



ARCHIVES

Newsletter of the Petroleum History Society

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P.H.S. Lunch and Learn Meeting – Wednesday, May 2, 2018

Oil's Deep State – Checking the Pulse of Alberta's Birthright
By Kevin Taft, Author and Politician

"The dwindling return on oil-related royalties is a topic in Oil's Deep State," a review of Taft's 2017 book in Quill & Quire noted. "Taft documents how the petroleum industry successfully lobbied to shrink the public's share of the wealth, while demonstrating how former Premier Peter Lougheed's conscientious stewardship was overturned during the regime of Ralph Klein and his energy minister, Patricia Black (later Nelson), who worked for the oil industry before and after her time in government." We are all captive to the point of view that closest reflects our life experience, so this wakeup call by retired politician Kevin Taft will be thought-provoking. Come prepared to listen and think and question - Kevin's conclusions and your own.

Please see page 2 of this issue for our speaker's biography.

Time: 12 noon, Wednesday, May 2, 2018
Place: Calgary Petroleum Club
319 - 5 Avenue SW, Calgary; Cardium Room (but check marquee).
Dress: Business casual.
Cost: P.H.S. Members and Student Members \$35 and Guests \$40 (most welcome).
Only cash or cheque at the door. Payment can be made in advance by credit card or by e-mail. Please advise payment method with reply.
Lunch: Soup, sandwiches and cookies. Gluten-free? Vegan? Advise with reply.

NOTE: Instructions for registering for the Luncheon:

Reply, if you wish to attend, to: Micky Gulless at 403-283-9268 or micky@petroleumhistory.ca by noon, Monday, April 30, if not sooner.

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

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

The Bull Wheel



Speaker biography: Kevin Taft holds a Ph.D. in Business and is the author of four best-selling books and many research studies and articles on political and economic issues in Alberta. He was a member of the Legislative Assembly of Alberta with the Alberta Liberal Party from 2001 to 2012, and Leader of the Opposition from 2004 to 2008. He has extensive public policy experience in the Alberta government, private sector and non-profit sector, particularly in health, energy, and economic policy. He lives in Edmonton.

Presentation preamble (from your President and Editor): This month's talk features the concept of "fair share" and what that represents for the owner of a resource, in the case of Kevin Taft's experience, the Government of Alberta. In order to address this one needs to understand that when subsurface rights are leased to companies there are rules that govern the economics of production and the distribution of proceeds. The challenge that governments face is to steer between, on the one hand, maintaining positive economics for industry, so that investment continues, and, on the other hand, not giving away a share that can be used to provide social benefits. The major lever is royalties. But what level of royalties? Fixed? Flexible? – and if flexible, according to what measures? Alberta has developed a very sophisticated system of royalties. Key parameters are well deliverabilities (to encourage poorly producing wells to be tied in), oil quality, depth (to encourage deeper drilling), novel use of technology (for things like horizontal wells) and hydrocarbon prices (lower royalty rates when prices are low and higher ones when price are higher). Some levers are also financial such as depreciation rates and royalties tied to whether "payout" has been achieved on a project – this being a major factor for capital-intensive oil sands projects where recovery of investment precedes a much higher level of revenue sharing. Anyone who has worked in industry knows that investment decisions are made using risk analysis and decision "trees". The value of every possible outcome is directly influenced by the financial rules that would apply. Hence royalty levels, mitigated downside and rate of capital recovery are prime drivers. So what is fair? Should companies be expected to absorb all of the downside of market fluctuations and less than expected production performance? Is it reasonable that the government's revenue stream be fixed – which means a much higher "share" in tough times? Is it plausible that the government can be that demanding when it really doesn't have any capital at risk? Of course the backdrop to all of this is Alberta's competitive position in the world. By most measures our wells are pretty marginal and hence punitive royalty rates would lead to a drying up of investment. Or perhaps the unspoken thought is that we are already in the "end game" in which we don't need to think about investment as we are getting out of hydrocarbons anyways so who cares what the industry does? These are some of the backdrop issues that will raise their head during Kevin Taft's talk.

