PETROLEUM HISTORY SOCIETY

ARCHIVES

Newsletter of the Petroleum History Society *April 2025; Volume XXXVI, Number 3*

P.H.S. Luncheon – Wednesday, May 7, 2025

Canadians Abroad: The Extensive History of Canadian Oil Companies Participating in International E&P – Also the Current Players and the Benefits for the Host Countries

By Tako Koning, Veteran Oilman

Canadian companies have never shied away from participating in the international sphere, whether that be in oil and gas, mining or other types of commerce. The bases for this have been firstly, the confidence that our companies have gained based on both their domestic expertise and experience and secondly, the availability of domestic capital. There is a wide range of specific motivations for these ventures. These include chasing cross-border extensions of Canadian plays, desire for diversification, superior returns (real or imagined), consequences of international partnering and flight from domestic policies such as the N.E.P. Our speaker will provide an overview of the foreign activities of Canadian companies, past and present, along with a description of the benefits that have accrued.

Please see page 2 for talk abstract and author's biography.

Time:	12 noon, Wednesday, May 7th, 2025
Place:	Calgary Petroleum Club 319 - 5 Avenue SW, Calgary (Please check the marquee for the room) Dress – business casual.
Cost:	P.H.S. Members and Student Members $40; Guests $45 (most welcome). Only cash or cheque at the door. Payment can be made in advance by Interac or PayPal transfer to treasurer@petroleumhistory.ca 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 Treasurer Ian Kirkland via his email
treasurer@petroleumhistory.ca

The deadline for registration is Monday, May 5th at noon.

Please be advised that those who register but do not attend or cancel after the deadline, will be invoiced.
Those who do not register by the deadline may not be accommodated.

These restrictions are related to our obligations to the Petroleum Club in terms of catering and seating.

Abstract: Canadians Abroad: The Extensive History of Canadian Oil Companies Participating in International E&P – Also the Current Players and the Benefits for the Host Countries

This presentation begins with a review of Canadian oil and gas companies involved in international oil and gas activities – both past and present. Historic companies to be reviewed include Asamera, Gulf Canada, Talisman, Nexen, Bow Valley Exploration, Ranger Oil and others. Thereafter to be reviewed are Canadian companies currently involved in overseas E&P. These companies all trade on the Toronto Stock Exchange and are mostly headquartered in Calgary but some are based in Vancouver and Toronto. These companies are categorized in terms of their focus areas: (1.) South America (2.) Europe (3.) Africa (4.) Asia. For example, South America-focused Canadian companies include Parex Resources, Frontera Energy, Gran Tierra Energy, Arrow Exploration, Canacol Energy, Alvopetro Energy and Touchstone Exploration. Companies which have been exceptionally successful in the last few years have been Parex in Colombia, Tenaz Energy in the Netherlands and Valeura Energy in Thailand. Based on a "back of the envelope" estimate, internationally focused Canadian companies have generated in total approximately Cdn $8.0 billion in value for their shareholders based on their current stock market capitalizations. However, the value they have generated for the host countries is 3 to 4 times that much, thus in the range of $24.0 to $32.0 billion. Unquestionably the major beneficiaries of this activity are the host countries through royalties, taxes, local employment, and technology transfer.

Luncheon Speaker Biography

Tako Koning, P. Geol. has worked for five decades in the petroleum industry beginning in 1971 as a mudlogger on the offshore drilling rigs on the Grand Banks of Newfoundland. In 1974, he joined Texaco Canada in Calgary and worked for Texaco International in various capacities for the next three decades including long term assignments in Indonesia (Sumatra), Nigeria (Lagos) and Angola (Luanda). After Chevron's purchase of Texaco in 2001, he also worked for Tullow Oil and the consultancy of Gaffney, Cline & Associates. He worked overseas for thirty years and returned to Calgary in 2015. Tako is Holland-born and Canada-raised. He obtained a B.Sc. in Geology in 1971 from the University of Alberta and a B.A. in Economics in 1981 from the University of Calgary.

The Bull Wheel

Next P.H.S. Luncheon Meetings: The next scheduled luncheon after the May 7 event will be on June 11th.

P.H.S. Membership: The Petroleum History Society welcomes and encourages anyone interested in Canadian petroleum history to consider membership. Individuals are only $30/year, corporate $100/year, and full-time students are free until the end of the year in which they graduate. Students receive the same benefits as regular members – Archives newsletters and invitations to our events.

Payment: for memberships can be made by Interac or Paypal transfers, cheque, or cash paid at events. Membership details can be found on the P.H.S. website http://www.petroleumhistory.ca/about/member.html and in our brochure http://www.petroleumhistory.ca/about/phsBrochure.pdf

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 or Editor Bill McLellan at the email addresses indicated on the next page.

Geophysical Museum: Does anyone know of a geophysical museum that might be interested in a donation? Several years ago, an attempt was made to give the Glenbow a piece of equipment used in seismic acquisition but that fell through as it didn't seem to "fit" what the Glenbow collectors were interested in.

Inventing New Word Contexts: At the March P.H.S. Annual Meeting there was a banner in the lobby for another event related to hydrogen that was touting the "Beneficiation of Natural Gas" as well as a reduction in carbon intensity. I've never heard the term "beneficiation" used in the context of natural gas. It seems to be a term more related to mining with internet definitions including "*the treatment of raw material (such as iron ore) to improve physical or chemical properties especially in preparation for smelting*" and *"Copper mines use water for flotation beneficiation – the process of crushing ore and separating useless minerals."* Maybe natural gas in now a critical mineral?

Map Issue – "In the Light of the Flares": During the search for a well location on the field maps in this Turner Valley volume (pages 52-53), it came to our attention that there is a problem with the completeness of that illustration. It was found that the entire uppermost tier of sections (31-36) in Township 19 and parts of the next south and next north tiers are missing, as in clipped out at the binding. How this happened is not obvious as the gap is not hidden in the

binding. Friesen printed these volumes. This error must have slipped through their editing and assembly process.

