



ARCHIVES

Newsletter of the Petroleum History Society

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P.H.S. Luncheon – Wednesday, October 30, 2019

Carbon Policies: Their Origin and Development to Today

by Dr. Jack Mintz, President's Fellow –
School of Public Policy - University of Calgary

“Putting a Price on Carbon” has been a familiar policy and a growing expectation of governments for the last decade. Jack Mintz has been deeply involved in the debates surrounding this approach to counteracting global warming. This will be the subject of this month's luncheon talk - summarized by our speaker as *“Carbon policies as proposed by economists began with carbon taxes and cap-and-trade systems. However, they evolved quite differently over time with subsidies, regulations and host of other policies, some with high economic costs. What happened? Why do we have an unfocussed approach to carbon policies today?”* This promises to be a very informative presentation from someone who has been in the thick of these controversies. *Please see page 2 of this issue for Dr. Mintz's short biography.*

Time: 12 noon, Wednesday, October 30, 2019

Place: Calgary Petroleum Club

319 - 5 Avenue SW, Calgary; Viking 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, October 28, 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



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 on page 3.

October Speaker Biography: *Dr. Jack M. Mintz*



Dr. Jack M. Mintz is the President's Fellow of the School of Public Policy at the University of Calgary after serving as the Palmer Chair and founding Director from January 1, 2008 to June 30, 2015.

He also serves on the boards of Imperial Oil Limited and Morneau Shepell and is the National Policy Advisor for Ernst & Young. Since October 2018, he has also become a Senior Fellow, Massey College in Toronto.

Dr. Mintz held the position of Professor of Business Economics at the Rotman School of Business from 1989-2007 and Department of Economics at Queen's University, Kingston, 1978-89. He was a Visiting Professor, New York University Law School, 2007; President and CEO of the C. D. Howe Institute from 1999-2006; Clifford Clark Visiting Economist at the Department of Finance, Ottawa; and Associate Dean (Academic) of the Faculty of Management, University of Toronto, 1993 – 1995.

He was founding Editor-in-Chief of *International Tax and Public Finance*, published by Kluwer Academic Publishers from 1994 – 2001.

He chaired the federal government's Technical Committee on Business Taxation in 1996 and 1997 that led to corporate tax reform in Canada since 2000. He also served on numerous panels and boards at the federal and provincial levels including Vice-President and chair of the Social Sciences and Humanities Research Council 2012-2018.

Dr. Mintz has consulted widely with the World Bank, the International Monetary Fund, the Organization for Economic Co-operation and Development, federal and provincial governments in Canada, and various businesses and non-profit organizations in Canada and abroad.

Dr. Mintz became a member of the Order of Canada in 2015 as well as receiving the Queen Elizabeth Diamond Jubilee Medal in 2012 for service to the Canadian tax policy community.



Petroleum History Society Executive and Board of Directors – September 2019

On the occasion of one of the last Board meetings to be held at the Glenbow Museum and Archives, the current crew pose beneath the portrait of Eric Harvie whose generous endowment led to the establishment of the museum and archives and supported the facility for many years.

From left to right: Ross Hicks (Director), Judy Frame (Director), Clint Tippett (President), Ian Kirkland (Director), Wayne Dwyer (Director), Ross Gourlay (Secretary), Micky Gulless (Treasurer) and Doug Cass (Director). Photographer: Penny Colton (Director). Missing: Bill McLellan (Vice-President) and David Finch (Director).

Cable Tool Record Well: As reported by J.C. Brantly in the “History of Oil Well Drilling (1971, p. 522): “*In 1918 Hope Natural Gas Company drilled to 7386 feet and in 1919 broke its own record with a 7579 foot hole in West Virginia. This record held until 1925 when Peoples Natural Gas Company drilled to 7759 feet near Ligonier, Pennsylvania, which is still the record for a cable tool rig*”. It is not known if this record still stands but it likely does given the dominance over the intervening decades of rotary and mud motor drilling.

