

ARCHIVES

Newsletter of the Petroleum History Society

March 2016; Volume XXVII, Number 3

P.H.S. Annual Meeting and Awards Ceremony – Wednesday, March 30, 2016

Stories from the Birthplace of the Petroleum Industry in North America

Keynote Address by Charles "Charlie" Oliver Fairbank III of Fairbank Oil, Oil Springs, Ontario

As the great-grandson of John Henry Fairbank, who started Fairbank Oil in the Great Swamp of Enniskillen in 1861, Charlie went against his father's wishes and entered the oil industry in 1969 at age 28. He fell in love with it instantly. But, being a good and not prodigal son, he took leave from the oil patch and achieved a teaching degree from McArthur College at Queen's University in order to have something to fall back onto in case the oil industry suddenly disappeared. His formal teaching qualifications expired many years ago and Charlie has been running Fairbank Oil since the early 1970s, through booms and busts.

Charlie has been honored by numerous organizations, not the least of which is the Petroleum History Society, from which he was the recipient of the Lifetime Achievement Award in 2008. "No one knows more about the oil field that gave birth to the global petroleum industry, and its history, than my good friend Charlie Fairbank," journalist Earle Gray wrote in support of Charlie's induction into the Canadian Petroleum Hall of Fame in 2011.

His presentation, *Stories from the Birthplace*, will include highlights of his career, examples of his dabbling in the museum world, and an update on the status of the interpretation of the story of oil in his back yard - the oldest commercial oil field in North America.

TIME: 4:00 p.m. - please see page 2 for detailed schedule

PLACE: Calgary Petroleum Club, 319 – 5th Avenue S.W. – McMurray Room.

COST: Members and guests (most welcome) – free of charge.

DRESS: Business dress casual, ties not required.

Please RSVP if you wish to attend to: Micky Gulless at 403-283-9268 or micky@petroleumhistory.ca by noon, Monday, March 28, 2016.

The Bull Wheel



Still Time to Renew Your P.H.S. Membership: If you haven't done so already, please renew your membership for 2016. (Check your membership status on your mail label or e-mail, or contact Micky at 403-283-9268 or micky@petroleumhistory.ca.) Payment can be made by:

- E-mail transfer via your own bank's website or PayPal account to micky@petroleumhistory.ca
- Credit card via PayPal if you have an e-mail address. Contact Micky for a PayPal invoice
- Cheque payable to "Petroleum History Society" and mailed to Micky Gulless, 1638 Broadview Rd. NW, Calgary T2N 3H1

Petroleum History Society Elections: These elections will take place during the Annual Meeting. A slate of candidates will be presented but there is always the opportunity to add your name ahead of time (please contact us) or to volunteer on the spot.

Petroleum History Society Financials: P.H.S. Financials for 2015 will be e-mailed to members. For those of you without an e-mail address, copies will be available at the annual meeting on March 30, or you can request a mailed copy from Micky Gulless at 403-283-9268.

Annual Meeting Agenda:

The agenda for the P.H.S. Annual Meeting on March 30 will be:

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|-----------|--|
| 4:00 p.m. | Meeting commences |
| 4:05 p.m. | President's Report |
| 4:20 p.m. | Treasurer's Report |
| 4:30 p.m. | Election of P.H.S. Officers and Board for the 2016-2017 term |
| 4:45 p.m. | 2015 P.H.S. Awards |
| 5:15 p.m. | Keynote Speaker: Charlie Fairbank on: <i>Stories from the Birthplace</i> |
| 5:45 p.m. | Questions, Answers and Discussion |
| 6:00 p.m. | Mix and Mingle with snacks and cash bar – please stay and join us. |

Upcoming P.H.S. Luncheons

May 4, 2016: Luncheon with Graham Taylor (Trent University) on International Petroleum Ltd., the subsidiary of Imperial Oil that operated in South America, including parallels with developments in Western Canada.

June 1, 2016: Luncheon with Chris Turner (author) on the use of the records of the P.H.S. Oil Sands Oral History Project in the Glenbow Archives for the research involved in his forthcoming book on the oil sands.

Free Student Memberships Now Available: The Petroleum History Society offers free membership to full-time students until the end of the year in which they graduate. They will receive the same benefits as regular members - Archives newsletters and invitations to our events. Membership applications are available at www.petroleumhistory.ca/about/index.htm#join.

