



**PETROLEUM
HISTORY
SOCIETY**

ARCHIVES

Newsletter of the Petroleum History Society

February 2011; Volume XXII, Number 1

P.H.S. Lunch and Learn Meeting – Wednesday, February 23, 2011

Around the Persian Gulf ... 63 Years Ago

by Terry Storey, Geologist

Terry Storey, a well known Calgary-area geologist, will treat us to his profusely-illustrated recollections of the time he spent in the Persian Gulf region many years ago when the oil industry there was in its infancy. Photos and commentaries will be provided on life in that region with cultural glimpses at Qatar, Iraq and Abu Dhabi during the period 1948-1951. During that time the Ratawi #1 well was being drilled in southern Iraq, several miles from the famous Hawr al Hammar marsh, near the confluence of the Tigris and Euphrates Rivers and thought to be the ancient Garden of Eden. Visited as well was the Ras Sadr #1 well in Abu Dhabi – the first test drilled on the Trucial Coast. It was not a discovery but it did provide a gateway to tribal agreements. Depicted also are the relative poverty of the people and their towns at that time, company workers from many different countries, the Sheikh Shahbout and his two small sons, bedouine guards and references to the “shrinking” Persian Gulf coastlines, similar to those on the Mediterranean coast of Algeria related to changes in sea level during the Ice Ages.

Terry's biography is included as a separate article on page 6 in this issue of Archives.

TIME: 12 noon, Wednesday, February 23, 2011.
PLACE: Calgary Petroleum Club, 319 – 5th Avenue S.W. – Viking Room
COST: Members \$30.00 and Guests \$35.00 (most welcome) (cash or cheque only)

**R.S.V.P. if you wish to attend to: Clint Tippett, 403-691-4274 or
clinton.tippett@shell.com by noon, Monday, February 21, if not sooner.**

**Individuals who indicate that they will be attending
- but do not materialize - will be considered
“no shows” and **will be invoiced for the cost of the luncheon.**
Individuals who do not R.S.V.P. by the deadline cannot be assured of seating.**

THE PETROLEUM HISTORY SOCIETY
THE BULL WHEEL



Next Luncheons: Following the February 23 luncheon, our next event is our Annual Meeting scheduled for March 30. Our speaker will be Bob Taylor of oil sands fame and, in addition to our normal Society business, we will also be presenting commemorative plaques to the winners of our Annual Awards Program for 2010. For subsequent luncheons we are always seeking speakers and interesting subjects. If you are considering making a presentation, please contact Clint Tippett, President P.H.S., at 403-691-4274.

Call for Nominations – Board and Executive: In preparation for the Annual Meeting on March 30, we are seeking anyone who might be interested in joining the Board or Executive of the Society. If you would be interested in running, please contact P.H.S. Vice-President Bob Rintoul, who is coordinating the assembly of the slate for the election, at 403-251-9698.

Nominations for the Annual P.H.S. Awards Program for 2010: The Society will make annual awards in the following categories for 2010, subject to the availability and quality of nominees: Book of the Year, Article of the Year, Multimedia, Preservation and Lifetime Achievement. If you would like to see an historical product or an individual or organization so honoured, please contact Clint with the details. The committee working on this event is comprised of Directors Doug Cass and Hugh Leiper plus Clint.

Canadian Centre for Energy Information: The P.H.S. has a “Content, Marketing and Traffic Partnership” with the Centre. This arrangement is an expression of the mutually beneficial cooperation that exists between our two organizations. Please see www.centreforenergy.com for more details. Of particular interest to our members is their on-line historical volume “Evolution of Canada’s Oil and Gas Industry” that can be downloaded free of charge.



Canadian Centre
for Energy Information

www.centreforenergy.com

Been there – Done that: With the current controversy over the Enbridge Gateway project in northern B.C., it’s easy to forget that Canadian crude has been making its way into Pacific markets for a long time via the Trans-Mountain Pipeline that runs from Edmonton to Vancouver. Indeed it was on September 25, 1956 that the first tanker of Alberta crude sailed for Japan carrying 114,000 barrels. Granted this was light crude but over the years all sorts of crude, refined products and semi-refined streams have made that journey to the West Coast.