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

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Back issues are archived on our website at <http://www.petroleumhistory.ca/>

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PETROLEUM PROSPECTIVITY IN THE SOUTHERNMOST FOOTHILLS – 1915

PART 2 – CONTINUED FROM SEPTEMBER 2019

P.H.S. Member Bob Bott provided us with a link to an early Canada Department of Mines – Mines Branch publication authored in 1915 by Frederick G. Clapp and others entitled “Petroleum and Natural Gas Resources of Canada”. Volume II is “Description of Occurrences” with Part 2 being for Western Canada. Medicine Hat and Bow Island were in commercial production. Two areas of the Foothills are focussed on as having shown some promise by that point in time – Pincher Creek/Waterton and Turner Valley. The following excerpts provide interesting insights into the thinking at that point in time for this structured area. The link is ftp://ftp.geogratis.gc.ca/pub/nrcan_nrcan/publications/ess_sst/305/305389/cmb_291_2.pdf

“Okotoks (p. 283-284)

During the summer of 1913 a well was being drilled on the MacDougal ranch west of Okotoks, section 6, township 20, range 2 west of the fifth meridian. Messrs. Dingman, Segur, MacDougal and others are operating in this district in which the formations are greatly disturbed and faulted. A flow of gas was encountered amounting to 2,000,000 cubic feet per day, which soon decreased to less than a million, and was apparently declining rapidly. This gas is reported to contain 1 gallon of gasoline per 1000 cubic feet.

[A further comment made on page 300: “The well being drilled by Mr. Dingman and associated west of Okotoks, has already given evidence of the existence of gas in the vicinity. However, in view of the prevalence of faults and inclined structures along the foothills, in general, the territory may be considered unfavourable for the existence of a large supply of natural gas.”]

About June 1913, oil was discovered 16 miles west of Okotoks, in the Black Diamond district, Alberta, at a depth of 1560 feet. It was what is technically known as white oil, being transparent and of an amber colour and having a specific gravity of about 62 degrees Baume, and consisting largely of gasoline. As a matter of fact, it was used with satisfactory results in the tank of an automobile. The light oil appears to be the result of filtration through clay of the lighter portions of ordinary petroleum, then to a higher horizon in this well a flow of gas of 2,000,000 cubic feet a day was struck. Whether it is present in commercial quantities or not, a strike is of importance, as white oils are sometimes found in the vicinity of larger bodies of ordinary petroleums.

By December, a number of companies and individuals had filed on oil lands in this vicinity and announced their intention of sinking wells. If all their plans are carried out, a fair test of the field will be the result because their operations will cover a large area. The company [Calgary Petroleum Products Co.] at about this time issued a statement that oil of a very high specific gravity had been encountered in a stratified limestone, through which the oil percolated – about 10 to 15 barrels a day. A test of the oil indicates a light, high grade oil of paraffin base. Gasoline to the extent of 90 percent was distilled from the oil at 50 to 150 degrees centigrade. Specific gravity of the oil tested was 67.5 degrees Baume – early sample was 62.5 degrees Baume.



Dingman No. 1 1914
(photo NA-952-2 courtesy of Glenbow Archives)

Dr. H. E. Elliott of California, among the number of those who have secured leases in the vicinity, is of the opinion – in view of the developments in other parts of Alberta – that crude oil close to 37 degrees Baume and containing 30 percent of gasoline of approximately 76 degrees Baume, will be found.

There is oil of commercial quality, but how much or how little no one can yet say. The Great Northern railway announces an extension of that system into and passing through the Black Diamond district.

The prairie provinces of western Canada, where farming is carried out on a large scale, and in the development of which implements are used necessitating huge annual importations of liquid fuel, will offer a ready market for the oil should a field develop.”

Comments: Clapp’s descriptions seem a bit disjointed. Although shows of oil and gas were indeed found in the shallower part of the Dingman well during initial operations in 1913, the flow described can only correspond to the results of the deeper part of the well finally reached in May 1914. Why Clapp describes these as 1913 is not clear. Also problematic is that he describes the discovery of gas and oil as if they were made in the different wells. Old reports like this always seem to dwell on the distillation properties of the produced fluids.

