

Prospects ^{to} Prosperity

*The Story of Oklahoma's
Oil and Gas Industry*

A PUBLICATION OF THE OKLAHOMA INDEPENDENT PETROLEUM ASSOCIATION

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*The Story of Oklahoma's
Oil and Gas Industry*

Commissioned by the Oklahoma Independent Petroleum Association

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Right: Oklahoma City in 1932.

COURTESY OF THE OKLAHOMA HERITAGE ASSOCIATION.

*Opposite: An oil "gusher" towers over the
Healdton field in 1910.*

COURTESY OF THE MCGALLIARD COLLECTION,
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First Edition

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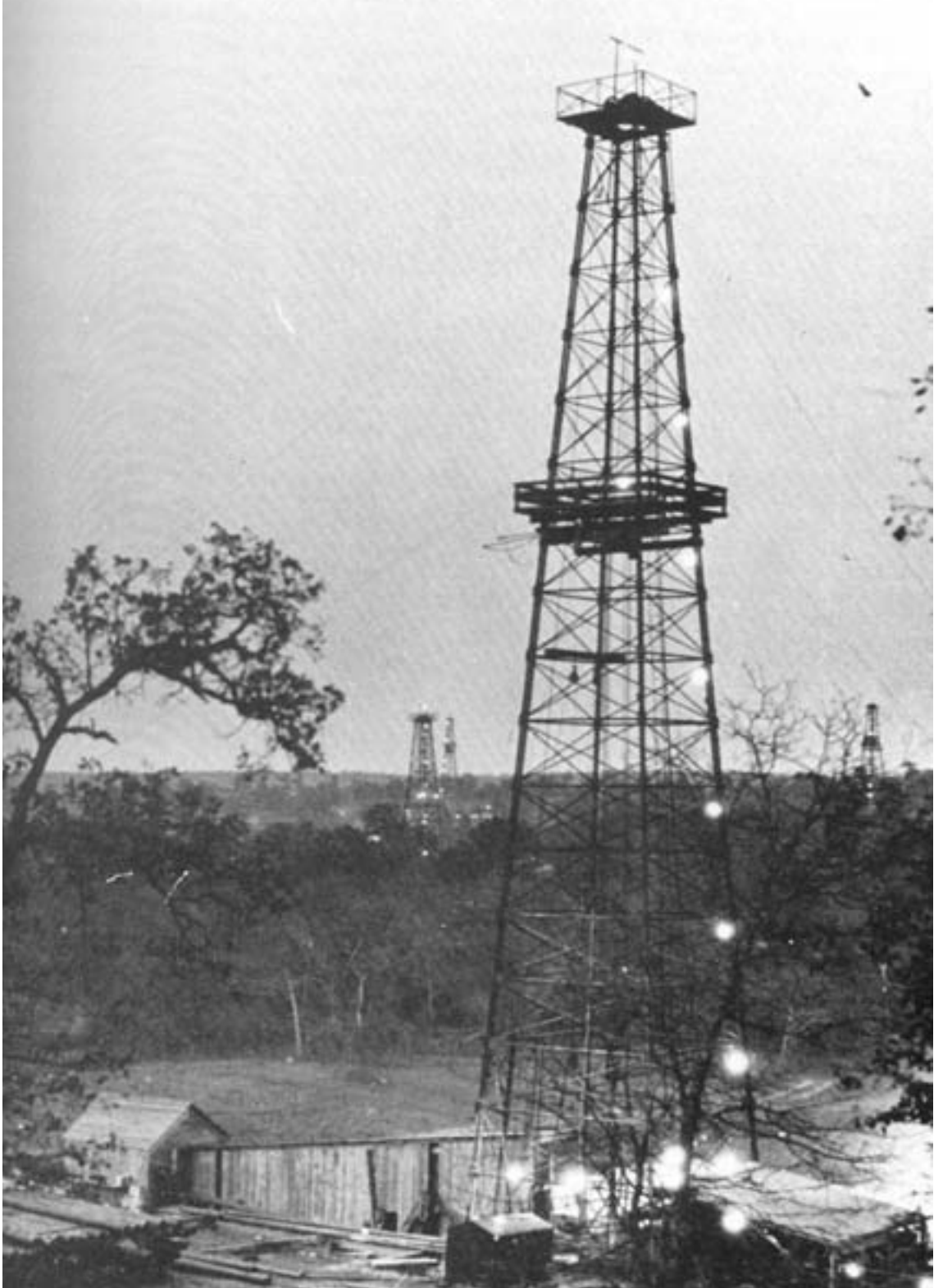
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PROSPECTS TO PROSPERITY

