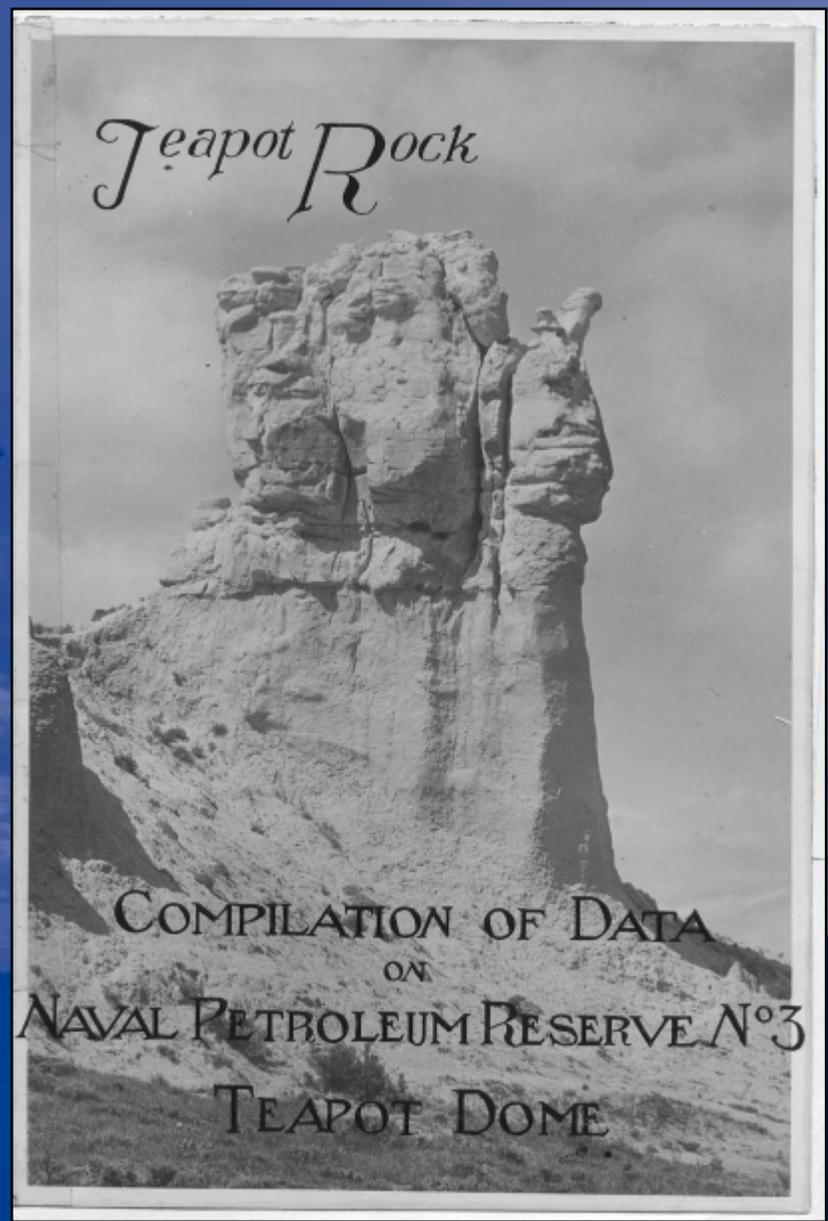


ROCKY MOUNTAIN OILFIELD TESTING CENTER



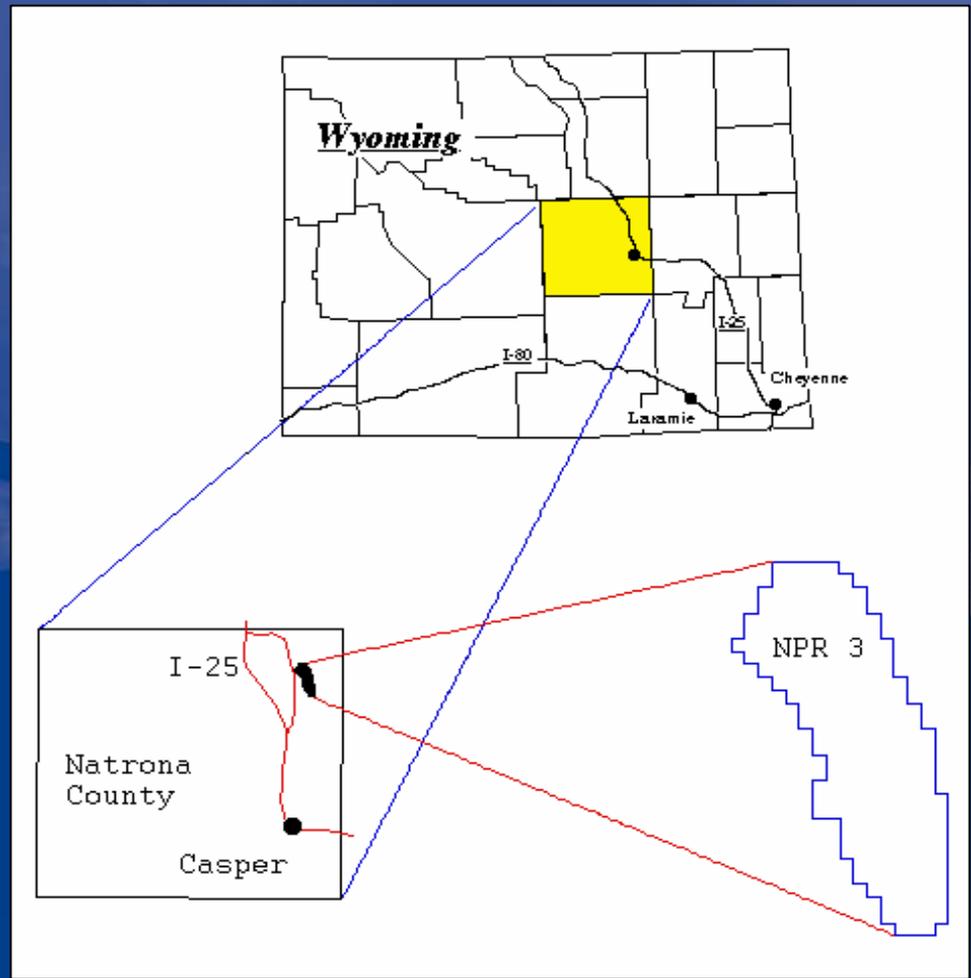
HISTORY OF TEAPOT DOME



Mark Milliken



