Oil and Gas in Wyoming

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Wyoming State is one of the 50 states of the United States of America. It is one of the most extensive states, however, takes the second place among the least populated states. Its capital city is Cheyenne, which is the most popular city in Wyoming. According to the 2012 census, this city has a population of 91,738 (Wilderness Society 2006).

The economy of Wyoming is determined by minerals and agriculture. The minerals mined in the state include crude oil, uranium, coal-bed methane, trona, coal, and natural gas.

The first oil well in the world was discovered in Baku, Azerbaijan, while America’s first was discovered in 1859 in Titusville, Pennsylvania by Col. Edwin Drake. This led to the need of more exploration in Pennsylvania and other areas of America. The evidence of oil in state of Wyoming was reported by explorers in the early 19th century. The first oil well was drilled in 1885 and resulted from reports of oil springs by Captain B. L. E. Bonneville, who had discovered them during his adventures. Oil springs were also reported during the fur trading periods, as the traders reported oil bubbling to the water surface (Roberts 2011).

The most significant and the biggest Wyoming oil field that was developed in the early years of the 20th century is the Salt Creek Oil field. It stretches as far as Casper north to the Midwest and then to the east of Edgerton. It includes the associated oil fields, such as Teapot Dome, Shannon, and Salt Creek. Its other elements are multiple pipelines that connected gas and oil fields to Casper and the former refineries that received the transformed oil and gas. The most successful early corporate actions around the Salt Creek were that of the Midwest Oil Company which was funded by the French and Colorado investors. This company was the most significant in developing Salt Creek in both gas and oil industries. This company later built tanks in the field that were used for storage in order to prevent oil loss. The Midwest Oil Company also aided in
expanding refineries around Casper, helped to built pipelines to the refineries, and expanded the

The first oil sold in Wyoming was reported in 1863, and it was along Oregon Trail. The oil was extracted from Oil Mountain Springs and sold by entrepreneurs to travelers who used wagon trains. The ‘first’ oil was used for lubrication of steam engines as grease for the axle of wagons and coaches.

William A. Carter and his employee John C. Fiere developed one of the first commercial springs. John reported the finding of oil near the Fort Bridger, which was established in 1842. Due to his previous experience in Pennsylvania, he offered to develop the spring for commercial use. Carter’s workers skimmed oil from the water surface of the spring and in the first years extracted approximately one hundred and fifty barrels of oil, which was all sold to railroad pacific union (Roberts 2011).

In 1867, the same spring was further developed by Judge C. M. White and his employees. They dug a hole and scooped oil from the hand-dug trenches. Most of this oil was shipped to Salt Lake City. The development of the transcontinental railroad increased the demand for oil.

The discovery of kerosene in Wyoming was done by scientists about the same time when Drake discovered the oil spring in Pennsylvania. The discovery of this by-product proved to be useful in many ways. People in Wyoming used whale oil to light candles, but after the discovery of kerosene it was found that it lit the candles brighter and was cheaper than whale oil. Another advantage was that whales were becoming extinct. Therefore, the use of kerosene saved the whales from extension.

A company Standard Oil was created by John D. Rockefeller and was a major purchaser of kerosene. In 1879 Edison invented the first light bulb, which threatened the Rockefeller’s
company. However, Rockefeller worked hard and persevered and in 1883 has formed the Standard Oil Trust. During the same year, Mike Murphy welcomed the first Wyoming oil well, which was situated at Dallas Dome. The well was three hundred feet into Chugwater formation. Although the unrefined oil did not have a large market, he sold most of this unrefined oil to the pacific union for lubrication of axles on railcars. With the electricity generation, kerosene was threatened, but still remained the main source of lighting in the rural areas of Wyoming, as it seemed impractical to use electricity due to the great distances between ranches (McMillan Design Associates 2012).

This period marked the ‘invasion’ of the oil business by investors, such as Cy Iba. He was a former gold dealer and started looking for oil in Casper. Cy discovered the first well in the north part of Casper. This aided in the transformation of wool shipping into the Rockie’s oil capital. After the oil strike, many investors got interested in oil, which led to the development of the first oil refinery in Wyoming in 1895. Philip Shannon headed the investors in Pennsylvania and built the Pennsylvania Refinery which aided in the development of the Shannon Field in the north parts of Casper (Wells 2012).

In May 1898, there was another invention made by Elmer Lovejoy who was a bicycle owner. He made use of a crude oil waste product that was another break-through in the oil industry. He had ordered a marine engine that was of one cylinder and assembled it using four bicycle wheels as a frame. This contraption was fueled using gasoline, which was a waste product of crude oil. After this invention, the people of Wyoming started buying automobiles, which finally led to the need of developing better roads. As a result, road associations were formed road laws were adopted, and even highways were constructed. Therefore, one may state
that the development of roads was initiated by the use of gasoline. These years of car purchasing led to the development of more refineries in many different parts of Wyoming (Roberts 2011).

In the early years of the 1920’s, there were various oil wells producing oil, such as Big Horn Basin in Oregon Basin, Greybull, Grass Creek, and Elk Basin. These wells led to the expansion of towns and to the increase of population. Most of these oil wells were discovered on public lands. This allowed the individuals claim ownership and not to pay anything to the government. It led to the formation of the Oil and Gas Leasing Act, which stated that prospectors cannot claim the oil on federal land and required to pay royalties and lease the land (Wells 2012).

The Navy Department, during the Roosevelt administration asked the congress to create oil reserves around the known oil wells that were owned by the federal government and to drill only during an emergency. This was due to the development of oil powered battleships. One of the reserves was built at Teapot Dome and led to a scandal during the Warren G. reign called the ‘Teapot Dome Scandal’. This scandal was brought about by Albert Fall who was the U.S. senator. He suggested that the responsibility to oversee these oil reserves should be moved to Interior Department. He then took control of the oil field and made clandestine deals with Harry Sinclair and Edward Doheny who were prominent men in the oil business. They paid Fall bribes and he allowed them to drill oil from the reserves. Later, Fall was convicted and imprisoned, while the two men were exonerated (Wells 2012).

During the 1920’s Wyoming’s agriculture was failing and oil remained in the spot light of the economy. However, during the great depression the oil economy started to weaken and the stock market trampled, which resulted in price drop of a whole barrel of crude oil to nineteen cents from the Salt Creek. This situation led to the ‘Tusla-plus’ system that stated that irrespective of where the gasoline was refined a wholesaler should pay additional costs that they
would have to pay if the oil was refined in Tusla in Oklahoma. This system led to high fuel prices and was protested by many residents of Wyoming. Fuel price was the main issue addressed in political campaigns.

In the World War I and II many of the existing oil refineries were used to power battleships, tanks, and planes. This led to the development of many schemes that were used to boost production of oil. One of the schemes sponsored by El Paso Natural Gas & Petroleum and Atomic Energy Commission, called Project Wagon Wheel, was then deferred (Wells 2012).

Today, the various oil fields are aging, but oil is still an important source of economy for the state. However, oil is no longer the main natural resource that is produced in the state of Wyoming, as there is coal-bed methane. It was once regarded as a waste product, but its value was noted in the 1980’s and the distribution began (Wilderness Society 2006).

Aside from the oil and the natural and the coal-bed methane, coal still remains the leading mineral in Wyoming, just as it was before the automobile inventions in the 19th century (Roberts 2011).
References


