

D. G. SCOFIELD,

Called as a witness on behalf of Plaintiff, and after being first duly sworn, deposed and testified as follows:

--DIRECT EXAMINATION--

By Mr THORNE: Q. Mr Scofield, do you know the parties to this action, Juan M. Luco, Plaintiff, and the California Star Oil Works Company, and R. S. Baker, Defendants?

A I know the Defendants. I have had Mr Luco pointed out to me, but I cannot say that I know him.

Q What position do you hold in the Company, Defendant?

A I am president of the Company, Defendant.

Q When was the Company organized?

A In the year 1876, about July, I think. I can tell you exactly if you want to know?

Q As near as you recollect, that is all?

A I can give it exactly. The eighth of July, 1876, the Articles of Incorporation were filed.

Q Have you been an active member of the directory since its organization?

A No sir, I first became a member of its directory some time in the month of September, in that year.

Q Since that date, September, 1876, have you been one of the most active in its directory?

Mr WELLS: I object to the question on the ground that the same is incompetent, irrelevant and immaterial, and in no way relates to the issue, and not

the best evidence.

Mr EVANS: We will call upon the Defendant to produce their books and papers, which will make the record cumbersome; if you put it on the ground that it is incompetent, we will have to call upon you to show the books.

Mr WELLS: I simply want to get in the objection. I do not care about the question of Directorship, but we claim that the whole matter is irrelevant and immaterial. I withdraw the latter part as to the incompetency, not to delay the matter.

Mr EVANS: Then you put it on the ground that it is immaterial and irrelevant?

Mr WELLS: Yes.

(Question repeated)

Q Since that date, September, 1876, have you been one of the most active in its directory -- an active member of the directory since you have been elected?

Mr WELLS: That we object to as incompetent, immaterial, and not the best evidence.

A I have taken an active part in the directory in the affairs of the Company.

Q There has been no important negotiation or transaction in which the interests of the Company were involved, in which you have not been consulted and taken an active part?

A I think not.

Q Do you know of a piece of property known as the Pico Oil Springs and Mining Claim?

A I do.

Q When did you first become acquainted with that?

THE WITNESS: When I first actually saw the property?

Mr THORNE: Yes, know its location and condition?

A On the 5th day of July, 1876.

Q When did the Company first become interested in that claim?

A They were interested in the claim prior to my visiting there. I presume, speaking without any knowledge of my own, except what I gathered from the papers, their first interest was under the Denton Lease.

Q Did that Company enter into possession of these premises, or any part thereof under that lease?

A They did, a portion of the premises.

Q What was the condition of that mining claim before the entering and at the time you saw it in July, 1886?

THE WITNESS: The condition before I saw it?

Q Before you entered in, before the Company entered in under the lease.

A At the time I visited the property, at the date I have mentioned, there had been three wells drilled there, by the company, under that lease.

Q There had at that time?

A Yes sir.

Q Do you know there a well called the Sanford Lyons well?

A I do, sir.

Q Do you know by whom that was sunk?

A I was informed that it was sunk by Sanford Lyons.

Q The company, as I understand you then, had no possession there, until they entered under that lease?

A None that I know of. I took no part in the affairs of the company, until some time, as I tell you, in the month of September of that year.

Q What did the company do on these premises after you knew them?

A Commenced ^{drilling} ~~digging~~ new wells, and producing oil.

Q Do you know how much oil was extracted during the first year of the lease?

