

Houston Philosophical Society
Minutes of 612th Meeting, October 19, 2006

CALL TO ORDER: 8:00 p.m.

President James L. Kinsey called the meeting to order. Guests were introduced.

Jim Kinsey introduced the speaker, Dr. Robert Cargill, Rice, 1955, Ph.D., M.I.T. 1960. Dr. Cargill did post-doctoral work at U.C. Berkeley and taught chemistry at the University of South Carolina until he returned to Longview, Texas in 1980 to enter the family business. Dr. Cargill spoke on “Discovery of the East Texas Oil Field.”

The East Texas Field is America’s largest, having produced 6BB by 2005, with 1BB remaining. The discoverers of the Field, were Columbus Marion (“Dad”) Joiner, “Doc” Lloyd, H.L.Hunt, E.C. Laster.

In 1913, Barney Skipper began preaching that oil was available in East Texas. The only people who would listen were basically destitute. Although the Cotton Valley formation covers all but 3000’ if you drill deep enough, Shell drilled a dry hole 3 miles east of Kilgore in 1915, and Pappy White did the same 3 miles of east of Longview in 1924.

In 1919, Hugh Tucker, a geologist, invited Walter Lechner, who had returned from World War I, and his father to see land in East Texas, telling them there was an ocean of oil at shallow depth 45 miles to the west and it was up to Lechner to find it. Tucker staked the Santa Rita #1 well in 1920.

Also in 1920, Malcolm Crim, a Longview shopholder, took his bride to Mineral Wells, west of Fort Worth, where he saw a fortune-teller who told him there was an ocean of oil beneath the barn on his East Texas farm, which she accurately described.

In 1925, “Dad” Joiner, a con man who put together deals, drilled to 3150’ and ran out of money. Depressed, Joiner went to Galveston, certain he would never discover oil. However, Empire Oil drilled 200’ deeper 2 years later and discovered Emerald Oil Field. That year, Joiner and J.E. Durham drilled the Daisy Bradford #1 on Daisy Bradford’s farm, got stuck, and had to abandon the well. In 1928, they drilled the Daisy Bradford #2, which they abandoned at 2500’. In 1929, they drilled the Daisy Bradford #3 spud.

On September 5, 1930, the Daisy Bradford #3 struck oil. H.L. Hunt, standing around, saw Joiner’s reaction, which was glum because Joiner had sold 500 people a 4 acre undivided interest in his 320 acre tract. Joiner knew he was trouble, and Hunt figured it out. Hunt offered to buy him out.

The Daisy Bradford #3 blew in on the eastern edge of the Woodbine sand formation. Hunt recognized that the drop to 180 barrels after the initial flow of 6800 barrels per day was an edge phenomenon. After drilling dry holes to the northwest and southeast, Hunt realized he had to go west. Prices skyrocketed. Hunt eventually bought out Joiner for \$1,250,000, mostly paid from oil payments. Joiner died broke in Dallas.

In 1962, the slant-hole scandal erupted. The use of over 5000’ of pipe in 19-20’ deep wells proved to be slant-hole drilling from beyond drilling platforms beyond the eastern or western limit of the field without oil. The Shell Laird Lease #4, which had been producing oil for 25 years, began producing drilling mud in surges. The frequency was recognized as the same as mud pumps on a drilling well. There was only one drilling well within a mile—where Jimmy Scales had conveyed his lease to W.S.

“Bill” Carter. Carter’s water-driven well on the west had produced only water until he hired Jake Maxwell, who kicked the well to the east. In 1962, the slant-hole wells were discovered and capped.

The lessons of the East Texas Field are that companies are often wrong and lose fortunes; conmen believe their own lies and are sometimes right; don’t sell called options; the first 8 wells define the field and were all drilled by independents; discoverers rarely get rich; and, if offered an oil well today, run, because if it were a good deal it would already have been taken.

The meeting was adjourned at 9:00 p.m.

Submitted,

Evelyn Keyes
Recording Secretary