PREFACE

The impact of the discovery of oil and natural gas in Oklahoma can never be overstated. Before businessmen-turned-wildcatters leased and drilled thousands of oil and gas wells, Oklahoma's economy was based upon farming and ranching. The transformation of the state because of the production of "black gold" has been the subject of many books and even movies.

Through a series of discoveries, Oklahoma became one of the leading petroleum producers in the world. There was no doubt that for a period of the twentieth century, Tulsa was the "Oil Capital of the World." Famous oil wells known by romantic names such as Nellie Johnstone, Sue Bland, and Mary Sudik became legendary. Technological advancements made by Oklahoma companies revolutionized the oil and gas industry.

Even though much of the lore of oil and gas comes from oil seeps, gushers, pipelines, and oil fields, Oklahoma's incredible history of oil and gas is not about places or events—it is about people, the hearty breed of Oklahomans who drilled deep beneath the prairie and brought forth a natural wealth that was three times more valuable than the wealth generated by all previous gold and silver rushes in the West.

The oil and gas story is about enterprising young men who put borrowed money and their very lives on the line to realize their dream of tapping the earth's resources—men like Erle Halliburton, E. W. Marland, Frank Phillips, H. H. Champlin, J. Paul Getty, and William G. Skelly.

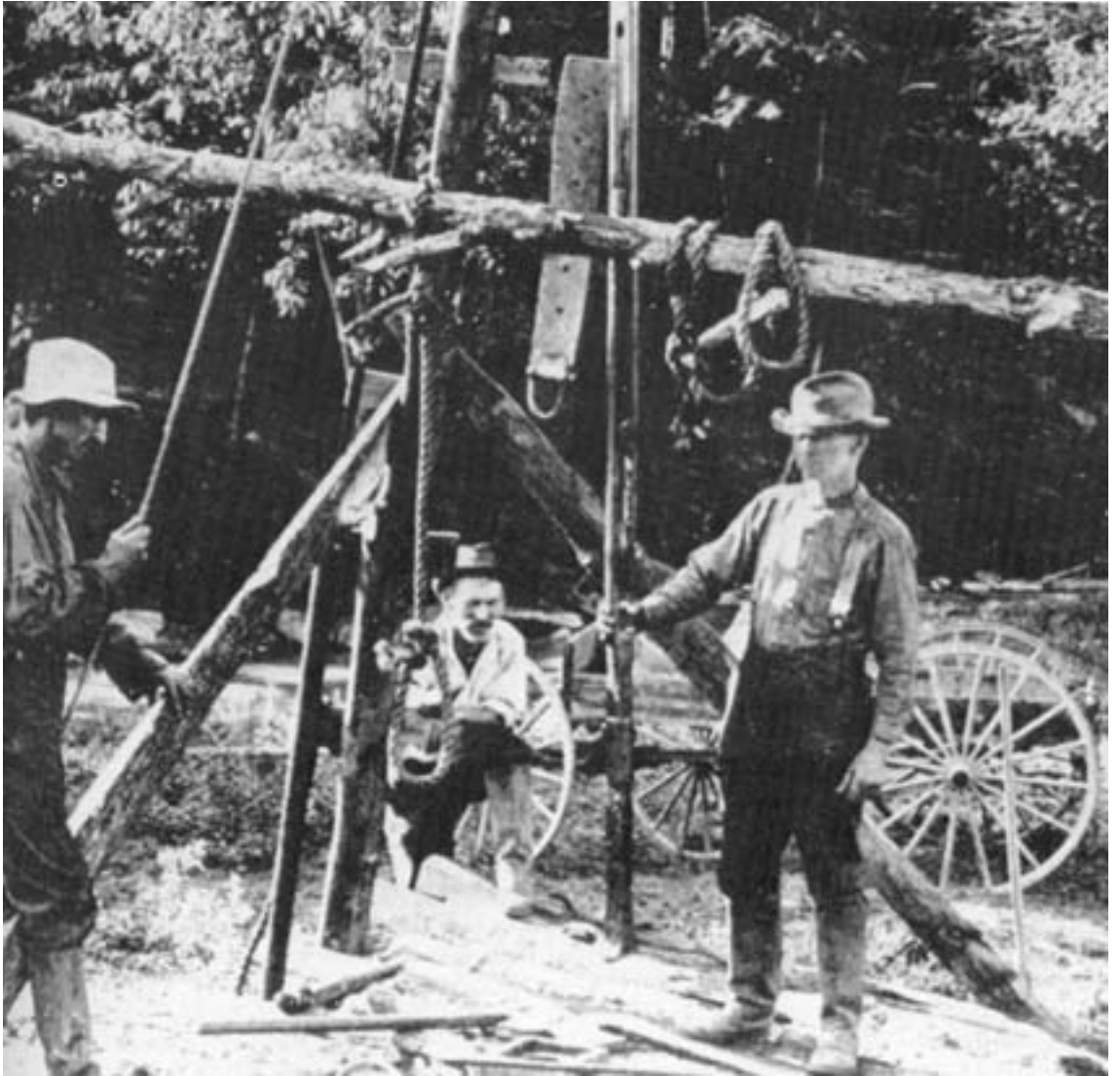
After decades of expansion and production, Oklahoma's oil and gas industry is stronger than ever—not only providing tens of thousands of jobs, but serving as the backbone of philanthropy for worthy causes. The changes that oil and gas made to the 46th state are majestic and everlasting.



