

**PETROLEUM
HISTORY
SOCIETY**

ARCHIVES

Newsletter of the Petroleum History Society

February 2008; Volume XIX, Number 2

P.H.S. Lunch and Learn Meeting – Wednesday, February 27, 2008

**The Supreme Court of Alberta
and the Petroleum Industry: Landmark Cases
by Prof. Alastair R. Lucas, Dean of Law, University of Calgary**

Alastair R. Lucas is Dean of Law at the University of Calgary where he has taught since 1976. He specializes in regulatory issues related to energy and environmental law, oil and gas law, constitutional law and judicial review. Professor Lucas has served as the Executive Director of the Canadian Institute of Resources Law, Governor of the International Bar Association's Section on Energy and Natural Resources Law, Trustee of the Rocky Mountain Mineral Law Foundation and Special Legal Advisor to the North American Commission for Environmental Cooperation. He was awarded the Law Society of Alberta/Canadian Bar Association Distinguished Service Award for Legal Scholarship. He has written or edited a dozen books including *Oil and Gas Law in Canada*, published in 1990 and *Regulating Energy and Natural Resources*, published in 2006; as well as dozens of articles dealing with energy and regulatory issues in Canadian and international law. Most recently he has published "Energy Law: the court and the prosperity bonus" in Jonathan Swainger, ed. *The Alberta Supreme Court at 100: history and authority*, Edmonton: University of Alberta Press and Osgoode Society for Canadian Legal History, 2007, on which his talk will be based.

TIME: 12 noon, Wednesday, February 27, 2008. **NOTE NEW LOCATION**
PLACE: Telus Conference Room, Saddledome – Calgary Stampede Grounds (see previous issues of Archives for map or visit the saddledome website)
COST: Members \$25.00 and Guests \$30.00 (most welcome) (cash or cheque only)

**R.S.V.P. if you wish to attend to: Clint Tippett, 691-4274 or
clinton.tippett@shell.com by noon Monday, February 25**

Individuals who indicate that they will be attending but do not materialize will be considered "no shows" and **will be invoiced for the cost of the luncheon.**
Individuals who do not R.S.V.P. cannot be assured of seating.

We apologize for the need to implement these policies but we are finding it necessary to optimize both the financial and operational aspects of our luncheon program. Thanks.

THE PETROLEUM HISTORY SOCIETY
THE BULL WHEEL



Next Board Meeting: The Board will meet February 21 at the Glenbow Museum and Archives. Thanks to Treasurer Doug Cass and the Glenbow for their hospitality.

Volunteers: We are always on the lookout for people with the energy and dedication to help us grow and to undertake projects on the Society's behalf. Please contact Clint Tippett (691-4274), Doug Cass (268-4203) or Hugh Leiper (249-0707) if you would like to help out. Director Bill McLellan will be contacting those members who expressed a willingness to get involved during our recent survey.

Next Luncheons: Our slate seems to be coming together for the Spring session. Our February luncheon is announced on the cover and we will be welcoming well-known Calgary oilman Jim Gray as our speaker at the P.H.S. Annual General meeting on **March 26** (see page 8). We have tentatively assigned our **April 24** date to those members who plan to address the May P.H.S./P.H.I. petroleum historical convention in Sarnia (see pages 9 and 10) and would like to dry run their petroleum history talks on the occasion of the 150th Anniversary of the oil industry in Canada. A May date is being passed on given this Convention with the final talk of the Spring being on **June 4** when Dr. Johan Dormaar and Senior Park Warden Robert Watt will be speaking to us about Oil City in Waterton National Park and the recent book that they authored on this subject, as published by the Lethbridge Historical Society. In the meantime, we are seeking speakers and interesting subjects for the Fall session. If you are considering making a presentation, please contact Clint Tippett, President P.H.S., at 691-4274.

Canadian Centre for Energy Information: The P.H.S. has a "Content, Marketing and Traffic Partnership" with the Centre. This arrangement is an expression of the mutually beneficial cooperation that exists between our two organizations. Please see www.centreforenergy.com for more details. Of particular interest to our members is their on-line historical volume "Evolution of Canada's Oil and Gas Industry" that can be downloaded free of charge.



Canadian Centre
for Energy Information

www.centreforenergy.com

Executive Nominations: The elections for the Executive and Board will be held at the A.G.M. on March 26. If you would like to run for any position, please contact us as soon as possible.

