



An oil well owned by Sklar Explorations, of Shreveport, La., pumps at the Kings Dome Field just off Wells Road. **(Brian Loden • The Vicksburg Post)**

Two oil fields lie underneath county

By [Sam Knowlton](#)

[3/13/05] North of a local store where gas prices are tracking a national trend toward record levels, crude oil continues to flow.

People don't think about fossil fuels and Mississippi often, but Warren County has two producing oil wells about a mile north of the Openwood BP, 1760 Oak Ridge Road.

As the weekend began and traders bartered record prices for crude on world markets, a gallon of unleaded at the BP was \$1.97, up 8 cents in two days.

That beat by 2 cents the previous peak for average gas prices in Mississippi, \$1.95 on Oct. 29, 2004, said American Automobile Association vice president for public affairs Mike Right.

The pinch is on. A price of \$1.97 is 11 cents higher than a month ago and 31 cents higher than a year ago, Right added.

Part of the rise in gasoline prices can be attributed to the rise in crude oil prices, which account for about half the price of a gallon of gas. Part of the rise in crude oil prices can be attributed to increasing demand for oil products. And a third leg, according to many in the industry, is a lack of refining capacity to serve the American market.

The wells in Warren County don't figure greatly into any of this. Located near the south end of Wells Road off U.S. 61 North, they are operated by Sklar Exploration Company LLC of Shreveport, La.

Prices, said the company's chief operating officer, David Barlow, do not affect decisions on how much oil to pump from the wells here.

"Our wells are producing essentially all they can produce," Barlow said, adding that the state oil and gas board sets an "allowable" that is "based on the maximum efficient rate."

Higher crude oil prices, however, do encourage companies like Sklar to drill more wells, Barlow said. But there's a rub there, too. While higher prices encourage more exploration, the costs of drilling and encasing promising wells in steel are also rising.

Warren County's producing oil wells are part of the Kings Dome South and Kings Dome oil fields, according to the Mississippi Oil and Gas Board's Web site. Natural gas wells are also in the area.

The two fields are separated only by an underground salt dome, Barlow said, and produced the 53rd and 160th most oil, respectively, of 338 oil fields listed. Together, they accounted for 63,205 barrels.

The oil Sklar produces here is bought by two purchasers, including Ergon, a diversified oil and services company with headquarters in Jackson and operations at the Vicksburg harbor for refining specialty oils.

Most small producers are tied through contracts to larger companies that gather, refine or distribute oil, said Ergon vice president Mike Burnett.

"Most small wells either pump it or they don't," Burnett said when asked about any connection between crude prices and production decisions for wells like those in Warren County.

Mississippi does have large refineries, including a Chevron facility in Pascagoula, said Walter Boone, director of the Mississippi Oil and Gas Board. Oil produced in the state is moved to refineries both by truck and pipeline, he added.

"Most refiners use a mix of crude oils from various domestic and foreign sources," Department of Energy information says. "The mix of crude oils can change based on the relative cost and availability of crude oil from different sources."

Since 1951, Mississippi has produced between 88,148,669 and 253,533,849 barrels a year. The most recent production total for the state, for 2003, was 164,170,149 barrels.

Impressively, the state ranks 11th in oil production nationwide, Boone said. It is still a long way from the country's largest producers, Texas, California and Alaska, Boone added. Texas has 100,000 or more oil wells while Mississippi has only about 30,000, he added.

Consumers in the United States each day use products made from about 20 million barrels of oil. Domestic crude production falls far short of meeting that demand, so the country is a net importer. Continued growth in demand is forecast for at least the next several years.

Other producing oil wells in the area are in the Alcorn field of Claiborne County and the Bolton, Raymond West and Utica fields of Hinds County.

Many more wells have been drilled in each county than are currently producing, the Web site shows.