A derrick at the Little River pool stands in the midst of the Greater Seminole Oil Field around 1926. Electric lights, shown here on several of the derricks, were just replacing kerosene burning lamps for nighttime drilling.

COURTESY OF THE OKLAHOMA HISTORICAL SOCIETY.





EARLY OIL EXPLORATION

Nearly a century before thousands of oil derricks dominated the landscape to the horizon, there was evidence of petroleum in what would become the State of Oklahoma. As early as 1830, Indian agents noted the existence of “medicine springs,” seeps of black liquid that oozed from beneath the rocks and gathered on the surface of springs and creeks.

Native Americans, who were being forced to Indian Territory from their ancestral homes in the southeastern United States, used the oil to doctor themselves and their animals. Word of the seeps spread, and visitors came from neighboring states. In 1853, an agent of the Chickasaw Nation reported:

The oil springs in this nation are attracting considerable attention, as they are said to be a remedy for all chronic diseases. Rheumatism stands no chance at all, and the worst cases of dropsy yield to its effects.

Well-known oil springs near present Tahlequah, Ardmore, and Caddo drew large numbers of Native Americans who lighted their camps with the gas, by placing a tube or gun barrel in the ground.

In 1859, the same year that the world’s first deep oil well was drilled and brought in near Titusville, Pennsylvania, Lewis Ross, a brother of Cherokee Chief John Ross, discovered oil in what is now Mayes County, Oklahoma. The discovery was an accident. Ross sank a deep water well near his salt manufacturing operation at Grand Saline and struck a vein of oil. The well produced ten barrels a day for a year, until gas pressure diminished.

The Civil War thwarted any advances in developing methods to retrieve the oil in Indian Territory. Jacob Bartles, for whom Bartlesville is named, noticed oil seeping out of the ground near Vinita when his Kansas Cavalry unit marched through the area. A few years after the war, George Keeler and Jasper Exendine were herding cattle along Sand Creek in Osage County. When the men’s horses refused to drink the water in a pond, the men discovered the water was covered with a scum of oil.

As the federal government released information detailing locations of streams and springs coated with oil, oil men outside Indian Territory began taking notice. The first petroleum firm in what would become Oklahoma was formed by Robert Darden, a pioneer oil man from Missouri, in 1872. He and 19 Chickasaw and Choctaw citizens organized the Chickasaw Oil Company under Missouri law.

Darden drilled a test well on land near the home of Chickasaw Governor Winchester Colbert in Pontotoc County. However, the Commissioner of Indian Affairs opposed outsiders from speculating in Indian Territory and stopped Darden’s efforts. Also, the entry of the Missouri, Kansas and Texas Railway into Indian Territory in 1872 focused regional attention on coal mining.

