
GERRY BURDEN

Date and place of birth (if available): April 2, 1924 in Regina, Saskatchewan

Date and place of interview: Monday, March 19th, 2012 @ Mr. Burden's home located at Suite 310, 1718 - 14th Avenue NW, Calgary, Alberta.

Name of interviewer: Brian Brennan

Name of videographer: Peter Tombrowski

Full names (spelled out) of all others present: N/A

Consent form signed: Yes

Initials of Interviewer: BB

Last name of subject: BURDEN

PRELUDE: My name is Brian Brennan. Today is Monday, March 19th, 2012. I am speaking with Gerry M. Burden for the Petroleum History Society Oil Sands Oral History Project. And we are conducting this interview at Mr. Burden's home, which is located at Suite 310, 1718 - 14th Avenue NW in Calgary. And also with me today is Peter Tombrowski who is recording this interview on video. Mr. Burden was the lawyer for Imperial Oil when Syncrude was incorporated in 1965 and was part of the team that negotiated Imperial's position in the company.

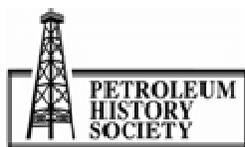
BB: Good afternoon, Mr. Burden.

BURDEN: Good afternoon, Brian.

BB: Maybe we can start with you just giving us a brief biography of yourself: Where you were born, where you went to school, when you came to Calgary, those kinds of things.

BURDEN: Well actually it was April the 2nd, 1924. So, two weeks today I will be 88. Born in Regina and grew up in that city. There was always a bit of a crisis from the time I started school. There was the Depression/Drought combination and then, in 1939, the war. I had a very interesting childhood. My father made sure that I was exposed to as much as what was going on as possible. I was in a couple of places he didn't want me to be. I don't know if you're familiar with the 1935 Regina Riot. I was 11 years old, and I was there. I wasn't supposed to be, and I paid for it later, physically.

BB: Paid for it in what sense?



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BURDEN: I was admonished in the way we used to be admonished as kids in those days. Then I went to university, in 1941, to the University of Saskatchewan. I took two years of chemical engineering. Then I left to do some other business (in the war), a lot of us did. Came back in '45, and went into law. Finished an arts degree, and then I graduated in '49. We were the first real post-war class at that time. Everybody was a veteran except for two people: One young lady – we only had one young lady in those days in our class – and another gentleman. I think 34 of us graduated. I graduated and Saskatchewan in 1949 didn't really appeal to me too much so my wife – I was married in '48 – and I left for Edmonton. I articulated in Edmonton. Things were crackling, as you know, in those days. Oil had been discovered in Leduc in '47, I believe it was.

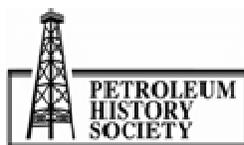
So we went to Edmonton and she pulled up stakes. She had been in Saskatoon all her life and I admired her for that. And we stayed there and came down to Calgary in '51 when Imperial came calling. I practiced in Edmonton and articulated and practiced for a year. Joined Imperial in June of 1951 in Calgary, so that's how I got here.

BB: What did you know about oil sands when you first heard about them?

BURDEN: Frankly, I didn't know a darn thing about them. But I have to tell you about an incident that happened. I've always believed that circumstances shape your destiny in a lot of ways. You can either create them or they come to you. Being in the law department at Imperial, I met a lot of people: land men, contracts men, drillers, production engineers, explorers, geophysicists, geologists. That was rather interesting, meeting all these guys. And there was one man that I'd heard a lot about, and nobody knew much about him. His name was Jim Young. He ran our research lab out in Manchester. It was just a little lab. Now, they have a huge one out by the university. I wanted to meet this fellow because I heard he was brilliant, and he was different, and he was a character. I had an opportunity, around 1954, or '55, when he was awarded an honorary doctor of laws from the University of Alberta.

I wrote him a letter on our law department stationery. I congratulated him on his honorary doctorate, and I welcomed him as a member of the second oldest profession in the world. Then I went into some bit of nonsense about how we became the second profession because the members of the oldest profession needed a little help in arranging their affairs, and making sure their contracts were abided by, and all the rest of it. And I ended up by saying, "How do you think we got the word solicitor in our name?" I said we just borrowed a word that they were using all the time. So I signed the letter. And the young lady who typed it, she said, "You know, Mr. Burden, he'll either love you or kill you." So I sent it to him; I didn't know what would happen. About ten days later, this fellow, Young, came into my office. He didn't even announce himself. He was at the lab, and he came to the main building. We were in the old *Albertan* building, on the corner of 9th Avenue and 2nd Street West.

It was a five-storey building and we were on the fifth floor. And this human hurricane came busting into my office, my girl didn't even have time to announce him. And he came over, and there were two chairs in front my desk. He threw his briefcase and his trench coat on one, and he came to the



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other and stuck out his hand. He said, "I never got a letter like that, I don't know if I'll ever get another one. But I have to say I loved it."

Then he finally blew himself out, and he sat down. And then he said to me, "I've got something for you to do, if you would." And I thought, "Hey, this is bingo for me; I broke the ice." He said, "I want you to come to Toronto with me next week." I said, "I'll have to clear with it my division solicitor." He said, "It's cleared." He'd cleared it with the general manager who was Don McKenzie. This was the only guy Young reported to. And that started a working relationship that became very, very interesting, very productive, and very exciting in a lot of ways.

