

Interview Date: November 2, 2006
Interviewer: Andi Holland
Subject: **Doyle Cotton, Jr.**
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Written Summary: Andi Holland

:22 I was born in Enid, Oklahoma on July 17, 1931. My grandfather on my father's side, Lee Cotton, was a country doctor. He came from Missouri on the Rock Island Railroad and it crossed the Frisco Railroad and he decided that there would be a town established there. It may not be accurate, but it is colorful, it's my understanding that Lee was the first Baptist Deacon, the first doctor and the first Mayor of Enid.

1:54 He had three children that lived, Cecil, Doyle and Vesta. Vesta married a man named Stores, who was an electrical man in Enid. Cecil lived in Tulsa and my dad married Mr. H. H. Champlin's daughter, Marie, my mother. I guess she developed cancer when she was expecting me and died shortly after I was born. That's why I'm not sure exactly where I was born.

2:51 I grew up without a mother basically – step mothers. I had grandparents on both sides and my aunt, Mrs. Helen Oven, Joe Champlin was my uncle and his children and there were lots of grandchildren involved. We had a lot of chicken on Sundays at my grandmother's house. That's how I got to the Cherokee Strip.

3:45 I didn't have a mother, I went to a country school called Spring Valley out north of Enid. It was a one-room schoolhouse, District 33. My cousins that lived out there went, we all went, there were about 35 students. We didn't live on a farm really, if it was, it was a very nice farm. But I had a horse before I had a bicycle. We could have ridden our horses to school but we didn't, we walked. I went through the 8th grade school than I went away to school in New Hampshire. The transition was a little much for me. But I went to a school called St. Paul's in Concord and I did extremely poorly there and I went to another school called Proctor Academy and graduated from there then went to the University of the South in Sewanee, Tennessee. That was during Korea and they were drafting so I enlisted in the Army Reserves in Chattanooga and got eventually called up and was involved in the Korea non-war.

5:40 I was a medic in the Army Air Borne attached to the Air Force, basically an Airborne MASH Unit. So my experiences in Korea involved landing there, picking up patients and taking them out. We took them up to Ladd AF Base. A lot of them went to Hickam Field in Hawaii because at that point the military didn't think it was good to have dependants around their loved ones so they brought them out of harms way but didn't allow family to get close until they were better. That has all changed now.

7:00 I was stationed in Alaska and we flew back and forth from there. When that was over I was too old and too dumb to go back to college. I elected not to. I went to work as a roughneck and proceeded down those lines for a while. I didn't go back to Enid. I didn't want to go home – my dad was mad as hell. So I stopped in Tulsa and rented a

little studio apartment where Utica Square is. By the time I got back to Enid I was married.

8:30 I got back from service in 1953 and went back to college the spring semester of 1954. I went to Tulsa because it is pretty, that's where I went.

9:40 I was working for a drilling company without any drilling rigs. My dad had a company he had started. He had married Champlin's daughter and was working for Champlin. Nepotism was popular then in that day in the family. He had a little company that was called a drilling company but was more or less a production company. The reason it was a drilling company was that he had partners that were drilling contractors so they had a few rigs off and on and every time the partner's sons got old enough to go to work they took the rigs and dad kept the production.

11:05 So I arrive at a time when there are no rigs. So I talked my dad into buying some rigs. I found out I didn't like that job too well because every Monday you had to fire somebody that worked for him. I got involved in production at that point.

11:40 The Mercury Drilling Company was owned 1/3 by me, 1/3 by my dad and 1/3 by my sister. My sister developed cancer and died. My dad at that point decided he didn't want to be speculating in the oil business anymore and if I wanted I could have it, the company, but I had to get them out of it. That was a project. Anyway, I did some things and paid all the overhead, which was a little bit too big for me to pay all the expenses and only own 1/3. I was pretty good at raising money so I got involved with a bank in New York that invested in some drilling programs I had.

13:24 I was on my own at this point. I started a company called Cotton Petroleum and Mercury was still alive. But Cotton was 100% my idea. I took a friend of mine, an Englishman that used to be with Shell Oil and he owned 25% of the company. Then a geologist here in town owned 10% and I owned 65%. We put in a total of \$10,000. The Englishman did it because he believed in me. The other guy did it to keep busy. That is the beginning of Cotton Petroleum. As it promoted wells we had a drilling fund and it got bigger and did very well as far as investors. We were drilling all over Oklahoma. Cotton Petroleum was incorporated in 1966. I had been fooling around getting ready for that.

