

FEATURED INTERVIEW

T. Boone Pickens' Plan to Offset China, Reduce America's Dependence on Foreign Oil and Harness Wind for Power

Madeleine Pickens won the hearts of America with her airlift missions to rescue abandoned animals after Hurricane Katrina.

BY MARK PAZDUR, PUBLISHER

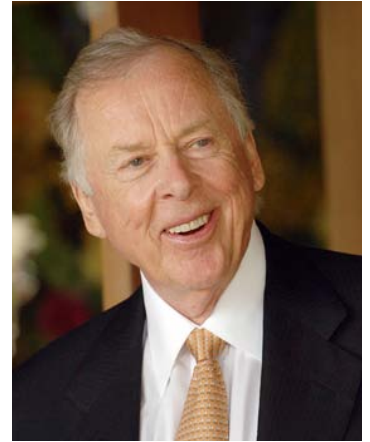
DEL MAR, CALIFORNIA: It was enjoyable and pleasantly intimidating to be seated on the outdoor terrace of the Del Mar Country Club for breakfast with America's energy tycoon T. Boone Pickens and his lovely wife Madeleine. Boone is currently on a mission to reduce U.S. dependence on foreign oil by replacing foreign oil, diesel, and gasoline for domestic natural gas in America's heavy duty truck fleet, and by expanding the use of renewable energy such as wind and solar in power generation. The weather was ideal, the atmosphere cozy, the service world class, and they were warmly engaging. As our conversation wore on, I could see a look of love and interest on Madeleine's face every time Boone spoke. I asked her how they met.

"Oh," she laughed, "I met T. Boone only once during a golf tournament. Several years later, after his name came up in a conversation, I mentioned what a gentleman he was to me. One of my friends contacted him and he invited me to his ranch and we clicked," she recalled cheerily. "We have been happily married for five years now."

"I just love to hear her voice in the morning when we wake up," added Boone. "It is such a terrific way to start the day. We do a lot together, but golf and travel are our two passions. We both enjoy hitting balls on the driving range for hours and taking breaks to socialize with others. Madeleine is a better golfer than I am."



PUBLISHER MARK PAZDUR (LEFT) TALKS WITH MR. AND MRS. PICKENS AT DEL MAR COUNTRY CLUB.



T. BOONE PICKENS, FOUNDER
BP CAPITAL & MESA PETROLEUM

"What is your most exciting experience in golf?" I asked. "A hole in one? An eagle? A round with Nicklaus?"

"No," said Boone, "something much, much better than that. I've played Augusta National many times over the years and always dreamed of paring 'the corner.' Well, I did it three years ago at the age of 78!" he exclaimed proudly. "I eagled the 11th, got excited, and promptly knocked it in the water on the 12th. I calmed down and parred the 13th to go eagle, double, par. I'm not a very emotional guy," he said with growing emotion, "but I got pretty excited that day. I felt like lifting my caddie over my shoulders and carrying him back to the clubhouse."

TURNING \$3 MILLION INTO \$3 BILLION

Boone and Madeleine together have five children and twelve grandchildren. They have a residence in the Dallas-Fort Worth area, a ranch in the Texas Panhandle, and ownership of the Del Mar Country Club in which we were enjoying a delectable and leisurely breakfast. They are an industrious and goal-oriented couple, busier than ever.



T. BOONE AND MADELEINE PICKENS WITH TWO OF THEIR DOGS, MURDOCK AND BODIE.

In the mid '90s after Boone got broadsided by a significant decline in his net worth, a painful divorce and clinical depression, many counted him out. He, nevertheless, staged a dramatic comeback by turning \$3 million into \$3 billion within a few short years.

Today, if Boone has his way, America's cars will eventually run on natural gas and wind will be harnessed for power generation.

"Madeleine and I love to travel and keep busy," he said, simultaneously showing me his pocket calendar.

I saw trips for every week on the calendar. There were eleven speeches highlighted in yellow. He now receives \$125,000 per speech and donates 100 percent of the fee to charity. I calculated \$1,375,000 for those eleven speeches with more to come.

