



**PETROLEUM
HISTORY
SOCIETY**

ARCHIVES

Newsletter of the Petroleum History Society

September 2003; Volume XIV, Number 4

P.H.S. Lunch, Mingle and Learn – September 24, 2003

Speaker: Ian H. MacKay - Geologist, Economist and Explorer

“THE LAST SQUIRT OF THE OIL CAN”

Our talk will feature Ian MacKay who will relate to us many of his life’s rich experiences in the oil and gas industry. As he stated in his note to the P.H.S., the title is intentionally broad so as to “give me lots of room to ramble”. Ian is well known to some of our membership and this talk promises to be interesting on both national and international fronts.

Ian MacKay was born in Seaman, Saskatchewan in 1924. Following service in the R.C.A.F. and Royal Navy Fleet Arm during WWII, he attended the University of Saskatchewan for his B.Sc. Geol. Eng. and the Colorado School of Mines for his D.Sc. Geol. Eng. His initial employment in the petroleum industry was with Chevron Standard including four years in Venezuela. In 1962 he became an advisor to the Government of Kuwait where he assisted them in oil-related matters including the issues surrounding cross-border fields. In 1969 he returned to Canada where he worked with the Bank of Montreal and finally Prodeco. In 1982 and 1983 he was again called upon to assist the Kuwaiti Government in the evaluation of a proposal for cross-border fields that had been tabled by Saudi Oil Minister Sheikh Zaki Yamani. Since 1983 he has remained involved in the oil patch through R3 Resources Ltd. and Red Rock Resources Ltd. of which he is Chairman and C.E.O. Ian has made numerous presentations since the 1960’s on a wide range of resource- and economics-related issues.

TIME: Noon, Wednesday, September 24, 2003

PLACE: Fairmont Palliser Hotel (133 - 9th Avenue S.W.) – Marquis Room (check marquee).

COST: \$25.00 Members and \$30.00 Guests (most welcome)

**R.S.V.P. if you wish to attend to: Clint Tippett, 691-4274 or
clinton.tippett@shell.ca by noon Tuesday, September 23**

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if you missed the last Luncheon talk...

“RESERVING UNTO THE C.P.R. ALL COAL AND PETROLEUM”

Wednesday, May 21, 2003

by

Herb Laycraft, Lawyer

... enjoy a condensed version of the presentation in this issue of Archives

THE PETROLEUM HISTORY SOCIETY
THE BULL WHEEL



Next Board Meeting: The Executive and Board are reminded (if you get this in time) that the next meeting will be at noon on September 17 at the Glenbow.

Next Luncheons: The Society has been trying to firm up a slate of talks for the fall. We are hoping to have a presentation concerning the state of the Turner Valley Gas Plant and Interpretive Centre in October. This will be followed in November by our Annual Awards luncheon at which we hope to have an entertaining overview of petroleum-related public education in Calgary – past and present. If you would like to present the results of a project that you've been working on, please let us know and we will fit you in. Contact Clint Tippett, President P.H.S., at 691-4274 or Director Debbie Knall at 780-463-3859 (Edmonton). Thanks to Debbie for all her hard work in contacting people and pulling the details together.

Website Inquiries: P.H.S. Past President Micky Gulless has been kind enough to respond to a wide range of questions that have come to us via our website. Some of the more interesting ones concern the history of shaped perforation charges, the sale of industry-branded toys, sources for oil company signs and the continued existence (or not) of old oil outfits named on dusty stock certificates found in the attic. If you are a trivia buff and would like to help Micky out on this front, please let her know and she can forward the E-mails to you for your attention.

Donations: Several of our members have made generous donations to support the ongoing operations of our Society. Many thanks to them!

Passings: None of these industry personalities were members of the Society but each played a role in the oil patch and the science that lies behind it: **Warren Carey** (late 2002), best known for his expanding earth ideas and many other controversial theories; **Dave Organ** (Chevron, May 7, 2003) who was described in a testament in the CSPG Reservoir as having been born on SW33-24-18-18W1 (near Paulson, Manitoba) and having survived (professionally) an early incident in which the wellsite geologist's shack burned down; **Theodore W. Link** (Ted Jr., "Doc" Link's son, August 11, 2003, age 73); and **Grant Murphy** (May 9, 2003), a legendary seismic Party Chief from Shell Canada.

Museum and Archives News: On May 22, the Glenbow Library and Archives announced user fees for some categories of researchers. A number of exceptions were identified. Media contact Tanis Booth at 268-4246 was identified for questions. As well, the Provincial Archives of Alberta in Edmonton recently moved, effective May 6. Call 780-427-1750 for details.