Society Bylaw Amendments Proposed: At our upcoming Annual Meeting on March 30, we will be proposing amendments to our bylaws to increase the maximum number of Directors. Currently it is 6 to 8 directors, and we propose to change that to 6 to 12. We also propose to allow Board meetings by electronic means (email, telephone) although we don't plan to replace face-to-face Board meetings. There will also be some housekeeping items. More information will be provided (probably on our website) before the Annual Meeting and complete bylaws will be available at the Annual Meeting.

Go paperless – get your Archives newsletter by email only: If you get your Archives by Canada Post, please consider switching to e-mail only. You will receive a printable PDF a little bit sooner than by post, with live links and some photos in color. E-mailing saves us 59 cents per copy PLUS all the time, effort and supplies to make labels (done by Micky Gulless), buy stamps and prepare the envelopes – done by Clint Tippett, our busy P.H.S. President and Archives Editor. To opt in to email only, please advise Micky at micky@petroleumhistory.ca.

New Book on BP: A book entitled “Drowning in Oil – BP and the Reckless Pursuit of Profit” was recently published and is on local bookshelves. The author is Loren C. Steffy and the Publisher is McGraw Hill. Although the obvious spark for the volume was the Macondo blowout of last spring, the text also encompasses BP's rather poor safety track record on the North Slope of Alaska, the Texas City refinery near Houston and elsewhere as well. Of local interest is the role played by John Manzoni, then a BP executive in the U.S. and now the President of Talisman Energy Inc. here in Calgary. Well worth a read.

How soon we forget: Readers of the Financial Post will have noticed the recent identification of Ed Clark, Head of Toronto-Dominion Bank, as Canada's Outstanding CEO of the Year for 2010. Those who either study Canadian history (or had personal experience with it) will better remember Ed Clark as the architect of the National Energy Program of October 1980 that fundamentally reconfigured the Canadian oilpatch and led to a massive reallocation of petroleum-related wealth in this country. Ed, together with Pierre Trudeau, Marc Lalonde and other federal players, introduced this disastrous initiative in the face of oil prices that had risen dramatically and were expected to continue to do so, as well as potential issues with security of supply and ongoing conflicts between the federal Government and the Provinces over energy pricing in a regulated environment. However none of this appears in the kudos accorded Ed in the articles written about him. Apparently the FP nominating committee, including many oil industry executives, has forgotten the past.

Quick Hit: The Fall Edition of Oil and Gas magazine tried to put the Macondo spill into the context of other major spillages such as the Gulf War, the Lakeview Gusher (California) and the Amoco Cadiz, to name a few. Too bad they got their units wrong – the numbers of barrels were instead said to be U.S. Gallons, thus grossly understating the severity of all these incidents. Is it any wonder that we have a hard time communicating?

Archives is published approximately eight times a year by the Petroleum History Society for Society members.

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Back issues are archived on our website at www.petroleumhistory.ca

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PASSING

Jack Armstrong. One of the driving forces behind the building of the Syncrude Canada oilsands mine in northern Alberta has died. Jack Armstrong, who served as chairman and chief executive of Imperial Oil from 1973 through 1981, died on Boxing Day in Nanaimo, B.C. He was 93.

According to the Canadian Petroleum Hall of Fame website, Armstrong was born in Manitoba in 1917 and earned degrees in both geology and chemical engineering. A stint with Imperial as a summer student led to a full-time job in 1942 in Western Canada, then in Ecuador, and back to Canada in 1947. Armstrong was appointed Imperial's President in 1970, CEO in 1973 and Chairman in 1974. "Perhaps his greatest achievements were in championing development of the oilsands, especially his personal leadership in 1975 government-industry meetings that enabled the Syncrude project, in which Imperial holds a 25 per cent interest, to go forward," said the Hall of Fame biography. The Syncrude consortium was formed in 1964 to do research on building a mine project. A proposal was approved in 1969, two years after Suncor Energy came on stream, but construction didn't start until 1973, with the first Syncrude barrel shipped in 1978.