Mr BLANDING: On that point I raise this objection: and so instruct the witness, that the question is irrelevant and immaterial, and that he is under no obligation to answer the same, and for these reasons:

1. That the complaint proceeds upon the theory that a certain trust was conferred upon Col. Baker, one of the Defendants in this action, and is for the enforcement of that trust, and therefore the only matters that can be enquired into are those which took place under and in pursuance of that trust, therefore the only things that can be enquired into are what were done by Col. Baker, whether by way of compromise of settlement, or adjustment, or developement, or whatever his acts may have been under that trust, for the complaint recognises and seeks to enforce that trust, and can therefore

only enquire into what powers Col. Baker exercised under it; that it is perfectly competent to ask the witness whatever compromise took place between Col. Baker and the California Star Oil Works Company, if the witness knows, and perfectly competent to enquire into what consideration Col. Baker received from the Company in the matter, but that there is no power to enquire into what the Company may have done anterior to, and outside of that compromise. This is the first ground of objection to that line of enquiry, and second is:

2. That the agreement or declaration of trust was in fact unknown to the Defendant, the California Star Oil Works Company, and it had no notice thereof at the time of the compromise, and
3. That even should it be ultimately determined that the Defendant corporation did have notice of that declaration of trust, yet such declaration of trust authorized Col. Baker to make any and all compromise, and gave him authority fully for all purposes to make the same, and that no one claiming under that declaration of trust can go behind any compromise or arrangement which Col. Baker may have made.

Upon these three grounds, therefore, I instruct the witness that he is not, unless he chooses, under any obligation to answer any question or enquiry going outside of or beyond the actual compro-

mise arrangement which took place between the Defendant Baker, and the Defendant corporation.

At the same time, I desire to assure Counsel on the other side that the witness will be actually present in Court at the trial, and in case the Court should differ with me in that view, that he will then be able to answer such questions as to the Court may seem proper, but for the present and for the purpose of this deposition, I desire to avoid going into the question of the years of production of oil upon these premises, and what they may have amounted to; inasmuch as Col. Baker, by the written agreement of settlement and adjustment, fully settled all these questions as between him and the defendant corporation, and that the plaintiff, and those claiming under the declaration of trust, are bound by that settlement.

By Mr THORNE: I will limit the question now to what was the production of these wells upon the Pio Oil Claim from the 21st of May, 1877, to the termination of the lease on the 12th of April, 1879?

Mr WELLS: There is another objection right there: It is objected to on the ground that it seeks to and calls for information of an accounting, while the complaint seeks to declare a trust, and that no accounting is material or relevant until a trust has been declared.

THE WITNESS: Under the advice just given me by my
Counsel, I shall decline to answer the question.

Q. Did you know of a suit brought in the 12th District
Court in the City and County of San Francisco, entitled
the California Star Oil Works Company, vs. Robert S. Baker,
E. F. Beale, F. B. Taylor, and John Doe?

A. I know that there were several suits between the parties
but I could not designate any certain one without having
the papers before me, but I know all of those suits brought
at the time were settled.

Q. This was a suit in which C. Greathouse was Attorney
for Plaintiff, and was commenced on March 20th, 1878?

A. I knew of that one.

Q. You knew of it at the time?

A. Yes sir.

Q. Do you know what the allegations of that complaint
were?

A. I knew of it at the time, of course.

Q. I call your attention particularly to this part of it:

"And Plaintiff further alleges, on information and
"belief, that heretofore, to-wit, on or about the 8th day
"of August, 1865, the Defendants, Baker and Beale, together
"with Sanford Lyon, Pio Pico, Juan Foster and Francisco P.
"Foster, located jointly and in common, upon what were then
"public lands of the United States, the same being placer
"mineral lands, altho these certain mining claims, situated
"in the San Fernando Petroleum Mining District," State of
"California, and bounded and described as follows: to wit:

"Commencing fifteen hundred feet due North of what
"is called the Pico Spring, thence East five hundred feet;
"thence South three thousand feet; thence West twenty-
"three hundred and thirty-three and one-third feet; thence
"North, three thousand feet, thence to the place of begin-
"ning."

