

THE INDIAN TERRITORY ILLUMINATING
OIL COMPANY

Frank F. Finney, Sr.*

The Phoenix Oil Company, predecessor of the Indian Territory Illuminating Oil Company, had already begun operations on its Osage oil and gas lease and had completed two dry holes when the Cudahy Oil Company's discovery well was brought in as a producing well in April, 1887, to mark the beginning of the oil industry in what is now Oklahoma, and put Bartlesville on the map as the original oil town and the gateway for oil fields to come.

Until the Cudahy well came in the evidence that oil could be found in important quantities in the Indian Territory was inconclusive, but it was known to exist in some measure. Springs had long been known from which crude oil was recovered by the Indians and used for medicine, and several of these were frequented as health resorts.

Traces of oil were found in wells dug for salt, and if the information handed down is reliable, one of them sunk at Grand Saline, now Salina, on the Grand River flowed at the rate of ten barrels a day for a year.¹ A few shallow "post holes" near Chelsea produced oil which was sold locally for cattle dip and axle grease. Showings of oil and gas were found in a test drilled to 1400 feet on Choctaw land about twelve miles west of Atoka in 1889. And it is recorded that in one of two wells drilled on the present townsite of Muskogee in the Creek Nation, oil was found but the title was in doubt and it was abandoned. Positive information on these early operations is incomplete and fragmentary but the Bartlesville well is on a firm historical basis with valid records as the first

*Mr. Frank F. Finney, Sr., was first employed by the I. T. I. O. in October, 1904, and eventually was general superintendent of the Company's gas department. The I. T. I. O. was merged with the Cities' Service in 1941, and Mr. Finney continued in the Geological Department of the Cities' Service Gas Company until his retirement in 1954. His contribution here in *The Chronicles* on the "Early History of the Indian Territory Illuminating Oil Company" gives hitherto unpublished material on the beginnings of the oil industry in Oklahoma. Mr. Finney is the son of the late T. M. Finney who came to Pawhuska in 1873 and was well-known as a trader among the Osage and the Kaw in the Indian Territory. T. M. Finney's wife was the sister of John N. Flores, noted trader at Gray Horse, Osage Nation, who is mentioned in this article.—Ed.

¹Muriel H. Wright, "First Oklahoma Oil Produced 1859," *Chronicles of Oklahoma* Vol. IV, No. 4 (December, 1926, pp. 322-28).

well in present Oklahoma of substantial proportions and from which pipeline sales were made.

The adjoining state of Kansas had made much more progress in the search of oil and gas. Although as early as 1873 gas was used for lighting purposes from a mineral well at Iola, Allen County, the gas industry may be said to have had its actual start when gas was piped and used for domestic purposes from a well drilled near Paola, Miami County in 1882. Subsequent prospecting brought forth considerable quantities of gas over the southeastern part of the state, and a number of towns were being supplied gas for lighting, cooking and heating purposes before oil became a component part of the oil and gas business in Kansas.

The oil industry in Kansas properly dates from a producing well drilled in 1892 by the early contractors, McBride and Bloom for a former Pennsylvanian, W. M. Mills, located on the T. J. Norman farm near Neddlesha, a little town in Wilson County on the Verdigris River. This well is noteworthy as being recognized not only as the first commercial oil well completed in Kansas but also the first in the great area now known as the Mid-Continent field.

This discovery providing the knowledge that petroleum was to be found in this large region west of the Mississippi indicating its widespread existence was vastly of more importance than then could be foreseen. The amazing contribution petroleum would make to the life and growth of the Nation was unrevealed in its magnitude much as the effects on the country of nuclear discoveries are hidden today.

The internal combustion engine destined to make sweeping changes and take the country out of the horse and buggy age was in the experimental stage. Kerosene for lamps, lubricants for machinery and wheels for the railroad trains, wagons and buggies, were the uses for the products of the oil industry. Naphtha, the gasoline of today, was a nuisance, dangerous to handle and to be gotten rid of at the refineries as a troublesome and useless product. That its objectional explosive properties gave it any value was hardly begun to be suspected and its use to propel horseless carriages had scarcely started. In 1896, four years after the Kansas oil discovery, there were only sixteen of these "benzine buggies" in the whole United States.