"Canada's Petroleum Heritage" Treasure Trove: A website by this name was stumbled across the other day during a search. It would seem to be of mid-1990's vintage and somehow related to the University of Alberta and the HCF Alberta Online Encyclopedia and part of the Wayback Archive. It doesn't seem to have a direct address but if you google "Roughnecks, Wildcats and Doodlebugs" (the 1990's CKUA video production), one of the hits will take you into the site and you can access a lot of information related the petroleum industry including the industry, the technology and the people. Visit its sitemap for an overview.

Spindletop Correction: At the February luncheon, President Tippett discussed the 1901 Spindletop discovery in Texas and was asked by P.H.S. Member Bob Bott what type of drilling technology was used on that well. The answer provided was "cable tool" but it turns out that this is not correct. A bit of research revealed that the rig was a rotary operation and that this technology had been used in some places in the U.S. as early as 1880. Part of the reason for using the rotary approach at Spindletop was apparently the over-pressured fluids and mobile sands being encountered. Apologies for this error.

Tanker News: A ship named "Falls of Clyde" has been docked in Honolulu since the 1960's. It was initially launched in Glasgow in 1878 and spent its early years as a freighter in the Far East. In 1907 the ship was converted to an oil tanker and is now the last remaining sail-powered oil tanker in the world, although no longer operational. Several conservation groups have been trying to preserve the vessel and return it to the U.K. Interestingly, a number of much bigger commercial vessels, including tankers, have recently been fitted out with large retractable "sails" in order to reduce fuel consumption and related greenhouse gas emissions. So, I guess what goes around, comes around.

Oil Survivor: A recent issue of the "Coffee News" included the following story. *"In the La Brea Tar Pits near Los Angeles, California, the petroleum tar fly has adapted to thrive in a place that traps and kills countless other creatures. These tiny flies are the only species to develop in toxic petroleum, calling the natural asphalt home. The larvae feed on trapped insects and arthropods, all while consuming petroleum without harm. Their translucent bodies reveal ingested oil passing harmlessly through. Even extreme conditions like high temperatures or chemical exposure fail to faze them. The asphalt doubles as a moisturizer, protecting their bodies from drying out in the sun. These resilient insects prove that life can thrive in the most unexpected places."*

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

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

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Petroleum History Society 2024 Awards

(as announced at the March 26, 2025 Annual Meeting)

BOOK OF THE YEAR AWARD FOR 2024 TO:

EMILY EATON, ANDREW STEVENS AND SEAN TUCKER (EDITORS)
FOR:
"UNJUST TRANSITION – THE FUTURE FOR FOSSIL FUEL WORKERS"
PUBLISHED BY FERNWOOD PUBLISHING, 224 P.

ARTICLE OF THE YEAR AWARD FOR 2024 TO:

BRUCE GILLEY FOR:
"CAPITAL STRUCTURE AND BUSINESS FAILURE: THE COLLAPSE OF CANADA'S DOME PETROLEUM"
PUBLISHED IN: *BUSINESS HISTORY*

MULTIMEDIA AWARD FOR 2024 TO:

ZAHRA JAFARZADEH FOR:
"ANIMATING HISTORIES: STORYTELLING ANIMATION AS A MEDIUM TO REVEAL WOMEN'S NARRATIVES ABOUT CANADIAN ENERGY DEVELOPMENT IN THE MID-20TH CENTURY"
MASTER OF FINE ARTS THESIS, UNIVERSITY OF CALGARY, X, 34 P.

PRESERVATION AWARD FOR 2024 TO:

SABRINA PERIĆ, DANIELLE LANE, REBECCA DOLGOY AND JEAN-RENÉ LEBLANC, FOR:
THEIR SERIES OF ARTICLES PUBLISHED ON THE NICHE NETWORK CONCERNING THE INVESTIGATION AND PRESERVATION OF CANADIAN PETROLEUM HISTORY AT THE CANADIAN ENERGY MUSEUM, DEVON, ALBERTA

2024 Award Presentations at Annual Meeting, Calgary Petroleum Club, March 26, 2025 (Left to Right): P.H.S. President Clint Tippett, Preservation Award winner Jean-René LeBlanc, Preservation Award winner Danielle Lane, Multimedia Award winner Zahara Jafarzadeh and Preservation Award winner Sabrina Perić.

Sabrina (right) explains their work with the Canadian Energy Museum while Danielle (left) looks on.