I asked him why he wanted me to go to Toronto with him. He said, "I've got a meeting with Atomic Energy Canada, and there may be some stuff to scribble down." That's how he put it. He said to me, "Imperial has got to get into the tar sands. There are massive oil deposits up there, and we don't own an acre." I asked Young how he knew about the oil deposits, and I discovered that he did know a few things, from contacts with chaps that were in Royalite. Now, Royalite was the predecessor of Gulf. Their president was a man by the name of Charlie Hay. Very fine gentleman; his son, Bill, played in the NHL. Young had some contacts with the people in Royalite, and I said to him, "You better cover yourself. You better get some confidentiality agreements signed."

Young had an idea to explode an atomic bomb underground. Heat this stuff up, and then it would flow. But all AEC would say was, "We'll take it under advisement." He was full of ideas, Young, full of ideas. That was the beginning, and that was in '55. And that's when I became aware that there was something going on in the tar sands. Young, I guess, was doing research on some of this stuff that I don't know how he got. I'm sure he had access to some core samples that we didn't own.

BB: So Imperial wouldn't have had any holdings, then, in the oil sands?

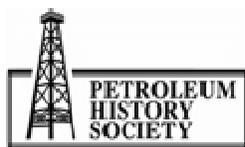
BURDEN: No, I don't think there was one. No, I would've known about it. But Young was pushing it.

BB: The atomic bomb idea that you mentioned; it actually moved forward a little bit, did it not?

BURDEN: I think it might have, yeah.

BB: Because I know that Premier Manning in 1959 really thought that this was a viable option, and it looked like it was going to go ahead. So were you close to that at all?

BURDEN: Well '59 was a critical year. That was the year when we started the negotiating. Imperial started negotiating with other companies. This was a consortium that was coming up here: there was Imperial, Cities Service out of New York, Richfield Corporation in Los Angeles and Royalite, who owned the lease. And Imperial decided, I guess, finally it was going to try and get a position in the tar sands. And Frank Spragins was the chief negotiator. Now, Frank was a geophysicist from Mississippi, and a very shrewd negotiator. An excellent man. And he picked me to work with him if I could, which I did. I was seconded to him, and my position with the law department became



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secondary. And we had no idea that this would go on for six years before something came of it. But I think the reason they picked Frank – and I'm just surmising here – is that he was an American. But he was also fairly bright, and a very excellent man to work with. But, my gosh, he died. I don't think he was there when they produced the first barrel of oil out of bitumen out at Syncrude.

BB: And what was the reason for the consortium coming together in the first instance?

BURDEN: I think it was that any project would have been too big for one company, and certainly for Imperial. Already in there, of course, was Great Canadian Oil Sands, which became Suncor. The City of Fort McMurray is just south of the Suncor lease, which in turn is just south of the Syncrude lease. That is the geographical, going north. Now there are a lot of other companies that have an interest there: Shell, Nexen, I don't know them all. And Imperial is still part of this consortium, which has changed 11 times over the years. Now, Sinopec is in Syncrude, which is quite the change.

BB: So the original four companies, then, they got together in what year?

BURDEN: Well, we started in 1959. I remember we met mostly in New York or Los Angeles and had very few meetings – in fact, I don't think there were any meetings – in Calgary with the four of us. Mainly, we'd go to New York. Cities Service was in New York, and they had a beautiful round table – you talk about King Arthur and his knights of the round table – big enough in a boardroom that you could have 20 guys with lots of space and everybody facing everybody. It was a very good meeting room. And then we'd go to Los Angeles, too, on occasion, to meet.

BB: And when you went into these meetings, what were your instructions from Imperial?

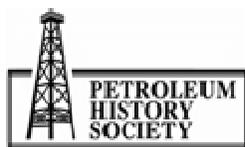
BURDEN: Frank and I were told: "We want to be equals with these people." We reported to three board members at Imperial. I remember them very well: Dwight Simmons was in charge of Imperial's refineries. Jerry Cogan had come up from Jersey, and he'd spent time in the Oronoco Valley in Venezuela, where there are heavy oils. And the other one was Vern Taylor, who had been in Calgary. So we had a mandate from them that they wanted to be equal. And they all (Imperial, Cities Service, and Richfield) decided they'd be 30-30-30, and Royalite was happy to be at 10%. And, during the negotiations, Royalite was basically carried through an awful lot of it because they owned the lease. For them, it was like owning a farm where somebody drills a well. You don't put any money into it to earn a piece of your land. But the expenditure – what we were thinking of – was on a major plant to separate and then upgrade and then transport.

BB: What kind of money would you have been looking at then?

BURDEN: I actually forget.

BB: Big money?

BURDEN: Big money, nine figures.



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BB: Hundreds of millions?

BURDEN: In the hundreds of millions, I think, spread over. But that was part of the negotiations. What if somebody flops, how do you handle it? What if you start a plant and somebody doesn't come through? This was all going to be handled through the banks.

BB: For the banks, this was going to be completely uncharted territory?

BURDEN: That's right.

BB: So what was their reaction?

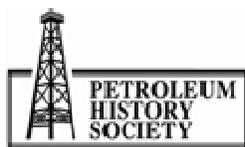
BURDEN: I can't really tell you because I didn't have much to do with the banks. I was working with these American attorneys and we had a lot of fun doing it. I have to tell you one story. I was the young kid on the block; I guess I was 35 then. And the Cities Service lawyer was a typical New York lawyer; his name was Park Holland. Very funny gentleman, but a very proper gentleman, more corporately involved than operationally. My background is basically operations. And Richfield's lawyer, his name was Bill Woodruff. And, if you can imagine seeing a guy that's been on a combine for ten hours and steps out after being there, that was Bill Woodruff. He looked the part. He didn't give a damn how he looked, really. He was astute, but he was pretty rough for a while. And I thought, "oh, this guy's going to be tough to deal with."