TEAPOT DOME LOCATION

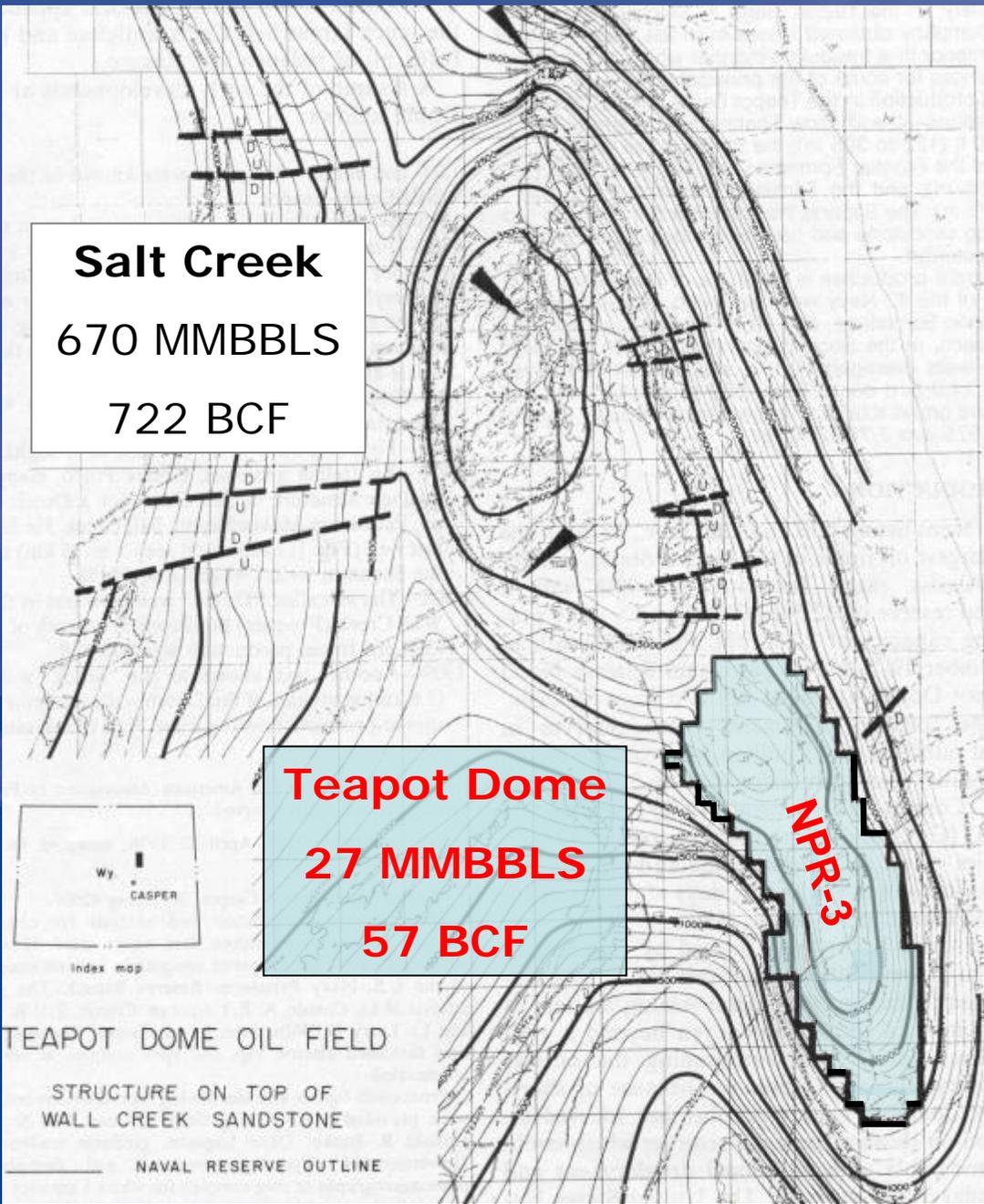


Cumulative Production

Salt Creek
670 MMBBLS
722 BCF

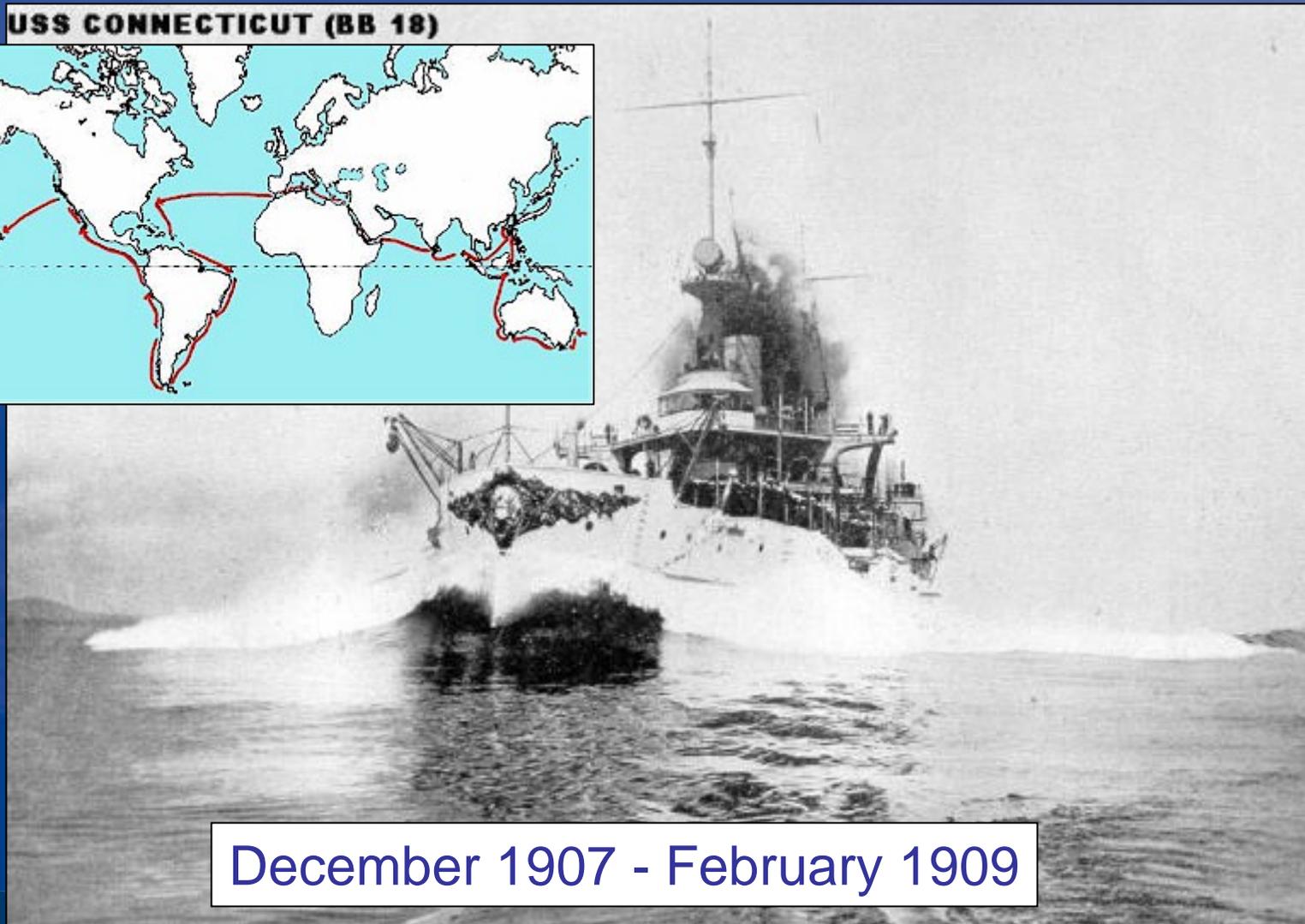
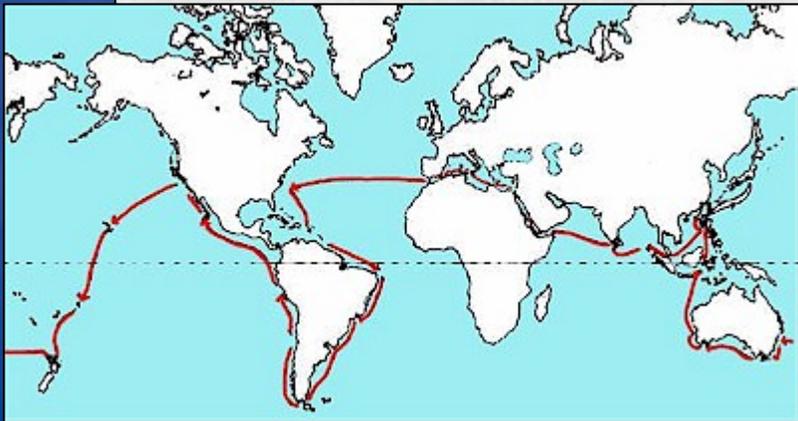
Teapot Dome
27 MMBBLS
57 BCF

NPR-3



The Great White Fleet

USS CONNECTICUT (BB 18)



December 1907 - February 1909

THE END OF COAL-FIRED SHIPS

Great White Fleet



- 2-week cruising time.
- Labor and time intensive cleaning and reloading.
- At the mercy of foreign countries for coal supply.
- 1912: All battleships will be oil-powered.

