



OKLAHOMA HERITAGE Association
GAYLORD-PICKENS Museum

HERITAGE TIMES

Telling Oklahoma's Story Through Its People

GENEROSITY • INDIVIDUALISM • OPTIMISM • PERSEVERANCE • PIONEER SPIRIT

In **Lesson 4** students will explore some of the personalities that have played a role in Oklahoma's energy history.

Featured Oklahomans

H. V. Foster
Erle P. Halliburton
Tom Love
James J. McAlester
Aubrey McClendon
John Nichols
Frank Phillips
T. Boone Pickens

In Addition to Information on the **Nellie Johnstone No. 1**

James J. McAlester

Acclaimed by contemporaries as the founder of the Oklahoma coal industry, McAlester also contributed to the development of McAlester.

Following discharge from the Confederate Army after the Civil War, McAlester was given a memorandum that detailed the vast coal fields from an engineer who had surveyed Indian Territory. With this information, McAlester left school and moved to Indian Territory. At age twenty-four he entered the Choctaw Nation. He found employment with the Indian trading firm of Harlan and Rooks. Later he worked for Reynolds and Hannaford, a firm of post traders. Eventually McAlester bought out his partners and established a store near the outcroppings of coal. His marriage had granted him full citizenship in both Choctaw and Chickasaw nations and allowed him to stake a claim to coal deposits within a one-mile radius from point of discovery. Over time, McAlester's interests in coal burgeoned, and with the arrival of the Missouri, Kansas and Texas Railway, the J. J. McAlester Mercantile Company flourished as coal production soared.

Elementary Activity: Divide the current Oklahoma map into Indian Territory and Oklahoma Territory.

Secondary Activity: Explore the locations of coal deposits in southeastern Oklahoman.



Aubrey McClendon

An Oklahoma City native, McClendon is the chairman of the board, chief executive officer, and a director of Chesapeake Energy Corporation.

McClendon began his career in the oil and natural gas business as a landman for his uncle. His handshake agreement formed an oil and natural gas partnership that led to the incorporation of Chesapeake. Chesapeake began with an initial capital of \$50,000 and fewer than ten employees.

Today, Chesapeake is the third largest independent producer of natural gas in the U.S. and the most active driller of new wells in the U. S.

Elementary Activity: Draw two examples that use natural gas to perform.

Secondary Activity: Explore the differences in drilling for oil and natural gas.



Nellie Johnstone No. 1

The first commercial oil well in Oklahoma was the *Nellie Johnstone No. 1*. It was drilled by William Johnstone, George B. Keller, and Michael Cudahy.

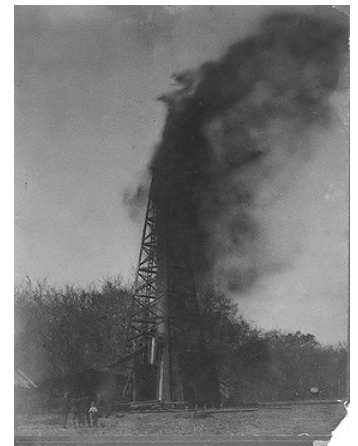
The well blew in on March 25, 1897 and was "completed" on April 15. It became commercially profitable in 1900, when oil began to be shipped by rail from Bartlesville to Caney, Kansas and from there via pipeline to a refinery at Neodesha, Kan-

sas.

The well site is preserved in Johnstone Park. Washington County's Bartlesville-Dewey pool would become the largest in the state, eventually producing over 1.5 billion barrels of oil.

Elementary Activity: Draw a wooden oil well like the Nellie Johnstone No. 1

Secondary Activity: Research discoveries in a 90-mile radius.



Words of Wisdom
from the
Oklahoma Hall
of Fame

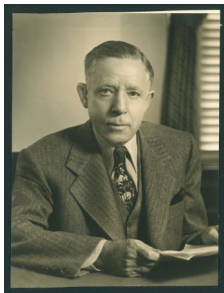
“Wealth nor power mean much without the knowledge that you can go home at night and truly believe that you have done harm to no man, nor is any man your enemy. He is right who gives of himself, loves his neighbor, and honors God Almighty.”
-Jimmy Stewart
Inducted 1986

“A man never gets his beginnings out of his bones.”
-Frank Phillips
Inducted 1930

“The oil industry is one big family – no matter who is drilling a hole in the ground, we are all on the sidelines rooting for him to strike oil.”
-John W. Nichols
Inducted 1987

Erle P. Halliburton

Halliburton was born on a farm in Tennessee and, at the age of 14, began working in railroad construction camps and at 16 was operating a steam crane loading Mississippi River barges. In the Navy he operated the



Navy's first motor barge. Back in the U.S. he worked for Perkins Oil

Well Cementing Company. Cementing of wells was in its infancy and when he proposed several improvements, his ideas were rejected and he was fired.