February 17 luncheon – our apologies for food shortage: It was good to see such a big turnout for Jim Kirker's talk on February 17. Unfortunately, we ran a bit short of food and we offer our apologies to those who did not get enough to eat. This illustrates how important your early RSVPs are to the successful planning of our events. To be fair, this luncheon was complicated by a holiday on the preceding Monday - our usual RSVP deadline. 26 RSVPs were in hand on Friday when the Petroleum Club asked for the count and there were 34 RSVPs by Tuesday morning, an increase of 31%. So on Tuesday, we told the Petroleum Club we now forecasted 36 people coming, leaving room for 2 extra people who had not RSVP'd. However 5 extra people showed up, 1 didn't come, and we ended up with 38 people. So please remember to RSVP as early as you can to help us prepare for enjoyable events.

Rachel to the Rescue: The NDP has finally come to the assistance of the industry and appears to have solved the pipeline capacity issue for us. This was demonstrated by the headline in the Calgary Herald on March 9 in which her mastery of engineering principles was demonstrated with the statement that "NDP boosts pipeline pressure".

Petroleum Fiction: A recent article in Alberta Oil magazine (Feb. 2016 issue) drew the attention of P.H.S. Director Doug Cass. The writer had made an observation about the apparent lack of fiction and other literary contributions related to the petroleum industry. Doug took it upon himself to correct the record and sent the following note to the magazine:
"I really enjoyed your article in the February issue regarding the new novel by Don Gillmor. It is an excellent publication and I hope it reaches a wide audience. However, you and he seem to suggest that it is a rare example of a [Canadian] oil patch novel, which is not really the case. I have attached a list of other novels, collections of poetry, drama and music that have been appearing with some regularity since the 1960s. The development of the oil sands seems to have produced a surge of new products. Several of the novelists in the list such as John Ballem, Katherine Govier, Hammond Innes, Alistair MacLean, Donna Morrissey, Ernest Perrault, Richard Rohmer, and Fred Stenson have been nominated for or won many national and international writing awards over the past decades and the quality of their work is top notch."

Readers are encouraged to visit the "Fiction, Drama, Poetry and Music section of Doug's excellent and comprehensive bibliography on the P.H.S. website.

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Forbes Billionaires (2015): The May 2015 issue of this magazine presented a compilation of information on the world's 1826 billionaires whose collective wealth totaled \$7.1 trillion U.S. dollars. In comparison, Canada's GDP was \$1.8 trillion. Of these, 39 were Canadian (up 7 from 2014) with a cumulative worth of \$134.7 billion. The following folks from the petroleum industry were included: Arthur Irving (\$5.5 billion and #271 on the global list), Clayton Riddell (\$1.9 billion) and Murray Edwards (\$1.8 billion). Unfortunately the "biggest loser" in Canada was Clay whose worth had suffered a 42% drop from the year before due to the drop in crude prices. The magazine also chastised Clay for a "lack of diversification" into other industries. Clay has always been a true believer and I guess that has its price.

Bitumount Video: The Globe and Mail featured this historic facility in a video feature back in December 2015. It can be accessed (you will have to use the search function) at:

<http://www.theglobeandmail.com/news/news-video/video-bitumount-looking-back-at-where-albertas-oil-sands-production-started/article27395144/>

Jack Avery Remembers the Early Days: P.H.S. Director Doug Cass brought this oilsands-related feature to our attention. Thanks Doug. It can be accessed at the following site (or through the P.H.S. website):

<http://www.cbc.ca/news/canada/edmonton/oilsands-veteran-jack-avery-remembers-the-early-days-1.3455835>

Can you Dig It?: There are many specialized organizations, of which the P.H.S. is one. Another is the Roadbuilders and Heavy Construction Heritage Society of Canada based in Edmonton. [This is likely related to the similarly named Heavy Construction Heritage Society]. The RHHS equipment park adjoins the Leduc #1 Energy Discovery Centre near Devon. About a year ago, I had the pleasure of meeting Gerry Stotts, Vice President and one of their enthusiastic long term volunteers, at the "Geoconvention" here in town. He is supporting Randal Kabatoff (Soul of Canada), of calendar fame, on a series of books collectively titled "Doing the Groundwork: How the West was Developed" and described in some promotional material given to me by Randal earlier this month as "glimpses into the people, projects, companies and technology that shaped Alberta's infrastructure". Sounds like a megaproject! We look forward to hearing more about this undertaking.