As it has been often told, before Edwin L. Drake struck oil at Titusville, Pennsylvania in August, 1859, an enterprising man by the name of Samuel Kier was bottling crude oil which he obtained as a by-product from salt brine wells and selling it for medicine. A circular, advertising his discovery abound-

ed with testimonials of remarkable cures by the use of the "most wonderful remedy ever discovered" ranging from blindness to toothache. If a story, "Johnny Florer's Axle Grease", included in *Wolfville Days*, a book by Alfred Henry Lewis, a well known author of western stories, is to be believed, John N. Florer, a licensed Indian trader among the Osages at the Gray Horse trading post, swindled the Indians by selling axle grease to them just as Kier defrauded the white people with crude oil.

The author, Mr. Lewis, once made a trip to Gray Horse where he was entertained at the Florer home. As he was shown through the trader's store the writer was astounded by the large number of cans of axle grease scattered about the store. It happened that through a mistake of the wholesale house at St. Louis the order from the store had been more than doubled. A stock of almost anything the Indians could call for which was carried in the big general store, included a stock of simple medicines and the Indians were in the habit of calling on the trader for help from these stores when they did not feel well. One Sunday morning, while the visitor was at Gray Horse, an Indian called at the Florer home to get the trader to open up the store and give him some medicine as he said that he was very sick. To amuse his guest, Mr. Florer explained to the Indian in a joking way that the axle grease was a newly discovered remedy that would cure any disease of the human race, and that he had ordered it especially for the Osage Indians. The author, with the help of his imagination, expanded the incident into the story for his book.

The axle grease was the Standard Company's "Mica" brand from its Whiting refinery near Chicago. The crude processed there came from the Lima Ohio field and unlike the oil found in Kansas was laden with sulphur and was known as "sour."

Before oil was found in paying quantities in Kansas, John Florer had been imbued with the belief that the Osage reservation was as he expressed it "underlaid with oil." The idea was first implanted in his mind when an Indian guided him to a spot on the banks of Sand Creek and pointed to a scum casting rainbows on the surface of the water. The Indian managed to soak up and squeeze out of a blanket enough crude oil to provide the trader with a sample.

After Congress in 1891 enacted a law permitting Indian tribes to lease their lands for mineral purposes, and as the development in Kansas successfully proceeded, Florer felt the time had come for him to attempt to bring the plans he had pondered over into being. With the assurance of a good title

he set to work with the twofold purpose of obtaining the consent of the Osages to grant a mining oil and gas lease on their reservation, and to find and interest responsible parties of means and influence in the wildcat scheme.

The Osage full-bloods were fearful of anything that would bring more white people into their reservation to change their customary mode of life and they never acted in a hurry. It took several years and all of John Florer's influence and the support of the more progressive mixed-bloods to convince the conservative full-bloods that a lease on their lands was to their best interest.

Florer's next move is stated in one of his letters of that period: "After I was thoroughly convinced what I could do at home I looked around for a gentlemen who could get the influence and backing to put the lease through the Department at Washington and found such a gentleman in Edwin Foster of Westerly, Rhode Island." Edwin B. Foster and his brother Henry Foster had successfully promoted and built the Verdigris Valley and Western railroad from Kansas City, Missouri to Coffeyville, Kansas, which became a part of the Missouri Pacific system. Through Mr. A. C. Stich, a banker of Independence, Kansas, and a former partner of his in the Gray Horse mercantile business, Florer met the Fosters at Independence where Henry Foster was living and received endorsement of the proposition.

On March 18, 1886, James Bigheart, Principal Chief of the Osage tribe on behalf of the tribe, under and pursuant to the action of the council, signed a lease agreement with Henry Foster for the purpose of prospecting and drilling wells, for mining and producing petroleum and natural gas on the entire reservation for a period of ten years. The lease provided a royalty to be paid the Osages of one-tenth of all petroleum procured and fifty dollars per annum for each gas well discovered and utilized.

