

# Archives

March 1996

---

---

## **Annual General Meeting Tuesday, March 19**

It's Annual Meeting time again, and it would sure be great to see **all sixty** members come out this year. There are plenty of reasons why you should join us:

- Meet and mingle with fellow petroleum history buffs
- Review highlights of the Society's 1995—1996 activities
- Elect a Board of Directors for 1996—1997
- Enjoy the Professional Club's tasty hors d'oeuvres
- Hear an interesting petroleum history talk:

### **Shell's Jumping Pound Gas Discovery 1944 — Fact and Fiction**

**by Dr. Clinton Tippett**

Dr. Clinton Tippett is a senior staff geologist with Shell Canada, and secretary of our Society. He initiated and coordinated Shell's 1994 celebrations commemorating the 50th anniversary of the discovery of the Jumping Pound Gas field. Clint will share his historical adventures and insights with us.

4:00 p.m. No-host bar

4:30 p.m. Annual General Meeting and Elections  
Dr. Clinton Tippett on the Jumping Pound Discovery  
Hors d'oeuvres

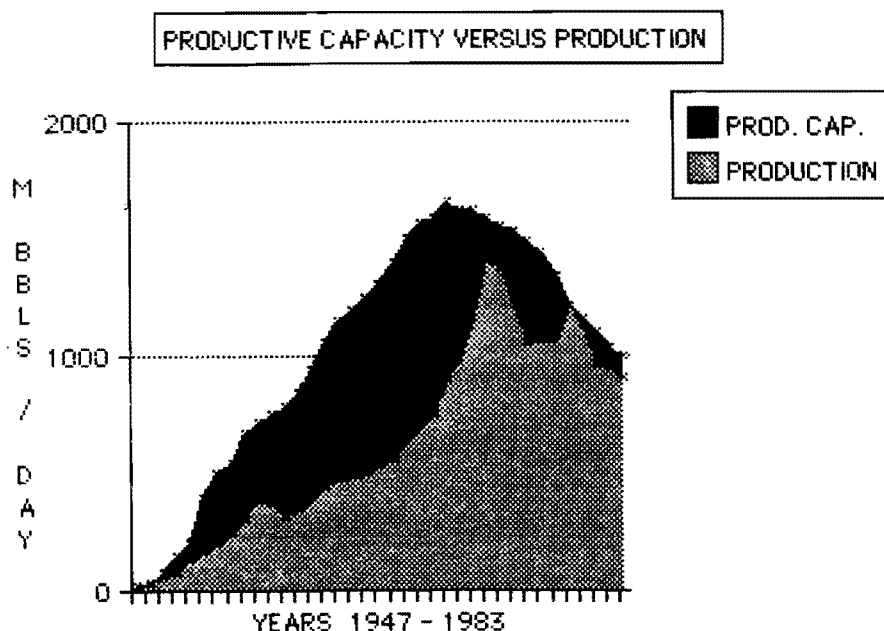
Tuesday, March 19  
Calgary Professional Club, 7th Floor, 217 - 7 Avenue SW

RSVP to Bill McLellan at 286-2191 by noon, Friday, March 15

## Markets for Alberta Oil by Vern Millard

*At the Petroleum History Society luncheon on January 17, Vern Millard gave us an excellent presentation on Markets for Oil and the Alberta Proration Plan. Here's Vern's summary of the market fluctuations that gave rise to the need for prorationing.*

A string of major discoveries occurred in Alberta starting with Leduc in 1947. By 1952, 2.5 billion barrels had been discovered, and productive capacity had increased from 20 thousand barrels per day (MBD) prior to Leduc to 400 MBD. During the next 5 years, another 3.2 billion barrels were discovered and capacity mushroomed to 750 MBD. From 1957 to 1962, exploration successes added another 3.2 billion barrels. By the late 1960s, Alberta was capable of supplying about 1.6 million barrels per day of light-medium crude oil.



The outstanding success of explorationists created an enormous challenge for those responsible for finding markets for the newfound supply. How successful were they in meeting that challenge?

The answer is mixed. While production increased from 20 000 barrels per day before Leduc to about 1 million barrels per day by the early 1970s, a significant portion of Alberta's capacity was shut in from 1947 to 1983. The reasons for the shut-in varied over the period.

The primary cause for the shut-in during the period following Leduc was inadequate marketing facilities. Alberta refineries were already supplied by local sources and there were no pipelines to transport the new supplies to distant markets. By 1957, this situation had changed and Alberta oil could be delivered by new pipelines to refineries in five Canadian provinces, the northern tier of states in the United States, the state of Washington, as well as to offshore markets.