Publications (1): On rambling through DeMille's the other day I found an interesting little book by author Rick Ranson entitled "Working North – DEW Line to Drill Ship" (NeWest Press, 159 p.). Mr. Ranson is a welder and his book recounts many of his adventures and experiences in the (mainly eastern) Arctic on the Distant Early Warning radar system and on some of the Canadian-owned but American-employed drill ships of the Canmar fleet in the Beaufort Sea during the last few decades. A nice enjoyable read for \$19.95.

Publications (2): Also ran across (on the Texas A and M University website) an ad for a book entitled "King of the Wildcatters: The Life and Times of Tom Slick, 1883-1930" by Ray Miles. It's 184 p. and \$US32.95. Not having seen it I can't vouch for it but it sounds interesting. Also on that site: "Spindletop Boom Days" by Paul Spellman – 282 p. for \$US29.95.

History of Geophysics Talk: The Canadian Society of Exploration Geophysicists is presenting a keynote Luncheon talk by Enders A. Robinson entitled "Geophysical Exploration: Past and Future". It will be held on November 3. Please call 262-0015 for more details.

Trashing the Patch (Again): Two recent examples of the arts community taking a swipe at the oil industry. Last December there was an exhibition at the Paul Kuhn Gallery by Ed Burtynsky for which various aspects of upstream and downstream activities had been photographed with an unsympathetic eye. Similarly a recent piece in Alberta Views by Gordon Petersen was entitled "Industry Gone Wild" and featured shots of pipeline right-of-ways, tar sands operations and heavy trucks. Like Rodney Dangerfield "we can't get no respect".

Impetus for Dynastic Chart Project: Ran across a good example of why we need to have such a chart to help us understand the genealogy of the industry. This was from a promotional brochure for some properties: Smart On (one of the original purchasers of the interests) acquired by Numac (1996); Morgan (also an original partner) becomes Stampeder (1997); Stampeder becomes Gulf (1997); Stampeder/Gulf partner with Wascana (1997); Wascana becomes CanOxy (1999); Canoxy becomes Nexen (1999); Gulf interests to Petrovera (1999); Anderson buys Numac (2001); and finally (for now) Devon acquires Anderson (2001).

P.H.S. Pin Sets: Our pin sets (of 6) have recently been reduced in price. Please contact Joyce Wright at 252-4143 if you are interested in buying one or several sets. These make great and original Calgary- or Western Canada-related gifts. A comprehensive description accompanies each plush boxed set, for example: "***Dingman:** May 14, 1914 was a victorious day for Arthur W. Dingman as he and his associates savored the fruits of their risk taking. This puny success, the Dingman wet gas discovery, was the precursor for the deeper zone find. Drilled ten years later just a few kilometres away, Royalite No. 4 put Turner Valley on the oil and gas map.*"

Cable Tool Buffs: In our most recent edition of Archives we featured a pictorial concerning drilling at Klua Creek in northeastern British Columbia during the mid-1950's. The premise of the description of the pictures was that wood cut on the surrounding lease was used to power the rig. It has since been suggested that the rig itself was more than likely diesel-powered so that the boiler being fired with wood may have just been for peripheral buildings like the camp. For those of you with long memories, does this sound more like the state of the drilling industry back then?

Puzzlers: (1). What was the Northwest Company and why was Imperial Oil compelled to use it for exploration beginning in the 1910's? (2). Why are conventional gas spacing units one section and conventional oil spacing units a quarter section? (3). Who is Glenn Newhouse and why is he famous?

Petroleum History Society – May 21, 2003 Luncheon Talk
By Herb Laycraft, Lawyer
“Reserving unto the C.P.R. all Coal and Petroleum”
(summary by Clint Tippett)

Members of the P.H.S and other attendees at the May 21 luncheon were treated to an excellent presentation by former Chief Justice Herb Laycraft. Herb was suggested to us as a speaker by P.H.S. Director John Frey who also introduced him to the audience at the outset. Thanks to John. His talk was a masterful blend of knowledge, insight and humour. A few of the key aspects are described below, although not exhaustively. Herb was also kind enough to bring along some handouts of important documents as well as several others mounted as displays to illustrate his points. Readers are reminded that, through the efforts of P.H.S. Director Joyce Wright, these luncheon talks are videotaped for archival and research purposes. If you are particularly interested in an item, please contact Joyce and she will see if she can help you.

Of course Herb had to lead off with a few good lawyer jokes (that's good jokes, not good lawyers). He prefaced his serious remarks with a bit of Western Canadian history, specifically about the construction of the Canadian Pacific Railway and the circumstances under which it was granted such extensive tracts of surface and subsurface rights. He also confessed that he had been involved in all three cases in a junior capacity early in his legal career.