Awards: The 2007 P.H.S. Awards for Book of the Year, Article of the Year, Multimedia, Preservation and Lifetime Achievement will be presented at the A.G.M on March 26. If you would like to nominate a person or organization for any of these honours, call Clint, Doug or Hugh.

Canadian Petroleum Hall of Fame: The 2008 round of nominations is underway. The deadline for submissions is May 31, 2008. For instructions, please refer to the Hall website at: <http://www.canadianpetroleumhalloffame.ca>. Please note that nominations previously submitted but not selected need to be refiled with the Hall to be considered for 2008. If you have any questions, please call Director Hugh Leiper.

Membership Renewals: We would like to remind those of you who have tucked away your renewal notice that we are hoping that you decide to rejoin our organization. Membership coordinator and Past-President Micky Gulless passes this request along:

Please see your mailing label for your renewal status. Your membership needs renewal if your label says "Pd.to 2007". Dues are \$25 for Individual, \$50 for Sustaining Individual memberships. Mail cheque payable to the Petroleum History Society to Micky Gulless at 1638 Broadview Rd NW, Calgary, T2N 3H1. Call or email her if you want to pay by credit card via PayPal - 283-9268, info@petroleumhistory.ca.

Petroleum History Photos: In addition to the excellent selection at the Glenbow Museum and Archives, an on-line collection of 159 pictures is available for your viewing at www.virtualmuseum.com under Black Gold Pioneers. This is a joint venture of the Virtual Museum of Canada, Community Memories and the Canadian Petroleum Discovery Centre.

Oilfield Art: The previously announced art gallery in Lloydminster that focusses on art related to the oil patch has a new website at www.oilfieldartgallery.com. This includes paintings, sculptures and scale models. Check it out for the perfect gift!

"History Is": According to editor and author Norman Cousins (1915-1990) "History is a vast early warning system". And yet we seem to make the same errors and repeatedly exhibit the same behaviors without learning from the past! Perhaps the P.H.S. can play a small role in helping to record our previous experiences and help both society and individuals to avoid the pitfalls of the past. Thanks to Micky for bringing this to our attention.

Petroleum History Book Deals: WordsWorth Books at 928 – 6 Ave. S.W., Calgary may be moving and proprietor Keith Sanderson has marked down his inventory of second hand books. Although not an extensive collection, Keith does have a section devoted to petroleum history that you may wish to have a look at to broaden your knowledge and bolster your collection.

Famous Surveyor: At the January luncheon Member David Finch brought to the attention of those present a recently released publication entitled: "The Northern Horizons of Guy Blanchet: Intrepid Surveyor, 1884-1966" by Gwyneth Hoyle. It was published by Natural Heritage Books of the Dundern Group and is 240 p. It is softcover, going for \$24.99 and available at McNally-Robinson. According to Hoyle, Blanchard was involved in both the WWII Canol Project and the post-Leduc construction of the Trans-Mountain Pipeline from Alberta into British Columbia.

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

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Back issues are archived on our website at www.petroleumhistory.ca

Contacts: info@petroleumhistory.ca

President: Clint Tippett – clinton.tippett@shell.com 691-4274

Secretary: Peter Savage – p2savage@telus.net 249-3532

Reaching out to the Students: Director Penny Colton was recently involved in the organization of a Geoskills “mixer” bringing together students from the University of Calgary, students from the University of Alberta and industry representatives, all under the auspices of the Association of Professional Engineers, Geologists and Geophysicists of Alberta (A.P.E.G.G.A.). Penny further donated on her own nickle but on behalf of the P.H.S. a selection of seven oil patch books including some by Director Aubrey Kerr and Member David Finch. These were well received by the students – congratulations Penny on your outreach work.

Aubrey Kerr Books: Aubrey has introduced a special offer to members of the Historical Society of Alberta, specifically an opportunity to purchase his self-published books at a flat price of \$20.00 each. These include Atlantic No. 3 1948, Corridors of Time, Corridors of Time II, Corridors of Time III, Leduc, Redwater and his most recent release – A Sampling of Searchers. The offer was announced in the January 2008 issue of “History Now”. If you are an HAS member you are directed to contact their office to make a purchase. At that price it would be worth joining just to get this deal.

