1. NAME

COMMON: Teapot Rock

AND/OR HISTORIC: Teapot Rock

2. LOCATION

STREET AND NUMBER: NE ¼ SE ¼, Section 27, T 38 N, R 79 W.

3. CLASSIFICATION

CATEGORY (CHECK ONE)
- District
- Site
- Object
- Building
- Structure

OWNERSHIP
- Public
- Private
- Both

STATUS
- Occupied
- Unoccupied
- Being Considered
- In Process
- Preservation work in progress

ACCESSIBLE TO THE PUBLIC
- Yes
- Restricted
- Unrestricted
- No

PRESENT USE (CHECK ONE OR MORE AS APPROPRIATE)
- Agricultural
- Government
- Industrial
- Military
- Educational
- Religious
- Commercial
- Private Residence
- Transportation
- Other (Specify)
- Museum
- Scientific
- Park
- Entertainment
- Transportation
- Comments

4. OWNER OF PROPERTY

OWNER'S NAME: Mr. John Beaton

STREET AND NUMBER: Salt Creek Route

CITY OR TOWN: Casper

STATE: Wyoming

CODE: 56

5. LOCATION OF LEGAL DESCRIPTION

COURTHOUSE, REGISTRY OF DEEDS, ETC:

City and County Building

STREET AND NUMBER:

CITY OR TOWN: Casper

STATE: Wyoming

CODE: 56

6. REPRESENTATION IN EXISTING SURVEYS

TITLE OF SURVEY:
Wyoming Recreation Comm., Survey of Historic Markers, Sites & Monuments

DATE OF SURVEY: 1967 (1973 revised)

DEPOSITORY FOR SURVEY RECORDS:
Wyoming Recreation Commission

STREET AND NUMBER:

604 East 25th Street

CITY OR TOWN: Cheyenne

STATE: Wyoming

CODE: 56
Teapot Dome is an historic site of national significance over which developed a scandal of national proportions, involving California as well as Wyoming oil fields and involving high officials of the United States government and private enterprise. However, the dome itself is less visible than the rock for which it was named. Therefore, this nomination pertains to the rock which is a visible symbol or reminder of that famous American scandal.

Teapot Rock is an eroded sandstone formation located about 25 miles north of the city of Casper, in the southwestern Powder River Basin. No longer the shape of a teapot, the rock today resembles a disfigured human hand. Nevertheless, the formation which once looked like a teapot has given its name to a number of natural and man-made features of the surrounding landscape including a creek, townsite, oil development company, and one of the most famous oil fields in American history. About six miles east of the rock is the southern boundary of the Teapot Dome Naval Oil Reserve, 9,481 acres of land set aside in 1915 by presidential executive order as United States Naval Oil Reserve Number Three.

Teapot Rock and the Teapot Dome Naval Oil Reserve are located on the northeast side of a saddle which lies, generally, between the Big Horn Mountains and the Laramie Range. The saddle separates the Powder River drainage from the North Platte River drainage to the south. The oil reserve is partly surrounded on the west by an escarpment of sandstone broken for a space by low hills that cover the eroded outcrop. The east border is a continuous escarpment of rimrock forming an effective barrier to the vehicular traffic. Teapot Rock itself, 75 feet high and 300 feet in circumference, is situated on a grass-covered knoll a few hundred yards east of U. S. Highway 87 near Teapot Creek, an intermittent stream which empties into Salt Creek. The waters of Salt Creek, in turn, empty into the Powder River and eventually form a part of the Yellowstone, Missouri, and Mississippi rivers.

Just north of Teapot Rock and near the base of the hill which it surmounts, is the Beaton residence. The residence and nearby buildings form the headquarters for the Beaton Ranch which surrounds the rock.
Statement of Significance - 1

On April 22, 1922 the United States Senate voted unanimously, authorizing the Senate Committee on Public Lands and Surveys to investigate the subject of leases upon naval oil reserves. As a result of the investigation and subsequent civic and criminal trials, one of the most famous scandals in American history was revealed. The Secretary of the Interior in the administration of Warren G. Harding resigned and eventually went to jail for his part in the scandal, the Secretary of the Navy and the Attorney General resigned, and the names of many other United States Government officials and representatives were dragged through the blackness of the oil scandal. A prominent oil industrialist went to jail for contempt of court, and other oil executives left the country as the threads of the infamous episode were unravelled over a period of almost a decade.

