



By JACK ANDERSON



WASHINGTON — The Navy suspects that commercial oil companies may be siphoning oil from both its Teapot Dome field in Wyoming and the larger Elk Hills reserve in California.

A few weeks ago, Standard Oil of California opened up five new wells just north of the government's Elk Hills field. These wells are now producing between 10,000 and 30,000 barrels a day.

The Navy is concerned that the oil is actually being drained from Elk Hills. By the geological "law of capture," oil will run to a nearby well like water toward a drain.

The Navy has been unable to prove that Socal is pumping military oil. But as evidence of its alarm, the Navy has rushed to create its own drain by sinking three new wells within the Elk Hills field. Two more wells are planned.

The drilling cost the taxpayers an estimated \$450,000 per well. This didn't bother Socal which, incredibly, is squeezing profits from both sides of the Elk Hills boundaries. For Socal has a contract to provide the Navy with its drilling equipment and crews.

The Navy would prefer to leave the oil in the ground. But because of Socal's new wells, the Navy is forced to use Socal men and equipment to drill wells it doesn't want.

In Wyoming, three oil companies have been busily drilling oil wells around the infamous Teapot Dome reserve. Representative John Moss, D-Calif., has charged that the Bureau of Land Management and the Geological Survey let the companies drill illegally.

Meanwhile, President Nixon has recommended that the Navy open its oil reserves for civilian use to help ease the energy crunch. This would mean unparalleled profits for the oil companies involved.

Socal, for example, owns 20 per cent of the Elk Hills oil. Experts in the oil industry estimate that the company would reap more than \$1 billion from the commercial opening of Elk Hills.

The Dutch-owned Shell Oil

Company would also ring up windfall profits. For the Navy's 80 per cent share of Elk Hills oil must be sold to Shell under a 1970 contract signed by President Nixon. This is worth about \$2.6 billion, according to a General Accounting Office estimate.

The decision whether to open the Elk Hills reserve, meanwhile, awaits congressional action.

**NIXON AND MILLS:** When President Nixon wanted someone to clear him of income tax irregularities, he personally chose an old friend, Rep. Wilbur Mills, D-Ark.

This has caused some sour comment in the cloakrooms on Capitol Hill. If Congress is going to do the President's financial wash, members have

complained, the investigation should have gone through the Senate - House leadership and should never have been assigned by the President to the committee of his choice.

Some congressmen suspect that the President deliberately selected Mills as the committee chairman most likely to whitewash the charges. Consider these facts:

—Mills' own political skirts are soiled. A Mills associate accepted a \$15,000 cash contribution from Gulf Oil to help finance Mills' abortive 1972 presidential bid. The cash was transmitted in a sealed envelope from Gulf's Vice President Claude Wild to Mills' crony Carl Arnold who, as it happens, was a lobbyist for the American Petroleum Institute before opening his own lobbying office.

—Gulf pleaded guilty on November 15 to the criminal offense of skimming the contribution from corporate funds. Yet Mills declined to return the \$15,000 until we began inquiring into the possibility of federal prosecution. It is a crime punishable by a \$10,000 fine and two years in jail to accept a corporate contribution knowingly. Parenthetically, Mills' committee has granted the

oil industry tax breaks, which permitted Gulf to get away with a shockingly low 1.2 per cent tax rate in 1972.

—Mills' joint committee whitewashed the Internal Revenue Service by claiming it didn't hound those on the White House "enemies list." A painstaking American Civil Liberties Union study showed just the opposite and a high IRS official has admitted secretly to the Senate-Watergate Committee that favors were granted at White House request.

—When a White House task force was about to bring more oil into the United States in 1969 over the objections of most oil companies, Mills fired off a telegram to the task force chief warning against "tinkering with oil imports." The task force was overruled by President Nixon's personal oil advisers.

—When Mills let it be known he had a speaking engagement on the West Coast, Tenneco, the oil-and-gas behemoth, flew him across the country in a sumptuous private jet. Yet he could have made just as good time in any one of 12 daily scheduled commercial flights.

**FOOTNOTE:** Mill's office acknowledged he waited a month to pay back the \$15,000 after learning it was a criminal contribution. When Gulf requested it, explained a spokesman, Mills paid it immediately with a personal check because his campaign committee had been dissolved. Lobbyist Arnold denied he knew the \$15,000 was taken from corporate funds. Gulf's Claude Wild didn't return our calls.