Correction – Michael Robinson: In last month’s issue, it was stated that former Glenbow Museum President Michael Robinson had decided to throw his lot in with the Federal Liberals. This is not correct – Mike is actually a candidate for the Provincial Liberal Party and is running for office in the Calgary - Foothills constituency in the current election.

Passing – Doris Johnston: Doris passed away on January 28, 2008 at the age of 79. She was the first female graduate in geology from the University of Calgary and was best known to students who passed through those halls for her sedimentary petroleum labs and related research. As with many university staff it is impossible to know which key industry personnel she influenced and how many discoveries she was indirectly involved in.

And Then There Were 4: Anthony Sampson’s Seven Sisters of 1970’s fame have dwindled. In a reverse biblical chronology, Exxon consumed Mobil while Chevron has digested both Gulf and Texaco. Shell and BP were not involved in this cannibalism but now there are only four of the original seven still standing.

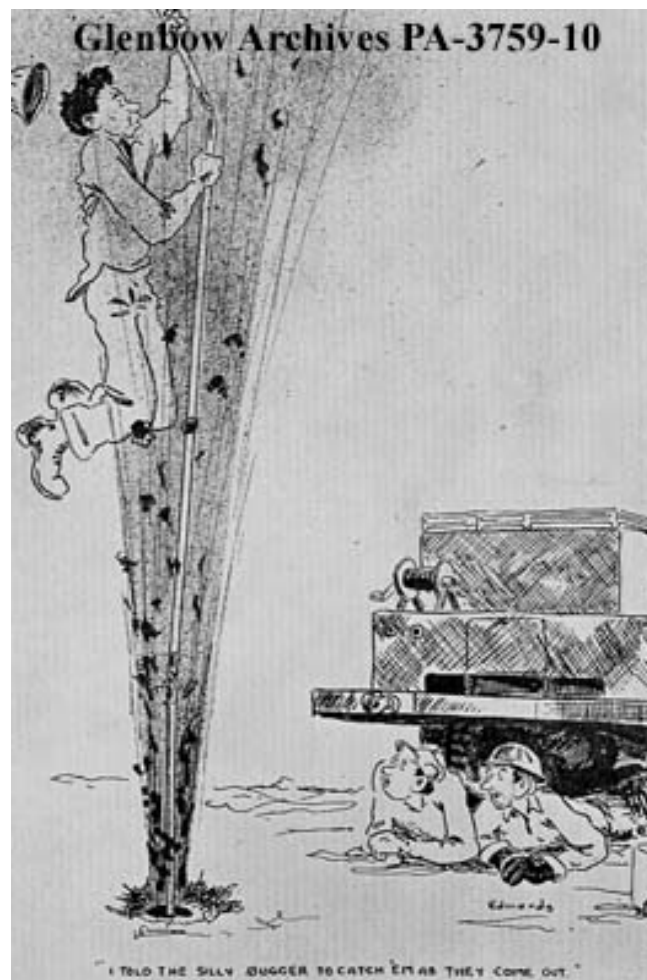
The Rig – Oil Sands: The OLN Series “The Rig” is back for a second season and although quite a few episodes have already passed, it’s stillworth bringing to the attention of our members. The series airs on Wednesday evenings on Channel 44 with repeats on Saturdays. The first season won a P.H.S. Preservation Award last year. According to the website, it looks something like this:

Climb into the middle of an amazing crew of oil workers with **The Rig: Oil Sands**. The second season reunites us with 31-year-old Donny MacPhee, the tough-minded, straight-shooting rig manager from season one. After months at home, stranded by an industry-wide slowdown, MacPhee is chomping at the bit. He leaps at a job offer from emerging oil company Bronco Energy, which has just inked a groundbreaking new partnership with the Bigstone Cree First Nation in Wabasca, Alberta. MacPhee's task? Build a new rig, assemble a new crew, get the untested rig into the field and drill a series of wells - in five short months - in Wabasca's intensely demanding environment. Follow MacPhee and the crew of Bronco #1 on their five-month mission, and watch them as they deal with the unexpected setbacks a rig crew faces performing the challenging horizontal drilling technique required in the oil sands. Witness the raw interpersonal dynamics of a crew living in close quarters, balancing friendship with personal ambition and working under intense pressure in a tough, isolated environment. Get an insider's look at the Bronco Energy management team in their Calgary head office as they face pressure to meet the expectations of investors and deliver on their promise to the Bigstone Cree Nation. Their unique partnership gives Bronco access to approximately 200 square kilometres of oil-rich Bigstone land. In return, the Bigstone Cree Nation will receive an interest in the operation. Both parties are approaching the five-month project period with a strong focus on the community's cultural, social, environmental and economic concerns. With a looming deadline, can the management team ensure the crew completes its work without major catastrophe?