"Why," I hypothesized, "do you give it all to charity?"

"Because I was raised to give back," said Boone.

"My family, especially my grandmother, always supported charitable organizations," Boone continued. "They made contributions to the Red Cross, even during the lean times of the Great Depression. That always stuck with me.

I've given over \$700 million to charity so far and my goal is \$1 billion."

YOU MUST BE WILLING "TO FIRE"

There are two sides to every coin just as there are two sides to every talented businessman. Boone is no exception. "Leaders must be willing to make decisions," asserted Boone. "That's the most important quality in a good leader. Don't fall victim to what I call 'ready—aim—aim—aim—and not fire' syndrome. You must be willing to fire! Make a decision and go with it. Don't be frozen in fear of making a wrong choice."

He's also unrelenting in business when the need arises. So much so, that in the 1980s he was an infallible authority, nicknamed the Oracle of Oil, from whom advice was sought.

"Pickens undertakes things he feels need to be improved and enjoys the challenge of making them better. He is one of our country's true treasures." — Jerry Jones, Owner & General Manager, Dallas Cowboys



He did whatever was necessary to create shareholder wealth by unlocking value immediately for short-term profit. He has, thus far, taken eight companies public. His tactics proved to be successful enough and controversial enough to have *Time* magazine feature him on a front cover headlined: The Takeover Game: Corporate Raider T. Boone Pickens.

A TIGHT-KNIT FAMILY

“So,” I asked, “did you follow your own credo?”

“Indirectly speaking, I would say yes,” he replied. “But, it was my grandmother, Nellie Molonson, and my aunt, Ethel Reed, who taught me important lessons. I had a close and special relationship with my grandmother. She was the one to make me always think like an owner! I’d guess that my entrepreneurial spirit began when I was 12 years old with a 28 customer paper route. It was my first exposure to a lesson, taught by Grandma Molonson that guided my career. I expanded 28 customers to 125 customers by acquiring the routes on either side of me. It was my first introduction to expanding quickly by acquisition, a talent I would perfect in my later years.”

He also recalled his Aunt Ethel who was tough as nails and never felt Boone lived up to his capabilities.

Boone was a child of the Great Depression. His dad was an oilman and his mom worked for the local government in Holdenville, Oklahoma. They were hard-working, thrifty, honest and self-sufficient. “Dad had to travel a lot,” said Boone. “He was outgoing, a great storyteller and a gifted poker player.

“We were a tight-knit family with Mom as the disciplinarian. If I ‘wronged,’ I got the belt,” laughed Boone, “sometimes three stinging belts right on my butt.”

LUCKY TO BE ALIVE

If not for three fortunate circumstances; namely, pure luck, a courageous father, and a skilled surgeon, Boone would not be alive today. These three factors connected on May 21, 1928 at a hospital in Holdenville, Oklahoma.

Boone’s mother, Grace, was suffering insurmountable labor problems trying to give birth to Boone.

Dr. Wallace, a surgeon, came out of the operating room and agonizingly explained to Boone’s father, Tom, that both Grace and the baby could not be saved. Tom had to make a choice. Tom refused to choose and appealed Dr. Wallace to perform a Caesarean section, a new and controversial procedure. The doctor strongly declined on grounds that it was too new, that its procedure had not been charted and that it had never been performed in their hospital. “All I’ve got is a page and a half with one picture in a medical book to go by,” protested Dr. Wallace.

Tom continued to insist and pleaded more earnestly.

Finally, the doctor bravely yielded and successfully performed his first Caesarean, saving both Boone and Grace. The procedure was not repeated at the hospital for the next 25 years. “Risk has always been a part of my life,” said Boone. “I’m the luckiest man alive.

“After I graduated Oklahoma A&M, now called Oklahoma State, in 1951 with a degree in geology, my dad said to me: ‘Son, I’m proud of you. I have one more thing for you.’ I was sure he was going to give me some money. Nope, he stuck out his hand, gave me a warm handshake, and firmly said ‘good luck.’



