

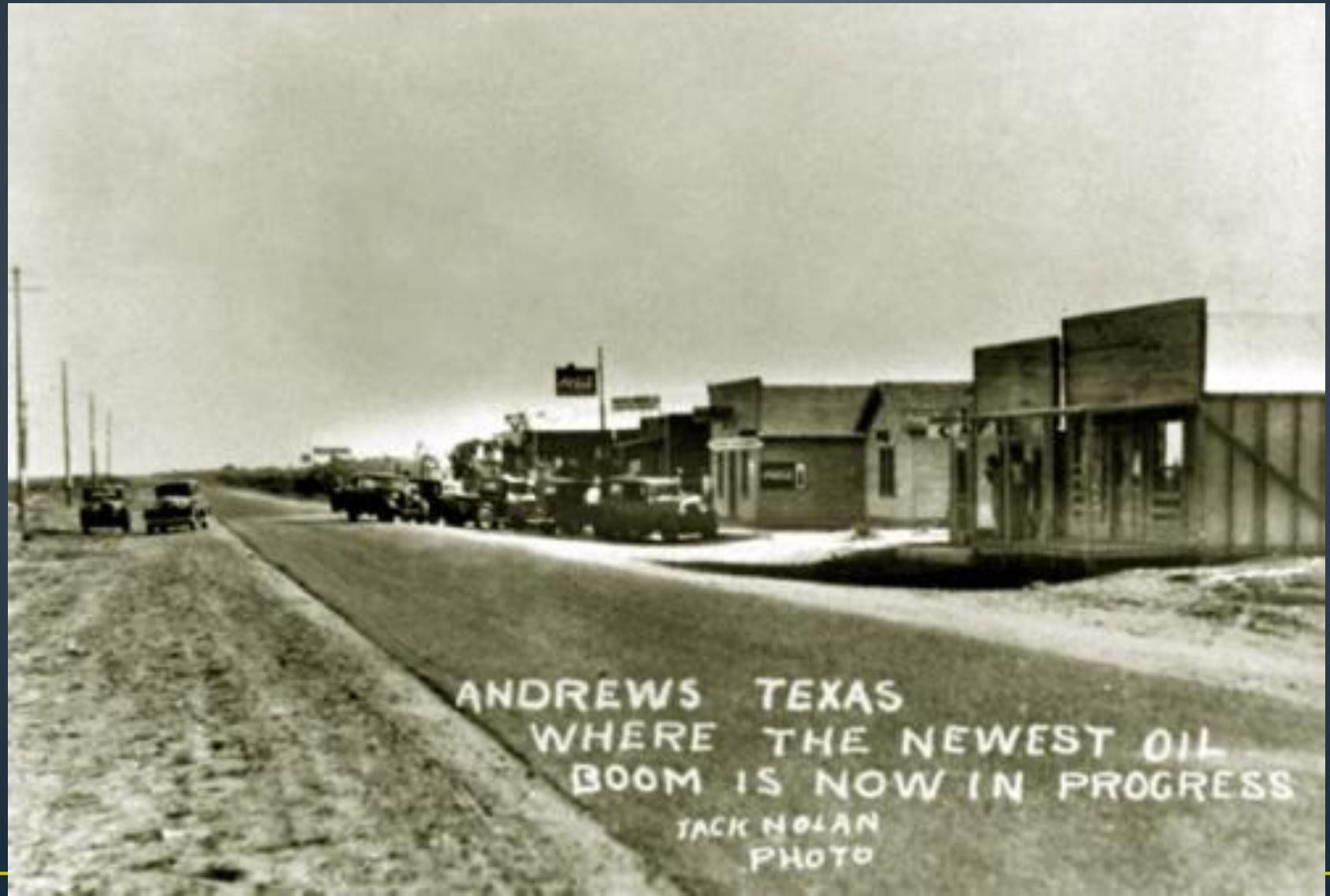
Warm Up:

What effect did the discovery of oil have on the development of modern Texas? How?

List at least three items & explain how.

Section 2

The Oil Boom After Spindletop



Oil, Oil Everywhere

- The oil boom of the 1920's and 1930's caused sudden tremendous growth in Texas.
- As more oil was produced, more uses for it were found.



- At that time, oil was very cheap.
- In 1901, the black liquid sold for three cents a barrel.
- By contrast, oil has cost as much as \$130 a barrel in recent years.



The Rise of Boomtowns

- As drilling increased, boomtowns sprang up around successful wells.



- **Boomers** followed the action, working on a rig only until oil was struck.
- Then they were off to the next rig.