And also "That on or about the 28th day of October,
"1876 the said Lyon and Leaming, by indenture duly made,
"executed and delivered, assigned and conveyed to said
"defendant, Taylor, all their and each of their right,
"title and interest in and to an undivided one-seventh
"of the said lands and mining claims, so located as afore;
"said, and all their undivided right, title and interest
"in and to said premises mentioned in the said agreement,
"and that said Taylor is now the owner thereof; that here-
"tofore, to wit: on or about the 23d day of June, A. D.
"1876, Juan Foster, and Francisco P. Foster, two of the
"said original locaters, assigned and conveyed to Romolo
"Pico, by indenture duly made, executed and delivered, all
"their, and each of their, right, title and interest, in
"and to an undivided two-sevenths of the said lands and
"mining claims so located as aforesaid, and in and to the
"premises described in said agreement; that heretofore, to-
"wit: on or about the 28th day of September, A. D. 1876,
"the said Romolo Pico, by indenture, duly made, executed
"and delivered, assigned and conveyed to F. B. Taylor,
"the above named Defendant, all his, the said Pico's right,
"title and interest in and to an undivided two-sevenths

"of the said lands and mining claims so located as afore-
"said."

Then in the second amended complaint, -- in the amendment thereto, it is alleged that said company being the assignee of said Denton, "Were wholly ignorant and had "no notice whatsoever of the rights, interests or claims "of the said Francisco P., or of the said Juan Foster, or "of the said Pio Pico, or of the said Doe, or of any person "or persons claiming or holding by, through or under them, "of, in or to any of the above described premises, or in "under or by virtue of said agreement; but that as Plain- "tiff is informed and believes, and so states the fact to "be, the said Baker and Beale have always well known, and "had actual notice of all the rights, interests and claims "of the said Francisco P., and of the said Juan Foster, and "of the said Pio Pico, and of the said Doe, and of all per- "sons claiming or holding through or under them; and that "the said Beale and Baker failed and neglected, at and "prior to the time of the execution, delivery and assign- "ments of said agreement to inform plaintiff, or any of "its officers or agents of said rights, interests or claims

Do you recollect those allegations in that complaint

A Yes sir.

Q And those were true?

A That was my information and belief at the time.

By Mr BLANDING: That is not your language, is it?

A No sir, I did not verify the complaint.

By Mr THORNE: Do you recollect that there was some suit brought against the company, and some injunction served?

A Yes sir.

Q And a receiver appointed?

A Yes sir .

Q That was a suit brought in Los Angeles?

A One suit was brought there ^{where} ~~were~~ a Receiver was appointed.

Q Then at that time, during the pendency of these suits, the company claimed four-sevenths of the mines and claimed that Baker and Beale owned but three-sevenths?

A No sir, they never made any such claim.

Q They say so in this complaint?

A No, I think not. I think the company simply claimed under their lease.

Q Perhaps I am wrong. What relation did F. B. Taylor bear to the company?

A F. B. Taylor was a stock holder in the company.; and had also purchased the interests of several whom he supposed were the original locaters of that claim.

Q Were not those claims purchased for the benefit of the Company?

A No sir, they never were,

Q Were they never conveyed to the company?

~~A Not until long after.~~

~~Q They were afterwards conveyed to the company?~~

A No sir, they never were conveyed to the Company.

J. B. B.
N.P.

J. B. B.
N.P.

By Mr EVANS: To whom were they conveyed?

A They never were conveyed to anybody afterwards.

By Mr THORNE: No conveyance from F. B. Taylor of the interest acquired under Leaming and Sanford Lyon?

A No sir, not to my knowledge.

Q What was done with this suit that I have just read a portion of the complaint to you, what became of the suit?

A As to the particular suit, I could not say, but all of the suits were finally compromised, all the differences between the parties were compromised and settled.

Q Upon what principle were they compromised and settled -- upon what basis and right?

Mr WELLS: I object to the question as incompetent, irrelevant and immaterial.

By Mr BLANDING: I would ask the witness the question whether the compromise is in writing?

A It is.

Mr BLANDING: Then we object to oral evidence, as not the best evidence.

