

## AAPG Foundation History (from Birth to 1991)

*By James E. Wilson, Jr.*

### **The Conception**

AAPG celebrated its 50<sup>th</sup> anniversary within the vibrant nexus of the mid-60's: Vietnam, race riots, space walks, and war in the Middle East. The mood of the Association was upbeat for the future. President Michel T. Halbouty was concerned about the fiscal responsibilities of the Association and felt that something had to be done to prepare the Association for the ups and downs that were sure to occur. He decided on his own to submit to the Executive Committee a proposal he had formulated to establish a Foundation which would raise money to be an adjunct to the finances of the Association. Halbouty garnered his personal attorney, internationally renowned Leon Jaworski, to assist him in drafting the documents for the proposed Foundation. Once the documents were drafted to establish the Foundation, Halbouty submitted them to the Executive Committee and they were unanimously approved.

### **Formation**

And so that is what it became: a Foundation. It was given legal structure as a foundation (an Oklahoma trust) and approved by the Executive Committee in February of 1967 with Dean A. McGee, Morgan J. Davis, and W. Dow Hamm as Trustees. Certain funds were transferred to the Foundation from the Association by a Declaration of Trust, but it took until January 1, 1968 for the IRS to finally approve the Foundation as a 501(c)(3) tax exempt scientific and educational organization. Legally, for it to be a Foundation, it had to be autonomous and independent from Association control. However, Trustees were to be appointed by the Association's Executive Committee and would serve for life or until resignation. The Foundation could fund certain programs and projects of the Association but could not have direct financial assistance. The general purpose must be for the public good.

### **Early Youth**

Michel T. Halbouty was the first contributor to the new Foundation, which he was so proud to have created. Within the next two years, substantial gifts came from major oil companies, along with bequests and funding for Association awards. By 1972, a Regional Council was organized, composed of George Crow (eastern), Edd Turner (Gulf Coast), Warren Weeks (Mid-Continent), Ken Crandall (Pacific), Bill Hilseweck (Southwest) and Bill Curry (Rocky Mountain). The immediate goal was \$5 million in five years.

### **Growth and Recognition**

The functioning of the Council began topay off; gifts arrived from more members, corporations, and member societies of the Association. The Foundation was able to commence doing some things for which it was created: Grants-In-Aid were made from the "Research Fund", support was given from the Pratt Bulletin Fund for publication of the AAPG Bulletin, and a special grant was made to the Geothermal

Survey. The generous gift of 170,000 shares of Weeks Natural Resources from Lewis Weeks, and a bequest from Gordon Atwater later proved of major benefit.

### **Some Slight Shifts in Command**

In 1975 the Foundation portfolio was moved from a New York bank to First City National Bank in Houston. As Morgan Davis was a Director of First City, he resigned as Trustee of the Foundation and was elected Trustee Emeritus. The Executive Committee appointed James E. Wilson to replace Davis. Dean McGee later asked to be relieved as Chairman of the Foundation, but remained as a Trustee. Dow Hamm replaced McGee as Chairman. Donations received in 1975 reached almost a half a million dollars, bringing the balance to over a million dollars. Broad support of the Foundation was catching on; seventy-five percent of the dollar contributions came from members, twenty percent from corporations, and the remainder was from other groups.

### **The Weeks Tower**

The year 1975 also marked a major event. Dean McGee, Merrill Haas and Fred Dix went to Westport, Connecticut to ask Lewis Weeks if he would fund a much-needed building for Headquarters expansion. He and his wife Anne most graciously agreed to do so, and they participated in the ground-breaking for the Weeks Tower on June 30, 1976. The project was made feasible by a generous donation of property adjacent to the building from Skelly Oil Company. Sadly, Lewis Weeks' "Love affair with life and geology" came to an end before the building was completed, but with great courage and effort, Anne Weeks participated in the dedication of the Weeks Tower on May 19, 1978.