OIL-INDUSTRY HISTORY

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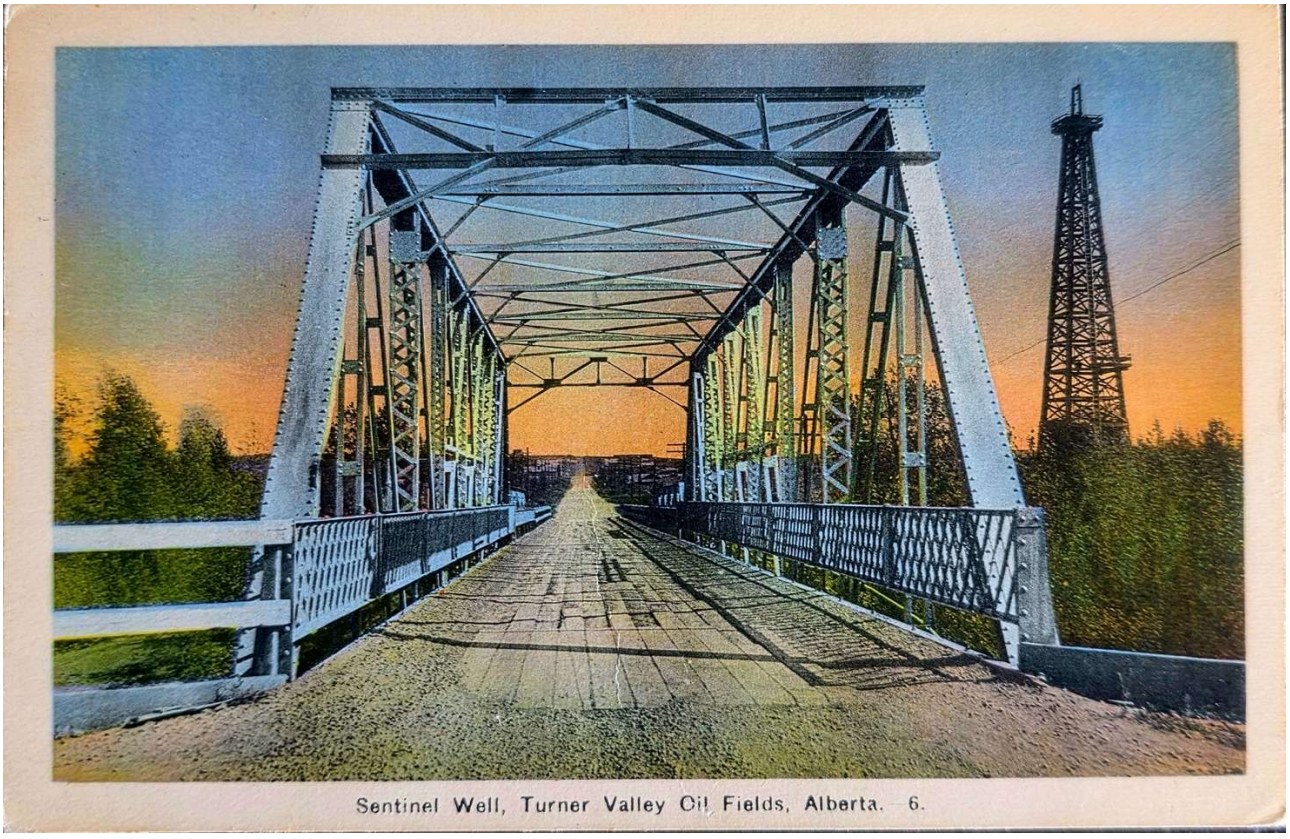
Volume 25, Number 1, December 2024

This is the material contained in the 2024 issue of Oil-Industry History, as issued by the Pennsylvania-based petroleum History Institute. It contains the report on the Canmore Symposium of May 2024 that was chaired by P.H.S. Member Rick Green and P.H.S. President Clint Tippett

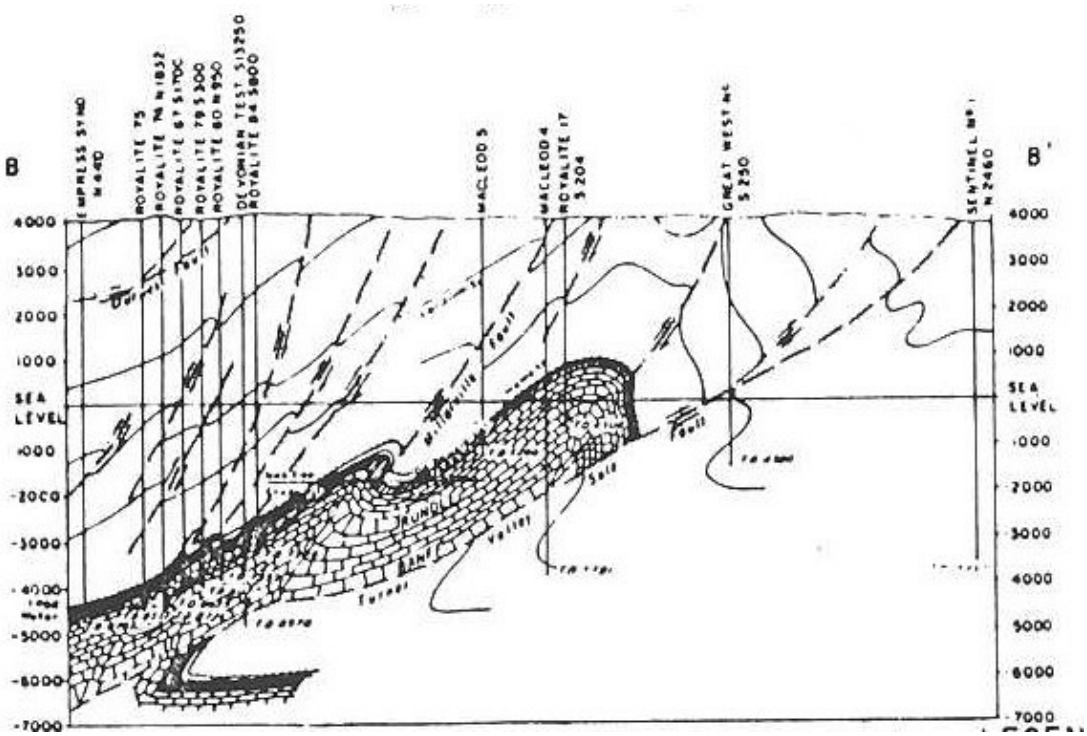
Historical Postcard – Sort of Turner Valley