The scandal which occupied the attention of the American public for so long was named for Teapot Dome, the smallest of three naval reserves in the limelight of the scandal. Teapot Dome was not only the least productive of the three naval reserves, it also lay in the shadow of Wyoming's greatest oil pool, the Salt Creek field. Since the physical proximity of one field to the other has caused some confusion and since, in the history of Wyoming oil development Salt Creek deserves a higher place than Teapot Dome, mention should be made of the former.

An elliptical area extending for ten miles from northwest to southwest and covering about 20,000 acres, the Salt Creek field lies just north of and adjacent to the Teapot Dome Reserve in central Wyoming. It was one of the first major oil fields discovered in the Rocky Mountain area. Men such as Cy Iba began their activities there in the 1880's although Iba himself did not live long enough to profit from his work. Production at Salt Creek was begun in 1889 when a ten barrel-a-day well was dug into the Shannon sand level at about 1,000 feet. As development continued foreign capital was invested in the field, and pipelines were laid from Salt Creek to Casper where a refinery was built on the east edge of town. By 1912 the Midwest Oil Company, which eventually became the biggest producer in the Salt Creek field, was established. In 1913, during only its second year of operation, the company derived a profit from its holdings in the remote oil field. The geologic sedimentary unit called the First Wall Creek Sand had been reached and a great future appeared in store for Salt Creek. However, competition from
10. GEOGRAPHICAL DATA

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LATITUDE AND LONGITUDE COORDINATES DEFINING THE CENTER POINT OF A PROPERTY OF LESS THAN TEN ACRES

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Approximate acreage of nominated property: Less than 10 acres

List all states and counties for properties overlapping state or county boundaries

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11. FORM PREPARED BY

NAME AND TITLE:
Mark Junge, Historian

ORGANIZATION:
Wyoming Recreation Commission

STREET AND NUMBER:
604 East 25th Street

CITY OR TOWN:
Cheyenne

12. STATE LIAISON OFFICER CERTIFICATION

As the designated State Liaison Officer for the National Historic Preservation Act of 1966 (Public Law 89-665), I hereby nominate this property for inclusion in the National Register and certify that it has been evaluated according to the criteria and procedures set forth by the National Park Service. The recommended level of significance of this nomination is:

National [X] State [ ] Local [ ]

Name
Paul H. Westedt

Title
Wyoming SHPO

Date
June 27, 1974

I hereby certify that this property is included in the National Register.

Director, Office of Archeology and Historic Preservation

DEC 30 1974

ATTEST:

Ronald J. Hohberg
Keeper of The National Register

DEC 30 1974
other western oil fields caused a slowdown in its production until World War I. By 1917 the total Wyoming production of crude oil had reached 9,000,000 barrels, one tenth of the California production. But just one year later Salt Creek crude production reached 5,500,000 barrels, which was about 42 percent of the state total and about 1.6 per cent of the total United States production. Even with the rapid increase in the field's productivity, the rich geologic sedimentary unit called the Second Wall Creek Sand had barely been touched. In 1922 total crude production was over 19,000,000 barrels and in 1923, the peak year for the field, production reached 35,301,608 barrels, 80 per cent of state production and 4.82 per cent of the total United States production. On September 15, 1923 was recorded the peak for a single day's production: 132,000 barrels. Author Harold D. Roberts (Salt Creek Wyoming: The Story of a Great Oil Field) qualifies these figures when he writes:

"Other fields have exceeded these production figures, but at that time these amounts were extraordinary, and this percentage of total United States production has rarely been equaled by any single field since petroleum became a major industry." In the period 1924-1930, in spite of a decline in production, aggregate production from Salt Creek was slightly over two per cent of the total crude produced in the United States. But the story of Salt Creek is more than just one which is quantitative; it is also qualitative. Drilling for oil by pioneer methods, hauling equipment to distant fields and hauling oil to refineries by horse and mule teams, and the growth of camps and towns—especially the city of Casper—is only part of the story of the great Salt Creek field and the Wyoming oil industry.