NAVAL PETROLEUM RESERVES ARE BORN

- 1908: Dr. Otis Smith, USGS Director, recommends DOI retain oil lands for fuel reserve for Navy.
- 1909: Taft withdraws 3,000,000 acres in Wyoming and California.
- 1910: Concern over the President's authority to withdraw lands, so Congress passed the Pickett Act.
- 1910: Taft issues a 2nd land withdrawal executive order.
- 1912: Taft EO creates NPR-1 and NPR-2 in California.
- 1915: Wilson EO creates NPR-3 at Teapot Dome.
- 1923: NPR-4 created in Alaska.

SENATOR ALBERT B. FALL OF NEW MEXICO

- 1921: Fall becomes Harding's Secretary of the Interior, and had NPRs moved to DOI.
- Fall quickly moved to open reserves to private exploitation.
- 12/21: Fall's financial situation suddenly improves, and he entertains Harry Sinclair at his NM ranch.
- Fall requests information on oil placer claims at NPR-3, and passes the data on to Harry Sinclair.
- Thomas J. Walsh, a Montana Democrat, smelled a rat and requested a Senate investigation.



HARRY SINCLAIR AND MAMMOTH OIL COMPANY

- 2/22: Sinclair incorporates Mammoth Oil Company.
- 3/22: Sinclair buys and quitclaims all existing mining claim rights at Teapot Dome, and applies for a lease on all of Teapot Dome.
- 4/22: Mammoth is secretly awarded a noncompetitive lease covering all of Teapot Dome, with no restrictions.
- 4/22: Congress calls for an investigation of NPR-3.
- 5/22: Fall's son-in-law meets secretly with Sinclair in Washington D.C., and accepts \$304,000 in Liberty Bonds and cash.