So one day in New York, we got to some kind of an impasse. And I can remember Bill threw his pen down on the table and he said, "Gerry, I think the only way that this going to work is if we come up and take it over." And I looked at him and I said, "Bill why don't you go back on your American history; you tried that once." Well he just about roared. Okay, from there on we were just fine. Little things like that.

So in the summer of '61, August of '61, a very, very hot day, we took Imperial's DC3. There's an airstrip at Fort McMurray, a dirt strip. Fort McMurray was nothing in those days, really. There was Frank Spragins, Jim Young, myself, and the three directors. There were six of us who went up on this plane. So we landed on this strip, on this very hot day. Three Jeeps were there, three guys that were, I guess, drillers, or core drillers on the Royalite lease. Because now we had access to it, of course. So I got in one Jeep, and Young was in the Jeep behind me, and we drove along. And, you know, it was so hot that the ruts were throwing up the dirt, and it was glistening. The actual stuff was glistening.

So we stopped somewhere, and I got out. I picked up some of this stuff and I actually squeezed oil out of a handful of dirt; it was that hot. And I looked at Jim and I said, "You know, Young, all this money you're spending and look how simple this is." And he just looked at me. Then this came out, six months later.

[Burden points to a model of a mock oil sands separation device, built by Young as a joke.]



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This came out; this was where the action was.

BB: Tell me a little bit about this, what is it?

BURDEN: This was quite a surprise and it's something I value very deeply. It's called the "Burden Process for Exploitation of the Athabasca Tar Sands."

BB: So your name is on it?

BURDEN: Oh, it's right there. And it's engineered by J. W. Young, February, 1962. The detail this man went into. While stockholders (X) look on, promoter (P) signals start of process. Inventor (B) – there I am there – opens valve admitting steam from kettle (K) to separation reservoir (R) and blowing whistle (W). He's even got the pipes blowing both ways. Labourer (Q) – this is where it gets good – Labourer (Q) withdraws attention from statue of inventors' permanent inspiration (T). That's what he'd do. Emits tar sand (U) from storage bin (N) to reservoir (R). Passionate alligator (A) thinks whistle sound is a female mating call, and jumps into reservoir (R) where his motions separate sand and tar. Water from process drains to vat (V) where it consumed by camel (C). Waste sand goes to sandbox (S) where it used up by overgrown juvenile (J). He didn't miss a thing, this guy. Tar scraped from alligator after he is fished out of reservoir. A new species (F) may be tried as a substitute for alligators, but he hasn't been named yet. This process disposes of all waste products at minimum cost, and will replace all present plants. Disgruntled stockholders serve to feed alligators. New Ts are on order. Now that's Jim Young.

BB: That's absolutely hilarious.

BURDEN: It is, and the detail ... It's very fragile. This part came apart the other day, just with stress, I guess. But you don't notice it too much. It was presented in the boardroom of Imperial. I was in my office and they said, "You're wanted in the boardroom Gerry." So I wandered down there and this was it.

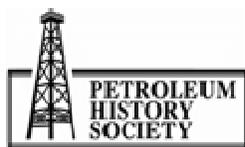
BB: So he had quite the imagination then?

BURDEN: Oh he was brilliant, he really was. And I just enjoyed working with him. Now you'll notice something here, he still has a bicycle, see that?

BB: Right.

BURDEN: Nothing whatsoever to do with this. Remember Hitchcock's movies, he always got himself into the movie somehow?

BB: Indeed, yes.



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BURDEN: This refers to an incident that he and I went through in Toronto about 1957. We came very close to being in major trouble. We "borrowed" a bicycle to get to a meeting that we were missing because we were sitting in a bar too long.

BB: Oh dear.

BURDEN: The bicycle was owned by a commissionaire. The Metro Toronto Police were involved, but we talked our way out of it. It was quite an incident. But that was just Jim Young and me, long before this came about.

BB: So he was, as you mentioned, involved in the research end of things?

BURDEN: Yeah.

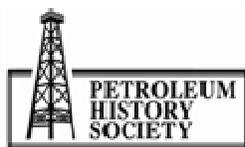
BB: Was that the primary focus that Imperial and the other members of the consortium had at the beginning?

BURDEN: Yes, I think so. I think they realized that Royalite's lease – I believe it was lease number eight – was very, very productive. High concentration of bitumen and sand, and the overburden was very shallow. That was another thing they did: they'd say it's getting overburdened. Play on my own name, you know. But this was just another example of how we could have a little fun doing this. It was very serious, but it finally ended up that I thought maybe we'd be fighting a combination of Cities Service and Richfield. But Richfield and Imperial worked closer together than Cities Service. There was no real problem really. It took time. I spent a lot of time in New York, which isn't too tough.

Frank was Imperial's chief negotiator, and there was a lot of paper being used and things being drafted and discarded. Every so often we'd have meetings with the directors of the companies just to make sure things were going all right. I laughed at one of the first meetings. The president of Cities Service's name was Charlie Mitchell. As soon as I saw him, I thought of a linebacker from the New York Giants or something. He was that type of guy. And his first comment to his lawyer after this meeting, he said, "Oh, Parky, do a one-page draft and see how they like it." Five years later, we were still at it. It was a very interesting and involved negotiation.