### **The Trustee Associates**

Present at the dedication ceremony were 31 Trustee Associates. The Trustee Associates were a concept of Dean McGee's to recognize those giving substantial support to the Foundation. The Trustee Associates and Trustees departed the dedication ceremony for Shangri La Resort on Grand Lake, northeast of Tulsa to attend the first meeting. Officers were elected with John A. Taylor, Chairman and Herbert C. Davis, Vice-Chairman. August Goldstein was appointed to head a committee to draft articles of governance. In subsequent years, the Trustee Associates have held meetings at various resorts and have grown to over 185 members. The Trustee Associates, representing a wide geographic distribution, have essentially replaced the Regional Council. They have been a powerful resource for the Foundation, funding the Tectonic map of North America at over \$600,000 and providing start-up money for the Treatise on Petroleum Geology.

### **McGee Retires**

Soon after the Shangri La meeting, Dean McGee retired as Trustee and was immediately elected Trustee Emeritus. The Executive Committee appointed Merrill Haas to replace Dean on July 1, 1976. The following year, Dow Hamm, last of the three original Trustees, retired and was replaced by Kenneth H. Crandall.

### **The Pratt Tower**

From 1966 to 1981, AAPG membership had doubled. There were expanded programs in continuing education and increases in special publications and communications. Headquarters was also

rendering services in connection with regional meetings and conferences. There was pressing need for additional space for offices, equipment, storage and shipping. A study took place determining the feasibility and cost of adding a companion to the Weeks Tower, with any unneeded space to be leased to others. The stock and rights in Weeks Natural Resources (now Weeks Petroleum) had been sold for \$2.5 million when the company was taken over by Bell Resources of Australia. These funds financed the new building. Because of the soft economy in Tulsa, building plans were delayed until September 1983. However, the building was completed in the spring of 1985 and was dedicated in June. It was named the Pratt Tower in honor of one of AAPG's most venerable and respected members, Wallace Pratt.

### **New Heights**

Riding the precarious prosperity of ever-increasing oil prices, the Foundation received increased support and was able to increase its bequests in fiscal 1984-85. Grants-In-Aid grew from \$10,000 to \$60,000, assisting 67 graduate students. Professional Grants totaling \$23,300 went to 34 professors, allowing them to attend AAPG Continuing Education schools. The Pratt Bulletin Fund provided a substantial increase of \$70,000 in support of the *AAPG Bulletin* and the Bennison Fund had its first foreign distinguished lecturer: Dr. Mutti from Italy. Total contributions were \$447,000, bringing the year-end balance of portfolio funds plus property and equipment to \$9,600,000. Steps were initiated to modify the original three-man public trust to a broader-based corporate type of Foundation.

### **The Oil Price Crisis**

About this time, OPEC put the price of oil into a precipitous nose-dive, decreasing industry activities and jobs of many members. The Association, like other energy-related businesses, was hard hit and had to make adjustments. The Foundation could not give direct financial aid, but assisted in other areas. It funded a cassette tape program developed by AAPG's Education Committee for employment reorientation; granted \$250,000 in research to develop an Exploratory Well Data File that would assist individuals and small companies; and made a grant of \$30,000 to the Energy Minerals Division for publishing a uranium case study. In addition, support continued for the *AAPG Bulletin*, Grants-In-Aid, Professional Grants, the Tectonic Map, and the Foreign Distinguished Lecturer Program. Altogether, the Foundation made commitments of almost half a million dollars. A special appeal by the Foundation Chairman to the general membership over age 50 brought a heartwarming response of over \$50,000 from almost 400 members.

