

The official magazine of Oklahoma State University

STATE

SPRING 2006

**Investing
in OSU**

Page 52

MORE...



A National Icon who Believes in OSU



THOMAS BOONE PICKENS JR. says he will always remember the day he graduated from OSU in 1951.

"After the ceremony, my dad said, 'You mother and I have one more thing for you.'

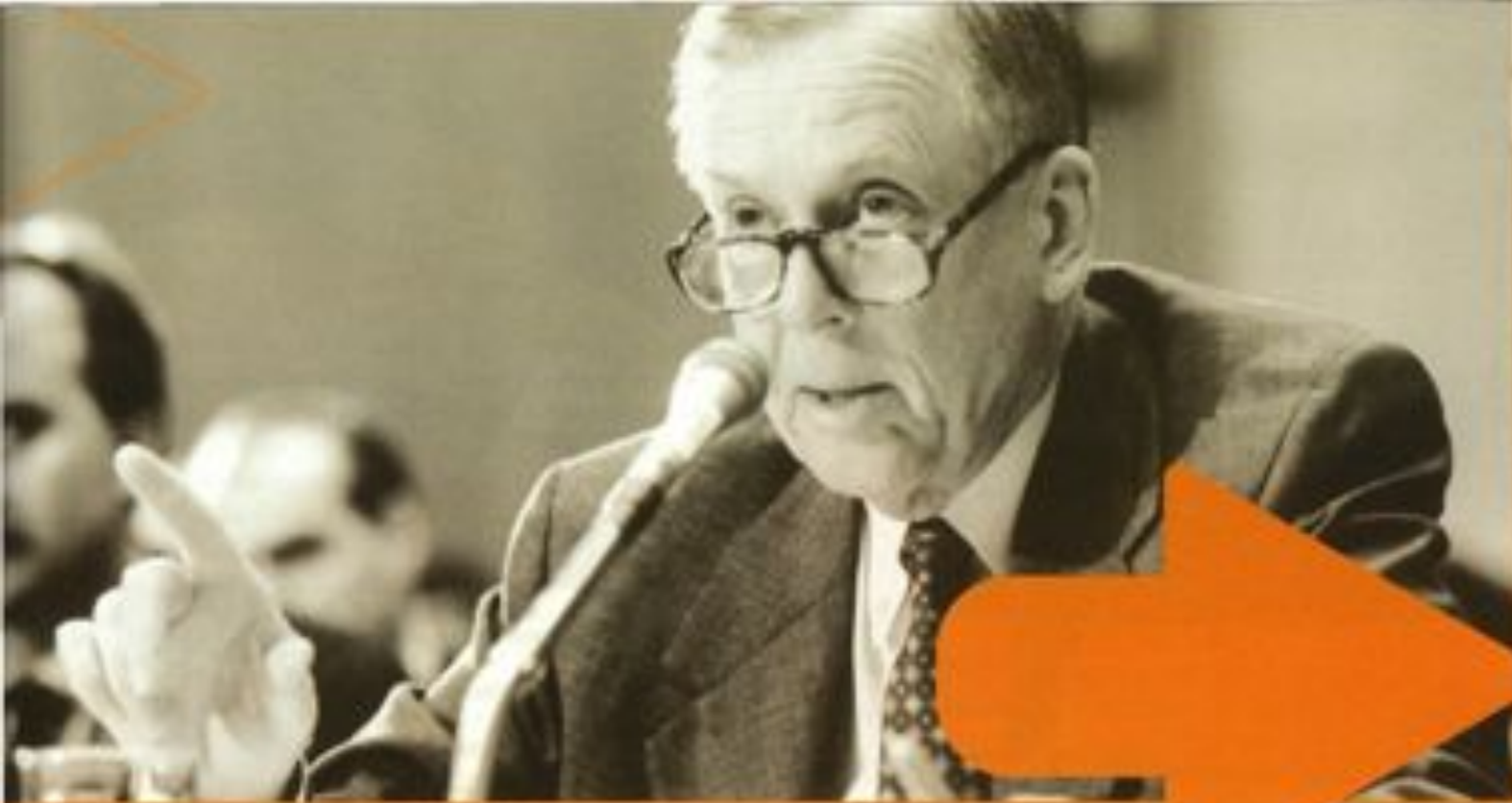
"For some reason I thought it would be a \$300 check. And then my dad stuck out his hand and said, 'Good luck!'

"I'll never forget that — I was so surprised," Pickens says, laughing. "I expected something more than a 'Good luck, son!'

Although disappointing, the moment intensified the sense of independence and self-reliance that would later define his leadership style.

