

The CHAIRMAN. I think that is proper and, unless there is objection, we will observe that rule.

Mr. RANKIN. Mr. Chairman, I wish to object to this map which shows United States petroleum reserves. It includes Texas, Louisiana, Arkansas, and Oklahoma, but does not mention Mississippi, which has one of the leading oil fields of the country.

Mr. MILLER. We will have to have the map reprinted.

The CHAIRMAN. I think this map was prepared before oil was discovered in Mississippi.

Colonel Thompson, we will be glad to hear you at this time.

STATEMENT OF COL. ERNEST O. THOMPSON, REPRESENTING THE RAILROAD COMMISSION OF TEXAS

Colonel THOMPSON. In the first place, Mr. Chairman and gentlemen of the committee, I want to thank you for the invitation to come to this hearing, and to say that I have certainly enjoyed listening to the testimony.

The CHAIRMAN. There is one thing I want to ask you before you commence. How many counties in Texas are producing oil?

Colonel THOMPSON. We have 254 counties in the State, and all the counties in Texas are producing oil or are leased for oil with the exception of 21.

In the State of Texas we have, as this map which I have circulated around among the members of the committee shows, 56.6 percent of the Nation's oil reserves. That is about 25 percent of the discovered known reserves of the world. It is 25 percent, or a little less than 25 percent, of the known reserves of the world. This map shows that Texas wells are producing 35.4 percent of all the production in the United States, and, as against that, we have 56.6 percent of the Nation's oil reserves.

This map is significant, or the points are, with reference to the fact that we are producing less than our reserves would entitle the State to produce. Ordinarily we would produce, if we produced our proportion, it would be more, or the proportion that our State's oil reserves bore to the oil reserves of the Nation. To illustrate that point, the State of California has 16 percent of the reserves and produced 16.5 percent of the requirements of last year. That is the best balance of all, and, of course, that is the ideal situation. However, the time will come when Texas, New Mexico, and other States bringing in new fields, will have to provide a larger proportion of the production, because the States of Illinois, Kansas, and Oklahoma have depleted their fields through long production, and, if I may say, without restraint. By that I mean that they have produced a little more openly with wells that have produced larger quantities at a faster rate of flow than we have seen fit to do in Texas.

We have what is known as the proration in our State. This proration is the application of a scientific principle which will cause to be produced the greatest amount of oil possible over the whole life of the fields; or, to state it conversely, it is a method that will cause to be left in the zone of the producing horizon the least possible amount of oil. In other words, it is conservation. The application of this principle to the production of oil is true conservation. Now, proration