

NATIONAL PETROLEUM COUNCIL

REPORT OF THE
COMMITTEE ON PETROLEUM INDUSTRY STEEL REQUIREMENTS

DECEMBER 5, 1950

HEADQUARTERS

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Rowan Oil Company

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of America

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The Derby Oil Company

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On September 26, 1950 the Council's Committee on Petroleum Industry Steel Requirements submitted its detailed report covering the industry's estimated steel needs in 1950 and 1951. This report was unanimously accepted by the Council at its September 28th meeting and the Committee was continued in service. At that time, I assured the Director of the Oil and Gas Division that the Committee would hold itself in readiness to furnish any additional or supporting information that might be required.

No formal action by the Committee has been necessary since the September meeting of the Council. At the request of the Interior Department, however, informal conferences have been held with representatives of the Interior Department for the purpose of supplying further details regarding the basis for compiling the requirements. These informal meetings have covered the steel requirements for the following phases of the industry's operations:

- (1) Domestic oil and gas production.
- (2) Domestic natural gas and pressure maintenance plants.
- (3) Oil transportation:

Pipe Lines	Tank Cars
Tankers	Truck Tanks
Barges	
- (4) Domestic refining.
- (5) Natural gas transmission.

SUPPLY OF OIL FIELD TUBULAR GOODS
OBTAINED FROM SPECIFIED SOURCES DURING
FOURTH QUARTER 1950 ACCORDING TO TONNAGE USED

	200 Tons or Less Per Year	201-1000 Tons Per Year	1001-5000 Tons Per Year	Over 5000 Tons Per Year	Weighted Average All Operators
<u>NUMBER OF OPERATORS IN EACH GROUP</u>	121	93	27	9	250
<u>TONS REPORTED FOURTH QUARTER 1950</u>					
Through regular sources	1,492	8,244	9,190	49,590	68,516
Through "Conversion" Arrangements	358	82	790	4,740	5,970
Through "Gray Market" Purchases	850	2,391	1,091	1,679	6,011
Through "Oil for Steel" or "Tie-In" Sales	197	655	411	800	2,063
Through Second-hand Materials	671	1,637	2,975	2,769	8,052
Through Foreign-Made Pipe	---	870	1,000	---	1,870
Total	3,568	13,879	15,457	59,578	92,482
<u>PERCENTAGE OF TOTAL SUPPLY</u>					
Through regular sources	42%	59%	59%	83%	74%
Through "Conversion" Arrangements	10%	1%	5%	8%	6%
Through "Gray Market" Purchases	24%	17%	7%	3%	7%
Through "Oil for Steel" or "Tie-In" Sales	5%	5%	3%	1%	2%
Through Second-hand Materials	19%	12%	19%	5%	9%
Through Foreign-Made Pipe	---	6%	7%	---	2%
Total	100%	100%	100%	100%	100%

Based on Survey By The
Independent Petroleum Association of America