In 1884, Dr. H.W. Faucett of New York organized the Choctaw Oil and Refining Company and the Cherokee Oil Company and negotiated for drilling rights to 13 million acres. Two wells were drilled—one on Clear Boggy Creek west of Atoka in the Choctaw nation, and the other on the Illinois River in the Cherokee Nation. When Faucett fell ill, both wells were abandoned.

In 1889, Edward Byrd, an intermarried Cherokee, and founder of the United States Oil & Gas Company, drilled the first of 11 wells near an oil spring southwest of Chelsea in present Rogers County. The most prolific of the wells produced 15 barrels of oil per day. Unable to find a market for his production, Byrd sold his interests to John Phillips, who reorganized the company as the Cherokee Oil and Gas Company. Finding a market was still a problem, and the wells were abandoned. The lack of a market also doomed other oil wells drilled in 1894 near Muskogee.



Innovation was the key to success in the earliest days of the oil discovery. Here men prepare a spring pole drilling rig. Historian Kenny Franks explains the system, “To construct such a rig a sapling near the drilling site was bent over and one end of the cable supporting the bit was attached to the end. The downward thrust was created by pulling the end of the sapling down and the upward pull was created by the natural straightening of the sapling to its original shape.”

COURTESY OF CONOCOPHILLIPS.



Above: An early view along West Third Street in Bartlesville included Oklahoma Iron Works, Oil Well Supply Company and Continental Supply Company.

COURTESY OF THE BARTLESVILLE PUBLIC LIBRARY.

Bottom, left: A wooden rig stands tall in Pontotoc County near the start of the twentieth century.

COURTESY OF THE MCGALLIARD COLLECTION, ARDMORE PUBLIC LIBRARY.

Bottom, right: Roustabouts take a short break on a rig near Red Fork.

COURTESY OF THE SAPULPA HISTORICAL MUSEUM.

NO. 1 NELLIE JOHNSTONE

Michael Cudahy, owner of the Cudahy Oil Company, was convinced that a profitable oil well could be drilled in Indian Territory. In 1894 he obtained a two-hundred-thousand-acre lease in the Creek Nation. He also forged a deal with George Keeler, William Johnstone, Frank Overlees, and other

prominent Cherokees to drill for oil on the banks of the Caney River north of downtown Bartlesville.

In the middle of a severe Oklahoma winter, Cudahy used 14 teams of oxen to haul 20 wagons loaded with drilling equipment to Bartlesville. The trip took three weeks and cost Cudahy \$400. Drilling began in late January 1897.





On April 15, a large crowd gathered for the “shooting” of the well with nitroglycerin. Cudahy’s step-daughter, Jennie Cass, dropped the charge into the well. There was a muffled explosion as the ground trembled and a large column of oil, water, and debris shot high into the air. Cudahy had a producer—and Oklahoma had its first commercially successful oil well. It was called No. 1 Nellie Johnstone, named for the daughter of William Johnstone.

Cudahy faced the same market problems for his new well that produced between 50 and 75 barrels per day. After the local market was saturated, the well was capped. Leaks allowed oil to pour into a creek that flowed into the Caney River. When a group of children ice-skating on the river built a bonfire to keep warm, the flames spread to the oil well, and destroyed it.



Above: An oil refinery at Chelsea.
COURTESY OF THE DEVONDUNNING PETROLEUM
INDUSTRY COLLECTION, OKLAHOMA HISTORICAL SOCIETY.

*Below: This structure was typical of the
cable tool drilling rigs that sprung up all
across Oklahoma oil fields in the early 20th
century. This rig, built from nearby timber,
stood during the boom at Red Fork.*



The success of the Nellie Johnstone was well-known in oil circles across the nation. It was obvious to all that there was a potential “big play” in Indian Territory. The Oklahoma oil fields were part of the Mid-Continent Oil Region that stretched from eastern Kansas, across Oklahoma, to central Texas. Soon, experts would discover a vast reservoir of crude oil that would become one of the nation’s greatest discoveries of natural resources.

