



# Through the Years

## NTOGA 1930 - 1937

On January 18, 1930, a group of about 50 independent oil producers met at the brand new Wichita Club in downtown Wichita Falls, Texas, to protest “the recent drastic price cut in crude oil, inaugurated by some of the major purchasing companies.”

They drafted and voted upon a resolution, acknowledging what was popular opinion at the time: that crude oil is a very precious, finite resource, and it “should be conserved in every way possible, for the welfare and happiness of this and other generations [...]”

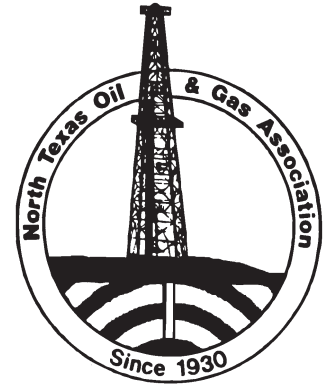


P.B. ‘Barney’ Flynn

One week later, on January 25, 1930, the group of independents formally organized and became the **North Texas Oil and Gas Association (NTOGA)** - one of the Alliance’s founding associations.

**P.B. ‘Barney’ Flynn** was elected NTOGA’s first President.

A Board of Directors was selected, bylaws were adopted, and a dues structure was established (\$100 for the largest producers to \$10 for producers of small quantities of crude oil).



NTOGA’s agenda quickly expanded to include support of a tariff on imported oil, prorationing, property taxes, common carrier status of crude oil pipelines, oil field thefts and membership.



The industry’s disappointment over the ability of the Railroad Commission of Texas (RRC) to enforce prorationing laws led to an effort in 1933 to abolish the elected terms of the commissioners and to have the Governor appoint a single head of a new oil and gas agency. Legislation was drafted and a group of NTOGA members, headed by President **J.S. Bridwell**, traveled to Austin to lobby for the Appointive Commission Bill. They were met with strong opposition, and the bill failed to pass.



J.S. Bridwell

Also in 1933, the industry faced a major effort by some members of Congress to place federal controls on the industry, especially oil that was transported across state lines. Disagreement within the organization surfaced.

Some members argued against federal controls on oil production, while others said that all other means of regulating production had failed. NTOGA voted in favor of a federal prorationing system.

President Bridwell traveled to Washington to offer language to a bill that would give the Secretary of Interior the ability to establish regulations controlling oil production for two years.

The Texas Legislature adopted a resolution opposing federal controls. It never passed, but the battle convinced the leadership of NTOGA that it had become a force in energy policy.

The effectiveness of the organization took another step forward on March 13, 1934, when the Board approved hiring **Fred Sehmman** as its first full-time employee with a salary of \$3,000 per year. It also authorized hiring a full-time assistant and renting office space.

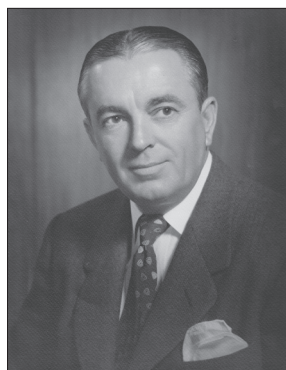


Legislation was passed in 1933 to control the “hot oil” situation in East Texas, and the mood of leaders began to change from one of disgust at the inability of the RRC to stop “hot oil” production to one of encouragement that the situation may be under control.

During the next Legislative session of 1935, the Board opposed a bill that required second hand oil field equipment dealers pay a \$100 license fee, and supported a bill making pipelines as common carriers.

On May 6, 1935, Sehmman resigned as Secretary, and **J. Ed Erwin** assumed his duties. Edwin’s title changed to Executive Vice President in December 1936.

Discussion of a possible tax on crude oil production and a sales tax became necessary in October 1935, because of a special session of the Texas Legislature that was held to find a new revenue source. A year later, the Texas Legislature was in special session again faced with a \$10 million revenue shortage.



Charles P. McGaha

President **Charles P. McGaha** warned members, “This is strictly an oil session,” and urged members to become active. The gross production tax on oil amounted to about \$8 million annually, McGaha said, and another 1 percent would add another \$4 million. The tax fight spilled over into the regular session in 1937. The industry was able to delay any additional taxes.

In 1936 and 1937, the association tackled spacing rules that were being developed at the RRC, and oil field theft. NTOGA began offering \$100 to anyone that provided information about oil field thefts, and even went so far as hiring a special prosecutor to try cases involving oil field theft.