



ARCHIVES

Newsletter of the Petroleum History Society

February 2017; Volume XXVIII, Number 2

P.H.S. Lunch and Learn Meeting – Wednesday, February 22, 2017
**“Footprints: The Evolution of Land Conservation
and Reclamation in Alberta”**

by Peter McKenzie-Brown – Historian and Author

The book by this name was written by Peter, Robert Bott and Graham Chandler. It deals with the reclamation of seismic lines, roads, gravel pits, forests, mines, energy facilities, pipelines, quarries, sulphur base pads, peat, water lines, gas plants and industrial and recreational facilities. Alberta has been a leader in the practice of land reclamation in all these areas.

In this talk to P.H.S., Peter will deal with only the evolution of land conservation and reclamation as it relates to hydrocarbons, including the oil sands.

Please see page 2 for Peter’s biography.

Time: 12 noon, Wednesday, February 22, 2017

Place: Calgary Petroleum Club

319 – 5 Avenue SW, Calgary; Cardium Room (but check marquee)

Business casual dress.

Cost: P.H.S. Members and Student Members \$30 and Guests \$35 (most welcome).

Only cash or cheque at the door. Payment can be made in advance by credit card or by e-mail. Please advise payment method with reply.

Lunch: Soup, sandwiches and cookies. Gluten-free? Vegan? Advise with reply.

NOTE: Instructions for registering for the Luncheon:

Reply, if you wish to attend, to: Micky Gulless at 403-283-9268 or
micky@petroleumhistory.ca by noon, Monday, February 20, if not sooner.

Those who register but do not come, or cancel after the deadline, will be invoiced.

Those who do not register by the deadline may not get a seat.

The Bull Wheel



Call for contributions and speakers: The Petroleum History Society values your input. If you have an article that you'd like to see in *Archives* or if you have a talk that you'd like to give, please get a hold of us. Contact President Clint Tippett at the address indicated on page 3.

Free Student Memberships 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.

Members Alternate E-mail Addresses: We like to keep more than one e-mail address in your membership record in case you change e-mail suppliers or work e-mail addresses. However, if you wish, we can stop e-mailing to both your addresses. Just send an e-mail to micky@petroleumhistory.ca advising which one is your preferred address.

2017 Dues Renewal: You will have received your renewal notice for the new year. Most members have already responded – thanks for your prompt replies. We have chosen to keep our dues level despite slightly higher costs, in part in recognition of industry conditions. All members have been requested to confirm their contact details. Donations are, of course, at your discretion and are greatly appreciated. Thanks to our generous donors to date.

Speaker Bio: A Calgary-based author, Peter McKenzie-Brown has written or contributed to six books. Besides *Footprints*, these include *The Alberta Oil Sands (and the technologies, leadership, politics, and passions behind them)*, for release later this year; *Barbecues, Booms and Blogs: Fifty years of public relations in Calgary*; *In Balance: An account of Alberta's CA profession*; *The Richness of Discovery: Amoco's first fifty years in Canada*; and *The Great Oil Age: The petroleum industry in Canada*. In 2007, he contributed a five-part series on the history of Canada's petroleum industry to Wikipedia. He has also written many articles, columns and speeches dealing with petroleum-related and other topics. He began his career in journalism with Reuters, in London, in the 1970s.

Mastering the Rockefeller Habits: A book by this name was recently spotted. On review it was the usual rah-rah business text – none of the actual “crush your competitors and form a monopoly” stuff that made J.D. Rockefeller his millions – and provoked an anti-trust backlash.

Update from the Turner Valley Oilfield Society (T.V.O.S.) as of January 15, 2017: This overview is from P.H.S. Member Earl Martin who is also the President of the T.V.O.S. "The T.V.O.S. has been going through a rebuilding process for the last two years. This has resulted in several new active members joining the Society. It was recognized that the Board needed to be strengthened. The T.V.O.S. received a \$30,000 grant from The Calgary Foundation under their Community Grants Program. The purpose of the grant is to fund Board development and launch a new website. The T.V.O.S. has retained a consulting company, Impact 8, to lead the Board/membership training. Several meetings have been held and a five year strategic plan will be finalized by late February 2017. Other topics to be covered include governance and a review of the by-laws. Several initiatives have been identified in addition to assisting the Alberta Department of Culture and Tourism with preparation for the guided tours for the public at the Turner Valley Gas Plant in 2017. The Turner Valley Gas Plant was open for public tours on weekends during July and August, 2016 and over 800 people toured the plant. Work is also underway to develop the new website. It is expected that projects planned with The Calgary Foundation grant will be complete by the fourth quarter of 2017. Inquiries can be directed to earlmartin@shaw.ca." *Thanks to Earl for keeping us in the loop.*