(LEFT) BOONE WITH HIS MOTHER GRACE MOLONSON PICKENS.
(RIGHT) BOONE AND HIS FATHER, TOM PICKENS, IN 1949 AT THE FRATERNITY INITIATION DAY AT OKLAHOMA A&M (NOW OKLAHOMA STATE).



UT SOUTHWESTERN MEDICAL CENTER IN DALLAS IS JUST ONE OF T. BOONE PICKENS RECIPIENTS OF HIS MONETARY CHARITABLE CONTRIBUTIONS; (TOP CENTER) BOONE DRIVING HIS COMPRESSED NATURAL GAS VEHICLE; (CENTER) PICKENS WITH FRIENDS AT HIS ALMA MATER, OSU; (RIGHT) T. BOONE AT AUGUSTA NATIONAL.

“I thought to myself, what a deal. Here I am, graduated with a good education, don’t own anyone a dime, have a family and every reason to go out and be successful. After that handshake, I worked for Phillips Petroleum for three years before setting out on my own and starting Mesa Petroleum.”

HOW TEXAS A&M BLEW \$176 MILLION

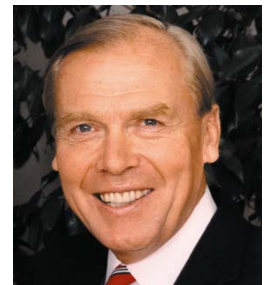
Boone originally matriculated Texas A&M with a \$25 per month basketball scholarship and the school ironically forfeited \$176 million when they cut his \$25 scholarship. Boone’s scholarship was cut because he was too short to play basketball and not fast enough to “scatter leaves.” So he enrolled at Oklahoma State and graduated in 1951 with a degree in geology. In 2006 he bequeathed a record \$176 million to Oklahoma State.

Boone launched Mesa Petroleum in 1954 with an investment of \$2,500 and took it public from 1964 to 1996, a period in which he developed it into America’s largest independent oil company.

TOO MANY RULES AND REGULATIONS

I asked why they bought the Del Mar Country Club. “Because we enjoy this fantastic lifestyle,” says Madeleine. “My dad built the first golf course in Iraq and I was raised in a golf family.

“Boone has always been a make-or-break Texan. His sense of timing, regarding oil shortages, has been accurate. I’ve found him to be a man of high integrity.” — Jon M. Huntsman Sr., Founder & Executive Chairman, Huntsman Corp.



“There are just too many rules and regulations at many top clubs. You stiffen up. Not here,” she chided gently. “We want you to relax and enjoy the club. We encourage members to bring their dogs with them in their golf carts. I think this policy is highly regarded here. Our membership base is stable and we haven’t had to resort to reducing membership fees despite the economic downturn,” she exclaimed proudly and sipped tea.

I turned to Boone and bluntly asked if it's true he planned to run for Governor of Texas.

"I did briefly consider running for Governor of Texas," admitted Boone, " because I was fed up with the political process. I work well with people and thought I would be able to make a difference. In the end, I decided not to run because I am too impatient. When I make a decision, I want to implement it immediately. In government, nothing gets done fast."

I asked, between sips of orange juice, if he had an idol. An executive he admires or tries to emulate.

"Yes," stated Boone, "I admire former President Ronald Reagan. He was a special man. He was polite, approachable, very hard to make him change his position on any given issue, always told the truth, and brought respect back to America."

"As for me," added Madeleine, "I admire our military. They are doing things for the entire world. Not just us. I was born in Iraq and appreciate American freedoms. Our strong, proud military forces protect our rights as women and human beings."

"Are you both bullish on America?"

"I think the world has changed," suggested Boone. "Wall Street is becoming fragmented and they did it to themselves. The U.S. is in danger of losing big industries with high-paying jobs. It's a tumultuous time and there is a potential for a major shift in power in the world. Russia is a floundering giant and China is becoming the world leader. They have money—much of which used to be ours—and cheap labor," said Boone.

"Since I immigrated here," revealed Madeleine, "I have a different perception about our future. Everyone underestimates the United States. These are tough times right now. But, it's a global problem, not just an American problem. T. Boone and I have traveled around the world and we were flabbergasted by the construction projects everywhere. America will crawl out of this. We must be patient because it will take time."