### **The New Foundation**

The House of Delegates at the Annual Meeting in Atlanta approved reorganizing the Foundation in principle. The Articles of Incorporation and Bylaws for the new Foundation were approved in 1986 by the Secretary of the State of Oklahoma, the Federal Court, and the IRS. The Trustees of the original Foundation invited twelve Trustee Associates to become Members of the Corporation. These were John J. Amoruso, Ted L. Bear, Herbert G. Davis, Paul H. Dudley, Lewis G. Fearing, Norman H. Foster, Michel T. Halbouty, Bernold M. Hanson, Frank W. Harrison, Hugh M. Looney, E.F. Reid, and M.O. Turner with Kenneth H. Crandall, Merrill W. Haas, and James E. Wilson rounding out the fifteen as provided in the Bylaws. At the inaugurating meeting in Tulsa on September 4, 1986, the Corporation members elected the following as Trustees of the Foundation: Wilson, Haas, Amoruso, Davis, Bear and Crandall. Wilson was elected Chairman, with Amoruso, Secretary and Davis Treasurer. Regrettably, Ken Crandall passed away soon after this action and the Corporation elected John A. Taylor to replace him on the Board and Hugh Looney replaced him as Trustee.

## Recent Times to '91

After placing the Foundation's portfolio with the First City Bank in Houston, the Trustees met with the Bank officials frequently for reports and discussions. Merrill Haas was authorized by the Trustees to work closely with the fiduciary.

The market crash of October 19, 1987 was "Black Monday" for many institutions. As the market began its strong rise before the crash, Haas said he could not see its continuing indefinitely and recommended that we sell at least half our stock holdings across the board. The appreciation was such that we could "cash in" for what we had paid for the stocks and hold the remainder to "wait and see". The Trustees concurred in this proposed action, and after the crash, replaced the portfolio at greatly reduced prices.

The Trustee Associates continued to meet annually in different parts of the country. As part of the business meetings, a representative of First City Bank gave a review of the economic situation as a companion to the report of the portfolio.

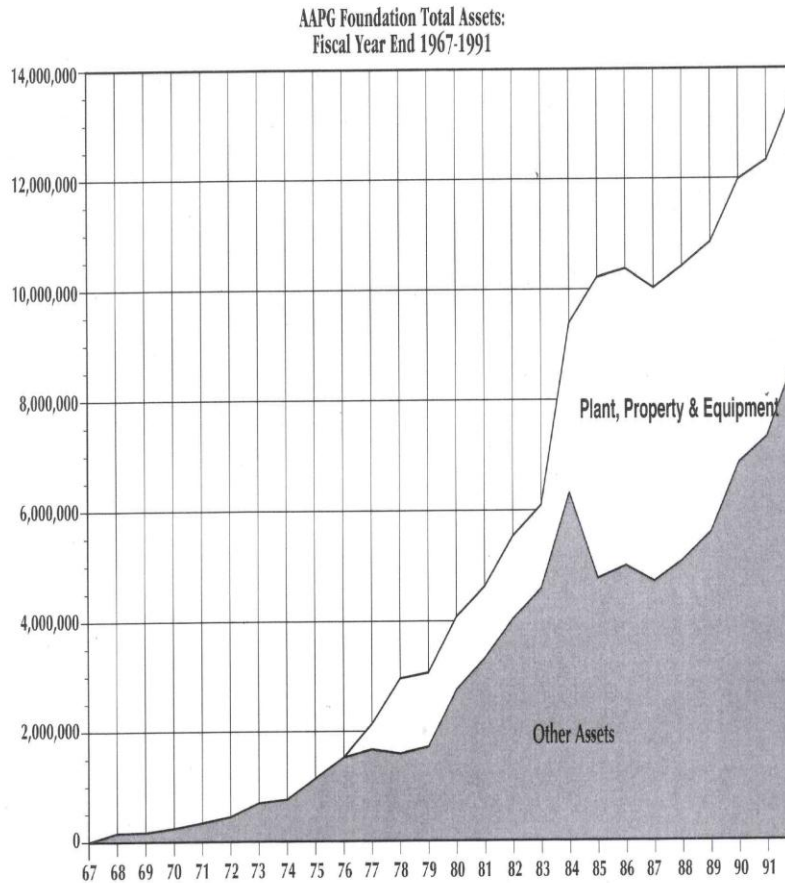
A substantial gift by Merrill Haas, in honor of Wallace Pratt, greatly augmented the Distinguished Lecturer program, underwriting a "Haas-Pratt Lecturer" to present scientific, educational programs for the benefit of Societies and University groups. Effective at the end of fiscal year 1989, Jim Wilson resigned from both the Corporation and Foundation, and Haas was elected President of the Corporation and Chairman of the Foundation. Norman Foster, who resigned from the Board when elected AAPG President, was replaced by Larry Funkhouser. After finishing his term as President of AAPG, he was reinstated as a Member of the Corporation, and Larry Funkhouser was elected to replace Wilson as the sixth Trustee of the Foundation. Wilson was then appointed Trustee Emeritus. Shortly thereafter, Trustee Emeritus Dean McGee died.

