

ARCHIVES

Newsletter of the Petroleum History Society

June 2000; Volume XI, Number 4

NEXT LUNCHEON – JUNE 15, 2000

Aubrey Kerr, Author, Historian, Honourary CSPG Member

TOPIC: "History of the World Petroleum Congress (WPC), 1932 - 1959"

WPC was conceived during the Depression. Inaugural July 1933 Congress surprisingly attracted 244 learned industry papers. Notable exhibitors were the Schlumberger brothers, famous at the time for "electrical coring" in Romania from which evolved theories of potential and resistivity of well bores and development of their dip meter. The most crucial 1st WPC resolution was to ensure Congress continuity "so valuable in many respects, that its existence should be perpetuated and should be held triennially...". Paris hosted the 2nd WPC in 1937, however WWII delayed a followup until 1951 in The Hague. Rome's invitation was accepted for the June 1955 WPC (no competition in those days as exists now!). Canadians presented 3 technical papers and comprised 26 of 4700 participants; likewise of a large list of corporate donors, 22 were Canadian firms. WPC excelled in organizing, persuading the Vatican to parade the Pope on his Throne, carried by his Swiss Guards, through the Conference chambers. Six post-Conference excursions initiated a popular WPC trend to this day. Aubrey will tell us "the rest of the story".

Date: Thursday, June 15, 2000

Time: 12:30 - 2:00 PM (NOTE LATER STARTING TIME, receipts at the door)

Place: Calgary Chamber of Commerce, 517 Centre St S, -4th Floor - Peter Bawden Room

Cost: \$25 for members and guests (one time higher price due to change of venue)

*Members-support your Society. Post this Notice so others can share an entertaining Lunch & Learn!

RSVP Clint Tippett, 691-4274 by Noon, Monday, June 12, 2000

In This Issue ...

Next Luncheon	1
Calendar of Events	2
May 17 Presentation	3
Oilpatch Collectibles	4
Registration Form	8

Next Luncheon – Guest Speaker John Wall, September 27, 2000.

if you missed ...

"PETROLEUM HISTORY FROM PETROPHILATELIC PERSPECTIVE" AND "COSTS AND CONSEQUENCES OF THE KYOTO ACCORD"

Wednesday, May 17, 2000.... with Brenda Curtis, PPSI and Bill Martensen, Clarion Institute

.....see the condensed versions in this issue of Archives, complete with 4 page handout from PPSI.

THE PETROLEUM HISTORY SOCIETY Calendar of Events and Daily Tips

Next Director's Meeting: September 6, 2000.

Canadian Petroleum Hall of Fame Dinner: Westin Hotel, Calgary, 29 September 2000. Price \$75, seating limited – contact Calgary Committee 1-403-531-9737. Nomination papers available from PHS Directors or phone Canadian Hall of Fame Society 1-780-930-6833.

Society E-Mail Address: petroleumhistorysociety@canada.com. All members with e-mail service please send in your address to Bonnie Mech, Director, Membership Committee "bonnie_mech@pancanadian.ca" to build our file, currently at 27 entries.

Turner Valley Field Trip – June 11, 2000, 8:00AM - 2:00PM: If you are a World Petroleum Congress delegate, see where Alberta's oil industry began. Visit the town's historical original gas plant, now a museum. Consider Hell's Half Acre where, at one time, so much gas was flared that it was visible 60 kilometers away in Calgary. The tour returns to Calgary through beautiful foothills that have been the filming site for many western movies. Hosted by Petroleum History Society guides. Cost \$60 U.S. (delegates only). Contact Clint Tippett 691-4274.

PHS Membership: Total 83 paid, including 21 Lifetime, 8 Sustaining, 1 Corporate and 53 Individual. Pass on the Membership Registration Form on the last page of this Archives – our goal is 100 Members.

2000 National Petroleum Show, Stampede Grounds: 12–15 June 2000. PHS will have a table to display and hand out brochures and registration forms and market our collectible Pin Sets. Members authoring oilpatch books who wish to display/sell them at our table, contact Neil Leeson at 217-2974. Likewise, pairs of volunteers to manage our table are needed for half day shifts. Contact Edith Wenzel at 263-1135 if you can help out.

History of Geological Pioneers Conference: Rensselaer Centre of Applied Geology, Troy, New York. This meeting will combine theme-oriented and volunteer papers with visits to favourite exposures. Call for papers – send title to Dr. Gerald M. Friedman, Rensselaer Centre of Applied Geology (c/o Brooklyn College of the City, University of New York, Brooklyn, N.Y.), 15 Third Street, P.O. Box 746, Troy, N.Y. 12181-0746 USA; fax: 518-273-3249; E-mail; gmfriedman@juno.com. Contact Clint Tippett at 691-4274 for details.