By Mr THORNE: Who has that paper?

A I have it.

Q Will you produce it? A I will.

(The paper is produced by the witness.)

Q Do you know Mr Scofield, what your company claimed, and what Baker and Beale claimed, as to their rights before this agreement -- leading up to this, before the agreement was made -- what were the claims of the company

as to their right there?

Mr BLANDING: We object to it on the ground that the paper merges all claim and is a final and definitive settlement made between Baker and Beale and the Defendant corporation, and that the question is immaterial and irrelevant, and the witness is advised, that unless he desires, he is under no obligation to answer for the reasons stated above.

Mr EVANS: If you are going to object, we might as well stop.

Mr BLANDING: In order to place no possible barrier in the way of as thorough an examination as possible in everything, I withdraw all that part of the objection which advises the witness that unless he chooses he is not bound to answer, and simply reserve the objection on the other grounds specified, that it is irrelevant, and immaterial, and incompetent, and merged in the agreement, with the right to strike out the same.

(Question repeated: "Do you know, Mr Scofield, what your company claimed, and what Baker and Beale and F. B. Taylor, claimed as to their rights before this agreement?

Mr WELLS: I object to the question as irrelevant, immaterial and incompetent, and not the best evidence nor can the witness give the evidence sought to be obtained as the complaint shows what their claims were, and the complaints are in the hands of Counsel

for plaintiff.

A The company simply claimed their rights there under the Denton lease. Col. Baker from the first interview I had with him, asserted and claimed the entire Pico Oil Springs Mine, with the exception of an interest which he said he had given to Lyons for services rendered him.

F. B. Taylor claimed three-sevenths interest purchased of Lyons and Leaming, Lyons having parted with a portion of his interest to Leaming previously, and from the two Fosters, and he claimed an equitable interest in the title of Pio Pico as locator at this time.

Mr WELLS: I want to know of Mr Thorne whether he intends to introduce the compromise or not, which he has received from the witness ?

Mr THORNE: No sir, I do not propose to introduce it; I do not see anything that bears upon the question at all.

Q You say that in your first interview with Col. Baker he told you that he claimed it all?

A He said that he owned it all.

Q He said he owned it all?

A Yes sir, with the exception of an interest which he had given to Lyons for services rendered.

Q Did he state to you upon what grounds he claimed it?

A He stated that he claimed it under possession, title, received from parties named Hernandez and Peria.

Q Did you or your company take the trouble to investi-

gate the claim of Hernandez and Peréa?

THE WITNESS: At what time, sir?

Q At that time, before this compromise was made, during the pendency of these negotiations?

Mr WELLS: I object to the question as irrelevant, immaterial and incompetent, as to any investigation they made, or any conclusion they came to, as not having any effect on Baker's interest.

A Yes sir.

Q What did you learn from that investigation?

Mr WELLS: The question is objected to as irrelevant, immaterial and incompetent?

A We were advised by our counsel at the time that we had better make the compromise which I have handed you here.

Q That is not an answer to my question. I asked you what you learned about the character of the claims ~~and~~ of Hernandez and Peréa?

Mr WELLS: I object to the question on the ground that the same is hearsay, irrelevant, incompetent, and immaterial.

Mr BLANDING: I wish Mr Thorne would make the question a little more definite as to time.

Mr THORNE: Q. During the pendency of these negotiations, while these suits were pending,?

Mr WELLS: I object to the question on the ground that the same is hearsay, irrelevant, immaterial and incompetent, and not the best evidence.

Q What did you ascertain in regard to the claim of Hernandez, and Peréa, what kind of a claim was it, what was its character?

A I did not, of course, with our attorney go into all the details technically. He simply advised us that it was a dangerous title for us to fight. He thought the interest that we claimed under, the locations of the District, would not beat it, and advised us to make the compromise. I cannot answer it any other way.

Q Don't you know that that was not a mining location?