Probably the most intriguing note in this report is that oil had been found in a “stratified limestone” and that this had been reported as such by C.P.P. As this summary predates by almost a decade the Royalite #4 discovery of wet sour gas in the Mississippian, that report must be incorrect. At this point, no wells were drilled deep enough to have encountered the Paleozoic and there is no such formation in the overlying Mesozoic.

All towns craved a railway line and it appears that Black Diamond was no exception. However, this was (and is) Canadian Pacific territory so how Great Northern was visualized as constructing a spur is a bit puzzling. Fortunately Clapp’s speculations about the lack of prospectivity for large accumulations was ultimately proven to be incorrect.

THE WAY WE WERE – BRETON, ALBERTA IN THE PEMBINA ERA

The following sections are extracted from “The Ladder of Time – a History of Breton and District” published by the Breton and District Historical Society in 1980. It recounts the transformative influences that the petroleum industry had on this rural area in the aftermath of the 1953 Pembina discovery. Breton is located 60 km SW of Edmonton and 35 km E of Drayton Valley.

OIL BOLSTERS SAGGING LUMBER INDUSTRY

After Velocity Surveys did seismic work during 1953, Century Monarch was the first oil company to explore for oil in the immediate area. The first well was drilled in March of 1955 but unfortunately, this well was a duster (dry hole).

During April of 1956, Gustavson Rig #4 struck light gravity crude while drilling for Canada Cities Service Petroleum Corp. on the Stan Jackson farm (8-15-48-4W5), 2.5 miles northwest of Breton. This wildcat well started producing at the rate of about 25 barrels of oil per day. This was the beginning of what was to become known as the Keystone oil field. This was fortunate for the community because by the end of the year, the lumber industry had ceased. As more wells were drilled, Canada Cities Service rented a house on the Lloyd Polischuk farm for their office and later used Frasers’ planer mill yard for the storage of casing, tubing, line pipe, etc.

1957, 1958 and 1959 were exciting times for Breton as it took on all aspects of a boom town. This was exemplified by the sudden influx of oil companies, drilling rigs, service companies and people. During the next three years, there were approximately 10 to 15 rigs drilling for oil companies such as Canada Cities Service, Imperial Oil, Western Decalta, Hudson Bay and numerous others. Over the successive years, hundreds of wells were drilled and it was not uncommon to see black plumes of smoke billowing up over the horizon or the reflection of many gas flares in the night sky. Also during this time, we had Halliburton and Dowell servicing the area for cementing, acidizing and sand fracturing to get these wells producing. Forsters had up to one dozen tanker trucks hauling oil, Braid-Nor did the maintenance of oil wells and Rimbey Wireline and Atlantic Wire Lines did the dewaxing; also, Redwell had a service rig stationed in the area for pulling tubing and running pumps. When the giant Pembina Field opened up and the bridge was built across the North Saskatchewan River, most of the service companies moved to Drayton Valley leaving Breton with a more stabilized population.

In July of 1958, Canada Cities Service built an office building along with two company houses. As the years went by, the picturesque scenes that were mentioned earlier were destined to disappear as more stringent conservation regulations appeared.

In 1966 Cities Service built a gas processing plant on the Heinrich farm, five miles north of Breton. This was followed in 1974 by a Western Decalta plant, 1 mile east of Breton. The casing head gas from the oil wells, until then a wasted commodity, became valuable feed stock for the plants.

As we look back from the early 1950’s to the present day [1980], we find that the oil industry in this community has developed this area from a booming, transient way of life to a more stable, prosperous area. With the onset of the 1980’s, Breton citizens, young and old, can give

testimony to the prosperity during the lumber years, later to be augmented by the discovery of petroleum, all in the name of progress. One cannot deny that Breton has become a better place in which to live because of the development of these natural resources.

WESTERN DECALTA PETROLEUM LTD.

Western Decalta first started drilling for oil in the Breton area in March, 1957 when they drilled four wells north and west of Breton to a depth between 4700 to 5000 feet in the Cardium Zone. Then there was a period between 1957 and 1964 in which they did not drill. The first steady operator the company had in this area was Ted Smith, whom most people know. Ted was transferred to Calmar and later to Valleyview, Alberta where he still lives.