Unfortunately, by this time the world supply situation had changed dramatically and oil was in abundance at cut-rate prices. It displaced some of the Alberta oil supplying Ontario and west coast markets. It also resulted in the United States restricting imports in order to protect its domestic producers. An additional setback for Alberta was the rapidly increasing production from neighbouring provinces.

In 1958, the demand for Alberta oil fell to the 1955 level and increased very slowly during the 1960s. In contrast, productive capacity continued to grow and, consequently, production averaged only 40% of capacity. By the late 1960s, the demand/supply balance in the United States had changed and there was a recognition of the need for Canadian oil. The pipeline network was expanded to supply Chicago in 1969, and production increased rapidly. During the Arab-Israeli war in 1973-74, oil supplies from the Middle East were curtailed and Alberta was called upon to produce as much as possible.

In 1973, the National Energy Board decided that, to meet its responsibilities under the National Energy Board Act, it must restrict exports to protect future Canadian oil requirements. Once again, Alberta production was cut back to less than capacity.

In 1979, there was another world oil supply crisis caused by the Iran-Iraq war, and Alberta production returned to capacity. Following that crisis, the NEB reinstated restrictions on exports. In 1983, the federal government and the NEB changed Canada's energy policy by permitting current surpluses to be exported. Finally, marketers of Alberta oil were able to pursue markets without constraints.

## Historical Lapel Pin Sets Still Available

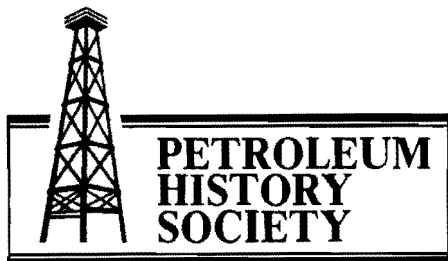
Remember back around 1988 or 1989 when The Petroleum History Society caught "pin fever" following the Winter Olympics in Calgary? In partnership with Info-Tech, we commissioned a limited edition of six lapel pins commemorating the first 100 years of Canada's petroleum history. The pins commemorate the following discoveries:

|      |               |
|------|---------------|
| 1857 | Oil Springs   |
| 1908 | Bow Island    |
| 1914 | Turner Valley |
| 1919 | Norman Wells  |
| 1930 | Oil Sands     |
| 1947 | Leduc         |

The pins are gorgeous, and they make great gifts. We still have sets available. They cost \$120 (plus GST) and proceeds go towards petroleum history projects.

If you want a set or more information, please call Micky Gulless at 283-9268.

|   |   |
|---|---|
| New Member Application  | The Petroleum History Society                                     |
| Name: _____   |   |
| Address: _____  |   |
| City: _____   | Postal Code: _____  |
| Phones: Business _____ Home _____ Fax _____   |   |
| Institutional or Company Affiliation (if any): _____  |   |
| <input type="checkbox"/> Individual Member — \$10   | <input type="checkbox"/> Sustaining Individual Member — \$35      |
| <input type="checkbox"/> Institutional Member — \$100   | <input type="checkbox"/> Sustaining Institutional Member — \$100+ |
| <input type="checkbox"/> New Member   |   |
| Date: _____   |   |
| Please enclose cheque or money order, payable to The Petroleum History Society.<br>Mail to 2100, 350 - 7th Avenue SW, Calgary, T2P 3N9. |   |







**Call for Nominations**  
**The Petroleum History Society Awards for 1995**  
**Recognizing Contributions Related to Canadian Petroleum History**

To encourage the study, communication, preservation, and enjoyment of Canadian petroleum history, the Petroleum History Society established awards to recognize significant contributions in the following categories:

**Best Article Award**  
**Best Book Award**  
**Best Multi Media Award**  
**Preservation Award**  
**Lifetime Achievement Award**

**Nominations for 1995 Awards close on May 15, 1996.**

Include the following information with your nomination:

-  Award Category
-  Title, Individual or Organization
-  Reasons for nomination and supporting information
-  Name, address, phone number, and fax number of the submitter.

Please note, all awards may not be made each year.

Please send your nominations to:

Clinton R. Tippett  
Shell Canada Limited  
P.O. Box 100, Station M  
Calgary, T2P 2H5

Thank you for your interest in Canadian Petroleum History!