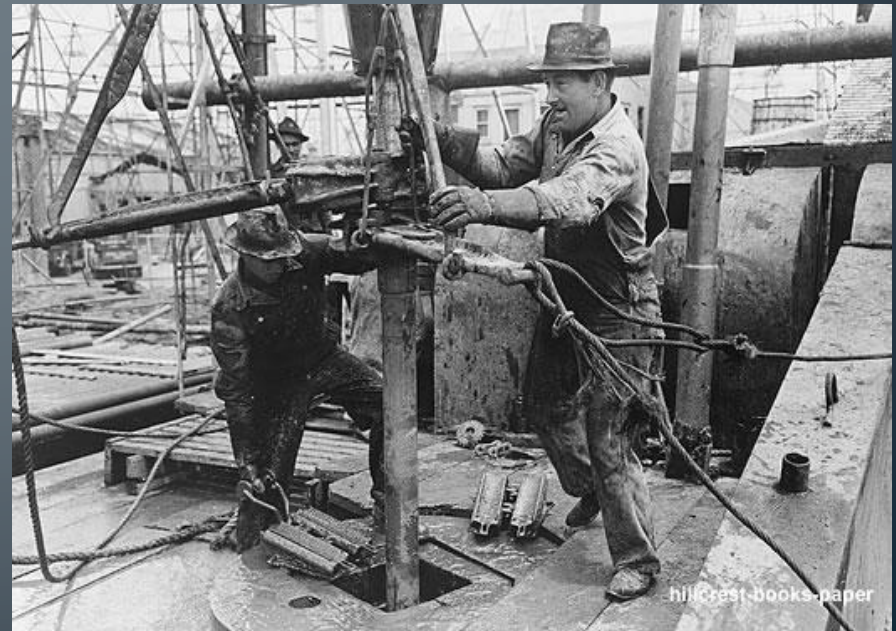
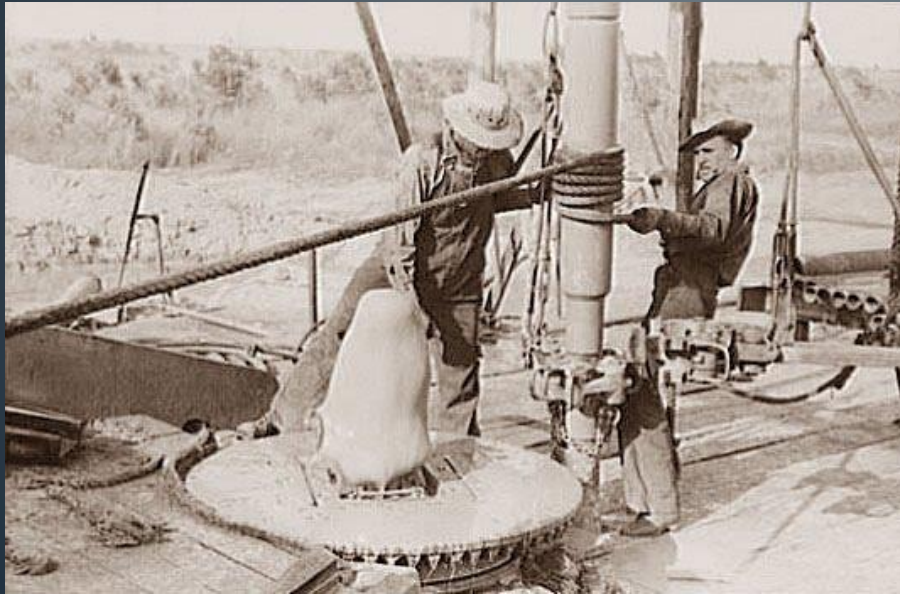
- As each new field was being developed, hardworking but crude characters poured in to do the key jobs. The drillers were mostly wildcatters – or small independent drillers at this stage:
 - Rigbuilders skilled with a saw and axe – put up the rigs
 - Teamsters hauled equipment and supplies
 - Bit-dressers Kept the drillers supplied with bits
 - Shooters dropped the explosive torpedoes
 - Roughnecks tended to the day-to-day drilling operations
 - Pumpers tended the engines and kept the wells operating

- Crowded and noisy conditions weren't the only drawbacks to life in the boomtowns.
- Most towns popped up so quickly that there was no time to develop water or sewer systems.



Life in the Oil Patch

- Life as an oil worker could be adventurous but was full of hard work and danger.
- The pay was good, but rig bosses expected hard work for their money.





- Long work hours, slick surfaces, explosions and escaping gases could make work on the rigs extremely dangerous.
- In addition, wells could be shut down at a moment's notice - leaving workers and their families broke and hungry.