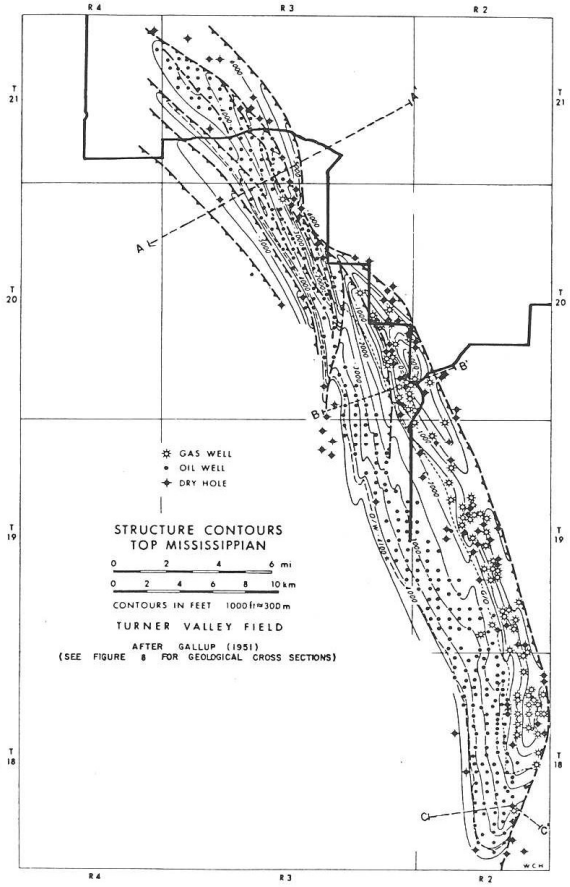


This historical image was sent in by Director Bill Whitelaw. It took some effort with consultations involving experts including P.H.S. Member Al Lambden (worked at the Turner Valley Gas Plant), Member David Finch (Turner Valley expert) and Jeff Spencer (Petroleum History Institute and postcard specialist) but we finally nailed down what this was about.

First, it is a bit of an exaggeration to say that this is set in the “Turner Valley Oil Fields”. It turns out that it is the steel bridge across Sheep River just to the west of “old” Black Diamond, looking due east along the “main drag” of that town. The current bridge in this location is somewhat skewed given the curvature of Highway 22 and is aligned a bit more towards an ENE-WSW orientation. Close examination reveals a lot of telephone poles on the far side of the bridge. The exact age of the postcard is unfortunately not known. The white line extending across the bridge is from a crack in the physical postcard.

The Sentinel Oils well, whose rig in on the far side of the river to the right, was spudded on November 10, 1926, presumably in the aftermath of the Royalite No. 4 discovery of 1924. The location of the well at 15-8-20-2W5 is, however, far to the east of the Turner Valley surface structure so its rationale for drilling this test is not clear. The well drilled to a depth of 7350 feet into the Upper Cretaceous Cardium Formation but, despite oil and gas shows on the way down, wasn’t tested and did not flow. It does, however, provide some important constraints on the interpretation of the subsurface as illustrated on the next page in the cross-section constructed by Gulf’s Turner Valley expert, Bill Gallup.





Structural setting of the Sentinel No. 1 well at the eastern end of cross-section B-B’ drawn across the middle of the field. The well is the one on the far-right hand side of the cross-section where it penetrated virtually undisturbed strata. Illustrations from Gallup (1953).

Forthcoming Book: "The Boom – Oil, Popular Culture, and Politics in Alberta, 1912-1924" by Paul Chastko

P.H.S. Director Doug Cass has alerted us to a new book, with the title above, that will apparently be available at the end of 2025. It is said to be 504 pages at a hard cover price of $89.99 (soft cover $44.99).

Paul Chastko is a two-time P.H.S. award winner – in 2004 for his book "Developing Albert's Oil Sands – From Karl Clark to Kyoto" and in 2012 for his article "Anonymity and Ambivalence: The Canadian and American Oil Industries and the Emergence of Continental Oil".

The book is being published by the University of Calgary Press. The link to its release is: https://press.ucalgary.ca/books/9781773856674/

The table of contents of the book is part of the release and it indicates that quite a lot of the material covered involves the story of a fellow named George Edward Buck who was up to no good in the days of the Turner Valley Dingman discovery, specifically that he salted a well as part of a promotional scheme, fled the country, was extradited from the U.S. back to Canada, and faced fraud charges here. A bit of digging on the internet turns up the transcript of the 1917 fraud trial proceedings, namely Buck v. The King, 1917 CanLII 626 (SCC).

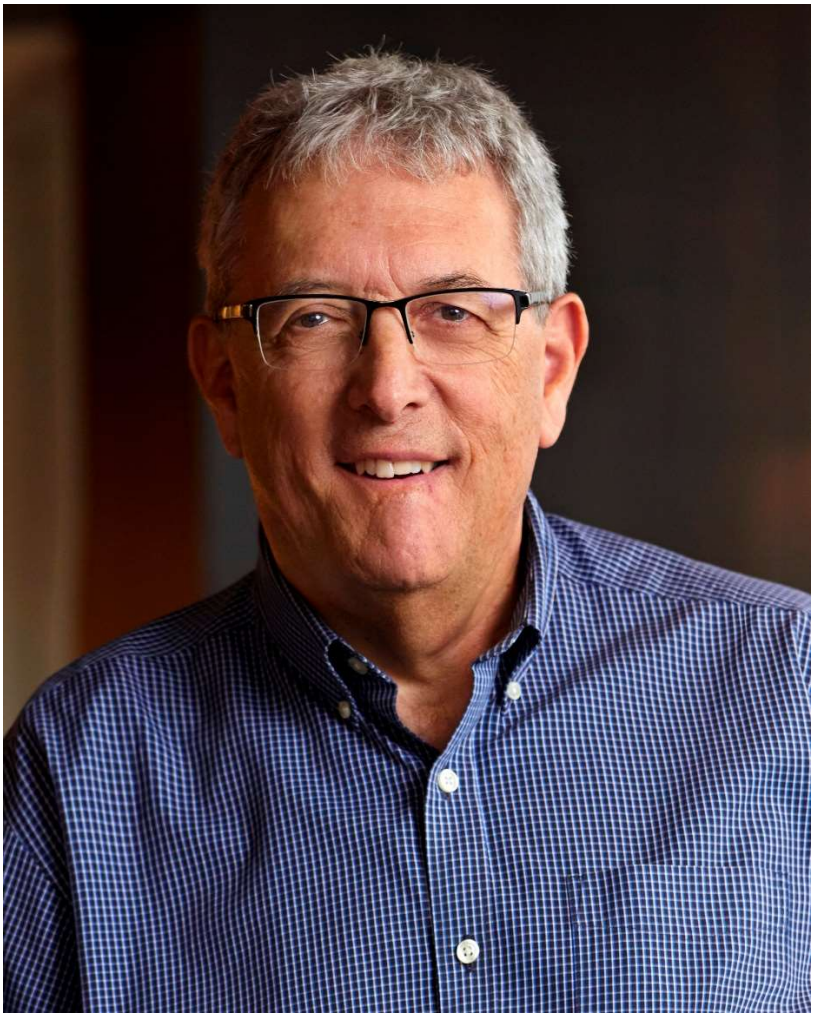
Some interesting background. The well in question was Waite Valley No. 1, drilled by Black Diamond Oils Limited. It was spudded September 10, 1914 (so following the May 1914 Dingman well) and rig released, apparently, September 10, 1915. Location 100-16-34-19-3W5 with a total depth 1430 feet. There is no indication of tests or flows. The company name is kind of misleading because the location is to the west of the Turner Valley Field and is more aligned with what was then called the "Outwest" Thrust Sheet, now known as the Highwood Thrust Sheet that piggybacks on the west flank of the Turner Valley Thrust Sheet. That structure is even bigger than Turner Valley but for some reason did not capture hydrocarbons with well penetrations in its crestal area being wet. According to the P.H.S. index of old companies, Black Diamond Oils Limited was struck from the corporate register in 1918.