MADELEINE'S MOST BELOVED CONTRIBUTION

Madeleine is an ardent animal lover from dogs to horses. She owned many legendary thoroughbreds including Cigar, who won the Breeders' Cup Classic and equaled Citation's all-time winning streak of 16 races in a row. One of Madeleine's most beloved and emotional contributions to humanity has to be her airlift missions in Louisiana after Hurricane Katrina to rescue abandoned animals. She organized it and paid for it.

MR. AND MRS. PICKENS WERE INVITED BY PRESIDENT GEORGE BUSH AND FIRST LADY LAURA BUSH TO ATTEND THE STATE DINNER IN 2007 FOR QUEEN ELIZABETH AND PRINCE PHILIP. (TOP RIGHT) PICKENS AND FORMER SENATOR AND ASTRONAUT JOHN GLENN. (MIDDLE) THE PICKENS WITH SUPREME COURT JUSTICE CLARENCE THOMAS AT THE 2006 HORATIO ALGER CEREMONIES. (BOTTOM) PICKENS WITH FORMER PRESIDENT RONALD REAGAN.



Madeleine is deeply and personally involved in protecting the rights of 30,000 wild mustangs corralled by the Bureau of Land Management (BLM). The BLM is unsure about what to do with these mustangs. "I'm trying to set up a wild horse sanctuary to allow these beautiful animals the right to live a humane existence."



WHAT KEEPS BOONE UP AT NIGHT

"America has always assumed oil would be cheap," argued Boone. "In 2008 we replaced 10 billion barrels of oil reserves. But, we used 30 billion barrels, leaving a deficit of 20 billion. If we do nothing, \$300 barrels are possible. The Chinese are making almost a deal every week in energy and natural resources. Since we import 70 percent of our oil," he said, "how is this going to unfold if China continues to lock up these limited resources? China has secured \$200 billion in future oil shipments, just in the last few years. The Chinese are taking care of the issue and we're issuing more debt," groused Boone. "We need to get off our bottoms and act," warned Boone, "or we won't have a reliable source of affordable natural resources. At some point, we will lose our status as an economic superpower."

"Having our government enact the RES [Renewable Energy Standard] is a must. Having one governmental directive will allow utilities and energy companies to plan their infrastructure commitments. We shouldn't do anything foolish like shutting down coal-fired plants around the country. We need to work on building a domestic energy plan that concentrates on resources we have right here. Natural gas and wind are two big assets whose potential have hardly been tapped," declared Boone. "I'm encouraged that Congress is getting serious about our national energy plan. It's a good sign."

THE PICKENS ENERGY PLAN

I'm sure you are familiar with the Pickens Energy Plan. Boone launched it in July 2008 with a \$58 million advertising campaign to introduce wind, solar, and natural gas alternatives to eliminate America's dependence on foreign oil. The cornerstones of the Pickens Plan include a greater utilization of wind and solar energy for power generation, and dramatically expanding the role of domestic natural as a substitute for foreign oil. Transportation accounts for about 70 percent of America's oil use, and the nation relies on foreign countries—many unfriendly to the United States—for nearly two thirds of its oil. Boone is concentrating on America's 6.5 million heavy duty vehicles, figuring the U.S. could eliminate any OPEC oil imports if they all converted to more economical, cleaner and domestic natural gas.



9TH HOLE AT DEL MAR COUNTRY CLUB IN RANCHO SANTA FE, CALIFORNIA.

"We've done everything we said we could do," vaunted Boone. "I am proud that we have raised the awareness of our country's serious energy needs."

Boone and Madeleine graciously allowed our planned 90-minute interview to extend into 120 minutes and I reciprocated by closing the interview. Fortunately, there was still time for them to enjoy two of their favorite passions: Hit some golf balls on the driving range and socialize.

For more information about Boone's energy plan, visit pickensplan.com or phone (214) 265-4165. To reach Madeleine about her campaign to save wild mustangs and horses, visit madeleinesmustangs.org and madeleinepickens.com.