15:48 At any rate, we went along. I ended up exchanging my dad's and sister's interests in Mercury into Cotton Petroleum so they became shareholders of the company I now had. We could afford to carry all the overhead at that point. We went on and drilled some wells and had some pretty good success. It got time that I wanted to have a public offering and broaden the company out.

17:08 Two asides – The first is the brokerage firm I ended up with was G. H. Walker in New York. The G. H. stands for George Herbert. The one word that is missing is Bush. That is the George Herbert Walker Bush family. The Walker is the famous golf cup, the Walkers. George's father was Preston Bush but he had married a Walker.

17:57 The second aside – I had a lawyer here in Tulsa with the firm of Conner and Winters that was an up and coming young lawyer out of Yale who was handling my public offering and we flew up to New York at my expense as you would when you are taking your lawyer to New York. That was all right. We got about half way there and had finished working on my stuff and he asked if it would be all right if he looked over his stuff, some work he was doing for his family. I said fine and so I looked over to see what he was doing and he was handling the public offering for his father for Wal-Mart. My lawyer was Rob Walton, the now Chairman of the Board of Wal-Mart. I always get a kick out of paying for his airline ticket. If I'd have taken the money we raised while in New York and put it in Wal-Mart stock we would have been better off. But anyway, my lawyer was Rob Walton, Chairman of the Board of Wal-Mart.

19:31 We went public in 1972. G. H. Walker was acquired after that by White Weld, they also did the initial offering on Wal-Mart. White Weld was eventually acquired by Merrell Lynch. So fortuitously, we had the whole of Merrell Lynch sales power handling our program. Donald Regan, who was the Chief of Staff under Ronald Reagan, was before that Chairman of Merrell Lynch and one of my customers. It was an interesting time. The company did well and got to be a reasonable size. Pennzoil, founded by a couple of Oklahoma boys, the Luetke boys had a roommate in college by the name of George Bush, and that's how George got into Midland in the oil business was because of the Lurtke's. Then he went on into politics.

21:45 Pennzoil had built and developed a vertical company. It had offshore drilling and onshore drilling and pipelines – pipelines interstate and intrastate so the government made them divest themselves of some of that so they would not control the gas from the home to the well head. They spun it off so it became United Gas Pipeline and they were looking to get into the oil business. So we made a deal with them and they acquired us on a non-taxable transaction in about 1976 late in the year.

22:49 So Cotton Petroleum became the oil and gas division of United Gas Pipeline and it was a cash cow. I became the largest stockholder. We changed the name to United Energy Resources but Cotton Petroleum remained in existence as the oil and gas queen of the company and I stayed on as chairman of that and by now the drilling budget had gotten up to about \$250 million a year. Not bad for a \$10,000 investment. I failed to mention earlier, I ended up having a falling out with the geologist and buying him out and the Englishman died and sold out. They all made some money. I exchanged all my drilling partners into that common stock so they all did pretty well. When we merged we got about \$17 a share then the stock split at 2 for 1 and they got about \$50 a share so basically they got \$100 on something they had zero cost in, which is nice.

24:46 In 1985 United was acquired by Mid-Con, which is the old Natural Gas Pipeline out of Chicago and it was for the stock cash only so everybody got cashed out. That deal hadn't been done two months till someone made a run at them and scared them to death and they sold out the whole works to Oxidental. Oxidental tore the pieces apart and put them back on the market. So there was a Cotton Petroleum back on the market which I

tried to acquire, but didn't want it bad enough. The name is gone. Apache owns the bulk of it now. That is more or less what happened.

20:21 Leadership lessons – I was an excellent judge of character. I hired the right people. They made it what it is. I myself wasn't trained as an oilman; I'm still not trained as an oilman. I hired the right people and I gave them a free hand. But I could spot – the reason I got sideways with the geologist was I gave him a free hand and he wasn't honest with me. But the rest of them, they were marvelous people. One of my people I hired from Amoco for about \$20,000 a year early on in the late 60s. He sold out a year and a half ago for \$275 million. And there is more than one of them around. I'm quite proud of my alumni, if you would. I've got five or six of them that are multi-millionaires. If I had a secret fort it was that I could pick the right people. I could handle them well. I was fair with them and they were fair with me, we got along well.

28:19 My passion is staying alive these days. I've had some unfortunate setbacks health wise. I love to fly fish and I tinker in my workshop. I make violins and model airplanes and clocks. Philanthropy wise, we support many things but most of that will be handled by my estate more than by me personally. I've had a very interesting life. I spent a lot of time in New York. I don't play golf, which I'm pleased to tell you. I used to hunt but I like the animals better walking around than lying on a plate. Those are the highlights.

End of Interview