Tip For The Day: (from *The 365 Stupidest Things Ever Said* by Ross & Kathryn Petras) **Frank Layden (Utah Jazz coach)**: "Was your bad playing today due to ignorance or apathy?" **Jeff Wilkins (Utah Jazz forward)**: "I don't know and I don't care."

PETROLEUM HISTORY FROM PETROPHILATELIC PERSPECTIVE by Brenda Curtis, PPSI COSTS AND CONSEQUENCES OF THE KYOTO ACCORD by Bill Martensen, Clarion Institute

PRESENTATIONS TO THE PETROLEUM HISTORY SOCIETY LUNCHEON MEETING-17 MAY 2000 (by Neil Leeson, Director, PHS)

Frustrated with the stress and strain of oilpatch politics and pricing; funnel your energy into a rare, valuable and unassuming hobby! Collecting historical oilpatch stamps and post cards led to the formation of U.S.-based Petrophilatelic Society International (PPSI) with worldwide membership. Brenda Curtis presented a fascinating hands-on review with well-illustrated industry stamp and post card displays. Brings out old memories for veterans.

"Thrill of the hunt for oilpatch collectibles begins by joining PPSI. Membership of US\$12/year includes quarterly newsletters. Members receive a comprehensive list of all petroleum stamps issued, whether mounted alone or as stamped envelopes/post cards, and the history of each. Although small in size, each has a rare story, like the Falkland Islands stamp commemorating an oil supply agreement with Argentina (pre-war) or the US oilpatch centennial, 1859-1959.

Post cards, on the other hand, offer intimate author perspectives. PPSI's collection traces the industry back to the mid-1800s. Through time, family trees of various firms are plotted, much like PHS's Diagnostic research. Early in the 20th century, post cards became much more ornate, colourful and informative. Our collection reveals diverse locations of Canadian company headquarters over time, like Winnipeg, Vancouver and Petrolia. Seeking a unique, satisfying hobby? This would be it!"

Well Canada, here we go again! Being so preoccupied compromising and negotiating internal linguistic and nationalistic feuds, we may be underestimating our adversaries abroad. Our Federal Government's support of the Kyoto Accord is what opportunistic lobbyists expect of Canada, given our traditional veil of naivity, trust, goodwill and accommodation. After bungling the NEP, Free Trade Agreement and Quebec Sovereignty Referendum, its time to be unCanadian and hold elected officials accountable. The Nation's economy is at stake. Understanding and verifying Kyoto's consequences might be in order before committing the farm. Will history repeat itself?

"Clarion Institute, non-profit and federally chartered, is dedicated to research, education and advocacy of public awareness. As a veteran Schlumberger engineer and pre-1980 promising real estate investor, I experienced first hand the disastrous consequences of the Liberal Government's ill-conceived and discriminating NEP. Although the Western Canadian economy is finally on the mend, two decades have yet to fully erase the torment and betrayal of our energy industry and economy. The political situation today is not unlike the NEP era, given the players. Beware!

Energy producing nations were intimidated into signing the December 1997 Kyoto Accord as a pretext to drastic emission reduction. Convenient to measure and tax, Kyoto's Emissions Treating Scheme singled out CO2 as the major contributing pollutant to Global Warming. Why? Vegetation must have CO2 to survive and reproduce. Could the food chain be jeopardized by interfering with the manmade greenhouse gas balance? Experts think so, including 1800 scientifically accredited US petitioners opposing Kyoto. Studies by organizations, like ESSO and the University of Washington at St. Louis, document potential disastrous consequences to Canada's economy, joblessness and global competitiveness. Of all energy exporting nations with high producing costs and taxation, we will be one of the three most vulnerable. Countries with less CO2 emissions earn credits, which industrialized nations have to buy - bad science and PR leading to corruption and mismanagement.

Kyoto is the brainchild of the United Nations. Of 178 Member States, most can't afford to pay dues. Generating daily revenues of up to \$4 billion, the global energy industry became an obvious target for 'massive transfer of wealth'. Canada's rush of support without research ignored that 133 members refused to sign, including two with the fastest growing economies and worst pollution standards, China and India. The US Senate voted 96-0 against Kyoto. Canada has given notice it will ratify the Accord anyway. If we think we have brain drain now, just wait. The UN, neither elected by nor accountable to Canadian voters, will control this transfer of wealth offshore. If this genuine threat is implemented, it may not be changeable. Become informed, respect your judgement and bring pressure to bear on your MP, since political ineptness got us into this crisis."