CHIEF EDWARDS

Thomas Harold "Chief" Edwards was an artist and a Doodlebugger. He was born in Calgary on August 31, 1923 and is best known and remembered in the Canadian seismic industry for his cartoon depictions of doodlebugging in the 1940's and 1950's. "Doodlebugging" for the uninitiated basically means working on a seismic crew in the field, placing geophones, running recording cables, drilling shotholes, firing off charges and recording the seismic signals.

The P.H.S was involved several years ago in a series of historical displays prepared for the Annual Convention of the Canadian Society of Exploration Geophysicists. P.H.S. Secretary Peter Savage is an ex-President of that organization and together with then-Director Sean Callaghan, helped in the creation of a series of historical panels that were prepared for display. The one related to Chief Edwards was further featured in the May 2006 issue of the CSEG Recorder. The link to the full article is www.cseg.ca/recorder/pdf/2006/05may/may06_10.pdf. The illustration below is one of Chief Edwards's cartoons, as preserved in the collection of the Glenbow Archives who are thanked for permission to reproduce it here. Thanks to Penny Colton for CSEG liaison.



Caption reads: "I told the silly bugger to catch 'em as they come out".

Explanation (Glenbow): "Two geophysical workers shelter beneath a truck as another worker, who is attempting to catch loading poles [used to push the dynamite to the required depth], is blown into the air by an explosive charge."

Illustration by T.H. Edwards on a postcard published by Seismic Service Supply Limited, ca. 1955

CELEBRATING THE PALLISER HOTEL'S HERITAGE

The following is reproduced from "Dynamic Decade" by Eric Hanson. The book, documenting the vast accomplishments of the period immediately following the Leduc discovery in 1947, led off with an historical introduction to exploration in Western Canada. In those early days, Calgary's Fairmont Palliser Hotel was simply known as "The Hotel" as it was the only sizeable establishment in town (It opened its doors in 1914, just in time to experience the first Turner Valley boom). It was the business home for the oil patch – a location where partners, competitors and speculators met, results were announced and deals were done. According to Hanson, an article in the Calgary Herald from those days spelled out some hotel ground rules for real and would-be tycoons.

1. No well shall be drilled before 6:00 a.m. or after 6:00 p.m. Operations at that time are liable to disturb paying guests while in the midst of beautiful dreams of vast wealth and permanent gushers.
2. No more than one well shall be drilled in each leather chair or sofa during one time interval. It is exhausting to the furniture.
3. No well shall be drilled in a tone of voice which is audible within the three mile zone and causes the skylight to flutter.
4. No well shall be drilled nearer than one foot to any door, window or passageway, and no line dispute shall be indulged in any lease located in such areas.
5. No dry holes will be tolerated in the lobby. All wells brought in must be in the thousand-barrel class or better.
6. All shares are of the gilt-edged variety. No need to call for the prospectus of the company. Just throw your money up and get your receipt. You can later pass it along to a friend for better consideration.
7. No well drilled in the lobby shall *stop* at shallow sand. Every well must run down *deep* and represent an outlay of not less than \$100,000.



Speculators participating in the stock market frenzy in Calgary in 1914 related to the discovery of oil and gas at Turner Valley. Photo NA-563-1 courtesy of the Glenbow Archives.

“THERE WILL BE BLOOD”

A brief review of the movie starring Daniel Day-Lewis

by Clint Tippett, President, P.H.S.

Website coordinator and Past President Micky Gulless and member David Finch recently brought this movie to the attention of the P.H.S. membership. It is of interest because of its depictions of the early days of the oil industry – including the people, the regulatory environment (or lack thereof) and the technology. Academy Awards are possible. [As well it's always interesting to identify flaws in such historical productions – so let us know if you spot any].