Historic Landscape Preservation: P.H.S. Treasurer Micky Gulless has noted that The Alliance for Historic Landscape Preservation is holding its conference in Calgary in May. For details, please go to: <http://ahlp.org/annual-meetings/annual-meeting-2017/> The conference circular states that "The larger Alberta landscape begs proposals related to the functional aspects of landscape – agriculture, natural resource utilization, etc." Sounds interesting.

New Publication: P.H.S. Director Doug Cass alerts us to a new publication from the University of Calgary Press entitled "*The Frontier of Patriotism: Alberta and the First World War*" edited by Adriana Davies and Jeff Keshen. It contains a chapter by P.H.S. Director Peter McKenzie-Brown entitled "*The Bosworth Expedition: An Early Petroleum Survey*" concerning pioneering geological and assessment work in the Mackenzie Valley near Norman Wells. The book can be accessed through the following link which contains the ability to download a free copy: <https://press.ucalgary.ca/books/9781552388341>

Timeless: What would you change? There is a new TV program by this name related to time travel and changing history. Which made me think - if there was one thing about Canadian petroleum history that I could go back and alter, what would it be? Your ideas??

Editorial Comment: Please note that unless otherwise indicated, all contents of this newsletter have been created or assembled by P.H.S. President and *Archives* Editor Clinton Tippett.

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Contacts: info@petroleumhistory.ca
President: Clint Tippett – clintontippett88@gmail.com 403-208-3543

Churchill's Visit to Alberta in 1929 and his Amazing Adventures

The following remarks were made by P.H.S. Director David Finch on January 25, 2017 in his luncheon address to the Petroleum History Society at the Petroleum Club. Many thanks to David for providing this transcript.

"History will be kind to me for I intend to write it," quipped Winston Churchill. His 1929 visit to the Turner Valley Oilfield was many things; holiday, escape from failure as a politician, part of a money making tour of North America and a way to spend time with his son, brother and nephew. It was also a way for the statesman to continue to develop his capacity to understand the world he always wanted to rule. So who, exactly, was this man who visited the Turner Valley oilfield and the Turner Valley Gas Plant in August of 1929?

In 1965 he died. In 1955 he retired as prime minister, two years after being awarded the Nobel Prize in Literature for an overall lifetime of writing. 1953 was also the year he was knighted by the Queen. He became prime minister in 1951, a decade after his ill health became obvious to the public. When England declared war on Germany in 1939, Churchill was appointed First Lord of the Admiralty, a member of the war cabinet, and, in 1940, he became Chairman of the Military Coordinating Committee.

His WWII story is well known: he was a great leader during the war and encouraged the United States to join the war effort. During the 1930s he watched Hitler gain power. In 1929 his Conservative government fell, and Churchill was out of power though he did not lose his seat. As one assessment puts it: *"He was perceived as a right-wing extremist, out of touch with the people...."*. As a result, he spent several years in the 1930's writing *"A History of English Speaking Peoples."* This period of his life is called his "wilderness years" and as part of that banishment to the wild places he visited Turner Valley.

What happened to the man before 1929? Born in 1874 to an aristocratic family - his mother was American, his father British, he became a writer and journalist before going into politics. He was an officer and a soldier too; starting in 1895 in India and the Sudan, captured during the Boer War while as a correspondent, escaping heroically. In 1900 he became Member of Parliament; a Conservative until he crossed the floor of House to the Liberals in 1904 - and then crossed it again in 1922 to the Conservatives. *"Anyone can rat,"* he famously quipped, *"but it takes a certain amount of ingenuity to re-rat."* As the First Lord of the Admiralty during the Great War he commissioned oil-fired ships instead of coal-fired ones. Between 1919 and 1922 he promoted military aircraft, set up the Royal Navy Air Service and was Minister of War.

Why was Winston so interested in the oilfields at Turner Valley? It had become evident to him during WWI that the future of power lay in petroleum. He took flying lessons - and crashed a plane. During the war the government of which he was a part seized the assets of a German company that operated in England as British Petroleum, and instantly had an oil company of its own with production and distribution. In 1923, Churchill acted as a paid consultant for Burmah Oil (now BP plc) and successfully lobbied the British government to allow Burmah to have exclusive rights to Persian (Iranian) oil resources.