The Kerr McGee Corporation donated a fine memorial gift honoring Dean McGee, which was placed in the Distinguished Lecturer Fund to provide expenses for sending an International Distinguished Lecturer to foreign affiliated societies and academic centers. This complemented the program of foreign distinguished lecturers coming to this country, supported by the Haas-Pratt and Benneson Fund.

The changing role of the geologist in a maturing industry was recognized by creating the Archie Development Geology Fund, inaugurated by a substantial gift from Robert M. Sneider.

From its beginning, the Foundation has followed a policy of using only earnings and not invading the corpus of most of its funds. As Figure 1 shows, the growth of funds has tracked the growth of Association membership with some boosts by large gifts and bequests. The shape of the gifts curve is slightly inflated by the "flow through" nature of contributions to the Tectonic Map project and the Building Fund, but in this the Foundation is serving its stated purpose.

The Foundation has been the vehicle by which Association members and others have honored friends and associates by expressing their appreciation to their profession. The Foundation has helped the Association serve the public in many lasting ways. Thus, 1991 is not the stopping place of its history, only a semicolon on its way to the future.



## AAPG Foundation from 1991 to Present

By Natalie Adams, Foundation Manager

The Foundation continued to be active and the investment portfolio was watched carefully. In 1991, the Trustees expressed a desire to support the AAPG Distinguished Lecture and Visiting Petroleum Geologists Programs as finances allowed. Corporate support was received for the Treatise Fund, and additional solicitations were made for the 75<sup>th</sup> Anniversary of the Association. Don O'Nesky was appointed Deputy Executive Director of the Foundation in March of 1992. The main focus turned toward increasing the operating fund through fundraising, and the association was approached for financial assistance. The AAPG Executive Committee voted to contribute to the Foundation's Operating Fund 85% of the proceeds received from the Offshore Technology Conference for the period 1993-1997 and could be ratified on an annual basis by succeeding Executive Committees.

The first AAPG Foundation Chairman's Reception was hosted at the Houston Annual Convention in 1994. Lyle Baie was appointed Executive Director in May of 1996. The University Subscription

program was born when Datapages went to CD-ROM. Trustee Associates could now purchase the new CD-ROM library and donate to university libraries for \$10,000. Furthering the creativity of the Foundation, a voluntary contribution would be added to AAPG dues statements (\$1 per year of membership) in 1997. In the same year, Don O'Nesky became the new Executive Director and the L. Austin Weeks Undergraduate Grant program was initiated. A \$1,000,000 gift from L. Austin Weeks meant that now an annual grant for \$1,000 would be given to each chapter, with \$500 of the \$1,000 going directly to the student and \$500 to the geology department.

Some very significant funds were established soon thereafter. The Halbouty Named Grant was created, and Daniel Busch provided \$25,000 to the AAPG Foundation in the form of a gift annuity to establish the Daniel A. Busch Library Fund.

The late 90's were a time of recognition for AAPG donors. The Founder's Award was established to recognize Foundation donors, soon renamed the Chairman's Award. The first Chairman's Award went to Michel T. Halbouty in 1999. The Trustee Affiliates were created for spouses of deceased Trustee Associates, and the name was soon changed to Honorary Trustee Associates. The Teacher of the Year Award established, and L. Austin Weeks was voted the second recipient of the Chairman's award. Carolyn Shoemaker gave the first Michel T. Halbouty lecture at the 2001 Annual Convention in Denver. James E. Wilson approved for Chairman's award in 2001. Year after year, individuals who have contributed to the Foundation's mission have been honored in various ways.