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

Calgary Petroleum Club History Project: Petroleum Club Memories Needed! P.H.S. Director David Finch is currently writing the history of the Calgary Petroleum Club and needs your help. Are you a long-time member? Do you know anyone over the age of 80 that has been a member since the early days? Are you in possession of or know the location of any historical records related to the Club? Time is of the essence as this book will be published this year - the 70th Anniversary of the founding of club which first met at the Palliser Hotel. To contribute please contact David at: david@davidfinchhistorian.com

Theatre Production in Edmonton: Thanks to P.H.S. Director Doug Cass for bringing this show to our attention. *"Last Chance Leduc"* is *"a love story directed by Tracy Carroll and set during the 1947 Leduc oil discovery - a part of history that changed everything for characters Ev and Wes, for Edmonton, Alberta and the country"*. As stated in the invitation sent to Doug by its creator Katherine Koller *"I invite you to see my new play, featuring Oscar Derkx, Evan Hall, Emma Houghton and Alison Wells, at the Backstage Theatre, May 8-19, 2018. For tickets online and more information, click [here](#). Please send to anyone else you know who may be interested!"*. Tickets are \$12-22.

Calgary Filmmaker: While searching the Glenbow photography archives on another matter, I found a picture of George Spencer Crilly taken in 1963. The remarks state that *"Spencer Crilly was a Calgary filmmaker who lived 1924-1976. Born in Chicago, he grew up in Los Angeles where he attended UCLA film school. He came to Calgary in 1955 and produced over 70 films while working here. He won a national film award for "Arctic Island Wildcat", a film about Peter Bawden Drilling working in the Arctic. He also won in 1958 for the film "Stampede Stopover". Crilly travelled widely making films in Asia and Europe. He later produced a series of erotic and horror films in Los Angeles in the late 1960's and early 1970's under the name Zolton G. Spencer"*.

Society for Industrial Archeology – 47th Annual Conference: This event with presentations, field trips and social events will take place in Richmond, Virginia from May 31 to June 3, 2018.

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

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Remembrances

(with thanks to the Calgary Herald and Legacy.com)

This month we lead off with two individuals who were leaders in the commercial capture, standardization and depiction of data related to the exploration and production sides of the Western Canadian petroleum industry as well as one who was key in “provisioning” working oilpatch geologists.

THOMSON, James. Born in Edmonton, Alberta on January 6, 1926 and passed March 22, 2018. As a boy he enjoyed going to the YMCA where he nurtured a lifelong passion for physical fitness that he shared with his children and grandchildren. Jim joined the Navy when he was seventeen and sailed on the H.M.C.S. Kootenay around Guernsey and Britain. After WWII he attended the University of Alberta and then started work for Union Oil as a landman. In 1950 he married Jean Eleanor Kyle. They moved to Calgary where Jim continued to work in the oil patch, eventually joining with several partners to form their own company, Petroleum Information Exchange (PIX).

ENNS, Freddy (Fred). Born in Kitchener, Ontario on November 11, 1926 and passed March 19, 2018. Fred attained his B.Sc. in Geology from Queen’s University. He worked as a professional geologist with Dome Petroleum and Shell Canada. He was also the founder and President of Westcan Oilmaps Ltd. that produced widely-used compilations of industry activity. Fred’s hobbies included photography, traveling, hiking, camping, horticulture, golfing, tennis, gardening, cooking, water skiing, snow skiing, reading, horses, and sketching.