BB: How do you find partners for a deal like this?

BURDEN: I don't know. That must've been done at the top level because when I went with Frank to my first meeting, they were there, they were in place. And I guess it was people who had a common purpose in oil sands, to get in there somehow. I notice that it became Canada's Cities Service, but I think at that time it was Cities Service Corporation. And Richfield had a place down in the Baja where we used to go occasionally. Imperial made their Gulfstream available to us. Frank and I were the Calgary cowboys, as we were when we went down to Toronto. Imperial in Toronto were very staid. They almost had a uniform; blue blazer, grey pants and tie. I remember one hot morning we arrived from Calgary. We went into the elevator and we had our sports jackets over our



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shoulder, no ties. There was just dead silence when we got in the elevator. "Look who is here." So it was run from Toronto, and we did it from Calgary. We were close to the operation and we were close to the site too.

BB: So when the negotiations were going on then, what was your personal involvement?

BURDEN: I was putting things down, and sometimes we were even part of the negotiation because they'd bounce ideas off us. You see, the negotiations were basically carried on by about seven guys: Frank and myself for Imperial; Richfield had this Bill Woodruff and a chap by the name of Tegtmeier. I can't remember his first name. I wish I could remember. He was a very pleasant chap, he was about 5'6" high and maybe 4'6" wide, and that's maybe a bit of an exaggeration; very pleasant, very astute and reasonable. Cities Service negotiations were carried out by Park Holland and I forget who their chief negotiator was. I think they changed them every so often. But occasionally, you would have a director or two sit in. And as we got closer, we had to bring in our comptroller from Toronto because the money was starting to be an issue. But there was progress, always progress. Nobody threw in the towel. Nobody got angry. I think everybody knew this was a major undertaking as a consortium. And the other thing, we didn't know if we were going to have a company or a joint venture. Were we going to operate it as a joint venture or become separate companies? Or, would we form another company to do it? That was an issue that wasn't resolved for a long time. Finally it was.

BB: You mentioned there was a 30-30-30 and then 10 split.

BURDEN: Correct.

BB: How long did it take for you to get to that point?

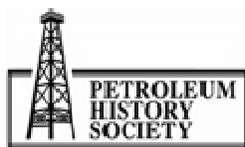
BURDEN: That was done fairly quickly. It was done at the top before we even got involved. The three of them knew they wanted to be equal, so it started from there. And Royalite, being the smaller company, were happy at 10 provided that their expenditures and commitments were at 10.

BB: So what did the discussions entail once it was decided that, okay, this is what the split is going to be?

BURDEN: Well first of all, what kind of a plant are we going to have? What's the scope of this going to be? Are we going to just mine it? Are we going to mine it and separate it? Are we going to mine it, separate it, and upgrade it? Are we going to transport it? You see it's not a refinery, Syncrude, I don't think it is even yet. They might have some refining, but it was built with the idea of getting this bitumen upgraded so it could flow in a pipeline to refineries in Edmonton.

BB: So you were looking at this as a commercial proposition?

BURDEN: Oh, yes. This was going to be making money, hopefully. And we wondered, because in those days the technology was almost primitive. And the price of oil was, of course, a factor. What



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was involved here? How much was a barrel of oil going to cost when we go through these processes? It had to be making money. It had to be a money making scheme.

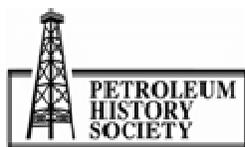
BB: Did Imperial stay committed to the project all the way through?

BURDEN: Yes. They all did. Imperial definitely stayed committed because they were very helpful to Spragins and myself. Spragins, incidentally, became the first president. There's a story behind that too. He became the first president. He quit Imperial and he was asked to be president, and he did. No, they were committed. Everybody was committed. I think if they hadn't been committed, it wouldn't have worked. If you and I made up our minds to do something, then by George we're going to see it through and we'd do it.

BB: And how did they decide on the name?

BURDEN: Well, first of all we decided we were going to have a company. And this was decided maybe two years before I actually incorporated it, in '65. Now this is a bit of history that not too many people know about. Some know it of course, but it's never really come up. We had a meeting in New York all week, and we knew there was going to be another meeting on Monday, what was the point of coming home? And New York isn't a bad place to be when you're on an expense account, particularly. So we stayed in New York, Frank and myself, and we had our comptroller, Ken Tanner, with us as well. He was a gentleman. And then the Richfield boys stayed in New York. Tegtmeier and Woodruff stayed in New York. Cities Service boys would go home, mostly. And, I remember, we stayed this weekend in the Pierre Hotel; I don't know if you've heard of it. It's a very old fashioned, but a very grand type of hotel. Friday night, we all decided we were tired. We were going to go and do our own thing, and maybe have dinner separately. But on Saturday we were going to meet for dinner, at a place called the **Cattleman's Restaurant**. This would be on Saturday at, say, six o'clock, not too far from the Pierre Hotel. So we did, and there were five of us there. So we went there and by this time we were feeling we'd had a nice weekend. We started off with a drink or two. Drink or two became two or three, and finally we had a few. All I remember is eating steak and drinking scotch. In those days it was Johnnie Walker Red Label. I still don't know, after we'd finished, how we got back to the Pierre Hotel. But Richfield had a suite; they had two bedrooms with an anteroom.