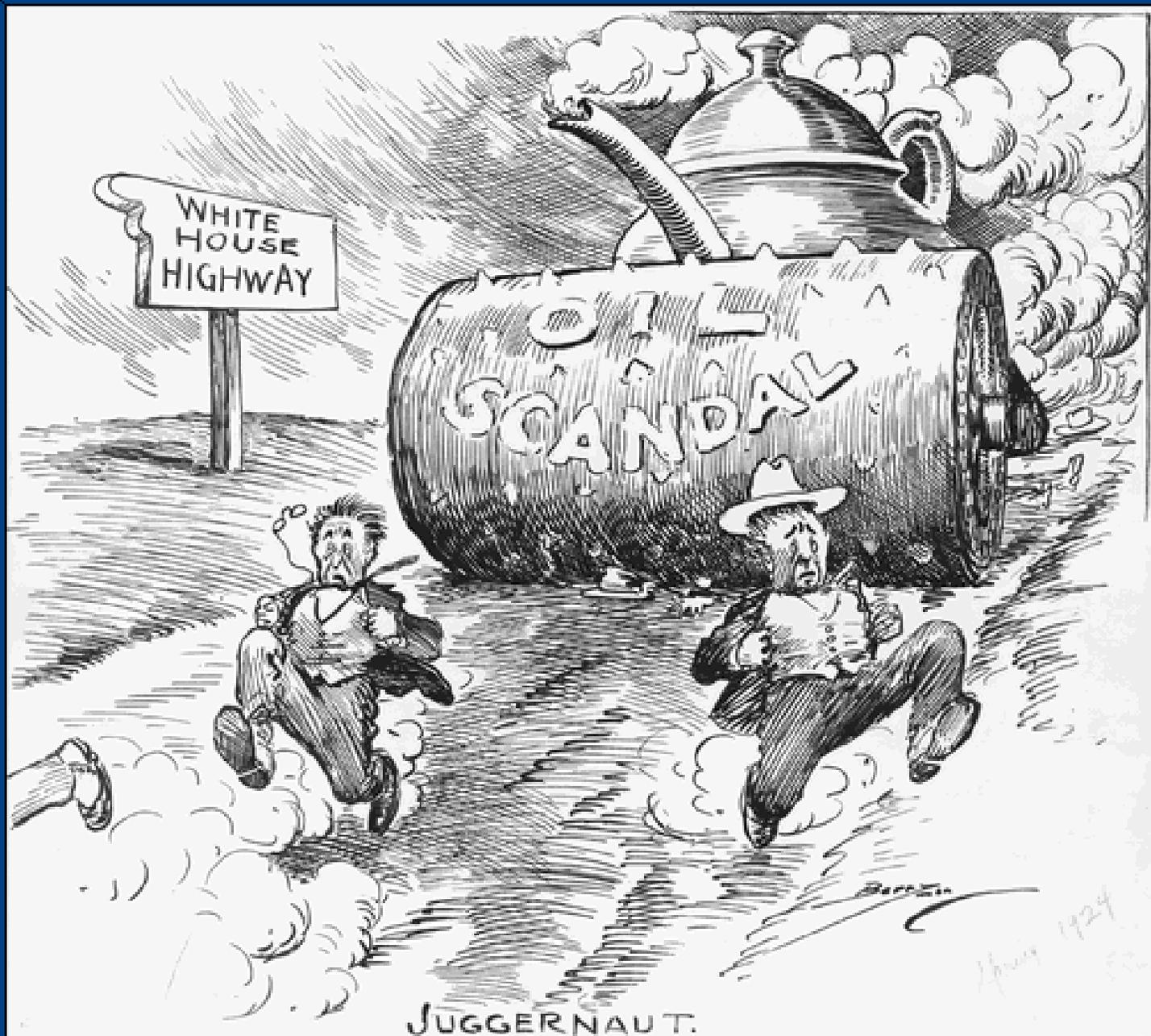
THE FALL OF ALBERT B. FALL

- With his newfound wealth, Fall began improving his ranch and paying back-due taxes.
- 8/22: Mutual Oil Company tried to establish a claim on NPR-3.
- Fall, unwilling to go to court, sends a small detachment of Marines to shut down Mutual's wells, and evict the drillers.
- 1/9/23: Fall resigns as Secretary of the Interior, and travels to Russia with Sinclair to obtain oil rights.

CONGRESS INVESTIGATES

- 8/23: Harding dies, and Coolidge becomes President.
- 10/23: Senate Committee hearings are convened.
- Investigators find that the Sinclair leases were fraudulent, and that EO 3474, transferring lands from Navy to DOI, was illegal and should be set aside.





THE LEGAL FALL-OUT

- 2/24: Senate Joint Resolution 54 directs the President to cancel illegal leases on NPR-1 and NPR-3.
- 3/24: U.S. files suit to cancel Mammoth's Teapot Dome lease.
- 6/25: Court overrules the U.S., and upholds the lease. U.S. appeals.
- 3/27: Coolidge EO 4614 overturns EO 3474, and returns NPRs to Navy control.
- 10/27: Supreme Court rules in favor of U.S.
- 2/28: Just to be sure, Congress passes an Act to transfer jurisdiction of NPRs from DOI to Navy.

