



**PETROLEUM
HISTORY
SOCIETY**

ARCHIVES

Newsletter of the Petroleum History Society

March 2011; Volume XXII, Number 2

P.H.S. Annual Meeting and Awards – Wednesday, March 30, 2011

**Petroleum History Society A.M. featuring speaker
R.W. (Bob) Taylor and the 2010 P.H.S. Awards**

We will be continuing tradition of combining our annual Society business with a highlighting, through our annual awards program, of individuals and organizations that have made significant contributions to the preservation of Canadian Petroleum History during 2010.

Our Keynote Speaker will be well known Calgary oilman Bob Taylor who will address us on the topic “**Peak What? Recurring Patterns in the Gas Business**”.

The schedule for the meeting will be:

- 4:00 p.m. Meeting commences – call to order
- 4:05 p.m. President’s Report
- 4:20 p.m. Treasurer’s Report and related business
- 4:30 p.m. Election of P.H.S. Officers and Board for the 2011-2012 term
- 4:45 p.m. 2010 P.H.S. Awards
- 5:15 p.m. Keynote Speaker Bob Taylor (see page 4)
- 5:45 p.m. Questions, Answers and Discussion
- 6:00 p.m. Mix and Mingle with snacks and cash bar - Please come out and join us!

- TIME: 4:00 p.m., Wednesday, March 30, 2011.
- PLACE: Calgary Petroleum Club, 319 – 5th Avenue S.W. – Viking Room
- COST: Members and Guests (most welcome) - free of charge
- DRESS: Business casual at minimum, ties not required

**For the sake of our snack planning, please
R.S.V.P. if you wish to attend to: Micky Gulless at 403-283-9268
or micky@petroleumhistory.ca by noon Monday, March 28**

THE PETROLEUM HISTORY SOCIETY THE BULL WHEEL



Next Luncheons: Following the Annual Meeting, our next event is our luncheon scheduled for May 4. Our speaker will be Roy Lindseth who will be speaking about the early days in the Canadian geophysical industry. 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, this is a final call for 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.

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

Glenbow Film Restoration Project: Through the initiative of P.H.S. Treasurer and thanks to five generous members, the Petroleum History Society was able to donate \$1250 to the Glenbow Archives towards conversion of their nitrate films to modern media (DVD). We have covered the cost of converting Reel 2 of the 1925 silent movie gem called “*Petroleum, Alberta's Newest Industry*” made by the Canadian Pacific Railway and the Canadian Department of Immigration and Colonization. Hopefully we will be able to see this film sometime in 2011. The funds should also help convert another 1.5 of the 10 old films that are on nitrate stock. Thank you – and please feel free to continue contributing to this very worthwhile historical initiative!

Cultural Highlight: Last November it was reported that UNESCO was in the process of expanding its list of “intangible world heritage”. This was established to preserve the world’s art forms and traditions from the “onslaught of globalization”. One of these cultural treasures has been identified as Turkey’s “slippery art of oil wrestling” which will now stand tall beside more traditionally-recognized legacies as the Acropolis and the Great Barrier Reef.

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 colour. 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.

Oilweek Byline - by Industry Executive Dave Yager on matters affecting oil and gas

Goop to Gold: History project seeks to enshrine the story of the Oilsands

Made a few bucks on the oilsands? The total wealth created turning this goop into money is likely in the hundreds of billions. Through jobs, shares in oilsands developers, real estate, lower taxes through Crown royalties, or owning one of the myriad of companies that supported the development of the oilsands and Fort McMurray, millions of people have benefitted directly or indirectly. Now two of Alberta's dedicated oil historians – Peter McKenzie-Brown and Robert Bott – want us to give a little back. They're raising \$150,000 to fund the oilsands component of Alberta's ongoing oral petroleum history project. Because it is the recorded recollections of the pioneers, this project has some urgency. Commercial production at Great Canadian Oil Sands (now Suncor) began in 1967 and Syncrude in 1978, 43 and 32 years ago respectively. If many of the pioneers are still alive, they're likely not buying many green bananas. Alberta's oral oil history is an undertaking of The Petroleum History Society (www.petroleumhistory.ca), a not-for-profit organization that since 1981 has been recording the lives, work and adventures of the oilpatch pioneers who built our industry. To date 307 people have provided their version of how we got this far. Two notable but deceased early interviewees were Carl O. Nickel (founder of the *Daily Oil Bulletin*) and Jack Gallagher (founder of Dome Petroleum). The history of the oilsands is absolutely fascinating. My favourite read thus far is *Black Gold with Grit, The Alberta Oil Sands* written by J. Joseph Fitzgerald and published in 1978. He described himself as GCOS's main "man in the field" during the construction of the first commercial oilsands plant which began in 1962. He found his way to Fort McMurray in the 1950s as a young man and, like many, became captivated by its potential. He spent most of the rest of his working life turning the dream of so many into commercial reality. *(Article continues next page)*