Henry Foster unexpectedly died after a short illness in New York City before the lease was approved by the Secretary of the Interior. The Osage council then granted Edwin B. Foster permission to substitute his name as representative of Henry Foster and his heirs. The lease was approved by the Hon. John M. Reynolds, Acting Secretary, under date of April 8, 1886, making Edwin B. Foster, the lessee of the great blanket lease on the entire Osage reservation covering 1,470, 559 acres, an area twice as large as his native state of Rhode Island.

The Phoenix Oil Company was immediately formed and incorporated under the laws of West Virginia to which Edwin

B. Foster assigned all his interest in the lease in consideration of 30,000 shares, with par value of \$1 per share, of the capital stock of the company. The stock, 51% of which was to be held in the treasury and not to be sold without consent of the owners, was apportioned to the owners as follows:

Organization stock		10 shares
Treasury		5,000 "
Foster	5/16	- 7,808 "
Flora & Darlington	5/16	- 7,810 "
Crane	1/16	- 1,562 "
Faucher & Glenn	2/16	- 3,124 "
Sinoux & Gordon	3/16	- 4,686 "

A letter to John Florer from Edwin Foster dated July 4, 1896, from the Astor House, New York, gives a hint of the financial troubles which would beset the Phoenix Company and also that there was some opposition to the lease appearing in Congress:

The trouble is we have not been able to place the treasury stock as readily as we hoped for development purposes, and this has held us back. Messrs. Faucher and Glenn were working on this and wanted to place a good block before going into the field, but your letters informing us of the "Senator Blair movement" started us a little and we felt it might be very important as you suggested that we get into the field at once so we raised a little money among us and did so. I have heard from Mr. Glenn through Mr. Faucher, and understand that the first well is about down but presume he has kept you informed and that you have later news than I.

The well was located in the NE $\frac{1}{4}$ of Section 13-T29-R10E a few miles south of Chautauqua Springs, Kansas, and near the Kansas line. It was drilled and completed in the summer of 1896, by the contractors, A. P. McBride and C. L. Bloom to a depth of 1 100 feet. A show of gas and oil was found, but not in sufficient quantities to make a paying well. A second well was completed in September south of the Kansas cattle town of Elgin, Kansas, in the NW $\frac{1}{4}$ of Section 18-T29-R10E, which was also a failure.

In view of the discouraging results, operations were discontinued during the winter, and McBride and Bloom took a contract to drill a well for the Cudahy Oil Company at the little settlement of Bartlesville, Indian Territory.

Although the village of Bartlesville had not grown much from the trading post founded by Jake Bartles with a store and grist mill, some substantial white men had settled there. Outstanding among them were the pioneers Messrs. George B. Keeler and William Johnstone, associated in operating a store there, and who, together with another early settler, Frank Overlea, were largely responsible for the well drilled by the

Cudahy Oil Company. These men had taken for their wives members of the Delaware and Cherokee tribes and were as firmly rooted in the Indian country as the tall timber on the banks of Caney River where the well was to be drilled.

With some associates they obtained a large lease covering an area of fifteen miles square from the Cherokee government at Tahlequah and looked around to find someone who would drill a well. Guffey and Galey, the Pennsylvania oil men who had been successful in finding oil in Kansas, showed some interest but dropped the project when it appeared doubtful the lease would receive the approval of the Secretary of the Interior. Negotiations were then entered into with Michael Cudahy by John F. Overfield representing the lease owners, and a deal was made with Cudahy for drilling the well.

Cudahy, of the large meat packing firm of Omaha, Nebraska, had become interested in wildcatting in the Territory and the two abandoned wells at Muskogee had been drilled for him. Following the drilling of these wells, Cudahy took over and deepened a well between Red Fork and Salpula that had been drilled to a depth of 1300 feet by the firms of Steel-smith and Weaver. The work in deepening the well, which was abandoned at about 1750 feet, was done for the Cudahy Company by the active contractors, McBride and Bloom, with whom Cudahy contracted to drill the Bartlesville well. Their tools and the derrick were hauled overland to Bartlesville where the well was spudded in late in January, 1897.

In April, oil was struck in the formation which was to become known as the prolific "Bartlesville sand" later found throughout the oil fields of Oklahoma. The shooting of the well between 1,303 feet and the total depth of 1,320 feet was a special occasion. In the presence of the crowd gathered around the rig, Mrs. Jennie O. Morton, stepdaughter of Mr. George Keeler dropped the "go devil" which set off the nitro-glycerine shot. Following a muffled thud, rocks pounded the crown block, a column of oil flew high over the top of the derrick and Oklahoma's first commercial oil well was born.