FIELD STATUS DECEMBER 1927

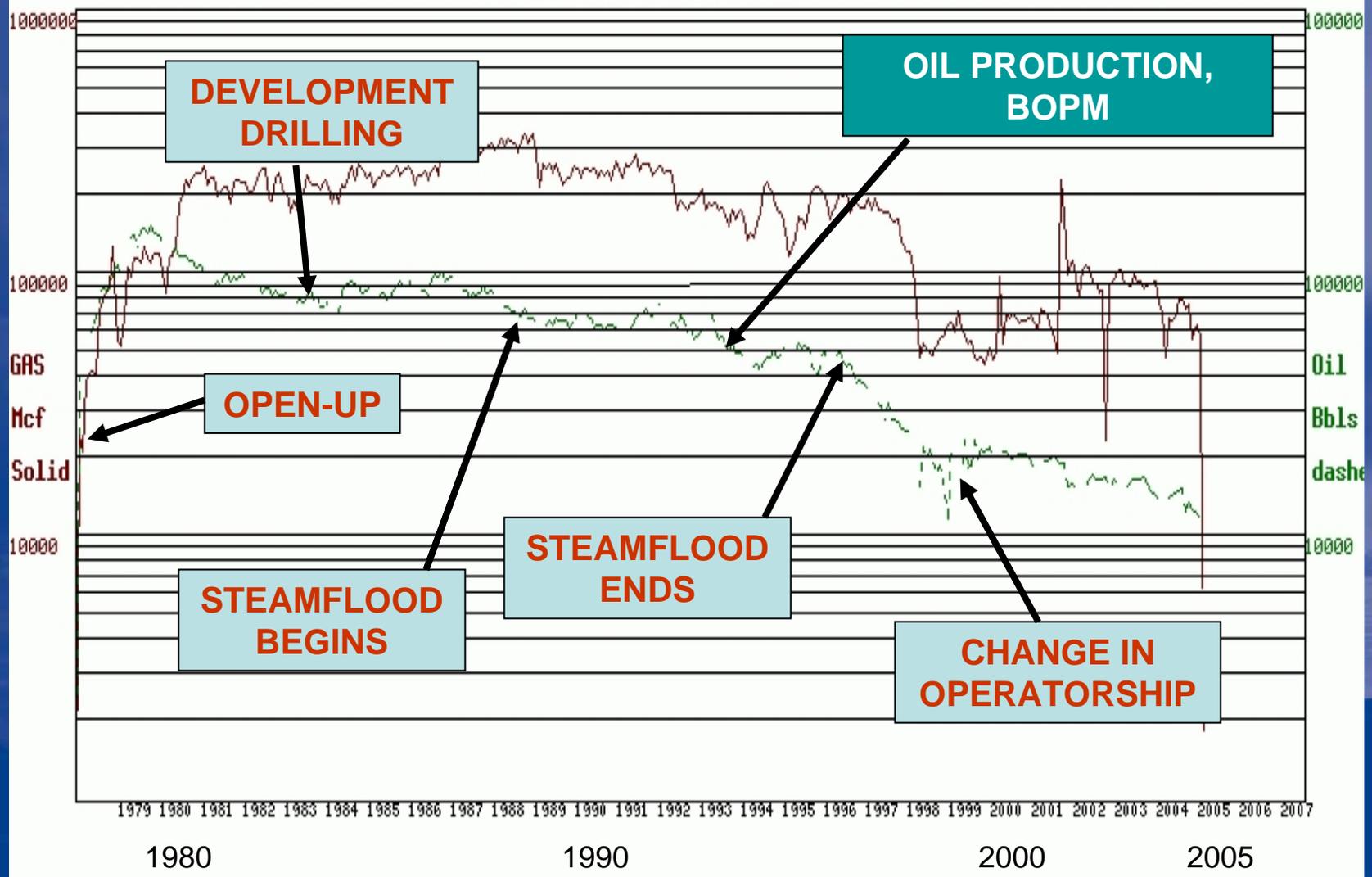
- Shale wells pumping: 12
- 2WC wells pumping: 39
- 2WC wells flowing: 4
- 3WC wells pumping: 1
- Gas wells: 12

