

WXPost

Jack Anderson and Les Whitten

FEB 17 1974

Raiding the Oil Reserves

Since the Teapot Dome scandal of the 1920s, the Naval Petroleum Reserves have become vast underground whirlpools of avarice and intrigue.

As their name suggests, they were set up as federal oil reserves to fuel the military in time of war. Sacrosanct in wartime, in peacetime the battle for their riches has twisted from the Teapot Dome fields in Wyoming to the Elk Hills reserves in California.

Now, a distant federal field which equals all known American oil deposits, the legendary Petroleum Reserve #4 on Alaska's north slope, is beset by a mixed breed of raiders.

Pet 4, as it is called, contains perhaps 100 billion barrels of oil, enough to supply the entire United States for about 15 years. It was established by President Warren Harding as part of his own "Operation Candor" after Teapot Dome rocked his administration.

Today, Pet 4 is under attack by Big Oil, the state of Alaska, some elements of the Pentagon, the Interior Department—and the Alaskan native Indians.

As naval sources described it in secret conversations with our associate Jack Cloherty, the oil men are encouraging the natives to establish tent and shack villages on the Pet 4 Reserves.

But since Indian ownership of land in the reserves is illegal, the natives can, by law, claim substitute land around the reserves' borders. Indeed, none but the Indians can now settle on the land right next to Pet 4's boundary.

Once they are settle around Pet 4, the Indians can lease their land to the oil companies. Navy and congressional experts believe the oil companies are already scheming to lease this Indian land, drill into the vast oil rivers that



lie beneath Pet 4 and pump out the crude before the Navy can muster the technical data in court to stop them.

Standard Oil of California has already set up deals with a few native groups, exchanging geological work for a priority bid on Indian oil land exploration.

As evidence that something strange is afoot, the Navy sources point to the tent village of Nooiksut, which was nonexistent until last spring. Now the hamlet, who's name ironically means "something beautiful on the horizon" in Eskimo, occupies an area just inside the reserve's northeast border. Natives with the scent of "black gold" have already "enrolled" in the village from as far away as Fairbanks.

The village of Atkasak has a similar history. It was an abandoned mining town lost on the reserve's tundra until last spring. Now it boasts an enrolled population of about two dozen.

The natives rightly claim their ancestors were nomadic. However, there is little doubt in the Navy's mind that some are trying to cash in on the oil rush. Both the Navy and the state of Alaska have filed protests against incorporation of some villages.

The Navy only wants to prevent drilling. But the state hopes to win land rights to the border area itself after the natives get first pick and obtain part of the oil companies' boodle.

To complicate matters further, the Department of the Interior is waging a bitter border dispute with the Navy over a two-mile buffer zone that prevents federal agencies from leasing on the Pet 4 border. Interior would like to let the oil men move their rigs a little closer to the reserve.

And the Pentagon is pressuring the Navy to open its precious reserves to private industry to relieve the energy crisis. Some brass hats feel that the Navy would be technically unable to tap the field quickly in time of war, anyway.

If Pet 4's past is prologue, then Big Oil will get its way. The history of the area is a sobering case study of how the giant oil industry manipulated government in order to make private profit at public expense.

Navy dogs, sleds and ice boats first explored the region in the early 1920s. When oil shortages early in World War II hampered war efforts, the Navy went to work and did extensive geo-

logical research there at taxpayer expense.

At many sites, naval geologists found indications of awesome oil and natural gas deposits. But funding for this Navy research was cut off during the Eisenhower administration.

As Big Oil became ever more powerful, the Navy was forced to give up its secret research to private industry. Soon the Navy data was in the hands of the very companies which later formed Alyeska, the controversial Alaskan pipeline combine.

Thus, it was partly publicly funded research which the oil men used to strike oil on Alaska's north slope, the same oil shortly to be piped back to the United States by Alyeska.

The Navy, meanwhile, has bought back a computerized version of its own data for over \$350,000 from the firm which did the computer work for the oil companies.

A second naval oil reserve scandal also has been running hot and cold since the 1920s. Almost from the time the Elk Hills reserve was established, it has been coveted by greedy oil men.

Finally, Standard Oil of California began drilling at the Asphaltto area on the Elk Hills border 12 years ago. The Navy took Standard to court, but the Justice Department dragged its feet and the oil firm won 12 different delays in the case. By the time a court decision was reached in 1971, Asphaltto was all but dry.

Last fall, Standard sank 10 new wells just north of Elk Hills and started pumping. The Navy was forced to drill four wells to offset the Standard drilling.

Incredibly, Standard even made money on the Navy drilling, since it holds the contract to provide Navy with equipment and men.

At Teapot Dome's naval fields, the scandal has come full circle by returning to its starting point. Some oil companies are drilling within a one-mile buffer zone around the infamous reserve. Although Interior's Bureau of Land Management concedes that some of the leases to the oil drillers are dubious, it has refused to cancel them.

FOOTNOTE: Both Alyeska and other oil spokesmen insist they know nothing of any scheme to use Alaskan Indians for their own purposes. They contend their efforts are devoted solely to solving the oil crisis.