In May, 1964 Western Decalta drilled 10 Belly River wells, east and southeast of Breton, to a depth of 3200 to 3400 feet. They also drilled four wells north and west of Breton on Walter Johnson's, Alvin Tripp's, George Horvath's and Tom Impey's lands. Between the years of 1965 and 1967 Decalta drilled dry holes southwest of Breton on Ordie Mockerman's, Roy Peterson's and Jim Coombs', southeast of Breton.

In 1968-69, they drilled five wells south of Breton, the first of which was on Roy Matherson's; they drilled more wells the following years.

In 1971 Decalta bought a half section southeast of Breton and built a manmade reservoir which is known as the Poplar Creek Reservoir and is used for water injection in the oil field. Imperial Oil and Husky oil also take water from the reservoir. The deepest part in the reservoir is between 30 to 35 feet.

In 1972 Decalta unitized what is known as Belly River B South Unit and built a new battery on what was then the Bob Ross quarter. They also drilled another 10 infield wells which were also in the Belly River Zone.

In 1974 Decalta built a gas plant on the same site as the battery on Bob Ross' land which gathers gas from Imperial Oil and Husky Oil Co. Gas is pumped directly from the plant into the Northwestern Utilities line. Decalta drilled five wells southeast of Carnwood, which Theo Westling operates.

In 1976 Decalta was purchased by Loram, which is Mannix.

DOWELL INCORPORATED

Dowell's camp and garage were on the same location as Pearson Bros. Ltd. had their lumber yard, SW 2-48-4W5. The cement floor that was used for their garage is still there.

In the latter part of March 1955, Dowell of Canada commenced operations out of Breton. The name at that time was Dowell Incorporated. Although the construction of the shop was not quite completed, the oil rigs had to be serviced and Dowell was there for that purpose. The pay was \$260.00 a month and if credit couldn't have been arranged, very little could have been

purchased – but we survived! There were boys from as far away as Sydney, Australia who were employed by Dowell. The majority of the working class were from our own locale. Some of the boys who were being paid by Dowell to do the job of cementing, fracturing and acidizing were Tom Impey who was service engineer and who spent a few years abroad and now farms in this area; Clarence Hoff who is now retired from Dowell; Dave Robinson who is now employed by an oil company; Stan Anderson who owns a farm at Kitscoty but spends his winters with Dowell; Laurel Fenneman who is a commissionaire at the Cold Lake Army Base; Alvin Tutty who was a heavy duty mechanic with Dowell and is now the local bailiff working under the Wetaskiwin jurisdiction; Norris Lansdell who has been an auctioneer for a number of years; Floyd Maines who died a few years back; Mike Ratchuk who now farms at Smoky Lake; Ted Kruger who is still with Dowell; Doug Smith who is on county council and also farms; Ordie Mockerman who passed away five years ago; Buster Ladouceur who hauled all the chemical – he moved from here to B.C. where he died. These were some of the local boys. A company has its managers; and in the three years Dowell was in Breton the managers were “Pop” Blanchard, Bob Harrington. George Welsh and Braithwaite. In the days of working for Dowell, the biggest problem was the roads but when there was opposition like Halliburton, Dowell had to go.

When the bridge across the Saskatchewan River opened, the Breton Station and equipment were moved to Drayton Valley. All that remains in Breton is the sand silo which is owned by Cardium Sand.

There is so much that could be said about Dowell but this will give you an idea and a bit of information about a great company. This little write-up is only from memory and any omissions or errors were not done intentionally.

AMOCO GAS LOADING TERMINAL (by Hugh Campbell)

In the spring of 1958, ten acres of land was bought from the northeast quarter of the now Joe Sobon farm, two miles north of Breton. On this site construction began for Goliad Oil and Gas Co. to be known as the Goliad Breton Loading and Shipping Terminal for liquefied petroleum gas (propane, butanes, condensate). C.P.R. built a spur from the main line to accommodate loading tank cars and a truck ramp was built for loading trucks with propane. Six huge storage tanks were hauled in by Rehn Trucking of Red Deer. These tanks were so long that it required two trucks to haul them – one at each end of the tank. The truck at the back of the tank had to travel backwards; needless to say, the driver going backwards would have an exciting trip! Upon arrival at the terminal, these tanks were lifted by two cranes from the trucks and placed on cement pillars at each end of the tank. Each tank has a capacity of 55,000 gallons of propane or butane.