The sands of the adjacent Teapot Dome structure, on the other hand, proved to be thinner, more faulted and much less productive than those of the Salt Creek structure. The greatest number of producing wells at Teapot Dome in any one month according to Author Roberts was 64, and only about one-third of the productive wells ever exceeded 150 barrels a day. It should be emphasized that the great potential once claimed for Teapot Dome was never achieved, and it is rather as the backdrop for a dramatic historical event that the name Teapot Dome assumes importance. The physical development of the oil field is a story which deserves treatment merely as part of the growth of the Wyoming oil industry.

According to Author J. Leonard Bates (The Origins of Teapot Dome) the Teapot Dome scandal was the result of several things: 1) the discoveries of petroleum in the West; 2) the rising demand for petroleum; 3) and the rising conservation movement. An explanation may be helpful to understand how these factors and others combined to make the name of a central Wyoming oil field infamous in the history of America. First, the discovery and development of rich oil fields in such western states as Texas, Oklahoma, California and Wyoming opened the door for the establishment of many new oil companies,
resulting in increased competition for the black gold. In contrast to eastern oil fields such as those in Pennsylvania, significant western fields were located on large tracts of public land. Although it was estimated by the Geological Survey in 1917 that only one-eighth of the recoverable oil in the United States was on public land, no one knew exactly where it might be found. Estimates gave California two-thirds of the oil supply on public land, with Wyoming second in importance. Oil fever caused entrepreneurs to try to secure leases and then patents on their claims to public land, although placer mining laws which regulated the proving of patents were not suited to oil discovery and production. The results were not only waste and overproduction, but also the loss of large tracts of public land to private claimants. It appeared that the navy, which was converting its ships to fuel oil from coal, would soon have to purchase the oil which the government was practically giving away. Recognizing that oilmen were quickly acquiring tracts of land by applying for leases and patents, President Taft, on September 27, 1909 issued an executive order withdrawing from location and entry over 3,000,000 acres of the public domain believed to contain producible oil. The order covered 3,041,000 acres of land in California and Wyoming, of which only about 170,000 acres were in Wyoming. About half the withdrawn land was in private ownership, although the federal government retained the mineral rights. Existing leases on these withdrawn lands were honored, and in some cases lands were restored to mineral entry when it was found they were non-petroleum lands. The executive order, however, did not stop development upon federally withdrawn lands as oilmen sought to establish their previous rights to those lands. Where they had no rights they protested and lobbied for them.

The second factor behind the scandal was the rising demand for petroleum, especially during World War I. This produced, especially in the West, an attitude favorable toward rapid exploitation of oil pools. Of special significance was that by 1912 the navy had won the argument for conversion of its ships from coal power to that of fuel oil power. The necessity to maintain adequate supplies of oil for the navy led to the creation of two naval reserves by President William Howard Taft. Located in California were Elk Hills, or Reserve Number One, containing 37,760 acres and Buena Vista Hills, or Reserve Number Two, containing 30,008 acres. Later, in 1915 President Woodrow Wilson secured the additional Wyoming reserve of Teapot Dome, or Reserve Number Three, containing 9,481 acres. Thus the demand for oil and the rapid development of the oil industry, especially in the western states, led to a major scandal when the naval oil reserves came under lease illegally in 1921 and 1922.

The rush to exploit oil resources, especially the new and rich pools discovered in the West, combined with a third element—the conservation movement—in the development of the Teapot Dome scandal. The naval oil reserves issue
was an important factor in a general conservation program whose keystone was conservation of the nation's forest lands. One of the leaders in the drive to create and preserve the national forests, Gifford Pinchot, thus became a defender of the proposal to secure oil reserves for the navy. To conservationists like Pinchot, and to Woodrow Wilson's Secretary of the Navy, Josephus Daniels, a liberal leasing law was anathema. And a liberal leasing law was what was sought by oilmen whose continuous arguments eventually fell upon sympathetic ears in the nation's capital. A key figure sought out by oilmen was the Secretary of the Interior, a position held by Franklin K. Lane during the Wilson Administration and by Albert B. Fall during the Harding Administration.

