# NEW FIELD'S FORMATION LIKE THAT OF PETROLEA

## Ample Ground for Belief That Oil Output of Mosa and Metcalfe Townships Will Ultimately Equal That of Petrolea and Oil Springs.

Glencoe, Ont., Aug. 14.—Today it is self-evident that Canada needs petroleum. America needs petroleum, the world needs petroleum alike for war time and the more peaceful endeavors. This need is manifest in the rising cost of all petroleum products, and the result has been a great inpetus to oil prospecting.

At the present time America is drawing on its stored surplus of petroleum and petroleum products.

Let us examine the conditions of our Canadian supply. In 1916 Canada paid bounty on 198,123 barrels of crude petroleum, valued at $392,284, which may be taken as the total production exclusive of small amounts of light oil produced in Alberta which is too low in specific gravity to draw government bounty. Of the oil on which bounty was paid New Brunswick produced 1345 barrels and Ontario 196,778 barrels. The value of the total exports of petroleum and its products amounted in 1916 to $73,771, and of the total imports to $14,701,521.

The foregoing is copied from a signed statement by Dr. M. Y. Williams, the famous oil expert of the geological survey department of mines, Ottawa.

And from the annual report on the mineral production of Canada we learn that in 1916 the production of crude petroleum was 6,934,288 imperial gallons, whereas the imports of crude and refined oils amounted to 292,426,121 gallons, and the exports in comparison were quite small. There was thus an oil consumption of almost 300,000,000 gallons, of which less than 2½ per cent. was from Canadian oil fields.

In the United States and other large oil-producing countries the output is declining. In fact, supplies are being rapidly exhausted, and according to Frederick G. Clapp, geologist of New York, "we are now experiencing an added danger in the fact that at a time when this decline is imminent the consumption of gasoline, which is the most important product of petroleum, has been greatly increasing and shows no signs of letting up."

**Resources Little Touched.**

In the development of her great natural resources Canada has heretofore been but little ahead of semi-civilized countries. We lacked faith in ourselves and have depended too much on others, except in respect to the more primitive industries, such as agriculture. Before the war no one believed that we could train soldiers able in fair fighting to overcome the pick of the German army, and never imagined that war loans of many hundreds of millions could be raised in Canada. But with the war has come greater self-reliance and initiative. Metal mining, however, and oil production are still far behind the absolute warrant of our matchless resources.

The region from which we are now writing has great promise as an oil field. Unfortunately at one stage in its history incompetence set the seal of condemnation on this locality and stayed all advance for a whole generation, and yet the geological features of these townships are identical with those in Enniskillen in the County of Lambton. The latter gave us Petrolea and one of the great oil pools of the continent.

Petrolea is now in its 56th year; the townships of Mosa and Metcalfe are in their first, but there is already ample ground for the belief that their ultimate production will equal that of Petrolea and Oil Springs. The formations in both districts are the same, the oil is found at the same horizon and under conditions identical with those prevailing in the older field.

Mosa is now producing at the rate of from 20,000 to 25,000 barrels of oil per year. The transformation is largely due to the careful and scientific work of F. J. Carman, general manager of the Ontario Petroleum Company. This company has already taken $60,000 from one of its six producing wells.

**Advance in Science.**

Oil has a geology to some extent its own and the advance in this science enables the prospector to avail himself of the experience and knowledge of others gained during the past fifty years. With reasonable care and study, it is now practically possible to avoid losses and mistakes, or at least to reduce them to absolute minimums.

1. It is now established that commercial oil and gas deposits occur in the higher parts of folds or wrinkles of the earth's surface, called anticlines, domes, monoclines, etc.

2. Water is always found in the same stratum as the oil, but in the lower part of the fold.

3. All commercial deposits so far developed on this continent have occurred in sedimentary or water laid deposits, such as sands, sandstones, conglomerates, shales and limestones.

4. All oil and gas deposits so far as known are capped or covered by practically impervious beds of shale, sandstone or limestone, and such deposits are also underlaid by impervious beds.

In the absence of this condition the oil would probably escape as vapor. In what are considered the most favorable portions of Mosa and Metcalfe, there are no cappings of shale. The lid or cover of the reservoir is formed by soapstone, of the Hamilton beds. This formation is soft and close grained and effectually seals up and prevents egress of the oil from its chamber. The oil itself is found in the Onondaga or corniferous limestone immediately below the soapstone.