We all ended up in their anteroom, and this would be about ten o'clock at night. None of us were really in, you'd say, at the top of our mental abilities, but we all stuck there. Tanner had a piece of paper and he said, "You know, we've got to get a name for this company." "Oh, not now, Ken," we said. "Please not now." "Yeah, well let's think about it." He was what I would call a typical accountant; everything had to be just so. So he had some names written down and, really, it was hilarious. The first one he came out with was, "Northern Alberta Great Bitumen Mining Processing Company" or something like that. And then he'd go to, "Athabasca Producers Association of Canada" or something. Nothing worked. Spragins was very quiet, and he'd just sit there and shake his head. "No, nothing like that." Nobody was in the mood to give it a name. And then Woodruff said, "I'm going to bed." He said, "I've got to get up tomorrow. I've got to go and confess my sins,"



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or something like that. And somebody said, "Sin, sin, sin, now what the hell?" And then somebody said, "Well you're being crude, you're not being hospitable." And I think it was Spragins who said, "You know, we're talking synthetic crude here. Woodruff, you're a genius." Or, some words to that effect. Everybody kind of sobered up, a wee bit.

Anyway, we started bantering names around: "Athabasca Synthetic Crude Producing Association" and things like that. And through a process of just thinking about it, it came down to "Synthetic Crude Oil Producers of Canada." Hmm, pretty long. "Synthetic Oil Producers Canada Limited." "Synthetic Oil Canada." "Syn-Crude Canada!" Hyphenated first: S-Y-N-. The S-I-N became S-Y-N. Woodruff didn't go to bed; he stayed up. And then we got the "-Crude." And I can remember saying, "Well why the hyphen?" "Just put it in. It's not a name." "Well it's not a name now, is it?" So anyway we went for breakfast the next morning, probably around noon. And this name, "Syn crude," was written down and somebody said, "Gee that sounds pretty good." Richfield liked it; they agreed. We liked it. But I wondered what Cities Service would think, and I wondered what our boards would think?

Well, Monday morning, there was a big meeting at Cities Service, and directors were down from Richfield. They came up with the president, his name was Charlie something too. And we had our three directors, and Cities Service came in for the first time. And we said, "Frank, you're the Canadian now. This is a Canadian company. You can pitch this out and see what happens, but you've got to get Charlie's full attention quickly because he has his own agenda." So, we sat around this big table, and Charlie called the meeting to order, and Frank says, "We've got a suggestion Charlie, before you start." He said, "We've found a name for this company, do you like it?" He gave it a thought – Syn crude Canada – and right away he says, "Gee, it sounds good." The Richfield boys, their board was saying, "Yeah, it sounds very nice. What does Imperial think?" Royalite, they were happy. And Imperial's directors were there, and Vern Taylor said, "That is one fine name." He said, "We better get it." Then he said to me, "Do you think Gerry, that it's available?" And I said, "Well, I'll have to phone Jimmy Warr." He was the Registrar of Companies in those days.

In those days, you could have a name but you had to reserve it every month. And we didn't know how long it would go. Then Vern started talking about the five of us. He said, "You boys, it's beyond the call of duty that you would come up and spend your time thinking about something like this. You have to be commended for the work and the thought that you put into this." I turned my chair right around and started looking out the window and polishing my glasses. Tanner actually left the room; he couldn't stand it. And Woodruff, he was buried in paper. We were getting all of this stuff from Vern, and of course he didn't know how it happened. And Syn crude came up that way. Companies spend millions sometimes on names ... But, I don't think many know that story.

BB: And the name stuck, obviously.

BURDEN: And the name stuck. I phoned Jimmy Warr right from that boardroom where they had a phone and he said, "You can have it." And he said, "When are you going to need it?" And I said, "I have no idea." And he said, "If you phone me every month, Gerry, you can keep it." Well, then, it



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took two years. But that's how the name Syncrude came about. It was really quite funny. It replaced this:

[Burden points to the Young model.]

So we completed negotiations in spring of '65, and it was my job to incorporate the company. First of all 10 directors: three, three, three and one, and that made it nice and easy. Now, who's going to be president? Most companies, of course, the president is a director. But we couldn't do that because that would give one company a bit of an up – they wouldn't be equal would they? Who's going to be the president? I said, "Well, under the Alberta Corporations Act, you can have a president who is not a director. You can't do it in Ontario, I gather."

So they asked Frank if he would like to do that. He'd be paid by Syncrude and he would sever his connections with Imperial, and he would be the president of this company, with this board. And he knew them all and he said, "Sure." He knew that it was a challenge for him now. He'd been working on this for quite a while. He had to move to Edmonton because there was nothing of profit for him in McMurray there. So the directors elected him president at the first meeting, directors' meeting. And I sent the articles and everything down to Toronto – it was a fait accompli – and I got a phone call: "You've got a president who is not a director, Gerry." I said, "Yes." "Well you can't do that." I said, "You better read your Alberta Companies Act." And they said, "That's quaint." So that's how Frank became president. And that's the beginning of how Syncrude started. It was a long road, I wouldn't say a tortuous road, but it was a road that had its moments. It was a road that everybody wanted to stay on course, that's why it came about. And I think today, you see how the ownership has changed. It's changed 11 times since then. Richfield didn't stay as long as some of them, but you've got governments involved and then they left. But my association with Syncrude as a company was not very much after that.

After '65, I wasn't that much involved. When I got back, I was doing things for Imperial that I was doing before.

BB: The company was registered in Alberta, then, wasn't it?