Mr WELLS: We object to it on the ground that the same is irrelevant, incompetent and immaterial?

A No, I don't know.

By Mr EVANS: Q. Were you not so advised?

Mr WELLS: I object to the question as hearsay, incompetent, and immaterial.

A I don't recollect all the details.

Q Let us put it in another way. Were you not advised that that was a location of agricultural lands, under Act of the Legislature of the State of California, and was not a location of mining ground at all, ^{or for} oil wells?

Mr WELLS: I object to the question as irrelevant, immaterial and incompetent, hearsay, and not competent evidence.

A I was not so informed.

Q Did you ever hear that so discussed at the time?

A No sir, I think not.

Q Don't you know that the only location of the land as land oil ~~wakk~~,^{or} mineral land, was under the location of Pico, Lyon, Beale and these other people?

Mr WELLS: I object to the question on the ground that the same is hearsay and incompetent?

A On the contrary, I heard that it had been located previously^{to} forming the San Fernando Mining District, and Oil lands under the old District.

Q But there were no persons claiming here except under these two locations. There was the Hernandez and Perea claim and the other claim in which Pico's name appeared.

A There was the University contest there.

Q That ~~did~~ not enter into this settlement; there were no parties claiming under that?

A Yes sir, there was ~~a~~ claim in the land office, and a suit in that matter.

Q Were they parties to the settlement under that?

Mr WELLS: I object to the question as irrelevant immaterial and incompetent, and seeks for evidence that the witness is not competent to give, and as hearsay.

A Everything was extinguished at the time of the settlement.

Q These people claiming under the University matters were not parties to the settlement, were they, or to any suit?

Mr WELLS: I object to the question as irrelevant, and immaterial.

A. Mr Taylor was a party to the settlement, and was a party in the suits against the University of the State of California.

Q. Did the University of California get anything in the settlement?

A. No sir.

Q. Mr Baker was a party to these negotiations, was he not?

Mr WELLS: I object to the question as not the best evidence.

Q. (CONT'G) Of your own personal knowledge. He was in consultation with the rest of you about these matters from time to time.

THE WITNESS: You mean this compromise?

Q. Leading up to this compromise and settlement.

A. Yes sir.

Q. You personally conversed with him and met him during these negotiations?

A. I did.

Q. And talked with him about these matters?

A. Yes sir, I did.

Q. He had the same information which you had as to what matters were involved in the suits and litigation?

A. That I cannot say. I presume he was advised.

Q. You discussed between you what you supposed to be all the matters involved in these suits?

A. No sir; for the reason that a good part of the negotiations were conducted when I was not present, although I was in consultation with the other parties in regard to

the matter.

Q The matters of the location in which Pico's name appears, and the Hernandez and Paréa location, were matters of consideration and discussion, leading up to the settlement?

A I had several talks with Col. Baker.

Q On these questions? A Yes sir.

Q Regarding this claim? A Yes sir.

Q And the parties to these claims? Parties claiming under them? A Yes sir.

Q And these conversations you had with Col. Baker, prior to the settlement? A Yes sir.

Q How long prior to that?

A I had a conversation with him extending over a period of perhaps over two years, and long before any compromise was reached. During our various meetings I had conversations in regard to it.

Q About what time would you fix as the earliest period approximately, that you conversed with Col. Baker in regard to the relative merits of these two claims, the Hernandez and Paréa claim, and the Pico claim -- the San Fernando oil location, and these different parties?

A It was either in the latter part of 1876, or the early part of 1877.

Q And in these various talks with Col. Baker you talked about all these matters arising under these two claims?

A Yes sir.

Q And the parties to them, etc?

A Yes sir.

By Mr THORNE: Have you any idea why the interests of compromise the respective parties to the premises were determined in sevenths?

Mr WELLS: I object to the question on the ground that the witness is called upon to express an opinion, and that the question is irrelevant, immaterial and incompetent, and further that there is no ground to show that they were actually compromised in sevenths.