The whole strata belong to the Devonian period and are comparatively recent in geological time. Consequently they lie close to the surface. The other formations at much greater depth have yielded oil in western Ontario, the productive horizon in Mosa and Metcalfe has a maximum depth of 500 feet from the surface.

The organic theory as to the origin of oil and gas has by far the most support from scientific men. This theory assumes that living organisms, such as bacteria, decomposing vegetation or animal matter supplied the oil.

**Dr. Williams' Views.**

Dr. Williams is now geologizing in Mosa and Metcalfe and the results of his investigation will make more certain the search for petroleum and natural gas. We quote again from an article prepared by this eminent authority:

"In the light of recent oil discoveries in southwestern Ontario and in view of the fact that considerable areas of promising country have been lost sight of by being placed in the category of country already drilled, it seems probable that new oil pools will be found in the Onondaga (Corniferous) limestone. The Guelph formation is only partially explored and it is possible that by making use of the present knowledge of the structure of the Onondaga, new pools will be found in the Guelph beneath Onondaga domes. Hopes are entertained that the Trenton formation, in spite of its apparent lack of water and varying porosity, may still be successfully developed."

S. R. Clarke.

# FIFTY WELLS YIELD OIL IN MOSA AND METCALFE

## Number of Companies and Syndicates Have Producing Properties, and Progress of Rockwood Oil and Gas Company Is Particularly Spectacular---Tremendous Demand for Petroleum Has Far Outstripped Production of World's Oil Fields.

Special to The Toronto World.

Glencoe, Aug. 14.—Petroleum is the source of the greatest fortune ever won by any man in any age. And the stupendous achievement of John D. Rockefeller was not solely the result of business ability or the manipulation of prices or the suppression of rivals or rebates in railway rates. The very foundation of his phenomenal success was the great and growing industry of oil production. Rockefeller reached the head of his class of multi-millionaires at a time when petrological science was in its infancy; when the demand for oil was limited and price away below those now prevailing. Rockefeller had to struggle, had to travel devious byways for a market; now the whole civilized world is crying out for petroleum, and the question on every lip is where can we get the needful oil for grim visaged war and peaceful industry. The opportunity is greater now than it has ever been in human history.

Even apart from the titanic struggle, which is happily approaching a triumphant end, the consumption of petroleum from which gasoline is derived is mounting by leaps and bounds. Between 1910 and 1916 the number of automobiles in the United States increased by 2,350,000, and during the same period the consumption of gasoline increased 1,000,000,000 gallons.

The latest available figures show that from 55 to 60 per cent. of the total gasoline production in the United States is used in automobiles. In 1916 the sales of gasoline were 28,000,000 barrels in excess of those in 1910, and bear in mind that this constantly increasing consumption is treading on the heels of a rapidly diminishing production in nearly all known oil fields The percentages of decrease are available, but they need not be quoted here. Suffice it to say that in the United States an organization under government auspices has been suggested for the prosecution of a thoroly efficient search for petroleum in all the countries of the world. The subject is very fully dealt with by Frederick G. Clapp, a noted oil expert, in The Engineering and Mining Journal of New York on Aug. 4, 1917. Mr. Clapp has been for several years acting as the petroleum geologist of the United States Government.

**Fields Near Glencoe.**

It is now proved that the Townships of Mosa and Metcalfe, near Glencoe, in the County of Middlesex, western Ontario, have great promise as oil fields. This conclusion is not voiced by your correspondent alone. It is more solidly based on records in government blue books, on logs from producing wells and by the steady progress of the field.

The oil-bearing formations in this vicinity are the same as at Petrolea, in the adjoining County of Lambton, 20 miles to the west. Petrolea had a great oil pool. It has been producing constantly since 1862, and its total output is estimated at 25,000,000 barrels. When the first wells were drilled adequate provision had not been made to save the oil. The rush of the valuable fluid was so unexpectedly great that 5,000,000 barrels escaped and covered the surface of Black Creek for its entire length of 25 miles. The layer of oil was six inches deep. Later it spread over Lake St. Clair, then passed down the Detroit River, and ultimately formed a heavy film over the broad surface of Lake Erie.

There are now three companies producing oil in the new field at Glencoe. There are also quite a number of syndicates and individuals drilling and making preparation for opening up wells. Oil men have arrived here from Pennsylvania, Ohio, Michigan, Texas and California. Even sleepy old Toronto is waking up and squinting in the direction of this new source of wealth.