Some additional information is contained in the classic Turner Valley book "In the Light of the Flares" (p. 74). Under the title "Shady Deals" by June Danforth, as taken from a tape by Harold Smith, it relates that:

"*As in any boom there were some shady characters and swindlers. One such was the salting of the old Black Diamond No. 1 – south of the river just south of the Lineham Crossing. A promoter named Buck did everything he could to sell shares. He travelled around in a great big car with "high priced women" and finally hired Ray Minue to dump several barrels of oil around the well head and in the river to convince the public that he had a great well. He received a good stiff jail sentence for his trouble and was never heard of again. The well never amounted to much although it did produce a little coal oil.*"

Hack to Flack: Bending the Political Physics of Rhetoric
By Alan Boras, as presented to the P.H.S. Annual Meeting, March 26, 2025

***Thanks to Alan for sharing this with us*.**



Thanks to Clint and David for their invitation.

I'll try to provide a little historical perspective on my career path in journalism and energy, business reporting, reputation management and corporate communications, plus the bizarre and wacky world we all call media, its intersection with the energy sector, and the uncanny valley we have entered. I actually wanted to be an astronaut, but my long-hand math computations were not at the astronaut level. After high school, my parents encouraged me to attend university, and maybe I could also play football, which was a passion in high school. I tried out at the University of Alberta and two years later at St. Francis Xavier in Antigonish, cut from the Bears and the X-men, teams at universities with the same motto: "Whatsoever things are true." I could not have imagined that I would end up making a living writing news, and pursuing truth as I understood it

After my political science and history degree at St. F.X, I thought about journalism, but really had no interest. Full of idealism, I thought I wanted to make news, not report it. After graduation, I spent time fishing lobsters then worked the rigs to make cash for a backpack trip around the world. I learned the fundamentals of drilling on two triples, one near Claresholm and one west of

Bragg Creek. Those rig lessons live on today. My best friend, Peter Duckett, and I flew to Australia, backpacked through southeast Asia, India, Nepal before crisscrossing Europe on a train pass. Our global trek confirmed that we live in a big, complicated world.

I changed my mind on journalism after a family friend suggested the University of Regina's new journalism school might be of interest. She thought my interest in people, travel and photography would find a home in journalism. After graduation, I was a summer student reporter at the Calgary Herald. I worked contract at CBC Radio in Calgary, then full time at the Regina Leader-Post writing news features and then covering agriculture, my first glimpse of business reporting. In the summer before the 1988 Calgary Olympics, the Calgary Herald was staffing up. We bought Olympic Plaza bricks and I covered city news, the education beat, provincial budgets and refugees escaping Central America.

When an opening covering energy arrived, I jumped at it – a very lucky career break. The late and highly respected Gordon Jaremko, "the professor" as we described his academic approach to journalism, had moved on to a new assignment. One of my first stories included a series of mistakes confusing BCFs with TCFs with MCFs. Luckily, Peter Linder, who was the Canadian Energy Research Institute, invited me out for a chat and he became a career long source. To deepen my knowledge of capital markets, I took the Canadian Securities Course, one of the best courses I ever studied.

The perpetual news themes for Canada's energy sector were market access and technologies that lowered costs – namely unconventional production. Canada always needed more pipelines to expand markets, pop the supply bubbles and quash Canada's discounted prices. The 1990s saw major technical advances in bitumen mining and extraction. The 2000s heralded an extraordinary technical revolution of horizontal drilling and hydraulic fracturing. Throughout, politics and energy waged a cage match. You would also remember in 1996, Jean Chretien help launch oilsands investment at Fort McMurray, the dawn of Alberta's bitumen age.

Another emerging trend was digital gas price trading. Alberta Energy Company was building AECO-C as a gas storage and trading hub. AEC wanted to establish a transparent and credible price for Canadian natural gas to rival Henry Hub. Sell the price, sell the storage. Each day, companies would buy and sell gas at AECO-C, then report the volumes and prices of their transactions to Price Waterhouse. PWC tabulated the aggregated price, faxed the daily price to us at the Herald, and we'd publish it on the front page of the business section. In a historical sense, I was instrumental in being the first publisher of the AECO-C price, well at least me and my employer.