Legends have obscured the actual events that led to the drilling of the first well at Red Fork, four miles southwest of Tulsa, in 1901. One version is that two local doctors, C. W. Bland and Fred Clinton, sank the first well in the area. Another story is that two veteran oilmen, Jesse Heydrick and J. S. Wick, drilled the well. Nevertheless, the drilling of the well launched an unprecedented prosperous era of Black Gold in Oklahoma.

On the morning of June 25, 1901, the 600-foot-deep well came in and oil spewed over the top of the derrick. It was Oklahoma’s first gusher. It was named the Sue A. Bland No. 1, for the woman on whose allotment the well was drilled.

News of the gusher spread like wildfire. A headline in the *Tulsa Democrat* said, “A GEYSER OF OIL SPOUTS AT RED FORK.” A newspaper in Kansas City bragged that the gusher of oil shot fifteen feet into the air. The news set off a stampede to Red Fork. Historian Kenny Franks wrote:

It was reminiscent of the gold rushes to California and Colorado. Within a short time, every route leading to the Red Fork community was crowded with horses and wagons carrying the curious and the ambitious, as well as an assortment of shady



A wooden derrick near Berwyn, c. 1920.
COURTESY OF THE MCGALLIARD COLLECTION,
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Left: Wooden rigs were commonplace from the 1860's through the 1920s. Capable of drilling more than four thousand feet into the ground, the structures were often built in as little as four days by a small crew consisting of as many as five men. This rig stands on the grounds of the Oklahoma Historical Society in Oklahoma City, 2011.

PHOTO BY CLAIRE DABNEY.

Right: The Sue Bland No. 1 was the first successful oil well in Tulsa County and "triggered oil fever in Oklahoma."

COURTESY OF THE BERYL FORD ROTARY CLUB OF TULSA COLLECTION.

characters, all wanting to procure a share of the black wealth.

Trains brought dozens of "prospectors" to Red Fork each day. Lawyers swarmed to the

oil field to offer their services. Within a week, Red Fork was like "a carnival town." A special train brought Oklahoma City civic leader Charles Colcord and others to evaluate the impact of oil on the region.

WORLD'S FIRST SCHOOL OF PETROLEUM GEOLOGY

In 1900 the University of Oklahoma (OU) established a school of geology under the direction of Charles Newton Gould, known as the "Father of Oklahoma Geology." Traversing Indian and Oklahoma territories in a covered wagon, Gould added significantly to the energy geology of Oklahoma and the entire Southwest.

Gould and his associate professors and students established as a science the use of both surface and subsurface geology in the search for petroleum. He pioneered geology, and later geophysics, as an integral part of searching for oil and gas, although the industry did not accept and widely use his teachings for two decades.

OU awarded its first geological engineering degree in 1919 and is among the top universities in the United States in the number of petroleum engineers graduated in the past century. The ConocoPhillips School of Geology, the Mewbourne School of Petroleum and Geological Engineering, and the Oklahoma Geological Survey, also founded by Gould, make up the OU College of Earth and Energy, which was renamed the Mewbourne College of Earth and Energy in 2007. The college bears the name of 1958 OU petroleum engineering graduate Curtis Mewbourne.

OU petroleum geologists and geophysicists have played an integral role in discovering significant oil and gas reserves throughout the world.



Above: The 1903 construction of a steel toll bridge across the Arkansas River allowed Tulsa access to the Red Fork and Glenn Pool oilfields. The bridge opened in January 1904.

COURTESY OF BERYL FORD ROTARY CLUB OF TULSA COLLECTION.

Opposite, top: A uniquely constructed pumping unit stands atop a tree trunk for stability at a well site on a sand bar in the Arkansas River near Tulsa.

COURTESY OF THE OKLAHOMA HISTORICAL SOCIETY.

Opposite, bottom: An oil field near Chandler, Oklahoma.

COURTESY OF THE DEVON/DUNNING PETROLEUM INDUSTRY COLLECTION, OKLAHOMA HISTORICAL SOCIETY.

Leaders in nearby Tulsa were interested in getting the word out about the discovery of oil. Before 1901, Tulsa was a cow town—the only traffic jams were caused by longhorns being driven down the streets from the train station to the stockyards. Even though the Sue A. Bland and other Red Fork area wells were never big producers, Red Fork and Tulsa had a taste of what oil could do to transform a town and its people.