The Hall of Fame also lists the pioneering of in situ bitumen recovery at Cold Lake, exploration in the Arctic and the startup of the world-scale Strathcona refinery in Edmonton as achievements made by Imperial on Armstrong's watch. "Jack served as a strong spokesman for the industry during some of the most turbulent times in its history, characterized by strained government-industry relations, supply disruptions, spiraling crude oil and gasoline prices, the advent of the National Energy Program and the Restrictive Trade Practices Commission inquiry into unfounded allegations of "consumer ripoffs,"" adds the site. *Adapted from the Calgary Herald*

Oil Scouts

A presentation by Derry Macfarlane October 21, 2009

Thank you. --- How pleased I was when **Doug** [Cass] asked if I would speak at your luncheon.

When I asked **Doug** to suggest what he thought may be of interest, his answer was, "**Keep it light, drop a few names and express some of the folklore of scouting experiences and crazy happenings that scouting forays were noted for**".

I noticed your mail-out stated that my introduction to the industry began at **Ohio Oil**. Actually my first step in **1952 was drafting for Sam Nickle** drawing base maps from air photos to be eventually used for the **Nickle Well Map publications**. The move to **Ohio Oil Company in 1953** gave me more training in Geological and Geophysical mapping and the opportunity to meet a great crew of people, **Landman Bob Grant, Bill Hartley Scout** and a bunch of geologists, Al Bahan, Gunnar Norgard, George Mustard, Jim Haas, George Chin, Pat Cooney etc. all under the watchful eye of **Manager Dan Donelly**. I left Ohio in **1956**.

Skelly Oil a company based in Tulsa arrived on the scene looking for a chief draftsman. I applied and was offered the job. The salary increase was substantial and as a **newly-wed**, I jumped at the opportunity. Another group of fine people. **Landman Chuck Mickleborg**, Scout John Kozak, Chief Geologist **Jack English**, geologists Keith McAdam, Doug Ratcliffe, Al Golden and the Manager Jack Gisburne. I was Skelly's Scout from **1962 to 1968** and then for **ARCO until 1975**. Now that I have bored you with my **personal Bio**, I shall get on to the topic subject -- **Scouting**.

To once again be back among an "Oil Patch" group and to speak about the oil scouting fraternity is a delight. Scouts were such an unique bunch of guys that so many incidents and stories were created that one could possibly take a half day or longer relating their exploits.

The first well scouting history began in **1871** in Pennsylvania, mushrooming over the years to the forming of "**Scout Checks**" across the exploration States. The first **Canadian Association** was formed in **1951** at **Medicine Hat** with representation from Calgary, Edmonton, Regina, North Dakota and Montana.

The Alberta check meetings were held in **Red Deer** every Wednesday. A number of the major companies had offices and scouts in Edmonton therefore Red Deer was a central location. There also were checks being held in **Regina and Fort St. John**.

At Skelly changes were happening. Chuck moved on and was replaced by **Gene Robinson** from Tulsa. John Kozak was also leaving and the scouting position would be open. **Jack Gisburne** called me into his office along with Gene and asked me if I would be interested in becoming the Scout. He also related that **Skelly** had an in-house policy of only hiring scouts that had law degrees, as their next step up was a Landman. He informed me that he would request that in my case this policy be waived and if so I would be the Scout. **With a company car, an expense account and a substantial raise in pay**, there was no hesitation in my acceptance. That meeting took place on a Wednesday. **On Friday** I was informed that it had been approved and that I had the job. I was instructed to get with John on Monday, get the well card books together and go over what was needed as I was attending **Scout Check in Red Deer on Wednesday**.