Other interesting groups are: The Society for Industrial Archeology, the Association for Preservation Technology International, the Construction History Society, the American Institute of Steel Construction, the Society for the History of Technology, the Society for Historical Archeology Publications, the Society for the Preservation of Old Mills, and the Association for the Preservation of Artifacts and Landscapes. If you can think of it, there's a society for that!

University of Calgary 50th Anniversary: It may not be widely known that, although the passage was somewhat complicated, the University of Calgary was for a considerable period of time a campus of the Edmonton-based University of Alberta. It was only in 1966, with the passage of the Universities Act, that it was granted its own charter and, with it, the ability to grant advanced degrees. Prior to that there had been a series of efforts to introduce higher learning in Calgary reaching as far back as 1905, the year in which the Province of Alberta was established, when the Calgary Normal School was established. Thanks to P.H.S. Member Bob Bott for providing some of the background to these educational developments.

Books of Note

Bott, R., Chandler, G. and McKenzie-Brown, P. 2016. Footprints: The Evolution of Land Conservation and Reclamation in Alberta. Kingsley Knowledge Publishing. 240 p. This landmark publication is, in its own words, “the story of how Alberta’s land conservation and reclamation program came into being and how it progressed over the past half century. ... The book was initiated by several dozen retired or still-active land reclamation practitioners whose careers, in some instances, reach as far back as the 1960’s”. The P.H.S. has been kept up to speed on the progress of this project through Bruce Patterson, one of its proponents. Authors Bob Bott and Peter McKenzie-Brown are amongst some of our most senior P.H.S. members. The book begins with an Overview encompassing introduction, the landscape, people (society, laws and regulations) and knowledge (research and education) and closes with an outlook of challenges and opportunities. The meat of the volume is in the three main central chapters on mining (coal, quarries and oil sands), conventional and in situ petroleum (well sites and pipelines) and other land disturbances (roadways and pits (sand gravel, clay and marl)). Copies of the book are available for purchase at WSP’s office at 1212 58 Ave. SE, Calgary (right off Blackfoot Trail by Standen’s) for a price of \$21.00 (a bargain!) cash or cheque payable to Canadian Land Reclamation Association – Alberta Chapter. Peter has also advised that a digital version can be downloaded at: <https://era.library.ualberta.ca/downloads/5d86p322r>

Loosmore, B. 2015. Pembina Oil Strike and the Rise of Drayton Valley. As reviewed by Mamta Lulla in the Drayton Valley Western Review of December 29, 2015 and provided to us by P.H.S. Director Doug Cass:

“This book launch took place on Dec. 22. Local writer Brian Loosmore was present at the Drayton Valley Municipal Library that afternoon. The book is an illustrated historical piece that talks about Drayton Valley and how it was in the 1950s. “Oil was discovered in 1953 so there are tremendous changes which took place in a poor, little hamlet which was dwindling at the time - and suddenly there was a huge influx of people” said Loosmore. The author is the President of the Drayton Valley Historical Society and he has been collecting photographs since the 1980s that are part of the book. He moved to Drayton Valley in 1976 and at that time he had an opportunity to meet with people who lived in the community before the oil boom and the new faces that came around after. Loosmore has written another book in the past which talked about the area before the oil was discovered. “I wrote another book earlier on, about 20 years ago, that was about before the oil was discovered. “How was the hamlet then?” I have been asked before, “someone should write something about the 1950s when all these changes took place. So I thought “let’s try to do something for it” and came up with this book”, he said. According to Loosmore, such a book is important in the community because people who were around during these times to tell the stories are slowly disappearing. Otherwise all these things would be forgotten very soon. There are few people around now who will remember those days and lot of them have moved away, of course, he said. Loosmore said that it took him about two years to write and put the book together.

The selling price of the book is \$30. The publication cost of the book is being supported by the Drayton Valley Historical Society and the money would go back to them without an expectation of profit. The book is currently selling at the 55 Plus Recreation Centre.”

