

HISTORY & FOLKLORE

Liberty Native Was Giant Among Oilmen

John W. Mecom Sr. Dead at 70

The New York Times, Oct. 14, 1981

John Whitfield Mecom Sr., for many years one of the world's largest independent oil operators, died Monday night at his home in the River Oaks section of Houston. He was 70 years old and had suffered from a heart ailment for almost a year.

A millionaire many times over, Mr. Mecom had been ranked with H.L. Hunt and J. Paul Getty among the few individuals who ran large-scale oil operations. But his career was not without setbacks. In 1966 a deal to buy The Houston Chronicle fell through, and in 1970 he and his wife filed for personal reorganization under the Federal bankruptcy statute.

At the time of his death Mecom was chairman of the board of the John W. Mecom Company, with large interests in Louisiana oil fields. He had been in his office every day until January. His son, John Jr., who is president of the company, owns the New Orleans Saints of the National Football League.

A native of Texas, Mecom was born in 1911 in Liberty, a town in southeastern Texas. He began his career in oil at the age of 25 when he and two friends raised \$700 and began drilling in a field in Liberty County that had been abandoned as dry.

Mr. Mecom and his partners found commercial quality oil in the field – so much that Mr. Mecom was able to sell his interest two years later for \$100,000.

With that money, he explored a larger field near Galveston. The great demand for oil in World War II helped make him a millionaire. In 1948, Mecom sold most of his oil holdings for \$11.6 million and began to expand his operations farther afield, to Louisiana and the Middle East.

His findings in Louisiana included the Lake Washington oil field, south of New Orleans, which was discovered after a well was drilled almost four miles deep. The Lake Washington field produced 12,800 barrels a day.

In the Middle East, Mr. Mecom had crews operating in Saudi Arabia, Oman and Yemen by 1957, at which time Fortune magazine rated him as the third-

largest independent oil operator in the world, behind Mr. Hunt and Sid Richardson of Fort Worth.

Mecom branched out in the early 1960s, buying the Warwick Hotel in Houston, a half-interest in the San Francisco Hilton and controlling interest in the National Bank of Commerce of Tulsa, Okla.

But in 1966 he failed in a major acquisition effort, the attempt to buy The Houston Chronicle. The failure led to speculation among other oil operators that his financial empire was not nearly as large as had been reputed.

The Houston Endowment, a foundation, announced in December 1965 that it had sold Mecom The Chronicle, the 1,000-room Rice Hotel, the hotel's garage and laundry and stock in the Texas National Bank of Commerce, all for \$85 million.

Mecom's friends joked at the time that his wife had simply asked him to pick up

a paper on the way home. Everett Collier, the editor of The Chronicle, said that Mecom "has built up a reputation of substance and soundness which are a credit not only to him but to the entire community. That is why such experienced business people as the trustees of Houston Endowment would seal with a handshake an \$85 million deal with John."

But in six months, the handshake deal had collapsed. Mecom was soon replaced as head of the Texas National Bank and sold his interest in the National Bank of Commerce and in the San Francisco Hilton.

Unconfirmed reports suggested that he had had an option for which he paid \$1 million and that he had been unable to raise the cash demanded for completion of the sale.

In the late 1960s, to meet increasing production costs, Mecom's companies were



JOHN W. MECOM SR.

forced to borrow against future income. When their wells started to run dry, the companies ran into more trouble, and in late 1970 two of them, U.S. Oil of Louisiana Inc. and Lake Washington Inc., filed for reorganization. A week later, Mr. and Mrs. Mecom filed for personal reorganization.

Mecom said then that development of a property in Cameron Parish, Louisiana, that included natural gas and oil "will enable us to capitalize on assets in order to provide the necessary funds to satisfy all obligation." The company that emerged from this period of reorganization

was the John W. Mecom Company.

Besides his son, Mecom is survived by his wife, Mary Elizabeth, and two daughters, Betsy Mullins and Lannie Moses, all of Houston. A memorial service was planned today in Houston.



From Illustrated Press of Liberty County, Thursday, September 3, 1970 –

Editors of the Dayton News, past and present, at left is Leard Conner, former editor of the Dayton News who is now associated with the Klemp Corporation, the big new industry just west of Dayton on S-P Railroad.

At right is Jim Berry, present editor of the News. He carries that load along with night classes in law, which will gain him his law degree in perhaps two years.

5 QUESTIONS

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