I felt that if I was relating some **wild scout happenings**, I may as well start with one of my own - **My Baptismal**. On Tuesday evening I headed north with **mixed anticipation**, checked into the **Buffalo Hotel** where the check was held in the basement and awaited the dawn. At that time the Alberta check had about **forty** member companies. I was in the room early and someone told me to grab a chair at any table around the box. I looked around the tables and recognized no one. At eight o'clock the **Bull Scout** called the meeting to order. The normal was to begin calling the wells from Township One, Range One and on up through the province. **Skelly** was drilling a well east of High River which had been a **tight-hole** drilling into a sale.

The sale over, the **Bull Scout** asked if there was anyone from **Skelly** present. I weakly raised my hand and stood up. I was then asked to report **Skelly's well status**. I had the ticket flagged, opened it and read what John had told me to report. The **Bull** leaped right out of his chair pointed his finger at me and yelled "**You get your sweet butt out to the phone**, call Calgary and get a better status. I quickly made haste to the phone called John, told him what happened and got another answer. Once back in the meeting the **Bull** said "**Mr.Skelly** did you get another status? I answered yes, and was told to give it out which I did. The **Bull** even leaped higher in the air and yelled "**pack up your books and get out of this meeting** and don't come back until next week with a better report". I packed up and left faster than the first time. Checked out of the Hotel, called my wife and told her that I had been ejected from the meeting by a **mad man** and was on my way home. I was back at my house by ten thirty.

Join us for the exciting continuation of Derry's recollections of the Scouting profession in our next issue.

Thanks also to Derry for providing the transcript of his remarks and to Director Doug Cass for both arranging for Derry to make his presentation and for liaising with Derry.

A BRIEF BIOGRAPHY - TERRY STOREY

Terry Storey was born in Roblin, Manitoba on January 2, 1920. He was schooled in Winnipeg, Manitoba and graduated with a B.Sc. in Chemistry and Geology from the University of Manitoba in 1943. Terry's original name was Taras Storozynsky and he changed it in 1938 while he was in Grade 11.

Even in high school Terry showed signs of going "beyond the known" in chemistry and geometry. Although he was not too keen on sports, he managed to break a Manitoba high school record in shot put in 1937. He was also always very interested in hunting and used a normal 22 calibre rifle to surprising effect. Terry married in 1954 and in 1986 and is twice widowed. He has two daughters, one with a Ph.D. and one with a B.A., as well as a son with an M.A.

Following his university graduation, Terry was hired in 1943 by Ted Link, Chief Exploration Geologist for Imperial Oil, on the Canol Project at Norman Wells, N.W.T. That location was the base for many exploration and construction activities and Terry made the acquaintance of quite a few American Army personnel and Canadian geologists. Included in the latter were Charlie Stelck and C.H. Crickmay who became his life-long friends. His first prediction on a wildcat well was successful – in the sense that he predicted failure and was right. The early gravity readings had proved misleading. Terry left Norman Wells in 1946 as activity there wound down following the cessation of hostilities in the Pacific.

In 1948 he joined Iraq Petroleum – a consortium of several international oil companies and operating in the Middle East. On this assignment he worked in Qatar, Iraq and Abu Dhabi including time spent on Ras Sadr #1, the first well drilled on the Trucial Coast.

In 1951 he returned to Canada and was employed until 1971 by several companies including Western Leaseholds, Husky and Pacific Petroleums. His work mainly concerned subsurface geology across Western Canada and the U.S. In 1968 he predicted that a hydrothermal dolomite play would evolve in the Klua Lake area of northeastern British Columbia and this indeed did come to pass there with a later discovery of three gas-bearing zones in the Upper Devonian. He published several short notes as well as some major articles on general stratigraphy topics and on Jurassic and Devonian successions.

He began consulting in 1968 as "Storey Explorations" with his title being "Stratigraphy Generalist" (i.e. Historical Geology) as designated for him personally by President Armstrong of the University of Calgary. According to Terry this related to his "off-company-team" efforts at regularizing geological concepts previously inadequately addressed by specialists and experts, including those who participated in the Devonian of the World conference (ref. Canadian Society of Petroleum Geologists, Memoir 14, 1988).