MARKETING MANIA

A very interesting book came my way recently. It is “**Everything’s Coming Up Profits: The Golden Age of Industrial Musicals**” by Steve Young and Sport Murphy (Blast Books, 252 p., \$54.00. On the back cover, the volume is described as follows:

“Once upon a time, when American industry ruled the earth, business and Broadway had a baby. This mutant offspring, glimpsed only at conventions and sales meetings, was the industrial musical. Through the rare souvenir record albums presented here, an alternate show-biz universe emerges: a universe in which musical theatre can be about selling silicone products or typewriters or insurance or bathtubs. Some of these improbable shows are hilariously lame. Some are pretty good. And some are flat-out fantastic. Get ready for eye-popping covers ... rhymes for words like invoice and compressor ... war stories from the people who were there ... it’s a surprising slice of Americana that will make you laugh, make you shake your head in wonderment, and make you want to get out there and sell something.”

Although this is obviously not our usual type of petroleum history, there is one strand that deserves mention (from the covers of one souvenir album of this musical comedy genre):

*“**Gulf Canada’s 1969 Dealer Show “Run for the Money”**: The funniest, fast-moving dealer show ever to hit the stage. Starring Wayne and Shuster and a cast of thousands. Well, would you believe, twenty? This year’s show started out as a celebration of the fact that B-A has joined the world-wide Gulf Oil family as Gulf Oil Canada Limited. It turned out to be the funniest, fastest-moving, most star-packed show of its kind ever to hit the stage in Canada. As one of the dealers who came from all parts of Canada to “Run for the Money”, we had this album made for you. We hope it will bring back memories of the great songs, dancing, skits and cabaret dinner that went to making up our show. We also hope that it will remind you of our theme, because that’s part and parcel of our whole new advertising campaign. A campaign designed to help you make more profit from your business in the years to come. ... So let’s all “Run for the Money” and make ours the fastest business in town.”*

The text of the book’s commentary on this musical extravaganza:

*This 1969 Gulf Oil Canada show was allegedly “the funniest, fastest-moving, most star-packed show of its kind ever to hit the stage in Canada”. I’m not in a position to disagree. The comedy team of Wayne and Shuster (pictured on the cover) provided the star power, though they’re not a major part of the record. Several uncredited songs are crammed into the 7-inch disc, and they’re pleasant enough with a youthful “with-it” feel. “You Gotta Look Good” is in the tradition of industrial show tunes ... about product merchandising. “We Hurry” is in the vein of other oil company show songs, encouraging dealers to provide prompt customer service. “The Most Important Person” is typical dealer flattery: **“You can have your directors, accountants and inspectors, Titles don’t mean a thing to me. Cause my admiration is for the feller with the station, The Feller who’s the seller is the VIP”**. One more observation to ponder **“Just like a sexy Swedish movie, Gulf is comin’ on real groovy!”** Once it is pointed out, the similarity is obvious.”*

Remind you of Mad Men? We often forget about the downstream marketing side of the petroleum industry. It is a different world – and was even more “different” then.

OBSERVATIONS

Norwegian Would: A common refrain during the recent royalty controversy has been “why can’t we be like Norway and accumulate a huge Heritage Fund from our non-renewable resource revenues?” The answer is “yes we can” – but it would have required only a few tweaks in our situation in Alberta:

1. We would have had to erect barriers to population migration along our borders. After all it is largely due to people pressures that social services become strained and require ever-increasing funding. Huge new infrastructure projects are required. Norway is a sovereign country and can do that – Alberta cannot.
2. We would have to raise our levels of taxation significantly. Obviously the more general tax revenue you have the less reliant you are on the petroleum sector and the more of the money coming from it can be socked away. But of course everyone wants less taxes, not more. Norway is heavily taxed internally as anyone who has gone there will tell you.
3. We would have to talk to the Man upstairs about trading in our crop of 10 barrel per day wells for a fleet of 1000 barrel per day wells like Norway has in their offshore – and to which, of course, they don’t need to build roads there. Relative to many parts of the world, Alberta is a high cost, marginal player in which it is a trick to navigate between the level of take needed to maintain economic viability and the revenue expectation of the resource owners. Prolific hydrocarbon regions have a lot more flexibility.

