

SoCal Memos on Elk Hills Cited

By Jack Anderson

Secret corporate documents indicate that Standard Oil of California schemed illegally to tap into the government's Elk Hills petroleum reserve.

The language of a June 26, 1973, SoCal memo, for example, suggests that the company was well aware its drilling could drain government oil from the reserve.

Sinking wells around the northern border of the reserve, states the memo, "could allow considerable production before government reacts."

The company sought, according to the memo, to "minimize immediate threat to reserve and resulting Navy action." But the documents recognize the strong possibility that the SoCal wells might draw Navy oil from the 1.3-billion-barrel Elk Hills field.

A June 29 memo recommended "a two-well drilling program." Early in July, a SoCal position paper called for a review "to determine how far away from the boundary of the reserve (that) drilling and production could be kept and how long a time might go by before evidence of potential drainage of the reserve might become evident."

On July 12, the decision was made to drill near the Elk Hills boundary. SoCal, however, decided to inform the Navy of its intentions, because we proba-

bly would find out about it from our sources inside the company. "(It is) essential," said one memo, "to avoid misinformation getting to the Navy from Jack Anderson."

SoCal started drilling on July 17, 1973. The Navy, fearful its oil would seep into the SoCal wells, was forced to drill four offset wells at the taxpayers' expense.

Now the courts have issued a preliminary injunction to stop SoCal from continuing its drilling operations so close to the Elk Hills reserve.

We have obtained SoCal documents going back to 1970 about the possibility of siphoning oil from Elk Hills. One memo, marked "personal and confidential" and dated October 14, 1970, noted that "commercial exploitation of reservoirs discovered in these areas could be arranged."

The memo warned, however, that "the probability of becoming involved with Navy . . . is nearly 100 per cent."

The entire issue of illegal drainage, however, may now be circumvented by legislation. President Nixon has called for the opening of the Elk Hills reserve, despite a Justice Department opinion that such a move would leave SoCal in a dominant market position.

This has left the Navy on a tightrope. Assistant Secretary Jack Bowers obediently has

come out for opening Elk Hills while his office is hard at work trying to stop SoCal drainage.

The House Armed Services Committee is holding up the legislation to open the reserve, largely because of the efforts of Rep. John Moss (D-Calif.).

Footnote: A SoCal spokesman told my associate Jack Cloherty that the memos are "obviously accurate" but that SoCal still contends its wells are "geologically independent." He called the preliminary injunction an effort to "stand in place for awhile" so the Judge could study the complex case.

Death Threat—For almost a month before his January 28 grudge fight with Muhammad Ali, former heavyweight champion Joe Frazier was haunted by a death threat from black militants.

His body guard was bolstered and special precautions were taken at ringside, all unknown to the sell-out Madison Square Garden crowd.

The threat was made after New Year's Day while Frazier was training in a Philadelphia gym. The pay phone rang, and trainer William Neil answered. What followed, as Frazier's lawyer Bruce Wright recounted it to us, was a vicious diatribe against Frazier.

The caller, who said he represented an organization of ghetto blacks, castigated Frazier in gutter terms. "We're going to kill you!" he snarled.

Neil immediately informed the ex-champion who shrugged and said with a sigh: "Here we go again." He was referring to similar calls, which preceded his 1971 triumph over Ali. At that time, a tight security cordon was thrown around both Frazier and his family.

Although Frazier affected a stoic shrug, he took the new threat seriously. Attorney Wright said the threat had not caused Frazier to lose the 12-round fight. But he suggested that the steady drumfire of unfair "Uncle Tom" charges had a negative psychological effect on Frazier.

Wright discounted rumors that the Black Muslims, of which Ali is a member, have been behind the "Uncle Tom" talk. As for the death threat, Wright figured it came from "some lunatic fringe group" of blacks.

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