With the allotment of the Indian lands, the daughter of William Johnstone and direct descendant of the last principal chief of the Delaware tribe, Charles Journeycake, received the tract as her allotment on which the historical well known as Nellie V. Johnston No. 1, is located.¹

¹Nellie V. Johnstone, now Mrs. Howard Cannon, a resident of Bartlesville, sold the land on which Oklahoma's first commercial well is located to the City of Bartlesville and has been converted into the Johnstone park. A stone boulder suitably inscribed marks the site and a derrick stands over the well.



Oklahoma's first commercial oil well, the Nellie V. Johnston No. 1,
at Bartlesville, Indian Territory.


The discovery revived the hopes of the members of the Phoenix Company which held the Osage lease. The eastern boundary of the Osage reservation follows the 96th Meridian which was also the boundary line between the Indian and Oklahoma Territories. Just over this line in the Osage reservation, in October only a few months after the Cudahy well on the Cherokee side was completed, McBride and Bloom, brought in for the Phoenix Company the first productive oil well in the Osage reservation and which was also the first productive oil well completed in the Oklahoma Territory. The well described as Wilkey No. 1 in the SW $\frac{1}{4}$ of Section 34, T 27, R 12 E, Lot 32 on Butler Creek was about 2 miles northwest of the discovery well in the Cherokee country. Oil was found in the Bartlesville sand between 1323 ft and 1345 feet, with an initial production of ten barrels a day. The shot brought in a large quantity of water which could not be plugged off. Wilkey No. 2, a much better well was brought in the following month.

To raise funds in order to continue operations, the Phoenix Oil Company assigned to Samuel C. Sheffield a large block of leases which Sheffield in turn assigned to the Osage Oil Company comprised mostly of Phoenix stockholders. After these companies had drilled seven dry holes and four oil wells the drilling on the Osage lease came to a standstill.

There were no railroads or pipelines for the transportation of the oil, and supplies for drilling were hauled from Independence, Kansas, a distance of thirty miles. The Standard Oil Company's small refinery at Neodesha, Kansas, the only possible market was operating entirely on oil from local fields in southeastern Kansas and had no pipeline into the Territory. It was useless to develop a product which could not be marketed, and capital was not to be found by the holders of the Osage lease for development under the circumstances.

It was not until the Atchinson, Topeka and Santa Fe Railroad built into Bartlesville and started service in the summer of 1899 that there was any means provided to market any of the oil produced. A 2 inch pipeline was then laid from the Phoenix wells in Lot 32 to the depot and a loading rack was erected. A line was also laid from Lot 40, three and one-half miles southwest, to the station to pipe oil produced by the Alameda Oil Company on its sub-lease in the Osage. Tank cars were furnished by the refinery at Neodesha and the first oil was shipped in May, 1900. A total of 6,216 barrels of oil from the Osage reservation was run during the year 1900 and 10,536 barrels in the year 1901.

So far the operation of the blanket lease on the Osage reservation had been a losing venture and a dismal failure seemed at hand. John H. Brennan, Attorney for the Company and a business associate of John N. Florer, wrote of this period: "It was Col. Florer's presence in the business world, the many trips he made, the many men he interviewed, the intensity of his arguments and his well known character and integrity that started the wheels again."



Executive Committee
J. V. Coffey
J. H. Brennan
J. N. Florer

Telephone, 4022 Bristol

J. H. Foster, President
J. H. Brennan, Vice-President
William B. Hoxey, Secretary
Mortimer F. Stilwell, 445 1/2

Indian Territory Illuminating Oil Company
Operating the Osage Indian Reservation
Producing High Grade Illuminating Oil
No. 50 Broadway,
New York, Oct. 10, 1907, 1908

Mortimer F. Stilwell, Manager
Leatherville, Indian Territory

Leatherville of the I. T. I. O.