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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What makes Fitzgerald's book relevant to the foregoing is that the book is in many ways his oral history, a combination of history, facts and his observations of what it took to get GCOS and Syncrude started.

Fitzgerald's account starts in 1719 when a native Cree from this region brought an oilsands sample to the famous York Factory Hudson's Bay Company trading post (on Hudson Bay). The report that there existed oil that oozed out of sand in western Canada found its way back to England. Independent American trader Peter Pond found his way to the oilsands region in 1778. Explorer Alexander Mackenzie followed in 1788.

The Geological Survey of Canada got its first oilsands report on file following an expedition in 1875. Having witnessed vast amounts of oil oozing out of the riverbanks, a forward-thinking geologist wrote about lying awake dreaming of the day, "...when the white man would be busy, with his ready instrument, steam, raising the untold wealth which lied beneath the surface, and converting the present desolation into a bustling mart of trade".

Steam. Somebody thought of that 135 years before today's SAGD boom.

With an official government report on file, the boom was on. Fitzgerald describes dozens of different entrepreneurs with a gleam in their eye trying different methods of separating bitumen from sand. Heat was, and remains, a key ingredient. Much of the experimentation took place before the turn of 20th century.

By 1913 semi-processed oilsands were on their way to Edmonton for testing as asphalt on Fort Road. The Bitumont experimental plant north of Fort McMurray, built in the 1920s, is still standing. The operation was taken over by the Alberta government in 1948 and was soon processing 450 tonnes of sand a day. A year later Edmonton lost interest and the plant was shuttered as a commercial failure.

In the 1960s somebody conceived detonating a small nuclear bomb in the reservoir. Warm and separated, the oil could then be recovered by conventional means. Fitzgerald's personal passion was ultrasound; using high frequency sound waves to separate the hydrocarbons and sand. Alas, no heat, no success.

He also tells the personal story of trying to get into Calgary's Petroleum Club. Oilsands developers were miners, not drillers, and therefore not eligible for membership. Miners, on the other hand, said it looked like the oil business to them. Fitzgerald wrote he was, "neither fish nor fowl".

Fitzgerald published his book in 1978 after GCOS was on stream and Syncrude was nearing construction. But he foresaw many of today's environmental issues like tailings ponds and water use. As for the bitumen itself, he described oilsands development as man doing this best to clean up nature's largest oil spills. He passed away in 1991.

Looking at the wealth this resource has and will generate, supporting oilsands oral history project is the financial equivalent of a few grains of sand...oil sand. Please help.

(reprinted here with Oilweek's permission thanks to P.H.S. Director and Oil Sands Oral History Project lead Peter McKenzie-Brown)

KEYNOTE SPEAKER
P.H.S. ANNUAL MEETING – MARCH 30, 2011

R.W. (Bob) Taylor

Bob's twenty-nine year corporate career has spanned all aspects of the upstream oil and gas sector from Western Canada to offshore Newfoundland, from the deep water Gulf of Mexico to the first offshore drilling in the Beaufort Sea. He filled a variety of executive positions in oil and gas operations in Western Canada, culminating in leading two major oil sands development expansions.

Subsequently Bob served four years as an Assistant Deputy Minister with the Alberta Department of Energy with responsibility for Conventional Oil, Oil Sands, Land Tenure, Land Access and Energy and Aboriginal Relations. At the same time he served on the Boards of the Alberta Energy Research Institute, the Canadian Energy Research Institute and the Alberta Chamber of Resources. He was also Chair of the Board for Calgary's Lunchbox Theatre.

Since leaving the Department of Energy in 2004, Bob has been active in broad range of energy-related consulting projects including the resolution of Alberta's gas-over-bitumen dilemma; co-leading the Alberta Mega-Project Excellence initiative; assisting in stewarding Canada's interest in the Hibernia oil project and; advocating for transformative emerging technologies in the oil sands sector.