After spending a few years perfecting his ideas, he had the opportunity to work with Skelly Oil Company and founded Halliburton Oil Well Cementing Company in 1924. He purchased and operated a gold mine and hydro-electric venture in Honduras and engaged in farming and ranching.

A great, but little-known philanthropist, he and his wife

made many contributions to improve civic and educational facilities in Duncan, as well as assisting orphans, the handicapped, and providing relief overseas.

Elementary Activity: Explore what Duncan was like when Halliburton founded his company?

Secondary Activity: Research at least one of Halliburton's interests outside the oil industry.

Frank Phillips

A pioneer oilman and philanthropist, Phillips was only 29 when he used his savings from work and commissions as a bond salesman to found the Citizens Bank and Trust Company at Bartlesville. Success in banking and oil went hand in hand for Phillips and, in 1917, he and his brother, L.E. Phillips, incorporated the Phillips Petroleum Company with 27 employees and \$3 million in assets. He would serve as chairman of the board until 1949

and the company would grow to more than 23,000 employees with assets exceeding \$1 billion. Always interested in aviation, Phillips backed Art Goebel's successful flight from Hawaii, the first non-stop flight westward, and supported Wiley Post in his test flights into the stratosphere.

Phillips grand home would later be donated to the Oklahoma Historical Society and Woolaroc, Phillips' ranch re-

main open to the public.



Elementary Activity: Graph Phillips Petroleum Company's growth in the number of employees and assets.

Secondary Activity: Explore Wiley Post's discovery of the jet stream while testing Phillips 77 aviation fuel.

H. V. Foster

Foster helped establish the Indian Territory Illuminating Oil Company (ITIO).

Foster came to Oklahoma when the death of several relatives led to his being named company president in 1903. The company that controlled the immense Osage oil lease was suffering. Knowing he could never develop the field in the three years remaining on the lease, Foster split it into hundreds of small subleases. Foster became the richest

man west of the Mississippi by making many others rich as well. The old ITIO building stands at the corner of modern-day Frank Phillips Blvd. and Johnstone. ITIO was later controlled by Empire Gas Company. ITIO/Empire eventually became part of Cities Service Oil Company. Later splits spread the company among OXY USA, Citgo, and Williams Natural Gas Co.

For himself Foster built the 32-room La Quinta mansion

between 1930 and 1932 for \$500,000, now the administration building for Oklahoma Wesleyan University.



Elementary Activity: Draw the boundaries of the Osage.

Secondary Activity: Develop a timeline from ITIO's founding to its final split.

John W. Nichols

An Ardmore native, Nichols graduated from the University of Oklahoma with a B.S. degree in Business and later his CPA.

With several partners, he formed Blackwood and Nichols Company, Ltd. and organized the first syndicated oil and gas drilling program to register with the Securities and Exchange Commission. He formed Mid-America Mineral, Inc., which merged with Calvert Exploration and founded Essex Corporation, an oil well supply firm.

Nichols bought producing properties called Devon Inter-

national Royalties and served as chairman and chairman emeritus of the Devon Energy Corporation. He formed Devon Resource Investors, a Master Limited Partnership on the American Stock Exchange.

Nichols has served as Trustee of the Randolph-Macon Women's College, a director of the YMCA, and was an active member of the development board of Princeton Theological Seminary in New Jersey.

Marking the largest single gift ever given by a corporation, Devon Energy gave \$10 million to the OU College of

Engineering to help build a modern research center.



Elementary Activity:

Calculate the mileage from Nichols native Ardmore to Devon's home in Oklahoma City.

Secondary Activity: Explore the impact Nichols oil and gas syndicated program had on the industry.

Did you Know? from the Oklahoma Hall of Fame

Erle Halliburton started his own airline in Tulsa in 1931 called Southwest Air Fast Express, or Safeway Airlines, which later merged with American Airlines.

The autobiography of Boone Pickens was published in the 1980s and was listed on the New York Times Bestseller List for several years. In 2001, he published *Boone Pickens: The Luckiest Guy in the World*.

T. Boone Pickens

A Holdenville native, Pickens graduated as a geologist from Oklahoma State University and began working for Phillips Petroleum Co. for a monthly salary of \$290.

After three and a half years, he set out to become an independent geologist-oilman at the Anadarko Basin and the Hugoton Filed. On a borrowed \$2,500, Pickens and two

partners formed the predecessor to Mesa Petroleum Company and eventually made it one of the largest independent producers of oil and gas in the U.S. He formed the United Shareholders Association and became the largest stockholder in Tokyo-based Koieto Manufacturing Company.

He created the B.P. Capital Energy Fund and has been a

generous philanthropist to OSU and multiple other institutions, including the Gaylord-Pickens Oklahoma Heritage Museum in Oklahoma City.