Canada's Early Oil Industry,

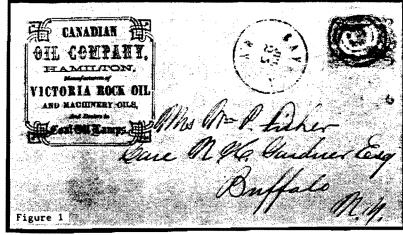
A Brief History

by Brenda Curtis (452)

THE PETEO-PHILATELIST

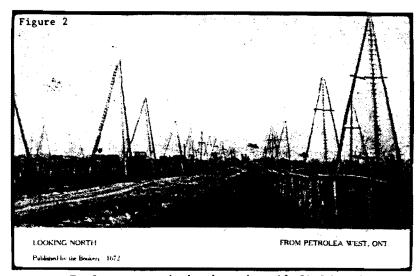
Reproduced with permission of the author

Canada's oil industry began in Lambton County, Ontario, in and around the communities of Oil Springs and Petrolia. For years, settlers in the area had known of the existence of nearby oil seeps and asphalt beds. It wasn't until 1851, however, that Charles Nelson Tripp of Woodstock, Ontario, decided to commercially exploit the "gum beds", as they were called. Tripp formed the International Mining and Manufacturing Company and had the petroleum analyzed. It was determined



Canada's first oil company. Letter enclosed dated 1862, just two years after the company was formed.

wells in what would later be known as the Oil Springs Field. Wells in this field would continue to be dug by hand until 1860 when drilling using the spring pole method came into use. In the same year Williams established the Canadian Oil Company in Hamilton to market the 10,000 barrels of "Victoria Rock Oil" (figure 1) that he produced during the course of the year. In 1862 the field produced 370,000 barrels and soon thereafter oil was discovered in Petrolia and other locales nearby (figure



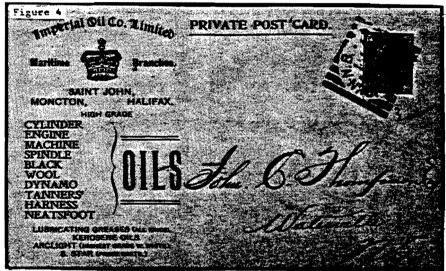
Early post card showing the oil fields of Petrolia.

to have numerous possible uses but due to the lack of suitable transportation he was unable to get the oil to a market. In 1855 he became insolvent and sold his holdings to James Miller Williams, a carriage maker from Hamilton, Ontario. In 1858 the Great Western Railway completed its Sarnia to London line, coming within fourteen miles of the "gum beds". That same year Williams built a road to the rail line and dug the first

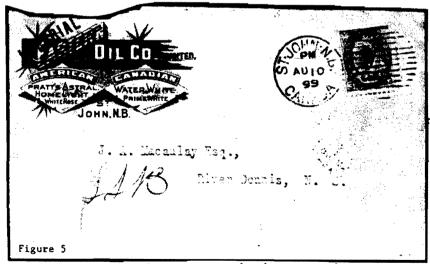
- 2). This was the height of the boom time in Ontario and hundreds of small oil companies, refineries and service companies (figure 3) sprang into existence. Competition was fierce and most of the companies would not survive. Two notable exceptions were:
 - 1) Imperial Oil (Exxon's Canadian subsidiary)
 - McColl Bros. Ltd. (Texaco Canada's forerunner)



Early service company: Oil Well Supply Co. was founded in 1862 in Oil City, PA and had expanded into Canada before the turn of the century.



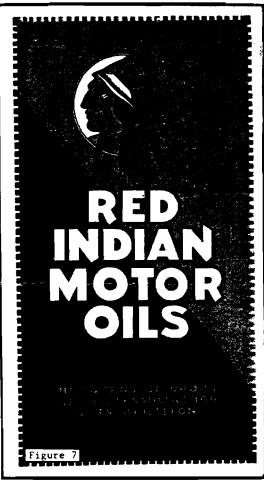
Advertizing post card from one of Imperial's Maritime branches dated July 1898.



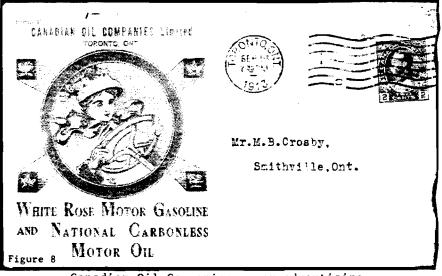
Eastern Oil Co. cover showing name change resulting from merger of Imperial Oil and Standard Oil's Canadian affiliates.



Advertizing post card by Queen City Oil, another of Standard Oil's Canadian affiliates, dated April 1898.



McColl Bros. cover advertizing its Red Indian products.



Canadian Oil Companies cover advertizing its White Rose products.