No one could foresee, that spring day in 1951, Pickens would one day build the nation's largest independent oil company; redefine corporate America and run an international energy investment firm.

But at that moment, armed only with a bachelor's degree in geology and a fearlessness inherited from his father, Pickens knew that any success or fortune in his future would depend on his own initiative.



OKLAHOMA ROOTS

Pickens grew up in Holdenville, Okla., before his family moved to Amarillo, Texas, when he was in high school. He attributes much of his success to his parents.

His father, Tom, a landman and lawyer in the oil business, tried unsuccessfully to pass the law exam three times before graduating with his law degree. Years later, while talking with some of his father's contemporaries, Pickens asked if his father had been a good student.

"They said he was good, but not as good as he thought he was," Pickens says, with a smile. "He attempted to get out of school early, but he got out at the same time the rest of them did."

"He was trying to get ahead," Pickens says. "He gave it a good try."

His mother, Grace, managed the Office of Price Administration in Holdenville during World War II, rationing gasoline and other short-supply items for a four-county area. "She was more analytical," he says. "She wasn't one to stick her neck out."

Pickens inherited his willingness to take risks from his father.

"He'd take a chance, and I would, too."

When Pickens was about 11 years old and his mother was out of town, his father let him miss a week of school to accompany him on business. The trip began with a Friday night football game in Waco, Texas.

Boone Pickens congratulates Nate Waters, 35 marketing, upon his graduation from OSU.

Pickens began sponsoring rehabilitation for Waters, a quadriplegic since age 19, in 2003. "Boone Pickens is the only person who believed in me 100 percent," Waters told the O'Collegian.



with Oklahoma A&M playing Baylor, and continued with the Texas vs. Oklahoma game the next day in Dallas. After a week in Dallas, the adventure culminated with the Southwest Conference championship game in Fort Worth between Texas A&M and Texas Christian.

Amid the excitement, Pickens began to worry about the reaction they would meet at home, but his father advised him he always started worrying too early. "It's a habit I've overcome," he says later in his 1987 biography *Boone*.

RISKY BUSINESS

Sometimes risk-takers are successful, and sometimes not.

One of Pickens' earliest career risks — quitting Phillips Petroleum after only three years to start Mesa Petroleum at age 28 — reached monumental success. During his 40 years as CEO, Mesa became the nation's largest independent oil and gas firm.

Other risks, however, such as his venture into the cattle industry in the early 1970s, weren't as profitable. And Pickens regrets the image of corporate raider he acquired while attempting to take over larger companies in the 1980s. At 77, Pickens says his bold actions on behalf of shareholders may have been too "idealistic," but he always believed he was doing the right thing.

After leaving Mesa in 1996, Pickens founded BP Capital, a private energy investment firm headquartered in Dallas, Texas, and Clean Energy, a company that advances the use of natural gas as a cleaner-burning and more cost-effective fuel alternative. The company services airport

continues next page

This spring, Boone Pickens will receive the Horatio Alger award, one of the most distinguished entrepreneurial honors in America. The award honors people who have overcome adversity and humble beginnings to achieve success.



and municipal fleets from Canada to Mexico. Other business interests include water marketing and ranch development.

Pickens and his wife, Madeleine, split their time between Dallas and their West Texas ranch.

GROWING UP QUICKLY

Pickens played starting guard on one of the best basketball teams in Texas during high school and needed a scholarship to continue playing at the collegiate level.

"I tried out at Oklahoma A&M, and I couldn't make it," he says. "And I tried out at OU. Neither one offered me a scholarship."

Texas A&M did give Pickens a scholarship, but when it ended after his freshman year he again inquired at Oklahoma A&M. "They said they didn't have a scholarship but I could join the team as a walk-on. So I went to Stillwater and walked on in September 1948."

Pickens remembers working with assistant coach Gene Smeber and the special athletes that year, but by the Thanksgiving break he knew he needed to focus elsewhere.

"I left, and there wasn't one person who said, 'We're gonna miss you,'" he says. Even though he had been a star player in high school, the 5-foot, 9-inch Pickens knew he wasn't a match for his taller and faster collegiate peers.

Pickens filled his first semester at OSU with typical activities such as stopping by the new Student Union between classes and hanging out with his fraternity brothers at the Sigma

Alpha Epsilon house where he lived with roommate Buddy McCune, the top tennis player on campus.

"We lived in the room just over the entry door, and somebody had to sleep on the sleeping porch," he says, "so we took turns."

Life changed dramatically the following semester when Pickens married his high school sweetheart, Lynn O'Brien, and they moved into a little house east of Duck Street. Both took classes full time and Pickens worked various jobs to make ends meet.