Herb first examined Borys v. Canadian Pacific Rwy. and Imperial Oil Limited (1953). The Borys judgement recognized that, although Petroleum and Natural Gas are two different substances, Petroleum includes Natural Gas in solution in the liquid as it exists in the Earth. Had the result been different, natural gas owners would have had an effective veto on oil production where ever ownership of the two substances was different. In Turta v. Canadian Pacific Rwy. and Imperial Oil Limited, the Torrens System of land registration was upheld – specifically that purchasers of an interest in Alberta lands can, in good faith, obtain good title from an existing title holder notwithstanding prior defects in the title. If this was not the case, a comprehensive historical title search would be required each time title was transferred. Sounds like this one was actually a defeat for the lawyers!

The last case discussed was (I think) Calmar Oils v. Wakefield (i.e. an E&P company against a drilling company) and it had to do with unpaid bills and the right to seizure and sale. Herb's moral from this one was “don't attempt a technical defence to a drilling bill”. This was the last Canadian case heard by the Privy Council in London (1959) and for this purpose Herb had to rent an expensive and somewhat uncomfortable wig as well as endure a horrible meal.

CANADIAN PETROLEUM HALL OF FAME

The Hall has recently announced its inductees for 2003. They are William H. Arnold, P.S. (Scotty) Grant, George J. McLeod, Robert B. Peterson, Smiley Raborn, Jr., Alastair H. Ross, and Hubert Somerville. These seven, together with the existing seventy-four, bring the total for the Hall to eighty-one including a good contingent of P.H.S. members. This year's dinner and presentation ceremony will be at the Westin Hotel in downtown Calgary on September 26, 2003 starting at 5:30 p.m. If you are interested in attending, please call 403-265-3700 in Calgary or 780-944-9333 in Edmonton as soon as possible to arrange for tickets.

**PETROLEUM HISTORY SOCIETY
AT THE
CSPG-CSEG CONVENTION
TELUS CONVENTION CENTRE, JUNE 2003**

The geological and geophysical communities have always been receptive grounds for the Petroleum History Society, probably because an historical perspective is so important in the pursuit of hydrocarbon plays and prospects. This year, through the initiative of P.H.S Director Sean Callaghan, the P.H.S. was again able to have a booth on the event's convention floor so as to interact with the delegates and (hopefully) convince some of them of the merits of P.H.S. membership and involvement. The practical tasks of booth layout, staffing and overall leadership were once again undertaken by P.H.S Director Joyce Wright. She was able to convince a number of P.H.S. members to spend some time with her at the booth to help out on these tasks. Thanks very much to Sean, Joyce and the rest of the P.H.S. contingent.

Several aspects of the booth should be mentioned. Both Lifetime Member Dick Shaw and Member Neil Leeson donated copies of their personal publications to encourage membership. Lifetime member and P.H.S. Director Aubrey Kerr was able to sell some of his historical works. To keep things interesting, a contest was held with the objective being to properly identify a specimen of rock (?) on the table. Entries were placed in a jar and were judged after the convention. Of the 45 entries received, the one from Ron Manz was deemed to be the closest and serves as "the answer" – specifically "Rock subjected to heat at Hell's half Acre or current gas seep at Turner Valley". Some of the more humorous were: hydrothermal precipitate, rhyolite breccia, lightning strike, calcified mud, clinker from a coal seam, clinker from a stream train in Field, B.C. (nice try) and a bad cement job. We also had a selection of "classic" petroleum history books on hand for viewing.

In all, 19 new members were signed up with a total of \$907 taken in for memberships and publication sales. Well done all!!



Booth jockeys Joyce Wright and Aubrey Kerr smile and President Clint Tippett looks on as new member Stan Munn signs up.

“AND ALL YOUR BEAUTY”

The following story has been brought to us by P.H.S. Director Frank Dabbs. It gives an interesting perspective on Alberta in the late 1940's. Our thanks to Frank.

In the summer of 1946, Bill Watson, a journalist, author and lecturer, his wife Marguerite and their puppy cocker spaniel, Keltie, embarked on an 18-month, coast-to-coast tour of Canada in a tiny “modern, streamlined” trailer towed by their beloved Hudson automobile. Bill paid for the journey with freelance journalism and fees for local speaking engagements. The result was a book called “And All Your Beauty”, published in 1948 by Macmillan and Company; still available in many used book shops. The book was promoted as a “conversational portrait of Canada.” Bill and Marguerite spent the summer of 1947 in Alberta. These excerpts are a glimpse of oil, natural gas and coal development on the threshold of what became known as The Golden Decade:

“Alberta was once regarded solely as the home of the rancher and the farmer. But its rich natural resources are putting it in a new category,” (the Edmonton businessman said). “The bituminous sands cover an area of fifteen thousand square miles, giving Alberta the largest visible supply of oil in the world. The sands of northern Alberta are estimated by the Dominion Mines Branch to contain a hundred billion barrels of oil.” He paused, then grinned. “The United States Bureau of Mines more than doubles that estimate. The presently accessible area of some twenty square miles is estimated to contain a billion barrels. The great cliffs and slopes of those bituminous sands, with some exposures two hundred feet high along the banks of the Athabaska River, are a spectacle to behold.”