Late on a Friday in 1994, Ralph Klein appointed the popular Barrhead MLA, Ken Kowalski, to head the Energy Resources Conservation Board, a job always filled before then by independent and respected engineers, civil servants or regulators. That was one of my best weeks in journalism. On Monday, I started by talking to David Breen, University of British Columbia history professor and author of the ERCB history. Not having an engineer heading the regulator was an outrage. Everyday, I looked to write a new story because it was just wrong to politicize the regulator. I keep pushing Gerry Protti of the Canadian Association of Petroleum Producers, trying to get him to cough up a great quote. He later told me that the CAPP chairman, David O'Brien, called him frequently to ensure he remained diplomatic. Industry knew such a political appointment would be a disaster. I called Harry Wheeler, a junior oil company CEO. Loved his quote, which was something to the effect "It doesn't matter looking at it straight, or if you turn it

upside down, it doesn't look better." About mid-week, I called George Govier, the regulatory godfather. He, so distinguishingly dressed in a bow tie and jacket, graciously invited me to his home in north Calgary and asked me to take a seat in his study. He articulately dismantled Ralph's politicization of the hallowed regulatory. We put Govier's photo on the front page. By Friday at the end of the day, Ralph unappointed Ken Kowalski. I got home late that Friday night, threw my pen on the dresser and told my wife, I'd just had one of the best weeks ever. That's the fun of journalism.

In 1997, I was on the phone with Gerry Protti again, by then at PanCanadian. I asked his thoughts on whether there were any opportunities in industry. A few interviews later, I moved "from Hack to Flack". A conversion from a truth-seeking reporter to a spin master communicator is always decorated with abuse and scorn, and some envy. How could you go to the dark side? First, the dark side is not so dark, it's certainly interesting, offers endless opportunity to learn from smart and adventurous entrepreneurs, financial strategists and scientists. Second, it pays better and is often better for one's family life.

Shortly after I arrived in my new job, PanCanadian got into a bidding war with Gulf for Denis Sharp's CS Resources and its prize Christina Lake SAGD reservoir which went from a forest field to produce 234,000 barrels per day in 2024. PanCanadian also developed the world's largest carbon sequestration project at Weyburn, Saskatchewan with a CO_2 pipeline from a coal gasification plant at Beulah, North Dakota. When we announced it in 2000, we said it would extend the field life by 25 years, so until now. In a testament how technology extends resources, it turned out much better. The field is now producing about 20,000 barrels per day, about 10 percent above the production when the project started. On the corporate side, with the advances in computing power and financial information through the 1990s, institutional investors did not want conglomerates or integration. They did not want the Planes, Trains, Hotels, Coal and Oil & Gas in Canadian Pacific and all of its divisions were spun off.

In late 1999, Dick Wilson called to see if I'd be interested in joining Alberta Energy Co. which had started to focus on gas, selling forestry, pipelines and oilsands. Gwyn Morgan was in a major growth phase, building his Global Super Independent, the dawn of the independent, quick moving, tech savvy oil and gas companies. (On a personal note, when I started university in 1975, AEC was selling shares and my dad encouraged me to buy some with some savings. I bought 100 AEC shares at $10 each. About eight years later, I sold those shares for about $4,500 to pay for journalism school. I was now about to work for AEC, 25 years after that share purchase. That investment still pays dividends today.)

A little over a year after I started at AEC, Gwyn and PanCanadian's David O'Brien had been meeting secretly over Christmas plotting the merger to create a Canadian Flagship Energy company – EnCana Corporation. What's amazing was the extensiveness of EnCana's lands in Canada and the U.S., plus internationally. Later EnCana took this commodity focus a step further. It didn't even want oil AND gas. In 2009, it split out Cenovus with the oil assets. Sadly, EnCana left Canada in 2019 and changed its name to Ovintiv.

I'd have to say that luck punctuated my career. I left the Herald about two years before reporters went on a contentious eight-month strike. I left PanCanadian to join AEC about one year before they merged, with AEC taking a leadership role at EnCana. I spent a couple of years at National Public Relations consulting for numerous companies, then joined Seven Generations for four years. It was eventually taken over by ARC Resources.

Shortly after I left Seven Generations, Premier Jason Kenney invited high respected Calgary accountant, Steve Allan, to conduct a forensic accounting audit of foreign funding of anti-energy campaigns in Alberta. Steve asked if I could help with media relations and communications on the Alberta Public Inquiry into Anti-Alberta Energy Campaigns. The inquiry affirmed for me how Big Green, namely the Environmental De-Industrial Complex, built their business model on a Big Lie. They have convinced society that renewable wind and solar power can replace oil and gas. Quit fossil fuels. However, any serious look at energy proves renewables are intermittent and they require back up power generation from gas. That's why oil and gas continue to fuel more than 80 percent of human needs.

From a Canadian perspective, attacks on the oilsands were the first and most effective campaigns of foreign political interference with a crucial strategic U.S. objective. The Inquiry underscored how environmentalism sustains its business on policy and propaganda production. Many staff are highly dedicated to environmental improvement, but that's more of a secondary consequence to sustaining the environmental outrage, funding and opposition to whatever constructive business is proposed. And they operate under the veil of protection of non-profits and charities. The Inquiry found Canadian charities received about $15 billion of foreign funding for the nine years before 2019, or about $1.6 billion per year. Of that, about $1.28 billion went to environmental initiatives for the 17 years before 2020. While it was very difficult to find all the anti-oil funding because it was wrapped in environmental funding, an estimated $54 million as tagged to go to anti-Alberta resource development activity. Climate crusading is the perfect political and journalism story. It's religious. Repent or die. Reporters love reporting a catastrophe, great video, great sorrow. Technical advances that reduce environmental impacts don't bleed, so they don't lead.