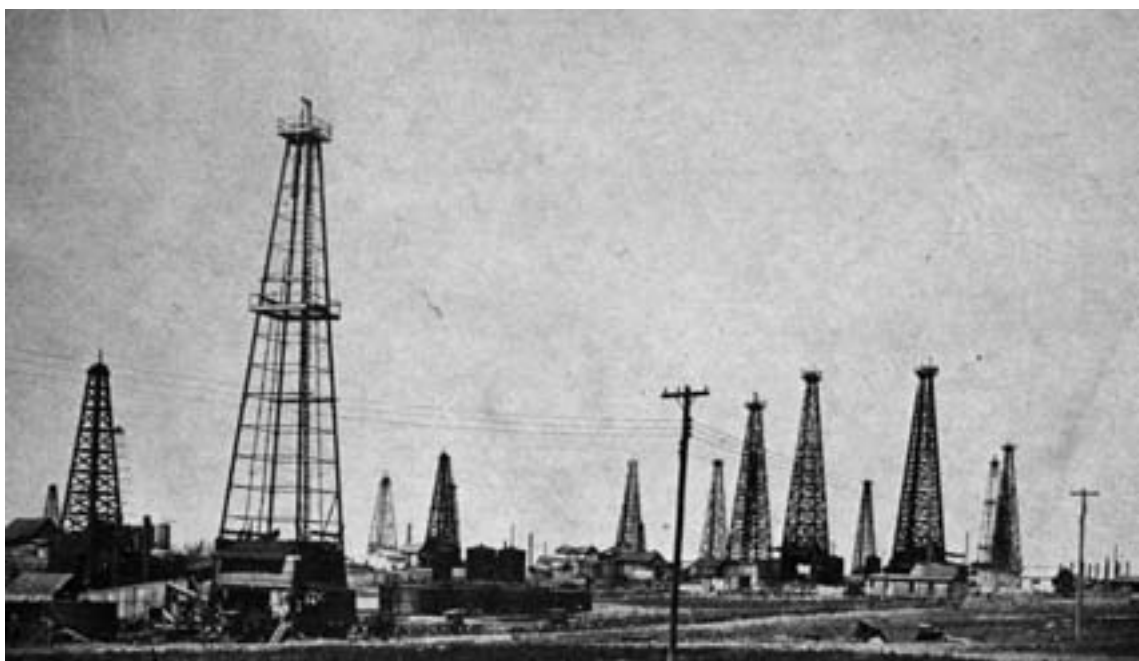
The Arkansas River separated Red Fork and Tulsa. In an effort to attract growth to Tulsa, a special train took workers to the oil patch in the morning and returned with them to eat and sleep in Tulsa that night. Several individuals gathered their money and built a toll bridge across the river. The commercial enterprises in Tulsa benefited greatly.

While federal officials questioned the legality of oil leases on allotted land in Indian Territory, speculators began looking at Oklahoma Territory. In 1901 the Oklahoma Natural Gas, Light and Heat Company completed a ten-barrel-per-day oil well north of Granite in Greer County. Employees used a sheet-iron bucket, with a pulley and a

horse, to retrieve the crude from the well. An official of the company that drilled the well boasted that Oklahoma Territory would become one of the greatest fields in the United States.

Other attempts were made to drill near Fort Sill and Lawton. However, homesteaders opposed to the drilling burned several derricks and the effort was abandoned. In 1902, a well was drilled near Newkirk in northeast Oklahoma. Small quantities of natural gas and a high-grade crude oil were reported, but not enough oil was located to touch off a boom. Additional exploration took place near Oklahoma City, Guthrie, McCloud, Shawnee, Cushing, and Chandler, but still, no large pools were uncovered.

Most of the attention toward tapping the unknown reservoirs of oil and gas in Oklahoma and Indian territories in the early years of the twentieth century was directed along the Arkansas River, where long stretches of sand surrounded flowing clear water. The attention was deserved, especially as knowledge of oil and salt water seeps on creeks flowing into the Arkansas were noted by prospectors.





THE OIL RUSH

Oil seeps were well known along Cedar Creek south of Cleveland in Pawnee County. Believing that such seeps were the sign of oil reserves beneath the surface, oil men began seeking leases in the area. When railroad tracks were laid through the county in 1904, interest in drilling increased. The Minnetonka Oil and Gas Company secured leases along Cedar Creek that same year and drilled along the creek bank on the farm of William Lowery.