Rick Fritz was ratified as Foundation Executive Director and Don O'Nesky as Deputy Executive Director in 1999.

More funds were established as the years went by, such as the Chairman's Named Grant, the Named Public Service Endowment, the E.F. Reid Scouting Endowment Fund, the Special Publications Fund and the Holland Professorship Fund as more individuals value the services that the Foundation is able to provide to the community.

Trustee Associate Membership steadily climbed since its inception. The entry fee went from \$7,500 to \$10,000 to \$12,500, and is presently at \$15,000. Membership is now 275.

A multi-year capital campaign began in 2005 under the very competent leadership of Jack C. Threet and Larry Funkhouser, co-chairs of the Financial Campaign committee. The goal began at \$25 million and was increased to \$35 million in 2008. *(Both gentlemen were later named recipients of the Weeks Medal.)*

In 2008, Marta Weeks became the first recipient of Weeks Medal for her significant contributions to the foundation. T. Boone Pickens was nominated to receive the Weeks medal

the following year for the same reason. Together, these two individuals gave nearly \$20 million to the Foundation.

The establishment of a Canadian AAPG Foundation office was approved in 2008. That is a project that is still in process.

The Legacy Society concept was introduced in 2008 to recognize individuals who have expressed an interest in leaving a bequest to the AAPG Foundation in their will. We are truly grateful for the dedication and loyalty that these individuals have shown to the Foundation.

Following the resignation of Rick Fritz from the Association and the Foundation in 2011, David Curtiss was hired as the new Executive Director and David Lange assumed the new title of Deputy Executive Director.

Total contributions to the Foundation in FY 2011 were \$2.14M. Eight percent of AAPG dues paying members made a contribution to the Foundation in the last 12 months. Contributions in FY2010 were \$2.24M.

Total disbursements for grants and program services were \$1.66M. Some of the AAPG core programs which received funding by the Foundation during the past fiscal year included the following:

- Distinguished Lecture & Visiting Geoscientist programs, \$235,200. The Foundation provided funding for eight North American and four international Distinguished Lecture tours.
- Grants-in-Aid, \$186,200. The Grants-In-Aid program continues to grow with 81 Named/Memorial grants and six additional grants established but not yet fully funded. This year, one new named grant was endowed – the John and Colleen Silcox Named Grant. The minimum contribution to establish a Named/Memorial Grant was raised from \$15,000 to \$25,000 this year.
- Forty-two undergraduate students and their universities were the recipients of an L. Austin Weeks Undergraduate Grant this past year totaling \$42,000.
- AAPG Bulletin, \$231,240
- Digital Products University Subscriptions, \$33,970. Five new Digital Products University Subscriptions were endowed at the \$15,000 level.
- K-12 Programs, \$88,400
- Bridge Fund, \$365,856

Two new programs established were the Newly Released Publication Endowment Subscription and the GIS UDRIL University Subscription.

The AAPG Foundation Trustee Board entertained 22 proposals for funding and approved 15, totaling \$480,015.

Based on the approved spending rate, the Foundation expects support of programs to amount to approximately \$1.6M in FY 2012.

### **AAPG Foundation Investment Portfolio**

The Foundation portfolio is conservatively invested and well diversified and includes public and private mutual funds, international investments, natural resource funds and real estate.

The investment climate continues to be challenging and the Foundation Trustees meet regularly to review economic conditions, and monitor investment. The AAPG Foundation had a very good year with the investment portfolio as the portfolio grew by 23% to \$38.6M as of June 30, 2011.

Although the markets have continued to be volatile, we believe we have a properly managed and diverse portfolio, which had a market value of \$37M as of August 31, 2011.

As 2011 comes to a close, the campaign goal was reached, the Foundation Trustees are grateful for so many who have served and continue to serve in various capacities. New campaigns will commence, new funds will open, and more students and geologists will reap the harvest, as evidenced in the more than 30 existing programs maintained by the Foundation.