

SAN MATEO OIL AND REFINING COMPANY
PHOENIX, ARIZONA

J. J. PLANK, PRESIDENT
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323-325 HEARD BUILDING
PHOENIX, ARIZONA

Chicago, March 26th, 1926.

Mr. W. C. Simons,
The Lawrence Journal-World,
Lawrence, Kansas.

My Dear Collie:--

I have interested myself in the above company and have bought considerable of their stock. They own leases on 513 acres of oil land in proven territory, their land being surrounded by producing wells, and a derrick has been placed and the drilling rig is being contracted for. They have an agreement with a Mr. Kraft to drill on 28 acres of this tract which is the Southwest corner, and the well is now producing oil. The Mid State Refining Company has a producing well and they have erected a refinery and also a casing head plant and are running both.

The field is known as the Half Moon Bay Field, 35 miles South of San Francisco on ocean frontage, and the structure carries the same grade of oil as the San Dominguez field, only the gravity is higher. Oil is produced at 900 feet, 1750 feet and 2250 feet, the difference in the last two depths being caused by position on the hillside.

We are capitalized at \$500,000 and \$50,000 of this is being sold for operating expenses at \$1.00 a share.

I want you to take some stock in this company, say \$250.00 to \$500.00 worth and the prospects look bright for a five for one return for each investor, as the Mid State well adjoining us on the West produces 70 barrels a day in the shallow sand; the oil is a high gravity, analysis attached and sells for \$5.00 a barrel.

Discounting this with an altogether too conservative cut by estimating the production to be 30 barrels daily at \$3.00 a barrel gives an income of 900 barrels a month or \$2,700.00 which shows annual earnings of \$32,400.00 for each well. It is the intention to put down other wells as fast as each one is completed and on ten acre tracts the land will accommodate 48 wells. The division is also conservative.

The average drilling time is 90 days each, though the copy of the article attached, from the National Petroleum News of February 24th shows 6 to 8 weeks, and as above I am again discounting as a safety feature and predict that we will have four wells producing at the end of the first year's operations.

An investment will be a good long shot for you and when the first well is in and the production is verified, you will be allowed to