MORRIS, Harry (Joe) Rodney: Born Vancouver, British Columbia on August 29, 1946 and passed February 23, 2018. Joe was a father, husband, educator and a successful entrepreneur who serviced the oil and gas industry through Petrocraft Products and Petrocraft Storage for over three decades. *Thanks to P.H.S. Director Wayne Dwyer for alerting us.*

McLEOD, George John: Born Saskatoon, Saskatchewan on January 12, 1929 and passed January 7, 2018. George was raised in Saskatoon and attended Nutana Collegiate. While at the University of Saskatchewan he discovered his passion for geology, specifically in the field of oil exploration. His career spanned 65 years, with positions at Canadian Superior of California, Trident Drilling, U.S. Mining and Smelting, Canadian Devonian and Samedan Oil of Canada. He was the Canadian manager in Samedan's Calgary office, and was promoted to Vice President of the company in their head office in Ardmore, Oklahoma. He retired in 1986 as President of Samedan's parent company, Noble Affiliates. Unwilling to leave the oil patch behind upon his return to Calgary, he formed Geolock Resources with his son Lachlan. He reluctantly retired from active participation in Geolock in 2016. George was inducted into the Saskatchewan Oil Patch Hall of Fame in 1993 and into the Canadian Petroleum Hall of Fame in 2003. He also funded the George McLeod Chair in Geology at his alma mater, the University of Saskatchewan, Saskatoon. He was able to indulge another of his passions - flying. He had his pilot's license and a Cessna 182, and he was happiest to be in the air. He enjoyed a game of golf or two, playing bridge with good friends, driving with no particular destination in mind, and travelling the world, especially to Britain. But the way he will be chiefly remembered is for his generous spirit. There are countless people he helped both professionally and personally, some of whom will never know the name of their benefactor.



MATKALUK, Stephen John: Born in Cochrane, Alberta in 1928 and passed February 8, 2018. Stephen was raised in Cochrane and left home at the age of 17 to chase rigs in the burgeoning oil industry when derricks were made of wood and men were made of steel. He was an adventuresome soul and a trail blazer, who endured many hardships that were overcome with relentless tenacity and hard work. Dad and Gramps was our ordinary hero. He was kind, gentle, shy, sort of complicated and a man of few words who led by example. *[This obituary was accompanied by the photo included here which is an*

action shot of Mr. Matkaluk in his element. Such pictures are rarely seen in obituaries but should be emulated more often.]

MAYBERRY, Timothy: Born in Hamilton, Ontario on April 26, 1938 and passed, January 15, 2018. Tim grew up in Burlington, Ontario. He studied business at Boston University in Massachusetts. He returned to Ontario in 1959 and married Anne Sawbridge in 1960. They celebrated their 57th wedding anniversary in 2017. Tim joined Texaco Canada in 1959. Over the years, he and Anne relocated to many cities in Canada where they met wonderful friends. The family settled in Calgary in 1976. Tim maintained his work in business with Imperial Oil throughout 1980s, and continued in the marketing department as a manager until his retirement in 1995. He took pride in his career and treasured the many friends he made during his time in business. *[Note: career jump relates to Imperial's takeover of Texaco Canada in 1989].*

KELLOCK, William: Born in Orillia, Ontario on November 25, 1930 and passed January 11, 2018. Bill attended elementary and high school in Huntsville, Ontario. He graduated from Queen's University in Kingston, Ontario with a B.Sc. in Mining Engineering in 1952 and joined Shell Oil in Calgary. There he met his wife and lifelong companion, Doreen (nee Jones) and they married in 1953. Bill left Shell Oil in 1956 to join Total Petroleum where he had a distinguished career until his retirement in 1986. His retirement years were spent on the banks of the Little Red Deer River west of Olds, Alberta. Bill enjoyed golfing, curling and time on the river with his family and friends. His sense of humour and contagious laugh will be missed by all who knew him.

DAVIDSON, Robert Gordon: Born in Edmonton, Alberta on July 6, 1953 and passed January 16, 2018. Rob graduated from the University of Calgary in 1976 with a Bachelor of Commerce degree in Marketing and started his career in oil and gas as a landman for Pacific Petroleum Ltd. He became a member of the Canadian Association of Petroleum Landmen in 1977. Over the years, Rob worked for a few small oil and gas companies before joining Pemoco Ltd. as Vice President, Land in 1987. Rob loved his family dearly, spending many happy hours with family and friends at the Panorama ski cabin or on the water at their Sylvan Lake cabin.