On February 25, 1920, following a decade of conflict between conservationists and developers over the oil leasing issue, President Wilson signed a general minerals leasing bill into law, making it possible for oilmen to lease and develop the naval reserves. How this leasing was done illegally should now be briefly summarized. Following the election of 1920 Albert B. Fall, a Republican senator from New Mexico and a man sympathetic to the development of western oil lands, became Secretary of the Interior in the Harding Administration. Edwin Denby, a naval officer who was no friend of the conservationists, became Secretary of the Navy. In June, 1921 Fall leased a portion of Naval Reserve Number One in California to oilman E. L. Doheny, permitting him to drill offset wells in the naval oil field. Permission to drill was ostensibly given in order to prevent drainage from the oil reserves to adjacent fields, a drainage which—it was claimed—was already taking place. Later, another piece of acreage inside the same reserve was leased to a Doheny oil interest. Furthermore, Doheny was given preferential rights to future leases in the California reserves.

Then, on April 7, 1922 a bomb fell. Secretary Fall announced the lease of the entire Teapot Dome Reserve in Wyoming to the Mammoth Oil Company, a firm run by an oilman named Harry Sinclair. Wyoming Senator John B. Kendrick soon came under pressure from Leslie A. Miller and other men involved in the oil industry to inquire into the lease. The Republican as well as the Democratic press in Wyoming objected to the lease on the grounds that the lease was granted without competitive bidding, that it would allow Mammoth to transport oil out of the state and that in view of the national petroleum surplus which existed at that time the reserve ought to remain untapped. On the other hand, defenders of the lease maintained that it was favorable to Wyoming because the increase in oil production would broaden the market and increase the price of Wyoming crude oil. Another argument, complex because of its technical and controversial geological considerations, was that the Salt Creek field was draining Teapot Dome, and therefore offset drilling was necessary to protect the naval reserve. This opinion, however, was not that of the majority of geologists.
Statement of Significance - 5

On April 16, 1922 the Senate adopted Senator Kendrick's resolution proposing that the Secretaries of the Navy and Interior inform the Senate about all proposed operating agreements upon the Teapot Dome Reserve. The long struggle over oil leasing and the naval oil reserves reached a critical point six days later when the United States Senate voted unanimously in favor of an investigation into oil leasing. The investigation became the responsibility of the Republican-dominated Senate Committee on Public Lands, of which Senator Thomas Walsh (D-Montana) assumed an informal leadership. The investigation was a lengthy one and did not produce hearings until October, 1923, eighteen months later. Meanwhile on March 4, 1923 Fall resigned from the Department of the Interior. President Harding did not witness the outcome of the investigation as he died in August of the same year. By the end of 1923, and prior to the most spectacular revelations in the scandal, Teapot Dome was a household word to Americans even though no major breakthroughs had been made by the committee. Then, on January 24, 1924 oil tycoon E. L. Doheny confessed that he had loaned Albert Fall $100,000. The investigation which had threatened to die picked up immensely, since Fall previously denied having received a loan from Doheny.

Although at first it appeared that Republicans were in deep trouble over the scandal, with Coolidge at the helm the party cleaned its own house and went on to win both the 1924 and 1928 presidential elections. Part of that house-cleaning brought about resignations from Secretary of the Navy Denby and Attorney General Harry Daugherty. In an effort to clean up the oil drainage-conservation problem, President Coolidge appointed a special commission to study the problem, thus appearing to reverse the policies of his former Secretary of the Interior. The interest taken by Coolidge in the Teapot Dome affair and the prosecution of crimes related to it during his administration probably helped the Republican Party in the election of 1924. The result was that Coolidge carried 35 states, receiving a total of 382 electoral votes, while his opponent John W. Davis of West Virginia carried 11 states earning 136 votes. However, it is the conclusion of one historian, Burl Noggle (Teapot Dome), that Teapot Dome had a relatively minor influence in the election of 1924 and even less of an influence in the election of 1928.

