TEMPEST AT TEAPOT DOME, WYOMING: THE GREATEST POLITICAL SCANDAL IN THE HISTORY OF THE AMERICAN OIL INDUSTRY

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Warren G. Harding's presidential administration was probably the most corrupt in American history, and the oil industry was right in the middle of the fun. The scandal surrounding Teapot Dome in the 1920s was the most infamous presidential malfeasance of the 20th Century until Watergate.

A Presidential Order in 1915 created the first Naval Petroleum Reserves, including Teapot Dome Oilfield in Wyoming. The advantages of petroleum over coal for naval fuel had proved irresistible, and the crude reserves were meant to provide a secure wartime supply.

Harding chose New Mexico Senator Albert B. Fall for his Cabinet. Fall was a successful rancher and lawyer, but one whose enthusiasm for the private exploitation of the nation's strategic resources led a contemporary to say, "It would have been possible to pick a worse man for Secretary of Interior, but not altogether easy."

Fall wrangled the Reserves away from the Navy Department, and then leased the field in 1922 to independent oil titan Harry Sinclair in a noncompetitive deal that guaranteed a favorable market: Uncle Sam. Senate hearings followed, Fall resigned less than a year later, and Harding died suddenly a few months afterwards.

Investigators determined that Fall had received about $400,000 (over $5 million in today's dollars) in "loans" from Sinclair. He was convicted and imprisoned in 1931 for felonies committed in office, the first Cabinet officer ever to suffer such ignominy. Sinclair was jailed for contempt, the leases were invalidated by the Supreme Court, and Teapot was returned to the Navy.

Until this year, Teapot Dome has been administered by the U.S. Department of Energy (DOE), as the last Naval Petroleum Reserve. It is an asymmetrical, Laramide anticline on the southwestern flank of the Powder River Basin. Teapot includes basement-seated north-south faults on its western boundary and deep, east-west faults throughout the field. Its key producing zones are Cretaceous sandstones and shales, and the Pennsylvanian Tensleep Formation.

Teapot still produces about 240 BOPD and 18,000 BWPD from about 350 wells. There is undeveloped potential for primary and enhanced oil recovery, as well as infill and horizontal drilling targets.

Meagher Energy Advisors was retained in 2014 by DOE to solicit offers for Teapot Dome, and it was sold to Stranded Oil Resources in February 2015. Transfer of title to a new, private operator after 100 years as a Naval Petroleum Reserve represents another exciting chapter in the history of America's most notorious oil field.