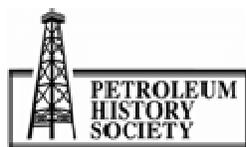
BURDEN: Yes.

BB: Why was it decided to register it in Alberta as opposed to, say, registering it in Ontario or someplace else?

BURDEN: Because it's operating in Alberta. I think there is more flexibility here. But the main thing is it was registered in Alberta because it's an Alberta company.

And the name Syncrude Canada shows that we thought it would have some effect in this country, and look at it now. One of Canada's economic drivers isn't it?

BB: Indeed. Tell me a bit about Spragins. Of course, you first got to know him at Imperial?



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BURDEN: Yes.

BB: Why did he become the chief negotiator, do you remember?

BURDEN: I don't know all that went on, but I can surmise a little bit. I met Frank before that. He came up here as a geophysicist and party chief. He was actually operating with geophysical contractors, doing seismic work in Alberta primarily. Very soft-spoken gentleman, but a very bright gentleman, I always knew that. I have a hunch that he and Jimmy Young were pretty close too, although I didn't really know it. Jimmy and I were here. Frank and Jimmy were here, and Jimmy Young was a brilliant man. And unfortunately, you know, I think he died in '64. Terrible, it was a shame. I don't even think he went to university. I think he was a self-trained man.

BB: Oh, really? The researcher was?

BURDEN: Yeah. He was at Suffield during the war, as I understand it. He was in the lab at Suffield experimenting with gases. And it was under the aegis of the British Army, I gathered, that big training station down there.

So Frank, I think, just made an impression that he could do this, and he was an American, and we knew were dealing primarily with two American companies. And he was a geophysicist; he was an operations man, got along with people very well. I enjoyed working with him, I enjoyed travelling with him.

BB: What was he like in the boardroom? What was he like a negotiator?

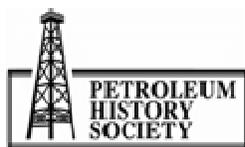
BURDEN: Very firm but very soft – I mean soft-spoken. He'd listen for a while and then he'd say, "Well let's explore this, or this isn't going to work." And then he'd look at me and say, "Do you think this would work Gerry?" And I would say, "No, I think you could try something else, because by the time you put it all down – all the possibilities – you're going to have 10 pages and nobody is going to understand it anyway." The actual agreement, if I recall, I think it's about 35 pages long. It's not a huge agreement, but it's very condensed and concise about building, operating, expenditures and calls, and all that stuff.

BB: Where would copies of that agreement be today, I wonder?

BURDEN: Good question.

BB: You don't have one sitting in your desk at work?

BURDEN: No, I don't. I don't even have a copy of the letter I wrote to Jim Young. Things get lost in the changes and moves. And actually, this is an aside, but Imperial and I parted company in '74. I didn't resign, they "resigned" me. I just couldn't keep up with their – what I call bureaucracy. Getting notes and things from Toronto, "Would you go back and explain why this happened?" So I



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left them in June of '74. But it was fine; it was amicable enough. I preserved what I wanted to preserve.

BB: Now, like you said, it was a long road because it took several years for it all to come together. Was it fairly smooth sailing, would you say?

BURDEN: Yeah, I would say so. A little bit rapids, you know, you're going down like you have a little kerfuffle, like Bill and I had, for example. And sometimes somebody gets their nose out of joint, and maybe we can't do that sort of thing. But I don't remember anybody saying, oh we can't resolve this, we can't do this. Royalite was very passive because they could afford to be. They had the jewel.

BB: And didn't have a big stake in it.

BURDEN: Yeah, yeah.

BB: And, at the end of the day, what was this company going to look like? What was this company going to be doing moving forward?

BURDEN: It was going to be mining, separating the bitumen from the sand, it was going to be upgrading it so at least it would flow, and it was going to be moving it, transporting it. And that was the initial stage as I recall. Syncrude, apparently, was sitting on the best geological land that was out there. And we built the plant right where they wanted to build it.

BB: Because Great Canadian Oil Sands/Suncor was in there first, did you find yourselves looking over your shoulders as you were going along?

BURDEN: No, I don't think so. I don't think their ambition was as high. They weren't as large as Syncrude was going to be. And of course, even today, Syncrude is the main producer.

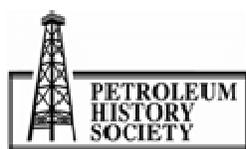
BB: What are some of the other highlights that you remember from those years of negotiations?

BURDEN: Well, I can remember going to LA (Los Angeles) with Frank, and Richfield's offices were on a street called Flower Street.

[BREAK]

BB: This is part two of our interview with Mr. Gerry Burden. So Gerry, we started to talk about some of the highlights that you remember from those strenuous years of negotiations when you were putting together the Syncrude consortium. What were some of the things that stand out in your mind?

BURDEN: It's now been more than 40 years, so there are a lot of the things I can't remember because they were just part of the give and take of negotiations. But the ones I've told you about



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stand out because they had some fairly humorous overtones to them. It was strenuous but it was not stressful. We knew we were going to get there, and nobody seemed to be pushing us too hard. There was no deadline: We have to do this now. But we wanted to be sure that we were out of there in good time.

BB: When you say there was no deadline, were not your bosses expecting that this would be done within a certain time frame?

BURDEN: I think when we started they thought it would be a six month deal. But then you can see it starting to get into complications; things they never thought of. So it's the plant, the whole thing was what do you do with this plant? And how big is the plant going to be? Once you started this thing, you couldn't let it go.