Elementary Activity: Find Holdenville on the map and find the best route to Stillwater.

Secondary Activity: Explore the Pickens Plan and formulate a platform either for or against it.



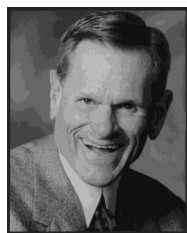
Tom Love

Oklahoma native and CEO of Love's Country Stores, Inc. and Musket Corporation, Love graduated from St. Gregory's High School before attending college at St. John's in Minnesota and the University of Oklahoma.

After serving in the Marines, Tom purchased an abandoned Mobil station in Watonga. Less than eight years later, the company had grown to 40 discount filling stations. Love's Travel

Stops originally concentrated in small towns but expanded to the interstate in metropolitan areas.

Love has been involved in both state and national oil markets and activities. He was presented with the "Corp-oration of the Year" award and was inducted into the Sales and Marketing Executives International Academy of Achievement. In 2006,



Love was listed among the "50 Most Powerful Oklahomans."

Elementary Activity.

How many miles is the closest Love's to the school?

Secondary Activity: Compare the number of Love's Stores to another similar chain.

Educational opportunities annually offered by the **Oklahoma Heritage Association** include:

- More than \$4,000,000 in scholarships to high school students.
- Heritage Week competitions for students in grades 3 through 12.
- Teen Board for students grades 9-12.
- Interactive Versus Series compare and contrast an Oklahoman from our past with his or her contemporary.
- Field trips to the Gaylord-Pickens Oklahoma Heritage Museum—voted Nickelodeon’s Parents’ Choice Best Pick for Teens.
- “I Am Oklahoma” program for students of all ages.
- *Oklahoma: Magazine of the Oklahoma Heritage Association* is distributed to high school libraries statewide.

RESOURCES

Oklahoma is rich in energy resources. Many of the largest oil and gas fields in the country are found in the Anadarko, Arkoma, and Ardmore geologic basins. Coal deposits also are found in the Arkoma Basin and the Cherokee Platform, both in eastern Oklahoma. Oklahoma’s fossil fuel reserves make up part of the Mid-Continent Oil Region, a vast fossil fuel-producing region extending from south Texas to Nebraska and between the Rocky Mountains and the Mississippi River. Oklahoma also has hydroelectric potential in several river basins and wind and solar potential, primarily in the western portion of the State.

PETROLEUM

Oklahoma is one of the major oil-producing States in the country, with annual production typically accounting for more than 3 percent of total U.S. production in recent years. Crude oil wells and gathering pipeline systems are concentrated in central Oklahoma, although drilling activity also takes place in the panhandle. Three of the 100 largest oil fields in the United States are found in Oklahoma.

The city of Cushing, in central Oklahoma, is a major crude oil trading hub that connects Gulf Coast producers to Midwest refining markets. In addition to Oklahoma crude oil, the Cushing hub receives supply from several major pipelines that originate in Texas. Traditionally, the Cushing Hub has pushed Gulf Coast and Mid-Continent crude oil supply north to Midwest refining markets.

Crude oil supplies that are not delivered to the Midwest are fed to Oklahoma’s five refineries, which have a combined distillation capacity of almost 500 thousand barrels per day—roughly 3 percent of the total U.S. refining capacity. Several petroleum product pipelines connect those refineries to consumption markets in Oklahoma and nearby States. One of the largest of these, the Explorer Pipeline, originates on the Texas coast and receives products from Oklahoma refineries before curving eastward to supply Midwest markets.

NATURAL GAS

Oklahoma is one of the top natural gas producers in the United States and annual production typically accounts for almost one-tenth of total U.S. natural gas production. More than a dozen of the 100 largest natural gas fields in the country are found in Oklahoma. Oklahoma also has large reserves of coal-bed methane in the Arkoma Basin and the Cherokee Platform in the eastern part of the State. Extraction of those resources has grown.

Most natural gas in Oklahoma is consumed by the electricity generation and industrial sectors. Roughly 60% of Oklahoma households use natural gas as their primary energy source for home heating. Nevertheless, less than one-third of Oklahoma’s natural gas output is delivered to consumers within the State. The remaining supply is sent to neighboring States and to natural gas trading hubs.

COAL, ELECTRICITY, AND RENEWABLES

Coal and natural gas-fired power plants dominate electric power production in Oklahoma. Nearly all of the State’s coal needs are supplied by railcar. Renewable energy resources—hydroelectric dams, wind farms in the west, and limited wood and wood-waste generation—also contribute small amounts of electricity to the Oklahoma power grid. Just more than 25% of Oklahoma households rely on electricity as their primary energy source for home heating.

www.oklahomaheritage.com



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