There are a variety estimates of what the obstruction has cost Canada. One put the loss due to the oil price differential at $14 billion over five years ending 2019. The National Post identified 135 projects, worth $129 billion, were stalled or cancelled. Then Alberta Premier Rachel Notley once pegged the loss at $80 million a day and she then curtailed Alberta production. That Big Green obstruction also served U.S. energy security, keeping Canada's massive oil and gas reserves away from China. It takes oil to power a military, so the U.S. has no interest in seeing Canada sell its most strategic resource bounty to China or India. If the U.S. really needed Keystone, it would be built in one summer.

Currently, what's amazing is how the U.S. tariffs, threats to our sovereignty and shutting down central Canada's auto industry, have awakened talk of pipelines to the Pacific and the Atlantic, if only to supply Canadians. I agree with Preston Manning, who said "beware of death bed conversions" among those on the national stage who are suddenly interested in expanding trans-Canada pipelines for domestic supply and export.

Now for some historical retrospectives. Close to 60 years ago, in the dining room of our Lethbridge home, I found an interesting news story in the Albertan – a fire destroyed a Calgary building and its businesses. You likely recall the Albertan, the morning broadsheet daily that much later became the Calgary Sun. I was never a great reader. I was slow. I'd get distracted. I'd read something that was complex, then my mind would wander from the words to think about what was said or meant. It was a long fire story, perhaps half a page. When I finished the long story, it felt like an accomplishment. I never even thought, not for a nanosecond, that the story

was anything but true. We used to say, “I read it in the newspaper, so it must be true.” We trusted printed and broadcast news, on radio and TV.

As the craft evolved, journalists, especially during Watergate, took on a new edge of noble purpose. When the highest leaders in our land broke the law, insiders hated to watch the crimes in silence. “Deep Throat” sources went public. Journalists became heroes when they told the public what really happened in the Richard Nixon election team. Watergate was a breakthrough for many reasons. Bob Woodward and Carl Bernstein did for journalism what Neil Armstrong and Buzz Aldrin did for engineering. In the intervening six decades, we’ve had a news convergence and a media explosion. The Information Age delivers a firehose of content, with it, plenty of gasoline, not the water needed to wash away the ashes and find what’s true.

Within my career, I’ve had a front row seat on society’s contradictory relationship with oil and natural gas. Humans love the gifts of petroleum. However, they’ve lately been convinced to hate the unintended consequences and petroleum makers. I’ve watched and crafted efforts by the petroleum industry to prove its worth and justify its value against an onslaught of political fantasy and Big Green lies about what’s possible in putting oil and gas out of business.

Journalists pride themselves on being purveyors of truth. It’s a moral driver. It’s a core reason for selecting journalism as a profession. Traditional journalists ask: Is this report is fair, accurate and balanced? Is the reporter independent? Do stories inform and educate? Do stories help readers or viewers learn and understand what happened? Are reports clear, coherent, complete and framed with context? Logic and rhetoric define a good news story. What is happening and why, then does the why make sense? Lawyers seek justice for clients. Engineers pursue safe, efficient and operational integrity. Doctors work to preserve life. Journalists want to tell the truth. At least, most of them used to.

A massive 86% of Americans get their news from smartphones, tablets or computers, at least some of the time, says Pew Research. Traditional journalistic principles are practiced by fewer trustworthy journalists. Citizen journalism has feed the million-channel screen age. We are at the dawn of a period when machines create illusion, fabricate hyper-confusion and deliver media manipulation on a global, industrial scale.

To conclude, I offer some reflections on the inherent conflict between business and media. Or between natural law and science versus the art of persuasion practiced in the media. The hard sciences and engineering are ruled by the laws of nature. Physics does not change. It governs how our world works or doesn’t work. There’s a couple of old adages that apply here.

First, human development has always been governed by the capacity to master a machine, be it a lever, a wheel or a pulley. This is the work of science and engineering. Humans are called to “Be smarter than the machine.” When humans make better machines, they thrive. The energy industry has always been at the cutting edge of machine mastery to optimize resource harvests.

Human interaction with the world is also governed by theory and practice. The laws of nature are simple in origin, in theory and in practice. However, we all know a second famous axiom: *“In theory, theory and practice are the same. In practice, they are not.”* This is where energy facts collide with media torque. Technical excellence vs. “second coming” headlines. In engineering, the machines work or they don’t. Machines operate inside the envelop of physics. Physical laws don’t bend.

For a reporter to get their story better play, to get it published above the fold, on the front page, they “will bend the physics of rhetoric”. They will torque the story. Make the first sentence and the headline so compelling that it will lead the news and cause readers to pick it up. Reporters self-market their work with words and pictures. It’s business competition. To gain attention, they push the edge of reality, bending whatsoever things are true. In politics, every story is torqued more. Most recently, political rhetoric, the art of the possible, has been bent into an unrecognizable mess. The art of persuasive discourse has become the art of lying.

Never before has a western democratic leader lied to so many, so many times, with such vigor, confidence and impunity that that he convinced the U.S. Supreme Court that his official acts are immune from prosecution. He is above the law. That changes the game completely. For example, President Donald Trump launches a tariff war on Canada, then preaches endless falsehoods to build his case for his disciples. And as Mark Twain said, “A lie can travel halfway around the world while the truth is putting on its shoes.” Now add computers and the video and audio capacity of Artificial Intelligence. This bends the political rhetoric of physics.

So how do we know what’s real? There’s a phenomenon called “The Uncanny Valley”, coined by Japanese roboticist Masahiro Mori. The "uncanny valley" is a psychological phenomenon where human-like objects or simulations that are almost but not quite realistic, trigger a feeling of unease or revulsion in viewers. Humans are attracted to fake beings and recognize they are not real, for a while. Then as they get more grotesque, people run away from corpses and zombies. As the beings grow more human-like in every way possible, they become more believable. Trust grows. Artificial intelligence takes us further than ever before, up the trust and likable scale with video, politics and lies.