Paradoxically the Indian Territory Illuminating Oil Company arose from the ashes of the Phoenix Company. It was organized in December, 1907, in the state of New Jersey with a capital stock of 3,000,000 shares of a par value of \$1 per share, to which the Phoenix and the Osage Oil Companies assigned all of their rights, title and interest. Soon after the company was organized Edwin B. Foster died, and William Hoxey was made trustee of the Foster estate.

The new company started out in adverse and unfortunate circumstances. In the process of reorganization some outside parties, other than the original stockholders, made an attempt to get control of the company and there was dissention and trouble within its ranks. For over a year it drifted in disorder until litigation brought receivership, and concord and confidence was finally restored.

The receivership came about from a suit brought by the Mechanic Savings Bank of Westerly, Rhode Island, against the Indian Territory Illuminating Oil Company and its stockholders for a debt owed the bank. The case was heard at Newkirk, Oklahoma Territory, before Judge Buford in 1908, and the company was thrown into receivership. Mortimer F. Stilwell, a nephew of John Florer and employed in his uncle's Indian trading store at Gray Horse, was made receiver. A sub-lease to satisfy the debt with the Mechanic Savings Bank was made to J. M. Guffey and J. H. Galey on a blank



On left, Henry Vernon Foster, President, Indian Territory Birmingham Oil Company, and right, Herbert H. Stogisch, Vice President and General Manager, Empire Gas and Fuel Company, visiting the old "Selle's Well."

of 113,730 acres in the southeastern part of the reservation in the vicinity of Tulsa and a block of 41,000 acres west of Bartlesville. These two blocks of acreage became the nucleus around which the Nationally known oil operator, T. N. Barnsdall built his Barnsdall Oil Company. Barnsdall also became a large stockholder in the Indian Territory Illuminating Oil Company. The receivership was terminated in May, 1903. M. F. Stilwell was made secretary and manager of the new company and H. V. Foster, son of Henry Foster, was elected president.

The year brought some improvement in the marketing facilities when the Prairie Oil and Gas Company, the pipeline purchasing subsidiary of the Standard Oil Company, in about June, erected a 35,000 barrel storage tank at Bartlesville and connected the Osage producing wells to it with a pipe line. It did not take long to fill the tank and the pipeline company then installed an unloading station at Cancy, Kansas, which was connected by pipeline to the refinery at Neodesha and oil was shipped by tank cars from Bartlesville to Cancy.

The Prairie Oil and Gas Company finally extended its six inch line into the Territory in 1904, which had been held up pending a Congressional Act to permit the laying of the line over Indian lands. By July, the Prairie had completed its line to the "Bible" pumping station it had installed about eighteen miles southwest of Bartlesville and was connecting the Osage producing leases with gathering lines. It was during this year that the Standard Oil Company built its Sugar Creek refinery near Kansas City and connected it with the refinery and storage tanks at Neodesha.

With the market for oil opening up the Osage reservation stirred with life, and active drilling began. The attention of eastern operators and speculators from far and wide was attracted to the new field and the Indian Territory Illuminating Oil Company began to sub-lease tracts in increasing numbers.

The parent company had divided the eastern portion of its lease into three tiers of tracts known as "lots." There were 348 of these lots, each one half of a mile wide north and south, and from three to three and a fraction miles long east and west, extending from the Kansas line on the north, to the Arkansas River on the south. On December 31, 1904, there were 686,931 acres held by sub-lessees.

The parent company retained a royalty of 1/15 interest and most of the sub-leases contained bonus provisions to be paid from the sales of oil produced. The company conveyed solely the oil rights and reserved the right to take over at

actual cost any wells which produced gas only and to take gas from combination wells and casing head gas under certain conditions. An exception was made in the lease of the Pawhuska Oil and Gas Company which received both the oil and gas rights in its sub-lease of 3,200 acres on which it discovered gas in two wells at the town of Pawhuska in the summer of 1903. The Indian Territory Illuminating Oil Company proceeded to lay two and three inch lines over the territory being developed and furnished operators gas for the purpose of drilling and operating the leases where the operators did not have sufficient gas of their own.