“Another engagement took them to High River . . . The car detoured on the way into the oil fields of Turner Valley, where scores of derricks stood out in the folds of the foothills for miles around, most of them crowding in the southern part of the valley. “That small area,” said a Rotarian at his home, after the meeting of the High River club, “has been developed in the past thirty years, and has made Canada the second largest producer of oil in the Commonwealth.” “And how long will it continue?” asked Bill. “Frankly, the production of the Valley has evidently passed its peak,” said the Rotarian. “We are concerned over the gradual depletion, but we think its decline will be replaced by new discoveries in the Devonian limestone which underlies an estimated three hundred and seventy-five thousand miles of the province. If it is so Canada will be among the world's top producers of oil.” “What about the Leduc field near Edmonton?” Bill asked. “I had that in mind, said the Rotarian. “It shows great promise.”

. . . A sixty-five mile an hour gale blowing the car the hundred odd miles to Medicine Hat for a combined Rotary-Kiwanis meeting. “Wind?” said a member; sure we've got lots of it, and gas, too. Natural gas was first discovered in Alberta while drilling for a water supply near here.” “This province seems to be blessed with so much of everything,” Bill said. “Is it the same with natural gas?”

“There are now one hundred and fifty wells in the province with a capital investment of twenty seven million dollars producing annually thirty four million cubic feet of gas” “What is it used for?” asked Marguerite.

“As an industrial and domestic fuel. I’ll show you a couple of our industries using it.” He took them to the glassworks at Redcliff; and the Medalta Potteries. “The same cheap fuel,” he said before bidding them goodbye, “has made Medicine Hat one of the most important flour milling centres in the Commonwealth.”

“I though you might be interested to learn something about our coal,” (the Lethbridge newspaper executive) said, speaking softly, almost in a whisper. “Nicholas Sheran, the father of Alberta’s coal industry, came up from Montana in the ‘70’s and discovered coal here. He hauled it back to Fort Benton for sale. In ‘74 he supplied the forts of the Northwest Mounted Police.” “And now?”

“The province is producing more than seven million tons annually and supplies seem inexhaustible. Geologists have estimated that Alberta has over forty billion tons of available coal reserves and mineable reserves of twenty billion. All these zeros add up to fourteen per cent of the world’s reserves.” “But unfortunately,” said the executive, “it’s too far from the furnaces of the nation. It’s at least a two thousand mile haul to most parts of the industrial East. We can’t compete with the short haul of three hundred and fifty miles from the U.S. fields. The federal subvention rate is not generous enough to enable Alberta coal to enter an eastern province.”

At the end of their Canadian odyssey, in the New Year of 1948, Bill and Marguerite were asked by Toronto friends about the Canada they had discovered and its future. “Which region did you like the best?” Leslie asked Marguerite. “Oh, the prairies won my heart, she answered. “The pioneer spirit is still there. They are the most world-minded part of the Dominion, wishing for an assured world order and free trade markets.”

Plus ça change, plus c'est la même chose.



P.H.S. Director and well-known historical author Aubrey Kerr recently basked in the limelight at the Leduc-Devon historical facility as Alberta Premier Ralph Klein examines a copy of his book “Leduc” and 2005 Alberta Anniversary Chair Colleen Klein looks on.

Petroleum History Society Historical Walking Tour
"What's in a Name?"
Downtown Calgary, June 21, 2003

The morning of June 21 broke with clouds and a light rain that threatened the viability of our Society's Historical Walking Tour in downtown Calgary. Approximately 30 members and friends had called in to express interest but with the weather being uncooperative, who knew the number that would resist the temptation to just roll over and go back to sleep?

As it turned out, we were lucky on numerous fronts. Leader and P.H.S. President Clint Tippett was pleased to see virtually the entire list of participants eagerly waiting in front of the Glenbow Museum. In addition, just as the walk was to commence at 9:00 a.m., the clouds parted and we were treated to an absence of rain and mainly broken sunshine until we were finished at about 1:00 p.m. (at which point, knowing that we were done, the skies closed in once again). Last, but not least, the participants on the walk were enthusiastic and volunteered many additional observations about the buildings and companies that we were discussing. Many supplements (and a few corrections) will be on order for the informal guidebook. As former Chinook Country Historical Society President and walk participant Kate Reeves stated "I was expecting to hear of fossils and building materials. Instead I was delighted to hear stories of the various oil companies that occupy our skyscrapers. Members of the P.H.S. on the tour added their own anecdotes and personal reminiscences." Additional research was also sparked as the inclusion of archival photos of now-demolished oil industry buildings was seen as a key aspect that would make the trip that much better. Volunteers???

Thanks to walk participant and P.H.S. Member Bob Bott for the following snapshots from our excursion.

