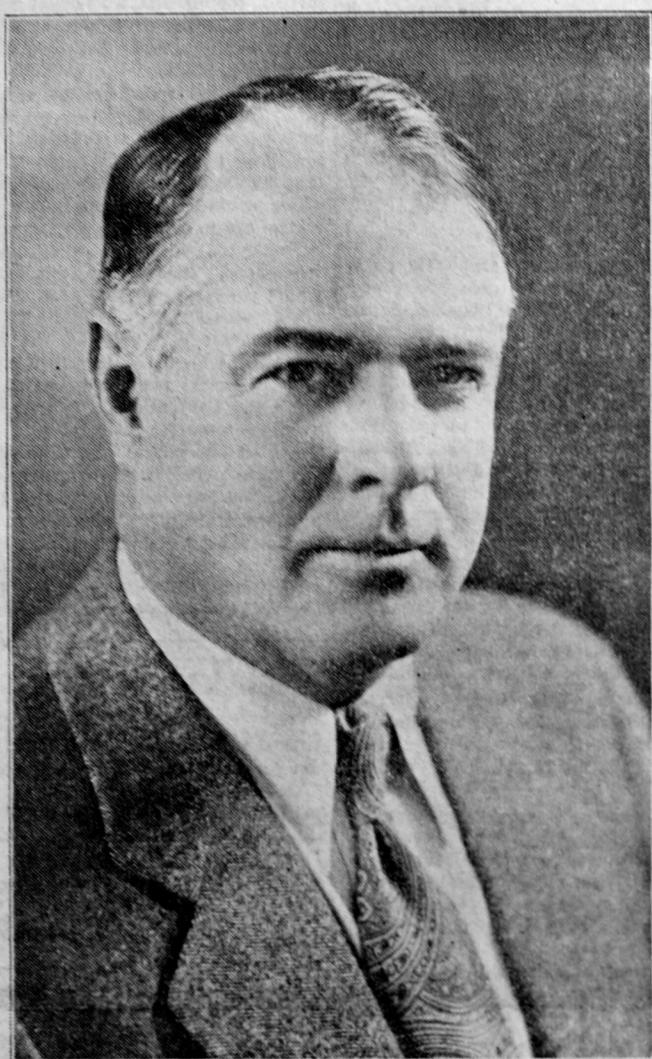


Arrowhead Buys 51 per cent of Escalante; Work to Start Soon



CHARLES D. ALSOP

The Arrowhead Petroleum Corporation has completed their negotiations with El Escalante Exploration company. With the signing of the contracts the Arrowhead takes over 51 per cent of the El Escalante stock and in this way have the controlling interest. As part of the agreement they have contracted to complete this well to a distance of 6,200 feet if it is found necessary to go this far to bring in oil on a paying basis.

To Charley Alsop goes the credit for securing the money to close the above deal and thereby making it possible for the Arrowhead Petroleum corporation to go ahead not only with the Escalante well but also with the Punch Bowl well. Mr. Alsop has been in the east for the last four and a half months. During this time negotiations were carried on with around a dozen different companies. "There wasn't any difficulty in finding men who were willing to back this deal," said Mr. Alsop. "the difficulty came in finding men who were willing to back the deal on a basis where we could secure the protection for our stockholders and not sign over the controlling interest of the company. "In the contract entered into between Captain Mortimer, Bradley Street and their associates all precautions have been taken to protect both interests of our subscribers and also the above gentlemen."

With the signing of the contract with Captain Mortimer and the people he represents \$25,000 was immediately turned over to Mr. Alsop as manager of the Arrowhead Petroleum Corporation, Incorporated.

Every thirty days for the next five months there is to be \$25,000 paid into the company, bringing the total to \$150,000. In addition to this within the next seven months the company will receive \$450,000 making a total of \$600,000.

Work started on the El Escalante under Arrowhead supervision on Tuesday July 18. This work consists primarily of straightening out and cleaning up. The machinery has to be checked up and necessary repairs secured, a new pipe line has to be installed and the Dixie Power company is getting their lines and transformers in working order. It is hoped that by July 24 they will be able to start drilling. Plans now call for continuous drilling 24 hours a day. There will be work for approximately

eighteen men on this one well. Present plans also call for the starting of drilling operations of their well on the Arizona strip. This well is now down 1,522 feet. It is on what is known as the Antelope structure. Machinery costing in the neighborhood of \$5,000 has been ordered from Los Angeles and should be delivered in the near future. With a full force in operation at this well, the Arrowhead Petroleum Corporation Inc., will have three wells with crews drilling night and day. With the running of a 24 hour shift at the Punch Bowl well there will be an additional ten men used said Mr. Alsop.

El Escalante well is now down about 3700 feet. In drilling this far they encountered one 48 1/2 foot saturated oil sand area. It is expected they will find another at 4,000 to 4,200 feet. This one should produce oil in a paying quantity. However they are prepared to go down 6,200 feet if necessary.

The Arrowhead now controls between 40,000 and 45,000 acres in United States reserve Number seven (Utah) and Number one (Arizona). This, as Captain Mortimer pointed out in his talk before the Rotary club, gives the company practically control of the field and in this way there shouldn't be any by night promoting or a great influx of undesirable people as has so often been the case in the past. Captain Mortimer went on to say that there will be a pay role of approximately \$18,000 per month when both wells are going full force with night and day shifts.

There is to be no more promotion work or selling of stock. Sufficient capital is now available under the terms of the contract to carry out a very ambitious program of development. With the drilling of El Escalante getting under way by July 24 it is possible says Mr. Alsop that we may definitely prove this field by September 15. This of course depends on the difficulties encountered. If our luck holds we will bring it in by that time, we feel sure, however that before Christmas we will be able to flash the good news that oil in paying quantities has been discovered.

Mr. Felt, an engineer is to stay in St. George as the representative of the Syndicate. Mr. Felt has had a great deal of experience in the oil game both in this country and in Mexico. This should prove of value to the

company in the field.

Mr. Alsop and Captain Mortimer had met years ago in Mexico. At that time Mr. Alsop was in the oil game in that country and Captain Mortimer was in the United States Intelligence service. The Captain was very high in his praise of Mr. Alsop. "We found everything as he represented," this is rather unusual in our business said he, "we usually have to discount the information that is given us by at least fifty per cent."

The company has not secured drillers yet but is negotiating with several companies. It will take sometime to determine the condition of El Escalante well but it is believed to be in excellent shape.

All in all it looks like St. George is now entering on a new cycle with nothing but "green lights" ahead.