



**PETROLEUM
HISTORY
SOCIETY**

ARCHIVES

Newsletter of the Petroleum History Society

May 2003; Volume XIV, Number 3

P.H.S. Lunch, Mingle and Learn – May 21, 2003

Speaker: Herb Laycraft, Lawyer

“RESERVING UNTO THE C.P.R. ALL COAL AND PETROLEUM”

The words in the title of this talk achieved a certain distinction in the Alberta Oil Patch as the foundation, just after World War II, of two notable lawsuits that greatly affected Alberta production history. The first was Borys v. Canadian Pacific Rwy. & Imperial Oil. The second was Turta v. Canadian Pacific Rwy. & Imperial Oil Limited. Borys decided that although “Petroleum” and “Natural Gas” are two different substances, yet “Petroleum” includes natural gas in solution in liquids as it exists in the earth. Had the result of the case been different, natural gas owners would have had an effective veto on oil production whenever the ownership of the two substances was different. Turta determined that the Torrens System of land registration in Alberta entitles a purchaser in good faith, for value, of an interest in Alberta land to obtain good title to it from an existing title-holder notwithstanding prior defects in the title. Had the result of that case been different, a historical search back to the original title would have been required for every land transaction in the Oil Patch.

Herb Laycraft grew up in High River during the 1920's and 1930's. He vividly recalls the sky being alight due to the flaring of gas at Turner Valley. After WW II he studied at U. of A. and became a lawyer. Upon moving to Calgary he worked for several prominent lawyers on notable oil and gas litigation cases and played a role in the two cases being discussed. Herb was appointed Chief Justice of Alberta in 1985 and retired at the end of 1991.

TIME: Noon, Wednesday, May 21, 2003

PLACE: Fairmont Palliser Hotel (133 - 9th Avenue S.E.) – Marquis Room (check marquee).

COST: \$25.00 Members and \$30.00 Guests (most welcome)

**R.S.V.P. if you wish to attend to: Clint Tippett, 691-4274 or
clinton.tippett@shell.ca by noon Tuesday, May 20**

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if you missed the Annual General Meeting talk...

MY RECOLLECTIONS OF THE CANADIAN OILPATCH

Wednesday, March 19, 2003

by

John Ballem, Q.C., LL.D.

... enjoy a condensed version of the presentation in this issue of Archives

THE PETROLEUM HISTORY SOCIETY
THE BULL WHEEL



Next Board Meeting: The Executive and Board are reminded that the next meeting will be at noon on June 11 at the Glenbow.

Next Luncheons: The Society has been trying to firm up a slate of talks for the fall. If you would like to present the results of a project that you've been working on or tell us about the interesting things that you have seen and done over your life, please let us know and we will fit you in. Contact Clint Tippett, President P.H.S., at 691-4274 or Director Debbie Knall at 780-463-3859 (Edmonton).

Society E-Mail Address: All members with e-mail service who have not already done so, please send in your address to Micky Gulless, Past President, Membership Committee at her address "micky@fuzzylogic.ca".

Membership: Please consult your mailing label for the status of your membership. Renewal notices were included with the February issue for those whose memberships are due. A few remain outstanding and we'd like to keep you on board. Thanks to Micky for her continuing hard work in maintaining our records!

Donations: Several of our members have made generous donations to support the ongoing operations of our Society. Many thanks to them! Several others have donated copies of books for our Library. We continue to try to find the right path forward to gain charitable group status for some of our activities.

Passings: We note with regret the passing of long time P.H.S. member William (Bill) Tisdall on April 15, 2003. Bill was an engineer who began his career working for Sun Oil which he left after twenty-two years to establish his own company. He was a dedicated member who attended our luncheons whenever possible. Bill's funeral was attended by several P.H.S. members.

An individual who played prominent role in the evolution of geological thought in Western Canada has also recently passed away. Sam Nelson left us on February 19, 2003. He was a professor at U. of C. for almost forty years before retiring in 1992. He is best known for the C.S.P.G. volume concerning the Western Canadian Sedimentary Basin entitled "The Face of Time".

Petroleum History Walking Tour of Downtown Calgary: The Board has been considering such an event for June. If you have some good reference material on this topic, for example of the sites of current or former key buildings and related stories, or would like to see certain things included, please contact Clint Tippett at 691-4274. This no cost walking tour is scheduled for Saturday, June 21 beginning at the Glenbow. More details will be available in the next issue of Archives. Please mark this date in your calendars!