BB: So there was no turning back?

BURDEN: That's about it. Getting to the end of the paper stage was fine. But once you've committed, you're on your way.

BB: So you mentioned that that there might've been the odd bit of turbulence or the odd ripple, but no major crises?

BURDEN: Not really. Not that I can remember. I think Frank was very good. If there were any rumblings of smoothing the waters, he was very, very good at that. The lawyers involved, we all worked together and tried to work out our drafts together. Somebody would maybe draft something up, even scribble it. And they'd look at it and say, "Oh yeah, this sounds good, we'll get it typed up." We had all the help, secretarial help, we needed. When we went to New York, we were treated very, very well, and the same with going to LA. And, as I say, Imperial made it very easy. We would often go to Toronto, stop maybe for a morning meeting with our three directors, and then we'd go on from there. We'd have our parameters within which to work.

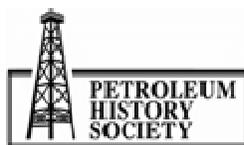
BB: So the original stakeholders, then, were still together at the point when Syncrude was incorporated?

BURDEN: Yes.

BB: And you weren't around when Atlantic Richfield pulled out of the project later on? You weren't involved in that particular crisis?

BURDEN: No, I wasn't. I don't know if that was a crisis or not.

I was not at the opening of Syncrude, but I think that's because I was no longer with Imperial. You get used to being on your own. Doing this job, there was very little reporting. Oh, I'd report to the general counsel, and he'd listen and he'd have something to say about it, maybe. We had pretty fair long leash, what to do. And then, of course, with Young I had no leash except him when I was



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doing it. Going out with Jim, anytime we went, nobody could say anything because he had everything cleared and he was very good to work with. He's different from Frank. They were two people that had a profound influence on my career at Imperial. You wouldn't think so, but they did. Oh I know they did.

BB: Well you've certainly talked about them quite a bit.

BURDEN: Yeah. And they were a very positive influence also. Oh there were others that I worked with very well too. I got along fairly well with most of them in Calgary. Don McKenzie, the general manager. There was an incident that I can tell you about, it's not related to this, that happened in 1955. We took a plane to Regina for an exploration meeting. It was the time of the Brier and this was the first year that Saskatchewan won the Brier. Garnet Campbell, remember the name?

BB: I do, yes.

BURDEN: The Campbell brothers. So we went down on this plane and were all going to the Hotel Saskatchewan, McKenzie and the exploration manager and the production manager. And I had a meeting there too. McKenzie and I got in a cab and I said, "You know, they're playing till eight." So he said, "Why don't we go around there. I'll drop you off at the rink. I'll take your luggage, I'll check you in, and you can pick everything up at the check-in desk at the Hotel Saskatchewan. So you might as well go and enjoy it." That's the kind of thing he always liked to do. He knew I curled quite a bit myself. Nothing to do with this, but it was an atmosphere that I loved in the West.

BB: So once Syncrude was incorporated, that effectively marked the end of your involvement with the oil sands?

BURDEN: Directly with the oil sands, yes. Although, I did go up there about 10 years ago. I was with a company called Greystone Resources. Ken Hayes is the president. I've been with Ken since 1989, 23 years now, and I'll probably be with him until they carry me out of his office. Ken or his wife had won something and he took about eight of us up to Syncrude, in their plane. It was a free trip, and we had lunch. Then we had a tour, so I was actually on one of those massive digger machines. I had on the old hard hat and overalls and all that stuff. There was a bust of Frank Spragins in their main office, and he took a picture of me under that bust. So I was glad to go back up there.

BB: Was that your first time back there?

BURDEN: Yeah, yeah, since the time of squeezing the oil and that.

BB: So watching from the sidelines, as you have been since then, what's your sense about the role that the government has played in the development? Has it been supportive do you think? Has regulation been effective, or should it be more stringent?



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BURDEN: If we're talking about the Alberta Government, yes. I think basically they have, although there are factors now coming in all the time that are, to me, are being given too much credence. The environmentalists and things like that. Now, I know you have to look after the environment but progress is one thing and sometimes everybody has to make a sacrifice. They are regulating water, sewage, smoke, and that's fair as long as it's done so that you can still operate. You can't put so many restrictions on it that it's like a straightjacket. The press too. You know yourself the way it works. Good news isn't news, bad news is news, and the five hundred, was it ducks?

Hunters in Southern Alberta, in an hour, will shoot down five hundred ducks in duck hunting season. But because they fell into a tailings pond, well, Syncrude's deterrents weren't working, so I gather. And they probably will do it again, who knows? I have a grandson who spent a summer with Suncor and his job was to make sure the dikes were impermeable, which is pretty much impossible. He was on the Suncor side, but he said he could look over and see the Syncrude dikes. They were always bigger because of more operations, or more production, I guess. So he was up there and he said that as far as he could see they were doing their best. But there is always going to be some problems. Just like the pipelines ... somebody said to me, "What do you do if you have a leak when the pipeline breaks?" Fix it! You fix it, you know.

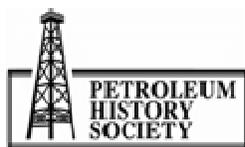
BB: When you say too much credence has been given to the environmental concerns, do you mean credence been given to it by the companies that are operating there, or credence by the media that are reporting it, or a combination of both?