"I remember one winter I killed an antelope and deer, and we traded some of that meat with another geology student who had killed an elk," he says. "I don't think we bought any beef that winter."

"My mother said she'd never seen a boy grow into a man so fast," Pickens recalls. "In just one year, I had changed schools, changed my major from animal husbandry (pre-veterinary medicine) to geology, and gotten married."

Pickens continued playing basketball on the intramural Hansen Hall Fatboys team, but spent most of his time studying or in class with geology faculty such as John Naff, Hobart Stocking and V. Brown Monnett, head of the geology department, whom Pickens says he appreciated more later in life than when he was a student.

"I remember one semester I carried 19 hours," he says. "When you're that serious, you don't have time for much else. I was in a rush to get out of school. I wanted to get going on my career."

WHY OSU?

Although he hurried to leave college, Pickens has returned to OSU many times over the years with generous contributions for academic and athletic programs.

"My passion for OSU has only intensified over the years as I recognize the link between my education and my success," Pickens says, adding current students may have even more potential for success than previous generations because of advancements in technology, communications and other areas.

In 1982 he donated \$1 million to OSU for the Boone Pickens School of Geology and has funded endowments for many scholarships, fellowships and professorships. He's also contributed to cancer research at OSU's Borns Veterinary Medical Teaching Hospital, initiated a quail research project and supported the OSU golf program and its Karmen Creek facility.

In 2003, Pickens made OSU history with a \$70 million pledge that included a \$20 million trust for stadium renovations, \$25 million for a general university scholarship fund and a \$35 million testamentary gift for academic and athletic projects.

Last fall, he broke records again with a stunning \$165 million gift to OSU to purchase land north of campus for an athletic village.

He says OSU's ability to win 44 national championships in one of the toughest conferences in the nation despite a "less-than-average athletic budget" illustrates the university's potential for greatness and reveals a strategy for reaching new heights.

"When you compare athletic budgets, we've got to get more competitive," he says. "Anything I'm associated with, I don't want to see on the bottom of the ladder."


Pickens has heard about complaints from homeowners unhappy about having to move or sell their property, but he says everyone facing displacement will be compensated in a compassionate manner.

"I think it is so unique that we have an area there where it can be done," Pickens says. "There's no question, based on the letters I've gotten, that alumni know how beneficial this will be for OSU. I think we'll see more support pick up."

Pickens believes the proposed athletic village, like an undervalued company with unrealized potential, could bring surprisingly wonderful opportunities to OSU and the state.

"When I graduated in the 1950s, I never thought something was out of the question if I wanted to go for it," Pickens says. "I've always thought if you want to work hard enough in this country that is so great, you can take as big a bite of the apple as you want."

And as OSU takes the first steps in building one of the most advanced athletic complexes in the collegiate world, the potential for greatness is taking shape.

"Why not?" he says. "Show me an underdog, and I'll show you a white blackbird — a surprise." 

JANET VARNUM

Boone Pickens Donates \$165 Million to OSU Athletics, Moving OSU to Next Level and Beyond

Legendary oilman Boone Pickens donated \$165 million to OSU to help fund one of the nation's most comprehensive collegiate athletic complexes during the next five to 10 years.

Pickens' gift last fall is the largest single donation for athletics to an institution of higher education in U.S. history.

"My passion for OSU has only intensified over the years as I recognize the link between my education and my success," says Pickens, 77, a 1951 geology graduate.

"I believe that developing teams that are competitive in all sports requires the best facilities possible. Developing those facilities will help move the university into a new era, both in athletics and academics," he says.

"Athletics have proven to be a significant contributor in the academic success of an institution, both from a fundraising and a performance perspective."

A key element of long-term success, Pickens says, is a broader base of alumni financial support for OSU. "We are in a new era, and I want to see all alumni be a part of it."

Pickens founded Mesa Petroleum, which grew into one of the nation's largest independent oil and gas firms during his four-decade of leadership. He left the company in 1996 to found BP Capital, an energy investment firm consistently ranked as one of the most successful hedge funds in the U.S.

Pickens' gift will help build the west end zone at Boone Pickens Stadium, a multi-purpose indoor practice complex, new soccer, track and tennis facilities, a new equestrian center, a new baseball stadium and new outdoor practice fields.

OSU System CEO and President David Schmidt says the gift is an important complement to the school's strategic plan, "Achieving Greatness," that calls for the spending of about \$500 million on various academic, student life and related initiatives.

"This is a truly remarkable gift," Schmidt says. "Mr. Pickens' \$165 million donation to our athletic program is a critical component of our three-pronged approach to developing a top-tier university. Athletics, academics and student life must all fit together to build a competitive institution."