The Churchill tour of Canada was a month long – from Quebec City to Victoria, and part of a 3-month tour of North America. Brother Jack was with him and his son Johnny, as well as Winston's own son Randolph. An admirer gave him a railway car for his Canadian travels. *"This is now our seventh consecutive night in the train and tomorrow will make an eighth,"* Winston wrote his wife Clemmie. *"The car is very comfortable. Although the baths are very short, by lying on one's back with one's paws in the air, a good dip can be obtained..."*

In Edmonton by late August, Winston and his tour met the mayor, various provincial politicians and the Lieutenant-Governor of the province, Dr. William Egbert. He gave a speech at the MacDonald Hotel to a sold-out crowd and the reception was "deafening" when he rose to talk. The next day they went to a farm where Winston cut grain with a new device – a combine.

And then it was off to Calgary. Winston had repeatedly inquired about the visit to the oilfields and had learned that a forest fire near them might prevent such an excursion. On August 24, 1929, while in Calgary, the Calgary Herald noted that Winston was running short of cigars – being in the habit of smoking them himself and giving them away as gifts. Once, when asked if he smoked too much he replied, *"If I had not smoked so much I might have been bad tempered at the wrong time."*

The next day the entourage motored off to the oilfields with many of Calgary's oilmen in tow. Winston rode in an open-topped car with his new friend, Pat Burns, the mighty czar of the cattle industry and also a heavy investor in the oil industry. A who's who of the oil patch assured the tour hit all the highlights; W. Stewart Herron of the 1914 discovery well fame and John McLeod of Royalite showed Winston around the largest producing oilfield in the British Empire. They visited recently-drilled successful producing wells and lunched at the Turner Valley Gas Plant in fine style. *"The Imperial [Royalite] scrubbing plant in the oilfields was then visited before the party went on to inspect Royalite No. 4, which had hit at a depth of 3,740 feet. This well was one of the biggest producers in the valley, generating 21 million cubic feet of gas per day and 300 barrels of naphtha that could be processed into gasoline. By 1926 the well was producing 217,000 barrels per year,"* writes Tolppanen (see below). *"Winston was most fascinated."*

The tour also visited what Winston called the *"pillars of flame"* at Hell's Half Acre where flares consumed "waste" or excess natural gas for which there was no ready market. Winston noted, *"Far more demons have been loosed than can be harnessed."* Sam Coultis, gas plant manager, toured the facility with Winston's group, answering questions of the man who *"displayed a keen interest into the intricacies of the work carried on there."* Winston also listened intently to the hardships as expressed by Herron and others as to the difficulty of securing financing from British investors and promised to help in any way he could. This included investing in the field himself.

The tour went on to the EP Ranch and continued discussing the oilfield over supper. *"I think I now understand how oil is produced and refined,"* Winston said to his son and nephew after dinner, and promised to write about the process. Randolph was less enthusiastic about what he had seen, summarizing the experience of touring the *"satanic"*-looking valley with the wealthy oil men who were *"pigging up a beautiful valley to make their fortunes and then being quite incapable of spending their money."* He even denounced them for a *"lack of culture."* Winston retorted. *"Cultured people are merely the glittering scum which floats upon the deep river of production!"*

The Churchill tour went for a ride on horses in the high foothills the next day at the ranch before moving on to Banff and points west. *“Darling,”* Winston wrote his wife Clementine, *“I am greatly attracted to this country. Immense developments are going forward. Never in my whole life have I been welcomed with so much genuine interest & admiration as throughout this vast country. I am profoundly touched; & I intend to devote my strength to interpreting Canada to our people & vice versa.”*

Winston’s investments in three oil companies – Baltac, Hargal and Structure – all proved fruitless as the Turner Valley companies all went bankrupt in the early 1930s. His considerable investment – tens of thousands of dollars in 2017 value – came to naught. The Churchill family motto – *Fiel pero Desdichado* or “Faithful tho unblessed” – seems to have remained true in the case of this venture.

Luckily, Winston was able to make money as a writer and speaker. His insights into society were many. *“The first duty of the university is to teach wisdom, not a trade; character, not technicalities. We want a lot of engineers in the modern world, but we do not want a world of engineers.”*

And so, as the petroleum industry in Canada in 2017 once again reacts to the challenges of a low world oil price and uncertainty due to the change in leadership in the United States, another of Winston’s quotes seems timely.