The anticlinal theory to locate oil deposits was unproved and there were no geologists to guide the operator in his leasing and drilling activities, yet the development in the Osage proceeded successfully at a phenomenal rate. "Wildcats" were sometimes simply located by "hunches," on a few occasions by "witches" with "doodle bugs" but mostly when possible near water for boiler and other purposes in drilling the well.

Up to January 1, 1903, there had been only 30 wells drilled on the Osage reservation of which 17 were oil wells, 2 gas wells and 11 dry holes. By the end of 1904, there had been drilled by the Indian Territory Illuminating Oil Company and its sub-lessees, 361 wells of which 243 were oil wells, 21 gas wells and 97 dry holes.

The development in the Osage country had a big start over that made in the lands of the Five Civilized tribes. The Osage blanket lease had a firm term to run in contrast to the other tribal leases which were put in jeopardy by the Curtis Congressional Act of 1896, which took the power of the tribes to lease their lands and lodged it with the Secretary of the Interior. Cudahy lost all of his leases excepting the section in which the discovery well was drilled and did not attempt further operations or even pump the well until after the allottee, Nellie V. Johnstone received her certificate of ownership, July 21, 1903, for the tract on which the well was located.

The Dawes Commission which had been negotiating with the Five Civilized Tribes for about ten years to obtain their consent for the abolishment of their governments and the breaking up the tribal lands into individual ownership, concluded the final compact, a supplemental agreement with the Choctaw and Chickasaw, September 25, 1902. The Commission then began the enormous task of allotting the tribal land into individual tracts of about 100,000 Cherokee, Creek, Choctaw, Chickasaw and Seminole Indians and Negro freedmen. The allotment carried with it the oil and gas rights to the

owner, and the development was held up while the allotment work was underway.

It was necessary to obtain the value of the lands to be allotted by parties of appraisers and then to determine who were citizens of the various tribes, requiring judicial hearings into the genealogy of practically all of the applicants. Finally in the summer of 1904, the Commission's assignment was about completed and nearly all of the individuals of the Five Civilized Tribes had been allotted specific tracts. The Secretary then began to approve oil and gas leases and an active drilling campaign began.

Until this time the only producing well of any importance in either of the Territories outside of the Osage country and several wells drilled by Cudahy at Bartlesville, was drilled at Red Fork without the authorization of the Secretary. This well which was drilled in on June 25, 1901 on the Susan A. Bland land produced a surge of excitement and brought a horde of speculators on the ground.²

There was much "red tape" and delay in getting leases approved which brought much criticism against the Secretary, Hon. E. A. Hitchcock. His zeal in protecting the Indians interests led his critics to assert that the Secretary held the opinion that there were only two classes of people in the Indian Territory, "Indians and grafters."

Despite delays in granting leases there was a rush to the Oklahoma lands, and during the last six months of 1904, besides the activity in the Osage reservation, drilling was started and wells completed in the vicinity of the towns of Chelsea, Red Fork, Cleveland and Bartlesville. Titles were passing to purchasers of lots in the towns which carried the oil and gas rights to the owners, and a pool was being developed within the townsite of Muskogee in the Creek Nation.

Wells were also being completed in the town of Bartlesville as well as on neighboring leases. Gas flares at the drilling wells and the dull clank of sledges pounding bits helped to give the village the aspect of an oil town and the people who crowded into the town revealed a boom was on. The Right Way Hotel and Annex across the street from the Indian Territory Illuminating Oil Company's office which was located on the second floor over the American National Bank, was crowded as though a convention was in progress. If the register of

²Fred S. Clinton, "First Oil and Gas Well in Tulsa County," *The Chronicles of Oklahoma*, Vol. XXX, No. 3 (Autumn, 1952), pp. 312-32; L. C. Heydricks Collection on the Red Fork Oil Discovery, 1901," *ibid.*, Vol. XXXI, No. 4, (Winter, 1953-54), pp. 446-7.—Ed.

the hotel had been preserved it would show not a few names of future oil barons of Oklahoma, some of whom stayed in the Bartlesville area and others who moved on to open new fields elsewhere. Its pages would also have many more names whose hopes for riches faded like mirages into thin air.

Among the newcomers were the essential men with the know-how from the oil fields of Pennsylvania, Ohio and West Virginia. These drillers, rig builders, pipeliners and other hardy workmen added a distinct new element to the citizenship of the country.