In 2007 Bob joined a group of like-minded individuals as a Founding Partner in the not-for-profit Energy Futures Network (EFN). Their goal is to enable a fact-based exploration of future energy options for Canada and the world. Some EFN projects include working with the companies in the Oil Sands Leadership Initiative to develop their Charter; with the OSTECH technology assessment program, facilitating the Zero Waste in the Oil Sands initiative and, in collaboration with *whatIf? Technologies*, undertaking several projects examining future possible energy scenarios for Canada. Two of these initiatives included assessing the impact of unconventional gas development on Canada's future energy mix.

Bob's formal education includes a B.Sc. in Chemical Engineering from the University of Saskatchewan and participation in the Banff School of Advanced Management (BSAM). Currently Bob continues his learning about and effecting change as an affiliate of the both the Innovation Expedition and the Renaissance Leadership Network.

Bob and his wife, Réjeanne, are very committed long distance walkers and dedicated photographers, often combining the two in their numerous international travels. For example, they have walked across Spain three and a half times following the historic pilgrimage routes.

Passing: The March 20 issue of the Calgary Herald carried the obituary for an industry pioneer who perhaps was not well known. **John Bohan Maughan** was born in Lethbridge in 1925. He began his career in the oil and gas industry in Turner Valley at the age of twelve where he was a roustabout on the drilling rigs operated by his father and his Uncle "By God" Bill Maughan. After obtaining his Masters in Petroleum Engineering from the University of Oklahoma, he worked with the legendary John Arps in Tulsa and Dallas. He returned to Canada with Stanolind Oil/Amoco, where he was Chief Engineer during the development of the Pembina Oil Field. Later he joined J.C.Sproule at Sproule Consulting as the firm's first petroleum engineer and was integral in establishing Sproule as a leading worldwide consulting firm.

OIL SCOUTS

A Presentation by Derry Macfarlane October 21, 2009

(Continued from the February 2011 issue of Archives)

Week two --- Similar scenario - to **Red Deer Tuesday evening**, up early and down to the meeting room. The **Bull** called the meeting to order promptly at eight. **Glared over to me** and spoke "Mr. Skelly, I see that you are back. Would you be kind enough to report the status of your **Glady's Ridge well.**" I had the well ticket opened and gave the status John had given me. Again the **Bull** started yelling for me to get to the phone and get a better status. I hustled out of the meeting and called John. He asked me, "**Who is the Bull Scout?**" I didn't know. Then he said "**Well what does he look like?**". I told him he had a huge head of **wild curly black hair** along with a great large black beard. John told me to write down what I was to report when I went back in. The question was asked. "**Mr. Skelly did you get another status?**", to which I answered yes I did. Will you please **enlighten this gathering.** I stood up took the ticket in my hand and stated. I am to tell **Frank Dwyer to go shit in his hat. Frank came totally unglued** and started climbing across the table. I had my binders and briefcase and was heading out of the room on the **gallop** and home even earlier than week one, **telling my wife that this was one crazy profession.**

Week three --- A couple of Scouts got in touch with me and asked if I would be interested in following them to a **Can Sup [Canadian Superior] well drilling east of Olds** to initiate me into rig jargon and field scouting. I accepted their offer and the next day away we went. About twenty miles east of **Olds** we turned down a country road for a few miles and came to the well-site sitting in a empty summer fallowed field. There were about **nine vehicles parked on the roadside** and down in the ditch were **three card tables set up.** A group of guys were playing cards; one was covered with various **bottles of fire water**, plastic cups and a bag of ice. I was quickly introduced to the mini check members and handed a tasty beverage, my first introduction to some of those attendees at the two previous Red Deer meetings. Not long after, a half ton from the rig drove over to our group and **warned us** that nobody should try to come onto the field area. With the binoculars and scopes the scouts had, and the area wide open there was no need to get any closer. Sometime in the late afternoon a couple of **reminder gunshots were fired over our heads from the rig.**

A **card table meeting was called** and it was found that among those present there were about **eight shotguns and rifles** available and a **hoax** was arranged. The plan was **two weapons** would be spaced on each of the **four sides** of the quarter section and at **five minutes after eight o'clock** each gun would be fired into the air. **At five minutes passed eight the barrage was fired.** It was **chaos on the rig**, men were **sliding down the vee-doors**, scrambling down the **stairways** and **running in the dark over the fallowed field.** The scouting party had earlier been loaded up and we all quickly departed **en-mass for Red Deer.**