Historical Pin Sets: The Board recently passed a motion to reduce the price of our attractive historical pin sets from \$100 (including a one year membership) to \$40.00 (without a one year membership). If you would like to purchase one or more sets, please contact Director Joyce Wright at 252-4143. We will also be using our pin sets as speaker momentos at our luncheons.

Okotoks Petroleum Association: Member Neil Leeson has brought to our attention an interesting website concerning this group. The site has full text and photographs of the early history of the Okotoks area which, as you will recall, had a close relationship to Turner Valley. Try www.oilmens.net under Heritage House.

C.S.P.G – C.S.E.G Convention, June 2-4, 2003: Directors Sean Callaghan and Joyce Wright have taken the lead in organizing a P.H.S. presence at this upcoming technical convention that will be held at the Roundup Centre, Stampede Grounds. It will be similar to our successful involvement in last year's C.S.P.G. 75th Anniversary Convention. Sean and Joyce would like to ask our membership to participate by volunteering to be present at our booth for short periods of time over the three days. If you would like to help out, and in particular if you are going to be attending, please give Joyce a call at 252-4143.

2002 P.H.S. Awards: The P.H.S. is looking for nominations for our slate of awards for 2002. These include Article of the Year, Book of the Year, Multimedia, Preservation and Lifetime Achievement. Call Treasurer Doug Cass at the Glenbow at 268-4203 with your suggestions. Awards will be presented in the fall.

Centre for Energy: This new website and its underlying organization represent the successor to the Petroleum Communications Foundation. It can be found at www.centreforenergy.com and, according to its mandate, is "committed to becoming THE source for credible and respected Canadian information that is comprehensive and convenient to access by means of our web portal, interpretive centres and printed materials". Thanks to Director Frank Dabbs for bringing this new player to our attention.

Grain Academy: Most of you are likely familiar with the Grain Academy on the upper level of the Roundup Centre at the Stampede Grounds. Its model trains and collection of vintage farming equipment are seen by hoards of students who visit this historical facility on school tours. On a recent visit I learned that the Academy is facing a funding shortfall and may be forced to close if new sources of support are not found. Although this is a bit beyond our mandate as the P.H.S., this facility is one of the few high profile historical venues in the city beyond the Glenbow and it would be a shame if this link to the past was lost. If you have any ideas, please contact Wayne at the Academy.

Historical Tidbit: In George DeMille's book about the early days of the Western Canadian Oilpatch he provided a summary of Turner Valley well characteristics in 1920, as compiled by Dr. Slipper. These include average well production (10 barrels per day), best well (40 barrels per day), average time to drill to 3500 feet (2 years (cable tool)), and average cost per well (\$50,000).

Petroleum History Society - Annual General Meeting Address
By John Ballem, Q. C., LL.D.
“My Recollections of the Canadian Oilpatch”
March 19, 2003

Born in New Glasgow, Nova Scotia and educated at Dalhousie and Harvard, John Ballem, Q.C., LL.D., a Royal Navy Fleet Air Arm pilot and 11-title novelist, has practiced oil and gas law, based in Calgary, for 51 years.

He wrote the legal classic “The Oil and Gas Lease in Canada”, which has been revised several times and is the standard text in his field. He was Peter Lougheed’s law partner, before the future premier entered politics.

One of the briefs he holds is for Canada’s oil and gas history. In his fictional Oilpatch books, he encrypted some of its greatest characters, giving pleasure to readers speculating on whose secrets he was revealing.

For an hour on a perfect spring afternoon, March 19, in the Palliser Hotel where, in a manner of speaking, his career started, he took the 2003 Annual Meeting of the Petroleum History Society on a “ramble” through the history of the Canadian Oilpatch and his life and time in it, reminiscing about his engagement with people, places and events of great moment.

He is a charter member of the generation of lawyers who made Alberta petroleum and gas law the reference point for Canada courts and those in many other producing jurisdictions around the globe.

“The law we developed here has a world-wide reputation and many courts interpret their law according to the laws of Alberta,” he told the society.

He recounted several milestone legal proceedings, in front of the National Energy Board, the Alberta Oil and Gas Conservation (now Energy and Utilities) Board and the courts, including the Supreme Court of Canada, in which he acted for clients and that will have a permanent place in history. These include the first TransCanada PipeLine’s tolls adjudication in 1971-72 before the National Energy Board, a marathon that included 169 days of hearings.

