

Oil, Gas Development Active In State In '79

SALEM (UPI) — Until 1979, oil and gas drilling in Oregon was confined to exploration but that has all changed. The word "development" finally applies.

The change came about with the gas discovery in Columbia County near Mist. Dennis Olmstead, a geologist with the Oregon Department of Geology and Mineral Industries, said for the first time, hydrocarbons were discovered in commercial quantities.

He said, during the year, leasing for oil and gas exploration was active, extending from the Coast Range to parts of eastern Oregon. "Continued interest in leasing during 1980, and many additional applications to drill, indicate that 1980 will be a very active year for exploration," he said.

The Columbia County discovery was by Reichhold Energy Corp. and its partners, Northwest Natural Gas Co. and Diamond Shamrock Corp. Five wells were completed in 1979 and one of the wells, Columbia County 1, was producing 300,000 cubic feet per day at year's end.

Bill Gibbs, in charge of the gas field for Northwest Natural Gas, said three wells are currently producing about 8 million cubic feet of natural gas a day. He said the production may be soon increased to about 9 million cubic feet a day from the three wells.

Olmstead charted all the oil and gas activity for the past year for the department's magazine, "Oregon Geology."

He noted the Mist discovery well, Columbia County 1, was first drilled in 1977. Gas shows existed, Olmstead said, but they were considered to be noncommercial. However, when redrilled in 1979, the well produced a sizeable quantity of gas. That discovery was followed shortly by four more producing wells within 1.5 miles of the discovery.

Olmstead said, "The discovery finally occurred after more than 200 dry holes were drilled throughout Oregon, including five previous ones in the Mist area."

Elsewhere in the state, Olmstead said, deep exploratory drilling was done by Mobil Oil Co. in Douglas and Linn counties.

The Sutherlin Unit 1 was drilled north of Roseburg to a depth of 13,177 feet but was abandoned as a dry hole, Olmstead said. Mobil also drilled to 10,412 feet in southern Linn County, north of Eugene. It was also a dry hole.

Olmstead said, "Although both were dry, the drilling of these wells was encouraging because it demonstrated the industry's willingness to drill deep holes in Oregon."

Leasing was also active. Olmstead said, counties in northwestern Oregon enjoyed popularity stemming from the Mist discovery. Reichhold Energy and American Quasar

Petroleum Co., he said, continue to be the major leaseholders in Columbia County.

Mobil, he said, was active in leasing as well as drilling. Nearly 50,000 acres of new Mobil leases have been picked up in Coos, Douglas, Lane and Linn counties.

"This unusual showing of enthusiasm for Oregon oil and gas prospects points to a promising decade ahead," Olmstead said. "The relatively high level of drilling in 1979 will likely continue through 1980 and beyond."