At the end, we have to ask: Do we have the skills and critical thinking capacity to know what’s real? We used to trust the news, now we can’t figure out what to trust and we burn endless energy trying to figure out… Will we be smarter than the machine? That’s not to in any way say AI is all bad. I know it will be of enormous benefit across industry and society. It can also be just entertaining. Will we be able to decipher and disregard its fraudulent and destructive actions? Will we be smarter than the AI machine?

Alan provided the following footnote with links for our readers:

I’m wondering if there would be any benefit to having some supplemental visuals with the published text, if only links to the YouTube videos that illustrate the power of AI, perhaps the one of CNN’s Anderson Cooper, and the one of McDavid. I have put those links below. If they have a brief explanation that this is the power of AI deception, and that it was included in the originally presentation, it may help the reader. I offer this as a suggestion for your consideration.

Anderson Cooper link:
https://www.youtube.com/watch?v=3wVpVH0Wa6E

Connor McDavid link:
https://www.youtube.com/shorts/mS6RK1HIcaE

A TURNER VALLEY FAMILY TREE

Most of the time we focus on the operational side of Turner Valley – the discoveries, the wells and facilities built, and the overall development of the field. Running parallel to this is, of course, the corporate evolution of the ownership within the field. The major player was Royalite, the Imperial Oil subsidiary whose style of acquisition and consolidation made it a mini-Standard Oil Trust as it gobbled up many of the smaller players in the field. But that's a story for another day. There were, however, a number of independent companies who also played significant roles and had their own "family histories". The following is one such chain. It should be noted that most companies had numerous properties and operations outside the Turner Valley region that are not described here. The funds used for these other ventures were sourced, in part, from cash flows originating in Turner Valley. This information is derived primarily from The Financial Post Survey of Canadian Oils of various years as well as the Financial Post Surveys of Predecessor and Defunct Companies.

Calmont Oils Limited

Calmont was incorporated in 1926 and was headquartered in Calgary, although its early President seems to have been a prominent Englishman. They were most active in the Turner Valley area between 1929 and 1930, drilling 10 wells that were sold to Royalite in 1934 with Calmont reserving some royalty interests. They were also active in Turner Valley during WWII through Wartime Oils, partly in partnership with Northwest Co. Ltd. In 1948 the company owned 4 rotary rigs and one cable tool rig. The book "In the Light of the Flares" has two good sections on Calmont – the company itself (pages 45-46) and the Calmont Camp near Millarville (pages 46-47).

Calmont was acquired by Anglo-Canadian Oil Co. in 1953 through a share exchange.

Anglo-Canadian Oil Co. Ltd.

Anglo-Canadian was originally incorporated in 1934 as Anglo-Canadian Development and Holding Co. Ltd. and was headquartered in Calgary. It drilled 11 wells in Turner Valley in the 1938-1944 timeframe. It had a subsidiary called Drilling Contractors. In 1948 it was also operating a small refinery in Brandon, Manitoba.

Anglo-Canadian was purchased in 1955 by Canadian Oil Companies Ltd. in a cash and share transaction. At that time Anglo-Canadian had 174 producing wells across Western Canada with 3000 bbl/d net production and 12 million bbl. reserves and having an overall valuation of approx. $23 million.

Canadian Oil Companies Ltd.

Canadian Oil Companies was an Ontario-based, primarily downstream-focused company established in 1908 that sought to diversify into the upstream through its acquisition of Western Canada-based Anglo-Canadian. In 1957 Canadian Oil discovered the Innisfail Leduc Pool and built a small refinery adjacent to it that ultimately came to be owned by Parkland Industries. In 1958 they had 276 producing wells, 3304 bbl/d production and 33 million barrels of reserves.

Canadian Oil Companies was purchased by Shell Canada Limited in 1962.

Shell Canada Limited

Shell first invested in Canada in 1911 with the establishment of a marketing terminal in Montreal. It grew its Easter Canada downstream operations over the following decades. Entry into Western Canada took place in two ways. Firstly, in about 1937, in the aftermath of the 1936 Royalties oil discovery at Turner valley, Shell sought to gain an interest in the field but was rebuffed. Instead, they partnered with the Brown interests of Royalite fame who had also accumulated a large land spread to the north of Turner Valley in the Jumping Pound area. Shell drilled a significant gas discovery there in 1944 that was ultimately brought into production in 1951. Secondly, starting in 1949, U.S.-based Shell Oil funded a much larger exploration program in Canada which was then combined with Shell Canada's interests in 1957 to create an integrated Canada-wide company.

Through its acquisition of Canadian Oil Companies, Shell inherited the residual ownership and liabilities for Calmont, Anglo-Canadian, and Canadian Oils.

It is not known whether Shell's divestment of its Foothills assets to Pieridae in about 2018 included these old Turner Valley-related obligations or whether they still reside with Shell.

THE WILDCATTER
by Berton Braley
(from "In the Light of the Flares", p. 74)

On wide, dry acres he takes a lease, then peddles his shares around.
For tools, and money, and axle grease, to drill that hole in the ground.

He hocks his car and his coat and shirt, and wagers them out of hand.
On a bet that's under a mile of dirt, there's a stratum of oily sand.

His derrick is scantlings, and wire, and rope, his tools are a load of junk.
But still, by labor and debt – and hope, his casings and pipe are sunk.

Water and gas; a hole that caves, are commonplace daily ills.
And everything always misbehaves, but nevertheless he drills.

What if the derrick collapses flat and then the engine quits?
Why your true wildcatter is used to that, the derrick raised again.

The engine tinkered – the work goes on till the strands of cable crack.
And a string of tools in the hole is gone and he fishes to get them back.

And if he's lucky enough to get a "rainbow" on bit and stem.
And a gusher gushes him out of debt, he is only flush *pro tem*.

For the buzzards wait and vultures lurk – greedy and shrewd and quick.
To grab a prize of the 'catters's work by many a legal trick.