Schadenfreude: The lack of sympathy for the people impacted by the downturn in the industry, as shown by other Canadians, is quite disheartening and unfortunately seems to be translating into a lack of tangible support measures for the sector. I thought that it was in large part due to a sense of envy by the rest of the country about our good fortune (until recently) with a sense that it “serves us right”. However, after a recent visit back east, I came away with an additional “vibe” that we were to blame for making other Canadians ashamed by having pursued “bad” things like the oil sands. They would rather crawl down a hole than do anything controversial. In other words, perhaps they had been embarrassed by some unkind words at a dinner party and felt that we had brought them embarrassment via “guilt by association”. Maybe this is seen as an unspoken “Canadian” expectation that everyone will be quiet and will mind their manners.

Royalty Review and Exploration: The “cost-based” approach to royalty payments proposed in the recently-concluded Alberta review risks being the death knell for exploration in the province. To the point, the level of royalties will be geared to the cost of drilling and production. Sounds reasonable – until it is examined in the context of decision-making and decision trees. Simply stated, the prize involved in any pursuit must be big enough to not only be profitable in itself but must be big enough to carry the risked cost of all the failures that are likely to occur along the way. If those success case prizes are not robust enough, no one will spend exploration dollars to find new plays and prospects. This is simply mathematics.

The Last Time the US Rig Count was this low, Abraham Lincoln was President: This provocative headline from Oilpro builds on two sets of observations. First, there has been a gradual long term decline in rig numbers from 1949 (2000) to 2015 (500) with upward pulses in 1952-53, 1973-85 and 2003-2013. Reliable rig counts are not available from before 1949 (somewhat surprisingly) so it is by scanning the historical records that the inference is drawn that at Lincoln’s inauguration, more than 500 rigs were busy chasing the 1858 discovery.

THE SHOOTER

From "You Know My Name" by Matt Braun

"Mosley suddenly lost interest. "Watch close now, Marshal. Shooter's fixin' to load the hot stuff." Shooter Barlow gingerly carried six two-gallon cans of nitroglycerin from his truck to the rig. He passed the cans up to the driller, and then returned to the truck, where he pulled out two cylindrical metal tubes. The tubes were five inches in diameter, one ten feet in length and the other four feet. When fully loaded, the larger tube would hold twenty-four quarts of nitro. He climbed the ladder to the derrick floor.

The driller set the larger tube in the wellhead hole. He held it steady while Barlow carefully poured liquid nitro from the cans. Once the tube was full, they capped it, and lowered it into the hole on a hook attached to a spool of rope. With the tube resting on the bottom, the hook was jiggled loose and the rope withdrawn. The idea was to explode the nitro, which would fracture the subsurface formation, and free the oil from the sand. All that remained was to detonate the nitro. Barlow stuffed the smaller tube with sticks of dynamite. On the last stick inserted into the canister, he added a long fuse. He then filled the tube with wadding, allowing the fuse to hang out, and crimped the top closed with pliers. At the wellhead, he struck a match, lit the fuse and watched it fizzle for a few seconds. Then he dropped the bomb into the hole and took off like a peppered duck. The driller was already down the ladder, barreling toward the crew. Barlow hit the ground running.