Imperial Oil

On September 8, 1880, several small refining companies, owned by sixteen local men, pooled their resources and equipment and were incorporated as the Imperial Oil Co. Ltd. in London, Ontario. The company owned two refineries, one in London and the other in Petrolia. Imperial expanded rapidly and by 1893 had twenty-three branch offices across the country (figure 4). They were exporting their lubricants, candles and kerosene abroad to Japan, India, China, Australia and South America. About this time demand for oil began to exceed supply and in order to sell in larger volumes it became necessary to enlarge distribution facilities and construct more bulk plants. Imperial needed funding in order to finance this expansion and in July of 1898 accepted an offer by J. D. Rockefeller's Standard Oil Company to buy a majority interest in Imperial. Standard Oil already had four Canadian affiliates and on February 23, 1899,

the five companies were merged under the Imperial Oil Co. name. Standard's four Canadian affiliates were:

- 1) Eastern Oil Co., in the maritimes (Figure 5).
- 2) Bushnell Company, in Ontario and Quebec.
- Queen City Oil Company*, in Toronto (figure 6).
- 4) British Columbia Oil Company.

In 1911 the old Standard Oil Company was broken up and Imperial was allotted to Standard Oil of New Jersey (Exxon). It has gone on to become the largest oil company in Canada.

McColl Bros. Ltd. (Texaco Canada's forerunner)

McColl-Anderson Oil Company was formed in 1873 in Toronto, Ontario, and consisted of a refinery and a lubricating oil and grease facility. Sometime before 1897 the name was shortened to McColl Bros. In 1927 it merged with Frontenac Oil Refineries to become McColl-Frontenac Oil Company. By then it had operations coast-to-coast. Around this time the Texas Corporation began to buy shares in McGoll-Frontenac and within a few years gained controlling interest in the company. It further strengthened its interests by having McColl-Frontenac buy the Texas Company of Canada which had operations in Saskatchewan, Alberta and British Columbia.

The McColl-Frontenac name and its Red Indian products (figure 7) were in use until 1941 when they were replaced by the Texaco name and its Sky Chief products.

Other Early Oil Companies

Two other companies which were established relatively early in the history of the Canadian oil industry were:

- 1) Canadian Oil Companies Ltd.- a large independent bought out by Shell in 1962.
- The British-American Oil Company Ltd. bought out by Gulf in 1966.

Canadian Oil Companies Ltd.

Canadian Oil Companies Ltd. was formed in 1901 in Petrolia, Ontario. Three years later it merged with several other firms and then went bankrupt. The National Refining Co. of Cleveland reorganized the company in 1908 and ran it for the next thirty years. In 1938 National Refining found itself in financial trouble. The Montreal brokerage firm of Nesbitt, Thompson and Co. purchased control at this point. Canadian Oil Companies Ltd. continued to expand and by 1962 had production of 5000 BOPD, two refineries and 3000 White Rose service stations across Canada (figure 8). It was at that time the largest Canadian owned oil company in Canada. That same year Shell Oil bought the company and it was merged into Shell Canada.

*Author's Note: Although the literature claims that the five companies were merged under the Imperial Oil name in 1899, I have Queen City Oil covers dating to 1912. Shell Oil itself had been operating in Canada since 1911. It was incorporated as Shell Company of Canada and began marketing gasoline in Montreal. Not long thereafter, Shell of California set up business in Vancouver where it operated until 1928 when the branch was incorporated as the Shell Company of British Columbia. The two companies operated as separate entities until they merged in 1957.

The British-American Oil Company

Formed by Albert LeRoy Ellsworth on October 17, 1906, the British-American Oil Company began by distributing kerosene and lubricating oils in Toronto. It built a refinery within a year and expanded into Quebec shortly thereafter. Later it purchased the Winnipeg Oil Company in order to expand onto the prairies. In 1924 B-A moved into the United States where it established the British-Ameriacn Oil Producing Company to develop its properties in Oklahoma. It also formed the Toronto Pipeline Company in the same year to build a gathering system for an Illinois field. Six years later it began to acquire a tanker fleet to transport east Texas crude to Montreal. By 1936 B-A had outlets in most provinces of Canada and refineries in Toronto, Montreal, Moose Jaw, Saskatchewan and Coutts, Alberta.

In 1946 B-A purchased the assets of Union Oil Company of Canada. In the U.S. it had operations in thirteen states with 375 wells producing 12,000 BOPD. In 1966 B-A sold its U.S. subsidiary to the Chartered Corporation of Dallas and most of these assets were acquired by Gulf Oil. Gulf had also acquired a majority interest in B-A in Canada and in 1968 B-A and some of its subsidiaries were amalgamated under the name Gulf Oil Canada Ltd.

REFERENCES

Gould, Edward, Oil: The History of Canada's Oil and Gas Industry, Hancock House, 1976.

Hillborn, James D., editor, <u>Dusters and Gushers</u>, <u>The Canadian Oil and Gas Industry</u>, Pitt Publishing Company Ltd., 1968.

Special machine cancellation:

Drumright, OK 74030

DISCOVERY OIL WELL 75TH ANNIVERSARY DRUMRIGHT 1912-1987

March 17 - May 17