In the fall of 1958, the Terminal site was completed and C.P.R. was notified to move in some empty tank cars to load with propane. What an exciting day that was with the official ribbon cutting ceremony and ten men trying to load tank cars that they hardly knew anything about! The propane was fractionated at Goliad’s Buck Creek Plant, located seventeen miles west of Breton Terminal, and shipped there via pipeline.

For the first three years, the tank cars were small with a shell capacity of 8000 gallons. In a 16 hour workday, 20 of these cars would be loaded for shipment the next day. Each tank car would

have to have a bill of lading typed up and taken to the Breton C.P.R. agent to sign and he, in turn, had to make up a weigh bill for each car. You can imagine the look of dismay on Percy Seal's face (agent in Breton then) that first morning at 9:00 a.m. when he was handed 20 bills to sign and make weigh bills for, before the train arrived at 10:30 a.m. After three years, there was a new tank car made that held 25,000 gallons. What a blessing that was – less work all around!

The Breton Terminal would ship, on an average, 2,000,000 gallons of product a month.

In the year 1976, Goliad Oil and Gas sold out to Amoco Canada Petroleum Co. After the sale was completed, more changes took place at the terminal. First of all, a new office was brought in, much to the operator's delight, as it had hot and cold running water and an indoor privy. Another large truck ramp was built for unloading trucks that haul mixed products from different small plants – some as far away as Penhold and Alix. There are two 4-inch lines laid from the terminal to the Dome Petroleum line that crosses the Ed Miller farm, east of the terminal. One of these lines is used to ship the mix to Dome and eventually this same mix, along with other products picked up along the way, reaches Sarnia in Ontario. The other 4-inch line is used for shipping condensate (unrefined gasoline). The terminal receives about 1,000,000 gallons of mix per month.

When the terminal started, Hugh Campbell and Bob Dowler were hired as operators. After three years, Bob Dowler left to help his father run the family Golf and Country Club at Mulhurst. Hugh Campbell is still operating the terminal where he has worked for twenty years.

PUMPER'S LAMENT (by Virgil Platz, to the tune of Rattling Cannon Ball)

Here's to Mr. Armstrong, the toughest of them all
Then comes Stanley Jackson, he don't say much at all.

Where is Dewey Peterson, he must have gone away
Because those pumpers were so dumb, the poor man couldn't stay.

There's a new guy in the office, they call him Freddie Snell
If you don't argue with him, you'll get along quite well.

Oh yes, there's that slim guy, they call him Mr. Hakstol
If you haven't got your books correct, he will make you feel quite small.

Chorus:

Oh for the life of a pumper, the roads are mighty rough
To work for Cities Service, you have to be damn tough.

Verses Resume:

Waiting for Rimbey Wireline, I wonder where they're at
They might be up at Taylor's store, chewing on a hunk of fat.

Here come Johnny Kugyelka in his little heap
When he turns the corner I think he was asleep.

And that Mr. Heighington when things start to get rough
He sharpens his pencil, and tries to run a bluff.

We can't forget Albert Hanson, he deals in a lot of junk
When it comes to First Aid classes, son-of-a-gun got drunk.

The operations of Donald Jackson I really do not know
I hear that he put half his oil in the firewalls and the snow.

And that Mr. Stephenson, a top-notch man we know
When he worked for Old Tidewater an oil tank did blow.

We can't forget Raymond Gerwien, a careful man is he
What do you call that black stuff running down the tree?

There was old Atlantic Wireline, it really is a shame
They made so much damn money, they had to change their name.

From Atlantic Wireline to Rodman they do claim
I wish they hadn't changed it because they're just the same.

Then that Mr. Polischuk, a very rich man is he
If I had all of his money, Cities Service would work for me.

And now you good people I think you're really swell
The story of old Virgil Platz I really hate to tell.



Standard Oil of British Columbia Eyremore, Alberta 1942.
Halliburton truck running cement (photo NA-5379-5 courtesy Glenbow Archives)