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Oil in Bowling Green: A Lost Chapter in WKU's History
By Jonathan Jeffrey

Sometimes history plays hide-and-seek. It might be neatly arranged in a forgotten trunk in the attic, lost on a library shelf, or found in the cluttered recess of someone's mind. Recently, when cleaning out a closet in WKU's Wetherby Administration Building, a piece of the University's history was uncovered in a taupe-colored letter box. Inside were the records of a short-lived syndicate organized in late 1920 to drill oil on the WKU farm, which at that time was located southwest of the "Hill" and included much of the present day lower campus.

During the first few years of the roaring 1920s, Bowling Green experienced an oil boom. Speculators who had seen the zenith of activity in the eastern Kentucky fields were searching for new areas to develop. The geological formations found throughout Warren County, known as sinkholes, were likely sites for shallow oil wells. The speculation quickly evolved into development and was initially limited to nearby Allen and Barren counties. By 1917, more wells were being drilled in Warren County, but the boom was heightened to a frenzy after tremendous oil pools were found on the Davenport and Moulder leases northwest of Bowling Green.

The surety of oil in this county attracted speculators and field operators from all over the country. Two men who were determined not to be left out of the bonanza were William J. Bray, a Bowling Green architect, and Walter Brasher, a local contractor. Both men were at work on the soon to be completed J. Whit Potter Hall on the Western Kentucky State Normal campus when the boom was at its height. They, along with other interested groups, presented proposals for drilling on the school's farm to its Board of Regents on August 10, 1920.

The Regents accepted Bray's offer to pay \$150 per acre for the lease and one-fourth of the oil as royalty. This was a lucrative deal, as the school's farm included 91 acres and the typical royalty percentage was one-eighth. The Regents specified in their minutes that any proceeds realized from the lease were to "be applied to the construction of buildings and other school improvements on Normal Heights"

After moving to the "Hill" in 1911, the Normal School had experienced unprecedented growth. Potter Hall, the new dorm for women, and the other housing available on campus were not adequate to house the school's teeming enrollment. Oil business workers had taken many of the boarding rooms that would normally have been occupied by students. This situation not only caused a student housing shortage, but it drove the price of rooms in the community so high students could not afford to board in homes. The Regents hoped for gushers as new student accommodations could be built with the oil money.

Two months after the Regents approved the plan, an oil and gas lease was entered in the Warren County Court Clerk's office and approved by the State Sinking Fund Commission. A check for \$13,500 was immediately made out to the Western Normal School. Should the company fail, Henry H. Cherry's school was \$13,500 ahead.

The lease was granted "for the sole and only purpose of drilling and operating for oil and gas, and producing and marketing the same, laying pipe lines, constructing tanks, buildings and other structures thereon to take care of said products." Besides the already mentioned remuneration, the Normal School would also be paid an annual royalty of \$100 for each producing well and had "the right to gas free of cost from any such well for the purpose of heating and lighting the buildings used in connection with the Western State Normal."

The company also agreed to bury pipelines “below plow depth in any land the subject of cultivation; and to drill no well nearer than 200 feet of any house or barn now on said premises; and to pay for all damages to fences and growing crops on said land.”

Reports submitted by two consulting geologists recommended drilling. Warren County lies on the western flank of the great Cincinnati anticline or arch. This fact inspired the syndicate’s founder to dub it the Great Arch Oil Company (GAOC). The company was registered with the state at \$50,000 capital, but only \$21,650 in stock was sold. The company’s 142 stockholders were chiefly Western Normal faculty and staff, although the greatest percentage of money came from stockholders in Louisville. The largest stockholder was William Bray who bought 400 shares on option. Stock sold for \$10 a share.

H.C. Warren, a Louisville building supplier, was elected company president and was the driving force behind the stock sales in Louisville. He wrote O.A. Bennett, vice-president of GAOC, about drumming up local support in Bowling Green, “Please look up all prospects at once and make them kick in.” On another occasion, he was more adamant, “For the Lord’s sake keep after everyone and make them kick in.”

On October 14, 1920 the company entered into a contract with J.B. Gibson, a local driller. All wells were to be drilled to 1,100 feet unless oil was “found in paying quantities at a less depth.” GAOC was to pay \$4 per lineal foot for each foot drilled, and as a surety it deposited \$2,200 in escrow at Citizens National Bank. Wells deeper than 550 feet required that GAOC deposit another \$2,200. In late 1920 oil was selling for \$4 a barrel.

Three wells were drilled in the winter of 1920 and the spring of 1921. The total cost of the drilling was \$14,041.48. There is no indication that oil was ever found. However, two 250-gallon wooden holding tanks were built on the farm in the winter of 1921. By March 1, 1922, it

looked like the end of GAOC loomed near. In a letter to its stockholders, H.C. Warren lamented the fact that only one well showed promise of oil, and it required shooting with nitroglycerin.

His last sentence demonstrates his despair over the project: “Possibly we could sell at the initial cost, which would about pay the stockholders 45% of their losses.” By that time oil prices had plummeted to \$1.75 a barrel, and the “boom” was over in Bowling Green.

This recently discovered documentation sheds light on an era of Bowling Green history that has not been heavily documented, and another page in WKU’s history can be written. The papers are now properly housed in the University’s Archives.