He also appeared at the Energy and Utilities Board hearings that secured producers’ rights to ownership of their gas liquids under the province’s ethane policy.

He acted for clients at the Berger Royal Commission into the Mackenzie Valley natural gas pipeline in the 1970’s, and before the National Energy Board’s hearing to approve the Norman Wells to Zama Lake oil pipeline. He saw the completion of the Westcoast Transmission system, the construction of the Interprovincial Pipe Line and TransCanada PipeLine, the Syncrude project and the opening up of the Mackenzie Valley.

He came to know roughnecks, tool pushes, wild well fighters, land agents and truckers as intimately as premiers, judges, regulatory chairmen and chief executive officers.

He rubbed shoulders with Bobby Brown Jr., Frank McMahan, Harold Riley, Thomas Berger, Frank McKinnon, Geoff Edge, “Dry Hole” Hunter, Henry Borden, Nathan Tanner, George

Govier, and more; names that are now trivia questions but who set the Western Canadian Oilpatch on the course it still holds.

Although he wasn't yet in Alberta for the Leduc No. 1, Leduc No. 2 and Atlantic No. 3 oil discoveries, which he said, "gave the oil industry as we know it a suitably impressive and dramatic start," over the years he has met many of the key players and retold those stories with the flair of a great raconteur and the insight gained from years contributing to oil and gas development himself.

His account of the great half century of Canadian oil and gas is laced with personal recollection and anecdotes, many of which only he can tell.

After an apprenticeship with Imperial Oil's law department in Toronto, selling its war-era fleet of oil tankers, he was sent west to learn something about the emerging upstream business.

He arrived in Calgary with his Great Dane dog on Stampede Parade morning in July, 1954 after a gruelling night on a 44-passenger Trans Canada Airlines' Canadair Northstar, infamous for its noisy, unpressurized cabins.

To get to the hotel, he passed through, "a sea of white hats, black hats and Indian headdresses" in the avenue, where a pancake breakfast for the Indian participants in the parade was being staged.

He checked into the hotel, and went to work in Imperial's six-storey red brick office, previously the Albertan newspaper plant on 9th Avenue and 2nd Street S.W., the main street of the emerging exploration and production sector.

"The Robin Hood flour mill and the hotel were the tallest structures in town," he recalled. "Things were a bit feudal at the office," he says. "There was an elevator operator in uniform, and someone came around each day to shine our shoes."

He was to have spent a few years in Calgary, then return to Toronto. In 1956, he decided to stay, and joined the Pacific Petroleum and Westcoast Transmission group of companies where, as an executive assistant and trouble shooter, he reported to Dr. Charles Hetherington, a man he recalls as a combination of brilliant engineer and irrepressible salesman.

After Westcoast, he went into the practice of law, where he has since distinguished himself.

He treasures one case that others might see as of minor consequence but which he feels placed him next to the heart of history: he acted for Imperial Oil before the Conservation Board in 1983, winning permission to blow down the gas in the historic Leduc Woodbend field.

There will always be cases of great adversarial conflict to be decided, he said. One example is the recent emergence of coal bed methane issues.

In seeing the roles of the lawyer, the court and the regulator in contributing to orderly economic development and coupling that with a great appreciation of what takes place on the drilling rig floor, John Ballem makes his own unique and irreplaceable contribution to petroleum history.

Summary by Frank Dabbs, Director, Petroleum History Society

WELL LOGGING – DRILLER STYLE



These pictures were taken on the lease of Shell et al Klua Creek in northeastern British Columbia in March 1956 for a Shell Canada publication. Thanks to Shell for their use. They are notable for two reasons – one logistical and one geological.

As can be seen in the upper two pictures, lease preparation involved the clearing of quite a large tract of land around the rig. This was driven by two factors. The first was to have sufficient room for all the rig equipment and camp. The second was to allow for the accumulation of a huge pile of firewood that was used to fire the boiler on the rig. In the lower shot rig hands Boyd May and Murray Owens are throwing large logs into the boiler on the rig – hence well logging! The rig was Shell #2 – owned and operated by Shell in the days when companies did not rely on rig contractors (a less developed sector at the time).

The geological significance of the well was that it proved that a Devonian Slave Point carbonate could overlie an Otter Park shale hosting prospective Keg River pinnacles.