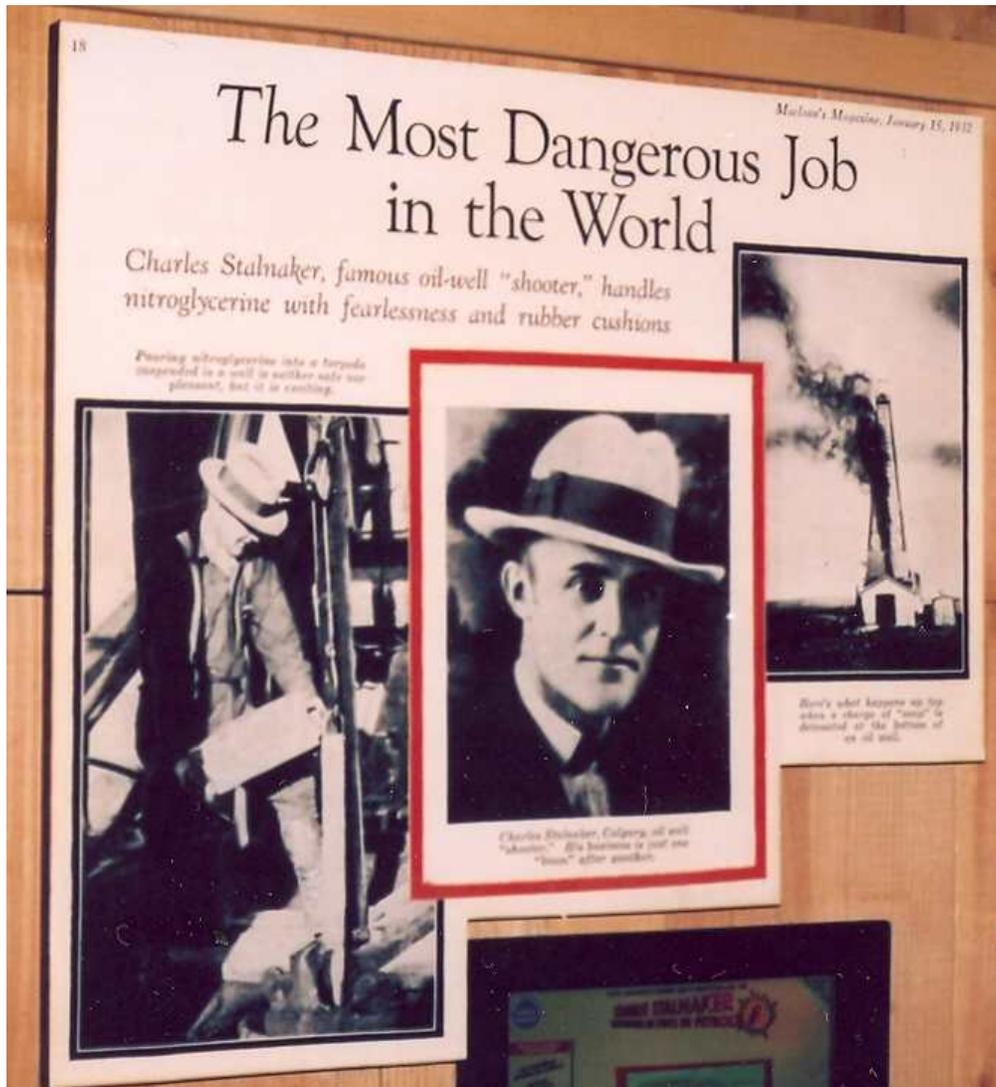
A dull whump sent tremors rippling through the earth. For a few moments there was nothing but absolute silence, then a low rumbling filled the clearing. The noise quickened. As if gaining strength, the rig began to jounce and tremble, and the bull wheel ripped loose from its sills. The men watched, hypnotized by the sight, the wooden derrick swaying as though battered by a cyclonic force. In the next instant, a mere blink of the eye, Coffeepot Number Twenty-three was born. The well erupted with a wild, volcanic roar. Timbers flew in a misty whirlwind. The crown block hurtled skyward as the gusher blew in over the top of the derrick. The spout climbed higher and higher, blotting out the sun, and at its crest, slowly blossomed into a gigantic black rosebud. A moment later, as if some strange squall had darkened the heavens, the downpour came, and it started to rain oil. Laughing madly, staring upward at the inky deluge, the men bellowed at the top of their lungs. Their shouts were lost in the savage howl of the gusher.

Shooter Barlow watched a while, amused by their antics. Finally, when the crew went to cap the wellhead, he trudged off toward his truck. Tilghman turned, hardly surprised by the look of fierce exultation on Mosley's face. He wrung the oil man's hand.

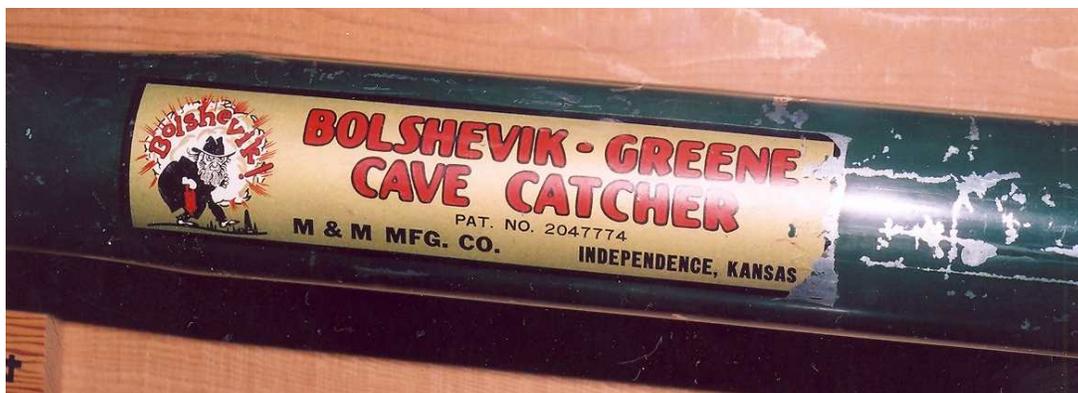
Congratulations, Zack. You've got yourself a gusher."