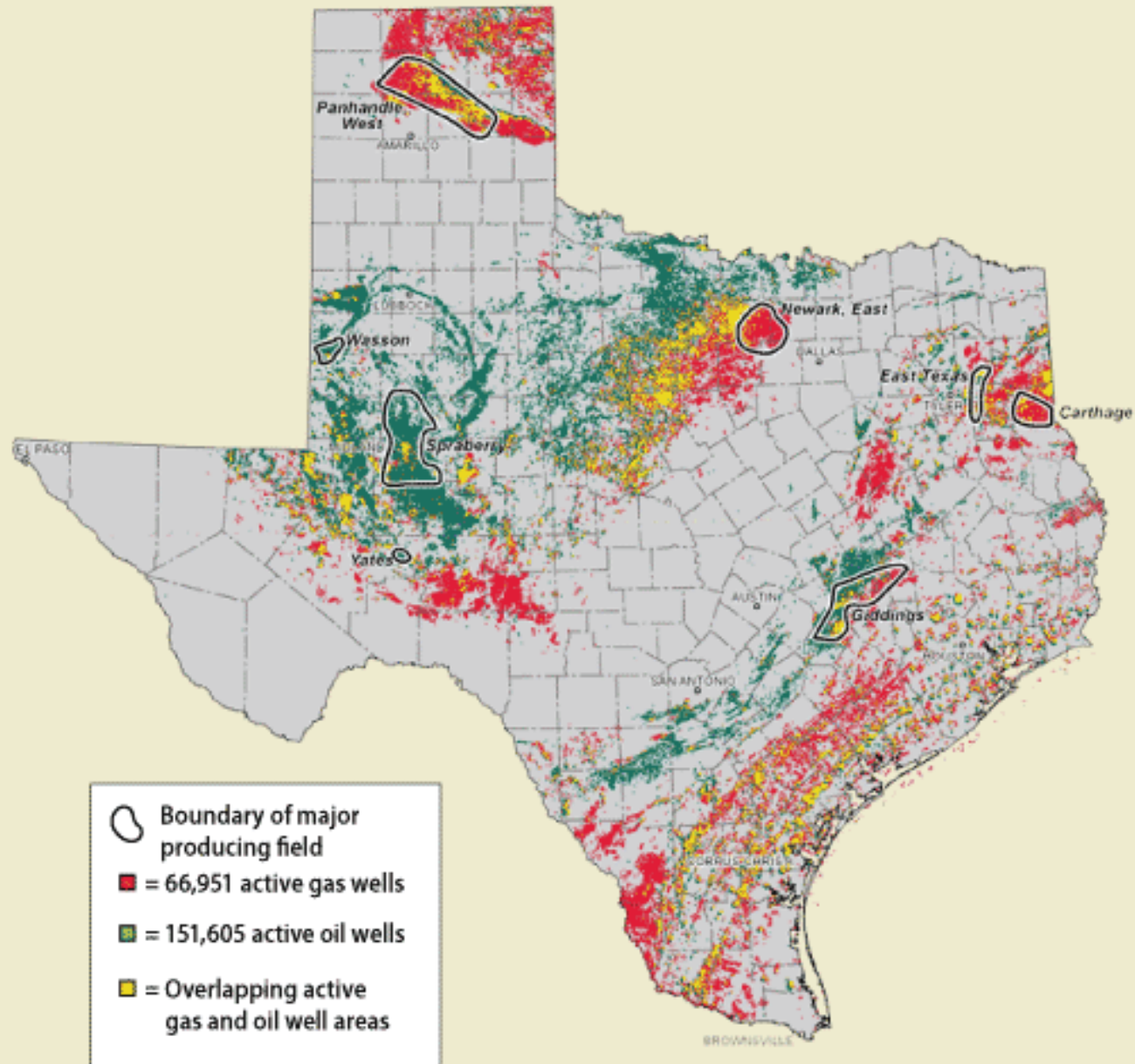


Oil Creates New Industries

- Oil discoveries created a demand for new industries and businesses nearby.
- Refineries were built near the fields to make oil usable for industry.



Oil and Gas Map of Texas



Source: University of Texas at Austin.

Texas Oil Affects the World

- So much oil was pumped that it “flooded” the market.
- Oil that had been selling for more than a dollar per barrel in 1930 – fell to eight cents per barrel by 1931.
- To control prices, the Texas and U.S. governments set limits on production.
- The Texas Railroad Commission had the power to regulate the amount of oil that producers could supply.

- Still, some well owners produced oil above the limit in order to make all the profits they could.
- This illegal product was called hot oil.
- Because Texas was the world's leading oil producer by the end of the 1930's – even the slight changes in production levels were felt worldwide.
- The more oil Texas produced, the lower oil prices dropped.
- The less oil Texas produced, the higher the prices rose.