Following the 1924 election the Coolidge Administration did even more to bury the Teapot Dome issue. On December 19 of that year a federal commission was established to promote oil conservation and in July of the following year the naval oil reserves were transferred from the Bureau of Mines to a branch of the United States Geological Survey. Finally, on August 1, 1927 jurisdiction of the naval oil reserves went from the Department of the Interior to the Department of the Navy. In the same year the Doheny leases in California and the Sinclair lease in Wyoming were cancelled.
In March, 1924 suits were filed against Harry Sinclair of Mammoth Oil Company, charging fraud and conspiracy by Secretary Fall and Sinclair, and against Pan-American Petroleum and Transport Company, charging fraud by Fall and Doheny. Sinclair himself was indicted for "contempt of the Senate" for refusing to answer questions asked of him by the investigating committee. On June 30, 1924 a grand jury indicted Fall and Sinclair for conspiracy; Fall and Doheny for conspiracy; and Fall, Doheny and Edward Doheny, Jr. for bribery.

For a couple of years, except for civil and criminal trials, Teapot Dome was an issue which attracted less public attention than it did during its early stages. On December 16, 1926 Fall and Doheny were acquitted of conspiracy.* But the issue was not to die. It was revived on January 9, 1927 when the Senate passed a resolution ordering the Public Lands Committee to investigate the activities of the Continental Trading Company. The Committee, whose chairman was Gerald Nye (R-North Dakota), looked into the activities of the Continental Company in relation to the 1924 election, especially concerning itself with the contribution of company funds to both major political parties. The Continental case eventually showed that Albert Fall received a total of $409,000 from Sinclair and Doheny. In October, 1929 Fall finally appeared in court, and was eventually convicted and sentenced to prison for one year.**

In the short run, the political ramifications of the second investigating committee were negligible. "Twice in six years," says Author Burl Noggle "a Republican-controlled Senate had approved a Republican Senator's resolution to investigate an affair involving high Republican officials. In neither case did the party thereby commit suicide." With the acquittal of Doheny and the conviction and sentencing of Fall, the story of the Teapot Dome scandal was largely over. The significance of the Teapot Dome Naval Oil Reserve as an historic site is that it is the focal point of an incident in American history of national dimensions. Also involved in the incident were two larger, and richer oil reserves located in California. But it was the announcement of the lease of the Wyoming reserve which touched off the scandal and the interesting name, "Teapot Dome" soon became a byword for scandal in American history.

*On May 6, 1929 Harry Sinclair went to jail for contempt of court. The sentence was punishment for the surveillance of a jury carried out by the Burns Detective Agency which had been hired by Sinclair. William J. Burns himself and others also drew short sentences or fines for their part in the affair.

**Fifteen years later, in 1944, Fall was dead. It is ironic that he was convicted of accepting a bribe from Doheny while Doheny was found not guilty of bribing Fall.
Statement of Significance - 7

Since the naval reserve in Wyoming is not readily visible, and since the reserve and several other features of the nearby environment are named for a curious sedimentary formation, Teapot Rock serves as a visible symbol of a larger and less visible historic site.

About fifty years ago the Senate began its investigation of oil leasing. Today, in 1974, another scandal is still in bloom, and perhaps someday interesting analogies between it and Teapot Dome will be made. Today also, the fossil fuel resources of the Powder River Basin are once again under intensive development, although coal is the fuel which is now receiving much attention. And once again, conservation of the nation's natural resources is a relevant issue. Not only is the conservation of physical resources such as fossil fuels, land and water under study and consideration but also the conservation of cultural resources in the form of archaeological, historical, and aesthetic values. The results of efforts to exploit certain resources while preserving others remain to be seen.
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Books:


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"Teapot Rock, Natrona County and Teapot Dome Oil Scandal" *Vertical File* (Wyoming State Archives and Historical Department, Cheyenne, Wyoming, 1974).

