

Espionage and Oil Memo

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Washington

Officials at Standard Oil Co. of California believe they may discover the identity of the author of a mysterious forged document "in the next few days," a company source told The Chronicle yesterday.

He declined to elaborate on what evidence the firm had.

Other sources — including a high-level State Department official — said a foreign intelligence agent may indeed have been responsible for the document, which was made to appear as if it had originated from Standard.

This official said that whoever leaked the material, which purported to show "severe technical problems" in the Saudi Arabian oil fields, may have had access to top-secret cables of the Arabian-American Oil Co. (Aramco).

Although this source and Standard sources have denied that the contents of the document were accurate, there were indications it was written by someone very familiar with the Aramco technical operations.

Aramco is a consortium of four oil companies, including Standard, that has devel-

32 Midway Men Still Missing

Tokyo

Thirty-two sailors from the U.S. aircraft carrier Midway were still missing yesterday, after 52 crew members missed the vessel's departure from Yokosuka Naval base a week ago, a U.S. Seventh Fleet spokesman said.

Meanwhile, eight of the missing Midway sailors told Japanese reporters last night they were not deserters but had refused to sail as "a strike for better treatment."

The Yomiuri and Sankei newspapers also quoted the sailors, all black, as complaining of dirty quarters and poor food and as saying there were drugs aboard the Midway.

Reuters

oped oil production in Saudi Arabia.

The State Department official said he "wouldn't be surprised" if the KGB, the Soviet intelligence agency, was involved. He said there

was also a possibility Israeli intelligence was involved because that country closely monitors activities of Saudi Arabia and Aramco.

All of this, the sources said, was speculation. Both the Soviet Union and Israel have vested interests in driving a wedge between the U.S. and Saudi Arabia — something which Standard officials have maintained was the effect of the leaked bogus document.

The State Department official said technical foulups have hampered Saudi oil drilling operations, but the problem is not "severe" as portrayed in the document.

He said hydraulic pumps, the largest in the world, have not worked as effectively as planned in Aramco's Saudi fields.

He said it was possible the author of the document obtained this information and used it as a basis for the forgery.

The technical problems that have occurred for Aramco are normal in drilling operations, this source said, noting that the document was wrong in stating that Saudi production "will be stabilized at no more than 7.5 million barrels a day."

An official spokesman for Standard, which is the founding partner of Aramco, said Saudi production is now

up to 3.2 million barrels a day. The spokesman said no serious technical problems exist in the operations.

Hydraulic pumps are used to pump water into the ground to maintain enough pressure to keep the crude oil flowing upward.

The forged document was originally leaked to columnist Jack Anderson, who cited it in a column last January as evidence Aramco was negligent in its handling of the Saudi fields.

There has been no evidence at all of such negligence, the State Department official said.

The document, which Anderson said he passed onto Senate investigators, was examined at an unusual closed session of a Senate Foreign Relations subcommittee here on Thursday.

Top executives from Standard reportedly testified before the senators that the material was forged — a conclusion which Senate investigators also reached after spending a week last month searching files at the company's headquarters in San Francisco.

The document, dated Nov. 28, 1973, listed its author as a senior research chemist in the lube oil department at Chevron Research in Richmond.

A company source said neither this employee nor this section of the highly-bureaucratized firm, which has 40,000 employees, would be privy to complicated technical developments in Middle East operations.

The research chemist whose name was listed, denied under deposition, to senate investigators that he ever authored the material. A number of officials who were supposed to have received it also denied ever seeing it.

Anderson still insists the document is bona fide and says it was leaked to him by a "very high-level, reliable source" at Standard.