The movie is based upon the “muckraking” book “Oil” by Upton Sinclair that was first published in 1927. The place is the California oil boom of the early 1900's and both the landscape and the people are generally tough and unforgiving. Both the pursuit of wealth and the belief in religion are serious matters and the two themes are woven together against a backdrop of competitive exploration and production, human needs and personal passions. Daniel Day-Lewis portrays Daniel Plainview, an ambitious and generally unprincipled prospector-cum-oil tycoon with the ability to identify prospective oil-bearing structures, gain controlling interests and aggressively develop his properties to the alleged betterment of all – but apparently mainly of himself. Along the way he is faced with many obstacles: a. physical hardships – as he experiences in the mining business before seeing the (oil) light; b. other prospectors who try, as he does, to gain access to the best lands (secrecy is key); c. landowners who refuse to lease to him; d. landowners who agree to lease to him on certain religious conditions; e. corporations (Standard Oil in particular) who try to wrestle away his wealth through their control over railways and pipelines; f. communities who expect him to spend his money to provide them with services; and g. ungrateful relatives who have the audacity to compete with him.

According to “Famous”, the free magazine handout in the theatres, the character Plainview is, in turn, portraying, and presumably upon whom Upton based “Oil”, is Edward Doheny who founded PanAmerican Petroleum Transport Company and “became a very rich man.” In real life, PanAmerican was acquired by Amoco (ironically the “Indiana” part of Standard Oil after the trustbusters had their way with John D. Rockefeller's creation). Those of you who were around in the early days of the Western Canadian oil patch will recall PanAm - and used oil books in town sometimes bear the stamp of the old PanAmerican (Amoco Canada) library.

One of the themes to watch for if you see the movie is related to competitive drainage and the Law of Capture. Basically in those days it was “drain your own oil and that of you neighbors by drilling as much as you could and pulling as hard on your wells as possible”. Folks not in the patch may not appreciate the significance of the early refusal of one party to lease and the later capitulation, only to find that the land is now worthless because it has been drained by offsetting wells. Indeed, according to an article in the Calgary Herald of Feb. 8, 2008, quoting USA Today, the rant by Plainview at the end of the movie in which he says “I drink your milkshake! I drink it up!” is all about competitive drainage. The Director of the movie, P.T. Anderson, provided the following background to these lines: “Anderson concedes he's puzzled by the phenomenon – particularly because the lines came straight from a transcript he found of the 1924 Congressional hearings over the Teapot Dome scandal in which Senator Albert Fall was convicted of accepting bribes for oil-drilling rights to public lands in Wyoming and California. In explaining oil drainage Fall's “way of describing it was to say, “Sir, if you have a milkshake and my straw reaches across the room, I'll end up drinking your milkshake,” Anderson says. “I just took this insane concept and used it.” The phrase has also been adopted (naturally) in the sporting world, for example (as adapted for Calgary) “The Flames drank the Oilers' milkshake last night”.

**PETROLEUM HISTORY SOCIETY
ANNUAL GENERAL MEETING AND 2007 AWARDS
MARCH 26, 2008
FAIRMONT PALLISER HOTEL AT 4:00 P.M.**

KEYNOTE SPEAKER



James K. Gray

on

“The Creation of Canadian Hunter and the Search for Tight Gas in Western Canada”

Mr. Gray received his early education in Kirkland Lake, Ontario and his secondary and post-secondary education at Ridley College in St. Catharines, Ontario and at the University of British Columbia. For the past 50 years, Mr. Gray has been engaged in the oil and natural gas exploration business in Western Canada. In 1973, Mr. Gray co-founded Canadian Hunter Exploration Ltd., one of Canada's larger natural gas producers. Over the 28 years of his involvement with Canadian Hunter, he served in the positions of Executive Vice President, President and CEO, and Chairman until the company was purchased by Burlington Resources in December 2001 for \$3.4 billion (\$Cdn).

Mr. Gray has participated in a wide range of community activities and projects. Among his current activities, he is Chairman of the Canada West Foundation, a member of the Board of Governors of the Calgary Academy, a Director of the Max Bell Foundation and an Honourary Life Director of the Calgary YMCA. Mr. Gray was awarded an Honourary Doctor of Laws degree in 1991 by the University of Calgary, a Citation for Citizenship by the Government of Canada in 1992 and the Fellowship of Honour by the YMCA, Canada. He was appointed an Officer of the Order of Canada in 1995. In March of 2001, Mr. Gray received the Energy Person of the Year Award from the Energy Council of Canada. He was inducted into the Canadian Petroleum Hall of Fame in October 2001. In October 2002, Mr. Gray was invested as a Member of the Alberta Order of Excellence by Her Worship, Lieutenant Governor Lois Hole. Mr. Gray was inducted into the Calgary Business Hall of Fame in October 2004 and the Canadian Business Hall of Fame in May of 2005.