“Success is the ability to go from one failure to another with no loss of enthusiasm.”

David Finch is a historian and author of more than 20 books about the history of the Canadian West. David notes: *“Many of the details used for this presentation come from the book “Churchill in North America, 1929” by Bradley P. Tolppanen, a librarian in the United States who seldom travels to Calgary and gave me permission to quote from his book. I also used materials from the Churchill Archive and Alberta newspapers.”*

It should be noted that the three companies that David mentioned as having received investments from Churchill did have interesting histories in their own rights. For a very brief look at them, please refer to the Old Companies section of the P.H.S. website that is maintained by P.H.S. Treasurer Micky Gulluss.

The Churchill connection to these companies is under further investigation. Apparently their selection was at the impetus of McLeod, President of Royalite. I must admit that my first suspicion, hearing of their apparent demise, was to suspect that McLeod had intentionally given Churchill some bum advice. Royalite was, of course, a subsidiary of Imperial Oil which, in turn, was a subsidiary of Standard Oil of New Jersey. Standard Oil and Shell (a partly British concern that had arrived in Canada in 1911) had been locked in a global rivalry over several decades for dominance in many markets. Imperial no doubt thought of Canada as its own back yard and would have been resistant to expansions by Shell and other British interests. This had been demonstrated by Imperial’s successful efforts to derail Shell’s attempt to tie up most of northern Alberta and the Northwest Territories through a deal with the Federal Government in 1919. Hence McLeod, through his role in the Standard organization, would have had an obvious motivation to try to discourage Churchill about the potential of Canada. However, as it turns out, things were not quite like that. Stay tuned for an update in next month’s Archives.



Winston Churchill in Edmonton, Alberta in August 1929. Note, however, the sign for the “Alberta Hotel” behind him, leading to a suspicion that this shot may have been taken in Calgary. It is not known, however, if there may have also been an “Alberta Hotel” in Edmonton.



Winston Churchill was a well-known British politician in Canada long before his 1929 visit. In this picture taken in the Wetaskiwin, Alberta Confederation parade of 1927, George Long, a local macaroni factory owner, impersonates Churchill. A banner over the hood of the car reads: “1927 Watch Canada Grow”.

DEVELOPMENTS IN CANADA IN 1949

The Bulletin of the American Association of Petroleum Geologists carried, for many years, an annual analysis of activities and achievements in all parts of the world, of which Canada was one. In 1949 activity in our country was expanding tremendously in the aftermath of the 1947 discovery at Leduc that had triggered widespread interest in the Western Canada as it emerged from its "dormant" state and into a new world class basin. In order to compare the industry then with where we are now, the following summary by J.G. Gray of California Standard (Chevron) in Calgary and W.A. Roliff of Imperial Oil in Toronto is transcribed.

"Exploration activity in Canada showed a progressive increase throughout the year. In terms of geophysical crews engaged, Western Canada was one of the most active areas in the world. The exploration effort was greater than that of 1947 and 1948 combined and was rewarded with the discovery of important new fields in Alberta where the exploration front was extended into the virgin territory of the remote northern region of the province. The greatest increase in land acquisition activity took place in Saskatchewan where almost the entire part of that province underlain by sedimentary rocks was taken up by either reservation or lease.

The total number of wells drilled in **Western Canada** amounted to 845, of which 784 were drilled in Alberta, 58 in Saskatchewan and 3 in Manitoba. In Alberta there were 549 development wells drilled and 235 exploratory holes. 200 of the 235 exploratory holes were new field wildcats, of which 13 were oil discoveries, 18 were gas discoveries, 2 were gas-condensate wells and 167 were dry holes. The successful discovery rate in Alberta was 20.4% of all exploratory wells drilled. *[Note: Even under current depressed conditions, P.S.A.C. estimates 5200 wells to be drilled in 2017 for Canada (est. as of January 31, 2017).]*

The reflection seismograph was the most popular exploration tool used and was credited with practically all of the new discoveries. The number of geophysical crews engaged increased throughout the year. In December, which is the severest operating month of the year, 103 crews were active.