In 1971 Terry again went international with his family including his wife Flora and three children, aged 9, 13 and 17. He worked with Sonatrach (the national oil company of Algeria) where he undertook studies on Triassic, Carboniferous and Devonian sequences. In 1974 he joined Oil Services Company in Tehran, Iran. There, he delved into the resolution of Cretaceous stratigraphic issues. As well, previously proposed sedimentological "problems" were found to be unsupported by electron microscope evaluations. Detailed field examinations also revealed the presence of several significant unconformities what had not previously been identified. Terry left Iran in 1979 as the Revolution there was unfolding.

Terry returned to Calgary in 1979 where he worked until 1985 before "retiring". His principal employers were over that period were Technica and Suncor. He was involved in international projects in Brazil and Venezuela and domestically on the East Coast and in the Arctic. In Brazil he made the finding that several sedimentology publications had been based upon erroneous "over-processed" seismic data.

In all Terry has worked on company exploration teams for 43 years and at home for another 30. Quite a track record!
Thanks to Terry for sharing his life's story with us.

Nathan Eldon Tanner: Religion and Petroleum

A presentation by Nathan Hawryluk
to the P.H.S. luncheon of November 24, 2010
Summary also provided by Nathan Hawryluk

N. E. (Nathan Eldon) Tanner's beliefs as a member of the Church of Jesus Christ of Latter-day Saints concerning social welfare, individual action and conservation were expressed in his petroleum work in government and industry. Tanner (1898-1982) was involved with the petroleum industry as Minister of Lands and Mines (1937-1949), Minister of both the Department of Lands and Forests and the Department of Mines and Minerals (1949-1952), president of Merrill Petroleum (1952-1954), President of Trans-Canada Pipelines Limited (1954-1957) and Board Chairman of Trans-Canada Pipeline (1957-1960). In contrast, his Church service was life-long including leading local congregations in Cardston prior to his 1935 election and in Edmonton (1939-1952), as President of the first stake (similar to a diocese) in Calgary, overseeing approximately 2,400 members in eight congregations ranging between Red Deer, Brooks and Claresholm (1953-1960), Mission President (1961-1962), Apostle (1962-1982) and Councilor to the President of the Church (1963-1982). It is chronologically impossible to separate Tanner's petroleum work from his religious work.

Early Latter-day Saints attempted to practice a communitarian socio-economic system of temporary stewardships with a "considerable measure of freedom of enterprise."¹ As the nineteenth century progressed, Latter-day Saint preference shifted from communitarianism to capitalism while retaining cooperation as a key component of Mormon culture. This combination of cooperation and individual enterprise is demonstrated in Tanner's statement that petroleum is a "highly speculative but essential industry. When I say 'essential' I think of the great contribution that oil and gas have made to the wealth of the nations throughout the world. How the standard of living has been raised and how closely it is associated with the oil development."² As such, Tanner encouraged foreign investment and promised companies "if you are successful in the search ... you will get a profit out of the development and the production."³

Believing "the earth is the Lord's, and the fullness thereof" and that "the earth is full, and there is enough and to spare; yea, I prepared all things, and have given unto the children of men to be agents unto themselves," for Latter-day Saints stewardship extended to resources.⁴ Thus the Latter-day Saint "environmental conservation ethic" was "clearly ethnocentric [and] devoted to resource development ... rather than to wilderness preservation, but ... also opposed the reckless squandering of nature."⁵ Consequently, Flores considers Latter-day Saint resource stewardship "much in line with modern environmental philosophy."⁶ Under Tanner's direction, production-

1 Leonard J. Arrington, Feramorz Y. Fox and Dean L. May, *Building the City of God?: Community and Cooperation Among the Mormons* (Salt Lake City, Utah: Deseret Book Company, 1976), 17.

2 N. Eldon Tanner, "N.E. Tanner's talk to the American Petroleum Institute" (Chicago, November 10, 1954), 8. Glenbow Archives, TransCanada Pipeline Limited fonds, M-1599-301.

3 N. Eldon Tanner, "Government Policy regarding Oil-Sand Leases and Royalties," in *Proceedings Athabasca Oil Sands Conference, September 1951* (Edmonton: Board of Trustees, Oil Sands Project, Government of Alberta, Kings' Printer, 1951), 173-174.