Reinout de Wit: Born in Jakarta, Indonesia on December 22, 1914 and passed December 6, 2017. Rein was born in Indonesia where his father worked for the Dutch military. He and his three older siblings enjoyed their childhood there and in the Netherlands. Rein obtained his Ph.D. in Geology from Leiden University in 1941 and married Neeltje Wibaut in 1944. They moved to Canada in 1947 and lived in New Brunswick, Ottawa and Regina before settling in Calgary in 1952, where Rein worked as a petroleum geologist. Wherever he lived, Rein found outlets for his great love of nature. He created and maintained the beautiful garden behind his

house in Calgary, and he built cabins in secluded country retreats near Regina and Calgary, as well as a house in Ottawa and on Vancouver Island. He was an avid birder and often participated in the annual Christmas bird count. He loved poetry, and occasionally surprised us with a verse recovered from his memory (in Dutch, French, Italian, German or English!), or a song that was just right for the occasion. He had a deep love for both art and music. He always ready for a good laugh. *[Rein was also a prominent member of the Canadian Society of Petroleum Geologists].*

MOORE, John Sherrold: Born in Winnipeg, Manitoba on July 1, 1929 and passed April 3, 2018. Sherrold moved to Calgary with his family and attended Earl Grey School and Central Collegiate Institute. He studied Petroleum Engineering at the Colorado School of Mines and graduated from the Montana School of Mines. His professional career was with Amoco Petroleum. He loved the oil industry from the field to the head office. He understood the importance of corporate responsibility and was a leader in conservation, serving on Ralph Klein's Round Table on the Environment as well as making Amoco a leader in corporate philanthropy. He was an Executive at Amoco for many years serving on its Board as well as numerous others in the industry. He was honored by his peers with the A.P.E.G.G.A. Special Award. Sherrold had a strong moral code and modeled his beliefs by serving on many volunteer boards as Chair of the Glenbow Museum, Swim Canada, Alberta Sport Council, Nature Conservancy, Alberta Theatre Projects and, for the last twenty years, as Board Member of the Calgary Health Trust and Chair of the Rockyview Development Council. He served on the Board of the Calgary Chamber of Commerce for over a decade and has the Sherrold Moore Award for Volunteerism given in his name. He is also a Member of the Alberta Sport Hall of Fame as a Builder. Sherrold was a passionate Calgarian and supported the arts both performing and visual as well as being a long-time supporter of both the Stampeders and Flames. Sherrold stayed relevant to the end, spent time listening and transferring skills. He had friends of all ages. He will be sorely missed by all who knew him. *[Thanks to P.H.S. member Holly Crawford, a personal friend of Sherrold, for notifying us].*

TYE, William (Bill) Howard: Born in 1925 and passed February 1, 2018. Bill was raised in Edmonton where he attended the University of Alberta and was the Commerce '54 class president. Bill and his wife, June, lived in Calgary from 1957 on with the exception of a wonderful sojourn of seven years in Wexford, Ireland. Bill worked for the Northern Alberta Railway and for Hudson's Bay Oil and Gas during his early career. He later worked for Pacific Petroleum and Bow Valley Industries where he held senior executive positions, including President of Bow Valley Industries. Bill also served as a director of Pacific Petroleum and Westcoast Transmission. He contributed his intelligence and energy to many community organizations during his career. He served as Chairman, President and long-time board member of the Alberta Children's Hospital Foundation, President of the Calgary chapter of the Winston Churchill Society, President of the Calgary Family Services Bureau, and President of the Calgary Chapter of the Financial Executives Institute. He also served as a director of the Calgary Chamber of Commerce, the Calgary Chapter of Junior Achievement, the Parks Foundation and the Museum of the Regiments. He was a member of the Calgary Golf and Country Club, the Ranchmen's Club, the Glencoe Club and the Probus Club of both Wexford, Ireland and Calgary. He was a long time active member of the Historical Society of Alberta. *[Thanks to P.H.S. member Tom Field for the heads-up on Bill's passing].*

McGee, Thomas D'Arcy: A Father of Confederation, 1825-1868. Obit appeared April 6, 2018.