Developments during 1949 increased oil reserves of Western Canada to approximately 1,100 million barrels and materially increased the gas reserves of Alberta. Daily oil production was increased to approximately 60,000 barrels per day to satisfy the demand for petroleum products in the present economic marketing area of Western Canada for Alberta crude. In order to expand the marketing area, plans were completed for the construction of a pipeline to transport crude to markets in Eastern Canada. Possibilities for the export of natural gas from Alberta were under consideration during the year. Two companies had applied for permits to export gas to the West Coast. *[Note: Canadian crude oil reserves (including the oil sands) are now approx. 339 billion barrels and production is 3.8 million barrels per day (est. for 2016).]*

Exploration and development activities in **Eastern Canada** were on approximately the same scale as in 1948, no outstanding discoveries were made, and no important additions to geological information were obtained. 282 development wells were completed, 280 in Ontario and 2 in New Brunswick. Exploratory drilling consisted of 82 wells in Ontario, 1 in Gaspé and 2 in New Brunswick. Five small gas pools were discovered in Ontario. New Brunswick Oilfields Limited and Shell Oil Company had seismic, gravity and magnetometer active in New Brunswick."

CALL FOR PAPERS

ABSTRACT DEADLINE: March 31, 2017

PETROLEUM HISTORY INSTITUTE 2017 ANNUAL SYMPOSIUM



Findlay, Ohio
130 Year Oil & Gas Celebration (1887-2017)

July 13-15, 2017

REGISTRATION AND EVENING RECEPTION

Thursday, July 13, 2017

PRESENTATIONS – ORAL AND POSTER

Friday, July 14, 2017

Proceedings to be published in the 2017 volume of *Oil-Industry History*

FIELD TRIP

Saturday, July 15, 2017

For symposium details, see: www.petroleumhistory.org

ABSTRACTS BEING ACCEPTED

Please send abstracts to: Dr. William Brice - wbrice@pitt.edu
or call Marilyn Black – 814-677-3152 ext. 105





OIL-INDUSTRY HISTORY

TABLE OF CONTENTS

Volume 16, Number 1, December 2015

PHI ANNUAL SYMPOSIUM AND FIELD TRIP – TULSA, OKLAHOMA, APRIL 30 - MAY 2, 2015	
<i>William R. Brice</i>	1
A BRIEF HISTORY OF TULSA AS A PETROLEUM CENTER	
<i>Raymond P. Sorenson</i>	15
GLENN POOL – THE START OF THE OKLAHOMA OIL BOOM	
<i>Norman J. Hyne Ph.D.</i>	21
P. C. BOYLE (1846-1920): THE VOICE OF EARLY OIL	
<i>William R. Brice</i>	25
THOMAS STERRY HUNT’S PETROLEUM RESEARCH (1826-1892)	
<i>Raymond P. Sorenson</i>	69
HISTORICAL OIL SAMPLES FROM PENNSYLVANIA: GEOCHEMICAL CORRELATION	
<i>Nicola Dahdah, Rasoul Sorkhabi, James Collister</i>	83
THE DRILLING OF THE WHITE POINT GASSERS, SAN PATRICIO COUNTY, TEXAS	
<i>Jeff Spencer</i>	111
OKLAHOMA PETROLEUM PHILATELIC EVENT COVERS	
<i>Jeff Spencer</i>	123
FOUR OKLAHOMA OILFIELD MOVIES	
<i>Jeff Spencer</i>	129
BOOMTOWN? RECONSIDERING THE BENEFICIARIES OF LOUISIANA’S OIL BOOM	
<i>Henry Wienczek</i>	133
SMELL THAT SWEET PERFUME: OIL PATCH SONGS ON RECORD	
<i>Joe W. Specht</i>	141
RESEARCHING AND WRITING HISTORICAL NOVELS: TWO EXAMPLES	
<i>Sam L. Pfister</i>	147
CARBON BLACK – A DIFFERENT FACET OF THE OIL AND GAS INDUSTRY	
<i>Lawrence H. Skelton</i>	157
SOME EARLY RECORDS OF BOREHOLE IMAGING	
<i>Raymond P. Sorenson</i>	161
A HISTORY OF PETROLEUM GEOSCIENCE TEXTBOOKS	
<i>Rasoul Sorkhabi</i>	165
PETROLEUM HISTORY INSTITUTE 2015 AWARDS	209
ABSTRACTS AND PROGRAM: TULSA, OKLAHOMA, APRIL 30 - MAY 2, 2015	215
BOOK REVIEWS	225
MEMORIALS	229
OIL-INDUSTRY HISTORY — AUTHOR GUIDELINES	231