4 Psalm 24.1 King James Version; Doctrine and Covenants 104-17.

5 Jeanne Kay and Crag J. Brown, "Mormon beliefs about land and natural resources, 1847-1877," *Journal of Historical Geography* 11, no. 3 (1985): 260-261.

6 Dan L. Flores, "Zion in Eden: Phases in Environmental History of Utah," *Environmental Review* 7, no. 4 (1983): 326.

oriented conservation increased. He toured the United States to evaluate conservation laws, leading to the creation of the Petroleum and Natural Gas Conservation Board in 1938. During World War II, a reduction in natural gas production was proposed not only for environmental reasons but also to prevent rationing. Similarly, the Manning government assured a thirty to fifty year supply of gas before beginning exportation.

The correct role of religion in politics can, and should, be debated. Tanner spoke as though there was a common religious tradition, a civic religion, encouraging everyone to “dedicate our every effort to liberty and freedom and the building of a God-fearing nation.”¹ He acted as if all attending conventions and conferences, regardless of their religiosity, knew Bible stories. Discussing the history of pipeline transportation, he observed “we all know that Jonah used the belly of the whale as a means of reaching his destination” and “that Joseph and Mary used the ass to go to Bethlehem to participate in one of the most glorious events in history.”² On at least one occasion, as President of Trans-Canada Pipelines, he even quoted from the Book of Mormon when presenting to the American Petroleum Institute.³

While some might expect religious differences to divide Tanner and Premier Earnest Manning, there is no evidence of interpersonal difficulties. According to Tanner, there was “never any interference at all” in the operation of his departments and Manning “supported me very well.”⁴ Later Tanner described Manning as “a man of great integrity ... 100 percent trustworthy and sincere, with no hypocrisy of any kind.”⁵ Likewise, Manning called Tanner “one of the most capable ministers in the Government ... He was absolutely dependable.”⁶ It should not surprise that religion would influence the politics of a party led by lay ministers. Manning commented, “When Christianity is genuine, it affects a person's outlook and attitude, and therefore affects his decision. It isn't a matter of 'should they be mixed?' You can't separate them.”⁷ Similarly, religion pervaded N. E. Tanner's work in the petroleum industry; they cannot, and should not, be examined separately.

Thanks to Nathan for making his presentation to the Society's luncheon and for providing this record of the event.

1 N. Eldon Tanner, “Address prepared for the delivery at the Annual Meeting of the Independent Natural Gas Association” (New Orleans, September 14, 1954), 15. Glenbow Archives, TransCanada Pipeline Limited fonds, M-1599-301; N. Eldon Tanner, “N.E. Tanner's talk to the American Petroleum Institute” (Chicago, November 10, 1954), 9. Glenbow Archives, TransCanada Pipeline Limited fonds, M-1599-301.

2 N. Eldon Tanner, “Address to Pipeline Contractors Association Convention (Los Angeles, January 18, 1955), 2. Glenbow Archives, TransCanada Pipeline Limited fonds, M-1599-301.

3 N. Eldon Tanner, “N.E. Tanner's talk to the American Petroleum Institute” (Chicago, November 10, 1954), 8. Glenbow Archives, TransCanada Pipeline Limited fonds, M-1599-301.

4 N. Eldon Tanner, *Oral History. Interviewed by Charles Ursenbach*. Waterton, Alberta and Salt Lake City, Utah, 1973, 26. Glenbow Archives, Charles Ursenbach fonds, M-7203-158.

5 N. Eldon Tanner, *Seek Ye First The Kingdom of God* (Salt Lake City, Utah: Deseret Book Company, 1973), 114.

6 David H. Breen, *Alberta's Petroleum Industry and the Conservation Board* (Edmonton: University of Alberta Press, 1993), 382.

7 Brian Brennan, *The Good Steward: The Earnest C. Manning Story* (Calgary: Fifth House Publishers, 2008), 409.