Now I was totally convinced that scouting guys were a **very strange group unto their own.**

There were a number of veteran members still present in my early years, **Jim Seymour, Bill Allen, Jack Orman, Jim Thompson, Mac Buffam, Porky Brown, to name a few.**

The job of the scout was to **gather and assimilate information** for the use of their company. Scout checks were an agreed **information swap** of dope by the member companies. The wells

of non-member companies were also **assigned** to the sitting members. That member was then responsible to, attempt to scrounge out that firms operations. When a **member company** drilled in the vicinity of **Crown sale parcels**, the scout could apply for a “**Tight Hole Status**“, and if approved, was **not responsible** to report on the well. Usually another member was then assigned to come up with some kind of status report. **Field scouting** usually was a result of sale postings. If your **company** was drilling in the same vicinity or had a geological or geophysical play in the area, the well may be “**field scouted**”. ----- **Secrecy was a factor, --- thus the espionage aspect.** There was no end of **capers and wild occurrences.** Bear scares, a helicopter crash, conflicts with drilling personal, they continued through my entire thirteen years of scouting. So numerable that to compile them and write of them would make a fair sized book. In a personal book that I wrote and had published, the scouting chapter I titled “**The Industrial Spies**”, a name that a guest speaker in his talk at one of our conventions labeled us with, **truly somewhat very appropriate.** A couple of my personal exploits may draw home some of the **bazaar hazards of many scouts.**

Skelly was drilling a hole on the north side of **Lesser Slave Lake.** Crown land had been posted and on the other side of the posting **Amoco were also drilling.** It was the norm when planning to scout a well that you try to time your **secret** arrival at the site just prior to the down hole activity, preferably before core point. I arrived at our site around three and got my gear unloaded into the **engineer/geologist trailer**, the temperature was **35 to 40 below.** I decided to drive over and walk into the Amoco well to plan my attack schedule. I crawled into my **thermal underwear**, flannel undershirt second shirt and heavy sweater. Put on my **lined airman pants** and top jacket, lined **flight boots** and informed my hosts that I was just going to take a quick peek at the other rig. I parked my car about a mile north of **my target and began the trek in.** During the whole walk in I **kept hearing noises** in the woods beside me and surmised that it was probably deer or coyotes. When I arrived near the rig I looked through **my binoculars** and was totally surprised that they were **pulling a core barrel** out of the hole. This changed the whole plan as **it was imperative** that I tally them back in to **calculate the depth.** Normally I would have crawled into my five-star **sleeping bag just peeking out with my binoculars but that wasn't going to happen.** They put a drill bit on and started back in. I **tallied as the hours went by**, shifting from foot to foot and slapping myself. **My hands were the worst**, even with gloves on inside the eider down lined outer gloves. Finally they bottomed and I started back to the car hearing again rustling in the woods. I arrived at the car, managed to get the key but **my fingers couldn't turn it.** I put the key between the wrist part of the palms and did get it to open the door. In the car I had the same problem with the ignition, thinking that **if this doesn't start I'm a goner.** The key turned, the engine groaned. One more try, the key turned and **the engine fired.** I didn't even consider warming the car up, I knew I had to get to our camp. I put the lights on and **three big wolves** were directly in front of the car. **The three or four mile drive was brutal.** I could hardly hold the wheel, and very little vision as the **windows were iced over.** I made it to camp, struggled into the trailer thinking that I would go right into a **hot shower clothes and all.** But immediately **my whole system went haywire**, I tried to say that **I was freezing** but the words came out **gobbly-goop.** The **engineer** immediately yelled at the **geologist** to get some blankets as he **wrestled me to the floor**, I was **fighting him** all the way thinking he was doing me in. They controlled my wild arm swinging, **rolled me in blankets and one sat on me.** After painfully thawing out, the engineer explained that **he had been privy** to a similar experience once before. The next day a **game warden** came by and asked if **any wolves had been seen.** He informed us that the **wolves were starving** and had followed a herd of **caribou** trying to get them out onto **Utikuma Lake** where the open area would be easier for them to knock down their prey.

To be continued



Drilling Rig on Ratawi #1, Iraq 1949 (Terry Storey photograph)



Local Guards on Ras Sadr #1 wellsite, Abu Dhabi 1950 (Terry Storey photograph)