

Energy Beneath The Soil

As the County drew nearer to the end of its first 100 years, residents and visitors alike witnessed the growth and expansion of the oil and gas industry. The emergence of this industry has not only made the oil companies major employers within the county, but also made the County a major producing area within the State of Michigan. This was not always the case.

There is some talk about early exploration or "wildcatting" in the late 1920's and early 1930's but it could not be confirmed. According to the State Geology Department, which has recorded all drilling permits since 1927, the first recorded permit in Otsego County was issued to the Hansen and Raae Well No. 1 in Charlton Township in 1937. The well was drilled to a depth of 2,589 feet without success.

In 1938, Thomas and John Yuill drilled in an area of Corwith Township about a quarter of a mile south and west of the Thumb Lake Road and Old 27 intersection. They drilled to a depth of 1,431 feet. Other wells were also drilled by Frank Summers and Dion Geraldine in various parts of the County. All were either dry or of very little commercial value.

The first well of any commercial value was drilled on the property owned by Dr. James Reid. This discovery of natural gas led to the construction of the Standard Products Plant in Bagley Township.

In 1947, the Union Oil Company discovered oil in nearby Crawford and Kalkaska Counties. At one point, the field had up to 104 producing wells. Encouraged by this success, Shell Oil, Humble Oil, Gulf Oil, Marathon Oil as well as Brazos Oil and Gas and a number of independents leased extensively in the northern areas and began geophysical testing and some drilling without success. In the 1960's, Texaco and Gulf also drilled or supported several tests in this area.

Early seismic exploration was hampered in Michigan by a glacial drift which covers the state. This drift, which is up to 1,200 feet thick in certain areas, tended to distort the seismic reading rendering the reading inconclusive. With the introduction of multiple readings or a common depth point shooting, the oil companies were able to confirm the first and second readings. The use of this technique is said to be a primary factor in the high exploratory success rate currently experienced in our state.

In April, 1968, Amoco recovered 150 barrels of oil in Presque Isle County. In August of 1969, oil was discovered in Onaway and in October of the same year, Shell Oil opened the Gaylord-Tecon Lake Field in Hayes Township of Otsego County. These discoveries, coupled with the discovery of oil in Grand Traverse County, began to attract national interest.

All of these discoveries were in an area which the geologists refer to as the Niagaran Reef. The reef, which is situated on the Niagaran shelf, extends from Manistee County to Presque Isle County and varies in width up to twenty miles.

Most of the discoveries of oil in Otsego County have been at depths between 6,200 - 7,000 feet, a far cry from the 2,500 foot wells attempted in the early "wildcatting" days of the 1930's.

In February 1975, Otsego County led the state in oil production with more than 368,000 barrels and was fourth in natural gas with over 711,000 cubic feet. By 1973, the County had produced more than 5,000,000 barrels of oil.

Protection of the environment has been a key factor in drilling in our County as well as in the entire State. While drilling permits are generally issued without delay in the farming areas of the state, permits in the lakes and forest areas have been slow, pending the approval by the various state and federal agencies involved in environmental protection and conservation. Currently each well is limited to about 300 barrels of oil a month.

The oil and gas industry has been good for the County, the State and our Nation. In addition to increasing the personal wealth of a few County residents, who still held the mineral rights of their property, the presence of these companies have meant increased employment for our county, this has meant jobs not only for the 550 workers directly employed for production and exploration, but also the service industries so necessary to the success of their operation, such as welding, supply companies and equipment servicemen.

As we enter our second century, we know that Otsego County will contribute to the National need for energy in a very tangible way.