Q I will ask the witness then if that compromise was not made upon the basis of sevenths?

Mr WELLS: The question is objected to, as it appears the compromise is in writing, and it is the best evidence.

Q (CONT'G) If in the negotiations leading up to the compromise they did not treat, and whether it was not agreed that it should be divided in sevenths?

Mr BLANDING: The question is objected to on the ground that the compromise is in writing, and is a merger of all agreements.

I do nothing except reserve the general objection. I have not advised the witness at all that he can avail himself of any privilege in declining to answer. The position which I occupy as Counsel for the defendant corporation is very different to that of the attorneys of Defendant Baker. I simply

desire to protect the defendant corporation against any inquiry in regard to the amount of oil taken out and the actual production of the premises, or the actual state of affairs, which was all merged into the compromise, which compromise I claim will be equally binding on the plaintiffs in the suit of anybody else. I therefore desire to distinguish the position of the Defendant corporation in that regard from the other defendant. The corporation I desire to protect against what seems to be a useless incursion into all its books of account, which is virtually an accounting against it when the accounting has been superceded by the written agreement and settlement.

THE WITNESS: I shall decline to answer the question.

Q After your company took possession of that, what was done with the Sandford Lyon Well?

A As I understand, Sandford Lyon had been merely given a verbal privilege by Col. Baker to put down that one well, and have the profit from it for a short period of time. It was only a shallow well, something less than two hundred feet in depth. It was not considered of any account by the Company. It was pumped for a short time, and exhausted and abandoned.

Q This compromise recites that twenty-five hundred dollar is to be paid to Baker and Beale; was that paid?

A The twenty-five hundred dollars was paid; twelve hundred and fifty dollars to Baker, and twelve hundred and

fifty dollars to Beale.

Q Upon a compromise?

A It was paid after the signing of the compromise. I will give you the exact date of it -- eighteenth day of July, 1879.

Q Prior to that compromise, the company had been contesting before the Land Commission the right of Baker and Beale to a patent, had they not?

A Of that I am not certain; there were so many contests at that time; I suppose the records will show.

Q When that compromise was made, all litigation and contest ceased.

THE WITNESS: You asked me the question if the company had ever contested?

Mr THORNE: Yes?

A No sir, the company was never contesting.

Q Did not Taylor, on behalf of the Company?

A No sir, not on behalf of the company.

Q In his own behalf?

A In his own behalf I am under the impression, yes.

Q Did he contest it?

A Yes sir.

Q You do not think that it was for the benefit of the company?

A I know it was not; I was a party in interest with Mr Taylor in that purchase.

Q And you know the company never got the benefit of that purchase?

A Yes sir.

Q If it had been in other hands, do you think this compromise would have been made?

Mr WELLS: The question is objected to as irrelevant, immaterial and incompetent.

A The question is rather vague.

Q Was there anything agreed to at that time that was outside of the written agreement between the parties?

Mr WELLS: I object to that on the ground that the same is irrelevant, incompetent, and immaterial.

Mr BLANDING: The same objection on behalf of the corporation.

A Nothing whatever.

Q That embraces all the covenants between the parties?

A Every one.

Q How long after that compromise before the patent was issued to Baker and Beale?

Mr WELLS: I object to the question as irrelevant, immaterial and incompetent, and not the best evidence. The date of the patent and the date of the instrument will show.

Mr BLANDING: I make the same objection for the corporation.

A You have the date of the issuance of the patent there in your own complaint.

Q I want to know if you recollect it, how long it was before.

Mr WELLS: I object to the question on the same grounds as above stated.

A. I can only tell by referring to the papers.

Q. It was provided in this compromise that forty-two hundred and some shares should be given to Baker and

Beale? A. Yes sir.

Q. Were those shares issued to them?

A. Twenty-one hundred and forty three shares were issued to R. S. Baker and twenty-one hundred and forty three were issued to the order of Gen. Beale.