INTERNATIONAL SYMPOSIUM AND FIELD TRIP

May 7-10, 2008

SARNIA, ONTARIO, CANADA

CALL FOR PAPERS -ORAL AND POSTER PRESENTATIONS

Deadline: February 29, 2008

"OIL SPRINGS, ONTARIO 150 YEARS - BACK TO THE FUTURE"

Sponsors: *Petroleum History Society (Calgary, Alberta, Canada)*
Petroleum History Institute (Oil City, Pennsylvania, USA)

Co-Sponsors: Ontario Petroleum Institute (London, Ontario, Canada)
History of Geology Division/Geological Society of America
History of Earth Sciences Society

Place: Holiday Inn, 1498 Venetian Blvd, Sarnia, Ontario, Canada N7T 7W6
www.holiday-inn.com/sarnianon - 519-336-4130; Fax 519-336-3063

GUESTROOMS

*A block of mixed style **guestrooms** are set aside for the conference up to a month prior. The guestrooms include in room Play Station & Pay Movies, High Speed Complimentary Wireless Internet, Iron & Ironing Board and Coffee Maker.*

May 7 - 10, 2008

Standard King Guestroom ~ \$125.00; Tower Standard King Guestroom ~ \$140.00

Tower Executive King Guestroom ~ \$145.00

Plus applicable taxes

All prices are in Canadian Dollars

PLEASE MAKE HOTEL ARRANGEMENTS DIRECTLY WITH THE HOLIDAY INN.

Ask for the Conference rates listed above.

Conference Registration: Full Meeting (Members of PHS and PHI): \$275.00 (Canadian); \$290.00 (US) Use the form below
Non-Members: \$315.00 (Canadian); \$330.00 (US)
Includes Fieldtrip, Guidebook, coffee breaks, symposium, ice breaker banquet, and lunches.
Breakfasts and dinner (except the banquet) are not included.
Field Trip Only: \$70.00 (Canadian); \$75.00 (US) - includes lunch & guidebook
Banquet Only: \$50.00 (Canadian); \$55.00 (US)

Travel: Airline connections to Sarnia are through Toronto. Air Canada offers 3 flights daily from/to Toronto. You can also fly into London, Ontario, but you will need to rent a car to get to Sarnia. Or, the Detroit airport is approx 1.25 hours away and I-94 takes you directly to the bridge crossing into Sarnia from Michigan.

Abstracts: Please forward abstracts (no more than one page - double spaced) of proposed papers to:

William R. Brice, Editor
Oil-Industry History
Geology & Planetary Science
University of Pittsburgh at Johnstown
Johnstown, PA 15904 USA

Electronic submissions (Word Files) are encouraged: wbrice@pitt.edu

ABSTRACT DEADLINE: FEBRUARY 29, 2008

INTERNATIONAL SYMPOSIUM AND FIELD TRIP

May 7-10, 2008

SARNIA, ONTARIO, CANADA

REGISTRATION:

Name: _____ Member (Check if applicable) PHS _____; or PHI _____

Mailing Address: _____

Email Address: _____; Daytime Telephone _____

FULL MEETING (Members of Petroleum History Society/Petroleum History Institute):

Full Meeting: \$275.00 (Canadian); \$290.00 (US) _____

Includes Fieldtrip, Guidebook, ice-breaker, coffee breaks, symposium banquet, and lunches. Breakfasts and dinner (except the banquet) are not included.

Non-members*: \$315.00 (Canadian); \$330.00 (US) _____

*Includes 2008 membership in PHI

Field Trip Only: \$70.00 (Canadian); \$75.00 (US) - includes lunch & guidebook _____

Non-Members: \$80.00 (Canadian); \$85.00 (US)

Banquet Only (Friday, May 9, 2008): \$50.00 (Canadian); \$55.00 (US) _____

One-day Registration (Specify which day) \$150.00 (Canadian); \$160.00 (US) _____

Day _____

TOTAL _____

Please forward completed form and check (US dollars or Canadian dollars, or credit card information to the address below:

CARD TYPE: **VISA ONLY**

Name on the card (Please print or type) _____

CARD NUMBER: _____; Expiration Date _____ / _____
Month / Year

SIGNATURE: _____

REGISTRATIONS (Canadian and US)

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