**Spectacular Progress.**

The pioneer in the development of Mosa and Metcalfe is F. J. Carman, general manager of the Ontario Petroleum Company. One of his twenty wells has already yielded 20,000 barrels of oil. He has made a thoro study of the district and of the industry, and has been strikingly successful, but perhaps the most spectacular progress is that of the Rockwood Oil and Gas Company of which H. F. Slater is president and general manager. He also is a practical oil operator—he purchased 100 acres in Mosa on the first of June last. He has now six wells in operation and has shipped $12,500 worth of oil. He looks for at least twenty wells and a much larger output before the end of the year. The notable feature here is that every one of the six holes put down struck oil. This convincingly testifies to the merits of the field.

The Mosa Oil Syndicate have nine producing wells but they are not pushing production—their shipments averaging about 100 barrels per day.

The Detroit Glencoe Oil Co. is making shipments.

The Midland Oil Co. has struck gas and oil on lots one and two in the fourth and fifth concessions of Metcalfe. This points to an enlargement of the petroliferous area as this 400 acres is two miles north from the principal anticline in this township.

Millionaire Shipley of Philadelphia has brought in three producing wells.

Chalmers & Oakley, the Rockwood interests, and Kiely, Smith and Co. are all drilling. The Allies Oil and Gas Syndicate and the Glenwillow Oil Syndicate are preparing for active operations.

The Bothwell-Metcalfe Syndicate have secured 1400 acres and are arranging to start three rigs at once.

There are now about fifty producing wells in this field, and there will not be less than one hundred before the end of the year.

**Headway on Merits.**

The story of the field is one of daily progress and of daily increase in production. It is making headway strictly on its merits and many shrewd observers think that we have seen only the beginning. In fact this must be so. Inadequate appreciation is the constant lot of new fields, but notwithstanding the many men from Missouri it is believed the output from Glencoe will soon be equal to that of Petrolea in the sixties. This will mean many large fortunes in a very short time. Earnings of $12,500 in 60 days or thereabouts from the day of arrival on the ground shows very plainly that boring for oil is not a long drawn out, lifeless, uncertain, low-profit venture. On the contrary it is an industry in which profits can be quickly and certainly realized.

Ontario has had nothing like this golden opportunity since Cobalt's early days. Those who invested in the silver properties at the beginning got enormous returns. Those who hesitated, vacillated and waited until dividends came secured only a normal profit.

**Costs Very Low.**

At Glencoe producers are now paid $3.10 per barrel net, f.o.b., that is clear of all costs for pumping and piping the oil to the tank cars. A well can be drilled and placed in commission for less than $1,000, and after oil is struck costs are practically negligible. At Bothwell, 12 miles southwest from Glencoe, four men constitute the entire working force of forty-eight wells. One begins to think that Millionaire Rockefeller has a wise old head.

And speeding up production is often made imperative in the oil fields, otherwise an enterprising neighbor may drain a pool which extends over on your lot. In such case what is described as an "offset well" must be put down on one's own ground. Then if you can pump faster than your neighbor the bulk of oil will find its way into your tanks and ultimately it will swell your bank account.

It is an extra-exciting game and under the pressure of constantly increasing activity stocks generally keep climbing to undreamed of heights. But the wise investor begins at the beginning and then cashes in when it gets a fever heat.

It is now thought that a great output of oil will soon be coming from this district, and the importance of the field will increase as the pending developments are prosecuted to full fruition.

# TO PLACE CHINA UPON GOLD BASIS

## Presidential Mandate Has Been Issued Establishing a Currency Bureau.

London, Aug. 14.—A presidential mandate was issued on Aug. 10 in Peking, says a Times despatch from the Chinese capital, establishing a currency bureau and authorizing the issuance of gold currency notes. It is announced that this is done "in the view of facilitating international trade and preparing for the adoption of a currency system on a gold basis."

The regulations prescribed by the mandate are designed to prepare the way for the consummation of a Japanese loan of 80,000,000 yen gold notes, which will be retained in Japan as a reserve for the issue in China of 240,000,000 yen in gold notes. These will be convertible when coins are minted on a gold basis.

**DROP IN MOLYBDENITE.**

According to New York reports, molybdenite is now selling at around $1 a pound. A few weeks ago the price was $1.25, and a year or so ago over $2 a pound.

The New York quotations are not always correct. The molybdenite producers, at least the larger producers, generally operate under contracts. The contracts of Canadian companies are understood to be at a much higher price than $1 a pound.—Northern Miner.