Q. And then there was twelve hundred and fifty dollars paid to each of them?

A. Twelve hundred and fifty dollars was paid to each of them by check.

Q. How much; what has been the dividends on each share of stock from that time to the time of the commencement of this suit?

Mr WELLS: I object to it as irrelevant, immaterial and incompetent.

Mr THORNE: I understand that he is to testify from the books of the company.

Mr WELLS: We should resist even if you had the books here, for until you have established a trust it is not competent evidence.

Mr THORNE: We cannot establish a trust until we have a trial.

Mr WELLS: When you have the trial and establish the trust, we will agree that it is competent evidence, but until that is done, it cannot be enquir-

ed into.

We object to it on the ground that it is irrelevant, immaterial and incompetent, and seeking an accounting before a trust has been established,

A There has been paid to R. S. Baker in dividends on his said twenty-one hundred and forty three shares of stock from the date of its issuance up to January 15th, 1888, the sum of \$45,001; and no dividend has been paid since January 15th, 1888.

Q That is the sum total of dividends received by him?

A The sum total of dividends received by him on his twenty-one hundred and forty-three shares of stock.

Q He has received the same as other stockholders?

A Exactly the same proportion to his number of shares.

Q What are the number of shares of the company?

A Tenthousand shares.

Q What is the par value per share?

A One hundred dollars a share is the par value.

Q How long since any dividend has been paid?

A The last one was paid about the 15th of January, 1888.

Q You say you are going to be at the trial of this case?

A Yes sir.

Mr THORNE: Then I think that is all we will enquire of now.

By Mr EVANS: Q. You say no dividends have been paid since January, 1888?

A January 15th, 1888 is the date of the last dividend.

Q How often do you declare dividends; have you regu-

larctimes?

A During the last period the dividends were declared quarterly.

Q Do you know when the next dividend will be declared?

A I do not.

Q. Do you know the state of the company's account at this time, and what dividends could be declared at the present time, what Mr Baker would be entitled to if a dividend was declared now?

Mr WELLS: I object to the question as calling for evidence of which the witness cannot speak, and as irrelevant, immaterial and incompetent.

Q What is your position, President of the Company?

A Yes sir.

Q From your knowledge of the affairs of the company, state as near as you can what dividend Mr Baker would be entitled to, upon his stock, if a dividend were to be declared at the present time; approximately?

A The company at present is not able to declare any dividend, and they ceased on the 15th of January, last, for the reason the company deemed it necessary to expend their earnings in drilling more wells as the production ^{had} materially declined from the old ones.

Q So that there is no assets on hand now out of which dividends could be declared?

A. None, sir. Q. The proceeds are being used for improving the property of the company.

Mr WELLS: I object to the question as irrelevant

and immaterial.

Q That is the reason no dividend has been declared since January?

A Yes sir.

CROSS EXAMINATION

By Mr WELLS: Mr Scofield, how much in amount, of improvements did you put upon that claim pending the litigation, up to the compromise?

THE WITNESS: Up to the time of the compromise?

Mr THORNE: You speak of the company.

Q Yes, how much has the company put on in the amount of improvements?

A In the neighborhood of seventy-five or eighty thousand dollars. Let me correct that in this way, a portion of that was put on the Pico property, but the company had also put up a refinery at what was ^{Andrews} ~~Andrews~~ Station, at a cost of about twenty-five thousand dollars, and that was counted in on the compromise.

By Mr THORNE: Then I understand you to say that about fifty thousand dollars were put on these premises?

A Yes sir, but in the compromise with these parties they got the benefit of this other twenty-five thousand dollars.

Q They got their proportion of what has been spent on the refinery?

A Yes sir, in their stock.

Subscribed after being read over to and corrected by witness before me

J. B. Board *D. G. Scofield.*

W. J. Dwyer