

# Pinta Dome Pooling Of Helium Ordered

The state oil and gas commission yesterday pooled interests in Pinta Dome helium field into 10 drilling units proposed by Kerr-McGee Oil Industries, Inc.

The commission made its pooling order on the Apache County field subject to future amendment by the commission. M. F. Wharton, Phoenix, commission chairman, indicated the commission will seek 1961 legislation permitting ultimate replacement of the 10 units with one field-wide unit.

UNDER yesterday's order, each of the 10 units will embrace 640 or 680 acres and one well. Three of the units have been drilled by Eastern Petroleum Co. Six have been drilled by Kerr-McGee. One remains to be drilled by Kerr-McGee.

Income and expenses of each unit's well will be shared by owners of interests within the unit in proportion to their acreage in the unit. The commission found the cost of drilling Pinta Dome's present wells to be \$20,000 each, subject to further arbitration by the commission if interest owners disagree.

Both Kerr-McGee and Eastern had representatives at yesterday's commission meeting. Eastern officials presented a statement criticizing Kerr-McGee and the U.S. Department of Interior.

**GIST OF** the Eastern statement was:

That Kerr-McGee has not been aggressive enough in developing

an extraction plant and markets for minority as well as majority producers at Pinta Dome.

That the Interior Department seems determined to hold Pinta Dome helium in undeveloped reserves.

That Kerr-McGee, therefore, is not likely to find an outlet for Pinta Dome producers by negotiating for Interior Department purchase and processing of the gas.

**THAT EASTERN**, on the other hand, has \$20 million in Pinta Dome helium extraction plant financing lined up, subject only to development of markets for the gas.

That Eastern is negotiating with private helium buyers willing to take 200 million cubic feet a year if the price is better than the present government-fixed one of \$19 a thousand cubic feet.

That Eastern and Crest Oil Co. drilling east of Pinta Dome has brought in two wells which suggest that the field's extent and reserves may be much greater than Kerr-McGee's estimates, conservative compared with Eastern's.

**KERR-McGEE** spokesmen countered that discussion of extraction plant and market development was premature. They said the sole purpose of their pooling proposal before the commission was to prevent drilling of additional, unnecessary wells on Pinta Dome.

Subject to that limitation, Eastern officials agreed to go along with the proposal. But they urged the commission to keep open minds on any future ruling affecting processing and marketing of Pinta Dome helium.

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