With the influx of the new arrivals, Bartlesville was growing fast. It was the first town in Oklahoma to be piped for gas which was furnished from the Indian Territory Illuminating Company's wells in Lot 82 until gas wells were completed nearer and even in the town itself. One of these wells on the Johnstone homestead, caught on fire when a by-stander carelessly struck a match, burned the derrick down and provided for days a spectacular illumination for the town.

In further proof of its reality as an oil town, black clouds of smoke floated over from the burning of waste oil accumulated in sumps and the Caney River, and on several occasions the town was shaken up when nitroglycerine stored at magazines "let go." Oil well supply stores were established and the Prairie Oil and Gas Company built a large number of 35,000 barrel steel tanks at its Kanona and Copan tank farms. The pipeline company was compelled to put into storage the oil purchased in excess of its pipeline capacity, produced at that time mostly from the Osage leases. With the increased production the Prairie Company reduced its price from \$1.35 per barrel on January 1, 1904 to 70 cents on January 1, 1905 for light oil (32 degree Baume).

The Gulf and Texas Companies came into Oklahoma from Texas with their trunk lines at about the time Oklahoma became a state in the latter part of 1907 and with the Prairie Company provided a market for oil from the Glenn pool about ten miles south of Tulsa. The discovery well in this astonishing field, which proved without question that the new state came rich in oil reserves into the Union, had been completed by Gulbreath and Chelsey on the Ida Glenn farm, November 22, 1905.

As the Indian Territory Illuminating Oil Company's Osage lease would expire by limitation March 15, 1906, the Company in the latter part of 1904 applied to the Secretary of the Interior for an extension of the lease. This was referred to Congress and the Indian Appropriation bill was passed and

approved March 3, 1905 renewing the lease for a period of ten years to the extent of 680,000 acres and with an increase of royalty from one-tenth to one-eighth fixed by order of the President of the United States.

The Osages were finally obliged to accept allotment which they had long opposed and a bill breaking up their reservation into individual tracts was passed by Congress and approved June 28, 1906. Unlike the allotments of the members of the Five Civilized Tribes which carried with them the oil and gas rights to the owner, royalties were reserved to the tribe and the revenue derived was to be divided equally among its individual members. This provision of equal sharing among 2,229 enrolled members of the tribes and their heirs would make the Osages on a per capita basis the richest people of any country in the world.

An idea of the remarkable increase in wealth derived by the Osages from oil and gas royalties and bonuses may be gained by comparing the tribes revenue for 1906 of \$228,267.34 with that of \$27,639,600.00, yielding per capita payment of \$12,400.00 for the fiscal year ending June 30, 1923.³

John N. Florer who died January 10, 1907, lived to see his dream come to pass, and was assured that the Osage reservation was "underlaid with oil," but even this optimistic pioneer Indian trader, had he lived long enough surely would have been amazed at the immensity of the oil and gas resources which grew from doubtful and uncertain beginnings.

In the following years under the direction of its President, H. V. Foster, the Indian Territory Illuminating Oil Company continued its operations in the Osage reservation, and branched out to explore in other areas of the state. This exploration had outstanding success in bringing in the major Seminole and Oklahoma City fields with the discovery wells. The Indian Territory Illuminating Oil Company, in 1941, was merged with the Cities Service Company, which had long been a large stockholder, and the course of the pioneer company came to an end.

³ *The Pashutka Daily Journal-Capital*, November 20, 1929, p. 5. Speech of J. George Wright, Osage Indian Agent at State Birthday Party in observance of Oklahoma's twenty-second anniversary at Tulsa: 15,962 wells have been drilled in the Osage for oil and gas of which 9,818 were producing oil and 411 producing gas on June 30, 1929. From 1907, to June 30, 1929 there has been produced in the Osage 378,653,500 gross barrels of oil, revenues from which, including bonuses and royalties, has netted the Osage Tribe \$233,045,025. Each Osage enrolled or their heirs has received or placed to his or her credit to June 30, 1929, \$102,534.00 from oil and gas sources.

During the year 1918, 54% of all the gas sold throughout the States of Kansas, Oklahoma and Missouri was produced in the Osage Nation.