spencer, Virgil Coleman and Earl Van Horn started this business. A few other companies were Fabick, Holtkamp, Oil Field Motor Service and Terlex.

Henry Wallace's Mid West Cement and Pipe Lining Company came later, when waterflooding started, and pipes needed to be lined so they wouldn't corrode.

The area was a proving ground for young, inexperienced men. Several

large companies based in the county (Carter, Continental, Mobil, Sinclair, and Phillips Petroleum, for example,) sent young men just out of school here to receive their first experience. The wells in the Illinois Basin were an ideal training ground because they were all shallow. This made an ideal situation for experimenting with secondary recovery: waterflooding and tertiary recovery. Pete Smith, who later became head geologist for Exxon, started here. Vic Gallagher, an engineer for Superior, became successful in the oil industry on his own. The current president of Halliburton Service Company started in Crossville. Bill Harmon, a young Superior employee, started DiKor in 1951, a company offering specialty services. DiKor still operates today.

Thinking of oil in Phillips Township causes names like Bonnie Heath, Jack Dudley, and Frank and Richard Elliott to come to mind.

Royal Cantrell started working for Gallagher, then started his own company. Sons Jim and Jeff are still working here and are still doing some drilling.

Many families came in with the oil boom and stayed to rear families and retire here. It would be impossible to estimate their contribution to the Phillips Township community.

With the influx of new companies and the many people who came with them, all area businesses profited. The oil industry was a boom to area banks, also.

Many local people went to work for the oil industry. As young people in the township became of employable age, many of them were hired in some segment of the oil business. Thus it was that the township could keep its young people in the area, after years of suffering the drain of their leaving to find employment elsewhere.

At first, this sedate farming community was a bit reserved toward accepting all those "roughnecks" and "roustabouts" from Texas and Oklahoma. However, the locals soon learned the majority of the newcomers were great people and an asset to the community.

At the start of the boom, housing was an immediate problem. Many Phillips Township homes were opened to these

newcomer. makeshift apartments were the rule in a majority of homes. When even that effort did not provide for all the influx of new people, some of them would up living in chicken houses and on porches.

The discovery of oil in Phillips Township has been a powerful stimulus to the area, both people-wise and money-wise. It is impossible to comprehend the contribution made by these strangers who came here with the oil industry and stayed to make this community their home.

Now the Illinois Basin is a "mature basin." White County had many more oil wells drilled than any other county in the basin. While some people have never lost hope of finding deeper production, there probably will never be another drilling boom here.

It is expected companies will continue producing residual oil so long as regulations will allow it to be produced in a profitable manner. The price of oil is another factor governing how long the production will continue.

After five decades, it is difficult to remember Phillips Township before the oil industry. The face of the area was forever changed when oil derricks and pumps began to dot the countryside.

For the benefit of our readers, Bill Harmon and Chris Mitchell figured the cumulative oil production in the oil fields of Phillips Township from its beginning to the end of 1994 (the latest date for which figures are available), more than 110,000,000 barrels of oil have been produced in Phillips Township - a staggering figure.