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**ABSTRACTS**

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**TEAMSTERS AND OIL SCOUTS: TWO VALUABLE  
(BUT SHORT-LIVED) OCCUPATIONS IN THE  
EARLY DAYS OF PENNSYLVANIA OIL**

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As the United States oil industry burst into life within weeks of the oil-drilling discovery of Drake, Bissell and Townsend, its structure was determined by techniques often as hit-and-miss as the wildcatters' hunches on the sites of the wells themselves. Everything about the nascent industry had to be invented, almost on the spot. From living conditions to financial arrangements to technical innovations, each sprang up, was tested and just as quickly modified or discarded. The only rule was simple: if it worked it stuck.

Among the innovations were new occupations. And just like everything else, from kicking wells to Pithole City, they too could be dramatically important for a short while and then be gone. Two of the more fascinating, if transient, jobs that were born and died in the thunderclap of energy of the early oil industry were oil teamsters and oil scouts.

Teamsters drove the wagons that carried barrels of oil from the well sites to the railroads, rivers or refineries. But roads were rotten, and the muck that the ground became with bad weather was worsened by crude oil, spilled or leaked from shoddy barrels. It was rough work, nearly impossible at times, to force balky horses or oxen through the mire while towing a cart loaded with more than two thousand pounds of oil. The pay was solid, as much as three dollars a barrel, or \$18 dollars on a good day. But when pipelines moved in and railroads expanded, the teamsters were priced out of the market. They tried to hold on, using sabotage and even armed violence to stem the tide, but progress left them in the mud.

Oil scouts were familiar with gunfire, too, but that was because they were doing their job too well. They first made their appearance with widespread oil speculation, when knowledge of the performance of a given well could dramatically affect the prices being set at the exchanges. Information became money.

Oil scouts became experts with field glasses and sophisticated techniques to determine how deep a well had been dug and how successfully. And they did it usually in the dark of night, hundreds of feet from their target, because the wells were posted with armed guards to keep them away. What ended the career of the oil scout? The end of speculation, when Standard Oil decided it would set the prices and no longer honor oil certificates.

Teamsters and oil scouts were rough-and-ready characters, lively examples of life in the early days of the oil industry.

**THE PRUDENT OPERATOR STANDARD AND  
OILFIELD WASTE  
A HISTORY**

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The management and disposal of oilfield wastes, primarily produced water, waste oil, and drilling fluids, were and still are controlled under three major contexts: 1) statutes or regulations; 2) expressed oil and gas lease contract obligations, and 3) implied lease obligations. Many old oil fields still contain the evidence of waste management practices that are no longer acceptable oil field practices. When judged by modern environmental standards rather than the statutory, contractual, and case law contexts under which these actions occurred, such wastes may be interpreted by some as examples of negligent, reckless, and illegal acts. Modern oilfield litigation concerning oil and gas field wastes is very dependent on understanding the context under which alleged actions occurred and whether these actions were that of a *prudent operator*.

The prudent operator standard, first defined in oilfield litigation in 1905, is a standard used to judge whether the actions of an oil company are justified in operating an oil and gas mineral lease. The 1905 litigation stated the standard as such: *Whatever, in*

*the circumstances, would be reasonably expected of operators of ordinary prudence, having regard to the interests of both lessor and lessee, is what is required.* This definition of the prudent operator still stands today, although what changed over the many decades were both the circumstances and the nature of reasonable expectations.

The rise of conservation and pollution laws also imposed an additional operator duty. A fundamental requirement of the prudent operator was to meet his obligations to both the lessee and the state. Prior to conservation laws which controlled well spacing and lease production, a prudent operator was obligated to densely drill and rapidly produce a lease so as to prevent oil drainage by nearby leases. This early aspect of the prudent operator contributed greatly to surface impacts from wastes. The operator also contended with early pollution regulations which mainly focused on unacceptable levels of surface water disposal. Over time, though, expectations of normal and necessary operations by a prudent operator changed, and the *footprint* of operations impact grew smaller.

An important concept is that an oil and gas lease grants the right, whether stated or not, for the lessee to occupy and utilize the land surface to the extent needed for his operations. In the absence of specific regulations or contractual obligations, there was no implied obligation to the prudent operator which required cleanup, pit infilling or restoration after lease operations ceased if those operations had been *reasonably necessary*. Analyzing the merits of modern litigation against old oilfield wastes requires an understanding of old regulations, reasonable and necessary oilfield operations for the given timeframe, and the intent of the two parties that contracted a surface damage clause.

### **OILYOUTE TO TRIUMPH HILL OIL EXCITEMENT ON THE ALLEGHENY RIVER**

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News of Edwin Drake's successful oil well inspired people to begin their search for black gold from Kentucky northwards to Canada. Wherever oil had previously bubbled to the surface and had been gathered for medicine, lubrication or fuel, people began to dig or drill for oil. However, most of what has been published about the early days of oil focuses on the Oil Creek Valley. As a result, the history of much of the early oil region has been ignored and long-held myths are perpetuated. As researchers delve into these countless untold stories, exciting early oil adventures will be rediscovered.

One chapter will include the story of an area just outside the borough of Tidioute, Warren County, PA. Today, the deeply wooded hills with their flowing brooks belie the wild past which once covered the steep hills and valleys.

From John Grandin drilling the industry's first dry hole in 1859 to new wells being drilled today, the little creek called Dennis Run has seen hundreds of wells. Thousands of people flocked to little Tidioute in the 1860s. Wild oil excitement ensued. Some of these early operators went on to play important roles in the national oil scene. When they moved on, locals continued the oil and gas operations. Today the surface area is owned by the Pennsylvania Game Commission but the mineral rights are privately held. It's hard to believe what it was like 150 years ago.

### **EDWIN L. DRAKE WHO WAS HE AND WHY DO YOU KNOW THAT NAME?**

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The year 2009 marks the 150<sup>th</sup> anniversary of the Drake Well which produced its first oil on August 27<sup>th</sup>, 1859. In reality, whether it is apparent or not, the entire world should be, and to a certain extent is, celebrating that day also, for finding oil in that well 150 years ago has truly had a world-changing impact. However, unlike the bombing of Pearl Harbor in 1941, or the sinking of the *Lusitania*, both history-changing events whose impact and affect were immediate, it took the world several years for the true meaning of that well to come to full flower. But the world in which we find ourselves these 150 years later has been shaped and created in a major way by what happened after Edwin Drake and William (Uncle Billy) Smith pumped out their first oil on that day in August 1859. Almost every item that touches our lives each day has some connection, either directly, like transportation, or indirectly, such as the fertilizers used to grow our food, to petroleum and natural gas and to the industries that has been created around them. Drake's success was one of the major sparks that set off the petroleum revolution. While many people know of the event, few know much of the man behind the well, Edwin Drake. There are so many myths and legends about him that it is hard to distinguish reality from fiction, but as the world celebrates this 150<sup>th</sup> anniversary of his well, it seems appropriate to re-examine Mr. Drake's life. To take time to re-answer the age old questions of who was he, why was he there, and why should we be celebrating this anniversary? The least we can do, these 150 years later, is to honor this man to whom we owe so much