Texas Tea – Valleyview, Alberta Style



This teacup, purchased recently in a thrift shop, is another example of how the industry was recognized and celebrated “back in the day”. How many teacups do you see these days that feature oil rigs and where to find them?

**CITATIONS FOR
2017 PETROLEUM HISTORY SOCIETY AWARDS
AS PRESENTED AT THE P.H.S. ANNUAL MEETING,
MARCH 28, 2018**

**BOOK OF THE YEAR AWARD FOR 2017
TO: PETER McKENZIE-BROWN**

FOR: "*BITUMEN – THE PEOPLE, PERFORMANCE
AND PASSIONS BEHIND ALBERTA'S OIL SANDS*"
SELF-PUBLISHED, 349 P.

**ARTICLE OF THE YEAR AWARD FOR 2017
TO: JONATHAN PEYTON**

FOR: ""INDUSTRY FOR THE FUTURE": DOME PETROLEUM AND THE
AFTERLIVES OF "AGGRESSIVE" DEVELOPMENT"

PUBLISHED IN: "*UNBUILT ENVIRONMENTS – TRACING POSTWAR
DEVELOPMENT IN NORTHWEST BRITISH COLUMBIA*", UNIVERSITY OF
BRITISH COLUMBIA PRESS, PP. 113-135.

**MULTIMEDIA AWARD FOR 2017
TO: SANDRA SAWATZKY
FOR: THE CREATION OF "*THE BLACK GOLD TAPESTRY*"**

**PRESERVATION AWARD FOR 2017
TO: IAN MacGREGOR**

FOR: FACILITATING THE PRESERVATION, INTERPRETATION AND DISPLAY
OF EQUIPMENT RELATED TO THE EARLY DAYS OF THE CANADIAN
PETROLEUM INDUSTRY THROUGH THE MUSEUM OF MAKING

**LIFETIME ACHIEVEMENT AWARD FOR 2017
TO: BERT MacKAY**

FOR: UNDERTAKING NUMEROUS INITIATIVES RELATED TO THE
PRESERVATION AND COMMUNICATION OF THE HISTORY OF
DEVELOPMENT OF CANADA'S OIL SANDS INCLUDING THE CELEBRATION
OF ITS NUMEROUS PIONEERING INDIVIDUALS AND COMPANIES

Billy Graham Remembered

By Preston Manning

February 21, 2018

Those of you who were present at Preston's keynote address at the 2017 P.H.S. Annual Meeting will have heard his recollections about the relationships between his father, Alberta Premier Ernest Manning, and J. Howard Pew of Sun Oil in connection with the Great Canadian Oil Sands plant that opened near Fort McMurray in 1967. Part of that narrative touched on the religious side of both those gentlemen, how it influenced their decisions and their connections with evangelical preacher Billy Graham. Preston was kind enough to share this recent retrospective with us following the passing of Graham for which we provide our thanks. Please also refer to Preston's remarks in our January 2018 issue on the G.C.O.S. 50th anniversary.

Billy Graham, who passed away this week at the age of ninety-nine, will long be remembered by many Canadians whose lives he significantly affected. At his various crusades in Canadian cities – for example, in Ottawa in 1998 and attended by 20,000 people – he made his customary and powerful appeal for attendees to make a “personal decision” concerning their relationship to God. Did you desire such a relationship or not? If you did, it was not sufficient to rely on your cultural or family traditions to determine it, but required a personal decision on your part to accept the person, work, and teachings of Jesus as the means to achieve that relationship.

