

# MIKE COWAN

CEO MD COWAN

**WHEN YOU LIVE FOR A STRONG PURPOSE,  
THEN HARD WORK ISN'T AN OPTION...**

**IT'S A NECESSITY.**

## **"WHO NEEDS VEGAS WHEN YOU HAVE BIGGER STAKES IN THE OIL PATCH"**

MD Cowan CEO Mike Cowan says Las Vegas holds little attraction for him because he plays for much bigger stakes on a regular basis in the oil field. His secret involves working with people whose knowledge and integrity he trusts and calculating those risks (knowing what deals to keep vs knowing what deals to throw away)—even if that means putting everything he has on the line.

**"NOT TO MENTION  
YOU GET BETTER  
ODDS"**

"It all started with a dream. If I wanted a white house with a white picket fence, I would probably work for somebody else and not worry about it," he says. "I didn't want that. I wanted the finer things, so to speak. You have to have a motivation and, when you want things, that's the motivation—just don't buy it until you have the money." At the bank, the young Cowan observed many business deals that came across his desk, deals in which the participants took major risks and made correspondingly major profits. That "sky's the limit" action was, and still is, the stuff that gives wings to those dreams.



The rush that comes with success when he is all-in is one reason Cowan left a brief banking career in 1973 to launch out on his own. One of the results of that launch would be the creation of the Super Single drilling rig about 30 years later, a design that would change the face of the drilling industry in the Permian Basin and far beyond.



**"EVERY GAMBLER KNOWS THAT THE SECRET TO SURVIVIN' IS KNOWIN' WHAT TO THROW AWAY AND KNOWIN' WHAT TO KEEP."**

He worked at NBO (National Bank of Odessa) for about three years after finishing a stint with the Marine reserves. His last position at NBO was as a loan officer.

"I decided in '73 to go on my own. I'd brokered a deal and made some money, so I just decided to give it a try."

His first business involved buying and selling drilling equipment where he discovered he really liked the drilling contractors. "They made decisions fast, you knew where you stood, they let you know when you messed up," he said, offering the last phrase with a slight chuckle.



There he met oilfield legends Tom Brown and the late Joe Roper of Tom Brown Drilling, whom he credits with giving him a strong foundation in the drilling industry. "I was offered a bit distributorship, which I took, and Joe went to the plant with me. I got to write my own contract with Walker McDonald because of him," Cowan recalls.

From there he worked through a long list of opportunities buying and selling various kinds of oilfield equipment—but always under his own name and on his own terms.



Cowan's admiration for drillers who made quick decisions made them the model for his own business. He enjoys the fact that he doesn't have to consult with a board or any advisors on decisions, slowing only occasionally to let a lawyer tweak some contractual fine print.

He sums it up thusly: "I'm pretty quick on the draw. I had a contract with (JB) Hunt (a longtime trucking company, since deceased, who entered the drilling business by buying a number of rigs from Cowan), we shook hands about 15 minutes after talking about what kind of rigs they wanted."



At first glance Cowan seems a paradox—on the one hand cherishing the friendships he's made and the knowledge he's gained through those contacts while steadfastly insisting on making final decisions himself. But that's really the gambler's blood in him, sitting alone across the table from the competition, where final, life-in-the-balance decisions must be made with a boldness and alacrity that might only be smothered by a head-shaking committee.

And to him this is normal. "I'm not unique. This area's full of gamblers and risk-takers," with whom he associates readily.

"I'm selective who I do deals with," he continues. "Those guys (people like Brown and Roper), when they do it, they're like me—they do their homework. I wouldn't have known how to do that (deal) but they did." Here again is the idea of knowing what to throw away and what to keep.

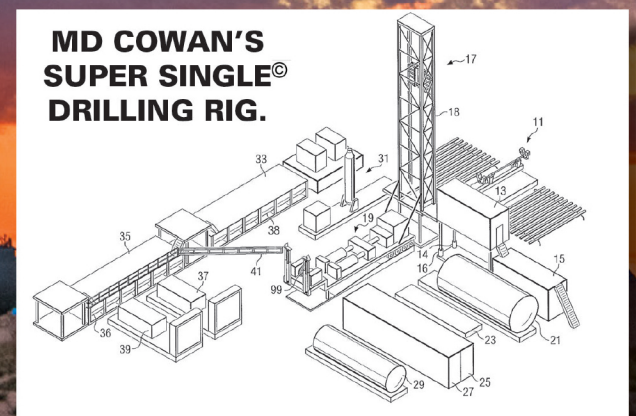
"You gravitate toward the people that are like-minded. Not everybody's my friend, not everybody likes me, I don't like everybody. When you do some stuff, when you've been in business a long time, you step on some toes and your toes get stepped on sometimes. You just don't take that too seriously. Life goes on. If you carry it around it gets pretty heavy."

For Cowan, a true relationship is a lifetime thing. "When you forge them, you gotta maintain them and take care of them," he says, comparing the Basin's closeness to that of a bedroom community.

Just as he has the big picture of relationships, he's philosophical about the ups and downs of business. When something fails, he says: "The world's full of deals. There's always another deal. When you're in the middle of a deal, you're excited about it. (That's) the difference between me and a banker: If a loan pays off and he makes money he shares it with all his stockholders. If I make a good deal, it's mine. So I go home and have a good time.

"If I lose some, I go home and I'm not gonna worry about it. I'm still good. I haven't risked everything I have for a long time. I used to, when I was younger. I'm not saying I wouldn't, but it'd really have to smell good for me to do it."

In 2003 Cowan won one on a global scale with the Super Single, an idea that literally began life scratched on the back of a napkin. There will be more on this an on Cowan's take on surviving downturns in future editions of Oil and Gas The Industry.



**READ MORE IN THE NEXT ISSUE.**