The well site was almost in the center of a large bend of the Arkansas River. Because the land owner was better known as “Uncle Bill,” the first well on Cedar Creek was called the “Uncle Bill No. 1.” Even though local officials in Cleveland tried to stop the drilling, the well was completed. In June 1904, drillers hit abundant natural gas. But, wanting oil, not gas, they pushed the hole deeper. By the time the well reached 1,250 feet, it was estimated that Uncle Bill No. 1 was flowing up to three million cubic feet of natural gas per day. The production created a stir in the region, and representatives of other companies came to Cleveland.

Drilling deeper, zones were found that were rich with up to 20 million cubic feet of gas per day. Oil sands were eventually reached and the Uncle Bill No. 1 was brought in as a 10-barrel-per-day producer. When the well was shot by the Kansas Torpedo Company on July 23, 1904, the explosion broke loose torrents of oil and daily production jumped to 250 barrels of crude.

Cleveland immediately grew from 1,000 to 7,000 in population. Ultimately, more than \$1.5 million was spent developing the Cleveland Field. A year after the first well came in, more than 200 producing oil wells were completed, with another seven flowing gas. Crude was stored in tanks excavated from the earth, but that method of storage was unacceptable because of seepage and evaporation. Within a few years, wooden and steel tanks capable of storing 1.5 million barrels of oil were constructed in the Cleveland area. Cleveland was the first fully developed pool in what would become Oklahoma.



Workers complete a massive fifty-five-thousand-barrel steel storage tank near Cleveland.

COURTESY OF THE OKLAHOMA HISTORICAL SOCIETY.

GLENN POOL

Tulsa County's real oil boom began on November 22, 1905, when wildcatters Frank Chesley and Robert Galbreath brought in a gusher on a farm owned by Ida Berryhill Glenn about ten miles south of Tulsa. Before daybreak, oil gushed over the top of the derrick over the well that was called the Ida Glenn No 1. With its seventy-five-barrel-per-day production, the well ushered in the first major oil field in Oklahoma—the magnificent Glenn Pool.

Galbreath and other investors in his Creek Oil Company recognized they had discovered a large pool of oil. Armed guards prevented anyone from getting within one mile of their producing well or land they hoped to lease. A second well, the Glenn No. 2, came in on March 15, 1906, and flowed 1,700 barrels of oil in the first 24 hours. The well was capped and began producing eight hundred barrels per day.

The Glenn Pool was called “the richest little oil field in the world.” Within two years, more than 1,000 wells had been drilled and nearly 100 oil companies operated within the pool. Tulsa was at the center of the oil boom, although discovery of oil was in towns adjacent to the growing city. Tulsa became a commercial service center for oil and gas activity in the region.

Within months, the worldwide discovery brought thousands of new people to Tulsa. Housing was scarce and oil field workers slept on the floors of derricks. Storage tanks could not be built fast enough, so the crude was dumped in earthen storage pits.

The need for pipelines brought investment from several companies that built gathering lines through the Glenn Pool. The lines merged at the Frisco Railroad depot at Keifer. By early 1907, the Gulf Pipe Line Company began shipping up to ten thousand barrels of crude per day to its refinery at Port Arthur, Texas.

THE FIRST GAS PROCESSING PLANT WEST OF THE MISSISSIPPI RIVER

When the Glenn Pool began production in 1905 and 1906, the natural gas processing industry west of the Mississippi River began with the construction of a plant by D.W. Franchot and Company. The pool provided raw materials for the gas processing plant that extracted liquid hydrocarbons from the gas.

The gas processing industry grew out of conservation of liquids contained in the natural gas. This “natural gasoline,” was used to fuel the growing number of automobiles. Residue gas was piped to nearby towns for heating and lighting.”



The loading dock of D.W. Franchot's natural gas plant at Kiefer, the first of its kind in Oklahoma.

COURTESY OF THE SAPULPA HISTORICAL MUSEUM.



The Kansas Torpedo Company often sent a “shooter” to hopeful drill sites with a special, padded wagon for carrying nitroglycerin to complete the job. A shooter opened the rich Uncle Bill No. 1 in 1904.

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