TEAPOT DOME SINCE THEN

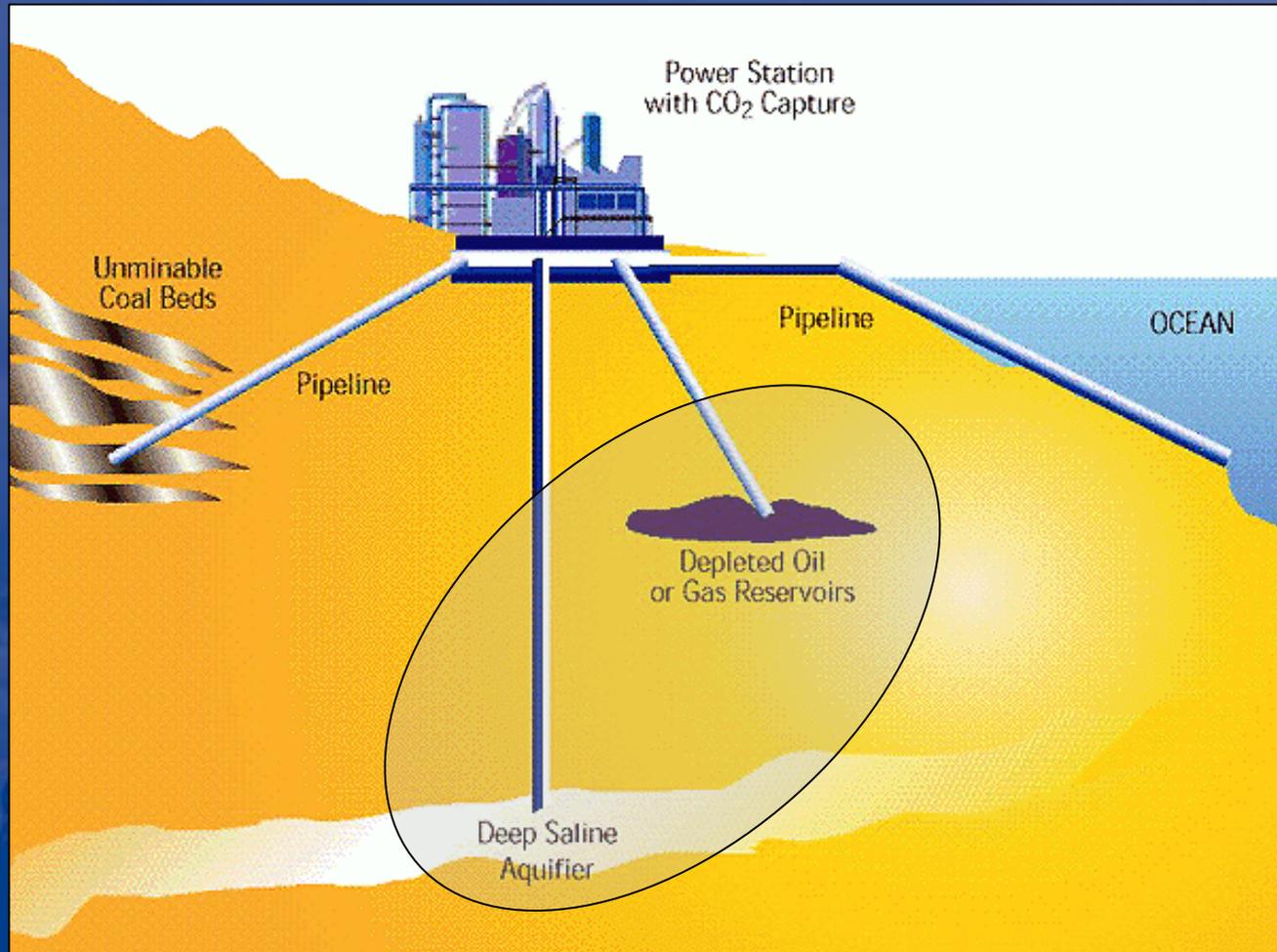
- Upon the 1927 Supreme Court decision, the U.S. immediately shuts in Teapot Dome.
- Some exploratory and drainage offset wells were drilled in the '50s and '60s.
- NPR-1 and NPR-3 opened to full development in 1976.
- 1977: NPR jurisdiction transferred from Navy to DOE.
- An IP of 1000 BOPD was initially disappointing, in view of rates exceeding 100,000 BOPD at NPR-1 (Elk Hills).
- Subsequent development and IOR projects raised rates to 5000 BOPD in 1979-80.
- Current production is 400-500 BOPD.
- 1995-present: Rocky Mountain Oilfield Testing Center



TEAPOT OIL & GAS PRODUCTION



THE FUTURE OF NPR-3



CO₂ EOR AND SEQUESTRATION

WHY NPR-3?

- RMOTC is an existing field-scale testing center, with production facilities and permitting procedures in place.
- Nearby supply of CO₂.
- Several pressure-depleted formations.
- Significant remaining oil in place (est. 207 MMBO based on DOE reserves data).
- Opportunities for aquifer storage.
- Large, easily accessible database.
- Government operated: no economic recovery requirements, can be operated solely for the benefit of science and engineering research.



Rocky Mountain
Oilfield Testing

C E N T E R

Questions?



Rocky Mountain
Oilfield Testing
CENTER