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# GOLD MINING RANKS AS REAL ESSENTIAL

## Priorities Board's Resolution Read Before Mining Men's Convention.

Hamilton B. Wills yesterday received a wire from Reno, Nevada, conveying the first definite statement from the United States Priorities Board, classifying gold mining as an essential industry. The resolutions committee of the American gold conference, now in convention at Reno, has been notified by Edwin B. Parker, priorities commissioner, that the following resolution was adopted by the priorities board:

"It has been resolved by the priorities board that gold mining is an essential war industry and the powers of this board be so exercised as to accord to such industry preferential treatment in the supply, not only of tools, machinery and equipment, but in the transportation service, fuel and labor supply."

The resolutions presented to the conference yesterday calling for a government bonus for gold production will be taken up and discussed today by the conference.

**MINING CORPORATION'S BIG DIP UNWARRANTED**

Intrinsic Value of Stock, Figured Conservatively, is $2.70.

The Northern Miner, discussing the outlook for Mining Corporation shares, says:

Mining Corporation has already taken out this year about all the ore reserves shown in the last report. It has yet to run thru considerable milling rock and also about a half-million tons of old tails in Cobalt Lake, which should net the company a considerable profit. The mill has been enlarged and should be started on the tails within a few weeks. The Mining Corporation has thrown up its option on a property in Rickard Township, but that is not quite sufficient to cause the rapid decline that has taken place in the last few weeks. According to reports, the company's current assets are about $3,500,000. Ore reserves would add considerable to those assets, as would also the tails to be treated, making the intrinsic value of the stock about $2.70, if figured conservatively. It must be remembered that there is the chance of new ore being found, and to the figure must be added a certain amount for the speculative side.

**GOLD MINES FIND ROAD DAILY GROWING HARDER**

The Northern Miner Says: A conference of gold miners has been called for this week. How large or representative the conference will be is not intimated in despatches. It is certain tho, that the reasons for calling the meeting, i.e., to receive suggestions on the means to be taken to put the gold mining industry again on a secure basis, and to forward conclusions to the proper authorities, will have the heart-felt sympathies of all good mine operators. The path of the gold mine operators, that have, thru unusually high grade and accessible ore, been able to continue operations, is becoming rougher every day.

**PRICE OF SILVER FIXED IN BRITAIN**

London, Aug. 14.—The maximum price of bar silver was fixed at 48 13-16d per ounce today.

The above announcement created little interest among Cobalt mining men yesterday as the maximum price prescribed is at the level which has prevailed with practically no change since the United States Government fixed the price of silver at a dollar an ounce.

# HOLLINGER GIVEN STEADY SUPPORT

## General Trend of Gold Stocks Slightly Easier—Rockwood Oil Fairly Active.

Good buying of Hollinger injected some animation into an otherwise rather reactionary mining market yesterday. Seven hundred shares of Hollinger were taken up at the firm quotation of 4.60, but Dome, after advancing 25c a share to 8.75 on Tuesday, fell back to 8.50 again yesterday, and McIntyre sagged a point to 1.39. There is a lull at present in the movement in gold stocks at New York, altho much interest attaches to the meeting of mining men now in progress at Reno, Nev., with the object of impressing upon the United States Government the advisability of extending aid to the gold mining industry. Dome Lake lost half a point at 14 and West Dome also half a point at 9, while some small blocks of Lake Shore came out 2 1-2 points lower at 62 The bid for Kirkland Lake firmed up a point to 32 on advices pointing to early completion of the mill.

The announcement that Great Britain had fixed the maximum price of silver at 48 13-16d per ounce had no effect upon the Cobalt list. Bar silver has been ruling around this quotation in London since the United States Government fixed the price at one dollar, and the placing of the official seal upon this figure by the British Government is of no particular significance to silver producers. It must be remembered also that while the governments have announced the top price they are willing to pay for silver, private purchasers have found it necessary at times to bid considerably more. Timiskaming came out 1-2 lower at 30 1-4, La Rose 1-2 lower at 35 1-2 and Hargraves 1-8 lower at 4. Mining Corporation sold unchanged at 2.25 and McKinley at 39, while Ophir rallied 1-2 to 4 1-2. Adanac was slightly weaker at 6 1-4.

Rockwood Oil was again fairly active, 2500 shares changing hands at from 30 to 29. The directors are scheduled to meet today and dividend action is expected.