"Twenty-three in a row!" Mosley marveled."

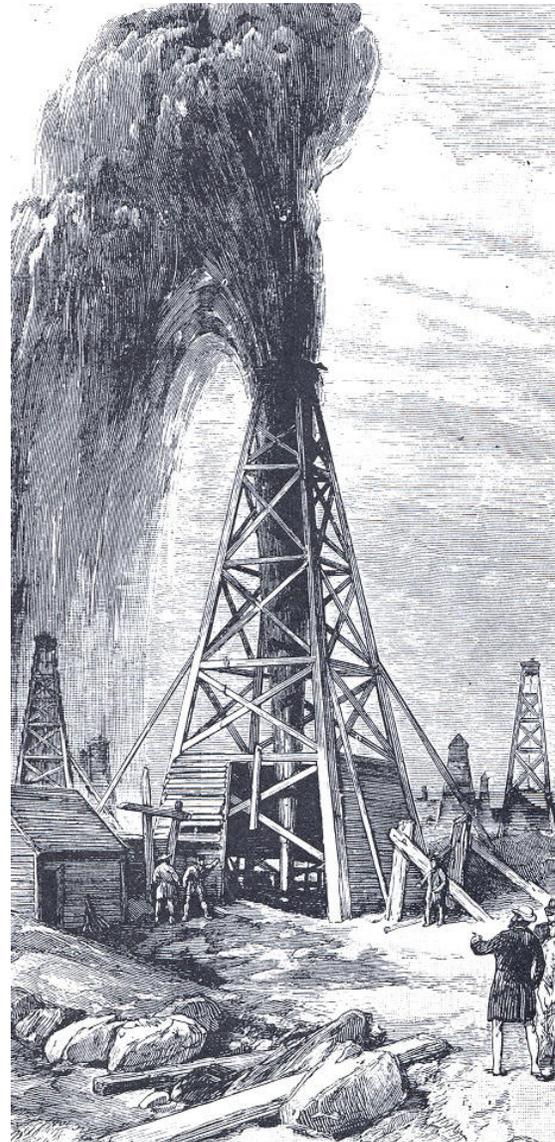
Note: This book was made into a movie by the same name that starred Sam Elliott (the same person who provides the good-old-boy oral commentary in the Ram truck commercials). The movie featured some wooden rigs built for the project whose construction was guided by Dennis Teskey of Turner Valley, a P.H.S. Preservation Award winner. Prior to the sale of his collection at Whisky Row, Dennis had one of these rigs on display along with his other artifacts.



Display about Charlie Stalnaker, famous well shooter, at the Canadian Museum of History, National Capital Region (Gatineau),



"Bolshevik" explosive device for detonating liquid nitroglycerine.



Photograph on left of the torpedoes and detonating devices used by well shooters, also from the Canadian Museum of History. Included to their right are tins used to transport the nitroglycerine as well as a wood-shavings-filled wooden box used to transport explosives.

Photo on the right is of an etching depicting the wild and unconstrained flow of oil from a well which, from the equipment nearby, seems to have been a classic old cable tool hole.

The signage on the display states: "Oil Well Shooter. Canada's deeper petroleum deposits needed a "push" to start the flow. Born in West Virginia, Charles Stalnaker (1891-1979) began working in the oil business as a well shooter in 1922. His hazardous trade involved starting oil wells with nitroglycerin, a highly volatile substance that, when exploded, broke up rock formations, allowing the oil to flow more freely. Stalnaker's work took him to the oil fields of Texas, Wyoming, Montana and, finally, Alberta, where he became a legend in Western Canada's new petroleum industry."

This display, seen in about 2005, may not exist there now as they are continually renewed.