BURDEN: Well I think the companies know what they have to do. It's to their advantage to have good practices. Just like in oil fields, you have to restore land and they're restoring land. The other thing, though, you're up there, it takes a tree a long time to grow up there. You're not down in the tropics, where trees just grow. It's the climate. Mind you, by the same token, a cold climate might deter a lot of environmental damage, I don't know. But you do your best and if you're going to have progress... look at the mines, look at the coal-fed generating things we have in this world. The States has more coal fire pollution than the tar sands will ever have. It's because it's different. It's dirty oil, they say.

BB: What's your feeling generally about the way that Syncrude has developed, the way it has been working the oil sands?

BURDEN: It's amazing to me the changes in ownership that are going through. But this last one I think is very significant, and that is Sinopec buying out Conoco Phillips, which was Gulf. It's a nine point something percent interest, which is significant. This is a Chinese oil company. The world is recognizing the importance that the tar sands have on the world oil supply. I've heard that it's the second largest known supply outside of Saudi Arabia.

BB: Why do you think that there have been so many changes in players in the ownership structure of Syncrude?



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BURDEN: Frankly, I think it's a question of cost. It's still expensive oil, expensive bitumen, really. Maybe companies are thinking, wow, we can up our bottom line by putting our efforts somewhere else. There's a lot more drilling on the plains now, have you noticed that? Technology has advanced; horizontal drilling is becoming quite a fad. You go out just outside of Calgary and you might see two pump jacks together down here, one goes this way and one goes that way. And a lot of it's in different formations. There's a lot of oil still remaining on the plains. It's just getting harder to get. But seismic is improving. Seismic operations used to be 2D seismic, now it's 3D seismic. Technology is making these things more available to find and to produce. So I think maybe it's costs.

BB: It's interesting that before the company was incorporated, everybody was in there for the long haul. Then, once it was up and running, the ownership structure started to change.

BURDEN: I think that before Richfield could pull out, they had to have somebody replace them. That's my guess. I think that's probably the case.

BB: Are the oil sands going to keep getting bigger and bigger and more important in the future?

BURDEN: Oh, I think so. You see, the oil sands don't quit in Alberta. There are various theories about how they arose. I think one general theory is that it's Mississippian oil that came up and became exposed, and bacteria attacked the lighter parts of the oil, leaving the heavier oil. It's just like if you leave something sitting in a bottle it will settle out and the other stuff goes on. But it goes into Saskatchewan and it tails off, and the overburden is very deep there, relatively speaking. You get technology coming, you might even drill into it, and someday you might use an atomic source of energy down there. It could happen. I think there will be a nuclear plant there to supply energy. Not maybe in my day, but maybe in yours?

BB: I found it very interesting that there was strong support for such a nuclear experiment back in the 1950s. Premier Manning was all set to go ahead with one, and yet nobody was expressing any concerns about it. There was no fear of what the environmental consequences might be.

BURDEN: I think that's because it never really got off the ground. I think if they had said they received clearance and were going to put a device down there, you'd have seen a bit of an uproar. But it never got to that stage even with, as you say, Ernie Manning being involved.

BB: Yes, he'd looked at the science and believed in it.

BURDEN: We had pretty fair government in those days. We had a lot of flexibility in regulations. The old Social Credit in the 50s and 60s, they were pretty fair I think. They let things go but there was always a sense of, "You can do this but be careful."

BB: I think we've covered all the areas I'd like to talk to you about today. Is there anything we've missed, anything else we should mention?



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BURDEN: I don't think so. You see my involvement was pretty special. It was just basically this one company as it came about. And for that period, say from '55 to '65, and with these gentlemen that I've mentioned, I was very fortunate, I think, to be able to do these things. My wife was extremely supportive. There was a little bit of travelling, but I was home a lot. I never missed having a holiday, things like that. Kids came along and grew up, well, fine. And then, as you know, I was on the school board for a while there in the '60s. So, no, I think you've done it.

BB: You've covered a very important piece of the history, really.

BURDEN: Well, as I say, I give credit to fellows like Jim Young and Frank Spragins, who became the first president, and rightly so. He deserved it and he wanted to be there. I was just his right-hand man a lot of times, and maybe his left-hand man sometimes too. But we got along fine and we all knew that, yes, it's a big thing but let's not get overly stressed about this thing. I never could work that way, and I don't think he could've either. There was a lot of good compatibility; I guess that's the important thing. Even with the Americans!

BB: Good camaraderie?

BURDEN: That's right, yes, I think so.

BB: Well, if you're going to be spending that much time in hotel rooms, I guess you better be having a little bit of fun along the way.

BURDEN: Oh, sure, sure. Yeah, we did. Well, and this thing here coming up [**pointing to the Young model**], that was so unexpected, and you know the hours that man must have put into it. I have a feeling that when he was making it he was saying to himself, "I'll fix him." In his own funny way, not maliciously. All out of fun, I think.

BB: Does the Glenbow Museum and Archives know about this?

[BB points to the Young model]

BURDEN: Nobody knows about it except my friends and my family. No, they don't know about this.

BB: You may have to donate it to the Glenbow at some point.

BURDEN: You think I might, eh? Oh, I never thought of that. Well, that's an interesting concept, isn't it? Well, they'll see pictures of it. Peter took quite a few there, didn't you?

PT: That's right.

BURDEN: If they come asking, I'll see what the family has to say.



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BB: Indeed. Thanks very much, Gerry. I really appreciate the time you've spent doing this.

BURDEN: Thank you.

[TOTAL INTERVIEW TIME: 85:05]



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