The first time I met Billy Graham was unexpectedly and under very unusual circumstances. It was around 1966 (I can't remember the exact date) when my father, Ernest Manning, was still Premier of Alberta and the first oil sands plant was under construction at Fort McMurray. That plant was pioneered and financed by J. Howard Pew of the Sun Oil Company of Philadelphia. Pew was convinced that the dependence of the US on off shore oil rendered it militarily vulnerable and had resolved to address that problem by finding and developing “unconventional” oil sources wherever they existed in North America. J. Howard, as my father always called him, was from one of the wealthiest families in the United States and a staunch Presbyterian. Presbyterians held to the doctrine of predestination – that nothing happens except in accordance with God's directive or permissive will. My father, a Baptist who believed in “free will”, once teased Pew by asking: “If it's predestined that you're going to build that oil sands plant, why do you need a permit from the Government of Alberta?” To which Pew reportedly replied, “Actually it's predestined that you're going to give me that permit. I'm just talking to you as a courtesy.” In any event, when Billy Graham held some of his first evangelistic crusades in New England, Pew went to hear him and was so impressed that he later volunteered to help finance the expansion of Graham's ministry via the print media (*Christianity Today*) and television (Graham's *Hour of Decision* program) – an expansion which helped make Graham a national and international spiritual leader. Pew and my father met periodically during the time the first oil sands plant was being conceived and built – sometimes at my father's office in the Legislature in Edmonton, but sometimes at the Jasper Park Lodge in Jasper, Alberta, where Pew rented what was called the Point Cabin. From there he would fly to Edmonton for meetings or to Fort McMurray to inspect progress on the plant. As part of my political education, I would occasionally accompany my father to some of his meetings and on one such occasion I went with him to Jasper for a meeting with Pew. When we arrived at the Point Cabin, we discovered that he had a house guest – none other than Billy Graham. Pew knew of my father's and Graham's mutual interest in the spiritual condition of their respective countries and apparently felt a meeting between them would be worthwhile.

This meeting, as mentioned, took place some time in 1966, the year before Canada's 100th birthday as a nation. Lester Pearson (whose father was a Methodist, and later, United Church, minister) was Prime Minister at the time and the subject of how best to celebrate Canada's Centennial had been discussed at one of the federal-provincial conferences attended by my father. He and Premier Joe Smallwood of Newfoundland (which had been profoundly impacted by the first great evangelical awakening under John Wesley) felt that these celebrations should include not just recognition of Canada's cultural, economic and political heritage, but recognition of its spiritual heritage as well. And strangely enough, this became the subject of discussion that day amongst Pew, my father and Billy Graham - North America's spiritual heritage and how best to recognize, honor and preserve it.

While Graham was often characterized in the secular media as an unlearned bumpkin from the sticks and utterly naïve politically, in my recollection he showed a surprising knowledge of Canada both spiritually and politically. He was aware, for example, that Quebec was in the process of throwing off its Catholic heritage and observed, that in his understanding, when people discard a long standing religious tradition, a spiritual and ideological vacuum is created which will suck into it a political substitute. This of course is more or less what subsequently happened, as the faith of Quebecers in Catholicism was largely replaced by faith in secular politics (including the politics of separation), with the policies and actions of the Government of Quebec replacing the positions and actions of the Catholic Church in the lives of a majority of Quebecers. I also met Billy Graham on several of his later visits to Canada, and even prepared a briefing paper for his organization in advance of his later crusades in Edmonton, Calgary and Ottawa. But my most striking memory of him – a truly outstanding spiritual leader who also developed sound political instincts – is of that first meeting at the Jasper Park Lodge so many years ago.



*J. Howard Pew, Ted Van Dyke, Billy Graham and Ernest C. Manning
at the Jasper Park Lodge in the late 1960s*

Thanks to P.H.S. Member Bob Bott for this picture as also handed out at the Annual Meeting.