# KERR LAKE OUTPUT IS LARGER IN JULY

## Fiscal Year, Which Ends This Month, Expected to Establish Record.

During the month of July the Kerr Lake mine produced approximately 231,000 ounces of silver, an average of 7452 ounces every twenty-four hours. This compares with an output of 189,392 ounces in the corresponding month one year ago. With the exception of May last, which was the highest month in the history of the company, the July output was the highest for the present fiscal year. It is now practically assured that the fiscal year ending August 30 will prove to be the company's banner year. For the eleven months ended July 31 the output amounted to 2,364,122. Provided the August output equals that of July, the total production for the fiscal year will amount to over 2,595,000 ounces.

The following is a summary of the performances of the Kerr Lake during the past eleven months:—

| Month. | Ounces. |
|---|---|
| —1917— | |
| September | 210,398 |
| October | 213,802 |
| November | 205,522 |
| December | 203,400 |
| —1918— | |
| January | 204,641 |
| February | 204,153 |
| March | 207,100 |
| April | 201,000 |
| May | 268,213 |
| June | 210,000 |
| July | 231,000 |

With only the present month to go and with only a score of some 236,000 standing between the eleven-month record and an even 3,600,000, there are strong indications that the latter total will be achieved.

The strong financial position of the company has led to much comment as to the likelihood of an extra dividend payable together with the next regular disbursement.

**SPOKANE CONFERENCE ON GOLD PRODUCTION**

Spokane, Aug. 14.—A conference representing all metallic workers interested in the relief of the gold stringency is to be held in Spokane during the week of September 2 to 7. The conference will be under the auspices of the Northwest Mining Association, which has appointed a committee to arrange all details of the occasion.

The conference which is to be held here is one of many similar ones to be held all over the country at the request of Secretary McAdoo. At each of these meetings the representatives of metal interests will discuss what is most needed in each section. An invitation to attend the Spokane conference will be extended to financiers from British Columbia and other Canadian provinces.


# Big Profit Making Opportunities in Ontario Oils

It has been said that the reason most of us don't get along is not because we lack chances, but that we lack the qualities which induce us to take chances.

The average investor is "from Missouri," and is inordinately proud of this attitude, but while he is being "shown" some other more enterprising person sees the opportunity and seizes it.

How often do we hear our friends say regretfully of some big money making proposition that in the early days, when the venture was in its infancy, they had the chance to get in "on the ground floor," but failed to take a chance.

"Nothing venture, nothing win."

The old adage is just as true today as it was in olden times. It is a truism that has been demonstrated and proved throughout history. We have wonderful examples of its accuracy in the present colossal conflict in Europe. The general possessed of military genius is invariably the one who is quickest to grasp the possibilities of a situation, and to intelligently take big risks. Who ever heard of a "piker" general winning a brilliant victory?

The saying applies with equal force to the field of investment.

The men who paid out in hard cash over $300,000 for the Hollinger took a chance. At that time this great gold property was little more than a prospect. It has since grown to be the greatest gold mine in Canada, having already produced millions in gold, and promises an amazingly brilliant future. The men who bought Hollinger are now deservedly rich men.

Instances of this type, both in the mining field, oil, industrial railroad, and in fact, every line of human endeavor could be recited ad infinitum.

The ever increasing demand for oil and its by-products has advanced by leaps and bounds. Production has not kept pace, and prices for crude oil have soared with the demand.

The country is being scoured for new oil fields and old producing districts are being honeycombed with drill holes in search of new pools.

A boom in "oils" has resulted. Not only are big profits being made in wartime, but the prospects for peace times are just as bright.

The uses for oil and its by-products have grown amazingly within late years. To such an extent has oil entered into commercial enterprise that it is safe to say were the total supply on hand, and the future supply cut off, the whole commercial structure would be hopelessly dislocated.

The search for oil in the United States has spread into Canada. Oil has been located in southwestern Ontario, in the Glencoe district. Results obtained in the short time this field has been worked are little short of phenomenal, and the prospects of this field developing into one of the big oil producers of the country are particularly bright.

Likely sections are rapidly being leased, syndicates are being formed, and drilling is being carried on aggressively. Upwards of fifty producing wells have been brought in, with an estimated monthly production of between 20,000 and 25,000 barrels. As further drilling is done this output will undoubtedly be greatly increased.

The oil from this section is the highest grade on the continent, it commands high prices, and returns correspondingly large profits. Including the bounty given by the Dominion Government of 52 cents per barrel, the price received for the product from this section amounts to over $3 per barrel, a higher price than that received by any other district in United States or Canada.

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